# 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): February 23, 2023**

# OBSEVA SA
**(Exact name of registrant as specified in its Charter)**

| **Switzerland** | **001-37993** | **Not Applicable** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

| **Chemin des Aulx, 12**<br>**1228 Plan-les-Ouates**<br>**Geneva, Switzerland** | **1228** |
|---|---|
| (Address of principal executive offices) | (Zip Code) |

**+ 41 22 552 38 40**
**(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 (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))

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 shares, par value CHF 1/13 per share | OBSV | 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 February 23, 2023, ObsEva SA (the "Company") entered into a Payoff and Termination Agreement (the "Payoff Agreement") with JGB (Cayman) Port Ellen Ltd. ("JGB"), pursuant to which JGB agreed to accept a reduced prepayment premium of (i) $565,614 in cash and (ii) $250,000 in the form of 1,470,588 common shares of the Company (the "Payoff Shares") as prepayment for that certain Senior Secured Convertible Note issued by the Company to JGB due December 31, 2023, in the aggregate original principal amount of $31,496,063 (the "First Tranche Note") and that certain Senior Secured Convertible Note issued by the Company to JGB due December 31, 2023, in the aggregate original principal amount of $10,500,000 (the "Second Tranche Note" and together with the First Tranche Note, the "Outstanding Notes"). As of February 23, 2023, $4,681,398 aggregate principal amount of the First Tranche Note and $1,852,988 aggregate principal amount of the Second Tranche Note remained outstanding. The Company completed the transactions contemplated by the Payoff Agreement on February 24, 2023, in full satisfaction of its obligations under the Outstanding Notes and that certain Amended and Restated Securities Purchase Agreement, deemed dated as of October 12, 2021, among the Company and certain funds and accounts managed by JGB Management, Inc. (including JGB).

**Item 1.02 Termination of a Material Definitive Agreement.**

The information contained in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 1.02.

**Item 2.05. Costs Associated with Exit or Disposal Activities.**

On February 23, 2023, the Board of Directors (the "Board") of the Company approved a reorganization plan, to, among other things, consolidate its operations in Switzerland, where its headquarters are located. The reorganization plan is intended to preserve cash, focus resources towards the development of nolasiban, a novel, oral oxytocin receptor agonist to improve in vitro fertilization success rates, and manage out-licensed programs. As part of the reorganization, the Company reduced its overall workforce by approximately 57%, including downsizing its US-based executive management team. The Company expects to similarly propose a reduced Board at its next Annual General Meeting of Shareholders (the "AGM").

The Company is beginning the activities with respect to the reorganization plan effective immediately. As a result, the Company expects to incur restructuring charges of approximately $1.2 million attributable to cash payments primarily for notice period payments, including healthcare coverage to employees with respect to eliminated positions and to realize annual savings of approximately $3.5 million. Such restructuring charges are expected to be incurred and recorded in the first quarter of 2023.

The costs and charges described above and timing thereof are preliminary estimates based on the Company's current expectations and are subject to a number of assumptions and risks, and actual results may differ materially from such estimates. The Company may also incur other charges, costs, future cash expenditures or impairments not currently contemplated due to events that may occur as a result of, or in connection with, the reorganization plan and reduction in workforce.

**Item 3.01. Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

Following the Board's approval of the reorganization plan, on February 23, 2023, the Company notified The Nasdaq Stock Market LLC ("Nasdaq") of its inability to comply with Nasdaq Listing Rule 5450(a)(1) (the "Bid Price Rule") because the bid price of the Company's common shares has not closed at or above $1.00 per share for a minimum of ten consecutive business days. As previously reported, on September 12, 2022, the Company received notice from the Listing Qualifications Staff of Nasdaq indicating that the Company was not in compliance with the Bid Price Rule and the Company's securities were subject to delisting unless, among other things, the Company regained compliance by March 13, 2023.

In light of the reorganization plan, the Company expects that Nasdaq will file a delisting application on Form 25 with the United States Securities and Exchange Commission (the "SEC") to delist the Company's common shares from Nasdaq. Following the effectiveness of such delisting, the Company intends to file with the SEC a Form 15 requesting the deregistration of its common shares under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the suspension of its reporting obligations under Section 13 and Section 15(d) of the Exchange Act, subject to meeting certain conditions to deregistration, including the Company having fewer than 300 record holders of its common shares.

**Item 3.02 Unregistered Sales of Equity Securities.**

The information included in Item 1.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.02 to the extent required. The Company relied upon the exemption from the registration requirements under the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 3(a)(9) of the Securities Act with respect to the issuance of the Payoff Shares.

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

*Director Departures*

On February 23, 2023, Annette Clancy, current chair of the Board, Brian O'Callaghan, Stephanie Brown, Anne VanLent and Ed Mathers, each a current member of the Board, notified the Company that they will not stand for re-election as director nominees of the Company at the AGM which is expected to be held later in 2023, and therefore, will no longer serve as directors of the Company or on any committee of the Board, effective as of the AGM. The decisions of the directors not to stand for re-election was in connection with the reorganization and not due to any disagreement with the Company.

*Officer Departure and Appointment*

As part of the reorganization, on February 24, 2023, the Company announced that Brian O'Callaghan, the Company's Chief Executive Officer, stepped down from his position effective as of February 23, 2023. Mr. O'Callaghan is succeeded by Will Brown as Interim Chief Executive Officer. In addition to Interim Chief Executive Officer, Mr. Brown continues to serve as the Company's Chief Financial Officer.

Mr. Brown joined the Company in January 2022 as Chief Financial Officer with extensive experience in capital markets, finance and accounting. From May 2018 to December 2021, Mr. Brown served as Chief Financial Officer of Altimmune, Inc. (NASDAQ: ALT) where he was critical in the company's transformation and growth through more than $300 million of new equity issuances and a strategic acquisition. Mr. Brown has been a consultant to several private and public companies in a variety of accounting and tax matters both independently and as the managing partner of Redmont CPAs. Prior to his consulting role, he was an audit manager at PricewaterhouseCoopers and a Division Controller at Rheem, a multinational manufacturing company. Mr. Brown earned both his MBA and B.S. from Auburn University at Montgomery.

The selection of Mr. Brown to serve as the Company's Interim Chief Executive Officer was not pursuant to any arrangement or understanding with respect to any other person. In addition, there are no family relationships between Mr. Brown and any director or executive officer of the Company. Mr. Brown has not been a party to any transaction with the Company or its subsidiaries of the type required to be disclosed pursuant to Item 404(a) of Regulation S-K, and no such transaction is currently contemplated.

On February 23, 2023, the Company entered into a letter agreement (the "Interim CEO Letter") with Mr. Brown, governing the terms of his service as the Company's Interim Chief Executive Officer. Pursuant to the Interim CEO Letter, Mr. Brown is eligible to earn a retention bonus payment of $132,600, less applicable withholdings, subject to continues employment in good standing with the Company through the earlier of (i) the appointment of a successor Chief Executive Officer or (ii) May 31, 2023 (such date, the "Retention Date"). Such retention bonus, if earned, will be paid in a lump sum on the Company's next regular payroll date following the Retention Date.

Pursuant to the Interim CEO Letter, on February 23, 2023, the Board granted to Mr. Brown an option to purchase 250,000 common shares of the Company at an exercise price equal to $0.169, the closing market price per share of the Company's common shares on Nasdaq on the date of grant. The option became fully vested and exercisable immediately.

**Item 7.01. Regulation FD Disclosure.**

On February 24, 2023, the Company issued a press release regarding the reorganization plan. A copy of the Company's press release is furnished herewith as Exhibit 99. 1 to this Current Report on Form 8-K and incorporated herein by reference.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

**Item 9.01 Financial Statements and Exhibits.**

| Exhibit No. | Description |
|---|---|
| 99.1 | Press release dated February 24, 2023. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

## SIGNATURES

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.

**ObsEva SA**

Dated: February 24, 2023

By: /s/ Will Brown
Will Brown
Interim Chief Executive Officer and Chief Financial Officer

Exhibit 99.1

CONFIDENTIAL

**ObsEva Announces Strategic Reorganization to Consolidate Operations in Switzerland**

Ad hoc announcement pursuant to Art. 53 LR of the SIX Swiss Exchange

**GENEVA, Switzerland – February 24, 2023 – ObsEva SA (NASDAQ: OBSV; SIX: OBSN),** a biopharmaceutical company developing and commercializing novel therapies for women's health, today announced a strategic reorganization that will consolidate operations in Switzerland so as to preserve cash, focus resources towards the development of nolasiban, a novel, oral oxytocin receptor agonist to improve in vitro fertilization success rates, and manage its out-licensed programs. As part of the reorganization, the Company is downsizing its US-based Executive Management team and will similarly propose a reduced Board of Directors at the next Annual General Meeting. Additionally, ObsEva is retiring its convertible debt, is expecting to be delisted from Nasdaq, and intends to deregister from the US Securities and Exchange Commission ("SEC"), while maintaining its current listing on SIX Swiss Exchange.

"On behalf of the Board of Directors, I extend my sincere gratitude to Brian and the rest of the departing executive team for their leadership and contributions to ObsEva, and to all our departing employees for their efforts on behalf of the Company," said Annette Clancy, Chairwoman of the Board of Directors. "The Board believes we are better positioned to deliver shareholder value following these difficult reorganization decisions. We look forward to strengthening the company by continuing the clinical development of nolasiban and with the future development of our out-licensed programs. We intend to initiate a Phase 1b trial for nolasiban in the second half of 2023 as we remain committed to our mandate of improving women's health."

**Board of Directors and Management Changes**

In connection with the reorganization, ObsEva's Chairwoman, Annette Clancy, and Board members Brian O'Callaghan, Stephanie Brown, Anne VanLent, and Ed Mathers will not stand for re-election at the Company's upcoming annual general meeting of shareholders. It is intended that ObsEva's Founder, Dr. Ernest Loumaye, will be nominated as Board Chairman along with the nomination of Catarina Edfjäll as Board member.

Brian O'Callaghan stepped down as Chief Executive Officer effective February 23, 2023, with Will Brown, current Chief Financial Officer, appointed as Interim Chief Executive Officer, while also retaining the title of Chief Financial Officer. Additionally, Clive Bertram, Chief Commercial Officer, Brandi Howard, Chief Clinical Officer, and Luigi Marro, Chief Transformation Officer also departed the Company effective February 23, 2023. The Company has initiated a search for a permanent Chief Executive Officer to be based in Geneva, Switzerland.

The reorganization is expected to provide annual compensation savings of approximately $3.5 million.

**Extinguishment of Convertible Debt**

ObsEva has also negotiated the early retirement of $6.5 million in debt that represent amounts owed to certain funds and accounts managed by JGB Management, Inc. ("JGB") pursuant to the Company's Securities Purchase Agreement with JGB.

Under the terms of the early retirement, ObsEva and JGB agreed to apply $6.5 million previously held as collateral in a control account against the outstanding convertible notes on a pro rata basis, with JGB waiving a $1.1 million prepayment penalty in exchange for approximately $566 thousand in cash and $250,000 in the form of approximately 1.5 million common shares.

**Delisting from the Nasdaq Capital Market**

ObsEva has also notified The Nasdaq Stock Market LLC ("Nasdaq") of the Company's inability to comply with Listing Rule 5450(a)(1) because the bid price of ObsEva's common shares was not at least $1.00 per share for ten consecutive business days since receiving the non-compliance notice on September 12, 2022. ObsEva had until March 13, 2023 to regain compliance with the minimum bid price requirement. Upon delisting of ObsEva's common shares from the Nasdaq Capital Market, the Company intends to deregister with the SEC to suspend its obligation to file periodic reports under the Securities Exchange Act of 1934, as amended, including annual, quarterly and current reports on Form 10-K, Form 10-Q and Form 8-K, respectively, once certain conditions to deregistration are satisfied, including the Company having fewer than 300 record holders of its common shares. The Company expects the Nasdaq delisting and SEC deregistration to contribute to lower general and administrative costs in the future.

ObsEva intends to maintain its SIX Swiss Exchange listing and to continue to trade under the ticker symbol OBSN.

**About Nolasiban**

Nolasiban is a novel, oral oxytocin receptor antagonist being developed to improve clinical pregnancy and live birth rates in women undergoing embryo transfer following in vitro fertilization, a significant unmet need.

ObsEva retains worldwide, exclusive, commercial rights for nolasiban, except for the People's Republic of China where it has been sub-licensed to Yuyuan. Under the sublicense agreement with Yuyuan for nolasiban, ObsEva is entitled to receive aggregate milestone payments of up to $17 million upon the achievement of specified development, regulatory, and first sales milestones, and aggregate milestone payments of up to $115 million upon the achievement of additional, tiered sales milestones. In addition, Yuyuan has agreed to pay tiered royalties on net sales at percentages ranging from high-single digit to low-double digits.

**About Ebopiprant**

Ebopiprant is an investigational, orally active, selective prostaglandin F2a (PGF2a) receptor antagonist being evaluated as a potential treatment for preterm labor by reducing inflammation and uterine contractions inlicensed from Merck KGaA. In July 2021, ObsEva granted a license to Organon for the global development, manufacturing, and commercial rights to Ebopiprant.

ObsEva sold and assigned all its rights to Ebopiprant to XOMA Corporation (XOMA) in November 2022, including the Company's license agreements with Organon and Merck KGaA, Darmstadt, Germany, and the intellectual property estate. The Company received $15 million in upfront proceeds and is eligible to receive up to $98 million upon the achievement of certain development and regulatory milestones and sales milestones under the license agreement with Organon.

**About ObsEva**

ObsEva is a biopharmaceutical company developing novel therapies to improve women's reproductive health and pregnancy. ObsEva has established a development program focused on improving in vitro fertilization success rates. ObsEva is listed on the Nasdaq Capital Market and is traded under the ticker symbol "OBSV" and on the SIX Swiss Exchange where it is traded under the ticker symbol "OBSN". For more information, please visit www.ObsEva.com

**Cautionary Note Regarding Forward Looking Statements of ObsEva SA**

Any statements contained in this press release that do not describe historical facts may constitute forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified by words such as "believe", "expect", "may", "plan", "potential", "will", and similar expressions, and are based on ObsEva's current beliefs and expectations. These forward-looking statements include, without limitation, statements regarding ObsEva's plans for the future development of nolasiban; the plan to downsize the Board of Directors; the expectations regarding extinguishment of outstanding convertible debt with JGB, delisting from Nasdaq and deregistration from the SEC; maintaining ObsEva's SIX listing and expectations regarding the impact of such strategic decisions on ObsEva's operations and financial condition. These statements involve risks and uncertainties that could cause actual results to differ materially from those reflected in such statements. Risks and uncertainties that may cause actual results to differ materially include, without limitation, uncertainties in ObsEva's ability to successfully reorganize its operations; ObsEva's ability to recognize the anticipated benefits of the reorganization, which may be affected by, among other things, the ability of ObsEva to maintain relationships with its partners and attract and retain management and key employees; uncertainties in ObsEva's ability to regain compliance with the continued listing rules of Nasdaq and the effect of a potential delisting from Nasdaq for ObsEva's securities; the ability of ObsEva to maintain its SIX listing; the expenses and time that a delisting from Nasdaq and deregistration from the SEC may require; inherent risks and uncertainties associated with the conduct of clinical trials and clinical development, including the risk that the results of earlier clinical trials may not be predictive of the results of later stage clinical trials; ObsEva's reliance on third parties over which it may not always have full control, and the capabilities of such third parties; the impact of the ongoing novel coronavirus outbreak and other economic or geopolitical events; and other risks and uncertainties that are described in the Risk Factors section of ObsEva's Annual Report on Form 20-F for the year ended December 31, 2021 filed with the SEC on March 10, 2022, in the Reports on Form 6-K filed with the SEC on May 17, 2022, August 17, 2022 and December 1, 2022 and other filings ObsEva makes with the SEC. These documents are available on the Investors page of ObsEva's website at http://www.ObsEva.com. Any forward-looking statements speak only as of the date of this press release and are based on information available to ObsEva as of the date of this release, and ObsEva assumes no obligation to, and does not intend to, update any forward-looking statements, whether as a result of new information, future events or otherwise.

**For further information, please contact:**

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