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

December 10, 2019
Date of Report (Date of earliest event reported)

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

Delaware	**001-38692**	**82-1554746**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

2223 Avenida de la Playa, Suite 105 **La Jolla, CA** **(Address of principal executive offices)**	**92037** **(Zip Code)**

Registrant's telephone number, including area code: (858) 412-5302

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations 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	**EQ**	**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.

On December 10, 2019, we entered into a third amendment to the collaboration and license agreement with Biocon Limited, or Biocon, dated May 22, 2017, or the Third Amendment. The Third Amendment grants us an exclusive license to develop, make, have made, use, sell, have sold, offer for sale, import and otherwise exploit itolizumab and any pharmaceutical composition or preparation containing or comprising itolizumab that uses Biocon technology or Biocon know-how, or collectively, a Biocon Product, in Australia and New Zealand, or the AUS/NZ Territory.

In consideration of the rights granted to us by Biocon in the AUS/NZ Territory, if we or our affiliates commercialize Biocon Products in the AUS/NZ Territory, we are required to pay Biocon royalties on tiers of aggregate annual net sales of Biocon Products by us or our affiliates in the AUS/NZ Territory at percentages from the mid-single digits to sub-teen double digits, subject to adjustments in certain circumstances. If we grant a third party a sublicense of our rights to develop and commercialize Biocon Products in the AUS/NZ Territory, we will be required to pay Biocon a high double-digit percentage of any upfront payment we receive from such sublicensee for such sublicense, as well as a high double-digit percentage of any additional payments we receive from such sublicensee for such sublicense, including but not limited to royalty payments on net sales of Biocon Products by such sublicensee.

The foregoing is only a summary of the material terms of the Third Amendment, and does not purport to be complete and is qualified in its entirety by reference to the full text of the Third Amendment, which will be filed as an exhibit to the Company's Annual Report on Form 10-K for the fiscal year ending December 31, 2019.

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

(e)

2020 Base Salary and Target Bonus Information

On December 10, 2019, the Compensation Committee (the "***Compensation Committee***") of our Board of Directors approved changes in (i) base salary for certain of our executive officers and (ii) the target performance bonus amounts for certain of our executive officers, each for fiscal year 2020. The changes in base salary and target performance bonus amounts are effective as of January 1, 2020. The following table sets forth the amounts approved for certain of our named executive officers and Bruce D. Steel, our principal executive officer effective as of January 1, 2020:

Name	Title	2020 Base Salary	2020 Target Bonus (% of Base Salary)
Daniel M. Bradbury	Chief Executive Officer[1]	$ 150,000	0%
Krishna R. Polu, M.D.	Chief Medical Officer[2]	$ 450,000	40%
Bruce D. Steel	President and Chief Business Officer[3]	$ 400,000[4]	60%

1 Effective as of January 1, 2020, Mr. Bradbury will be the Company's Executive Chairman.
2 Effective as of January 1, 2020, Dr. Polu will be the Company's Executive Vice President Research & Development and Chief Medical Officer.
3 Effective as of January 1, 2020, Mr. Steel will be the Company's President and Chief Executive Officer.
4 Amount is the same as Mr. Steel's current base salary.

Stock Option Grants

On December 10, 2019, the Compensation Committee approved the grant of stock options to our executive officers. The following table sets forth the number of shares underlying the stock option grants to our named executive officers, our principal financial officer and Bruce D. Steel, our principal executive officer effective as of January 1, 2020:

Name	Title	Stock Options
Daniel M. Bradbury	Chief Executive Officer[1]	36,000
Krishna R. Polu, M.D.	Chief Medical Officer[2]	125,000
Stephen Connelly, Ph.D.	Chief Scientific Officer	90,000
Jason A. Keyes	Chief Financial Officer	90,000
Bruce D. Steel	President and Chief Business Officer[3]	100,000

1 Effective as of January 1, 2020, Mr. Bradbury will be the Company's Executive Chairman.
2 Effective as of January 1, 2020, Dr. Polu will be the Company's Executive Vice President Research & Development and Chief Medical Officer.
3 Effective as of January 1, 2020, Mr. Steel will be the Company's President and Chief Executive Officer.

The stock options described above were granted under our 2018 Equity Incentive Plan and have a per share exercise price equal to $4.75, the closing price of our common stock as reported on The Nasdaq Global Market on December 10, 2019. Each option is subject to a four-year vesting schedule, with 25% vesting one year after the vesting commencement date and the balance vesting monthly over the remaining 36 months, subject to the respective optionholder's continued service with us. The options provide for full acceleration of all of the shares subject to the option in the event the respective optionholder is terminated by us without cause or resigns for good reason within 12 months after a change in control.

Item 8.01 Other Events.

On December 12, 2019, the Company issued a press release announcing the Third Amendment referenced in Item 1.01 of this Current Report on Form 8-K. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated December 12, 2019

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.

Equillium, Inc.

Dated: December 12, 2019

By: /s/ Jason A. Keyes
Jason A. Keyes
Chief Financial Officer

Exhibit 99.1

Equillium & Biocon Expand Exclusive Licensing Agreement for Itolizumab to Include Australia and New Zealand

LA JOLLA, Calif. / BENGALURU, Karnataka, India, December 12, 2019 – Equillium Inc. (Nasdaq: EQ), a clinical-stage biotechnology company leveraging deep understanding of immunobiology to develop products to treat severe autoimmune and inflammatory disorders, and Biocon Ltd (BSE code: 532523, NSE: BIOCON), an innovation-led global biopharmaceuticals company, today announced that they have expanded their collaboration and license agreement for itolizumab to grant Equillium exclusive rights for developing and commercializing itolizumab in Australia and New Zealand.

Equillium had originally secured exclusive rights to develop and commercialize Biocon's novel biologic, itolizumab, for the U.S. and Canada markets, in May 2017.

"We are pleased to deepen our relationship with Biocon by expanding our licensing agreement for itolizumab. Securing these rights helps strengthen and build upon our existing presence in Australia and New Zealand where we are collaborating with distinguished asthma centers and specialists to conduct the EQUIP clinical trial in uncontrolled asthma patients," said Bruce Steel, President and Chief Business Officer of Equillium.

"Biocon is pleased with the development progress of itolizumab achieved by Equillium so far and has agreed to include Australia and New Zealand within the scope of the licensing agreement. As an innovation-led organization we are committed to bring novel therapeutics to the market to address unmet patient needs across the world. We look forward to our continued partnership with Equillium as they develop this molecule further for the treatment of severe autoimmune and inflammatory disorders," said Siddharth Mittal, CEO and Joint Managing Director, Biocon.

Itolizumab is a novel first-in-class humanized anti-CD6 monoclonal antibody, which Biocon developed and launched in India under the brand name ALZUMAb™ to treat moderate to severe plaque psoriasis in 2013. In 2017, Biocon partnered with Equillium for this promising asset to develop it for a wide range of autoimmune disorders.

In addition to the EQUIP trial in uncontrolled asthma, Equillium is conducting Phase 1bproof-of-concept clinical trials of itolizumab for the treatment of acute graft-versus-host disease (aGVHD) and lupus nephritis. The U.S. Food and Drug Administration (FDA) granted itolizumab Fast Track designation for the treatment of aGVHD and lupus nephritis, as well as Orphan Drug designations for both the prevention and treatment of aGVHD.

About Equillium

Equillium is a biotechnology company leveraging deep understanding of immunobiology to develop products to treat severe autoimmune and inflammatory disorders with high unmet medical need.

Equillium's initial product candidate, itolizumab (EQ001), is a clinical-stage, first-in-class monoclonal antibody that selectively targets the novel immune checkpoint receptor CD6. CD6 plays a central role in

modulating the activity and trafficking of T cells that drive a number of immuno-inflammatory diseases. Itolizumab is a clinically-validated therapeutic that has demonstrated a favorable safety and tolerability profile. Equillium acquired rights to itolizumab through an exclusive partnership with Biocon Limited. Equillium believes that itolizumab has the potential to be a best-in-class disease modifying therapeutic and is advancing itolizumab into clinical development in the following severe immuno-inflammatory disorders: uncontrolled asthma, acute graft-versus-host disease, and lupus nephritis. For more information, visit www.equilliumbio.com.

About Biocon

Biocon Limited, publicly listed in 2004, (BSE code: 532523, NSE Id: BIOCON, ISIN Id: INE376G01013) is aninnovation-led global biopharmaceuticals company committed to enhance affordable access to complex therapies for chronic conditions like diabetes, cancer and autoimmune. Biocon has developed and commercialized novel biologics, biosimilars, and complex small molecule APIs in India and several key global markets as well as generic formulations in the U.S. and Europe. It is a leading global player for APIs including statins, immunosuppressants and specialty molecules. It also has a pipeline of promising novel assets in immunotherapy under development. Biocon Biologics is a subsidiary of Biocon Ltd. It is uniquely positioned as a fully integrated 'pure play' biosimilars organization in the world and aspires to transform patient lives through innovative and inclusive healthcare solutions. The Company has a large portfolio of biosimilars under global clinical development with three of these commercialized in developed markets like EU, Australia, U.S. and Japan. Biocon is committed to pursue the path of innovation to develop products that have the potential to benefit a billion lives. For more information, visit www.biocon.com or follow Biocon on Twitter: @bioconlimited.

Forward-Looking Statements: Equillium

Statements contained in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Such statements include, but are not limited to, statements regarding Equillium's plans for developing and commercializing itolizumab in Australia and New Zealand and the potential benefits of itolizumab. Risks that contribute to the uncertain nature of the forward-looking statements include uncertainties related to the completion of clinical trials and whether the results from clinical trials will validate and support the safety and efficacy of itolizumab. These and other risks and uncertainties are described more fully under the caption "Risk Factors" and elsewhere in Equillium's filings and reports with the United States Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made. Equillium undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

Forward-Looking Statements: Biocon

This press release may include statements of future expectations and other forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects upon Biocon and its subsidiaries/ associates. These forward-looking statements involve known or unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Important factors that could cause actual results to differ materially from our expectations include, amongst other: general economic and business conditions in India and overseas, our ability to successfully implement our strategy, our research and development efforts, our growth and expansion plans and technological changes, changes in the value of

the Rupee and other currency changes, changes in the Indian and international interest rates, change in laws and regulations that apply to the Indian and global biotechnology and pharmaceuticals industries, increasing competition in and the conditions of the Indian and global biotechnology and pharmaceuticals industries, changes in political conditions in India and changes in the foreign exchange control regulations in India. Neither Biocon, nor our Directors, or any of our subsidiaries/associates assume any obligation to update any particular forward-looking statement contained in this release.

Contacts:

EQUILLIUM

Media Contact
Cammy Duong
Canale Communications
+1-619-849-5389
cammy@canalecomm.com

Investor Contact
+1-858-412-5302
ir@equilliumbio.com

BIOCON

Media Contact
Seema Ahuja
+91 80 2808 2222
M:+91 9972 317792
seema.ahuja@biocon.com

Investor Contact
Saurabh Paliwal (Investors)
+91 80 6775 2040
investor.relations@biocon.com