

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

GRITSTONE BIO, INC.,<sup>1</sup>

Debtor.

Chapter 11

Case No. 24-12305 (KBO)

**Related Docket Nos. 387, 423, 424**

**NOTICE OF FILING OF FINANCIAL PROJECTIONS IN CONNECTION WITH  
GRITSTONE BIO, INC.'S DISCLOSURE STATEMENT AND  
FIRST MODIFIED CHAPTER 11 PLAN OF REORGANIZATION**

**PLEASE TAKE NOTICE** that on February 11, 2025, the above-captioned debtor and debtor in possession (the “Debtor”) filed *Gritstone bio, Inc.’s First Modified Chapter 11 Plan of Reorganization* [Docket No. 423] (the “Chapter 11 Plan”), the *First Amended Disclosure Statement with Respect to Gritstone bio, Inc.’s First Modified Chapter 11 Plan of Reorganization* [Docket No. 424] (the “Disclosure Statement”). On January 29, 2025, the Debtor filed the *Amended Debtor’s Motion for an Order (I) Approving the Disclosure Statement; (II) Scheduling Confirmation Hearing; (III) Approving Form and Manner of Notice of Confirmation Hearing; (IV) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan, Including (A) Approving Form and Content of Solicitation Materials; (B) Establishing Record Date and Approving Procedures for Distribution of Solicitation Materials; (C) Approving Forms of Ballots; (D) Establishing Voting Deadline for Receipt of Ballots and (E) Approving Procedures for Vote Tabulations; (V) Approving Form and Manner of Notice of Plan Releases; (VI)*

<sup>1</sup> The Debtor’s mailing address is 4698 Willow Road, Pleasanton, CA 94588, and the last four digits of the Debtor’s federal tax identification number is 9534.



*Establishing Deadline and Procedures for Filing Objections to Confirmation of Plan; and (VII) Granting Related Relief* [Docket No. 387] (the “Amended Disclosure Statement Motion”).<sup>2</sup>

**PLEASE TAKE FURTHER NOTICE THAT** attached hereto are certain financial Projections (the “Projections”) to be incorporated into the Disclosure Statement or otherwise included in the Solicitation Materials.

**PLEASE TAKE FURTHER NOTICE** that the Debtor intends to present the Projections in connection with seeking approval of the Amended Disclosure Statement Motion at the virtual hearing scheduled before the Honorable Karen B. Owens at the United States Bankruptcy Court, 824 Market Street, 6th Floor, Courtroom No. 3, Wilmington, Delaware 19801 on February 12, 2025, at 11:30 a.m., Prevailing Eastern Time.

Dated: February 11, 2025

PACHULSKI STANG ZIEHL & JONES LLP

*/s/ James E. O’Neill*

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<sup>2</sup> Capitalized terms not defined herein shall have the meaning provided in the Chapter 11 Plan, the Disclosure Statement, and the Amended Disclosure Statement Motion, as applicable.

The DIP Agent, on behalf of the Reorganized Debtor and in consultation with the Debtor, prepared the Financial Projections based on, among other things, the anticipated future financial condition and results of operations of the Reorganized Debtor. The Financial Projections cover the anticipated post-emergence period from April 1, 2025, through December 31, 2027 (the "Projection Period"). The Financial Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated by March 31, 2025 (the "Assumed Effective Date"). Any significant delay in the Assumed Effective Date may have a significant negative impact on the operations and financial performance of the Reorganized Debtor including, but not limited to, an increased risk or inability to meet forecasts and the incurrence of higher reorganization expenses.

Although the Financial Projections represent the Reorganized Debtor's best estimates and good faith judgment, in consultation with the Debtor, of the results of future operations, financial position, and cash flows of the Reorganized Debtor, they are only estimates and actual results may vary considerably from such Financial Projections. Consequently, the inclusion of the Financial Projections herein should not be regarded as a representation by the Debtor, the Reorganized Debtor, the DIP Agent, the DIP Lenders or any of the respective advisors or any other person that the projected results of operations, financial position, and cash flows of the Reorganized Debtor will be achieved.

The Debtor and Reorganized Debtor do not intend to update or otherwise revise the Financial Projections to reflect circumstances that may occur after their preparation, or to reflect the occurrence of unanticipated events, even if any or all of the underlying assumptions are shown to be in error.

THE FINANCIAL PROJECTIONS HAVE BEEN PREPARED BY THE DIP AGENT, ON BEHALF OF THE REORGANIZED DEBTOR, IN CONSULTATION WITH THE DEBTOR, AND IN CONJUNCTION WITH THE DEBTOR'S ADVISORS. THE FINANCIAL PROJECTIONS WERE NOT PREPARED TO COMPLY WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR THE RULES AND REGULATIONS OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, AND BY THEIR NATURE ARE NOT FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH ACCOUNTING PRINCIPLES GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA. THE FINANCIAL PROJECTIONS DO NOT REFLECT THE IMPACT OF FRESH START REPORTING IN ACCORDANCE WITH AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS STATEMENT OF POSITION 90-7 "FINANCIAL REPORTING BY ENTITIES IN REORGANIZATION UNDER THE BANKRUPTCY CODE." THE IMPACT OF FRESH START REPORTING AT THE EFFECTIVE DATE MAY HAVE AN IMPACT ON ASSETS, LIABILITIES AND SHAREHOLDER EQUITY AS REFLECTED ON THE REORGANIZED DEBTOR'S CONSOLIDATED BALANCE SHEETS AND PROSPECTIVE RESULTS OF OPERATIONS.

**Gritstone bio**  
**Projections 2025-2027**

(in \$ thousands)	F'cast Q2 2025	F'cast Q3 2025	F'cast Q4 2025	F'cast FY 2025	F'cast FY 2026	F'cast FY 2027	F'cast FY 25-27
<b>Revenue</b>							
Milestone Payments from Collaboration Deals	-	-	250	250	750	1,500	2,500
U.S. and State Grant Funding	-	-	75	75	75	75	225
I.P. Licensing Receipts	-	-	-	-	300	300	600
<b>Total Revenue</b>	-	-	<b>325</b>	<b>325</b>	<b>1,125</b>	<b>1,875</b>	<b>3,325</b>
<b>Direct Operating Expenses</b>							
Payroll & Benefits	(162)	(162)	(162)	(487)	(590)	(597)	(1,674)
Rent, Utilities & Equipment	(27)	(17)	(15)	(59)	(43)	(44)	(146)
Sales & Marketing	(8)	(8)	(8)	(23)	(23)	(23)	(68)
Business Insurance	(10)	(10)	(10)	(30)	(30)	(30)	(90)
Other	(11)	(11)	(11)	(32)	(33)	(34)	(98)
<b>Total Direct Operating Expenses</b>	<b>(217)</b>	<b>(207)</b>	<b>(205)</b>	<b>(630)</b>	<b>(718)</b>	<b>(728)</b>	<b>(2,075)</b>
<b>Indirect Operating Expenses</b>							
Patent & Trademark	(33)	(26)	(24)	(82)	(83)	(83)	(247)
Legal	(24)	(3)	(3)	(29)	(19)	(34)	(81)
Accounting & Income Taxes	-	-	(250)	(250)	(25)	(25)	(300)
IT	(80)	(24)	(5)	(108)	(99)	(99)	(306)
Other	(44)	-	(3)	(46)	(10)	(10)	(66)
<b>Total Indirect Operating Expenses</b>	<b>(179)</b>	<b>(52)</b>	<b>(284)</b>	<b>(515)</b>	<b>(235)</b>	<b>(250)</b>	<b>(1,000)</b>
<b>Cash Flow from Operations</b>	<b>(396)</b>	<b>(259)</b>	<b>(163)</b>	<b>(819)</b>	<b>172</b>	<b>897</b>	<b>250</b>
Capital Contributions	500	500	500	1,500	1,000	1,000	3,500
<b>Net Cash Flow</b>	<b>104</b>	<b>241</b>	<b>337</b>	<b>681</b>	<b>1,172</b>	<b>1,897</b>	<b>3,750</b>