February 27, 2017

Rexahn Pharmaceuticals Reports Full Year 2016 Financial Results and Provides Corporate Update

Progressed Three Novel Targeted Anti-Cancer Therapies in Clinical Development

Completed stage 1 and initiated stage 2 of Phase IIa clinical trial of RX-3117 in Relapsed and Refractory Metastatic Pancreatic Cancer

Initiated Phase IIa clinical trial of Archexin® in Metastatic Renal Cell Carcinoma

Initiated Phase IIa trial of RX-3117 in Advanced Bladder Cancer

Dosed first patient in Phase IIa trial of Supinoxin™ inTriple Negative Breast Cancer

ROCKVILLE, Md., Feb. 27, 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 year ended December 31, 2016 and provided an update on the Company's clinical development programs.

“In 2016, we made significant progress across our portfolio of drug candidates, setting up a potentially transformative year for the Company in 2017,” said Peter D. Suzdak, Ph.D., Chief Executive Officer of Rexahn. “We achieved a major clinical milestone with RX-3117, with the successful completion of the first stage and the initiation of the second stage of the Phase IIa study in pancreatic cancer and we look forward to the final readout of that study in the second half of this year.”

"In addition to progressing development of RX-3117 in pancreatic cancer, we also initiated a Phase IIa clinical trial in patients with advanced bladder cancer and expect to report data from the first stage of that study mid-2017," continued Dr. Suzdak. “With RX-3117, we are focusing on cancers where there has been very little innovation in recent years and where there remains a high unmet need for more effective therapies. RX-3117 is a novel, targeted therapy that has the potential to be more effective than current treatments and we are encouraged by the early clinical data to date.”

“We have completed our Phase I dose escalating study with Supinoxin™ and have initiated a Phase IIa study in patients with metastatic triple negative breast cancer,” continued Dr. Suzdak. “Data from the Supinoxin™ Phase I study were presented at the European Society of Medical Oncology (ESMO) annual congress in October. The updated results show that Supinoxin is safe and well tolerated at the doses tested. Initial signs of clinical activity have been observed in patients with breast, neuro-endocrine, paraganglioma, head and neck and colorectal cancers. We look forward to having an initial readout of the Phase IIa

study in triple negative breast cancer in the second half of 2017. We also initiated a Phase IIa study of Archexin® in combination with everolimus in patients with metastatic renal cell carcinoma during 2016 and look forward to reporting on the completed data from this study."

2016 Corporate Highlights:

RX-3117 – Orally administered targeted nucleoside analogue

- Commenced the Phase IIa study in metastatic pancreatic cancer; completed stage 1 of the study in September
- Initiated the second stage of the Phase IIa study in pancreatic cancer in September
- Commenced the first stage of a Phase IIa study in patients with advanced bladder cancer in September
- Extended our patent portfolio with the issuance of a US patent covering the manufacturing process for RX-3117
- Presented final data from the Phase Ib safety and dose-ranging study at the American College of Clinical Oncology (ASCO) Annual Meeting
- Presented interim data from the Phase IIa study in pancreatic cancer at the European Society for Medical Oncology (ESMO) Congress

Supinoxin™ – First-in-class orally administered modulator of the beta catenin pathway

- Completed enrollment in the Phase I dose escalation study in patients with diverse solid tumors.
- Initiated the Phase IIa study in metastatic triple negative breast cancer in February 2017
- Presented updated clinical data from the Phase I study at the American Society of Clinical Oncology (ASCO) annual meeting in June and the European Society of Medical Oncology (ESMO) congress in October. Updated data showed initial signs of clinical activity in patients with breast, neuroendocrine, paraganglioma, head and neck and colorectal cancers.
- Presented new preclinical data in pancreatic and renal cell carcinoma at the American Society of Clinical Oncology (ASCO) annual meeting.
- Presented new preclinical data showing activity in triple negative breast cancer at the Targeted Anti-Cancer Therapeutics (TAT) Congress.

Archexin® – Highly specific Akt-1 inhibitor

- Completed stage 1 of the Phase IIa study in metastatic renal cell carcinoma.
- Initiated the ongoing Phase IIa study comparing Archexin in combination with everolimus versus everolimus alone in patients with renal cell carcinoma.
- Presented final results of stage 1 of the Phase IIa dose escalation study at the American Academy of Cancer Research (AACR) annual meeting.

Corporate

- Strengthened financial position with the completion of two registered direct offerings for aggregate gross proceeds of $11 million.

- Expanded leadership team and appointed Dr. Lisa Nolan to the newly-created position of Chief Business Officer in July 2016.

Full Year 2016 Financial Results:

Cash and Investments - Rexahn's cash and investments totaled approximately $20.3 million as of December 31, 2016, compared to approximately $23.4 million as of December 31, 2015. The decrease in cash and investments during the year ended December 31, 2016 was primarily due to $13.2 million of cash used in operating activities, offset by an aggregate $10.1 million of proceeds received from registered direct offerings in March and September 2016. Rexahn expects that its cash and investments as of December 31, 2016 will be sufficient to fund the company's cash flow requirements for its current activities through the first half of 2018.

R&D Expenses - Research and development expenses were $10.1 million for the year ended December 31, 2016, compared to $12.1 million for the year ended December 31, 2015. The decrease in research and development in 2016 is primarily attributable to lower drug manufacturing costs due to a significant supply of drug candidates already being available from prior manufacturing campaigns.

G&A Expenses - General and administrative expenses for the year ended December 31, 2016 were approximately $6.3 million, compared to $6.1 million for the year ended December 31, 2015. The year over year increase 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 Loss - Rexahn’s loss from operations was $16.4 million and $18.3 million for the years ended December 31, 2016 and 2015, respectively. Rexahn's net loss was $9.3 million, or $0.04 per share, for the year ended December 31, 2016, compared to a net loss of $14.4 million, or $0.08 per share, for the year ended December 31, 2015. Included in the net loss for the years ended December 31, 2016 and 2015 is an unrealized gain on the fair value of warrants of $5.5 million and 4.0 million, respectively. The fair value adjustments are primarily a result of the changes in the stock price between reporting periods and from the greater number of warrants outstanding in 2016 compared to 2015.

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. Preclinical studies show that certain of Rexahn's product candidates may be effective against multiple types of cancer, drug resistant cancer 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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Source: Rexahn Pharmaceuticals