

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 20, 2024

Ayala Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-36138

(Commission
File Number)

84-1521955

(IRS Employer
Identification No.)

**9 DEER PARK DRIVE, SUITE K-1
MONMOUTH JUNCTION, New Jersey**

(Address of principal executive offices)

08852

(Zip code)

Registrant's telephone number, including area code (732) 545-1590

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class

Trading Symbol(s)

Name of each exchange on which registered

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.

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

As previously disclosed, on February 5, 2024 (the “Execution Date”), Ayala Pharmaceuticals, Inc., a Delaware corporation (the “Company”) and Immunome, Inc. (“Purchaser”), entered into an Asset Purchase Agreement pursuant to which Purchaser will acquire substantially all of the Company’s assets (the “Asset Sale”).

On February 20, 2024, the Company and Andres Gutierrez, the Company’s Chief Medical Officer and Executive Vice President, entered into a letter agreement (the “Letter Agreement”), which references that certain Employment Agreement, dated as of April 23, 2018, by and between the Company and Dr. Gutierrez (the “Employment Agreement”). The Letter Agreement memorializes the agreement between the Company and Dr. Gutierrez that the previously disclosed transaction bonus in the amount of \$800,000 to be paid to Dr. Gutierrez upon the closing of the Asset Sale (the “Closing”) shall cause any termination of his employment upon or following the Closing to be treated as a termination of employment pursuant to Section 4(c) of the Employment Agreement, such that he will not be entitled to any of the payments or benefits set forth in Section 4(b) of the Employment Agreement with respect to any such termination. The Letter Agreement provides that should Dr. Gutierrez’s employment terminate for any reason prior to the Closing, the current terms of the Employment Agreement without regard to the Letter Agreement will control.

The foregoing description of the Letter Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by reference to, the full text of the Letter Agreement, which is attached as Exhibit 99.1 hereto and is incorporated by reference herein.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Letter Agreement, dated February 20, 2024, between the Company and Andres A. Gutierrez</u>
<u>104</u>	<u>Cover Page Interactive Data File (embedded within the Inline XBRL document)</u>

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.

February 23, 2024

AYALA PHARMACEUTICALS, INC.

By: /s/ Kenneth A. Berlin

Name: Kenneth A. Berlin

Title: President and Chief Executive Officer



February 20, 2024

Andres A. Gutierrez, MD, PhD
Via Email

Dear Andres:

Reference is made to that certain Asset Purchase Agreement dated as of February 5, 2024 by and between Ayala Pharmaceuticals, Inc. (the "Company") and Immunome, Inc. (the "APA"), and that certain Employment Agreement dated as of April 23, 2018 by and between the Company (then known as Advaxis, Inc.) and you (the "Employment Agreement").

This letter will confirm our agreement that if you remain employed by the Company through the closing of the transactions contemplated by the APA (the "Closing"), (i) upon or as soon as practicable following the Closing, a payment will be made to you through payroll, subject to applicable withholding taxes, in the amount of \$800,000, subject to your execution and non-revocation of a release of claims within 45 days following the date of the Closing substantially similar in form to the release attached as Exhibit A to the Employment Agreement, and (ii) any termination of your employment upon or following the Closing will be treated as a termination of employment pursuant to Section 4(c) of the Employment Agreement, and under no circumstances will you be entitled to any of the payments or benefits set forth in Section 4(b) of the Employment Agreement with respect to any such termination. Should your employment terminate for any reason prior to the Closing, the current terms of the Employment Agreement without regard to this letter will control.

Except as set forth above, the terms of the Employment Agreement will remain in full force and effect.

Please confirm your acceptance to the terms of this letter by signing below and returning it to me.

Sincerely,

Ayala Pharmaceuticals, Inc.

By: /s/ Kenneth A. Berlin
Kenneth A. Berlin
President and Chief Executive Officer

Agreed to and Accepted by:

/s/ Andres A. Gutierrez
Andres A. Gutierrez