Ayala Pharmaceuticals to Accelerate Development of AL102 for the Treatment of Desmoid Tumors in Pivotal Phase 2/3 Study

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- FDA Agreement from End-of-Phase 1 Meeting to Advance to Potential Registrational Study -

- Pivotal Trial Expected to Initiate in 1H21 -

REHOVOT, Israel & WILMINGTON, Del., Jan. 04, 2021 (GLOBE NEWSWIRE) -- Ayala Pharmaceuticals, Inc. (NASDAQ: AYLA), a clinical-stage oncology company focused on developing and commercializing small molecule therapeutics for patients suffering from rare and aggressive cancers, today announced the completion of its end-of-Phase 1 meeting with the U.S. Food and Drug Administration (FDA) on AL102, a potent, selective, oral gamma secretase inhibitor (GSI), for the treatment of desmoid tumors. The FDA has agreed, based on data from AL101 and AL102 studies including durable responses observed in patients with Desmoid tumors, to proceed with a Phase 2/3 pivotal study, which can potentially be used as a registrational study. Ayala expects to initiate the pivotal Phase 2/3 RINGSIDE study in adult and adolescent patients with desmoid tumors in the first half of 2021.

"This exciting news of entering into a potentially registration-enabling pivotal trial, earlier than expected, represents an important step for Ayala as we are able to accelerate the development of AL102 for the treatment of desmoid tumors based on positive and encouraging feedback from the FDA following our end-of-Phase 1 meeting," said Roni Mamluk, Ph.D., Chief Executive Officer of Ayala. "Desmoid tumors are a rare, debilitating and often disfiguring class of soft-tissue tumors for which there are currently no approved therapies. We believe AL102 is well positioned to potentially provide effective systemic treatment based on the body of data conducted by BMS in patients with desmoid tumors implicating the role of Notch pathway in activating aberrant growth pathways contributing to desmoid tumor growth."

The pivotal Phase 2/3 RINGSIDE trial is designed to evaluate the efficacy, safety and tolerability of AL102 in adult and adolescent patients with desmoid tumors. Part 1 of the study will be open label and will enroll up to 36 patients with progressive desmoid tumors in three study arms across three doses of AL102: 1.2 mg daily (QD), 2 mg twice weekly (QIW), and 4mg twice weekly (QIW) with initial follow up of safety, tolerability and tumor volume by MRI after 16 weeks in order to determine the optimal dose. At the end of part 1, all patients will be eligible to enroll into an open label extension study at the selected dose where long-term efficacy and safety will be monitored.

Part 2 of the study will start immediately after dose selection from part 1 and will be a double-blind placebo-controlled study enrolling up to 156 patients with progressive disease, randomized 2:1 between AL102 or placebo. The study's primary endpoint will be progression free survival (PFS) with secondary endpoints including, objective response rate (ORR), duration of response (DOR) and patient reported Quality of Life (QOL) measures.

The study is expected to commence in the first half of 2021 with an initial interim data read-out from part 1 and dose selection expected by mid-2022 with part 2 of the study to commence immediately thereafter.

About AL102

AL102 is a potent, selective, oral gamma secretase inhibitor (GSI). AL102 is currently being developed for the treatment of desmoid tumors, as well as in combination with Novartis' B-cell maturation antigen (BCMA)-targeting agents for the treatment of multiple myeloma (MM).

About Desmoid Tumors

Desmoid tumors, also called aggressive fibromatosis or desmoid-type fibromatosis, are rare connective tissue tumors that typically arise in the upper and lower extremities, abdominal wall, head and neck area, mesenteric root and chest wall with the potential to arise in additional parts of the body. Desmoid tumors do not metastasize, but often aggressively infiltrate neurovascular structures and vital organs. People living with desmoid tumors are often limited in their daily life due to chronic pain, functional deficits, general decrease in their quality of life and organ dysfunction. Desmoid tumors have an annual incidence of approximately 1,700 patients in the United States and typically occur in patients between the ages of 15 and 60 years. They are most commonly diagnosed in young adults between 30-40 years of age and are more prevalent in females. Today, surgery is no longer regarded as the cornerstone treatment of desmoid tumors due to high rate of recurrence post-surgery and there are currently no FDA-approved systemic therapies for the treatment of unresectable, recurrent or progressive desmoid tumors.

About Ayala Pharmaceuticals

Ayala Pharmaceuticals, Inc. is a clinical-stage oncology company focused on developing and commercializing small molecule therapeutics for patients suffering from rare and aggressive cancers, primarily in genetically defined patient populations. Ayala's approach is focused on predicating, identifying and addressing tumorigenic drivers of cancer through a combination of its bioinformatics platform and next-generation sequencing to deliver targeted therapies to underserved patient populations. The company has two product candidates under development, AL101 and AL102, targeting the aberrant activation of the Notch pathway with gamma secretase inhibitors to treat a variety of tumors including Adenoid Cystic Carcinoma, Triple Negative Breast Cancer (TNBC), T-cell Acute Lymphoblastic Leukemia (T-ALL), Desmoid Tumors and Multiple Myeloma (MM) (in collaboration with Novartis). AL101, has received Fast Track Designation and Orphan Drug Designation from the U.S. FDA and is currently in a Phase 2 clinical trial for patients with ACC (ACCURACY) bearing Notch activating mutations and in a Phase 2 clinical trial for patients with TNBC (TENACITY) bearing Notch activating mutations and other gene rearrangements. Ayala expects to initiate the pivotal Phase 2/3 RINGSIDE study of AL102 for the treatment of desmoid tumors in the first half of 2021. For more information, visit www.ayalapharma.com.

Contacts:

Investors:
Julie Seidel
Stern Investor Relations, Inc.
+1-212-362-1200
Julie.seidel@sternir.com

Ayala Pharmaceuticals:
+1-857-444-0553
info@ayalapharma.com

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including statements relating to our development of AL101 and AL102, the timing, initiation, design, timing and potential of the Phase 2/3 RINGSIDE study, the promise and potential impact of our preclinical or clinical trial data, the timing of and plans to initiate additional clinical trials of AL101, AL102, upcoming milestones, including without limitation the timing and results of any clinical trials or readouts, and the sufficiency of cash to fund operations. These forward-looking statements are based on management's current expectations. The words "may," "will," "should," "expect," "plan," "anticipate," "could," "intend," "target," "project," "estimate," "believe," "predict," "potential" or "continue" or the negative of these terms or other similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the following: the impact of the COVID-19 pandemic on our operations, including our preclinical studies and clinical trials, and the continuity of our business; we have incurred significant losses, are not currently profitable and may never become profitable; our need for additional funding; our cash runway; our limited operating history and the prospects for our future viability; the lengthy, expensive, and uncertain process of clinical drug development, including potential delays in regulatory approval; our requirement to pay significant payments under product candidate licenses; the approach we are taking to discover and develop product candidates and whether it will lead to marketable products; the expense, time-consuming nature and uncertainty of clinical trials; enrollment and retention of patients; potential side effects of our product candidates; our ability to develop or to collaborate with others to develop appropriate diagnostic tests; protection of our proprietary technology and the confidentiality of our trade secrets; potential lawsuits for, or claims of, infringement of third-party intellectual property or challenges to the ownership of our intellectual property; risks associated with international operations; our ability to retain key personnel and to manage our growth; the potential volatility of our common stock; costs and resources of operating as a public company; unfavorable or no analyst research or reports; and securities class action litigation against us. These and other important factors discussed under the caption "Risk Factors" in Quarterly Report on Form 10-Q for the three months ended September 30, 2020 filed with the U.S. Securities and Exchange Commission (SEC) on November 13, 2020 and our other filings with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management's estimates as of the date of this press release. New risk factors and uncertainties may emerge from time to time, and it is not possible to predict all risk factors and uncertainties. While we may elect to update such forward-looking statements at some point in the future, except as required by law, we disclaim any obligation to do so, even if subsequent events cause our views to change. Although we believe the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.