

**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 20, 2023



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

Delaware
(State or other jurisdiction
of incorporation or organization)

001-38473
(Commission
File Number)

46-5594527
(I.R.S. Employer
Identification No.)

One Kendall Square, 600/700, Suite 7-201
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:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

Director Departures

On November 20, 2023, in connection with the Dissolution (as defined below), each of Juan Andres, Balkrishan (Simba) Gill, Ph.D., Jose-Carlos Gutiérrez-Ramos, Ph.D., Jeffrey R. Moore, Alexander C. Reynolds, Robert L. Rosiello and Tonya Williams notified Evelo Biosciences, Inc. (the “Company,” “we,” “us,” “our,” and “Evelo”) of their resignation from the Board of Directors (the “Board”) of the Company and all committees thereof, effective upon the Company’s acceptance of such resignation. In each case, the director’s resignation was not the result of a disagreement with the Company. In connection with the foregoing resignations, the Board reduced its size from seven directors to one director in Class II authorized to serve on the Board.

Officer Departures

On November 20, 2023, in connection with the Dissolution, Simba Gill ceased serving as the Company’s President, Chief Executive Officer, principal executive officer and president, and Marella Thorell ceased serving as the Company’s Chief Financial Officer, Secretary, Treasurer, principal financial officer and principal accounting officer, in each case, effective as of 11:59 p.m., Eastern Time, on November 20, 2023. Dr. Gill and Ms. Thorell will cease their employment with the Company effective as of 11:59 p.m., Eastern Time, on December 1, 2023.

In connection with their separation, Dr. Gill and Ms. Thorell will be eligible to receive severance payments equal to four weeks of their respective base salaries in exchange for executing a release of claims in favor of the Company. The Company also anticipates entering into post-employment consulting agreements with each of Dr. Gill and Ms. Thorell under which they would provide transition consulting and advisory services relating to the Dissolution for a consulting fee of \$3,150 per diem for Dr. Gill and \$2,262 per diem for Ms. Thorell.

Election of Director and Officer

On November 20, 2023, the Board appointed Craig R. Jalbert, age 62, as the Company’s President and Corporate Secretary and as Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer, in each case, effective as of 12:00 a.m., Eastern Time, on November 21, 2023. Mr. Jalbert was also appointed as sole member of the Board as a Class II director, effective upon the aforementioned directors’ resignations, with a term that expires upon the election and qualification of his successor or until his earlier resignation or removal. Mr. Jalbert has not been appointed to any committee of the Board and, as of the date hereof, is not expected to be appointed to any committee of the Board.

Mr. Jalbert has served as a principal of the Foxborough, Massachusetts accounting firm of Verdolino & Lowey, P.C. since 1987. For over 30 years his practice has focused on distressed businesses, and he has served, and continues to serve, in the capacities of officer and director for numerous public and private companies in their wind down phases.

In connection with his appointment as an officer and director of the Company, Mr. Jalbert will be compensated in the amount of \$10,000 per month until the date the Company files a Certificate of Dissolution and, following such filing, \$50,000 per year for a period of three years thereafter. Mr. Jalbert was appointed to the Board and as an officer of the Company pursuant to an engagement letter with the Company, executed on November 20, 2023, to assist the Company in developing a plan of wind down of the Company’s business affairs. There are no family relationships between Mr. Jalbert and any director or executive officer of the Company, and Mr. Jalbert has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 8.01. Other Matters.

Plan of Dissolution

On November 20, 2023 (the “Effective Date”), the Board: (i) determined that it is in the best interests of Evelo and its stockholders that the Company be dissolved in accordance with the General Corporation Law of the State of Delaware pursuant to a Plan of Dissolution (the “Dissolution”); (ii) approved the Dissolution; and (iii) approved seeking stockholder approval to proceed with the Dissolution pursuant to Delaware law (the “Dissolution Proposals”) at a special meeting of stockholders (the “Special Meeting of Stockholders”) to be held as soon as reasonably practicable following the Effective Date. If the Dissolution Proposals are approved, the Company intends to file a Certificate of Dissolution with the Secretary of State of the

State of Delaware in accordance with Delaware law to initiate the dissolution process. The exact timing of such filing will be subject to the discretion of the Board.

After seeking potential funding sources and other ways to continue to operate Evelo's business, Evelo has not found a viable alternative to the Dissolution. The Board believes that the Dissolution presents the best opportunity for recovery for the Company's creditors and may also provide an opportunity for future payments to its other stakeholders, including Evelo's stockholders. The Company has engaged third-party advisors, Rock Creek Advisors, LLC, to assist the Company in its continuing efforts to identify strategic alternatives to help monetize the Company's assets and maximize the value thereof. There can be no assurance that these efforts will yield the desired outcome or result in the greatest recovery, if any, for Evelo stockholders.

Evelo expects that, in connection with the proposed Dissolution, if approved by the stockholders and implemented by the Company in accordance with the Delaware General Corporation Law and the Plan of Dissolution, Nasdaq will file a Form 25 with the Securities and Exchange Commission (the "SEC") to delist the Company's securities. The Company expects thereafter to file a Form 15 with the SEC to terminate the registration of its securities under the Securities Exchange Act of 1934, as amended.

The foregoing description of the Dissolution and the transactions contemplated thereby do not purport to be complete and are qualified in their entirety by reference to the Plan of Dissolution, a copy of which is filed as Exhibit 2.1 to this Current Report on Form 8-K.

Additional Information and Where to Find It

Evelo will file with the SEC a proxy statement in connection with the planned Dissolution. The definitive proxy statement will be sent to the Company's stockholders and will contain important information about the planned Dissolution. **INVESTORS AND STOCKHOLDERS ARE URGED TO READ CAREFULLY AND IN THEIR ENTIRETY THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC WHEN THEY BECOME AVAILABLE.** Investors and stockholders may obtain a free copy of the proxy statement (when it is available) and other documents filed with the SEC at the SEC's website at www.sec.gov.

Certain Information Concerning Participants

Evelo and its directors and executive officers may be deemed to be participants in the solicitation of proxies from stockholders of Evelo in connection with the proposed Dissolution. Information about the persons who may be considered to be participants in the solicitation of Evelo's stockholders in connection with its proposed Dissolution, and any interest they have in the proposed Dissolution, will be set forth in the definitive proxy statement when it is filed with the SEC. Further information about Evelo's directors and executive officers is set forth in its proxy statement for its annual meeting of stockholders held June 2023. Copies of these documents may be obtained for free at the SEC's website at www.sec.gov.

Forward Looking Statements

This Current Report on Form 8-K (the "Form 8-K") contains forward-looking statements, including within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this Form 8-K that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding the proposed Dissolution and the related Special Meeting, our Nasdaq listing status and registration of our securities, the expected benefit of the Dissolution for our stakeholders and efforts aimed to maximize the Company's value. These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to our stockholders may not realize any value in Evelo's shares. These and other factors discussed under the caption "Risk Factors" in our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023, and our other reports filed with the SEC, could cause actual results to differ materially from those indicated by the forward-looking statements made in this Form 8-K. Any such forward-looking statements represent management's estimates as of the date of this Form 8-K. While we may elect to update such forward-looking statements at some point in the future, except as required by law, we disclaim any obligation to do so, even if subsequent events cause our views to change. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
2.1	Plan of Dissolution of Evelo Biosciences, Inc.
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: November 21, 2023

By:

/s/ Marella Thorell

Marella Thorell

Chief Financial Officer and Treasurer

**PLAN OF LIQUIDATION AND DISSOLUTION OF
EVELO BIOSCIENCES, INC.**

This Plan of Complete Liquidation and Dissolution (the “Plan”) is intended to constitute a plan of distribution under Section 281(b) of the General Corporation Law of the State of Delaware (“DGCL”) and accomplish the complete liquidation and dissolution of Evelo Biosciences, Inc., a Delaware corporation (such corporation or a successor entity, the “Company”), in accordance with the DGCL.

1. **Approval of Plan.** The Board of Directors of the Company (the “Board”) has adopted this Plan and presented the Plan to the Company’s stockholders to take action on the Plan. If the Plan is adopted by the requisite vote of the Company’s stockholders, the Plan shall constitute the adopted Plan of the Company.

2. **Certificate of Dissolution.** Subject to Section 15 hereof, after the stockholders of the Company approve the dissolution of the Company, the Company shall file with the Secretary of State of the State of Delaware a certificate of dissolution (the “Certificate of Dissolution”) in accordance with the DGCL at such time as determined by the Board in its sole discretion (the time of such filing, or such later time as stated therein, the “Effective Time”).

3. **Cessation of Business Activities.** After the Effective Time, the Company shall not engage in any business activities except to the extent necessary to preserve the value of its assets, wind up its business affairs and distribute its assets in accordance with this Plan.

4. **Continuing Employees and Consultants.** For the purpose of effecting the dissolution of the Company, the Company may hire or retain such employees, consultants and advisors as the Company deems necessary or desirable to supervise or facilitate the dissolution and winding up of the Company.

5. **Dissolution Process.**

From and after the Effective Time, the Company (or any successor entity of the Company) shall complete the following corporate actions:

(i) The Company (a) shall pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional or unmatured contractual claims known to the Company, (b) shall make such provision as will be reasonably likely to be sufficient to provide compensation for any claim against the Company which is the subject of a pending action, suit or proceeding to which the Company is a party, and (c) shall make such provision as will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the Company or that have not arisen but that, based on facts known to the Company, are likely to arise or to become known to the Company within 10 years after the date of dissolution. Such claims shall be paid or provided for in full if there are sufficient assets. All such claims shall be paid in full and any such provision for payment made shall be made in full if there are sufficient assets. If there are insufficient assets, such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of assets legally available therefor.

(ii) After the payments are made pursuant to clause (i) above, if there are any assets remaining, the Company shall distribute to its stockholders, in accordance with the liquidation preferences of the Company’s Restated Certificate of Incorporation, as amended through the Effective Time, all remaining assets, including all available cash, including the cash proceeds of any sale, exchange or disposition, except such cash, property or assets as are required for paying or making reasonable provision for the claims and obligations of the

Company. Such distribution may occur all at once or in a series of distributions and shall be in cash or assets, in such amounts, and at such time or times, as the Company may determine. If and to the extent deemed necessary, appropriate or desirable by the Board, the Company may establish and set aside a reasonable amount of cash and/or property to satisfy claims against the Company, including, without limitation, tax obligations, all expenses related to the sale of the Company's property and assets, all expenses related to the collection and defense of the Company's property and assets, and the liquidation and dissolution provided for in this Plan.

6. **Cancellation of Stock.** The distributions to the Company's stockholders pursuant to Section 5 hereof shall be deemed to be in complete cancellation of all of the outstanding shares of capital stock of the Company as of the date that the continuation of the Company's legal existence terminates in accordance with Section 278 of the DGCL. From and after the Effective Time, and subject to applicable law, each holder of outstanding shares of capital stock of the Company shall cease to have any rights in respect thereof, except the right to receive distributions, if any, pursuant to and in accordance with Section 5(ii) hereof and applicable law. As a condition to receipt of any distribution to the Company's stockholders, the Company may require the Company's stockholders to (i) surrender their certificates evidencing their shares of capital stock to the Company, or (ii) furnish the Company with evidence satisfactory to the Company of the loss, theft or destruction of such certificates, together with such surety bond or other security or indemnity as may be required by and satisfactory to the Company. The Company will close its stock transfer books and discontinue recording transfers of shares of capital stock of the Company at the Effective Time, and thereafter any certificate representing shares of capital stock of the Company will not be assignable or transferable on the books of the Company except by will, intestate succession, operation of law or upon the dissolution of a stockholder or its successors.

7. **Conduct of the Company Following Approval of the Plan.** Under Delaware law, dissolution is effective upon the filing of a certificate of dissolution with the Secretary of State of the State of Delaware or upon such future effective date as may be set forth in the certificate of dissolution. Section 278 of the DGCL provides that a dissolved corporation shall be continued for the term of 3 years from such dissolution or for such longer period as the Court of Chancery shall in its discretion direct, bodies corporate for the purpose of prosecuting and defending suits, whether civil, criminal or administrative, by or against it, and of enabling it gradually to settle and close its business, to dispose of and convey its property, to discharge its liabilities and to distribute to its stockholders any remaining assets, but not for the purpose of continuing the business for which the corporation was organized. With respect to any action, suit or proceeding begun by or against the corporation either prior to or within 3 years after the date of its dissolution, the action shall not abate by reason of the dissolution of the corporation; the corporation shall, solely for the purpose of such action, suit or proceeding, be continued as a body corporate beyond the 3-year period and until any judgments, orders or decrees therein shall be fully executed, without the necessity for any special direction to that effect by the Court of Chancery. The powers of the officers and directors of the Company shall continue during this time period in order to allow them to take the necessary steps to wind-up the affairs of the corporation.

8. **Subsidiaries.** As part of its liquidation and winding up, the Company may take any and all actions with respect to each of its direct and indirect subsidiaries, in accordance with the requirements of the laws and charter documents governing each subsidiary, to liquidate, dissolve and wind up or otherwise dispose of each such subsidiary.

9. **Absence of Appraisal Rights.** Under Delaware law, the Company's stockholders are not entitled to appraisal rights for shares of capital stock of the Company in connection with the transactions contemplated by the Plan.

10. **Abandoned Property.** If any distribution to a stockholder cannot be made, whether because the stockholder cannot be located, has not surrendered its certificate evidencing the capital stock as required hereunder or for any other reason, the distribution to which such stockholder is entitled shall be transferred, at such time as the final liquidating distribution is

made by the Company, to the official of such state or other jurisdiction authorized by applicable law to receive the proceeds of such distribution. The proceeds of such distribution shall thereafter be held solely for the benefit of and for ultimate distribution to such stockholder as the sole equitable owner thereof and shall be treated as abandoned property and escheat to the applicable state or other jurisdiction in accordance with applicable law. In no event shall the proceeds of any such distribution revert to or become the property of the Company.

11. **Stockholder Consent to Sale of Assets.** Adoption of this Plan by the requisite vote of the stockholders of the Company shall constitute the approval of the stockholders of the sale, exchange or other disposition in liquidation of all of the property and assets of the Company, whether such sale, exchange or other disposition occurs in one transaction or a series of transactions, and shall constitute ratification of all contracts for sale, exchange or other disposition that are conditioned on adoption of this Plan.

12. **Expenses of Dissolution.** In connection with and for the purposes of implementing and assuring completion of this Plan, the Company may pay any brokerage, agency, professional and other fees and expenses of persons rendering services to the Company in connection with the collection, sale, exchange or other disposition of the Company's property and assets and the implementation of this Plan.

13. **Compensation.** In connection with and for the purpose of implementing and assuring the completion of this Plan, the Company may pay the Company's officers, directors, employees, agents and representatives, or any of them, compensation or additional compensation above their regular compensation, including pursuant to severance and retention agreements, in money or other property, in recognition of the extraordinary efforts they, or any of them, will be required to undertake, or actually undertake, in connection with the implementation of this Plan. Adoption of this Plan by the stockholders shall constitute the approval of the Company's stockholders of the payment of any such compensation.

14. **Indemnification.** The Company shall continue to indemnify its officers, directors, employees, agents and trustee in accordance with its Restated Certificate of Incorporation, Bylaws, and contractual arrangements as therein or elsewhere provided, the Company's existing directors' and officers' liability insurance policy and applicable law, and such indemnification shall apply to acts or omissions of such persons in connection with the implementation of this Plan and the winding up of the affairs of the Company. The Company is authorized to obtain and maintain insurance as may be necessary to cover the Company's indemnification obligations.

15. **Modification or Abandonment of the Plan.** Notwithstanding authorization of or consent to this Plan and the transactions contemplated hereby by the stockholders of the Company, the Board may modify, amend or abandon this Plan and the transactions contemplated hereby without further action by the stockholders to the extent permitted by the DGCL.

16. **Authorization.** The Board is hereby authorized, without further action by the stockholders, to do and perform or cause the officers of the Company to do and perform, any and all acts, and to make, execute, deliver or adopt any and all agreements, resolutions, conveyances, certificates and other documents of every kind that are deemed necessary, appropriate or desirable to implement this Plan and the transactions contemplated hereby, including, without limiting the foregoing, all filings or acts required by any state or federal law or regulation to wind up the affairs of the Company.