TRACON Pharmaceuticals Announces Initiation of TRC102 Phase 2 Clinical Trial in Glioblastoma

Study Sponsored by National Cancer Institute

San Diego, CA – January 27, 2016 – 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 (AMD) and fibrotic diseases, today announced the initiation of a Phase 2 clinical trial, evaluating the combination of TRC102 and Temodar® (temozolomide) in patients with glioblastoma sponsored by the National Cancer Institute (NCI). TRC102, TRACON's novel small molecule inhibitor of the base excision repair (BER) pathway of chemotherapy resistance, is also being studied in multiple ongoing clinical trials supported by the NCI in combinations with multiple chemotherapeutics, including a recently initiated Phase 2 trial that evaluates the combination of TRC102 and Alimta® (pemetrexed) in patients with mesothelioma.

"TRC102 has shown promising activity in a wide variety of preclinical tumor models and was safe and well-tolerated in two Phase 1 trials when combined with Temodar," said Charles Theuer, M.D., Ph.D., President and CEO of TRACON. "The initiation of the Phase 2 glioblastoma trial by the NCI marks an important milestone for TRC102 in an indication where resistance to Temodar is a significant issue."

The Phase 2 clinical trial is an open-label, non-randomized study that will assess the activity of the combination of TRC102 and Temodar in patients with glioblastoma who have progressed on prior radiation and chemotherapy. The primary endpoint of the trial is overall response rate, and the trial will include a cohort of Avastin-naïve patients and a cohort of patients who have received prior Avastin treatment. A total of 66 patients are expected to enroll. For additional information on this clinical trial, please visit https://clinicaltrials.gov/, trial identifier NCT02395692.

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 http://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 two product candidates: TRC105, an endoglin antibody that is being developed for the treatment of multiple cancers and wet AMD through a collaboration with Santen Pharmaceutical Company Ltd., 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.

Forward-Looking Statements

Statements made in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Such statements include, but are not limited to, statements regarding on-going and planned clinical trials of TRC102, the expected size and parameters of the Phase 2 clinical trial of TRC102 in combination with Temodar, plans to further develop TRACON's product candidates, and expectations regarding the initiation and timing of future clinical trials by TRACON or third parties. Risks that could cause actual results to differ from those expressed in these forward-looking statements include: risks associated with clinical development; whether TRACON, the NCI or others will be able to complete or initiate clinical trials in accordance with TRACON's expectations, if at all; the fact that TRACON has limited control over NCI's conduct or completion of the Phase 2 clinical trial of TRC102 in combination with Temodar; the fact that future preclinical studies and clinical trials may not be successful or otherwise consistent with results from prior studies; TRACON's reliance on third parties for the development of its product candidates, including the conduct of clinical trials; and other risks described in TRACON's filings with the Securities and Exchange Commission under the heading "Risk Factors." All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management's assumptions and estimates as of such date. TRACON undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

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