

**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): December 29, 2021

**Spruce Biosciences, Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction  
of incorporation)

2001 Junipero Serra Boulevard, Suite 640  
Daly City, California  
(Address of principal executive offices)

001-39594

(Commission File Number)

81-2154263

(IRS Employer  
Identification No.)

94014

(Zip Code)

**Registrant's telephone number, including area code: (415) 655-4168**

**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, par value \$0.0001 per share	SPRB	Nasdaq Global Select 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 2.02 Results of Operations and Financial Condition.

The information in Item 8.01 is incorporated by reference.

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

### *Appointment of Javier Szwarcberg as Chief Executive Officer and Director*

On January 1, 2022, the Board of Directors (the “Board”) of Spruce Biosciences, Inc. (the “Company”) appointed Javier Szwarcberg, M.D., MPH, as the Company’s Chief Executive Officer, effective January 3, 2022 (the “Start Date”). Dr. Szwarcberg will succeed Michael Grey, who had served as the Company’s Interim Chief Executive Officer since November 15, 2021, and who will continue to hold his position as Executive Chairman of the Board. On January 1, 2022, the Board also appointed Dr. Szwarcberg as a member of the Board effective as of the Start Date. Dr. Szwarcberg will serve as a Class III director of the Company until the 2023 annual stockholder meeting and until his successor is duly elected and qualified, or sooner in the event of his death, resignation or removal.

Dr. Szwarcberg, age 52, previously served as Group Vice President, Head of Product and Portfolio Development for BioMarin Pharmaceutical Inc., a biotechnology company, from February 2020 to January 2022. Prior to joining BioMarin Pharmaceutical, Dr. Szwarcberg served as Senior Vice President, Program and Portfolio Management for Ultragenyx Pharmaceutical Inc., a biotechnology company, from October 2017 to February 2020. From October 2016 to October 2017, Dr. Szwarcberg served as Vice President of Clinical Development & Business Development for Horizon Pharma plc, a biopharmaceutical company. Dr. Szwarcberg received an M.D. from the University of Buenos Aires and an MPH from the Harvard T.H. Chan School of Public Health.

In connection with Dr. Szwarcberg’s appointment, the Company entered into an offer letter with Dr. Szwarcberg dated December 29, 2021 (the “Offer Letter”). Under the terms of the Offer Letter, Dr. Szwarcberg will receive an annual base salary of \$540,000 per year. He is eligible to receive an annual performance bonus of up to 50% of his base salary based on the attainment of corporate performance metrics and individual performance objectives, in each case established and evaluated by the Board or the Compensation Committee of the Board (the “Compensation Committee”) in its sole good faith discretion. Upon recommendation of the Compensation Committee and pursuant to the Offer Letter, the Board granted Dr. Szwarcberg an option to purchase 750,000 shares of the Company’s common stock (the “First Option Award”). The First Option Award will vest over a period of four years, with 25% of the shares subject to the First Option Award vesting on the first anniversary of the Start Date, and the remaining shares subject to the First Option Award vesting in 36 equal monthly installments thereafter, in each case subject to Dr. Szwarcberg’s continuous service through the applicable vesting dates. In addition, upon recommendation of the Compensation Committee and pursuant to the Offer Letter, the Board granted Dr. Szwarcberg an additional option to purchase 250,000 shares of the Company’s common stock (the “Second Option Award”). Subject to Dr. Szwarcberg’s continuous service through such dates, 50% of the shares subject to the Second Option Award will vest upon the successful enrollment of the CAHmelia-204 clinical trial, and the remaining 50% of the shares subject to the Second Option Award will vest upon the announcement of positive data from the CAHmelia-204 clinical trial, in each case as determined by the Board or the Compensation Committee in its sole good faith discretion. The First Option Award and Second Option Award each have a per share exercise price equal to \$4.59, the closing sale price of the Company’s common stock as reported on the Nasdaq Global Select Market on the Start Date. The First Option Award and Second Option Award constitute inducement awards in accordance with Nasdaq Listing Rule 5635(c)(4) and were granted outside the Company’s 2020 Equity Incentive Plan (the “Plan”) but pursuant to the terms of the Plan as if such awards were made under the Plan. In connection with such awards, the Board adopted a form of inducement award stock option grant notice, option agreement, and notice of exercise (the “Inducement Option Grant Package”).

Dr. Szwarcberg will be eligible to participate in the Company’s Severance and Change in Control Plan (the “Severance Plan,” a copy of which is incorporated by reference as Exhibit 10.9 to the Company’s Annual Report on Form 10-K for the year ended December 31, 2020, filed with the SEC on March 22, 2021), provided that the enhanced benefits under the Severance Plan applicable to a Change in Control Termination (as defined in the Severance Plan) will only apply for a Change in Control (as defined in the Severance Plan) with an effective date on or after the first anniversary of the Start Date. Dr. Szwarcberg will enter into the Company’s standard form of Indemnity Agreement for directors and executive officers of the Company.

There is no arrangement or understanding between Dr. Szwarcberg and any other person pursuant to which he was selected as an executive officer of the Company, and there are no family relationships between Dr. Szwarcberg and any of the Company’s directors or executive officers. There are no transactions to which the Company is a party and in which Dr. Szwarcberg has a direct or indirect material interest that would be required to be disclosed under Item 404(a) of Regulation S-K.

The foregoing descriptions of the Offer Letter and the Inducement Option Grant Package are not complete and are qualified in their entirety by reference to the text of the Offer Letter and the Inducement Option Grant Package, which are filed as Exhibits 10.1 and 10.2, respectively, to this Current Report on Form 8-K.

## Appointment of Samir Gharib as President

On January 1, 2022, the Board appointed Samir Gharib, MBA, as the Company's President, effective as of the Start Date. Mr. Gharib will also continue to serve as the Company's Chief Financial Officer. In connection with Mr. Gharib's promotion and upon the recommendation of the Compensation Committee, the Board (i) increased Mr. Gharib's annual base salary to \$430,000 per year, (ii) increased Mr. Gharib's target bonus for 2022 performance to 45% of his annual base salary and (iii) granted Mr. Gharib an additional option to purchase 70,000 shares of the Company's common stock pursuant to the terms of the Plan (the "Gharib Option"). Subject to Mr. Gharib's continuous service through such dates, the Gharib Option will vest in 48 equal monthly installments commencing on the Start Date. The Gharib Option has an exercise price per share equal to \$4.59, the closing sales price of the Company's common stock as reported on the Nasdaq Global Select Market on the Start Date.

### Item 8.01 Other Events.

The Company estimates that its cash, cash equivalents and investments were \$121.4 million as of December 31, 2021. This amount is unaudited and preliminary and is subject to completion of financial closing procedures. As a result, this amount may differ materially from the amount that will be reflected in the Company's financial statements as of and for the quarter ended December 31, 2021.

### Item 9.01 Financial Statements and Exhibits.

#### (d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
10.1	<a href="#">Offer Letter, by and between the Company and Javier Szwarcberg, M.D., MPH, dated December 29, 2021.</a>
10.2	<a href="#">Form of Stock Option Grant Notice, Option Agreement and Notice of Exercise for Inducement Grant Outside of the Spruce Biosciences, Inc. 2020 Equity Incentive Plan.</a>
99.1	<a href="#">Press Release of Spruce Biosciences, Inc. dated January 5, 2022.</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**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 thereunto duly authorized.

**SPRUCE BIOSCIENCES, INC.**

Date: January 5, 2022

By: \_\_\_\_\_ /s/ Samir Gharib  
Samir Gharib  
President and Chief Financial Officer



December 29, 2021

Javier B. Szwarcberg, M.D., M.P.H.  
[jszwarcberg@gmail.com](mailto:jszwarcberg@gmail.com)

**Re: Employment Terms**

Dear Javier,

Spruce Biosciences, Inc., a Delaware corporation (the "Company"), is pleased to offer you full-time employment in the regular exempt position of Chief Executive Officer effective as of January 3, 2022 (your "Start Date"). You will report to the Board of Directors of the Company (the "Board"). Your position will be headquartered in our offices located in Daly City, California, or such other location as the Company may designate, except for such travel as may be necessary to fulfill your responsibilities. In the course of your employment with the Company, you will be subject to and required to comply with all company policies, and applicable laws and regulations.

You will be paid a base salary at the annual rate of \$540,000 subject to required tax withholding and other authorized deductions. Your base salary will be payable in accordance with the Company's standard payroll policies and subject to adjustment pursuant to the Company's policies as in effect from time to time.

In addition to your base salary, you may be eligible to earn an annual cash performance bonus, at the discretion of the Board or the Compensation Committee of the Board (the "Compensation Committee"), based on the attainment of corporate performance metrics and/or individual performance objectives, in each case established and evaluated by the Board or Compensation Committee in its sole good faith discretion. Your target annual bonus shall be 50% of your base salary, but the actual amount of your annual bonus may be more or less, depending on the attainment of applicable performance criteria and Company achievements. Such annual bonus shall be paid within three months following the year to which the annual bonus relates and will be contingent upon your continued employment through the applicable payment date (provided that if your employment is terminated by the Company without Cause (as defined in the Equity Plan (as defined below) or as the result of your death or disability, then in any such case you will receive any earned but unpaid annual bonus relating to the immediately preceding calendar year at the same time as if no such termination had occurred). You hereby acknowledge and agree that nothing contained herein confers upon you any right to an annual bonus in any year, and that whether the Company pays you an annual bonus and the amount of any such annual bonus will be determined by the Board or Compensation Committee in its sole good faith discretion.

In connection with entering into this offer letter, upon or promptly following your Start Date, the Board or the Compensation Committee will grant you an option to purchase 750,000 shares of the Company's common stock (the "First Stock Option") at a per share exercise price equal to the fair market value of one share of the Company's common stock on the date of grant. Subject to your continued

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2001 Junipero Serra Boulevard | Suite 640 | Daly City, CA 94014



employment with the Company through the applicable vesting date, 25% of the shares underlying the First Stock Option will vest on the first anniversary of your Start Date and 1/48th of the total number of shares underlying the First Stock Option will vest monthly thereafter.

In addition, in connection with entering into this offer letter, upon or promptly following your Start Date, the Board or the Compensation Committee will grant you an additional option to purchase 250,000 shares of the Company's common stock (the "Second Stock Option") at a per share exercise price equal to the fair market value of one share of the Company's common stock on the date of grant. Subject to your continued employment with the Company through the applicable vesting date, 50% of the shares underlying the Second Stock Option will vest on the successful enrollment of the CAHmelia-204 clinical trial, and 50% of the total number of shares underlying the Second Stock Option will vest on the announcement of positive data from the CAHmelia-204 clinical trial, in each case as determined by the Board or the Compensation Committee in its sole good faith discretion.

The First Stock Option and the Second Stock Option are each intended to be a material inducement to your acceptance of this offer of employment, and will be granted as inducement awards outside the Company's 2020 Equity Incentive Plan (the "Equity Plan") but pursuant to the terms of the Equity Plan as if the First Stock Option and the Second Stock Option were granted under the Equity Plan and the applicable forms of stock option agreement thereunder.

In addition to the First Stock Option and the Second Stock Option, you may be eligible to receive further annual equity awards pursuant to the Equity Plan, at the discretion of the Board or the Compensation Committee.

You will be entitled to participate in the Company's Severance and Change of Control Plan (the "Severance Plan"), a copy of which will be separately provided to you, *provided* that the enhanced benefits under the Severance Plan applicable to a Change of Control Termination (as defined in the Severance Plan) will only apply for a Change in Control (as defined in the Severance Plan) with an effective date on or after the first anniversary of your Start Date.

You will be eligible to participate in all of the employee benefits and benefit plans that the Company generally makes available to its regular full-time employees, including group health plans, life and disability insurances, and a 401(k) plan. In addition, during your employment, you will be eligible for other standard benefits, such as paid time off and holidays to the extent applicable generally to other similarly situated employees of the Company. The Company reserves the right to terminate, modify or add to its benefits and benefit plans at any time.

The Company requires that, as a full-time employee, you devote your full business time, attention, skill, and efforts to the tasks and duties of your position as assigned by the Company. Accordingly, you may not provide services (for any or no form of compensation) for any other person or business entity while employed by the Company, without prior authorization and approval from the Board.

As an executive officer of the Company, you will be entitled to indemnification as provided under the Company's bylaws and other governing documents in effect as of the date hereof to the fullest extent permitted by applicable law. The Company and you intend that such obligation shall remain in full force and



effect, such that a future change in the Company's bylaws other than a change required by applicable law, shall not affect the Company's obligations hereunder. You will be covered by the Company's directors' and officers' liability insurance policy on the same basis as other executive officers of the Company.

As a condition of employment, you will be required to (1) sign and comply with a Proprietary Information and Inventions Assignment Agreement, a copy of which will be separately provided to you, which, among other things, prohibits unauthorized use or disclosure of Company proprietary information, (2) sign and return a satisfactory I-9 Immigration form and provide sufficient documentation establishing your employment eligibility in the United States of America, and (3) provide satisfactory proof of your identity as required by United States law. This offer, and any employment pursuant to this offer, is also conditioned upon your consent to, and results satisfactory to the Company of reference and background checks. Until you have been informed in writing by Company that such checks have been completed and the results found satisfactory, you may wish to defer reliance on this offer. By signing below, you represent that your performance of services to the Company will not violate any duty which you may have to any other person or entity (such as a present or former employer), including obligations concerning providing services (whether or not competitive) to others, confidentiality of proprietary information and assignment of inventions, ideas, patents or copyrights, and you agree that you will not do anything in the performance of services hereunder that would violate any such duty.

Notwithstanding any of the above, your employment with the Company is "at will". This means that it is not for any specified period of time and can be terminated by you or by the Company at any time, with or without advance notice, and for any or no particular reason or cause. This "at-will" nature of your employment shall remain unchanged during your tenure as an employee and may not be changed, except in an express writing signed by you and another authorized officer of the Company.

If you accept this offer, this letter, the Proprietary Information and Invention Assignment Agreement, and the other plans, policies and agreements referred to herein shall constitute the complete agreement between you and Company with respect to the terms and conditions of your employment. Any prior or contemporaneous representations (whether oral or written) not contained herein or therein or contrary to those contained herein or therein, that may have been made to you are expressly cancelled and superseded by this offer. This offer letter shall be interpreted and construed in accordance with California law without regard to any conflicts of laws principles.

Please sign and date this letter and the Proprietary Information and Invention Assignment Agreement, and return it to me by December 31, 2021 if you wish to accept employment at the Company under the terms described above, after which time this offer of employment will expire. If you accept our offer, we would like you to commence your employment with us as soon as practicable.



We look forward to your favorable reply and to a productive and enjoyable work relationship.

Sincerely,

/s/ Michael Grey  
Michael Grey  
Spruce Biosciences, Inc.

**Accepted by:**

/s/ Javier B. Szwarcberg, M.D., M.P.H.  
[signature]

Javier B. Szwarcberg, M.D., M.P.H.  
[name]

December 29, 2021  
Date

2001 Junipero Serra Boulevard | Suite 640 | Daly City, CA 94014



**SPRUCE BIOSCIENCES, INC.**  
**STOCK OPTION GRANT NOTICE**  
**(INDUCEMENT GRANT OUTSIDE OF THE 2020 EQUITY INCENTIVE PLAN)**

Spruce Biosciences, Inc. (the “**Company**”), has granted to you (“**Optionholder**”) an option to purchase the number of shares of the Common Stock set forth below (the “**Option**”) as an inducement material to you entering into employment with the Company in compliance with Nasdaq Listing Rule 5635(c) (4). Unless otherwise defined herein, capitalized terms used herein shall have the same defined meanings as set forth in the Spruce Biosciences, Inc. 2020 Equity Incentive Plan (the “**Plan**”). Your Option is granted outside of the Plan, but is subject to all of the terms and conditions as set forth herein and in the Plan (as if it had been granted under the Plan), the Stock Option Agreement and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. The shares of Common Stock underlying the Option shall not reduce and shall have no impact on the number of shares available for grant under the Plan.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares of Common Stock Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	_____

**Type of Grant:** Nonstatutory Stock Option

**Exercise and Vesting Schedule:** Subject to the Optionholder’s Continuous Service through each applicable vesting date, the Option will vest as follows:

**Optionholder Acknowledgements:** By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The Option is governed by this Stock Option Grant Notice, and the provisions of the Plan and the Stock Option Agreement and the Notice of Exercise, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Stock Option Agreement (together, the “**Option Agreement**”) may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- You consent to receive this Grant Notice, the Stock Option Agreement, the Plan, the Prospectus and any other Plan-related documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.
- You have read and are familiar with the provisions of the Plan, the Stock Option Agreement, the Notice of Exercise and the Prospectus. In the event of any conflict between the provisions in this Grant Notice, the Option Agreement, the Notice of Exercise, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.
- The Option Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of other equity awards previously granted to you and any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other

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written agreement between the Company and you in each case that specifies the terms that should govern this Option.

- Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**SPRUCE BIOSCIENCES, INC.**

**OPTIONHOLDER:**

By:

Signature

Signature

Title:

Date:

Date:

**ATTACHMENTS:** Stock Option Agreement, 2020 Equity Incentive Plan, Notice of Exercise

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**ATTACHMENT I**  
**STOCK OPTION AGREEMENT**

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**SPRUCE BIOSCIENCES, INC.**  
**INDUCEMENT AWARD OUTSIDE OF THE 2020 EQUITY INCENTIVE PLAN**

**STOCK OPTION AGREEMENT**

As reflected by your Stock Option Grant Notice (“**Grant Notice**”), Spruce Biosciences, Inc. (the “**Company**”) has granted you an option to purchase a number of shares of Common Stock at the exercise price indicated in your Grant Notice (the “**Option**”) as an inducement material to you entering into employment with the Company in compliance with Nasdaq Listing Rule 5635(c)(4). Capitalized terms not explicitly defined in this Agreement but defined in the Grant Notice or the 2020 Equity Incentive Plan (the “**Plan**”) shall have the meanings set forth in the Grant Notice or Plan, as applicable. Your Option is granted outside of the Plan, but is subject to all of the terms and conditions of the Plan (as if it had been granted under the Plan), this Stock Option Agreement, the Notice of Exercise, and the Grant Notice. The terms of your Option as specified in the Grant Notice and this Stock Option Agreement constitute your Option Agreement.

The general terms and conditions applicable to your Option are as follows:

**1. GOVERNING PLAN DOCUMENT.** Your Option is subject to all the provisions of the Plan, including but not limited to the provisions in:

(a) Section 6 regarding the impact of a Capitalization Adjustment, dissolution, liquidation, or Corporate Transaction on your Option;

(b) Section 9(e) regarding the Company’s retained rights to terminate your Continuous Service notwithstanding the grant of the Option; and

(c) Section 8(c) regarding the tax consequences of your Option.

Your Option is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the Option Agreement and the provisions of the Plan, the provisions of the Plan shall control.

**2. VESTING.** Your Option will vest as provided in your Grant Notice, subject to the provisions contained herein and the terms of the Plan. Vesting will cease upon the termination of your Continuous Service.

**3. EXERCISE.**

(a) You may generally exercise the vested portion of your Option for whole shares of Common Stock at any time during its term by delivery of payment of the exercise price and applicable withholding taxes and other required documentation to the Plan Administrator in accordance with the exercise procedures established by the Plan Administrator, which may include an electronic submission. Please review Sections 4(i), 4(j) and 7(b)(v) of the Plan, which may restrict or prohibit your ability to exercise your Option during certain periods.

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(b) To the extent permitted by Applicable Law, you may pay your Option exercise price as follows:

(i) cash, check, bank draft or money order;

(ii) pursuant to a “cashless exercise” program as further described in Section 4(c)(ii) of the Plan if at the time of exercise the Common Stock is publicly traded;

(iii) subject to Company and/or Committee consent at the time of exercise, by delivery of previously owned shares of Common Stock as further described in Section 4(c)(iii) of the Plan; or

(iv) subject to Company and/or Committee consent at the time of exercise, if the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement as further described in Section 4(c)(iv) of the Plan.

(c) By accepting your Option, you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rules or regulation (the “**Lock-Up Period**”); *provided, however*, that nothing contained in this Section 3(c) will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 3(c). The underwriters of the Company’s stock are intended third party beneficiaries of this Section 3(c) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

4. **TERM.** You may not exercise your Option before the commencement of its term or after its term expires. The term of your Option commences on the Date of Grant and expires upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three months after the termination of your Continuous Service for any reason other than Cause, Disability or death;

(c) 12 months after the termination of your Continuous Service due to your Disability;

(d) 18 months after your death if you die during your Continuous Service;

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(e) immediately upon a Corporate Transaction if the Board has determined that the Option will terminate in connection with a Corporate Transaction,

(f) the Expiration Date indicated in your Grant Notice; or

(g) the day before the 10th anniversary of the Date of Grant.

Notwithstanding the foregoing, if you die during the period provided in Section 4(b) or 4(c) above, the term of your Option shall not expire until the earlier of (i) 18 months after your death, (ii) upon any termination of the Option in connection with a Corporate Transaction, (iii) the Expiration Date indicated in your Grant Notice, or (iv) the day before the tenth anniversary of the Date of Grant. Additionally, the Post-Termination Exercise Period of your Option may be extended as provided in Section 4(i) of the Plan.

**5. WITHHOLDING OBLIGATIONS.** As further provided in Section 8 of the Plan: (a) you may not exercise your Option unless the applicable tax withholding obligations are satisfied, and (b) at the time you exercise your Option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a “cashless exercise” pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations, if any, which arise in connection with the exercise of your Option in accordance with the withholding procedures established by the Company. Accordingly, you may not be able to exercise your Option even though the Option is vested, and the Company shall have no obligation to issue shares of Common Stock subject to your Option, unless and until such obligations are satisfied. In the event that the amount of the Company’s withholding obligation in connection with your Option was greater than the amount actually withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

**6. TRANSFERABILITY.** Except as otherwise provided in Section 4(e) of the Plan, your Option is not transferable, except by will or by the applicable laws of descent and distribution, and is exercisable during your life only by you.

**7. CORPORATE TRANSACTION.** Your Option is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

**8. NO LIABILITY FOR TAXES.** As a condition to accepting the Option, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the Option or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the Option and have either done so or knowingly and voluntarily declined to do so. Additionally, you acknowledge that the Option is exempt from Section 409A only if the exercise price is at least equal to the “fair market value” of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other

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impermissible deferral of compensation associated with the Option. Additionally, as a condition to accepting the Option, you agree not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise is less than the “fair market value” of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

**9. SEVERABILITY.** If any part of this Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Option Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid

**10. OTHER DOCUMENTS.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company’s Trading Policy.

**11. QUESTIONS.** If you have questions regarding these or any other terms and conditions applicable to your Option, including a summary of the applicable federal income tax consequences please see the Prospectus.

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**ATTACHMENT II**

**2020 EQUITY INCENTIVE PLAN**

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**ATTACHMENT III**  
**NOTICE OF EXERCISE**

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**SPRUCE BIOSCIENCES, INC.**  
**(2020 EQUITY INCENTIVE PLAN)**

NOTICE OF EXERCISE

**Spruce Biosciences, Inc.**

2001 Junipero Serra Blvd., Suite 640

Daly City, California 94014

Date of Exercise: \_\_\_\_\_

This constitutes notice to Spruce Biosciences, Inc. (the "**Company**") that I elect to purchase the below number of shares of Common Stock of the Company (the "**Shares**") by exercising my Option for the price set forth below. Capitalized terms not explicitly defined in this Notice of Exercise but defined in the Grant Notice, Option Agreement or 2020 Equity Incentive Plan (the "**Plan**") shall have the meanings set forth in the Grant Notice, Option Agreement or Plan, as applicable. Use of certain payment methods is subject to Company and/or Committee consent and certain additional requirements set forth in the Option Agreement and the Plan.

Type of option: Nonstatutory

Date of Grant: \_\_\_\_\_

Number of Shares as  
to which Option is  
exercised: \_\_\_\_\_

Certificates to be  
issued in name of: \_\_\_\_\_

Total exercise price: \$ \_\_\_\_\_

Cash, check, bank draft or  
money order delivered  
herewith<sup>1</sup>: \$ \_\_\_\_\_

Value of \_\_\_\_\_ Shares  
delivered herewith: \$ \_\_\_\_\_

Regulation T Program  
(cashless exercise)<sup>2</sup>: \$ \_\_\_\_\_

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<sup>1</sup> Shares must meet the public trading requirements set forth in the option. Shares must be valued in accordance with the terms of the option being exercised, and must be owned free and clear of any liens, claims, encumbrances or security interests. Certificates must be endorsed or accompanied by an executed assignment separate from certificate.

<sup>2</sup> Shares must meet public trading requirements set forth in the option, and the Company must have established cashless exercise procedures in order to utilize this payment method.

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Value of \_\_\_\_\_ Shares  
pursuant to net exercise<sup>3</sup>: \$\_\_\_\_\_

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the Plan, and (ii) to satisfy the tax withholding obligations, if any, relating to the exercise of this Option as set forth in the Option Agreement.

I further agree that I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company that I hold, for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rules or regulation (the "**Lock-Up Period**"); *provided, however*, that nothing contained in this paragraph will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. I further agree that in order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to shares of Common Stock that I hold until the end of such period. I also agree that any transferee of any shares of Common Stock (or other securities) of the Company that I hold will be bound by this paragraph. The underwriters of the Company's stock are intended third party beneficiaries of this paragraph and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

Very truly yours,

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<sup>3</sup> The option must be a Nonstatutory Stock Option, and the Company must have established net exercise procedures at the time of exercise, in order to utilize this payment method.



## Spruce Biosciences Appoints Javier Szwarcberg, M.D., MPH as Chief Executive Officer

– Samir Gharib, MBA, Promoted to President –

**San Francisco, Calif. – Jan. 5, 2022** – Spruce Biosciences, Inc. (Nasdaq: SPRB), a late-stage biopharmaceutical company focused on developing and commercializing novel therapies for rare endocrine disorders with significant unmet medical need, today announced that Dr. Javier Szwarcberg, M.D., MPH, has been appointed Chief Executive Officer and as a member of the board of directors. Samir Gharib, MBA, has been concurrently promoted to President and will continue in his role as Chief Financial Officer.

“With his range of leadership and demonstrated success in rare disease drug development, Javier is an excellent fit for Spruce Biosciences as we enter the next chapter of clinical development,” said Mike Grey, Executive Chairman, Spruce Biosciences. “I, along with Spruce’s entire board, look forward to working with Javier and our leadership team to timely execute on our clinical development plans for tildacerfont and to deliver on Spruce’s mission to bring novel treatment options to patients with rare endocrine disorders. Likewise, we are pleased to recognize Samir’s efforts with his promotion to President and we expect his operational and business acumen to launch Spruce Biosciences into the next phase of growth.”

Dr. Javier Szwarcberg is an accomplished physician executive with over 18 years of leadership experience in the biotechnology and pharmaceutical industries. He has an exceptionally rich skill set in clinical research and drug development, leading more than 22 clinical trials for a variety of drugs – including small molecules, peptides and biologics – with a proven track record of 4 successful drug approvals. Most recently, Dr. Szwarcberg served as the Group Vice President and Head of Program and Portfolio Development for BioMarin Pharmaceuticals. Previously, he held positions as Senior Vice President, Head of Program and Portfolio Management at Ultragenyx Pharmaceutical and Vice President of R&D and Business Development at Horizon Pharma. He is currently a scientific advisor to Abalone Bio. Dr. Szwarcberg received his MPH from the Harvard School of Public Health and his M.D. from Universidad de Buenos Aires School of Medicine.

“It is an amazing opportunity to join Spruce during a transformative time for the company and lead a team advancing novel therapeutics for rare endocrine disorders. Spruce has an opportunity to evolve the treatment paradigm for people living with classic congenital adrenal hyperplasia (CAH), improving disease control while reducing the burden of daily glucocorticoid use, and bring relief to a patients that have not benefited from a new treatment in over 50 years,” said Javier Szwarcberg, M.D., MPH, Chief Executive Officer, Spruce Biosciences. “With a focus on the tildacerfont late-stage program in adult classic CAH, as well as expanding opportunities in pediatric classic CAH and polycystic ovary syndrome (PCOS), I look forward to working with the Spruce team to maximize the value of our pipeline programs for patients, caregivers and physicians seeking important new treatment options.”

The promotion of Samir Gharib to President follows his service as Chief Financial Officer of Spruce since May 2020 and reflects an evolution of the company’s leadership structure. In this new role, Mr. Gharib

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will lead the finance, business and corporate development, investor relations, corporate communications, human resources, legal and information technology functions at Spruce. Mr. Gharib is a proven and experienced leader in the global biopharmaceutical arena who has demonstrated success in strategy and execution of transformative capital raises, strategic transactions, and support of commercial product launches. As President and Chief Financial Officer, Mr. Gharib will work closely with Dr. Szwarcberg to scale the organization and execute on the company's mission to advance its pipeline of indications for tildacerfont.

### **Inducement Awards**

In connection with Dr. Szwarcberg's employment with the company, Dr. Szwarcberg will be granted non-qualified stock options to purchase an aggregate of 1,000,000 shares of common stock. The independent members of the company's Board of Directors approved the awards as an inducement material to Dr. Szwarcberg's employment in accordance with Nasdaq Listing Rule 5635(c)(4). The stock options will have an exercise price per share equal to the closing price of Spruce Biosciences' common stock on January 3, 2022 and will be subject to a mix of time-based and performance-based vesting criteria.

### **About Spruce Biosciences**

Spruce Biosciences is a late-stage biopharmaceutical company focused on developing and commercializing novel therapies for rare endocrine disorders with significant unmet medical need. Spruce is initially developing its wholly-owned product candidate, tildacerfont, as the potential first non-steroidal therapy for patients suffering from classic congenital adrenal hyperplasia (CAH). Classic CAH is a serious and life-threatening disease with no known novel therapies approved in approximately 50 years. Spruce is also developing tildacerfont for women suffering from a rare form of polycystic ovary syndrome (PCOS) with primary adrenal androgen excess. To learn more, visit [www.sprucebiosciences.com](http://www.sprucebiosciences.com) and follow us on Twitter @Spruce\_Bio, [LinkedIn](#), [Facebook](#) and [YouTube](#).

### **Forward-Looking Statements**

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. Such forward-looking statements include statements regarding, among other things, the impact of new management hires and promotions, the fulfillment of Spruce's strategic business objectives, and the advancement of Spruce's drug development pipeline. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Words such as "plans", "will", "believe", "potential" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based upon Spruce's current expectations and involve assumptions that may never materialize or may prove to be incorrect. Actual results could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties, which include, without limitation, risks and uncertainties associated with Spruce's business in general, the impact of the COVID-19 pandemic, and the other risks described in Spruce's filings with the U.S. Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management's assumptions and estimates as of such date. Spruce undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made, except as required by law.

**Media Contact**

Will Zasadny

Canale Communications

(619) 961-8848

[will.zasadny@canalecomm.com](mailto:will.zasadny@canalecomm.com)

[media@sprucebiosciences.com](mailto:media@sprucebiosciences.com)

**Investors**

Xuan Yang

Solebury Trout

(415) 971-9412

[xyang@soleburytrout.com](mailto:xyang@soleburytrout.com)

[investors@sprucebiosciences.com](mailto:investors@sprucebiosciences.com)