

**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): January 5, 2021

INTERPACE BIOSCIENCES, INC.
(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

0-24249
(Commission
File Number)

22-2919486
(IRS Employer
Identification No.)

**Morris Corporate Center 1, Building C
300 Interpace Parkway,
Parsippany, NJ 07054**
(Address, including zip code, of Principal Executive Offices)

(855) 776-6419
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:

- ☐ 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, \$0.01 par value per share	IDXG	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 January 7, 2021, Interpace Biosciences, Inc. (the "Company") entered into promissory notes with Ampersand 2018 Limited Partnership ("Ampersand"), in the amount of \$3 million, and 1315 Capital II, L.P. ("1315 Capital"), in the amount of \$2 million, respectively (together, the "Notes"), and a related security agreement (the "Security Agreement").

Ampersand holds 28,000 shares of the Company's Series B Convertible Preferred Stock ("Series B"), which are convertible from time to time into an aggregate of 4,666,666 shares of our Common Stock, and 1315 Capital holds 19,000 shares of the Company's Series B, which are convertible from time to time into an aggregate of 3,166,668 shares of our Common Stock. On an as-converted basis, such shares would represent approximately 39.3% and 26.7% of our fully-diluted shares of Common Stock, respectively. In addition, pursuant to the terms of the Series B certificate of designation and an amended and restated investor rights agreement among the Company and Ampersand and 1315 Capital, they each have the right to (1) approve certain of our actions, including our borrowing of money and (2) designate two directors to our Board of Directors. As a result, the Company considers the Notes and Security Agreement to be a related party transaction.

The rate of interest on the Notes is equal to eight percent (8.0%) per annum and their maturity date is the earlier of (a) June 30, 2021 and (b) the date on which all amounts become due upon the occurrence of any event of default as defined in the Notes. No interest payments are due on the Notes until their maturity date. All payments on the Notes are pari passu.

In connection with the Security Agreement, the Notes are secured by a first priority lien and security interest on substantially all of the assets of the Company. Additionally, if a change of control of the Company occurs (as defined in the Notes) the Company is required to make a prepayment of the Notes in an amount equal to the unpaid principal amount, all accrued and unpaid interest, and all other amounts payable under the Notes out of the net cash proceeds received by the Company from the consummation of the

transactions related to such change of control. The Company may prepay the Notes in whole or in part at any time or from time to time without penalty or premium by paying the principal amount to be prepaid together with accrued interest thereon to the date of prepayment. No prepaid amount may be re-borrowed.

The Notes contain certain negative covenants which prevent the Company from issuing any debt securities pursuant to which the Company issues shares, warrants or any other convertible security in the same transaction or a series of related transactions, except that Company may incur or enter into any capitalized and operating leases in the ordinary course of business consistent with past practice, or borrowed money or funded debt in an amount not to exceed \$4.5 million (the “Debt Threshold”) that is subordinated to the Notes on terms acceptable to Ampersand and 1315 Capital; provided, that if the aggregate consolidated revenue recognized by the Company as reported on Form 10-K as filed with the SEC for any fiscal year ending after January 10, 2020 exceeds \$45 million dollars, the Debt Threshold for the following fiscal year shall increase to an amount equal to: (x) ten percent (10%); multiplied by (y) the consolidated revenue as reported by the Company on Form 10-K as filed with the SEC for the previous fiscal year.

Item 1.02. Termination of a Material Definitive Agreement

On January 5, 2021, the Company terminated the Loan and Security Agreement with Silicon Valley Bank (“SVB”) dated November 13, 2018, as amended March 18, 2019 (as so amended, the “SVB Loan Agreement”) in accordance with the terms of the SVB Loan Agreement. In connection with the termination, SVB waived its right to any termination fees and released its security interest in the assets of the Company.

The SVB Loan Agreement included a revolving loan component (the “Revolver”) with a limit of up to \$4.0 million, available for working capital purposes, and an original maturity date of November 13, 2021. Prior to the termination, the borrowing limit of the Revolver was (a) the lower of: (i) \$4.0 million and (ii) 80% of the Company’s eligible accounts receivable (as adjusted by SVB), reduced by (b) (i) any outstanding advances under the Revolver, of which there are none as of September 30, 2020; (ii) the Landlord Letter of Credit, in the maximum amount of \$1 million; and (iii) any outstanding term loans, of which there was none due to repayment in 2019. The Revolver was the only remaining component of the SVB Loan Agreement. The Company terminated the SVB Loan Agreement to facilitate entry into the Security Agreement with Ampersand and 1315 Capital.

During October 2020, the Company further amended the SVB Loan Agreement (the “Second Amendment”), adding the Company’s subsidiary, Interpace Pharma Solutions, Inc. (“IPS”) as a borrower thereunder and granting SVB a continuing lien upon and security interest in all of the assets of IPS.

The Company had been in compliance with the terms of the SVB Loan Agreement through the date of termination of the SVB Loan Agreement.

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 in Item 1.01 above is incorporated by reference into this Item 2.03.

SIGNATURE

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.

Interpace Biosciences, Inc.

By: /s/ Thomas W. Burnell

Name: Thomas W. Burnell

Title: President and Chief Executive Officer

Date: January 11, 2021
