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Rexahn Pharmaceuticals Reports Second Quarter 2016 Financial and Operational Results

Presents Clinical Data for Novel Targeted Cancer Therapeutics, RX-3117, Supinoxin™ and Archexin® at Prominent Oncology Conferences

ROCKVILLE, Md., Aug. 08, 2016 (GLOBE NEWSWIRE) -- Rexahn Pharmaceuticals, Inc. (NYSE MKT:RNN), a clinical stage biopharmaceutical company developing best-in-class therapeutics for the treatment of cancer, today announced financial results for the second quarter ended June 30, 2016 and provided an update on the Company's clinical development programs.

"Important clinical data from each of our novel oncology programs were presented at two premier oncology-focused medical conferences during the second quarter," said Peter D. Suzdak, Ph.D., Chief Executive Officer. "We are very pleased with the accumulating data from these studies, which show early signs of efficacy in the hardest to treat patients, who have previously undergone multiple other anti-cancer therapies. The studies continue to show evidence of single agent activity of both RX-3117 and Supinoxin as demonstrated by both tumor reduction and stable disease in a number of patients in each of the dose escalation Phase Ib studies. Based on these results, Rexahn recently commenced a Phase Ib/IIa clinical trial of RX-3117 in patients with pancreatic cancer and advanced bladder cancer, and we anticipate shortly beginning a Phase Ib/IIa study of Supinoxin in patients with triple negative breast cancer and advanced ovarian cancer."

"In addition, promising data from an ongoing Phase II clinical trial evaluating Archexin, in combination with the widely used chemotherapy everolimus, in patients with metastatic renal cell carcinoma, were also presented during the second quarter. These data suggest dose- and time-dependent clinical benefits with evidence of stable disease persisting for up to 383 days, and reductions in tumor burden following treatment in some patients ranging from 16-36%. We are very encouraged by these data and have commenced enrollment in Stage 2 of this Phase II clinical trial to further evaluate the potential clinical efficacy of Archexin," continued Dr. Suzdak.

"Finally, we were pleased to announce the appointment of a new Chief Business Officer – Dr. Lisa Nolan. Lisa brings an extensive background in biosciences corporate development with a strong track record in partnership development and M&A. We look forward to her contributions as we seek to optimize licensing structures for our novel oncology programs," remarked Dr. Suzdak.

Second Quarter 2016 Corporate Highlights:

- ***Clinical Trial Results for Archexin Presented at Late Breaking Session at the American Association for Cancer Research (AACR) Annual Meeting***

During the second quarter, final data from the dose-escalation segment (Stage 1) of a Phase Ib/IIa clinical trial of Archexin were presented at a late-breaking clinical trials session at the American Association for Cancer Research annual meeting. The results showed that in metastatic renal cell carcinoma (mRCC) patients that have previously received multiple anti-cancer therapies, Archexin treatment produced both stable disease (which persisted for up to 383 days) and a reduction in tumor burden. Compared to baseline CT scans, three patients experienced reductions in the size of their tumors of up to 36%. At the lowest dose level of Archexin administered (125 mg/m^2/day), one patient had a 16% tumor reduction after four cycles of treatment. At the second dose level (200 mg/m^2/day), one patient experienced a 36% tumor reduction after two cycles of treatment. At the highest dose level (250 mg/m^2/day), which has been determined to be the maximum tolerated dose, one patient had a 32% tumor reduction following six cycles of treatment.

In the present study, Archexin appeared to be safe and well tolerated at each of the dose levels tested, with no dose limiting adverse events. The most commonly reported adverse event in patients taking the combination of Archexin and everolimus was thrombocytopenia.

Based on these results, Rexahn has commenced Stage 2, enrolling patients in a randomized, open-label, two-arm dose expansion study of Archexin in combination with everolimus. The trial has been designed to enroll up to 30 RCC patients who will be randomized to receive either Archexin in combination with everolimus, or everolimus alone, in a ratio of 2:1. The maximum tolerated dose of 250 mg/m^2/day of Archexin — identified in Stage 1, is being administered along with 10 mg of everolimus versus 10 mg everolimus alone.

- ***Updated Clinical Data for RX-3117 Presented at the American Society of Clinical Oncology (ASCO) Annual Meeting***

During the second quarter, new clinical data for RX-3117 were presented at the American Society of Clinical Oncology Annual Meeting showing encouraging evidence of the single agent activity. Patients in the study were heavily pre-treated, and had generally received four or more therapies prior to enrollment.

The final results from the Phase Ib clinical trial of RX-3117 were consistent with earlier data and showed promising evidence of the potential clinical activity of RX-3117. In this study, 12 patients experienced stable disease persisting for up to 276 days and three patients showed evidence of tumor burden reduction.

A maximum tolerated dose of 700 mg was identified in the study and will be administered for five consecutive days, with two days off, for three treatment weeks, followed by a week of rest.

At the doses tested to date, RX-3117, administered orally, appeared to be safe and well tolerated with a predictable pharmacokinetic profile for an orally-administered route of therapy.

Based on these data, Rexahn has begun a Phase Ib/IIa clinical trial of RX-3117 in patients with pancreatic cancer and advanced bladder cancer to further evaluate the safety and anti-cancer properties of this compound.

- ***Updated Clinical Data for Supinoxin Presented at the American Society of Clinical Oncology (ASCO) Annual Meeting***

Updated clinical data from a Phase I clinical trial of Supinoxin were also presented during the quarter at the American Society of Clinical Oncology Annual Meeting. Prior to enrollment in this Supinoxin study, patients were heavily pre-treated, and generally received four or more therapies prior to enrollment. The results from this study showed early evidence of the anti-tumor effects of Supinoxin, evidenced by stable disease which was observed in five patients. Of these, three patients had stable disease for more than a year, or 504, 514 and 746 days, respectively.

At the doses tested to date, Supinoxin, administered orally, appeared to be safe and well tolerated with a predictable pharmacokinetic profile for an orally-administered route of therapy.

Rexahn anticipates shortly commencing a Phase Ib/IIa clinical trial of Supinoxin in patients with triple negative breast cancer and advanced ovarian cancer.

Upcoming 2016 Milestones

- Initiate Supinoxin Phase Ib/IIa proof-of-concept clinical trial in triple negative breast cancer and platinum resistant ovarian cancer
- Report interim data for Supinoxin and RX-3117 Phase Ib/IIa clinical trials
- Complete enrollment in Archexin Phase IIa randomized clinical trial in mRCC.

Second Quarter 2016 Financial Results:

Cash Position - Rexahn's cash and investments totaled approximately $19.4 million as of June 30, 2016, compared to approximately $23.4 million as of December 31, 2015. The decrease in cash and investments during this six month period was due to approximately $8.6 million of cash used in operating activities, offset by $4.6 million of proceeds received from a registered direct offering in March 2016. Rexahn expects that its current cash and investments will be sufficient to fund the company's cash flow requirements for its current activities into the second half of 2017.

R&D Expenses - Research and development expenses were $2.2 million for the three months ended June 30, 2016, compared to $3.2 million for the three months ended June 30, 2015. Research and development expenses for the six month period ended June 30, 2016 were $5.7 million, compared to $6.1 million for the same period in 2015. Decreased research and development costs for the three and six months ended June 30, 2016 were primarily attributable to lower drug manufacturing costs due to sufficient supply of our drug

candidates already being available from earlier manufacturing campaigns.

G&A Expenses - General and administrative expenses for the three months ended June 30, 2016 were approximately $1.7 million, compared to $1.6 million for the three months ended June 30, 2015. General and administrative expenses for the six month periods ended June 30, 2016 and 2015 were $3.1 million. The year over year increase for the three months ended June 30, 2016 is primarily attributable to larger recruiting fees. General and administrative expenses consist primarily of salaries and related expenses for executive, finance and other administrative personnel, recruitment expenses, professional fees, and other corporate expenses, including business development, investor relations, and general legal activities.

Net Loss- Rexahn's loss from operations was $3.9 million and $4.8 million for the three months ended June 30, 2016 and 2015, respectively. Rexahn's net loss was $1.8 million, or $0.01 per share, for the three months ended June 30, 2016, compared to a net loss of $3.2 million, or $0.02 per share, for the three months ended June 30, 2015. For the six month period ended June 30, 2016, Rexahn's net loss was $5.9 million, or $0.03 per share compared to $7.5 million, or $0.04 per share for the same period in 2015. Included in the net loss for the three months ended June 30, 2016 and 2015 is an unrealized gain on the fair value of warrants of $2.1 million and $1.6 million, respectively. For the six month period ended June 30, 2016 and 2015, Rexahn recorded an unrealized gain on the fair value of warrants of $3.0 million and $1.7 million. The fair value adjustments are primarily a result of the changes in the stock price between reporting periods.

About Rexahn Pharmaceuticals, Inc.

Rexahn Pharmaceuticals Inc. (NYSE MKT:RNN) is a clinical stage biopharmaceutical company dedicated to developing novel, best-in-class therapeutics for the treatment of cancer. The Company's mission is to improve the lives of cancer patients by developing next generation cancer therapies that are designed to maximize efficacy while minimizing the toxicity and side effects traditionally associated with cancer treatment. Rexahn's product candidates work by targeting and neutralizing specific proteins believed to be involved in the complex biological cascade that leads to cancer cell growth. Pre-clinical studies show that certain of Rexahn's product candidates may be effective against multiple types of cancer, drug resistant cancers, and difficult-to-treat cancers, and others may augment the effectiveness of current FDA-approved cancer treatments. The Company has a broad oncology pipeline that includes three anti-cancer compounds currently in clinical development: Supinoxin™, RX-3117, and Archexin®, and a novel nanopolymer-based drug delivery platform technology that may increase the bio-availability of FDA-approved chemotherapies. For more information about the Company and its oncology programs, please visit www.rexahn.com.

Safe Harbor

To the extent any statements made in this press release deal with information that is not historical, these are forward-looking statements under the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about Rexahn's plans, objectives, expectations and intentions with respect to cash flow

requirements, future operations and products, enrollments in clinical trials, the path of clinical trials and development activities, and other statements identified by words such as “will,” “potential,” “could,” “can,” “believe,” “intends,” “continue,” “plans,” “expects,” “anticipates,” “estimates,” “may,” other words of similar meaning or the use of future dates. Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Uncertainties and risks may cause Rexahn’s actual results to be materially different than those expressed in or implied by Rexahn’s forward-looking statements. For Rexahn, particular uncertainties and risks include, among others, understandings and beliefs regarding the role of certain biological mechanisms and processes in cancer; drug candidates being in early stages of development, including in pre-clinical development; the ability to initially develop drug candidates for orphan indications to reduce the time-to-market and take advantage of certain incentives provided by the U.S. Food and Drug Administration; and the ability to transition from our initial focus on developing drug candidates for orphan indications to candidates for more highly prevalent indications. More detailed information on these and additional factors that could affect Rexahn’s actual results are described in Rexahn’s filings with the Securities and Exchange Commission, including its most recent annual report on Form 10-K and subsequent quarterly reports on Form 10-Q. All forward-looking statements in this news release speak only as of the date of this news release. Rexahn undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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