Aileron Therapeutics Reports First Quarter 2019 Financial Results

May 8, 2019

- *Aileron announced a $26 million capital raise via PIPE transaction*
- *Enrollment in Phase 2a expansion cohort testing ALRN-6924 in combination with Pfizer's IBRANCE® (palbociclib) in MDM2-amplified tumors underway and ahead of schedule*
- *ALRN-6924/palbociclib Phase 2a interim data in MDM2-amplified tumors expected to be presented at The European Society for Medical Oncology (ESMO, 9-27-19 thru 10-1-19)*
- *Phase 1b/2 planned to assess ALRN-6924 as a myelopreservative agent in mutant p53 cancer patients to be initiated in September of 2019*
- *Nolan Sigal, MD, PhD, appointed to Aileron Board of Directors on April 2, 2019*

WATERTOWN, Mass., May 08, 2019 (GLOBE NEWSWIRE) -- Aileron Therapeutics (NASDAQ: ALRN), the clinical-stage leader in the field of stabilized cell-permeating peptides to treat cancer and other diseases, today reported business highlights and financial results for the first quarter ended March 31, 2019.

"We are pleased to report a successful financing and believe that the proceeds from this private placement will enable Aileron to achieve key clinical milestones for our ongoing Phase 2a expansion cohort in MDM2-amplified cancers as well as our planned myelopreservation Phase 1b/2 trial planned to begin enrollment in September of 2019. We anticipate, based on our current operating plan, that the funds raised in the private placement will fund our activities into the fourth quarter of 2020," said Dr. Manuel Aivado, President and Chief Executive Officer of Aileron. "Furthermore, we plan to present interim results on approximately 15 patients from our MDM2-amplified cancer trial at ESMO. We are already ahead of schedule regarding this milestone, with 12 patients now on study. Both the MDM2 trial and the myelopreservation trial are focused on large areas of unmet medical need," concluded Dr. Aivado.

Highlights

- Aileron completed a private placement, selling 11,838,582 units, consisting of 11,838,582 shares of common stock and associated warrants to purchase 11,838,582 shares of common stock, for a combined price of $2.01 per unit. In addition, the Company also sold 1,096,741 units, consisting of pre-funded warrants to purchase 1,096,741 shares of common stock and associated warrants to purchase 1,096,741 shares of common stock, for a combined price of $2.01 per unit and total gross proceeds of $26 million.
- Aileron initiated a Phase 2a expansion cohort of ALRN-6924 in combination with Pfizer's IBRANCE® (palbociclib) in patients with MDM2-amplified and MDM2\CDK4 co-amplified cancers. Enrollment in this trial is ahead of schedule with 12 ongoing patients thus far. We expect to present preliminary data on approximately 15 patients at ESMO.
- A planned Phase 1b/2 clinical trial to evaluate ALRN-6924 as a myelopreservative agent to protect against chemotherapy-induced toxicity in small-cell lung cancer patients treated with topotecan is expected to commence in September 2019, with proof of concept data expected in the first half of 2020.

Corporate Update

- **Nolan Sigal, MD, PhD, joins Aileron's Board of Directors**
  Dr. Sigal is a partner at Satter Management, a private investment firm, serving in that role since January 2018. From March 2008 to December 2017, Dr. Sigal was the President and Chief Executive Officer of Tunitas Therapeutics, Inc., a

private biopharmaceutical company. Prior to 2008, Dr. Sigal held various leadership positions with several public and private pharmaceutical and biotechnology companies, including Merck & Company, Trellis, Cytokinetics, and Pharmacopeia. Dr. Sigal received an A.B. from Princeton University and an MD and PhD from the University of Pennsylvania School of Medicine.

- **Kathryn Gregory named Chief Business Officer**
  Most recently, Ms. Gregory was President of KG BioPharma Consulting LLC, a strategic advisory company, providing corporate strategy and business development consulting services to small and mid-size biopharma companies. Prior to that, Ms. Gregory served as Co-Founder and CEO of Seneb BioSciences. Before founding Seneb, Ms. Gregory held various leadership positions with several public and private pharmaceutical companies. Ms. Gregory received an MBA from Pepperdine University and a BA from University of California, Berkeley.

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- **Cash Position:** Cash, cash equivalents and investments as of March 31, 2019 were $13.3 million, compared to $20.7 million as of December 31, 2018. The Company believes that its cash, cash equivalents and investments as of March 31, 2019, together with the gross proceeds from the private placement which closed on April 2, 2019 of approximately $26.0 million before deducting placement agent fees and offering expenses, will be sufficient to fund its operating expenses and capital expenditure requirements into the fourth quarter of 2020.

- **R&D Expenses:** Research and development (R&D) expenses were $4.2 million for the three months ended March 31, 2019 compared to $4.8 million for the same period in 2018. The decrease in R&D expense was primarily driven by lower clinical consulting costs and lower non-clinical research expense, as well as decreases to employee, facility and other development expenses.

- **G&A Expenses:** General and administrative (G&A) expenses were $3.1 million in the three months ended March 31, 2019, compared to $2.9 million for the same period in 2018. The increase in G&A was primarily due to personnel related costs associated with increased general and administrative headcount in the three months ended March 31, 2019.

- **Net Loss:** The Company reported a net loss attributable to common stockholders of $7.2 million in the three months ended March 31, 2019 compared to $7.6 million for the same period in 2018. Based on the Company's weighted average shares outstanding of 14.8 million and 14.7 million for the three months ended March 31, 2019 and 2018, respectively, the Company reported a net loss of $0.49 per share and $0.52 per share, respectively.

- **Shares Outstanding:** As of March 31, 2019, there were 14.9 million shares of common stock outstanding. After the issuance of shares in the private placement transaction which closed on April 2nd, 2019, there were 26.7 million shares outstanding.

About ALRN-6924
ALRN-6924 is a first-in-class, stabilized cell-permeating alpha-helical peptide that mimics the p53 tumor suppressor protein to disrupt its interactions with both its endogenous inhibitors, MDMX and MDM2. ALRN-6924 is currently being evaluated in multiple clinical trials for the treatment of a variety of cancers, including cancers with MDM2-amplified tumors. For information about Aileron's clinical trials, please visit www.clinicaltrials.gov.

About Aileron
Aileron is a clinical-stage biopharmaceutical company advancing a proprietary platform of cell-permeating alpha-helical peptides that address the most important intracellular targets in oncology and other therapeutic areas. The stabilized helical structure of our peptides allows the design of cell-permeating therapeutic agents with large molecular surfaces for optimal target binding properties, resulting in unique drugs like ALRN-6924. For more information, please visit www.aileronrx.com.

Forward-Looking Statements
Statements in this press release about Aileron's future expectations, plans and prospects, as well as any other statements regarding matters that are not historical facts, including statements about Aileron's clinical trials, financial prospects, future operations and sufficiency of funds for future operations, may constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements about the company's cash forecast, the sufficiency of the Company's cash resources and the timing of clinical trial enrollments and data. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words.

Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including whether Aileron's cash resources will be sufficient to fund its continuing operations for the periods and/or trials anticipated; whether results obtained in preclinical studies and clinical trials will be indicative of results obtained in future clinical trials; whether Aileron's product candidates will advance through the clinical trial process on a timely basis, or at all; whether the results of such trials will warrant submission for approval from the United States Food and Drug Administration or equivalent foreign regulatory agencies; whether Aileron's product candidates will receive approval from regulatory agencies on a timely basis or at all; whether, if product candidates obtain approval, they will be successfully distributed and marketed; and other factors discussed in the "Risk Factors" section of Aileron's quarterly report on Form 10-Q for the period ended March 31, 2019, filed on May 8, 2019, and risks described in other filings that Aileron may make with the Securities and Exchange Commission. Any forward-looking statements

contained in this press release speak only as of the date hereof, and Aileron specifically disclaims any obligation to update any forward-looking statement, whether because of new information, future events or otherwise.

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