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): November 6, 2018

Cue Biopharma, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-38327**	**47-3324577**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

21 Erie Street	**02139**
(Address of principal executive offices)	**(Zip Code)**

(Registrant's telephone number, including area code): (617) 949-2680

(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))

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

Effective November 6, 2018, Cue Biopharma, Inc. (the "Company") entered into a Collaboration, License and Option Agreement (the "Agreement") with LG Chem, Ltd. ("LG Chem"), related to the development of the Company's Immuno-STAT Biologics™ focused in the field of oncology.

Pursuant to the Agreement, the Company granted LG Chem an exclusive license to develop, manufacture and commercialize the Company's lead product, CUE-101, as well as Immuno-STAT Biologics that target T-cells against two additional cancer antigens ("Product Candidates"), in Australia, Japan, Republic of Korea, Singapore, Malaysia, Vietnam, Thailand, Philippines, Indonesia, China (including Macau and Hong Kong) and Taiwan (collectively, the "LG Chem Territory"). The Company retains rights to develop and commercialize all assets included in the Agreement in the United States and in global markets outside of the LG Chem Territory. Under the Agreement, the Company will engineer the selected Immuno-STAT Biologics™ for up to three alleles, which are expected to include the predominant alleles in the LG Chem Territory, thereby enhancing Cue's market reach by providing for greater patient coverage of populations in global markets, while LG Chem will establish a chemistry, manufacturing and controls ("CMC") process for the development and commercialization of Product Candidates. In addition, LG Chem has the option to select one additional Immuno-STAT Biologic for an oncology target (an "Additional Immuno-STAT Biologic") within two years of the effective date of the Agreement for an exclusive worldwide development and commercialization license. If LG Chem exercises this option, then the parties will execute a license and collaboration agreement ("Global License and Collaboration Agreement") setting forth the terms and conditions relating to such arrangement. The Company will retain an option to co-develop and co-commercialize the additional program worldwide.

Under the terms of the Agreement, LG Chem will pay the Company a $5.0 million non-refundable, non-creditable upfront payment and purchase approximately $5.0 million of shares of the Company's common stock at a price per share equal to a twenty percent (20%) premium to the volume weighted-average closing price per share over the thirty (30) trading day period immediately prior to the effective date of the Agreement. The Company is also eligible to receive additional aggregate payments of approximately $400 million if certain research, development, regulatory and commercial milestones are successfully achieved. In addition, the Agreement also provides that LG Chem will pay the Company tiered single-digit royalties on net sales of commercialized Product Candidates ("Collaboration Products") in the LG Chem Territory on a product-by-product and country-by-country basis, until the later of expiration of patent rights in a country, the expiration of regulatory exclusivity in such country, or ten years after the first commercial sale of a Collaboration Product in such country, subject to certain royalty step-down provisions set forth in the Agreement.

Pursuant to the Agreement, the parties will share research costs related to Collaboration Products, and LG Chem will provide CMC process development for selected Product Candidates and potentially additional downstream manufacturing capabilities, including clinical and commercial supply for Collaboration Products. In return for performing CMC process development, LG Chem is eligible to receive low-single digit royalty payments on the sales of Collaboration Products sold in all countries outside the LG Chem Territory. Furthermore, should the parties enter into a Global License and Collaboration Agreement for an Additional Immuno-STAT Biologic, LG Chem will pay the Company a one-time, non-refundable, non-creditable upfront payment and the Company will be eligible to receive up to approximately $470 to $675 million in fees and milestone payments as well as tiered royalty payments on future global sales that range from high-single digits to mid-double digit teens in the United States and mid-single to low-double digits outside of the United States. The amount of fees and milestone payments, as well as whether the Company receives royalty payments, will depend on when LG Chem nominates the Additional Immuno-STAT Biologic, the number of alleles selected by LG Chem and whether the Company exercises its option to co-develop and co-commercialize the additional program worldwide, in which case the Company would share costs and profits instead of receiving royalties and post-option-exercise milestones.

The Agreement includes various representations, warranties, covenants, indemnities and other customary provisions. LG Chem may terminate the Agreement for convenience or change of control of the Company on a program-by-program, product-by-product or country-by-country basis, or in its entirety, at any time following the notice period set forth in the Agreement. Either party may terminate the Agreement, in its entirety or on a program-by-program, product-by-product or country-by-country basis, in the event of an uncured material breach. The Agreement is also terminable by either party (i) upon the bankruptcy, insolvency or liquidation of the other party or (ii) for certain activities involving the challenge of certain patents controlled by the other party. Unless earlier terminated, the Agreement will expire on a product-by-product and country-by-country basis upon

the expiration of the applicable royalty term.

Item 3.02 Unregistered Sale of Equity Securities.

In connection with the Agreement described in Item 1.01 of this Current Report on Form 8-K, the Company and LG Chem entered into a stock purchase agreement effective November 6, 2018, pursuant to which the Company agreed to issue and sell to LG Chem, and LG Chem agreed to purchase, 564,187 shares (the "LG Chem Shares") of the Company's common stock, par value $0.001 per share, at a purchase price of $8.86 per share, for an aggregate purchase price of approximately $5.0 million. The LG Chem Shares are being sold in a private placement that is exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Securities Act"), or Regulation D promulgated thereunder, as a transaction by an issuer not involving a public offering. The LG Chem Shares will not be registered under the Securities Act or any state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from the registration requirements such as pursuant to Rule 144 under the Securities Act. The LG Chem Shares are "restricted securities" as that term is defined by Rule 144 and therefore are subject to a six month holding period under that rule. LG Chem has represented that it is acquiring the LG Chem Shares for investment only with no present intention to distribute the LG Chem Shares to any person in violation of applicable securities laws, and an appropriate legend will be applied to the LG Chem Shares.

Item 7.01 Regulation FD Disclosure.

The press release issued by the Company on November 8, 2018 is being furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Exhibit 99.1 filed herewith is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Exhibit Description
99.1	Press Release of Cue Biopharma, Inc. dated November 8, 2018, furnished herewith.

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.

Cue Biopharma, Inc.

Date: November 8, 2018

By: /s/ Daniel R. Passeri
Name: Daniel R. Passeri
Title: Chief Executive Officer

Cue Biopharma Announces Strategic Collaboration with LG Chem Life Sciences for

Immuno-STAT™ Biologics in Oncology

Collaboration Expands Development and Manufacturing of Immuno-STAT™ Biologics and

Broadens Coverage of Patient Populations

CAMBRIDGE, Mass., Nov. 8, 2018 – Cue Biopharma™, Inc. (NASDAQ: CUE), an innovative immunotherapy company developing a novel, proprietary class of biologics engineered to selectively modulate the human immune system to treat cancer, autoimmune and chronic infectious diseases, announced today that it has entered into a multi-target strategic collaboration with LG Chem Life Sciences, the life sciences division of LG Chem Ltd., to develop multiple Immuno-STAT biologics focused in the field of oncology.

The collaboration provides LG Chem with the rights to develop and commercialize, in Asia, Cue Biopharma's lead product, CUE-101, as well as Immuno-STAT biologics that target T cells against two additional cancer antigens. Under the terms of the collaboration, Cue Biopharma will engineer the selected Immuno-STATs for up to three alleles, while LG Chem will leverage its experience in biologics manufacturing to establish a quality chemistry, manufacturing and controls (CMC) process for development and commercialization of the selected candidates. LG Chem will also retain the right to elect one additional Immuno-STAT biologic within two years of the agreement for a worldwide development and commercialization license, and Cue Biopharma will retain an option to co-develop and co-commercialize the additional program worldwide. Cue Biopharma retains rights to develop and commercialize all assets included in the agreement in the United States and in global markets outside of Asia.

Under the terms of the agreement, LG Chem will make an undisclosed upfront payment as well as a $5M equity investment at a 20% premium. Cue Biopharma will be eligible to receive up to an additional $400M in research, development, regulatory and sales milestone payments with tiered royalties on sales of collaboration products in the LG Chem territory. In addition, LG Chem will further contribute to the collaboration by providing Cue Biopharma with research funding, CMC process development and potentially additional downstream manufacturing capabilities, including clinical and commercial supply for the collaboration products. LG Chem in return will receive royalties on sales of collaboration products in Cue Biopharma's territories outside of Asia. If LG Chem elects the option for an additional program worldwide, Cue Biopharma will receive an undisclosed payment and be eligible to receive greater than $500M in fees and milestone payments. Cue Biopharma will also receive tiered royalties on future global sales. In addition, prior to the first pivotal trial for the optional Immuno-STATs, Cue Biopharma will have the option to elect worldwide co-development rights for the additional program.

"Cue Biopharma is proud to be launching this strategic collaboration with LG Chem as our partner," stated Dan Passeri M.Sc., J.D., President and CEO of Cue Biopharma. "We believe they offer world-class biologics capabilities as well as clinical development capabilities that will enhance our ability to achieve our global corporate objectives. Our partnership with LG Chem is an important strategic development, as it allows us to expand our reach into more diverse patient populations with our Immuno-STAT™ Biologics platform and leverage the leading biologics manufacturing and clinical development capabilities that LG Chem has successfully established."

“We are very pleased to enter this strategic collaboration with Cue Biopharma; it is more than a licensing deal, it is a partnership with a shared vision and great strategic fit,” said Dr. Jeewoong Son, President of LG Chem Life Sciences. “By combining Cue Biopharma’s pioneering approach to selectively modulating disease-associated T cells with LG Chem’s biologics capabilities in development and manufacturing, we aim to accelerate bringing this novel therapy to a greater number of cancer patients.”

About Immuno-STATs

Immuno-STAT Biologics are designed for targeted modulation of disease-associated T cells in the areas of immuno-oncology, autoimmune and chronic infectious disease. Each of our biologic drugs is designed using our proprietary scaffold comprising: 1) a peptide-MHC complex (pMHC) to provide selectivity through the pMHC T-cell receptor (TCR) interaction, and 2) a unique co-stimulatory signaling molecule to modulate the activity of the target T cells.

The simultaneous engagement of co-stimulatory molecules and pMHC binding mimics the signals delivered by APCs to T cells during a natural immune response. This design enables Immuno-STAT Biologics to engage with the T cell population of interest exclusively, resulting in highly targeted T cell modulation. Because our drugs are delivered in vivo, they are fundamentally different from other T cell therapeutic approaches such as Adoptive Cell Therapy (ACT), which require the patients’ T cells to be extracted, then stimulated and expanded outside the body (ex vivo) and reinfused in an activated state. At Cue Biopharma we are working to develop drugs that will represent a potent pharmaceutical analog to the ex vivo approach deployed by current cellular therapies. Furthermore, we believe the pharmacological effect in the patients can be more precisely controlled via an administered therapeutic.

About Cue Biopharma

Cue Biopharma is an innovative immunotherapy company developing a novel, proprietary class of biologics engineered to selectively modulate the human immune system to treat a broad range of cancers, autoimmune and chronic infectious diseases. We design biologics to engage and modulate the activity of disease-associated T cells in the patient’s body, with the goal of offering significant therapeutic benefits while potentially minimizing or eliminating unwanted side effects.

We believe our selective biologics allow us to target antigen-specific T cell populations in a variety of indications using a peptide – MHC complex for delivering T cell modulating effectors, such as IL-2. Once a biologic has been optimized, our approach offers the potential for readily exchanging peptides to target different T cell populations and indications using previously-validated drug frameworks developed from the Immuno-STATTM (Selective Targeting and Alteration of T cells) platform. This flexibility could truncate the drug selection and development process, moving effective therapeutics from discovery to clinical validation more rapidly and cost-efficiently than current industry standard timelines and costs.

Headquartered in Cambridge, MA, we are led by an experienced management team and scientific and clinical advisory board (SAB/CAB) with deep expertise in the design and clinical development of protein biologics, immunology and immuno-oncology.

For more information, visit www.cuebio.com.

About LG Chem Life Sciences

LG Chem Life Sciences is a business division within LG Chem, engaged in the development, manufacturing, as well as commercializing pharmaceutical products globally. LG Chem Life Sciences seeks to expand and make global presence by focusing on key core therapeutic areas of Immunology, Oncology, and Metabolic Diseases (specifically, diabetes and related metabolic diseases). To achieve such, its strategy is to actively pursue global collaboration encompassing from asset-centric to strategic investment and collaboration.

Forward-Looking Statements

This press release contains “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, that are intended to be covered by the “safe harbor” created by those sections. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as “believe,” “expect,” “may,” “will,” “should,” “would,” “could,” “seek,” “intend,” “plan,” “goal,” “project,” “estimate,” “anticipate,” “strategy,” “future,” “likely” or other comparable terms. All statements other than statements of historical facts included in this press release regarding our strategies, prospects, financial condition, operations, costs, plans and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding anticipated results of our drug development efforts, including study results, our expectations regarding regulatory developments and expected future operating results. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, our limited operating history, limited cash and a history of losses; our ability to achieve profitability; our ability to secure required U.S. Food and Drug Administration (“FDA”) or other governmental approvals for our product candidates and the breadth of any approved indication; negative or inconclusive results from our clinical studies or serious and unexpected drug-related side effects or other safety issues experienced by participants in our clinical trials; delays and changes in regulatory requirements, policy and guidelines including potential delays in submitting required regulatory applications to the FDA; our reliance on licensors, collaborations and strategic alliances; our ability to obtain adequate financing to fund our business operations in the future; and the other risks and uncertainties described in the Risk Factors and in Management’s Discussion and Analysis of Financial Condition and Results of Operations sections of our most recently filed Annual Report on Form 10-K and any subsequently filed Quarterly Report(s) on Form 10-Q. Any forward-looking statement made by us in this press release is based only on information currently available to us and speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

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