

**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): August 9, 2024

ACELYRIN, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-41696
(Commission
File Number)

85-2406735
(IRS Employer
Identification No.)

4149 Liberty Canyon Road
Agoura Hills, California
(Address of principal executive offices)

91301
(Zip Code)

Registrant's telephone number, including area code: (805) 730-0360

N/A
(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, \$0.00001 par value per share	SLRN	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in 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 August 13, 2024, ACELYRIN, INC. (the "*Company*") issued a press release announcing, among other things, its financial results for the quarter ended June 30, 2024. A copy of the press release is attached hereto as Exhibit 99.1.

All of the information furnished in this Item 2.02 and Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On August 10, 2024, the Board of Directors (the "Board") of the Company approved a plan to suspend new internal investment in the development of izokibep in hidradenitis suppurativa, psoriatic arthritis and axial spondyloarthritis, pursuant to which plan the Company will focus its efforts primarily on its lonigutamab clinical program in thyroid eye disease and will implement an associated workforce reduction (the "Restructuring Plan"). As part of the Restructuring Plan, the Company's workforce will be reduced by approximately 40 people, or approximately 1/3 of the Company's existing headcount.

The Company expects to incur charges related to the Restructuring Plan. In this regard, the Company estimates that it will incur approximately \$4.5 million in cash-based expenses related to employee severance payments and benefits related to the workforce reduction. The Company expects that the majority of the restructuring charges related to the workforce reduction will be incurred in the third quarter of 2024 and that the implementation of the workforce reduction, including cash payments, will be substantially complete by the end of the fourth quarter of 2024.

Investors should note that the Company has not yet completed its analysis of expected additional charges associated with implementation of the Restructuring Plan, and therefore is not able to make a good faith determination of an estimate of the amount, or range of amounts, of additional charges such as contract termination costs that the Company expects to incur in connection with the Restructuring Plan. The Company will provide additional disclosure through an amendment to this Current Report on Form 8-K once it makes a determination of an estimate, or range of estimates, of such charges. The estimates of the charges and cash expenditures that the Company expects to incur in connection with the Restructuring Plan, and the timing thereof, are subject to a number of assumptions and actual amounts may differ materially from estimates. In addition, the Company may incur other charges or cash expenditures not currently contemplated due to unanticipated events that may occur, including in connection with the implementation of the Restructuring Plan.

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

On August 9, 2024, the Company and Melanie Gloria mutually agreed that Ms. Gloria will step down from her position as Chief Operating Officer of the Company, effective October 31, 2024. In connection therewith, the Company has

entered into a Separation Agreement and Mutual Release with Ms. Gloria (the “Separation Agreement”), pursuant to which the Company agreed to provide Ms. Gloria with certain severance benefits, including the following: a lump sum payment equal to 12 months of her current base salary, an additional lump sum payment equal to a pro-rated portion of her 2024 target bonus, the payment by the Company of COBRA health insurance premiums for up to 12 months, generally 12 months of stock option award and restricted stock unit award vesting acceleration (subject to certain specified exceptions), and an extension of the post-termination exercise period of her outstanding stock option awards through April 30, 2025. The foregoing description of the Separation Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Separation Agreement which is filed as Exhibit 10.1 hereto and is incorporated by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
10.1	Separation Agreement and Mutual Release between the Company and Melanie Gloria
99.1	Press Release, dated August 13, 2024.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements including, but not limited to, statements related to the costs, timing and financial impact of the Restructuring Plan; the Company focusing its resources primarily on its lonigutamab program in thyroid eye disease; and other statements that are not historical fact. These forward-looking statements are based on the Company’s current plans, objectives and projections, and are inherently subject to risks and uncertainties that may cause the Company’s actual results to materially differ from those anticipated in such forward-looking statements. Such risks and uncertainties include, without limitation, those associated with: impediments to the Company’s ability to implement the Restructuring Plan as currently contemplated; the actual charges and cash expenditures associated with the Restructuring Plan being higher than anticipated or changes to the assumptions on which the estimated charges and cash expenditures associated with the Restructuring Plan are based; the Company’s ability to achieve projected cost savings in connection with the Restructuring Plan; the Company’s failure to realize the expected benefits of the Restructuring Plan and/or the Company experiencing unintended consequences from the Restructuring Plan that may impact the Company’s business; the successful completion of development and regulatory activities with respect to lonigutamab in thyroid eye disease; maintaining and defending intellectual property protection; and other risks and uncertainties affecting the Company including those described from time to time under the caption “Risk Factors” and elsewhere in the Company’s current and future reports filed with the Securities and Exchange Commission, including its Quarterly Report on Form 10-Q for the quarter ended June 30, 2024 filed today. Forward-looking statements contained in this Current Report on Form 8-K are made as of the date of this Current Report on Form 8-K, and the Company undertakes no duty to update such information except as required under applicable law.

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.

ACELYRIN, INC.

Dated: August 13, 2024

By: /s/ Gil M. Labrucherie

Gil M. Labrucherie

Chief Financial Officer and Chief Business Officer

SEPARATION AGREEMENT AND MUTUAL RELEASE

This Separation Agreement and Mutual Release (“**Agreement**”) is made by and between Melanie Gloria (“**Employee**”) and ACELYRIN, INC. (the “**Company**”) (collectively referred to as the “**Parties**” or individually referred to as a “**Party**”).

RECITALS

WHEREAS, Employee is employed by the Company as Chief Operating Officer;

WHEREAS, Employee signed a Proprietary Information and Inventions Assignment Agreement with the Company (the “**Confidentiality Agreement**”);

WHEREAS, the Company has granted to Employee the stock options listed on Exhibit A (the “**Employee Options**”) and the restricted stock units listed on Exhibit A (the “**Employee RSUs**”) pursuant to the terms and conditions of the Company’s 2020 Stock Option and Grant Plan and 2023 Equity Incentive Plan and the corresponding award agreements issued thereunder (the “**Equity Documents**”);

WHEREAS, the Parties have mutually agreed to terminate the employment relationship, effective October 31, 2024 (the “**Separation Date**”);

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Employee may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Employee’s employment with or separation from the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Employee hereby agree as follows:

COVENANTS

1 Separation Date. Employee’s last day of employment with the Company shall be October 31, 2024 (the “**Separation Date**”). Regardless of whether Employee signs this Agreement, Employee will be paid all wages earned and payable, through Employee’s last day of employment, subject to all applicable taxes and withholdings, no later than the next regularly scheduled payroll following the Separation Date, unless sooner as required by law. Employee will also be reimbursed for all necessary and reasonable business-related expenses incurred by Employee through the Separation Date, in accordance with Company policy.

2 Transition Period. In consideration for the promises and covenants contained herein, from August 9, 2024 through and until the Separation Date (the “**Transition Period**”), Employee will remain an employee of the Company with Employee’s same base salary and benefits and will work cooperatively with the Company to continue to perform current job duties, as well as to transition Employee’s various roles, duties and responsibilities to designated personnel. During the Transition Period, Employee must continue to comply with all of the Company’s policies and procedures and with all of Employee’s statutory and contractual obligations to the Company. Employee agrees to perform the Transition Period duties in good faith and in a manner consistent with all laws applicable to the business of the Company. The Transition Period shall immediately terminate, and Employee

will not receive any of the separation benefits described herein, in the event that Employee voluntarily resigns her employment, other than for Good Reason, or is terminated for Cause (as both terms are defined in the ACELYRIN, Inc. 2023 Severance Plan (the “**Severance Plan**”)) during the Transition Period.

3 Consideration. In consideration of Employee’s execution of this Agreement, and provided that Employee signs the Supplemental Release of Claims attached hereto as Exhibit B on or within five (5) days of the Separation Date (the “**Supplemental Release**”) and does not revoke it, the Company will provide Employee with the following severance benefits:

a Severance Payment. The Company will pay Employee, as severance, the equivalent of twelve (12) months of Employee’s base salary as of the Separation Date in the gross amount of \$512,500.00, subject to standard payroll deductions and withholdings. This amount will be paid in a single lump sum no later thirty (30) days after the Supplemental Release Effective Date, as defined therein.

b COBRA. Provided that Employee timely elects continued coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (“**COBRA**”) for Employee and her covered dependents following Employee’s separation, the Company shall pay to health insurance provider the full monthly COBRA premiums necessary to continue Employee’s and Employee’s covered dependents’ health insurance coverage that is in effect for Employee (and her covered dependents) as of the Separation Date. The COBRA coverage benefit will be paid on a monthly basis until the earliest of: (i) twelve (12) months after the Separation Date; (ii) the date when Employee becomes eligible for substantially equivalent health insurance coverage in connection with new employment or self-employment; or (iii) the date Employee ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the Separation Date through the earlier of (i)-(iii), the “**COBRA Payment Period**”). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on Employee’s behalf would result in a violation of applicable law, then in lieu of paying COBRA premiums pursuant to this Section, the Company shall pay Employee on the last day of each remaining month of the COBRA Payment Period, a fully taxable cash payment equal to the COBRA premium for such month, less applicable federal, state and local payroll taxes and other withholdings required by law, for the remainder of the COBRA Payment Period.

c Pro Rata Bonus. The Company will pay to Employee a lump sum cash payment equal to Employee’s targeted annual discretionary bonus level for 2024, in the gross amount of \$192,187.50, less applicable withholdings and deductions, and pro-rated based on the length of Employee’s employment in the 2024 calendar year (i.e. through October 31, 2024), payable within thirty (30) days of the Supplemental Release Effective Date, as defined therein.

d Financial Advisor Coverage. The Company will continue Employee’s existing Company-covered services of JMG Financial Group, Ltd. through April 30, 2025, to support Employee’s FY 2024 tax return filing. In accordance with existing Company practice, any such payments made by the Company pursuant to this section shall be included on Employee’s W-2 as a taxable benefit.

e Vesting Acceleration and Extension of Exercise Period. Notwithstanding anything to the contrary in the Equity Documents, and subject to approval of the Company’s Board of Directors (the “**Board**”) or Compensation Committee thereof (the “**Compensation Committee**”), the Company will (i) accelerate the vesting of the Employee Options that are subject solely to time-based vesting, such that Employee will be deemed vested, as of the Separation Date, in (a) that portion of the Employee Options that would have vested had Employee remained employed through the date that is twelve (12) months from the Separation Date, however (1) excluding the Employee Options granted

on May 9, 2024, and (2) excluding any amounts in excess of 1/4th of the shares subject to the Employee Options granted on January 9, 2024 (together, the “**Vested Employee Options**”); (ii) accelerate the vesting of the Employee RSUs that are subject solely to time-based vesting, such that Employee will be deemed vested, as of the Separation Date, in that portion of the Employee RSUs that would have vested had Employee remained employed through the date that is twelve (12) months from the Separation Date (the “**Vested Employee RSUs**”); and (iii) extend the exercise period of any outstanding Employee Options that are vested as of the Separation Date, including the Vested Employee Options, through April 30, 2025 (the “**Post-Termination Exercise Period Extension**”). Employee acknowledges that those certain Employee Options that are incentive stock options and that are subject to the Post-Termination Exercise Period Extension will (a) in the case of Employee Options with an exercise price that is less than the fair market value of a share of Company common stock on the Supplemental Release Effective Date (the “**Effective Date FMV**”), turn into nonqualified stock options by virtue of such extension; and (b) in the case of Employee Options with an exercise price that is equal to or greater than the Effective Date FMV, remain incentive stock options for three months following the Separation Date, but with a two-year holding period that starts as of the Effective Date rather than the original date of grant (and will thereafter be treated as nonqualified stock options). The Employee Options and Employee RSUs granted to Employee that would not have vested, in whole or in part, pursuant to this Section 3(e) or otherwise pursuant to their terms prior to the Separation Date, including but not limited to the Employee Options granted on May 9, 2024, will terminate on the Separation Date, and Employee will have no further right or interest with respect thereto. Without limiting the generality of the foregoing, with respect to the performance-vesting restricted stock unit award granted to Employee on August 16, 2023 (the “**Employee PSU Award**”), no portion of such award has been determined by the Compensation Committee to have met the associated Success Factor (as defined in Exhibit A to the Employee PSU Award grant notice), and as such the Employee PSU Award will be forfeited in its entirety. Except as expressly set forth herein, the Employee Options and Employee RSUs will be governed entirely by the terms of the applicable Equity Documents.

Employee expressly acknowledges and agrees that she must execute the Supplemental Release on or within five (5) days of the Separation Date, and not revoke the Supplemental Release, in order to receive the severance payments and benefits described in this Section 1.

4 Payment of Salary and Receipt of All Benefits. Employee acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Employee as of the date of this Agreement. Employee further acknowledges and agrees that Employee is not entitled to, and will not receive, any benefits under the Severance Plan.

EMPLOYEE UNDERSTANDS THAT NEITHER THIS AGREEMENT NOR THE COURSE OF EMPLOYEE’S EMPLOYMENT WITH THE COMPANY, OR ANY OTHER SERVICE TO THE COMPANY, GIVE OR GAVE EMPLOYEE ANY RIGHT, CONTINUING OR OTHERWISE, TO THE REVENUES AND/OR PROFITS OF THE COMPANY AND/OR ANY OTHER RELEASEE (AS DEFINED BELOW) OR ANY OTHER INTEREST, ECONOMIC OR OTHERWISE, IN THE COMPANY AND/OR ANY OTHER RELEASEE (AS DEFINED BELOW).

5 Employee Release of Claims. Employee agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Employee by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and

subsidiaries, and predecessor and successor corporations and assigns (collectively, the “**Employee Releasees**”). Employee, on her own behalf and on behalf of her respective heirs, family members, executors, agents, attorneys and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Employee may possess against any of the Employee Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the date Employee signs this Agreement, including, without limitation:

a any and all claims relating to or arising from Employee’s employment relationship with the Company and the termination of that relationship;

b any and all claims relating to, or arising from, Employee’s right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Age Discrimination in Employment Act (“ADEA”); the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the Immigration Control and Reform Act; the California Family Rights Act; the California Labor Code; the California Workers’ Compensation Act; and the California Fair Employment and Housing Act; and any other similar statutes, regulations or laws;

e any and all claims for violation of the federal or any state constitution;

f any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; and

h any and all claims for attorneys’ fees and costs.

Employee agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement and does not release claims that cannot be released as a matter of law. This release does not release any rights Employee has to indemnification under the Company’s governing documents, any agreement between Employee and the Company, or the law. Employee

represents that Employee has made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this section.

6 ADEA Release. Employee acknowledges that Employee is knowingly and voluntarily waiving and releasing any rights Employee has under the ADEA, and that the consideration given for the waiver and releases Employee has given in this Agreement is in addition to anything of value to which Employee was already entitled. Employee acknowledges that Employee has been advised, as required by the ADEA, that: (i) Employee's waiver and release does not apply to any rights or claims arising after the date Employee signs this Agreement; (ii) Employee should consult with an attorney prior to signing this Agreement (although Employee may choose voluntarily not to do so); (iii) Employee has twenty-one (21) days to consider this Agreement (although Employee may choose voluntarily to sign it sooner); (iv) Employee has seven (7) days following the date Employee signs this Agreement to revoke this Agreement (in a written revocation sent to the Company's Chief Legal Officer); and (v) this Agreement will not be effective until the date upon which the revocation period has expired, which will be the eighth day after Employee signs this Agreement provided that Employee does not revoke it (the "**Effective Date**").

7 Company Release. The Company hereby and forever releases Employee from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Company may possess against Employee arising from any omissions, acts, facts, or damages that have occurred up until and including the date the Company signs this Agreement; *provided, however, that* this release shall not extend to claims against Employee based on facts not known to the Company's officers and directors as of the date of the execution of this Agreement, for breach of any legal or contractual obligation to protect the Company's confidential, trade secret or proprietary information, nor to any claims against Employee for fraud or theft against the Company.

8 California Civil Code Section 1542. Employee and the Company acknowledge that they have been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Both Employee and the Company, being aware of said code section, agree to expressly waive any rights they may have thereunder, as well as under any other statute or common law principles of similar effect.

9 Protected Rights. Employee understands that nothing in this Agreement limits Employee's ability to file a charge or complaint with the Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Occupational Safety and Health Administration, the California Department of Fair Employment and Housing, the Securities and Exchange Commission or any other federal, state or local governmental agency or commission ("**Government Agencies**"). Employee further understands this Agreement does not limit Employee's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Agreement does not limit Employee's

right to receive an award for information provided to the Securities and Exchange Commission, Employee understands and agrees that, to maximum extent permitted by law, Employee is otherwise waiving any and all rights Employee may have to individual relief based on any claims that Employee has released and any rights Employee has waived by signing this Agreement. Nothing in this Agreement prevents Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful.

10 Cooperation. Employee agrees to cooperate fully with the Company in connection with its actual or contemplated defense, prosecution, or investigation of any claims or demands by or against third parties, or other matters arising from events, acts, or failures to act that occurred during the period of Employee's employment by the Company. Such cooperation includes, without limitation, Employee making herself available to the Company upon reasonable notice, without subpoena, to provide complete, truthful and accurate information in witness interviews, depositions, and trial testimony. The Company will reimburse Employee for reasonable and documented out-of-pocket expenses incurred in connection with any such cooperation (including attorneys' fees approved by the Company but excluding foregone wages) and will make reasonable efforts to accommodate Employee's scheduling needs.

11 No Pending or Future Lawsuits. Employee represents that she has no lawsuits, claims, or actions pending in her name, or on behalf of any other person or entity, against the Company or any of the other Employee Releasees. Employee also represents that she does not intend to bring any claims on her own behalf or on behalf of any other person or entity against the Company or any of the other Employee Releasees. The Company represents that it has no lawsuits, claims, or actions pending in its name, or on behalf of any other person or entity, against the Employee. The Company also represents that it does not intend to bring any claims on its own behalf or on behalf of any other person or entity against Employee.

12 Trade Secrets and Confidential Information/Company Property. Employee reaffirms and agrees to observe and abide by the terms of the Confidentiality Agreement, specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information, and non-solicitation of Company employees. Employee affirms that Employee has or will return all documents and other items provided to Employee by the Company, developed or obtained by Employee in connection with Employee's employment with the Company, or otherwise belonging to the Company by the Separation Date or sooner as requested by the Company. Employee's signature below constitutes her certification under penalty of perjury that she has or will return all documents and other items provided to Employee by the Company, developed or obtained by Employee in connection with her employment with the Company, or otherwise belonging to the Company by the Separation Date or at an earlier date as requested by the Company.

13 No Cooperation. Employee agrees that she will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Employee Releasees, unless under a subpoena or other court order to do so. Employee agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Employee Releasees, Employee shall state no more than that she cannot provide counsel or assistance.

14 Nondisparagement. Employee agrees to refrain from any disparagement, defamation, libel, or slander of the Company or any of its present or former officers, directors, or employees, and

agrees to refrain from any tortious interference with the contracts and relationships of the Company, provided that Employee may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. Further, the Company agrees that it shall instruct its directors and officers (for so long as they are serving in such roles), to refrain from any disparagement, defamation, libel, or slander of Employee, provided that the Company may respond accurately and fully to any request for information if required by legal process or in connection with a government investigation. Employee shall direct any inquiries by potential future employers to the Company's human resources department. In response to any inquiry by potential future employers, the Company shall provide only the dates of Employee's employment with the Company and her positions.

15 Legal Fees. The Company will pay Employee's attorney(s) for reasonable and documented attorney's fees related to the negotiation and execution of this Agreement up to a maximum amount of \$5,000. Any supporting invoices must be submitted to the Company no later than ten (10) days after the Effective Date of this Agreement.

16 Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Employee acknowledges and agrees that any material breach of this Agreement or of any provision of the Confidentiality Agreement shall entitle the Company immediately cease providing the consideration provided to Employee under this Agreement and to obtain damages, except as provided by law.

17 No Admission of Liability. Employee and the Company understand and acknowledge that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by each of them. No action taken by the Company or Employee hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company or Employee of any fault or liability whatsoever to the other or to any third party.

18 Costs. Except as set forth in Paragraph 12 above, the Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement.

19 Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Employee represents and warrants that she has the capacity to act on her own behalf and on behalf of all who might claim through her to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

20 No Representations. Employee represents that she has had an opportunity to consult with an attorney and has carefully read and understands the scope and effect of the provisions of this Agreement. Employee and the Company each represent that they have not relied upon any representations or statements made by the other or any other person or entity that are not specifically set forth in this Agreement.

21 Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

22 Attorneys' Fees. In the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses,

including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

23 Entire Agreement. This Agreement and the Exhibits attached hereto represents the entire agreement and understanding between the Company and Employee concerning the subject matter of this Agreement and Employee's employment with and separation from the Company and the events leading thereto and associated therewith and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Employee's relationship with the Company, with the exception of the Confidentiality Agreement.

24 No Oral Modification. This Agreement may only be amended in a writing signed by Employee and the Chair of the Board.

25 Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Employee consents to personal and exclusive jurisdiction and venue in the State of California.

26 Counterparts. This Agreement may be executed in counterparts, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned Parties. This Agreement may also be executed by facsimile or electronic signature, and each such signature is a fully enforceable signature hereto upon receipt by electronic mail, facsimile or mail by the other Party.

27 Voluntary Execution of Agreement. Employee understands and agrees that she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of her claims against the Company and any of the other Releasees. Employee acknowledges that:

- a she has read this Agreement;
- b she has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of her own choice or has elected not to retain legal counsel;
- c she understands the terms and consequences of this Agreement and of the releases it contains; and
- d she is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of August 9, 2024.

MELANIE GLORIA, an individual
By: /s/ Melanie Gloria
Melanie Gloria

By: /s/ Mina Kim
Mina Kim
Chief Executive Officer

EXHIBIT A

EXHIBIT B

SUPPLEMENTAL RELEASE OF CLAIMS

(To be signed on the Separation Date)

My employment with ACELYRIN, INC. (the “**Company**”) ended in all capacities on October 31, 2024 (the “**Separation Date**”). In exchange for the benefits to be provided to me after the Separation Date pursuant to that certain Separation Agreement and Release between the Company and me dated August 9, 2024 (the “**Separation Agreement**”), I provide this Supplemental Release (the “**Release**”). Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Separation Agreement.

I hereby represent that: (i) I have complied with the Separation Agreement and any agreements incorporated by reference therein; (ii) I been paid all compensation owed and for all hours worked for the Company through the Separation Date; (iii) I have received all leave and leave benefits and protections for which I am eligible pursuant to the federal Family and Medical Leave Act, or applicable state law; and (iv) I have not suffered any on-the-job injury for which I have not already filed a workers’ compensation claim.

In exchange for the benefits to be provided to me in the Separation Agreement, which I (on behalf of myself, my heirs, and assigns) would not otherwise be entitled to receive, I hereby generally and completely release the Employee Releasees of and from any and all claims, liabilities, demands, causes of action, costs, expenses, attorney’s fees, damages, indemnities, and obligations of every kind and nature, in law, equity, or otherwise, known and unknown, suspected and unsuspected, arising out of or in any way related to agreements, events, acts, or conduct at any time prior to and including the date I sign this Release (the “**Employee Released Claims**”). The Employee Released Claims include, but are not limited to: (i) all claims directly or indirectly arising out of or in any way connected with my employment with the Company, the termination of that employment relationship, or my activities as an employee, member, manager, advisor, or consultant of the Company (as applicable); (ii) claims or demands related to salary, bonuses, fees, retirement contributions, profit-sharing rights, commissions, stock, stock options, or any other ownership or equity interests in the Company or any of its affiliates, vacation pay, fringe benefits, expense reimbursements, severance pay, or any other form of compensation or benefit; and (iii) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Age Discrimination in Employment Act (“ADEA”); the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the Immigration Control and Reform Act; the California Family Rights Act; the California Labor Code; the California Workers’ Compensation Act; the California Fair Employment and Housing Act; and any other similar statutes, regulations or laws, tort law, contract law, wrongful discharge, discrimination, harassment, fraud, defamation, emotional distress, and breach of the implied covenant of good faith and fair dealing.

By its signature below, the Company hereby and forever releases me from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, demand, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Company may possess against me arising from any omissions, acts, facts, or damages that have occurred up until and including the date the Company

signs this Release; *provided, however, that* this release shall not extend to claims against me based on facts not known to the Company's officers and directors as of the date of the execution of this Release, for breach of any legal or contractual obligation to protect the Company's confidential, trade secret or proprietary information, nor to any claims against me for fraud or theft against the Company.

I and the Company acknowledge that we have been advised to consult with legal counsel and are familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

Being aware of said code section, I and the Company agree to expressly waive any rights we may have thereunder, as well as under any other statute or common law principles of similar effect.

This release does not extend to any obligations incurred under this Release and does not release claims that cannot be released as a matter of law. This Release does not release any rights I have to indemnification under the Company's governing documents, any agreement between myself and the Company, or the law. I represent that I have made no assignment or transfer of any right, claim, complaint, charge, duty, obligation, demand, cause of action, or other matter waived or released by this Release.

I understand that nothing in this Release limits my ability to file a charge or complaint with any Government Agency, although I hereby waive any monetary recovery from such actions (except with respect to actions before the SEC). I further understand this Release does not limit my ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. While this Release does not limit my right to receive an award for information provided to the SEC, I understand and agree that, to the maximum extent permitted by law, I am otherwise waiving any and all rights I may have to individual relief based on any claims that I have released and any rights I have waived by signing this Release. I represent and warrant that, other than the Excluded Claims, I am not aware of any claims I have or may have against any of the Employee Releasees that are not included in the Released Claims.

I acknowledge that I am knowingly and voluntarily waiving and releasing any rights I have under the ADEA, and that the consideration given for the waiver and releases I have given in this Release is in addition to anything of value to which I was already entitled. I further acknowledge that I have been advised, as required by the ADEA, that: (i) my waiver and release does not apply to any rights or claims arising after the date I sign this Release; (ii) I should consult with an attorney prior to signing this Release (although I may choose voluntarily not to do so); (iii) I had twenty-one (21) days to consider this Release; (iv) I have seven (7) days following the date I sign this Release to revoke this Release (in a written revocation sent to the Company); and (v) this Release will not be effective until the date upon which the revocation period has expired, which will be the eighth (8th) day after I sign this Release provided that I do not revoke it (the "**Supplemental Release Effective Date**").

This Release, together with the Separation Agreement (including its Exhibits and the agreements incorporated therein by reference) set forth the entire agreement between the Company and me regarding the subject matter hereof. I am not relying on any representation not set forth in the

Separation Agreement or this Release. This Release will be deemed to have been entered into and will be construed and enforced in accordance with the laws of the State of California, without regard to conflicts of law principles.

Dated: October 31, 2024

MELANIE GLORIA, an individual
By: _____
Melanie Gloria

Dated: October 31, 2024

By: _____
Mina Kim
Chief Executive Officer

**ACELYRIN, INC. Announces Positive Phase 3 Data for Izokibep in Hidradenitis Suppurativa;
Focuses Strategy on Lonigutamab and Reports Second Quarter 2024 Financial Results**

Phase 3 trial of izokibep in hidradenitis suppurativa met primary endpoint of HiSCR75 at 12 weeks

*Company to prioritize development of lonigutamab; dose confirmation ongoing in Phase 2 trial
with plans to initiate Phase 3 program in Q1 2025*

*Cash, cash equivalents, and short-term marketable securities at June 30, 2024 of \$635.2 million;
projected to extend cash runway to mid-2027*

Company to hold webcast and conference call at 5:00pm ET today

LOS ANGELES, August 13, 2024 -- ACELYRIN, INC. (Nasdaq: SLRN), a late-stage clinical biopharma company focused on accelerating the development and delivery of transformative medicines in immunology, today announced that the Phase 3 trial of izokibep in Hidradenitis Suppurativa (HS) achieved its primary endpoint of HiSCR75 at 12 weeks, as well as a refocused pipeline strategy that prioritizes lonigutamab in thyroid eye disease (TED) and is projected to extend cash runway.

“While today’s positive HS data and previously announced psoriatic arthritis (PsA) data support a path to approval for izokibep, we have determined that a program of this breadth and size is best brought to market by a larger organization with the resources and existing footprint in these indications,” said Mina Kim, Chief Executive Officer of ACELYRIN. “We remain excited by the opportunity for lonigutamab to address unmet needs of patients with TED. Consistent with our commitment to disciplined capital allocation, we have decided to focus our efforts toward rapidly advancing lonigutamab through late-stage development with our existing cash resources. Combined with a reduction in force, this strategic shift allows us to extend our cash runway to mid-2027 and fully fund both Phase 3 trials for lonigutamab.”

Izokibep

In the global Phase 3 trial in HS, izokibep demonstrated statistically significant responses across multiple efficacy endpoints at 12 weeks, including 33% of patients receiving izokibep 160mg weekly (QW) achieving HiSCR75, compared to 21% receiving placebo (p-value=0.0294). In higher order endpoints, 25% of patients achieved HiSCR90, compared to 9% on placebo (p-value=0.0009), and 22% of patients achieved HiSCR100, compared to 8% on placebo (p-value=0.001).

While the primary endpoint was measured at 12 weeks, ACELYRIN has continued dosing patients in a placebo-controlled manner through week 16. The Company has data from two-thirds of patients at week 16 and the preliminary data demonstrate continued deepening of HiSCR responses over time.

No new safety signals for izokibep were observed. The most common adverse events were mild-to-moderate injection site reactions, headache, nasopharyngitis, fatigue and diarrhea. Notably, there were no cases of candida infection, liver toxicity or suicidal ideation/behavior in the izokibep treatment arm.

ACELYRIN will complete the on-going PsA and HS trials, but will suspend new investment in these indications. The ongoing Phase 2b/3 trial of izokibep in uveitis will continue through its primary endpoint, with top line data expected in the fourth quarter of 2024.

Lonigutamab

ACELYRIN has completed the Phase 1 proof-of-concept portion of the ongoing lonigutamab trial and the dose-ranging Phase 2 portion in TED patients is continuing. This Phase 2 trial is testing different doses and dose regimens with a goal of establishing a minimum effective dose and enabling selection of the optimal dose and dose regimen for the Phase 3 program. Dose administration every three or four weeks is now being tested.

With this dose ranging experience in hand, ACELYRIN plans to forgo the originally planned Phase 2b/3 trial design and move directly into a Phase 3 program, potentially with concurrent trials, which is anticipated to be initiated in the first quarter of 2025. The Company will hold an EOP2 meeting with the FDA later this year and thereafter host an investor presentation to provide additional Phase 2 data and details for the planned Phase 3 program.

“ACELYRIN has taken a patient-centered approach to developing lonigutamab being the first company to conduct dose exploration work with a subcutaneous anti-IGF-1R treatment in patients with TED,” said Shoaib Ugradar, MD, Department of Orbital and Oculoplastic Surgery, private practice, Beverly Hills, California. “I am encouraged by this approach and look forward to participating in the pivotal trials.”

SLRN-517

ACELYRIN has completed a single ascending dose study of SLRN-517, the Company’s early anti-C-KIT program, in healthy volunteers and has stopped further development of this program.

Corporate Reorganization

Aligned with the Company’s prioritization of lonigutamab and associated strategic shifts for izokibep and SLRN-517, ACELYRIN is completing an approximately 33% reduction in its workforce.

“I want to thank our colleagues who will be departing from ACELYRIN as part of the restructuring and acknowledge their many contributions to izokibep’s development, and to the evolution of our company. We wish them the very best in the future,” added Ms. Kim.

The Company expects these combined efforts will extend cash runway to mid-2027, guidance which includes both the financial impact of the corporate reorganization and clinical program reprioritization. Specifically, the Company’s existing cash resources are expected to fund the ongoing Phase 2 trial and two planned registrational Phase 3 trials for lonigutamab in TED, the ongoing izokibep Phase 3 trial in uveitis, and the completion of the ongoing izokibep HS and PsA trials.

Q2 2024 Financial Highlights

Cash Position: Cash, cash equivalents and short-term marketable securities totaled \$635.2 million at June 30, 2024. The Company expects these to fund operations to mid-2027.

R&D Expenses: Research and development expenses were \$76.4 million for the second quarter as compared to \$30.0 million for the same period in 2023. The increases were primarily a result of additional clinical development activity across our pipeline and a \$14.3 million expense related to the termination of a supply agreement.

G&A Expenses: General and administrative expenses were \$16.6 million for the second quarter as compared to \$12.7 million for the same period in 2023. The expenses include stock-based compensation expense of \$5.3 million, which decreased from \$7.2 million for the same quarter in 2023.

Net Loss: Net loss for the quarter ended June 30, 2024 was \$85.7 million, compared to \$26.0 million for the same period in 2023.

Webcast and Conference Call Information

ACELYRIN will host a conference call and webcast today, August 13, 2024, at 5:00pm ET to discuss these announcements. A live webcast of the conference call can be accessed in the “Events & Presentations” section of ACELYRIN’s website at www.acelyrin.com. A recording of the webcast will be available and archived on the Company’s website for approximately 30 days.

Upcoming Investor Presentations

ACELYRIN management will participate in webcasted presentations and 1x1 meetings at several upcoming investor conferences including the 2024 Wells Fargo Healthcare Conference, the 22nd Annual Morgan Stanley Global Healthcare Conference and the H.C. Wainwright 26th Annual Global Investment Conference.

About Lonigutamab

Lonigutamab is a humanized IgG1 monoclonal antibody targeting the IGF-1 receptor and is delivered subcutaneously. Relative to standard of care, lonigutamab binds to a distinct epitope, which results in internalization of the receptor within minutes, and in preclinical binding and functional laboratory assays, it has been shown to be 75-fold more potent. The characteristics of lonigutamab that enable subcutaneous delivery also enable the potential for longer-term, convenient dosing, which can potentially improve depth and durability of clinical response.

About Izokibep

Izokibep is a small protein therapeutic designed to inhibit IL-17A with high potency through tight binding affinity, the potential for robust tissue penetration due to its small molecular size, about one-tenth the size of a monoclonal antibody, and an albumin binding domain that extends half-life. Clinical trial data supports the hypothesis that these unique characteristics of izokibep may provide clinically meaningful and differentiated benefits for patients, including resolution of key manifestations of disease. The late-stage izokibep PsA and HS data have demonstrated levels of clinical response comparable with next generation approaches to IL-17 inhibition. These data also demonstrate that targeting IL-17A alone with greater potency can achieve the same or better clinical responses than agents targeting IL-17 subunits more broadly than IL-17A, without their associated safety liabilities. Izokibep is currently being evaluated in multiple late-stage trials in moderate-to-severe hidradenitis suppurativa (HS), moderate-to-severe psoriatic arthritis (PsA), and noninfectious uveitis.

About ACELYRIN, INC.

ACELYRIN, INC. (Nasdaq: SLRN) is focused on providing patients life-changing new treatment options by identifying, acquiring, and accelerating the development and commercialization of transformative medicines. ACELYRIN’s lead program, lonigutamab, is a subcutaneously delivered monoclonal antibody targeting IGF-1R being investigated for the treatment of thyroid eye disease.

For more information about ACELYRIN, visit us at www.acelyrin.com or follow us on [LinkedIn](#) and [X](#).

Forward Looking Statements

This press release contains forward-looking statements including, but not limited to, statements related to the overall advancement of ACELYRIN's programs and ability to accelerate the development and delivery of transformative medicines; the therapeutic potential of ACELYRIN's product candidates; ACELYRIN's ability to address unmet needs of patients with thyroid eye disease (TED) anticipated development activities including the planned initiation of Phase 3 trials in TED and the ability for such trials to serve as registrational studies, anticipated cash runway guidance to mid-FY2027, and the ability for such funds to support development of lonigutamab through both Phase 3 trials, plans to continue the ongoing izokibep Phase 2b/3 trial in psoriatic arthritis and the ongoing izokibep Phase 3 trial in hidradenitis suppurativa; the anticipated timing and availability of clinical data from the ongoing izokibep Phase 2b/3 trial in uveitis; and other statements that are not historical fact. These forward-looking statements are based on ACELYRIN's current plans, objectives and projections, and are inherently subject to risks and uncertainties that may cause ACELYRIN's actual results to materially differ from those anticipated in such forward-looking statements. Such risks and uncertainties include, without limitation, those associated with the successful completion of development and regulatory activities with respect to ACELYRIN's product candidates, the risk that future results could differ materially and adversely from early clinical data, the risk that preliminary week 16 data of the Phase 3 trial in HS is not indicative of any future, final week 16 data in such trial, and other risks and uncertainties affecting ACELYRIN including those described from time to time under the caption "Risk Factors" and elsewhere in ACELYRIN's current and future reports filed with the Securities and Exchange Commission. Forward-looking statements contained in this press release are made as of this date, and ACELYRIN undertakes no duty to update such information except as required under applicable law.

ACELYRIN, INC.
Consolidated Statements of Operations and Comprehensive Loss
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating expenses:				
Research and development	\$ 76,382	\$ 30,030	\$ 134,414	\$ 197,950
General and administrative	16,643	12,666	41,385	24,579
Total operating expenses	93,025	42,696	175,799	222,529
Loss from operations	(93,025)	(42,696)	(175,799)	(222,529)
Change in fair value of derivative tranche liability	—	10,144	—	10,291
Interest income	8,447	6,685	17,597	9,984
Other income (expense), net	(1,094)	(172)	37,557	(235)
Net loss	\$ (85,672)	\$ (26,039)	\$ (120,645)	\$ (202,489)
Other comprehensive gain (loss)				
Unrealized gain (loss) on short-term marketable securities, net	(62)	44	(329)	130
Total other comprehensive gain (loss)	\$ (62)	\$ 44	\$ (329)	\$ 130
Net loss and other comprehensive loss	\$ (85,734)	\$ (25,995)	\$ (120,974)	\$ (202,359)
Net loss per share attributable to common stockholders, basic and diluted	\$ (0.86)	\$ (0.40)	\$ (1.22)	\$ (4.71)
Weighted-average common shares outstanding, basic and diluted	99,161,710	65,210,117	98,537,685	42,974,640

ACELYRIN, INC.
Selected Consolidated Balance Sheet Data
(in thousands)
(unaudited)

	June 30, 2024	December 31, 2023
Cash and cash equivalents	\$ 128,211	\$ 218,097
Short-term marketable securities	507,029	503,229
Total assets	651,739	742,690
Total liabilities	83,521	86,353
Accumulated deficit	(609,364)	(488,719)

ACELYRIN Contact:

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