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): April 3, 2023

NGM Biopharmaceuticals, Inc.
(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

001-38853
(Commission File Number)

26-1679911
(IRS Employer Identification No.)

333 Oyster Point Boulevard
South San Francisco, CA 94080
(Address of principal executive offices including zip code)

(650) 243-5555
(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 Instructions 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:

<table>
<thead>
<tr>
<th>Title of Each Class</th>
<th>Trading Symbol(s)</th>
<th>Name of Each Exchange on which Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock, par value $0.001 per share</td>
<td>NGM</td>
<td>The Nasdaq Stock Market LLC</td>
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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 whether 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 2.05 Costs Associated with Exit or Disposal Activities.

On April 3, 2023, the Board of Directors (the “Board”) of NGM Biopharmaceuticals, Inc. (the “Company”) approved a restructuring of the Company’s workforce, or the restructuring, pursuant to which the Company’s workforce will be reduced by 75 people, or approximately 33% of the Company’s existing headcount. The restructuring was communicated to employees on April 4, 2023. The Company estimates that it will incur approximately $5.0 million in restructuring charges in connection with the restructuring, consisting of (i) approximately $4.5 million in cash-based expenses related to employee severance and notice period payments, benefits and related costs, and (ii) approximately $0.5 million in non-cash stock-based compensation expense related to the vesting of share-based awards. The Company expects that the majority of the restructuring charges will be incurred in the second quarter of 2023 and that the execution of the restructuring, including cash payments, will be substantially complete by the end of the second quarter of 2023.

The estimates of the charges and cash expenditures that the Company expects to incur in connection with the restructuring, and the timing thereof, are subject to a number of assumptions and actual amounts may differ materially from estimates. In addition, the Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the restructuring.

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

On April 3, 2023, Jin-Long Chen, Ph.D. resigned as Chief Scientific Officer of the Company, and as a member of the Board, in each case effective as of April 4, 2023. The Board has accepted Dr. Chen’s resignation and is grateful for his many contributions to the Company that he founded in 2008.

Item 7.01 Regulation FD Disclosure.

Cash Sufficiency Forecast

On April 4, 2023, the Company announced that, in connection with the implementation of the restructuring, the Company believes that its existing cash, cash equivalents and short-term marketable securities will be sufficient to fund its operations into the second quarter of 2025. The Company has based this estimate on plans and assumptions that may prove to be insufficient or inaccurate (for example, with respect to anticipated costs, timing or success of certain activities), and the Company could utilize its available financial resources sooner than it currently expects. In addition, the foregoing forecast of the period of time through which the Company’s financial resources will be adequate to support its operations is a forward-looking statement that involves risks and uncertainties, and actual results could differ materially as a result of a number of factors, including the factors referenced under “Forward-Looking Statements” below.

Email from Chief Executive Officer

On April 4, 2023, David J. Woodhouse, Ph.D., Chief Executive Officer of the Company, sent an email regarding the restructuring and related workforce reduction to the Company’s employees. The text of the email is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference herein.

The information furnished in this Item 7.01 of this Current Report on Form 8-K, 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 into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Forward-Looking Statements

Statements contained in this Current Report on Form 8-K, including in Exhibit 99.1 hereto, regarding matters that are not historical facts are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “believes,” “estimates,” “expects,” “focused,” “continuing to,” “seeking,” “will” and similar expressions (as well as other words or expressions referencing future events, conditions or circumstances) are intended to identify forward-looking statements. These statements include those related to: the costs, timing and financial impact of the restructuring; the Company remaining an integrated research and development organization following the restructuring, focused on investing in its discovery engine to produce the next generation of new program candidates and developing it solid-tumor oncology portfolio to clinical proof-of-concept; the sufficiency of the Company cash resources to fund its operations; the Company extending its cash runway and the timing thereof, including for long enough to put the Company in a position to generate meaningful clinical data from its solid tumor oncology product candidates while continuing to invest in its discovery efforts and to otherwise arrive at a more sustainable cash burn rate; the Company’s strategy, including with respect to business development transactions; and
other statements that are not historical fact. Because such statements deal with future events and are based on the Company’s current expectations, they are subject to various risks and uncertainties, and actual results, performance or achievements of the Company could differ materially from those described in or implied by the statements in this Current Report on Form 8-K. These forward-looking statements are subject to risks and uncertainties, including, without limitation, risks and uncertainties associated with: impediments to the Company’s ability to execute the restructuring as currently contemplated; the actual charges associated with the restructuring being higher than anticipated or changes to the assumptions on which the estimated charges associated with the restructuring are based; the Company’s ability to achieve projected cost savings in connection with the restructuring; unintended consequences from the restructuring that impact the Company’s business; the costly and time-consuming pharmaceutical product development process and the uncertainty of clinical success; risks related to failure or delays in successfully initiating, enrolling, reporting data from or completing clinical studies; the Company’s ability to identify and engage third-party partners for potential future collaboration, out licensing, partnering or other business development arrangements, if any, and its ability to attract such partners; the time-consuming and uncertain regulatory approval process; the sufficiency of the Company’s cash resources and anticipated cash runway, including the risk that the Company could utilize its available capital resources sooner than it currently expects, and the Company’s need for additional capital; macroeconomic conditions (such as the impacts of the ongoing COVID-19 pandemic and the conflict between Russia and Ukraine, global economic slowdown, increased inflation and rising interest rates); and other risks and uncertainties affecting the Company and its development programs, including those discussed in the section titled “Risk Factors” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 filed with the United States Securities and Exchange Commission (the “SEC”) on February 28, 2023 and subsequent filings and reports that the Company makes from time to time with the SEC. Except as required by law, the Company assumes no obligation to update these forward-looking statements, or to update the reasons if actual results differ materially from those anticipated in the forward-looking statements.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description</th>
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<tr>
<td>99.1</td>
<td>Email to Employees from David J. Woodhouse, Ph.D., dated April 4, 2023</td>
</tr>
<tr>
<td>104</td>
<td>Cover Page Interactive Data File (embedded within the Inline XBRL document)</td>
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</table>
Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NGM Biopharmaceuticals, Inc.

By: /s/ David Woodhouse
   David J. Woodhouse, Ph.D.
   Chief Executive Officer

Dated: April 4, 2023
April 4, 2023
Subject Line: Important Business Updates

Dear Explorers:

This morning I am announcing a difficult, but necessary, decision. NGM is undergoing a restructuring, which includes reducing the size of our NGM team by 75 of our friends and colleagues, or approximately one-third of our existing footprint. All functions are impacted by this restructuring – G&A, research and development. NGM remains an integrated research and development organization, focused on investing in our discovery engine to produce the next generation of new program candidates and development of our solid-tumor oncology portfolio to clinical proof-of-concept.

There is no good way to communicate the decision to all of you whose jobs are being eliminated. In an effort to minimize anxiety and waiting, all employees will receive an email shortly. For those whose roles are being eliminated, we will be reaching out to you individually as quickly as possible this morning to meet with you to share the details of your transition and separation package before providing you with more comprehensive written materials to begin to answer any questions you may have. For those of you whose roles are not being eliminated, you will receive an email reflecting that information.

I hope you all know this decision was taken with great deliberation and thought. While this is one of the most challenging decisions that we have had to make in NGM’s 15-year history, I recognize that the outcome of this decision will also be challenging for our departing colleagues. There will be a road of healing ahead, and to begin this journey with you all, I would like to share some information regarding how we got here.

How The Decision Was Reached

Raising capital has become increasingly difficult for companies in our industry over the last couple of years. In this regard, while we had hoped to be able to pursue a significant financing on the back of positive clinical data in 2022 following CATALINA, the clinical data we announced unfortunately did not support pursuing such a financing at that time.

As a result, and in light of our current strategy, we must take steps to reduce our operating expenses and extend our cash runway for long enough to put us in a position to generate meaningful clinical data from our solid tumor oncology product candidates while continuing to invest in our discovery efforts. Management, together with the Board of Directors, explored many avenues to see how we could achieve a cash runway extension of up to two years and ultimately determined that this restructuring was necessary and in the best interests of NGM at this time. Ongoing efforts to reduce our other operational expenses will not be sufficient on their own. And while our strategy continues to include seeking business development transactions for one or more of our programs, even if we were to succeed in securing a deal or deals this year, we believe a restructuring would still be necessary to arrive at a more sustainable cash burn rate. In other words, we came to this decision when we believed it was required to enable us to continue to invest in our critical discovery research work and advance our development programs with a narrowed focus on oncology to fulfill that mission for the benefit of patients. I understand how disappointing this is and I want to emphasize that I take full responsibility for leading us here today.

Our talented team at NGM is the foundation and the core of our company. This restructuring and the jobs eliminated today are not a reflection of you or your contributions to NGM. Each and every one of you, regardless of whether you’re departing or remaining, has had an invaluable impact on our organization, and I thank you for your commitment.

Founder Departure

In a separate but also impactful development, Jin-Long Chen, our founder and Chief Scientific Officer, has decided to move on from NGM after 15 years of dedicating his heart and soul to the company and its mission. While the timing of this restructuring makes the announcement of this departure even more jarring than it might otherwise be, in many ways, it is fitting. Over the past few years, Jin-Long has built a scientific leadership team more than capable of continuing our track record of innovation. With Jin-Long’s departure, I am pleased to announce that Dan Kaplan will be taking on the role of Chief Scientific Officer at a time when we are re-affirming our commitment to research at NGM. We will miss Jin-Long immeasurably and are grateful for all he has done for NGM.

Additional Information for Employees Departing in the Restructuring

I am committed to each of you being treated in a respectful manner during your transition. We are offering separation packages to departing employees which include a combination of continuation of salary and a severance payment covering at least three months and continued healthcare paid for by NGM through the end of July. We will also provide career transition support, including up to six months of prepaid support from a third-party outplacement service provider and compiling a resume book that NGM will share with a broad network of biotech companies.
Most importantly, I personally want to thank each of you for your service and contributions to NGM. The company would not be what it is today without your dedication and commitment to our culture and mission.

Additional Information for Go-Forward Employees

Please be patient this morning as we focus our time and attention on meeting with your colleagues whose positions have been eliminated. You will receive additional information from your team leader about a meeting this afternoon to talk more about these decisions, what it will mean for us going forward and to provide a chance for us to process this together. I will also hold an All-Hands meeting tomorrow morning at 9:00am PDT. If you have questions you would like to ensure are addressed at tomorrow’s All-Hands, there will be a link to submit questions in your invitation.

I understand that these next few weeks will be challenging—please be compassionate to those departing the company and take time to celebrate their contributions to NGM, science and the industry overall. And take the time that will inevitably be necessary to process this significant shift, reaching out to your colleagues, manager and the management team if that would be helpful.

I want to emphasize that we did not make this decision lightly, and only after determining that, for the long-term success of NGM and to make possible our dream of bringing medicines to patients, this restructuring is necessary at this time. I am profoundly saddened that NGM has arrived at this moment and for the effect the restructuring will have on each of you.

We will rebuild from here, but in the meantime, if you have any questions, please reach out to me, an EC member, or a member of the People Team.

Sincerely,

David