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 10, 2023

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

Delaware	001-40440	86-2437900
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2 Corporate Drive, First Floor
South San Francisco, California 94080
(Address of principal executive offices including zip code)

Registrant's telephone number, including area code: (650) 382-3281

(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:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	**SNTI**	**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.

Framework Agreement

On August 7, 2023, Senti Biosciences, Inc. (the "***Company***") entered into a framework agreement (the "***Agreement***") with GeneFab, LLC, a Delaware limited liability company ("***GeneFab***"), and Valere Bio, Inc., a Delaware corporation and the parent company of GeneFab ("***Valere***"), which is wholly owned by a company managed by Celadon Partners, LLC, pursuant to which the Company, subject to the terms and conditions therein, (i) sold, assigned and transferred its rights, title and interest in certain of the assets and contractual rights to GeneFab, including all of Company's equipment and leasehold improvements at the Company's facilities in Alameda, California (the "***Alameda Facility***") and certain of the Company's intellectual property related to the schematics for and design of the Alameda Facility, and (ii) subleased to GeneFab its premises under the lease for the Alameda Facility (a portion of which is subject to the satisfaction of certain conditions) (collectively, the "***Purchased Assets***"). In addition, the Company agreed to grant a license to GeneFab under certain of its intellectual property rights to conduct manufacturing services and to research, develop, manufacture and commercialize products outside of oncology, pursuant to a license agreement under negotiation (the "***License Agreement***").

Pursuant to the Agreement, Company sold the Purchased Assets, and consummated, or will consummate, the other transactions contemplated thereby, for total consideration of $37.8 million in cash (of which the amounts payable at closing of the transactions contemplated by the Agreement shall be subject to certain offsets against the advance payment under the DMSA (as defined below)) (the "***Cash Consideration***") and the grant of the Seller Economic Share (as defined below) by Valere. Fifty percent of the Cash Consideration was paid at closing and the remainder will become due and payable (subject to satisfaction of certain conditions) by GeneFab on or before December 31, 2024 (the "***Deferred Consideration***"), unless the Company elects to receive up to two early payments of a portion of the Deferred Consideration prior to December 31, 2024, in which case the remaining portion of the unpaid Deferred Consideration will become due and payable on December 31, 2025. In connection with the purchase of the assets and rights related to the Alameda Facility, GeneFab also intends to extend offers of employment to approximately 46 of the Company's employees currently employed in its research and development, manufacturing, and quality functions. The Agreement contains representations, warranties and covenants of the Company, GeneFab and Valere that are customary for a transaction of this nature.

Seller Economic Share Agreement

In connection with the Agreement, the Company, GeneFab and Valere entered into a seller economic share agreement (the "***SESA***"), pursuant to which the Company will be entitled to receive ten percent of the realized gains of Valere arising and resulting from any cash or in-kind distributions from GeneFab in connection with the dividend or sale event, subject to the terms and conditions of the SESA.

Development and Manufacturing Services Agreement

In connection with the Agreement, the Company and GeneFab entered into a development and manufacturing services agreement (the "***DMSA***"), pursuant to which GeneFab will provide to the Company certain research, development, and manufacturing services. Subject to GeneFab's meeting of certain criteria, the Company and its licensees will be obligated to engage GeneFab for certain services. The Company made an advance payment to GeneFab of $18.9 million for such services and received a credit of $8 million from GeneFab to be applied to a portion of the future invoices for such services. Each party may terminate the DMSA for the other party's uncured material breach of the DMSA, or for insolvency events or for certain technical events. In addition, the Company may terminate the DMSA if GeneFab fails to pay any Deferred Consideration.

Option Agreement

In connection with the Agreement, the Company and GeneFab also entered into a letter agreement (the "***Option Agreement***"), pursuant to which GeneFab has the right to invest up to approximately $20 million to purchase up to 19,633,444 shares of the common stock of the Company, subject to approval by the Company's stockholders to the extent required pursuant to applicable Nasdaq rules, at a price of $1.01867 per share in private placements in up to ten installments (the "***Option***"). Pursuant to the Option Agreement and applicable Nasdaq rules, in no event may the Company issue shares of common stock under the Option Agreement equal to more than 19.99% of the shares of common stock outstanding immediately prior to the execution of the Option Agreement (the "***Exchange Cap***") unless the Company obtains stockholder approval to issue shares of common stock in excess of the Exchange Cap in accordance with applicable Nasdaq rules. The Option is exercisable for a period of 36 months following the execution of the License Agreement. Pursuant to the Option Agreement, the Company also agreed to register all the shares of common stock purchased by GeneFab under the Option Agreement for resale by filing up to four registration statements, subject to certain conditions

and restrictions contained in the Option Agreement. The Company will have the right to immediately terminate the Option Agreement at any time if GeneFab fails to pay any Deferred Consideration.

The foregoing descriptions of the Agreement, the SESA, the DMSA and the Option Agreement do not purport to be complete and are each qualified in their entirety by the terms and conditions of the Agreement, the SESA, the DMSA and the Option Agreement, respectively, copies of which will be filed as exhibits to the Company's Quarterly Report on Form 10-Q for the period ending September 30, 2023.

Item 2.01 Completion of Acquisition or Disposition of Assets.

On August 7, 2023, the Company completed the sale of certain assets to GeneFab and Valere and the transactions contemplated by the Framework Agreement described in Item 1.01 of this current report on Form 8-K.

Item 3.02 Unregistered Sales of Equity Securities.

The information contained above under Item 1.01 to the extent applicable is hereby incorporated by reference herein. The shares of common stock of the Company issuable pursuant to the Option Agreement will be issued and sold by the Company in reliance upon the exemption from the registration requirements of the Securities Act of 1933, as amended, afforded by Section 4(a)(2) thereof.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b)

On August 7, 2023, Philip Lee, Ph.D., the Company's Chief Technology Officer, notified the Company of his resignation as an employee and as Chief Technology Officer of the Company, effective on August 7, 2023, to join GeneFab as its Chief Executive Officer. Dr. Lee's resignation was not the result of any disagreement with the Company on any matter relating to the Company's operations, policies or practices.

Item 8.01 Other events.

On August 10, 2023, the Company issued a press release announcing the transaction. A copy of the press release is filed as Exhibit 99.1 hereto and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release, dated August 10, 2023
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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.

SENTI BIOSCIENCES, INC.

Date: August 10, 2023

By: /s/ Timothy Lu
Name: Timothy Lu, M.D., Ph.D.
Title: Chief Executive Officer & President

Senti Bio Announces Closing of Transaction Leveraging its CMC Capabilities into a Cell and Gene Therapy Manufacturing Innovation Business Backed by Celadon Partners

– Celadon Partners to acquire Senti's manufacturing facility and CMC capabilities to establish GeneFab, an independent manufacturing business for cell and gene therapies –

– Transaction anticipated to extend Senti Bio's cash runway into Q4 2024 –

– Partnership with GeneFab will support manufacturing of Senti's oncology programs, including SENTI-202, which remains on track for IND in 2H 2023 –

– Dr. Philip Lee steps down as CTO of Senti Bio and becomes CEO of GeneFab –

SOUTH SAN FRANCISCO, Calif., August 10, 2023 — Senti Biosciences, Inc. (Nasdaq: SNTI) ("Senti Bio"), a biotechnology company developing a new generation of cell and gene therapies for patients living with incurable diseases using its proprietary Gene Circuit platform, and Celadon Partners, LLC ("Celadon Partners"), a private equity firm, today announced a transaction involving GeneFab, LLC ("GeneFab"), a new independent contract manufacturing and synthetic biology biofoundry focused on next-generation cell and gene therapies backed by Celadon Partners.

In connection with the transaction, subject to satisfaction of certain conditions, Senti Bio is eligible to receive approximately $38 million in cash before the end of 2025. Approximately $18.9 million was due at closing, which was netted against an $18.9 million advance payment owed by Senti Bio to GeneFab for future manufacturing and support services. The remaining $18.9 million, subject to satisfaction of certain conditions, will be paid to Senti Bio in installments in 2024 and 2025. In addition, Senti Bio will receive $8 million in manufacturing credit, and will sublease its recently constructed 92,000 square foot current good manufacturing practice (cGMP) facility in Alameda, CA to GeneFab (a portion of which will be subject to the satisfaction of certain conditions). With the additional non-dilutive capital and reduction of longer-term operating expenses, Senti Bio now believes its cash runway should extend into the fourth quarter of 2024.

This transaction will enhance Senti Bio's focus on advancing its oncology programs into the clinic, and also enable GeneFab to support the manufacturing of a broad range of genetic medicines. GeneFab will conduct the clinical manufacturing of Senti Bio's chimeric antigen receptor natural killer (CAR-NK) medicines pipeline, including SENTI-202, through a service contract with Senti Bio. Senti Bio remains on track for its SENTI-202 Investigational New Drug (IND) in the second half of 2023.

Senti Bio expects a seamless technology transfer to GeneFab to support its clinical manufacturing needs. Simultaneous with this transaction, Philip Lee, Ph.D., Co-Founder and Chief Technology Officer of Senti Bio will depart from his position at Senti Bio and assume the role of Chief Executive Officer of GeneFab. Additionally, approximately 35% of Senti Bio's employees, which include experts in cell therapy chemistry, manufacturing, and controls (CMC), synthetic biology, and Gene Circuit development will transition from Senti Bio to GeneFab. GeneFab will retain these employees at the Alameda cGMP site, as well as additional Senti Bio personnel, as part of the agreement.

"High-quality manufacturing remains one of our most important priorities as we advance our pipeline towards the clinic," said Timothy Lu, M.D., Ph.D., Chief Executive Officer and Co-Founder of Senti Bio. "This transaction gives us ongoing access to the people, manufacturing technology, and facilities necessary to support Senti as a leader in Gene-Circuit enhanced cell therapies. Further, the non-dilutive capital and cost savings are instrumental in extending our cash runway to deliver on our future milestones."

Dr. Lu continued, "I also want to thank Philip for all that he has done for Senti. When we launched the company together, Philip and I set out on a path to transform cell and gene therapies with Gene Circuit technologies. I look forward to continuing to work with Philip, as a trusted friend and supporter, and now as a business partner, as well as the rest of the GeneFab team to advance Senti's programs towards the clinic."

“GeneFab represents an exciting step forward in the acceleration of the design, development, and manufacturing of innovative genetic medicines. This transaction gives us the opportunity to build on the synthetic biology and manufacturing expertise we have accumulated over the last several years, and provide these highly specialized services to a wide range of cell and gene therapy companies,” said Philip Lee, Ph.D., Chief Executive Officer of GeneFab. “Ever since Senti Bio was formed, it has pioneered the development of innovative Gene Circuits and cell therapies for oncology. GeneFab is energized to support Senti in its mission to bring its novel Gene Circuit medicines to patients.”

“Celadon Partners has been an active investor in supply chain transformation, and I am very excited about GeneFab leading the redesign of the biomanufacturing supply chain,” said Donald Tang, Managing Partner at Celadon Partners. “GeneFab will enable innovators such as Senti Bio to focus capital on delivering future milestones, while outsourcing the complex design and manufacturing processes to a highly specialized and engaged service provider. We have followed Senti Bio’s journey since the beginning and are excited to continue supporting Senti Bio as a client of GeneFab.”

About Senti Bio
Senti Biosciences is a biotechnology company developing a new generation of cell and gene therapies for patients living with incurable diseases. To achieve this, Senti Bio is leveraging a synthetic biology platform called Gene Circuits to create therapies with enhanced precision and control. These Gene Circuits are designed to precisely kill cancer cells, spare healthy cells, increase specificity to target cells and control the expression of drugs even after administration. Sentio Bio’s wholly-owned pipeline utilizes off-the-shelf chimeric antigen receptor natural killer (CAR-NK) cells, outfitted with Gene Circuits, to target challenging liquid and solid tumor indications. Senti Bio has also preclinically demonstrated the potential breadth of Gene Circuits in other modalities and in diseases outside of oncology, and continues to advance these capabilities through partnerships with Spark Therapeutics and BlueRock Therapeutics.

About GeneFab
GeneFab is a contract manufacturing and synthetic biology biofoundry focused on cell and gene therapies. GeneFab was formed in 2023 with a vision to combine industry-leading expertise in synthetic biology with advanced cGMP capabilities in order to accelerate the development and commercialization of genetic medicines. GeneFab offers its customers an extensive technology platform and know-how that spans early-stage product design, technical development, and cGMP compliant production. GeneFab's technology platform includes bioinformatics-guided discovery of cell-type-specific promoters, directed evolution of small molecule-regulated gene switches, and the engineering of highly sensitive kill switches for enhanced safety and control of cellular therapies. For more information, visit www.genefab.com.

About Celadon Partners
Founded in 2018, Celadon Partners is a private equity firm focused on investments in traditional industries ready to adopt transformative technology to upgrade business models and unlock fundamental value. With approximately US$1 billion of assets under management, Celadon Partners primarily invests across the industrial, healthcare, consumer and business services sectors and provides portfolio companies with strategic, capital markets and operational expertise as long-term, partnership-oriented investors. For more information, visit www.celadonpartners.com.

Advisors
Cooley LLP and Goodwin Procter LLP are serving as legal advisors to Senti Bio. Morrison & Foerster LLP is serving as legal advisor to Celadon Partners and GeneFab.

Forward-Looking Statements
This press release and document contain certain statements that are not historical facts and are considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements generally are identified by the words “believe,” “could,” “predict,” “continue,” “ongoing,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “opportunity,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” “forecast,” “seek,” “target” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Forward-looking statements are predictions, projections, and other statements about future events that are based on current expectations of Senti Bio’s management and

assumptions, whether or not identified in this document, and, as a result, are subject to risks and uncertainties. Forward-looking statements include, but are not limited to, statements regarding the transaction between Senti Bio and GeneFab and its anticipated benefits, including the financial terms, the sublease of Senti Bio's manufacturing facility, the role of Senti Bio's Chief Technology Officer and the transition of certain employees to GeneFab, estimates and forecasts of Senti Bio's cash runway, Senti Bio's ability to continue to advance its pipeline of preclinical programs and product candidates, Senti Bio's plans to file an IND application for SENTI-202, statements about the clinical manufacturing of Senti Bio's CAR-NK medicines pipeline, including SENTI-202, as well as statements about the potential attributes and benefits of Senti Bio's product candidates and platform technology. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as and must not be relied on by any investor as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Senti Bio. Many factors could cause actual future results to differ materially from the forward-looking statements in this document, including but not limited to: (i) changes in domestic and foreign business, market, financial, political and legal conditions, (ii) the satisfaction of certain conditions of the transaction and the ability of the transaction to deliver the anticipated benefits, (iii) changes in the competitive and highly regulated industries in which Senti Bio operates, variations in operating performance across competitors, changes in laws and regulations affecting Senti Bio's business, (iv) the ability to implement business plans, forecasts and other expectations, (v) the risk of downturns and a changing regulatory landscape in Senti Bio's highly competitive industry, (vi) risks relating to the uncertainty of any projected financial information with respect to Senti Bio, (vii) risks related to uncertainty in the timing or results of Senti Bio's preclinical studies, IND filings, and GMP manufacturing startup activities, (viii) Senti Bio's dependence on third parties in connection with preclinical and IND-enabling studies, IND filings, and GMP manufacturing activities, (ix) risks related to delays and other impacts from macroeconomic and geopolitical events, including changing conditions from the COVID-19 pandemic, increasing rates of inflation and rising interest rates on business operations, and (x) the success of any future research and development efforts by Senti Bio. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of Senti Bio's Quarterly Report on Form 10-Q (File No. 001-40440), filed with the SEC on May 9, 2023, and other documents filed by Senti Bio from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements in this document. There may be additional risks that Senti Bio does not presently know, or that Senti Bio currently believes are immaterial that could also cause actual results to differ from those contained in the forward-looking statements in this document. Forward-looking statements speak only as of the date they are made. Senti Bio anticipates that subsequent events and developments may cause Senti Bio's assessments to change. Except as required by law, Senti Bio assumes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

Availability of Other Information About Senti Biosciences, Inc.
For more information, please visit the Senti Bio website at https://www.sentibio.com or follow Senti Bio on Twitter (@SentiBio) and LinkedIn (Senti Biosciences). Investors and others should note that we communicate with our investors and the public using our company website (www.sentibio.com), including, but not limited to, company disclosures, investor presentations and FAQs, Securities and Exchange Commission filings, press releases, public conference call transcripts and webcast transcripts, as well as on Twitter and LinkedIn. The information that we post on our website or on Twitter or LinkedIn could be deemed to be material information. As a result, we encourage investors, the media and others interested to review the information that we post there on a regular basis. The contents of our website or social media shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended.

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