

**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): July 2, 2021

IMPEL NEUROPHARMA, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-40353
(Commission
File Number)

26-3058238
(IRS Employer
Identification No.)

201 Elliott Avenue West, Suite 260
Seattle, WA
(Address of principal executive offices)

98119
(Zip Code)

(206) 568-1466
(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:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 Par Value Per Share	IMPL	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 July 2, 2021, (the “**Effective Date**”), Impel NeuroPharma, Inc. (the “**Company**”) entered into a loan and security agreement (the “**Agreement**”) with Oxford Finance LLC (“**Oxford**”), as the collateral agent and a lender, and Silicon Valley Bank, as a lender (together with Oxford, the “**Lenders**”), pursuant to which the Lenders have agreed to lend the Company up to an aggregate of \$50.0 million in a series of term loans (the “**Term Loan**”). Upon entering into the Agreement, the Company borrowed \$20.0 million from the Lenders (the “**Term A Loan**”), with approximately \$10.76 million of such amount applied to the repayment of the outstanding principal, interest and final payment fees owed pursuant to the Company’s prior loan and security agreement dated November 5, 2020.

Under the terms of the Agreement, the Company may, at its sole discretion, borrow from the Lenders up to an additional \$10.0 million (the “**Term B Loan**”) upon the achievement by the Company of NDA approval from the Federal Drug Administration of INP104, as determined by Oxford in its sole and absolute discretion (the “**Term B Milestone Event**”). The Company may draw the Term B Loan during the period commencing on the date of the occurrence of the Term B Milestone Event and ending on the earliest of (i) September 30, 2021 (ii) the sixtieth (60th) day following the occurrence of the Term B Milestone Event, and (iii) the occurrence of an event of default.

Under the terms of the Agreement, the Company may, at its sole discretion, borrow from the Lenders up to an additional \$20.0 million (the “**Term C Loan**”) upon the achievement by the Company of net revenue for a trailing six (6) month period of at least \$15,000,000, as determined by Oxford in its sole and absolute discretion (the “**Term C Milestone Event**”). The Company may draw the Term C Loan during the period commencing on the date of the occurrence of the Term C Milestone Event and ending on the earliest of (i) December 31, 2022 (ii) the sixtieth (60th) day following the occurrence of the Term C Milestone Event, and (iii) the occurrence of an event of default.

The proceeds from the Term Loans under the Agreement may be used to satisfy the Company’s future working capital needs and to fund its general business requirements. The Company’s obligations under the Agreement are secured by all assets of the Company, other than its intellectual property. The Company has also agreed not to encumber its intellectual property assets, except as permitted by the Agreement.

All of the Term Loans mature on July 1, 2026 (the “**Maturity Date**”) and will be interest-only through September 1, 2023, provided however, that following Company’s achievement of the Term C Milestone Event by no later than December 31, 2022, the Term Loans will be interest-only through September 1, 2024, followed by 35 equal monthly payments of principal and interest, provided, however, that following Company’s achievement of the Term C Milestone Event by no later than December 31, 2022, such number of months shall be automatically reduced to 23 consecutive months. The Term Loans will bear interest at a floating per annum rate equal to the greater of (i) 7.95% or (ii) the sum of (a) the greater of (1) the thirty (30) day U.S. LIBOR rate reported in the Wall Street Journal on the last business day of the month that immediately precedes the month in which the interest will accrue or (2) 0.11%, plus (b) 7.84%.

The Company will be required to make a final payment of 6.5% of the original principal amount of the Term Loans drawn, payable on the earlier of (i) the Maturity Date, (ii) the acceleration of any Term Loans, or (iii) the prepayment of the Term Loans (the “**Final Payment**”). The Company may prepay all, but not less than all, of the Term Loans upon 30 days’ advance written notice to Oxford, provided that the Company will be obligated to pay a prepayment fee equal to (i) 3.0% of the principal amount of the applicable Term Loan prepaid on or before the first anniversary of the applicable funding date, (ii) 2.0% of the principal amount of the applicable Term Loan prepaid between the first and second anniversary of the applicable funding date, and (iii) 1.0% of the principal amount of the applicable Term Loan prepaid thereafter, and prior to the Maturity Date (each, a “**Prepayment Fee**”).

The Agreement contains customary affirmative and restrictive covenants, including covenants regarding incurrence of additional indebtedness or liens, investments, transactions with affiliates, delivery of financial statements, maintenance of inventory, payment of taxes, maintenance of insurance, protection of intellectual property rights, dispositions of property, business combinations or acquisitions, among other customary covenants. The Company is also restricted from paying dividends or making other distributions or payments on its capital stock, subject to limited exceptions. In the event that the Company borrows the Term C Loan, the Company will be subject to a quarterly minimum net revenue financial covenant. The Agreement provides that an event of default will occur if, among other triggers, there occurs any circumstances that could reasonably be expected to result in a material adverse change in the business, or operations or condition (financial or otherwise) of the Company or a material impairment of the prospect of the Company to repay any portion of its obligations under the Agreement. The Agreement also includes customary representations and warranties, other events of default and termination provisions.

In connection with entering into the Agreement and borrowing the Term A Loan, the Company issued to the Lenders warrants exercisable for an aggregate of 71,522 shares of the Company’s common stock (the “**Warrants**”). The Warrants are exercisable in

whole or in part, immediately, and have a per share exercise price of \$8.389, which is the 10-trading day trailing average closing price prior to the date of the Term A Loan funding. The Warrants will terminate on the earlier of July 2, 2031 or the closing of certain merger or consolidation transactions. If the Company borrows additional Term Loans under the Agreement, the Company will be required to issue to the Lenders additional warrants exercisable for a number of shares of the Company's common stock equal to 3.0% of the total additional Term Loans funded by the Lenders divided by the lower of (x) the 10-trading day trailing average closing price prior to such Term Loan funding or (y) the closing price on the day prior to such Term Loan funding.

The foregoing is only a summary of the material terms of the Agreement and the Warrants, and does not purport to be complete and is qualified in its entirety by reference to the full text of the Agreement and the Warrants, which will be filed as exhibits to the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The information set forth under Item 1.01 above is hereby incorporated by reference into Item 2.03.

Item 3.02. Unregistered Sales of Equity Securities.

The information set forth under Item 1.01 above that relates to the issuance of the Warrants is hereby incorporated by reference into Item 3.02.

The Warrants described in Item 1.01 above were offered and sold in reliance upon the exemption from registration provided by Section 4(a)(2) under the Securities Act of 1933, as amended (the "Securities Act"), in that the issuance of the Warrants did not involve a public offering.

Item 9.01 Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release issued by Impel NeuroPharma, Inc. regarding a \$50 million debt financing agreement with Oxford Finance LLC and Silicon Valley Bank.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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.

IMPEL NEUROPHARMA, INC.

Date: July 7, 2021

By: _____ /s/ John Leaman
John Leaman
Chief Financial Officer

**IMPEL NEUROPHARMA ENTERS INTO A \$50 MILLION DEBT FINANCING AGREEMENT
WITH OXFORD FINANCE LLC AND SILICON VALLEY BANK**

SEATTLE, July 7th, 2021 — Impel NeuroPharma, Inc. (Impel), a late-stage biopharmaceutical company focused on the development and commercialization of transformative therapies for patients living with central nervous system (CNS) diseases with high unmet medical needs, today announced the closing of a \$50 million debt facility with Oxford Finance LLC and Silicon Valley Bank, of which the first \$20 million was funded at closing.

“This strategic debt financing, coupled with our current cash, increases our balance sheet strength and firmly positions us to execute upon the potential launch and commercialization of TRUDHESA™ for the treatment of patients with acute migraine,” said Adrian Adams, chairman and chief executive officer of Impel NeuroPharma. “The TRUDHESA NDA was accepted for review by the U.S. Food and Drug Administration in January of this year and has a Prescription Drug User Fee Act target action date of September 6, 2021.”

The initial \$20 million tranche extends Impel’s expected cash runway through the 4th quarter of 2022. Under the terms of the debt facility, the second \$10 million tranche is available through September 30, 2021 upon the approval of TRUDHESA™. The third \$20 million tranche is available through December 31, 2022, upon the achievement of certain revenue milestones and other specified conditions. The debt facility will mature on July 1, 2026 and requires interest only payments until September 1, 2023, subject to potential extension with achievement of certain revenue milestones.

“Oxford and SVB are pleased to provide Impel with access to this growth capital term loan facility as the Company prepares to commercially launch TRUDHESA™ and continues to develop its proprietary POD® technology, which has demonstrated successful results in multiple clinical trials to date,” said Christopher Herr, Senior Managing Director at Oxford.

Cowen acted as the Company’s sole financial adviser in connection with the debt facility.

About Impel NeuroPharma

Impel NeuroPharma, Inc. is a late-stage pharmaceutical company focused on utilizing its proprietary technology to develop and commercialize transformative therapies for people suffering from diseases with high unmet needs, with an initial focus on diseases of the CNS. The Company’s strategy is to rapidly advance its product candidate pipeline that pairs its proprietary Precision Olfactory Delivery (POD®) system with well-established therapeutics, including

TRUDHESA™ for the acute treatment of migraine, INP105 for the acute treatment of agitation and aggression in patients with autism, and INP107 for OFF episodes in Parkinson’s disease.

About Oxford Finance LLC

Oxford Finance is a specialty finance firm providing senior secured loans to public and private life sciences and healthcare services companies worldwide. For over 20 years, Oxford has delivered flexible financing solutions to its clients, enabling these companies to maximize their equity by leveraging their assets. In recent years, Oxford has originated over \$7 billion in loans, with lines of credit ranging from \$5 million to \$150 million. Oxford is headquartered in Alexandria, Va., with additional offices in San Diego, Calif.; Palo Alto, Calif.; and the greater Boston and New York City areas. For more information, visit <https://oxfordfinance.com/>

About Silicon Valley Bank

For nearly 40 years, Silicon Valley Bank (SVB) has helped innovative companies and their investors move bold ideas forward, fast. SVB provides targeted financial services and expertise through its offices in innovation centers around the world, including offices in Seattle, San Francisco, Irvine and San Diego. With commercial, international and private banking services, SVB helps address the unique needs of innovators. Learn more at svb.com.

Cautionary Note on Forward-Looking Statements

This press release contains “forward-looking” statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995, including, but not limited to, expectations regarding Impel’s cash runway, Impel’s ability to satisfy the conditions for additional tranches of the debt facility, the timing of approval of Impel’s NDA for INP104 (proposed trade name TRUDHESA™) and of Impel’s other regulatory submissions, timing of announcements of clinical results and clinical development activities of its product candidates and potential benefits and market opportunities of INP104 and its other product candidates. Forward-looking statements can be identified by words such as: “believe,” “may,” “will,” “potentially,” “estimate,” “continue,” “anticipate,” “intend,” “could,” “would,” “project,” “plan,” “expect” or the negative or plural of these words or similar expressions. These statements are subject to numerous risks and uncertainties that could cause actual results and events to differ materially from those anticipated, including but not limited to, Impel’s ability to obtain and maintain regulatory approval of INP104 and its other product candidates, its ability to execute its commercialization strategy for INP104 its ability to develop, manufacture and commercialize its product candidates including plans for future development of its POD devices and plans to address additional indications for which Impel may pursue regulatory approval, whether results of preclinical studies or clinical trials will be indicative of the results of future trials, and the effects of COVID-19 on its clinical programs and business operations. Many of these risks are described in greater detail in Impel’s filings with the Securities and Exchange Commission. Any forward-looking statements in this press release speak only as of the date of this press release. Impel



assumes no obligation to update forward-looking statements whether as a result of new information, future events or otherwise, after the date of this press release.

Impel, POD and the Impel logo are U.S. registered trademarks of Impel NeuroPharma, Inc. To learn more about Impel NeuroPharma, please visit our website at <https://impelnp.com/>.

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