

**Report of Organizational Actions  
Affecting Basis of Securities**

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  Ocuphire Pharma, Inc.		<b>2</b> Issuer's employer identification number (EIN)  11-3516358	
<b>3</b> Name of contact for additional information  Amy Rabourn	<b>4</b> Telephone No. of contact  (248) 681-9815	<b>5</b> Email address of contact  arabourn@ocuphire.com	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  37000 Grand River Avenue, Suite 120		<b>7</b> City, town, or post office, state, and ZIP code of contact  Farmington Hills, MI 48335	
<b>8</b> Date of action  11/05/2020		<b>9</b> Classification and description  Common Stock, Warrants, Options affected by reverse split 1:4 or Exchange Ratio	
<b>10</b> CUSIP number  67577R102	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  OCUP	<b>13</b> Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On November 5, 2020, Ocuphire Pharma, Inc., formerly known as Rexahn Pharmaceuticals, Inc. (the "Company"), completed its business combination with the private entity formerly known as Ocuphire Pharma, Inc. ("Ocuphire"), in accordance with the terms of the Agreement and Plan of Merger and Reorganization, dated as of June 17, 2020, as amended on June 29, 2020 (the "Merger Agreement"), by and among the Company, Ocuphire and Razor Merger Sub, Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("Merger Sub"), pursuant to which, among other matters, Merger Sub merged with and into Ocuphire, with Ocuphire continuing as a wholly owned subsidiary of the Company and the surviving corporation of the merger (the "Merger"). See the attached statement for actions connected with the merger that affected the basis of the securities of the Company and Ocuphire.

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per See attached.

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ See attached.

**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [Section 368\(a\)](#)

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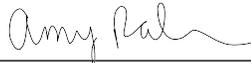
18 Can any resulting loss be recognized? ▶ See attached.

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [The reportable tax year is calendar year 2020.](#)

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** Signature ▶  Date ▶ 1-15-21

Print your name ▶ Amy Rabourn Title ▶ VP of Finance

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

## AS AMENDED

14. (continued)

### **Contingent Value Rights**

On November 5, 2020, in connection with the Merger, the Company, Shareholder Representatives Services LLC, as representative of the Company's stockholders prior to the Merger, and Olde Monmouth Stock Transfer Co., Inc., as the rights agent, entered into a Contingent Value Rights Agreement (the "CVR Agreement").

### **Reverse Stock Split applied to Rexahn Common Stock**

On November 5, 2020, prior to completion of the Merger, the Company effected a 1-for-4 reverse stock split of its common stock ("the Reverse Stock Split").

As a result of the Reverse Stock Split, the number of issued and outstanding shares of Common Stock immediately prior to the Reverse Stock Split was reduced to a smaller number of shares, such that every four (4) shares of Common Stock held by a stockholder immediately prior to the Reverse Stock Split were combined and reclassified into one (1) share of Common Stock.

No fractional shares were issued in connection with the Reverse Stock Split. Any fractional shares resulting from the Reverse Stock Split were rounded down to the nearest whole number, and each stockholder who would otherwise be entitled to a fraction of a share of common stock upon the Reverse Stock Split (after aggregating all fractions of a share to which such stockholder would otherwise be entitled) was, in lieu thereof, entitled to receive a cash payment in an amount determined by multiplying the fraction to which the holder would otherwise be entitled by the closing price of the Common Stock on the Nasdaq Capital Market on November 5, 2020 (as adjusted to give effect to the Reverse Stock Split), rounded up to the nearest whole cent.

### **Exchange Ratio applied to Ocuphire Common Stock and Options**

Prior to the merger all of Ocuphire's outstanding convertible notes were converted into Ocuphire common stock. Immediately prior to, and in connection with, the completion of the Merger, each share of Ocuphire common stock was converted into the right to receive shares of common stock of the Company equal to the Exchange Ratio (as defined below). Under the terms of the Merger Agreement, at the effective time of the Merger, the Company issued shares of its common stock to Ocuphire stockholders, based on a common stock exchange ratio of 1.0565 shares of Common Stock for each share of Ocuphire common stock (the "Exchange Ratio") outstanding immediately prior to the Merger. The Exchange Ratio was determined through arm's-length negotiations between the Company and Ocuphire. No fractional shares were issued in connection with the exchange of shares of Ocuphire common stock for shares of Rexahn common stock in the merger. Any fractional shares resulting from the exchange entitled the holder to receive a cash payment in an amount determined by multiplying the fraction to which the holder would otherwise be entitled by the closing price of the Common Stock on the Nasdaq Capital Market on November 5, 2020 (as adjusted to give effect to the Reverse Stock Split), rounded up to the nearest whole cent.

The Company also assumed all of the stock options to purchase Ocuphire common stock outstanding immediately prior to the Merger, with such stock options now representing the right to purchase a number of shares of Common Stock underlying such options. The number and exercise prices of such options were also appropriately adjusted to reflect the Exchange Ratio. The number of options was multiplied by the Exchange Ratio and then rounded down to the nearest whole number. The exercise price was divided by the Exchange Ratio and round up to the nearest cent.

### **Reverse Stock Split applied to Rexahn Options and Warrants**

Immediately prior to, and in connection with, the completion of the Merger, each outstanding and unexercised option to purchase Common Stock granted pursuant to the Rexahn Pharmaceuticals, Inc. 2013 Stock Option Plan (as amended and restated, the “Rexahn 2013 Plan”) was accelerated in full. At the closing of the Merger, each option having an exercise price per share less than the Rexahn Closing Price (as defined in the Merger Agreement) was automatically exercised in full, and entitled the optionholder to receive a number of shares of Common Stock calculated in accordance with the Merger Agreement.

Following the closing of the Merger, each outstanding, unexercised and unvested option to purchase Common Stock granted under the Rexahn Pharmaceuticals Stock Option Plan, as amended (the “Rexahn 2003 Plan”, and together with the Rexahn 2013 Plan, the “Prior Plans”), remains outstanding in accordance with its terms, except for those options which were out-of-the-money as of the date of the Merger, which were terminated. The number of shares of Common Stock underlying the options and the exercise prices for such options were appropriately adjusted to reflect the Reverse Stock Split. The number of options was divided by four (4) and rounded down to the nearest number. The exercise price was multiplied by four (4) and rounded up to the nearest cent.

Following the closing of the Merger, each outstanding warrant to purchase shares of Common Stock remains outstanding according to its terms, and certain warrants were exchangeable at the option of the holder for cash in an amount equal to the Black-Scholes value of such warrant within thirty (30) days of the closing of the Merger, calculated in accordance with its terms. The number of shares of Common Stock underlying the warrants and the exercise prices for such warrants were appropriately adjusted to reflect the Reverse Stock Split. The number of warrants was divided by four (4) and rounded up to the nearest number. The exercise price was multiplied by four (4) and rounded up to the nearest cent.

### **Tax consequences:**

The merger was structured to qualify as a “reorganization” within the meaning of Section 368(a) of the Code. It was intended that U.S. holders of Ocuphire common stock will not recognize any gain or loss for U.S. federal income tax purposes on the exchange of shares of Ocuphire common stock for shares of Rexahn common stock in the merger, except with respect to cash received by such U.S. Holder of Ocuphire common stock in lieu of a fractional share of Rexahn common stock.

There is substantial uncertainty as to the tax treatment of the contingent value rights (the “CVRs”). Specifically, there is no authority directly addressing whether contingent value rights with characteristics similar to the CVRs should be treated as a distribution of property with respect to the corporation’s stock, a distribution of equity, a “debt instrument” or an “open transaction” for U.S. federal income tax

purposes. Under applicable U.S. tax principles such questions are inherently factual in nature. As a result, it is not possible to express a definitive conclusion as to the U.S. federal income tax treatment of receipt of the CVRs or receipt of payments (if any) pursuant to the CVRs. Based on the specific characteristics of the CVRs, Ocuphire intends to treat the issuance of the CVRs as a distribution of property with respect to the Rexahn common stock. In such case, each U.S. holder of Rexahn common stock will be treated as receiving a distribution in an amount equal to the fair market value of the CVRs issued to such Rexahn U.S. holder on the date of the issuance. This distribution should be treated first as a taxable dividend to the extent of the Rexahn U.S. holder's pro rata share of Rexahn's current or accumulated earnings and profits (as determined for U.S. federal income tax purposes), then as a non-taxable return of capital to the extent of the Rexahn U.S. holder's basis in its Rexahn common stock, and finally as capital gain from the sale or exchange of Rexahn common stock with respect to any remaining value. There were no current or accumulated earnings and profits. Thus, Ocuphire expects all of this distribution to be treated as other than a dividend for U.S. federal income tax purposes. A valuation was obtained to determine the fair market value of the CVRs. The valuation yielded a value of \$0.58 per CVR. Ocuphire intends to use the fair market value determined when filing any information reports.

A Rexahn U.S. Holder should not recognize gain or loss upon the Rexahn Reverse Stock Split, except to the extent a Rexahn U.S. Holder received cash in lieu of a fractional share of Rexahn common stock.