

**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)

March 20, 2020

Alector, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-38792

(Commission File Number)

82-2933343

(IRS Employer
Identification No.)

131 Oyster Point Blvd. Suite 600

South San Francisco, California 94080

(Address of principal executive offices, including zip code)

(415) 231-5660

(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 Exchange Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock	ALEC	The Nasdaq Stock Market LLC (The 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.

On March 24, 2020, Alector, Inc. (the "Company") announced its financial results for the quarter and year ended December 31, 2019. A press release announcing these results, which is attached hereto as Exhibit 99.1, is incorporated herein by reference.

All of the information furnished in Item 2.02 and Item 9.01 (including Exhibit 99.1) shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

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

On March 20, 2020, Dr. Paula Hammond was appointed to the Company's Board of Directors (the "Board") and to serve as a member of the Compensation Committee of the Board (the "Compensation Committee"). Dr. Hammond will serve as a Class I director, with a term expiring at the Company's 2022 annual meeting of the stockholders.

Dr. Hammond is the David H. Koch Chair Professor of Engineering at the Massachusetts Institute of Technology (MIT), where she has been a faculty member since 1995, and she has served as the Head of the Department of Chemical Engineering at MIT since 2016. She is a member of MIT's David H. Koch Institute for Integrative Cancer Research and a founding member of the MIT Institute for Soldier Nanotechnology. She also served as the Associate Head of the Chemical Engineering Department at MIT from 2008 to 2011. Dr. Hammond was elected into the National Academy of Sciences in 2019, the National Academy of Engineering in 2017, the National Academy of Medicine in 2016, and the 2013 Class of the American Academy of Arts and Sciences. Dr. Hammond holds an M.S. in Chemical Engineering from the Georgia Institute of Technology and a Ph.D. and a S.B. in Chemical Engineering from MIT.

In accordance with Company policy, Dr. Hammond will receive annual cash compensation of \$40,000 for her services as a member of the Board and an additional \$5,000 per year for service as a member of the Compensation Committee, each payable quarterly in arrears on a pro-rata basis, and on March 20, 2020, Dr. Hammond was automatically granted an option to purchase 29,443 shares of Alector common stock, which vests as to 25% of the shares on the one year anniversary of the grant date and as to 1/48th of the shares on each monthly anniversary of the grant date thereafter, provided that she remains a service provider through the applicable vesting date. Such option will become fully vested and exercisable immediately prior to a change in control transaction, subject to Dr. Hammond continuing to be a service provider through such change in control.

Dr. Hammond will be eligible for further equity awards on the same terms as other continuing non-employee members of the Board. Dr. Hammond also executed the Company's standard form of indemnification agreement, which is attached as Exhibit 10.1 to the Company's Registration Statement on Form S-1 filed with the SEC on January 7, 2019 (File No. 333-229152).

There is no arrangement or understanding between Dr. Hammond and any other persons pursuant to which Dr. Hammond was elected as a director. In addition, Dr. Hammond is not a party to any transaction, or series of transactions, required to be disclosed pursuant to Item 404(a) of Regulation S-K.

On March 23, 2020, the Company issued a press release announcing Dr. Hammond's appointment as a director. The press release is attached hereto as Exhibit 99.2.

Following Dr. Hammond's appointment to the Compensation Committee, the Company's Board committees shall consist of:

Audit Committee

Louis J. Lavigne, Jr. (Chairperson)
Terry McGuire
David Wehner

Compensation Committee

David Wehner (Chairperson)
Louis J. Lavigne, Jr.
Paula Hammond, Ph.D.

Nominating and Corporate Governance Committee

Terry McGuire (Chairperson)
Kristine Yaffe, M.D.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release dated March 24, 2020.
99.2	Press Release dated March 23, 2020.

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.

ALECTOR, INC.

Date: March 24, 2020

By: /s/ Arnon Rosenthal
Arnon Rosenthal, Ph.D.
Co-founder and Chief Executive Officer

Alector Reports 2019 Fourth Quarter and Full Year Financial Results and Business Highlights

- *Continued execution across immuno-neurology platform, with multiple clinical, regulatory and operational milestones achieved in 2019*
- *On track to initiate pivotal Phase 3 trial in patients with frontotemporal dementia with a progranulin mutation (FTD-GRN) in 2020*
- *Strengthened balance sheet with \$240 million in gross proceeds from recent public offering*
- *Provides business continuity update regarding COVID-19*

SOUTH SAN FRANCISCO, Calif., March 24, 2020 -- Alector, Inc. (Nasdaq: ALEC), a clinical-stage biotechnology company pioneering immuno-neurology, today announced company highlights and financial results for the fourth quarter and year ended December 31, 2019.

“At Alector, we envision a world where dementia and neurodegeneration are illnesses of the past, and even amidst the uncertainties we face today in light of the COVID-19 pandemic, we remain committed to this vision. As of today, four of our novel immuno-neurology programs are advancing in the clinic, we have received two Fast Track designations from the FDA, generated sufficient data to support the launch of a pivotal Phase 3 trial in with AL001 in FTD-GRN patients, and expanded our Alzheimer’s disease portfolio from two to three prioritized development product candidates,” said Arnon Rosenthal, Ph.D., Co-founder, and Chief Executive Officer of Alector. “We look forward to progressing our clinical and research programs forward in 2020, and with our strong cash position and experienced team, we believe we are well-positioned to execute on our milestones throughout the year.”

Recent Business Highlights

Progranulin Portfolio: AL001, AL101

- In December 2019, the U.S. Food and Drug Administration (FDA) granted Fast Track Designation for AL001 for the treatment of FTD-GRN patients.
 - In December 2019, Alector reported Phase 1b results of AL001 in symptomatic FTD-GRN patients. In the trial, AL001 met all primary and secondary endpoints. Treatments with AL001 also showed a statistically significant normalization in a number of disease-associated proteins and an initial trend of decreasing levels of plasma Neurofilament (NfL) in patients compared to baseline.
 - Alector initiated an open-label Phase 2 trial investigating the use of AL001 in patients with FTD-GRN and FTD-C9orf72 in September 2019. The company plans to present
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data from the ongoing Phase 2 study of AL001 patients at a conference later this year and advance AL001 into a pivotal Phase 3 study in 2020.

- In January 2020, Alector initiated a Phase 1 study of AL101 in healthy volunteers.
- In February 2020, the FDA granted AL101 Fast Track Designation for the treatment of patients with FTD-GRN.

Alzheimer's Disease Portfolio: AL002, AL003, AL014

- In December 2019, Alector reported results from the single ascending dose phase of the Phase 1 study of AL002 in healthy volunteers at the 12th Clinical Trials on Alzheimer's Disease (CTAD) Meeting. AL002 achieved all primary and secondary endpoints, including safety. AL002 was generally well-tolerated and reduced CSF soluble TREM2 (sTREM2) in a dose-dependent manner. AL002 is being developed by Alector in collaboration with its partner AbbVie.
- In December 2019, Alector designated AL014 as its third prioritized product candidate in Alzheimer's disease. AL014 targets MS4A4A, a transmembrane receptor protein that is expressed selectively in microglia in the brain and is associated with control of microglia functionality and/or viability. Alector plans to initiate Phase 1 development for AL014 within the next 12-15 months.
- In January 2020, Alector announced the dosing of the first Alzheimer's disease patient in the Phase 1b portion of the clinical study of AL003. AL003 is being developed in collaboration with its partner, AbbVie.

Other Business Highlights

- In December 2019, Alector announced the appointment of Shehnaaz Suliman, M.D., MBA, M.Phil., as the company's President and Chief Operating Officer. Dr. Suliman brings over 20 years of business development, drug development, strategic and operational expertise, and executive leadership skills to Alector.
 - In December 2019, the company also announced the appointment of Richard Scheller, Ph.D., and Thomas Südhof, M.D., as Co-chairs of the company's Strategic Portfolio Advice and Review Committee (SPARC). Dr. Scheller, brings a strong track-record of developing new medicines and leading multiple R&D organizations. Dr. Südhof is a renowned neuroscientist and winner of the Nobel Prize in Physiology or Medicine in 2013.
 - In February 2020, the company announced the closing of an underwritten public offering with total gross proceeds of approximately \$240.1 million.
 - Alector is proactively monitoring and assessing the current COVID-19 global pandemic. The Company is focused on avoiding and minimizing delays to its business initiatives, with the safety and well-being of employees, patients and partners as its highest priority. As of early March, the Company activated a taskforce focused on closely monitoring the situation daily, as well as assessing the potential business impact that may result from
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this rapidly evolving crisis. Following the completion of its recent public follow-on offering, the Company is financially well-positioned to continue executing on its key business priorities.

Fourth Quarter and Full Year 2019 Financial Results

Revenue. Collaboration revenue for the quarter ended December 31, 2019, was \$6.0 million compared to \$9.1 million for the same period in 2018. Collaboration revenue for the year ended December 31, 2019, was \$21.2 million compared to \$27.5 million for the same period in 2018. This decrease was primarily due to an increase in total expected costs for the AL002 and AL003 programs through the completion of proof-of concept.

R&D Expenses. Total research and development expenses for the quarter ended December 31, 2019, were \$25.8 million compared to \$24.1 million for the same period in 2018. Total research and development expenses for the year ended December 31, 2019, were \$100.5 million compared to \$73.0 million for the same period in 2018. This increase was driven by an increase in personnel-related expenses as headcount grew to support the advancement of the clinical and preclinical programs. There was an increase in facilities and other unallocated research and development related to the lease expense for the new headquarters and higher depreciation expense. Expenses for AL101 increased as well as for other early stage programs as investment in research and clinical pipeline continues.

G&A Expenses. Total general and administrative expenses for the quarter ended December 31, 2019 were \$12.6 million compared to \$4.1 million for the same period in 2018. Total general and administrative expenses for the year ended December 31, 2019 were \$35.1 million compared to \$11.9 million for the same period in 2018. This increase was primarily due to an increase in personnel-related expenses due to increased headcount. Facilities and general overhead expenses increased due to additional lease expense related to the lease for the new headquarters, higher depreciation expense, directors and officers' insurance, and additional legal, information technology, and human resources costs to operate as a public company.

Net Loss. For the quarter ended December 31, 2019, Alector reported a net loss of \$30.5 million, compared to a net loss of \$17.4 million for the same period in 2018. For the year ended December 31, 2019, Alector reported a net loss of \$105.4 million, compared to a net loss of \$52.2 million for the same period in 2018.

Cash Position. Cash, cash equivalents, and marketable securities were \$353.1 million as of December 31, 2019.

About Alector

Alector is a clinical stage biotechnology company pioneering immuno-neurology, a novel therapeutic approach for the treatment of neurodegenerative diseases. Immuno-neurology targets immune dysfunction as a root cause of multiple pathologies that are drivers of degenerative brain disorders. Alector is developing a broad portfolio of programs designed to functionally repair genetic mutations that cause dysfunction of the brain's immune system and enable the rejuvenated immune cells to counteract emerging brain pathologies. The Company's product candidates are supported by biomarkers and target genetically defined patient



populations in frontotemporal dementia and Alzheimer's disease. Alector is headquartered in South San Francisco, California. For additional information, please visit www.alector.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, the ability and timing for the closing of the public offering of common stock. Such statements are subject to numerous important factors, risks and uncertainties that may cause actual events or results to differ materially from current expectations and beliefs, including but not limited to risks and uncertainties related to market conditions and satisfaction of customary closing conditions related to the proposed offering, and other risks and uncertainties related to the offering, Alector and its business as set forth in Alector's registration statement on Form S-1 filed with the Securities and Exchange Commission (the "SEC") on January 29, 2020 and the preliminary prospectus included therein, as well as the other documents Alector files from time to time with the SEC, including Alector's most recent Quarterly Report on Form 10-Q filed with the SEC on November 12, 2019. These documents contain and identify important factors that could cause the actual results for Alector to differ materially from those contained in Alector's forward-looking statements. Any forward-looking statements contained in this press release speak only as of the date hereof, and Alector specifically disclaims any obligation to update any forward-looking statement, except as required by law.

Selected Consolidated Balance Sheet Data (in thousands)

	December 31,	
	2019	2018
Cash, cash equivalents, and marketable securities	\$ 353,073	\$ 290,408
Total assets	421,913	308,359
Total current liabilities (excluding deferred revenue)	31,805	13,043
Deferred revenue (including current portion)	153,401	174,620
Total liabilities	227,170	195,237
Convertible preferred stock (1)	—	210,520
Total stockholders' equity	194,743	(97,398)

(1) Upon the closing of our IPO in February 2019, all of the outstanding shares of our convertible preferred stock converted into 45,374,836 shares of common stock.

Consolidated Statement of Operations Data
(in thousands, except share and per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
	(unaudited)			
Revenue:				
Collaboration revenue	\$ 6,001	\$ 9,145	\$ 21,219	\$ 27,508
Grant revenue	—	—	—	169
Total revenue	<u>6,001</u>	<u>9,145</u>	<u>21,219</u>	<u>27,677</u>
Operating expenses:				
Research and development	25,762	24,097	100,528	73,031
General and administrative	<u>12,581</u>	<u>4,065</u>	<u>35,095</u>	<u>11,934</u>
Total operating expenses	<u>38,343</u>	<u>28,162</u>	<u>135,623</u>	<u>84,965</u>
Loss from operations	(32,342)	(19,017)	(114,404)	(57,288)
Other income, net	<u>1,815</u>	<u>1,644</u>	<u>9,019</u>	<u>5,040</u>
Net loss	<u>\$ (30,527)</u>	<u>\$ (17,373)</u>	<u>\$ (105,385)</u>	<u>\$ (52,248)</u>
Net loss per share, basic and diluted	<u>\$ (0.45)</u>	<u>\$ (1.48)</u>	<u>\$ (1.71)</u>	<u>\$ (4.62)</u>
Shares used in computing net loss per share, basic and diluted	<u>67,879,914</u>	<u>11,741,481</u>	<u>61,734,492</u>	<u>11,302,788</u>

Source: Alector, Inc.

Contacts

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Alector Announces the Appointment of Paula Hammond, Ph.D., to the Board of Directors

SOUTH SAN FRANCISCO, Calif., March 23, 2020 (GLOBE NEWSWIRE) -- Alector, Inc. (Nasdaq: ALEC) today announced the addition of Paula Hammond, Ph.D., to the Company's Board of Directors. Dr. Hammond is the David H. Koch Chair Professor of Engineering and Department Head, Chemical Engineering at the Massachusetts Institute of Technology (MIT), a member of MIT's Koch Institute for Integrative Cancer Research and a founding member of the MIT Institute for Soldier Nanotechnology.

"At Alector, we are building a leading biotechnology company, and as part of those efforts, we are partnering with top scientists, drug developers and business leaders to advise us and support our ambitious goal of curing neurodegeneration," said Arnon Rosenthal, Ph.D., Chief Executive Officer of Alector. "Paula brings more than 25 years of scientific excellence to our Board. Her expertise in applying scientific innovation to advances in drug delivery will be an asset to our team as we continue to develop first-in-class medicines for these unmet medical needs. We are very pleased to welcome her to Alector's Board of Directors, and we look forward to leveraging her expertise as we advance our programs through clinical development."

Dr. Hammond is one of only 25 distinguished scientists elected to all three national academies, the National Academy of Sciences, the National Academy of Engineering and the National Academy of Medicine. Dr. Hammond is also a member of the American Academy of Arts and Sciences, has published over 300 papers and holds more than 20 patents based on her research at MIT. Dr. Hammond holds a Ph.D. and an S.B. in chemical engineering from MIT, and an M.S. in chemical engineering from the Georgia Institute of Technology. Her laboratory at MIT designs polymers and nanoparticles for targeted drug delivery to address cancer, wound healing and regenerative medicine.

"Alector's mission of discovering and developing treatments for patients suffering from neurodegenerative diseases is not a small feat. After meeting Arnon, other members of the Alector team and the rest of the Board, I am confident in their commitment to change the life of these patients," said Dr. Hammond. "I am looking forward to partnering with the Board and the management team as Alector advances its research and development programs."

Alector's current Board members include: Arnon Rosenthal, Co-Founder and CEO of Alector; Tillman Gerngross, Co-Founder of Alector and CEO of Adimab; Lou J. Lavigne Jr., former CFO of Genentech; Terry McGuire, Partner, Polaris Venture Partners, Richard Scheller, former EVP of Research at Genentech and former CSO of 23andMe; David Wehner, CFO of Facebook; and Kristine Yaffe, Professor, UCSF.

About Alector

Alector is a clinical stage biotechnology company pioneering immuno-neurology, a novel therapeutic approach for the treatment of neurodegenerative diseases. Immuno-neurology targets immune dysfunction as a root cause of multiple pathologies that are drivers of degenerative brain disorders. Alector is developing a broad portfolio of programs designed to functionally repair genetic mutations that cause dysfunction of the brain's immune system and enable the rejuvenated immune cells to counteract emerging brain pathologies. The Company's product candidates are supported by biomarkers and target genetically defined patient populations in frontotemporal dementia and Alzheimer's disease. Alector is headquartered in South San Francisco, California. For additional information, please visit www.alector.com.

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