

Company Update

REXAHN PHARMACEUTICALS, INC.

Window Into Q2: Activity Should Serve As Catalysts For Stock

Rob Goldman
rob@goldmanresearch.com

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REXAHN PHARMACEUTICALS, INC. (AMEX – RNN - \$1.18)

Target: \$4.00

Rating: Speculative Buy

COMPANY SNAPSHOT

An emerging, innovative therapy developer, Rexahn Pharmaceuticals, Inc. is a clinical stage pharmaceutical company dedicated to commercializing first in class and market leading therapeutics for cancer, CNS (Central Nervous System) disorders, sexual dysfunction and other unmet medical needs. Rexahn currently has three drug candidates in Phase II clinical trials, *Archexin*[™], *Serdaxin*[®], and *Zoraxel*[™] - all potential best in class therapeutics - and a robust pipeline of preclinical compounds to treat multiple cancers and CNS disorders. Rexahn also operates key R&D programs of nano-medicines, 3D-GOLD, and TIMES drug discovery platforms.

KEY STATISTICS

Price as of 2/12/10	\$1.18
52 Wk High – Low	\$2.00 -0.40
Est. FD Shares Out.	72.0M
Market Capitalization	\$84.9M
3 Mo Avg Volume	935,000
Exchange	AMEX

COMPANY INFORMATION

Rexahn Pharmaceuticals Inc.
 15245 Shady Grove Road
 Suite 455
 Rockville, MD 20850
www.rexahn.com
 Stephanie Ascher, Stern Investor Relations
stephanie@sternir.com
 212-362-1200

INVESTMENT HIGHLIGHTS

Investors may look back on the second quarter of 2010 as a turning point for Rexahn Pharmaceuticals. We expect a series of meaningful announcements supporting our thesis that this underfollowed stock is also a seriously undervalued stock.

Management plans to release the full-study Phase IIa results for Serdaxin[®], its treatment for depression. We believe that these results will be stellar and eventually lead to a partnership such as the Teva relationship, but this time with Big Pharma.

On the heels of the news that **Rexahn has filed a protocol with the FDA for a Phase IIB study for its potentially blockbuster erectile dysfunction drug Zoraxel[™],** we expect management to announce results of its Phase IIa trials during Q2.

Rexahn is slated to submit a protocol for the first studies in the use of Serdaxin[®] as a treatment for Parkinson's disease.

Other development milestones may include new enrollment due to new sites in India getting on board. Preliminary results from the Company's *Archexin*[™] trial to treat pancreatic cancer will be released in Q4.

During Q2, we expect that Teva Pharmaceutical, one of the largest pharmaceutical companies in the world, will pay Rexahn a milestone payment as part of the commercialization and development efforts of its pre-clinical cancer treatment.

With a flurry of favorable news, we expect that these shares will begin to garner significant attention and a higher valuation in the coming months. We reiterate our Speculative Buy rating and \$4.00 price target.

REXAHN PHARMACEUTICALS, INC. (AMEX: - RNN)

Analyst: Robert Goldman

Rob Goldman has 20 years of investment and company research experience as a senior research analyst and as a portfolio and mutual fund manager. During his tenure as a sell-side analyst, Rob was a senior member of Piper Jaffray's Technology and Communications teams. Prior to joining Piper, Rob led Josephthal & Co.'s Washington-based Emerging Growth Research Group. In addition to his sell-side experience Rob served as Chief Investment Officer of a boutique investment management firm and Blue and White Investment Management, where he managed Small Cap Growth portfolios and *The Blue and White Fund*.

Analyst Certification

I, Robert Goldman, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report.

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