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 6, 2022**

MERSANA THERAPEUTICS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**001-38129**	**04-3562403**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

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

Registrant's telephone number, including area code: **(617) 498-0020**

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, $0.0001 par value	MRSN	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 8, 2022, Mersana Therapeutics, Inc. (the "Company") announced that it had entered into a Collaboration, Option and License Agreement (the "Agreement"), dated as of August 6, 2022 with GlaxoSmithKline Intellectual Property (No. 4) Limited ("GSK") related to the Company's XMT-2056 product candidate. XMT-2056 is a systemically administered Immunosynthen stimulator of interferon genes ("STING") agonist antibody-drug conjugate ("ADC") with a drug-to-antibody ratio of eight that targets a novel epitope of human epidermal growth factor receptor 2 ("HER2") and has been shown in preclinical studies to locally activate STING signaling in both tumor-resident immune cells and in tumor cells.

Pursuant to the Agreement, GSK is required to pay the Company $100.0 million within ten business days of the signing of the Agreement, and the Company granted GSK an exclusive option to obtain an exclusive license (the "Option") to co-develop and to commercialize products containing XMT-2056 (the "Licensed Product(s)"), exercisable within a specified time period (the "Option Period") after the Company delivers to GSK a data package (the "Option Data Package") resulting from completion of dose escalation with enrichment for breast cancer patients in a Phase 1 single-agent clinical trial of XMT-2056. GSK's exercise of the Option may require clearance under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Clearance"). Upon GSK's exercise of the Option following any applicable HSR Clearance (the "GSK Option Exercise"), GSK is obligated to pay the Company an option exercise payment of $90.0 million.

The Company will lead research and development activities related to its XMT-2056 program prior to the GSK Option Exercise, if any, and is obligated to use commercially reasonable efforts to generate the Option Data Package by an agreed time. Prior to the GSK Option Exercise, the Company will be responsible for the costs of manufacturing, research and early clinical development activities related to the XMT-2056 program.

Following the GSK Option Exercise, if any, GSK may elect to manufacture XMT-2056, and GSK and the Company will co-develop XMT-2056 in accordance with a joint development plan to be established by the parties and aimed at approval of Licensed Product(s) in the United States and the European Union, with GSK being responsible for the majority of the development activities and costs. GSK will be responsible for all of the development costs aimed solely at gaining approval outside the United States and the European Union. Subject to certain exceptions set forth in the Agreement, the Company's aggregate share of U.S.- and E.U.-focused development costs pursuant to this cost-sharing arrangement is capped at a fixed amount (the "Mersana Development Cost Cap"). The Company may also, subject to certain limitations provided in the Agreement, elect to opt out of sharing in development costs for certain later-stage clinical trials of Licensed Product(s) requested by GSK, subject to certain payment obligations in the event that data from any such later-stage clinical trial for which the Company has opted out of sharing in development costs results in certain marketing approvals for a Licensed Product in the United States or European Union ("Deemed Buy-In Payment"). Any development costs in excess of the Mersana Development Cost Cap, including any amounts arising from any Deemed Buy-In Payments, will be borne by GSK unless and until the Company exercises its Profit Share Election (as defined below). Development costs in excess of the Mersana Development Cost Cap will accrue interest at a variable rate equal to the prime rate plus a specified margin and will later either be repaid by the Company or offset against future regulatory and sales milestone or royalty payments that may become due to the Company. If the Company exercises its Profit Share Election, the Mersana Development Cost Cap will no longer apply, the Company must pay any then-outstanding excess plus accrued interest, and the Company shall continue to share in further U.S.- and E.U.-focused development costs.

Following the GSK Option Exercise, if any, the Company will have the option, during a specified time period following the Company's receipt of certain later-stage clinical data and other data and information from GSK, to elect to receive (or bear) a specified share of U.S. profits (or losses) for any Licensed Products (the "Profit Share Election"). Additionally, if the Company exercises its Profit Share Election, it may also simultaneously elect to co-promote any Licensed Products in the United States. The co-promotion arrangement may be terminated by either party, notwithstanding the continued effectiveness of the rest of the Agreement, in the event of certain breaches by the other party, or by GSK, in the event of certain specified changes of control of the Company. In addition, in the event of certain specified changes of control of the Company, GSK can prohibit the Company from executing development activities that are initiated under the Agreement following such change of control.

The Company is eligible to receive up to $30 million upon satisfaction of early clinical development milestones that may occur prior to the GSK Option Exercise. Subject to the GSK Option Exercise, if the Company does not exercise its Profit Share Election, the Company will be eligible to receive additional future clinical development and regulatory milestone payments of up to $592 million, commercial milestone payments of up to $652 million and tiered double-digit royalties up to the mid-twenty percent range on global sales of Licensed Products, if approved, subject to customary reductions. If the Company exercises its Profit Share Election, the Company will, in lieu of the foregoing regulatory and commercial milestone amounts, be eligible to receive reduced regulatory and commercial milestone payments and reduced royalty rates on sales outside of the United States. Additionally, whether or not the Company exercises its Profit Share Election, GSK will be responsible for certain milestone payments or royalties due to specified third parties with which the Company currently has agreements that relate to the XMT-2056 program.

GSK's royalty obligations continue with respect to each country and each Licensed Product until the latest of (i) the date on which such Licensed Product is no longer covered by certain intellectual property rights in such country, (ii) the 12th anniversary of the first commercial sale of such Licensed Product in such country and (iii) the expiration of regulatory exclusivity for such Licensed Product in such country.

Under the terms of the Agreement, subject to certain exceptions and for an agreed period of time, the Company and GSK will not, themselves or through third parties, develop or commercialize other products or compounds that (a) comprise or contain an ADC that is conjugated with a STING agonist and (b) are directed to HER2. In addition, the Company has granted GSK a right of first negotiation for future ADCs that are conjugated to payloads other than STING agonists and directed to HER2. Following the GSK Option Exercise, if any, the Company and GSK will form a joint steering committee, joint development committee, joint manufacturing committee, joint commercialization committee, and financial working group responsible for coordinating all activities under the Agreement, with GSK having final decision-making authority over most issues, subject to certain enumerated exceptions.

GSK has the right to sublicense its rights under the Agreement subject to certain conditions, and the Agreement contains various representations, warranties, covenants, dispute resolution mechanisms, indemnities and other provisions customary for transactions of this nature.

The Agreement will terminate at the end of the Option Period if GSK does not exercise its Option. If GSK exercises its Option but HSR Clearance is not obtained by the Company within specified time periods following the latest date on which the parties have made their respective applicable filings related to such HSR Clearance, each party has a right to terminate the Agreement. In the event of the GSK Option Exercise, the Agreement will continue in effect on a Licensed Product-by-Licensed Product and country-by-country basis until the expiration of the obligation to make payments under the Agreement with respect to such Licensed Product in such country, unless earlier terminated by either party pursuant to the terms of the Agreement. Either the Company or GSK may terminate the Agreement for the other party's insolvency, and each party may terminate the Agreement for certain uncured breaches by the other party. In lieu of terminating the Agreement, in the event of certain uncured material breaches by the Company, GSK may make a one-time election, in addition to other contractual remedies available at law or in equity, to invoke a specified financial penalty impacting one or more future payments that may become payable to the Company following such uncured material breach. The Company may terminate GSK's license to certain patents of the Company if GSK or any of its sublicensees or affiliates challenge the validity, enforceability, of patentability of such patents. GSK may terminate the Agreement for convenience upon certain notice to the Company.

The foregoing is only a summary description of the terms of the Agreement, does not purport to be complete and is qualified in its entirety by reference to the Agreement, a copy of which the Company intends to file as an exhibit to the Company's Quarterly Report on Form 10-Q for the quarter ending September 30, 2022.

Item 7.01 Regulation FD Disclosure.

On August 8, 2022, the Company issued a press release announcing the Agreement, a copy of which is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished under this Item 7.01, including Exhibit 99.1, 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 by the Company with the Securities and Exchange Commission under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued by the Company on August 8, 2022.
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.

MERSANA THERAPEUTICS, INC.

Date: August 8, 2022

By: /s/ Brian DeSchuytner
Brian DeSchuytner
Senior Vice President, Chief Financial Officer

Exhibit 99.1

Mersana Therapeutics Announces Option Agreement with GSK for the Co-Development and Commercialization of XMT-2056, an Immunosynthen ADC Targeting HER2

- *GSK receives exclusive global license option for XMT-2056*
- *Mersana to receive $100 million upfront option purchase fee*
- *If GSK exercises its option, Mersana to receive exercise payment; potential for additional development, regulatory and commercial milestone payments, plus tiered double-digit royalties on net sales*
- *Mersana to co-develop XMT-2056; retains options for U.S. profit-sharing and U.S. co-promotion*
- *Conference call today at 4:30 p.m. ET*

CAMBRIDGE, Mass., August 8, 2022 – Mersana Therapeutics, Inc. (NASDAQ: MRSN), a clinical-stage biopharmaceutical company focused on discovering and developing a pipeline of antibody-drug conjugates (ADCs) targeting cancers in areas of high unmet medical need, today announced a global collaboration that provides GSK plc (LSE/NYSE: GSK) an exclusive option to co-develop and commercialize XMT-2056, an Immunosynthen ADC that targets a novel epitope of HER2. XMT-2056 is designed to activate the innate immune system through STING signaling in both tumor-resident immune cells and in tumor cells.

"GSK brings highly complementary development and commercial capabilities, a wealth of immuno-oncology experience, a deep knowledge of the STING pathway and a shared vision for XMT-2056's broad potential," said Anna Protopapas, President and Chief Executive Officer of Mersana Therapeutics. "We believe this agreement solidifies Mersana's position as a partner of choice during this momentous period in the ADC space and serves as validation for our Immunosynthen platform, which takes ADCs beyond the cytotoxic realm by enabling a targeted stimulation of the innate immune system. Additionally, the agreement structure demonstrates our ability to generate meaningful non-dilutive capital upfront to support the development of our innovative candidates while also providing the potential for meaningful downstream economics."

In preclinical models, XMT-2056 demonstrated robust anti-tumor activity as a monotherapy in both HER2-high and HER2-low expressing models, and enhanced efficacy has been shown when used in combination with multiple approved agents, including trastuzumab, pertuzumab, anti-PD-1, or trastuzumab deruxtecan. Preclinical data also suggest that XMT-2056 has the potential to enable immunological memory for prolonged anti-tumor activity.

Mersana expects to initiate a Phase 1 clinical trial of XMT-2056 to investigate its potential in a range of HER2-expressing tumors such as breast, gastric and non-small-cell lung cancers. The U.S Food and Drug Administration recently granted an orphan drug designation to XMT-2056 for the treatment of gastric cancer.

John Lepore, Senior Vice President of Research, GSK, said, "At GSK, our goal is to bring transformational treatment options to patients with cancer, so we are pleased to be able to enter into this agreement for XMT-2056. Its preclinical data demonstrate how it might work to harness the immune system by activating the STING pathway, and its differentiated mechanism of action offers the potential for additional clinical benefit in patients with HER2-expressing tumors."

Under the terms of the agreement, Mersana will receive an upfront option purchase fee of $100 million. Mersana also is eligible to receive up to $1.36 billion in the form of an option exercise payment and development, regulatory and commercial milestone payments if GSK exercises its option.

Mersana has retained options to profit-share and to co-promote in the United States. If it exercises its profit-share option, Mersana will be eligible to receive tiered royalties on net sales outside of the United States. If Mersana does not elect to profit-share, it is eligible to receive double-digit tiered royalties on global net sales.

If GSK opts into the license, the effectiveness of the license grant may be subject to customary closing conditions, including review under the Hart-Scott-Rodino Act.

Conference Call Reminder

Mersana will host a conference call today at 4:30 p.m. ET to discuss this collaboration, other business updates and its financial results for the second quarter of 2022. To access the call, please dial 646-307-1963 (domestic) or 800-715-9871 (international) and provide the Conference ID 4656534. A live webcast of the presentation will be available on the Investors & Media section of the Mersana website at www.mersana.com, and a replay of the webcast will be available in the same location following the conference call for at least 90 days.

About Mersana Therapeutics

Mersana Therapeutics is a clinical-stage biopharmaceutical company using its differentiated and proprietary ADC platforms to rapidly develop novel ADCs with optimal efficacy, safety and tolerability to meaningfully improve the lives of people fighting cancer. Mersana's lead product candidate, upifitamab rilsodotin (UpRi), is a Dolaflexin ADC targeting NaPi2b that is being studied in UPLIFT, a single-arm registrational trial in patients with platinum-resistant ovarian cancer, as well as in UPGRADE, a Phase 1/2 umbrella trial evaluating UpRi in combination with other ovarian cancer therapies. Mersana's earlier stage programs include XMT-1660, a Dolasynthen ADC targeting B7-H4, and XMT-2056, an Immunosynthen ADC targeting a novel epitope of human epidermal growth factor receptor 2 (HER2). In addition, multiple partners are using Mersana's platforms to advance their ADC pipelines. Mersana Therapeutics was named among the 2021 Top Places to Work in Massachusetts by *The Boston Globe*. Mersana routinely posts information that may be useful to investors on the "Investors and Media" section of its website at www.mersana.com.

Forward-Looking Statements

This press release contains "forward-looking" statements and information within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "aims," "anticipates," "believes," "could," "estimates," "expects," "forecasts," "goal," "intends," "may," "plans," "possible," "potential," "seeks," "will" and variations of these words or similar expressions, although not all forward-looking statements contain these words. Forward-looking statements in this press release include, but are not limited to, those concerning Mersana's collaboration with GSK; the development and potential commercialization of XMT-2056; the therapeutic potential of Mersana's product candidates, including XMT-2056; the expected receipt of an up-front option payment from GSK; the potential to receive future option and milestone payments and royalties pursuant to the collaboration with GSK; Mersana's options to share in U.S. profits/losses and to co-promote XMT-2056, if approved, in the United States; the terms and conditions of and conditions related to the ability to consummate the negotiated license transaction with GSK; and Mersana's expected initiation of a Phase 1 clinical trial of XMT-2056. Mersana may not actually achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in these forward-looking statements as a result of various factors, including, among other things, uncertainties inherent in research and development, in the initiation of clinical trials and in the clinical development of Mersana's product candidates; the risk that Mersana's anticipated clinical trials may not be initiated on schedule, if at all; the risk that Mersana may not realize the intended benefits of its platforms, technology and collaborations; whether the outcomes of preclinical studies will be predictive of clinical trial results; risks to clinical trial site initiation, patient enrollment and follow-up, as well as to Mersana's and its collaboration partners' abilities to meet other anticipated deadlines and milestones, whether presented by the ongoing COVID-19 pandemic or otherwise; risks related to Mersana's ability to maintain existing collaborations and realize the benefits thereof; expectations for regulatory approvals to conduct trials or to market products; and other important factors, any of which could cause Mersana's actual results to differ from those contained in the forward-looking statements, that are described in greater detail in the section entitled "Risk Factors" in Mersana's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission ("SEC") on May 9, 2022, as well as in other filings Mersana may make with the SEC in the future. Any forward-looking statements contained in this press release speak only as of the date hereof, and Mersana expressly disclaims any obligation to update any forward-looking statements contained herein, whether because of any new information, future events, changed circumstances or otherwise, except as otherwise required by law.

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