August 7, 2017

Rexahn Pharmaceuticals Reports Second Quarter 2017 Financial and Operational Results

Presented Preliminary Clinical Data on RX-3117 in Bladder Cancer at the American Society of Clinical Oncologists (ASCO) Annual Meeting

Strengthened Financial Position with a $10 million Registered Direct Offering

ROCKVILLE, Md., Aug. 07, 2017 (GLOBE NEWSWIRE) -- Rexahn Pharmaceuticals, Inc. (NYSE MKT:RNN), a clinical stage biopharmaceutical company developing innovative, targeted therapeutics for the treatment of cancer, today announced financial results for the second quarter ended June 30, 2017 and provided an update on the Company's clinical development programs.

“We made very good progress with our clinical stage programs in the first half of the year," said Peter D. Suzdak, Ph.D., Chief Executive Officer of Rexahn. “We continue to enroll patients into our Phase IIa studies of RX-3117 in metastatic pancreatic cancer and advanced bladder cancer. We presented preliminary data on the first ten patients in the bladder cancer study at the American Society of Clinical Oncology (ASCO) annual meeting in June. These preliminary data are very encouraging and we look forward to additional clinical data readouts in both the bladder cancer and pancreatic cancer studies later in the year. In addition, we are progressing the Phase IIa study of Supinoxin™ in triple negative breast cancer and the Phase IIa study of Archexin® in renal cell carcinoma.”

“During the second half of 2017, we plan to initiate additional clinical studies with RX-3117 in combination with Abraxane® (paclitaxel protein-bound) in newly diagnosed pancreatic cancer patients and in combination with cisplatin in metastatic bladder cancer patients,” added Dr. Suzdak.

“On the corporate front, we have strengthened our financial position with a $10 million registered direct offering that we completed in June,” continued Dr. Suzdak. “We also effected a one-for-ten reverse stock split that we believe should enhance the appeal of the company’s stock to the financial community, including institutional investors, as we progress our programs through clinical development.”

Q2 2017 Corporate Highlights:

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

Preliminary data on the first ten patients from the Phase IIa study in advanced and metastatic bladder cancer were presented at the American Society for Clinical Oncology meeting, in June. The study met the predefined efficacy criteria of an increase in progression free survival of greater than 4 months, allowing for the enrollment of additional patients. In addition, two patients had a reduction in tumor size of 19% and 15%. Fifty-percent (50%) of the patients had stable disease for greater than 50 days. RX-3117 treatment was well tolerated with no dose-limiting toxicities. Rexahn will be presenting additional clinical data from this trial during the third quarter of 2017.

Patent Protection for RX-3117 Strengthened

Rexahn announced in July that the U.S. Patent and Trademark Office has issued a Notice of Allowance for a U.S. patent application that covers indications, dosage regimens and the pharmacokinetic profile for RX-3117. The patent is expected to provide additional exclusivity through 2036.

Completed $10 Million Registered Direct Offering

In June, the Company completed a registered direct offering with institutional investors to purchase approximately 3.03 million shares of its common stock and warrants exercisable for up to approximately 1.52 million shares of its common stock for gross proceeds of $10 million. The net proceeds of the offering will be used to advance our clinical development programs.

Q2 2017 Financial Results:

Cash and Investments: Rexahn's cash and investments totaled approximately $26.8 million as of June 30, 2017, compared to approximately $20.3 million as of December 31, 2016. The increase in cash and investments during the six months ended June 30, 2017 was primarily due to $9.4 million in net proceeds from our registered direct offering in June 2017, and $5.4 million of proceeds from stock warrant and option exercises, offset by $8.3 million of cash used in operating activities. Rexahn expects that its cash and investments as of June 30, 2017 will be sufficient to fund the company's cash flow requirements for its current activities into late 2018.

R&D Expenses - Research and development expenses were approximately $2.5 million for the three months ended June 30, 2017, compared to $2.2 million for the three months ended June 30, 2016. Research and development expenses for the six month periods ended June 30, 2017 and 2016 were $4.8 million and $5.7 million, respectively. The decrease in research and development for the six months ended June 30, 2017 is primarily attributable to lower drug manufacturing costs due to a significant supply of our drug candidates already being available from earlier manufacturing campaigns, offset by additional clinical trial and patient enrollment costs for RX-3117.

G&A Expenses - General and administrative expenses were approximately $1.7 million for the three months ended June 30, 2017 and 2016. General and administrative expenses for the six month periods ended June 30, 2017 and 2016 were $3.4 million and $3.0 million respectively. The year over year increase for the six months ended June 30, 2017 is primarily attributable to an increase in personnel expenses. 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 Income (Loss) - Rexahn's loss from operations was approximately $4.3 million and $3.9 million for the three months ended June 30, 2017 and 2016, respectively. Rexahn's net income was $0.9 million, or $0.04 per basic share, for the three months ended June 30, 2017, compared to a net loss of $1.8 million, or $0.08 per share, for the three months ended June 30, 2016. For the six month period ended June 30, 2017, Rexahn's net loss was $20.7 million, or $0.83 per share, compared to a net loss of $5.9 million, or $0.28 per share, for the six months ended June 30, 2016. Included in the net income (loss) for the three months ended June 30, 2017 and 2016, is an unrealized gain on the fair value of warrants of $5.5 million and $2.1 million, respectively. The fair value adjustments are non-cash charges and are primarily a result of changes in 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. The Company has a broad oncology pipeline that includes three anti-cancer compounds currently in clinical development: RX-3117, Supinoxin™, 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 clinical development,; the timing of completion of clinical trials; 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.

Contact:
LifeSci Advisors, LLC
Matthew P. Duffy
(212) 915-0685
matthew@lifesciadvisors.com

Source: Rexahn Pharmaceuticals