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): June 21, 2022

CULLINAN ONCOLOGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-39856**	**81-3879991**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(I.R.S. Employer Identification No.)**

Cullinan Oncology, Inc.
One Main Street, Suite 520
Cambridge, MA 02142
(Address of principal executive offices, including zip code)

(617) 410-4650
(Registrant's telephone number, including area code)

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):

☐ 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	**CGEM**	**The 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 1.01. Entry into a Material Definitive Agreement.

The disclosure under Item 2.01 below is incorporated by reference.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On June 21, 2022, Cullinan Oncology, Inc. (the "Company") completed the previously announced sale (the "Disposition") of all of the equity interests it held in Cullinan Pearl Corp. ("Pearl") to Taiho Pharmaceutical Co., Ltd. ("Taiho"). The Disposition was made pursuant to a Share Purchase Agreement (the "Purchase Agreement"), dated May 11, 2022, among the Company, Taiho and Pearl. Pursuant to the Disposition, Taiho made an upfront payment to the Company of $275 million and the Company may receive up to an additional $130 million upon the achievement of certain regulatory milestones related to Pearl's lead program known as CLN-081 or TAS6417, an Epidermal Growth Factor Receptor inhibitor (the "Lead Program"). In connection with the Disposition, the Company entered into a Co-Development Agreement (the "Co-Development Agreement") with Taiho Oncology, Inc., an affiliate of Taiho ("Taiho Oncology"), pursuant to which the Company and Taiho Oncology will co-develop the Lead Program and the Company retains the option to co-promote the Lead Program in the U.S. together with Taiho Oncology. Taiho will commercialize the Lead Program in territories outside of the U.S. Taiho and the Company will share the future clinical development and commercialization costs of the Lead Program for the U.S. equally, and each will receive 50% of the net profits from future U.S. sales.

Copies of the Purchase Agreement and the Co-Development Agreement will be filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2022. A copy of the unaudited pro forma financial statements of the Company, giving effect to the Disposition, are attached as Exhibit 99.1 to the Current Report on Form 8-K and are incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On June 23, 2022, the Company issued a press release regarding the Disposition and the Co-Development Agreement. A copy of this press release is furnished as Exhibit 99.2 to this Current Report on Form 8-K.

The information furnished in this Item 7.01, including Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act of 1934, or otherwise subject to liabilities under that section, unless the Company specifically states that the information is to be considered "filed" under the Exchange Act or incorporates it by reference into a filing under the Exchange Act or the Securities Act.

Item 9.01. Financial Statements and Exhibits.

(b) Pro Forma Financial Information

The unaudited pro forma financial information is attached hereto as Exhibit 99.1. The unaudited pro forma consolidated balance sheet as of March 31, 2022, assumes the Disposition had occurred on March 31, 2022. The unaudited pro forma consolidated statements of operations for the three months ended March 31, 2022, and the year ended December 31, 2021, give effect to the Disposition as if it had occurred as of January 1, 2021.

(d) Exhibits

Exhibit No.	Description
99.1	Unaudited Pro Forma Financial Statements of the Company.
99.2	Press Release, dated June 23, 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.

CULLINAN ONCOLOGY, INC.

Date: June 27, 2022

By: /s/ Jeffrey Trigilio
Jeffrey Trigilio
Chief Financial Officer

UNAUDITED PRO FORMA FINANCIAL INFORMATION

On June 21**,** 2022, Cullinan Oncology, Inc. ("Cullinan") completed the previously announced sale of its equity interests in Cullinan Pearl Corp. ("Cullinan Pearl") to Taiho Pharmaceutical Co., Ltd. ("Taiho Pharma") pursuant to the terms of a Share Purchase Agreement dated May 11, 2022 (the "Purchase Agreement") and the simultaneous signing of a U.S. Co-Development Agreement (the "Co-Development Agreement") with Taiho Oncology, Inc. ("Taiho Oncology"), an affiliate of Taiho Pharma, related to the co-development of CLN-081. Cullinan received a $275.0 million upfront payment for the transaction, subject to customary purchase price adjustments, and is eligible for an additional $130.0 million tied to epidermal growth factor receptor ("EGFR") exon20 non-small cell lung cancer ("NSCLC") regulatory milestones, in addition to sharing equally in the future potential U.S. profits and losses for CLN-081.

The following unaudited pro forma consolidated financial statements are intended to show how the combined transactions might have affected the historical financial statements of Cullinan if the transactions had been completed at an earlier time as indicated therein, and such unaudited pro forma consolidated financial statements are derived from, and should be read in conjunction with, Cullinan's historical financial statements and notes thereto, as presented in its Quarterly Report on Form 10-Q and Annual Report on Form 10-K for the three months ended and the year ended March 31, 2022 and December 31, 2021, respectively. The unaudited pro forma consolidated financial information has been prepared in accordance with Article 11 of Regulation S-X, as amended. The unaudited pro forma consolidated balance sheet as of March 31, 2022, assumes the transactions had occurred on March 31, 2022. The unaudited pro forma consolidated statements of operations for the three months ended March 31, 2022, and the year ended December 31, 2021, give effect to the transactions as if they had occurred as of January 1, 2021.

The transaction accounting adjustments to reflect the sale of the Cullinan Pearl business in the unaudited pro forma consolidated financial statements include:

- the sale of the shares and the derecognition of assets and liabilities of the Cullinan Pearl business pursuant to the Purchase Agreement;
- adjustments required to record the estimated impact of the cash proceeds received in connection with the transactions; and
- adjustments required to record the estimated impact of co-developing CLN-081 with Taiho Oncology.

The contingent consideration of $130.0 million related to meeting the EGFR exon20 NSCLC regulatory milestones will be recorded at the time, if and when the milestones are achieved and as such, are not reflected as transaction consideration as such milestones have not been achieved as of the date of close.

The unaudited pro forma consolidated financial statement information is presented for informational purposes only and is based upon estimates by Cullinan's management, which are based upon available information and certain assumptions that Cullinan management believes are reasonable as of the date of this filing. Actual amounts could differ materially from these estimates. Pro forma adjustments included in the unaudited pro forma consolidated financial statements are limited to those that are (i) directly attributable to the sale, (ii) factually supportable, and (iii) with respect to the statements of operations, expected to have a continuing impact on the results of Cullinan. The unaudited pro forma consolidated financial statements are not intended to be indicative of the actual financial position or results of operations that would have been achieved had the transactions been consummated as of the periods indicated above, nor does it purport to indicate results which may be attained in the future. For example, these financial statements do not reflect any potential earnings or other impacts from the use of the proceeds from the sale or any synergies and dis-synergies that could result from the sale.

The unaudited pro forma consolidated balance sheet as of March 31, 2022, and the unaudited pro forma consolidated statement of operations for the three months ended March 31, 2022, and the year ended December 31, 2021, should be read in conjunction with the notes thereto.

Cullinan Oncology, Inc.
Pro Forma Consolidated Balance Sheet
As of March 31, 2022
(Unaudited)

(In thousands, except share and per share data)	Historical Cullinan (A)	Transaction Accounting Adjustments: Cullinan Pearl (B)	Transaction Accounting Adjustments: Pro Forma Adjustments (C)		Pro Forma Cullinan
Assets					
Current assets:					
Cash and cash equivalents	$ 76,118	$(1,520)	$ 275,666	(i)	$350,264
Short-term investments	238,736	—			238,736
Prepaid expenses and other current assets	7,458	(1,063)	—		6,395
Total current assets	322,312	(2,583)	275,666		595,395
Property and equipment, net	64	—	—		64
Operating lease right-of-use assets	1,194	—	—		1,194
Other assets	147	—	—		147
Deferred tax assets	19,568	—	(19,568)	(ii)	—
Long-term investments	94,178	—	—		94,178
Total assets	$ 437,463	$(2,583)	$ 256,098		$690,978
Liabilities and Stockholders' equity					
Current liabilities:					
Accounts payable	$ 6,306	$(1,382)	$ —		$ 4,924
Accrued expenses and other current liabilities	10,432	(2,891)	—		7,541
Income taxes payable	—	—	42,134	(ii)	42,134
Operating lease liabilities, current	519	—	—		519
Total current liabilities	17,257	(4,273)	42,134		55,118
Long-term liabilities:					
Operating lease liabilities, net of current portion	736	—	—		736
Total Liabilities	17,993	(4,273)	42,134		55,854
Stockholders' equity:					
Common stock, $0.0001 par value, 150,000,000 shares authorized as of March 31, 2022, 44,660,026 shares issued and outstanding	4	—	—		4
Additional paid-in capital	592,839	—	—		592,839
Accumulated other comprehensive loss	(3,134)	—	—		(3,134)
Retained earnings (accumulated deficit)	(171,007)	1,690	213,964	(iii)	44,647
Total Cullinan stockholders' equity	418,702	1,690	213,964		634,356
Noncontrolling interests	768	—	—	(iv)	768
Total stockholders' equity (deficit)	419,470	1,690	213,964		635,124
Total liabilities and stockholders' equity	$ 437,463	$(2,583)	$ 256,098		$690,978

See accompanying notes to the pro forma consolidated financial statements

Cullinan Oncology, Inc.
Pro Forma Consolidated Statement of Operations
For the three months ended March 31, 2022
(Unaudited)

(In thousands, except share and per share data)	Historical Cullinan (A)	Transaction Accounting Adjustments: Cullinan Pearl (B)	Transaction Accounting Adjustments: Pro Forma Adjustments (C)		Pro Forma Cullinan
Operating expenses:					
Research and development	$ 24,536	$(7,899)	$ 3,949	(v)	$ 20,586
General and administrative	8,121	(628)	628	(vi)	8,121
Total operating expenses	32,657	(8,527)	4,577		28,707
Loss from operations	(32,657)	8,527	(4,577)		(28,707)
Other income:					
Interest income, net	197	20	—		217
Net loss before income taxes	(32,460)	8,547	(4,577)		(28,490)
Income tax benefit	(19,568)	—	19,568	(vii)	—
Net loss	(12,892)	8,547	(24,145)		(28,490)
Net loss attributable to noncontrolling interest	(794)	—	347	(viii)	(447)
Net loss attributable to common stockholders of Cullinan	$ (12,098)	$ 8,547	$ (24,492)		$ (28,043)
Net loss per share, basic and diluted	$ (0.27)	$ —	$ —		$ (0.63)
Total weighted-average shares used in computing net loss per share, basic and diluted	44,431,657	—	—		44,431,657

See accompanying notes to the pro forma consolidated financial statements

Cullinan Oncology, Inc.
Pro Forma Consolidated Statement of Operations
For the year ended December 31, 2021
(Unaudited)

(In thousands, except share and per share data)	Historical Cullinan (A)	Transaction Accounting Adjustments: Cullinan Pearl (B)	Transaction Accounting Adjustments: Pro Forma Adjustments (C)		Pro Forma Cullinan
License revenue	$ 18,943	$(18,943)	$ —		$ —
Operating expenses:					
Research and development	57,751	(22,723)	11,361	(v)	46,389
General and administrative	29,146	(1,375)	1,375	(vi)	29,146
Total operating expenses	86,897	(24,098)	12,736		75,535
Loss from operations	(67,954)	5,155	(12,736)		(75,535)
Other income (expense):					
Interest income, net	477	(3)	—		474
Other income (expense)	(8)	—	—		(8)
Net loss	(67,485)	5,152	(12,736)		(75,069)
Net loss attributable to noncontrolling interest	(1,915)	—	689	(viii)	(1,226)
Net loss attributable to common stockholders of Cullinan	$ (65,570)	$ 5,152	$ (13,425)		$ (73,843)
Net loss per share, basic and diluted	$ (1.52)	$ —	$ —		$ (1.71)
Total weighted-average shares used in computing net loss per share, basic and diluted	43,077,330	—	—		43,077,330

See accompanying notes to the pro forma consolidated financial statements

Notes to Pro Forma Consolidated Financial Statements
(Unaudited)

On June 21, 2022, Cullinan simultaneously completed its sale of Cullinan Pearl and entered into the Co-Development Agreement. Cullinan received $275.0 million upfront, subject to customary purchase adjustments, and is eligible for an additional $130.0 million tied to EGFR exon20 NSCLC regulatory milestones, in addition to sharing equally in the future potential U.S. profits and losses for CLN-081.

The unaudited pro forma consolidated financial statements reflect the following notes and adjustments:

(A) Reflects the historical consolidated balance sheet as of March 31, 2022, and consolidated statements of operations for the three months ended March 31, 2022 and for the year ended December 31, 2021.

(B) Reflects the elimination of the historical assets, liabilities and results of operations of Cullinan Pearl from Cullinan's historical consolidated financial statements.

(C) Reflects the additional transaction accounting adjustments, including the impact of the Co-Development Agreement, to present how the sale of Cullinan Pearl might have affected Cullinan's historical financial statements if the sale had been completed at an earlier time.

(i) To record the total transaction consideration, including the base consideration of $275.0 million, plus estimated cash available on Cullinan Pearl as of the closing date and less the re-payment of Cullinan Pearl's outstanding indebtedness, which includes intercompany indebtedness.

(ii) Reflects reduction in existing deferred tax assets for use of net operating loss carry forward and accrual of current tax payable due to the recognition of Cullinan's income tax liability based on the estimated taxable gain on the disposition of Cullinan Pearl.

(iii) Reflects the net change to retained earnings as a result of the recognition of the total cash receipts from the transaction, net of the tax effect.

(iv) To record noncontrolling interests in Cullinan Pearl of Taiho Ventures, LLC ("Taiho Ventures"), an affiliate of Taiho Pharma. As of March 31, 2022, Taiho Ventures had a zero basis in Cullinan Pearl based on the hypothetical liquidation book value method.

(v) To record Cullinan's share of 50% of the research and development costs related to CLN-081, pursuant the Co-Development Agreement, for the three months ended March 31, 2022, and the twelve months ended December 31, 2021.

(vi) To record the general and administrative costs related to CLN-081 for the three months ended March 31, 2022, and the twelve months ended December 31, 2021. General and administrative costs are not shared between Cullinan and Taiho and as such, any amounts incurred will be retained by Cullinan.

(vii) Reflects the reversal of the income tax benefit recorded in the historical financial statements for the quarter ended March 31, 2022 relating to recognition of existing deferred tax assets for use of net operating loss carry forward and current year operating losses, based on the estimated taxable gain on the disposition of Cullinan Pearl.

(viii) Reflects the allocation of Cullinan Pearl's losses as it relates to Taiho Ventures' noncontrolling interests for the three months ended March 31, 2022, and the twelve months ended December 31, 2021.

Cullinan Oncology and Taiho Pharmaceutical Complete Agreement for Strategic Collaboration to Jointly Develop and Commercialize CLN-081/TAS6417

Cullinan Oncology receives upfront cash payment of $275 million, with potential to receive up to an additional $130 million in regulatory-based milestone payments

Taiho obtains exclusive global rights to CLN-081/TAS6417 outside the U.S.; Taiho and Cullinan Oncology to jointly develop and co-commercialize CLN-081/TAS6417 in the U.S.

Cullinan Oncology and Taiho will equally share future profits in the U.S.

CAMBRIDGE, Mass., June 23, 2022 (GLOBE NEWSWIRE) – Cullinan Oncology, Inc. (Cullinan Oncology) (Nasdaq: CGEM) a biopharmaceutical company focused on developing a diversified pipeline of targeted therapies for patients with cancer, today announced the completion of its agreement with Taiho Pharmaceutical Co., Ltd. (Taiho) signed in May 2022. Per the terms of the agreement, the companies will collaborate on the U.S. development of CLN-081/TAS6417, a next generation, irreversible EGFR inhibitor for the treatment of a genetically defined subset of patients with non-small cell lung cancer (NSCLC).

Taiho has also completed its acquisition of Cullinan Oncology's subsidiary, Cullinan Pearl Corp. (Cullinan Pearl) which has worldwide rights outside of Japan* to CLN-081/TAS6417. Taiho has provided an upfront payment to Cullinan Oncology of $275 million with the potential for an additional $130 million tied to EGFR exon20 NSCLC regulatory milestones.

In addition, the two companies have agreed to co-develop and co-commercialize CLN-081/TAS6417. Cullinan Oncology retains the option to co-commercialize CLN-081/TAS6417 in the United States together with Taiho through its U.S. subsidiary, Taiho Oncology, Inc. Taiho and Cullinan Oncology will equally contribute to the future clinical development of CLN-081/TAS6417 in the U.S., with each receiving 50% of the profits from potential U.S. sales.

About CLN-081/TAS6417

CLN-081/ TAS6417 is an orally available small molecule being developed in collaboration with Taiho Pharmaceutical Co., Ltd. CLN-081/TAS6417 is designed as a next generation, irreversible EGFR inhibitor for the treatment of a genetically defined subset of patients with non-small cell lung cancer (NSCLC). CLN-081/TAS6417 is being investigated in a Phase 1/2a dose escalation and expansion trial evaluating oral, twice-daily, administration of various doses in patients with NSCLC harboring EGFRex20ins mutations who have had at least one prior treatment with platinum-based chemotherapy or another approved standard therapy. CLN-081/TAS6417 has received Breakthrough Therapy Designation from the FDA.

About Cullinan Oncology

Cullinan Oncology, Inc. (NASDAQ: CGEM) is a biopharmaceutical company dedicated to creating new standards of care for patients with cancer. We innovate without borders to find the most promising clinic-ready cancer therapies, whether from our own discovery efforts or through exceptional engagement with our academic and industry partners. Anchored in a deep understanding of immuno-oncology and translational cancer medicine, we leverage our scientific excellence in small molecules and biologics to create differentiated ideas, identify unique targets, and select the optimal modality to develop transformative therapeutics across cancer indications. Powered by our novel research model, we push conventional boundaries from candidate selection to cancer therapeutic, applying rigorous early experimentation to fast-track only the most promising assets to the clinic and ultimately commercialization. As a result, our diversified pipeline is strategically built with assets that activate the immune system or inhibit key oncogenic drivers across a wide range of modalities, each with the potential to be the best or first in their class.

Our people possess deep scientific expertise, seek innovation openly, and exercise creativity and urgency to deliver on our promise to bring new therapeutic solutions to patients with cancer. Learn more about our Company at www.cullinanoncology.com, and follow us on LinkedIn and Twitter.

Forward-Looking Statements

This press release contains forward-looking statements of Cullinan Oncology, Inc. (Cullinan, we or our) within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, express or implied statements regarding Cullinan's beliefs and expectations regarding its arrangements with Taiho, our preclinical and clinical development plans, clinical trial designs, clinical and therapeutic potential, and strategy of CLN-081/TAS6417, including but not limited to our expectations and beliefs around its safety and efficacy and plans for future CLN-081/TAS6417 studies. Any forward-looking statements in this press release are based on management's current expectations and beliefs of future events and are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements to be materially different from any expressed or implied by the forward-looking statements. These risks include, but are not limited to, the following: uncertainty regarding the timing and results of regulatory submissions; success of our clinical trials and preclinical studies; risks related to our ability to protect and maintain our intellectual property position; risks related to manufacturing, supply, and distribution of our therapeutic candidates; risks related to the impact of COVID-19 affecting countries or regions in which we have operations or do business, including potential negative impacts on our employees, customers, supply chain and production as well as global economies and financial markets; the risk that any one or more of our product candidates, including those that are co-developed, will not be successfully developed and commercialized; the risk that the results of preclinical studies or clinical studies will not be predictive of future results in connection with future studies; and success of any collaboration, partnership, license or similar agreements. These and other important risks and uncertainties discussed in our filings with the Securities and Exchange Commission, or SEC, including under the caption "Risk Factors" in our most recent

Quarterly Report on Form 10-Q and subsequent filings with the SEC, could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Moreover, except as required by law, neither Cullinan nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements included in this press release. Any forward-looking statement included in this press release speaks only as of the date on which it was made. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

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***** Cullinan Pearl previously licensed the rights to CLN-081/TAS6417 in Greater China to Zai Lab in 2020.