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**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 21, 2019**

**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.)

**151 Oyster Point Blvd. Suite 300**  
**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))

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.

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**Item 2.02. Results of Operations and Financial Condition.**

On March 26, 2019, Alector, Inc. (the “Company”) announced its financial results for the quarter and year ended December 31, 2018. A press release announcing these results, which is attached hereto as Exhibit 99.1, is incorporated herein by reference.

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

On March 21, 2019, the Compensation Committee of the Board of Directors (the “Board”) of the Company approved annual base salaries, effective January 1, 2019, and target cash incentive compensation plan percentages for 2019 (reflected as a percentage of base salary) for the following principal executive officer, principal financial officer and other named executive officers of the Company:

<u>Name and Current Position</u>	<u>Salary Increase (\$)</u>	<u>2019 Base Salary</u>	<u>2019 Target Cash Incentive Compensation Plan</u>
Amon Rosenthal, Chief Executive Officer	\$129,100	\$525,000	50%
Calvin Yu, Vice President, Finance	\$10,700	\$260,600	30%
Robert Paul, M.D., Chief Medical Officer	\$66,100	\$392,100	40%
Robert King, Ph.D., Chief Development	\$10,600	\$362,500	40%

A description of our cash executive incentive compensation plan can be found under the section titled “Executive Compensation” in our prospectus relating to our initial public offering of common stock filed with the SEC on February 7, 2019 pursuant to Rule 424(b) of the Securities Act of 1933, as amended.

**Item 7.01 Regulation FD Disclosure.**

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (<https://investors.alector.com>), SEC filings, webcasts, press releases, and conference calls. We use these mediums, including our website, to communicate with our members and public about our company, our products, and other issues. It is possible that the information that we make available may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website.

All of the information furnished in Item 2.02, Item 7.01 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.

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**Item 9.01. Financial Statement and Exhibits.**

(d)

Exhibit

99.1\* [Press Release dated March 26, 2019](#)

\*This exhibit is intended to be furnished and shall not be deemed "filed" for purposes of the Securities and Exchange Act of 1934.

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**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 26, 2019

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



## **Alector Reports Recent Business Highlights and Fourth Quarter and Full Year 2018 Financial Results**

- *Strong 2018 marked by the company's first and second programs entering the clinic, targeting frontotemporal dementia and Alzheimer's disease. Ten programs in Research and Development and two in Pre-Clinical Development advancing towards the clinic.*
- *Data from the first program validated differentiated approach with proof-of-mechanism data in plasma and cerebrospinal fluid in Phase 1.*
- *Ended year with \$290 million in cash, cash equivalents and marketable securities.*

South San Francisco, Calif. – March 26, 2019 – Alector, Inc. (Nasdaq: ALEC), a clinical stage biotechnology company pioneering immuno-neurology, a novel therapeutic approach for the treatment of neurodegeneration, today announced company highlights and financial results for the fourth quarter and year ended December 31, 2018.

"2018 was a pivotal year for Alector as we advanced two of our four lead programs into the clinic, achieved clinical proof-of-mechanism in our first program, and made significant investments in our research and development programs to allow us to continue towards our mission of curing neurodegeneration," said Arnon Rosenthal, Ph.D., co-founder and chief executive officer of Alector. "Six years ago, we made the case that neurodegenerative diseases, such as Alzheimer's disease, are caused by multiple parallel pathologies that become independent of each other at early disease stages. Based on an emerging genetic understanding of these diseases, we further postulated that the common denominator of these pathologies is a dysfunctional brain immune system. With this understanding, we have been developing novel antibody therapeutics that are designed to functionally repair the consequences of damaged genes of the brain's immune system and in turn, that we believe comprehensively address these multiple parallel pathologies that lead to neurodegeneration."

### **Recent Business Highlights**

- **Completed dosing in healthy volunteers for AL001 in the Phase 1 clinical study** - In February 2019, Alector completed dose escalation of AL001 in healthy volunteers in its Phase 1 clinical study, called the INFRONT study. No drug-related serious adverse events or dose-limiting adverse events were reported, achieving the study's primary endpoint. Moreover, significant increases in plasma and CNS progranulin levels were also observed, achieving the study's secondary endpoint and proof-of-mechanism. AL001 is the company's first product candidate for the treatment of a genetically-defined sub-population of patients with frontotemporal dementia (FTD).
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- **Initiated dosing in healthy volunteers for AL002 in the Phase 1 clinical study** - In November 2018, Alector initiated its dosing of AL002 in healthy volunteers in its Phase 1 clinical study called the INVOKE study, investigating the company's second product candidate, AL002, for the treatment of patients with Alzheimer's disease. AL002 targets a triggering receptor expressed on myeloid cells 2 (TREM2).
- **Strengthened board of directors with key appointments** - In November 2018, Alector added David Wehner, the chief financial officer of Facebook, Richard Scheller, Ph.D., the chief scientific officer of 23andMe, and Louis Lavigne Jr., former executive vice president and chief financial officer of Genentech, to its board as independent directors.
- **Completed successful initial public offering** - In February 2019, Alector announced the pricing and close of its initial public offering at a price of \$19.00 per share. The Company raised \$185.1 million in aggregate gross proceeds.

#### **Fourth Quarter and Full Year 2018 Financial Results**

**Revenue.** Collaboration and grant revenue for the fourth quarter of 2018 was \$9.1 million compared to \$3.1 million for the same period in 2017. Total collaboration and grant revenue was \$27.7 million for the year ended December 31, 2018, compared to \$3.7 million for the year ended December 31, 2017. This increase was driven primarily by revenue recognized under Alector's collaboration agreement with AbbVie.

**R&D Expenses.** Total research and development expenses for the fourth quarter of 2018 were \$24.1 million compared to \$10.8 million for the same period in 2017. Research and development expenses were \$73.0 million for the year ended December 31, 2018, compared to \$29.9 million for the year ended December 31, 2017. This increase was driven by increases in development expenses for four product candidates that Alector is preparing for or have entered into Phase 1 clinical trials, and a related increase in activities for the manufacturing of clinical materials and expenses related to other preclinical programs currently in development.

**G&A Expenses.** Total general and administrative expenses for the fourth quarter of 2018 were \$4.1 million compared to \$2.0 million for the same period in 2017. General and administrative expenses were \$11.9 million for the year ended December 31, 2018, compared to \$6.5 million for the year ended December 31, 2017. This increase was primarily due to increases in personnel-related expenses, including stock-based compensation, as headcount grew to support the advancement of the clinical and preclinical programs. There was also an increase in consulting expense to support the growth of the business related to information technology, human resources, and other administrative functions.

**Net Loss.** For the fourth quarter of 2018, Alector reported a net loss of \$17.4 million, compared to a net loss of \$9.8 million for the same period in 2017. For the year ended December 31,

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2018, net loss was \$52.2 million, compared to a net loss of \$32.5 million for the year ended December 31, 2017.

**Cash Position.** Cash, cash equivalents, and marketable securities were \$290.4 million as of December 31, 2018, excluding the net proceeds from our initial public offering in February 2019.

#### CASH GUIDANCE

In February 2019, Alector completed an initial public offering of 9,739,541 shares of common stock at an offering price of \$19.00 per share, which includes the partial exercise of the underwriters' option to purchase an additional 489,541 shares, resulting in proceeds, net of underwriting discounts, commissions, and estimated offering expenses, of approximately \$168.2 million.

Based on current operating plans, the company expects that its cash, cash equivalents, and marketable securities as of December 31, 2018, together with the net proceeds from the recent financing, anticipated interest income, and anticipated expense reimbursements, but excluding any additional program-specific milestone payments, will enable the company to fund its anticipated operating expenses and capital expenditure requirements through at least the end of 2020.

#### 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](http://www.alector.com).

#### Cautionary Note Regarding 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 are based on our beliefs and assumptions and on information currently available to us on the date of this press release. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. These statements include but are not limited to statements regarding the Company's financial condition, results of operations and sufficiency of its cash, cash equivalents and marketable securities to fund its planned operations as well as statements regarding the Company's approach to developing

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product candidates, and plans for the Company's product candidates, clinical studies and anticipated regulatory and development milestones. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future. Important factors that could cause our actual results to differ materially are detailed from time to time in the reports Alector files with the Securities and Exchange Commission, including in our annual report on Form 10-K that is being filed with the Securities and Exchange Commission ("SEC"). Copies of reports filed with the SEC are posted on Alector's website and are available from Alector without charge.

**Selected Consolidated Balance Sheet Data**  
**(in thousands)**  
**(unaudited)**

	<b>As of December 31,</b>	
	<b>2018</b>	<b>2017</b>
Cash, cash equivalents, and marketable securities	\$ 290,408	\$ 32,451
Total assets	308,359	236,060
Total current liabilities (excluding deferred revenue)	13,043	8,425
Deferred revenue (including current portion)	174,620	202,128
Total liabilities	195,237	210,608
Convertible preferred stock	210,520	77,485
Total stockholders' deficit	(97,398)	(52,033)

(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.

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

	<b>Three Months Ended</b>		<b>Year Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
Revenue:				
Collaboration revenue	\$ 9,145	\$ 2,872	\$ 27,508	\$ 2,872
Grant revenue	—	187	169	863
Total revenue	<u>9,145</u>	<u>3,059</u>	<u>27,677</u>	<u>3,735</u>
Operating expenses:				
Research and development	24,097	10,838	73,031	29,911
General and administrative	4,065	2,028	11,934	6,503
Total operating expenses	<u>28,162</u>	<u>12,866</u>	<u>84,965</u>	<u>36,414</u>
Loss from operations	(19,017)	(9,807)	(57,288)	(32,679)
Other income, net	1,644	29	5,040	199
Net loss	<u>\$ (17,373)</u>	<u>\$ (9,778)</u>	<u>\$ (52,248)</u>	<u>\$ (32,480)</u>
Net loss per share, basic and diluted	<u>\$ (1.48)</u>	<u>\$ (0.94)</u>	<u>\$ (4.62)</u>	<u>\$ (3.55)</u>
Shares used in computing net loss per share, basic and diluted	<u>11,741,481</u>	<u>10,418,532</u>	<u>11,302,788</u>	<u>9,142,688</u>

Source: Alector, Inc.

**Contacts**

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