TRACON Pharmaceuticals Announces Positive Results from Phase 1 Trial of TRC102 and Fludara® in Patients with Advanced Hematologic Malignancy Published in *Oncotarget*

Overall response rate of 24% seen with no dose limiting toxicity observed

San Diego, CA – November 13, 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 and fibrotic diseases, today announced that positive results from a Phase 1 clinical trial of TRC102 (methoxyamine) and Fludara® (fludarabine) in patients with advanced hematologic malignancies were published in the journal *Oncotarget* (Volume 8, Number 45, pages 79864-79875).

The Phase 1 trial enrolled a total of 20 patients, of whom 17 had measurable disease, with chronic lymphocytic leukemia (n=10), follicular lymphoma (n=3), diffuse large B cell lymphoma (n=3), plasma cell myeloma (n=2), mantle cell lymphoma (n=1), or anaplastic large cell lymphoma (n=1). Patients received one of five levels of TRC102 (15, 30, 60, 90, or 120 mg/m^2) dosed intravenously on the initial day of recurring three week cycles in combination with Fludara dosed per label at 25 mg/m^2 intravenously on days 1 through 5. Dose limiting toxicity was not observed. The most frequent toxicities were hematologic and were reversible when managed with supportive care. Four of the 17 patients (24%) experienced a partial response to treatment, and eight additional patients (8/17, 47%) had stable disease. The combination of TRC102 and Fludara produced evidence of tumor DNA damage that appeared to correlate with antitumor activity.

"We have now observed TRC102 to be well-tolerated in combination with three separate chemotherapeutics, Alimta®, Temodar® and Fludara, and we are encouraged by the responses seen to date," said Charles Theuer, M.D., Ph.D., President and CEO of TRACON. "We continue to make strong progress on the program and expect to report data from multiple National Cancer Institute-sponsored Phase 2 trials of TRC102 in 2018."

About TRC102

TRC102 (methoxyamine) is a novel, clinical-stage small molecule inhibitor of the DNA base excision repair pathway, which is a pathway that causes resistance to alkylating and antimetabolite chemotherapeutics. TRC102 is currently being studied in multiple Phase 1 and Phase 2 clinical trials sponsored by the National Cancer Institute or Case Comprehensive Cancer Center. 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 being developed for the treatment of lung cancer and glioblastoma; and TRC253, a small molecule 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

This press release contains forward-looking statements, including statements regarding expected timing of data from additional trials of TRC102 and other development plans and potential benefits of TRACON's product candidates. Forward-looking statements speak only as of the date of this press release and TRACON does not undertake any obligation to update or revise these statements, except as may be required by law. These forward-looking statements are based on management's expectations and assumptions as of the date of this press release and actual results may differ materially from those in these forward-looking statements as a result of various factors. These factors include, but are not limited to, TRACON's and NCI's ability to identify and enroll patients in on-going and planned clinical trials, potential delays in completing on-going clinical trials, whether TRACON's product candidates will be shown to be safe and effective in subsequent studies, and TRACON's and NCI's ability and willingness to fund additional clinical development of TRACON's product candidates. For a further description of these and other risks facing TRACON, please see the risk factors described in TRACON's filings with the United States Securities and Exchange Commission, including those factors discussed under the caption "Risk Factors" in those filings. Forward-looking statements speak only as of the date of this press release and TRACON undertakes no obligation to update or revise these statements, except as may be required by law.

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