



TRACON Pharmaceuticals Announces Publication in *Blood* of Preclinical Data Indicating Activity of TRC105 in Acute Myeloid Leukemia and B-cell Acute Lymphoblastic Leukemia

San Diego, CA – May 11, 2017 – TRACON Pharmaceuticals (NASDAQ:TCON), a clinical stage biopharmaceutical company focused on the development and commercialization of novel targeted therapeutics for cancer, wet age-related macular degeneration (AMD) and fibrotic diseases, announced today that preclinical data indicating the potential clinical utility of targeting endoglin in acute myeloid leukemia (AML) and B-cell acute lymphoblastic leukemia (B-cell ALL), was published in the May 4, 2017 issue of *Blood* (Volume 129, Number 19, pages 2526-2536), a weekly medical journal of the American Society of Hematology.

Dr. Rita Perlingeiro, Professor of Medicine, and colleagues of the University of Minnesota, along with collaborators at the Federal University of Bahia (Salvador, Brazil) and the Laboratory for the Diagnosis of Onco-Hematological Disorders (Curitiba, Brazil), identified endoglin expression on the majority of blasts from patients with AML and B-cell ALL. These endoglin expressing blasts were shown to have superior leukemogenic activity. Furthermore, the researchers demonstrated that TRACON's endoglin antibody, TRC105, prevented the engraftment of primary AML blasts, and inhibited leukemic progression following disease establishment in mice. In both AML and B-cell ALL, TRC105 synergized with reduced intensity myeloablation to inhibit leukemogenesis in the mouse model.

“We have been studying the function of endoglin in hematopoiesis for more than a decade, and the consistent expression of this receptor in the majority of acute leukemias was intriguing. Our hypothesis that endoglin expression was linked to leukemia-forming activity was proven to be true, and it was even more rewarding to witness the robust anti-leukemogenic effect of blocking endoglin signalling with TRC105, even when leukemia had already been established in the mouse,” said Dr. Perlingeiro. “We are thrilled with the potential of our basic research to contribute to the development of a new line of therapy for patients with AML and B-cell ALL.”

“We are pleased to see that this promising research, conducted by Dr. Perlingeiro and her collaborators, has been published in *Blood*,” said Charles Theuer, M.D., Ph.D., President and CEO of TRACON. “AML and B-cell ALL represent hematologic malignancies with high unmet need and, as this data indicate, the potential utility of directly targeting endoglin may represent an additional development opportunity for TRC105.”

About Carotuximab (TRC105)

TRC105 is a novel, clinical stage antibody to endoglin, a protein overexpressed on proliferating endothelial cells that is essential for angiogenesis, the process of new blood vessel formation. TRC105 is currently being studied in one Phase 3 and multiple Phase 2 clinical trials sponsored by TRACON or the National Cancer Institute for the treatment of solid tumors in combination with VEGF inhibitors. TRC105 has received orphan designation for the treatment of soft tissue sarcoma in both the U.S. and EU. The ophthalmic formulation of TRC105, DE-122, is currently in a Phase 1/2 trial for patients with wet AMD. TRC205, a second generation antibody to endoglin, is undergoing preclinical testing in models of fibrosis. For more information about the clinical trials, please visit TRACON's website at www.traconpharma.com/clinical_trials.php.



About TRACON

TRACON develops targeted therapies for cancer, ophthalmic and fibrotic diseases. The Company's clinical-stage pipeline includes: TRC105, an endoglin antibody that is being developed for the treatment of multiple cancers; DE-122, the ophthalmic formulation of TRC105 that is being developed in wet AMD through a collaboration with Santen Pharmaceutical Company Ltd.; TRC102, a small molecule that is being developed for the treatment of lung cancer and glioblastoma; and TRC253, a small molecule that is being developed for the treatment of prostate cancer. To learn more about TRACON and its product candidates, visit TRACON's website at www.traconpharma.com.

Forward-Looking Statements

Statements made in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Such statements include, but are not limited to, statements regarding the potential benefits of TRC105 (including its potential to be developed as a treatment for AML and B-cell ALL), TRACON's plans to further develop its product candidates and expectations regarding the initiation, design and timing of future clinical trials by TRACON or third parties. Risks that could cause actual results to differ from those expressed in these forward-looking statements include: risks associated with clinical development; whether TRACON or others will initiate or complete additional preclinical studies or clinical trials; the fact that future preclinical studies and clinical trials may not be successful or otherwise consistent with results from prior studies; potential changes in regulatory requirements in the United States and foreign countries; TRACON's reliance on third parties for the development of its product candidates, including the conduct of its clinical trials and manufacture of its product candidates; whether TRACON will be able to obtain additional financing; and other risks described in TRACON's filings with the Securities and Exchange Commission under the heading "Risk Factors." All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management's assumptions and estimates as of such date. TRACON undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

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