TRACON Pharmaceuticals Announces IND Filing of DE-122 (TRC105) for the Treatment of Wet Age-Related Macular Degeneration by Santen Pharmaceutical

San Diego, CA and Osaka, Japan – July 1, 2015 – TRACON Pharmaceuticals (NASDAQ:TCON) today announced that its partner, Santen Pharmaceutical Co. Ltd. (Santen), filed an Investigational New Drug (IND) Application with the U.S. Food and Drug Administration (FDA) for the initiation of clinical studies for DE-122 in patients with wet AMD. DE-122 is the ophthalmic formulation of TRACON's proprietary anti-endoglin antibody, TRC105. In March 2014, Santen licensed the global rights for the development of TRC105 in ophthalmology from Tracon. Under the terms of the agreement, the IND filing for DE-122 triggers a $3 million milestone payment to TRACON.

"The IND filing for wet AMD is an important milestone for TRACON as it both diversifies our clinical pipeline beyond oncology, and provides meaningful non-dilutive capital," commented Charles Theuer, M.D., Ph.D., President and CEO of TRACON. "Our experience combining TRC105 with inhibitors of the VEGF pathway in cancer patients suggests that the development of DE-122 in wet AMD, where VEGF inhibitors are the established standard of care, has the potential to offer patients who receive little or no benefit from current therapy an important new treatment option. We look forward to continuing to work closely with Santen as the company initiates clinical studies of DE-122 in wet AMD."

"Santen is a global pharmaceutical company specialized in the field of ophthalmology, and it is committed to delivering novel medicines for the treatment of high unmet need ophthalmic conditions on a global basis. Treatment options for retinal disease, including wet AMD are limited, and thus, Santen is pleased to gain access to novel compounds such as DE-122, so that Santen can contribute to improving the quality of life of patients suffering from retinal disease such as wet AMD," said Akira Kurokawa, President and CEO of Santen.

About TRC105

TRC105 is a novel, clinical stage antibody to endoglin, a protein overexpressed on proliferating endothelial cells that is essential for angiogenesis, the process of new blood vessel formation. TRC105 is currently being studied in multiple Phase 2 clinical trials sponsored by both TRACON and the National Cancer Institute for the treatment of multiple solid tumor types in combination with VEGF inhibitors. TRC105 is also being developed in combination with VEGF inhibitor treatments in AMD. For more information about the clinical trials, please visit TRACON's website at http://www.traconpharma.com/clinical_trials.php.

About Wet AMD

Wet AMD is the leading cause of blindness in the elderly in the world and is caused by excessive growth and leakage of blood vessels at the back of the eye that leads to a chronic and often rapid loss of vision. Existing therapies for the disease are limited, including treatment targeting the VEGF pathway.

About Santen

As a specialty company dedicated to the ophthalmic field, Santen carries out research, development, sales, and marketing of pharmaceuticals. The company has bases in about 20 countries and delivers products in more than 70 countries. In Japan, Santen holds the No. 1 share in the prescription ophthalmic pharmaceutical market. As a leading company in the field of ophthalmology, Santen aims to contribute to society by supplying valuable products and services to satisfy unmet medical needs. For more details, please see Santen's website (www.santen.com).

About TRACON

TRACON develops targeted therapies for cancer, AMD and fibrotic diseases. TRACON's current pipeline includes two clinical stage product candidates: TRC105, an anti-endoglin antibody that is being developed for the treatment of renal cell carcinoma, soft tissue sarcoma, hepatocellular carcinoma, glioblastoma and choriocarcinoma, and TRC102, a small molecule that is being developed for the treatment of lung cancer and glioblastoma. To learn more about TRACON and its product candidates, visit TRACON's website at www.traconpharma.com.

Santen Forward-looking Statements

Information provided in this press release contains so-called "Forward-looking Statements". The realizations of these forecasts are subject to risk and uncertainty from various sources. Therefore, please note that the actual results may differ significantly from the forecasts. Business performance and financial condition are subject to the effects of change in regulations made by the governments of Japan and other nations concerning medical insurance, drug pricing and other systems, and to fluctuations in market variables such as interest rates and foreign exchange rates.

TRACON Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding TRACON's receipt of the milestone payment associated with Santen's IND filing, the potential of DE-122 (TRC105) as a treatment for wet AMD and the continuation of TRACON's partnership with Santen. 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, whether TRACON's collaboration with Santen will continue and both parties will continue to perform their obligations under the license agreement, whether Santen will initiate clinical trials of DE-122 following the filing of the IND and risks associated with the development of investigational drug products. 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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