



BioAxone BioSciences Awarded NINDS SBIR Funding for the Development of Self-Delivering RNAi (sd-rxRNA®) for the Treatment of Spinal Cord Injury

RXi Pharmaceuticals is a collaborator on this grant and will receive a portion of the allotted funding for the development of sd-rxRNA therapeutic compounds targeting PTEN

CAMBRIDGE AND MARLBOROUGH, Mass., September 15, 2017 / -- BioAxone BioSciences, Inc. announced today that, as part of a collaborative effort with RXi Pharmaceuticals Corporation (NASDAQ: RXII), it is the recipient of a grant award from the National Institute of Neurological Disorders and Stroke (NINDS), part of the agency's SBIR Phase II funding program. This two-year grant provides funding for further development of BioAxone's preclinical candidate BA-434, a novel sd-rxRNA compound that targets PTEN for the treatment of spinal cord injury.

"We chose RXi's proprietary self-delivering RNAi technology because of the simplicity and proven efficacy of *in vivo* delivery to the central nervous system," said Dr. Lisa McKerracher, Founder and Chief Executive Officer at BioAxone BioSciences, Inc. She further added, "Spinal cord injury is an unmet need, and new therapeutics are urgently needed to promote axon regeneration and reduce paralysis."

BioAxone has been awarded a total of \$1,794,895 to fund the collaborative project over 24 months. During the first year, BioAxone will receive \$735,822 with the remaining balance awarded in the second year after achieving certain milestones. For their contribution, RXi will receive approximately \$129,000 in the first year with the potential to receive an additional \$118,800 in the second year after achieving certain milestones. Under this grant (R44NS084489), entitled "Development of self-delivering RNAi targeted to PTEN for treatment of spinal cord injury," BA-434 will be further developed to silence PTEN, a protein known to be an intrinsic barrier to regeneration, thereby supporting regeneration in the adult central nervous system.

"We are honored to have the opportunity to collaborate with the team at BioAxone, and are very pleased to have received financial support from the NINDS to further the development of

our novel RNAi compounds as potential therapeutics for spinal cord injuries,” said Dr. Karen Bullock, Vice President of Research at RXi Pharmaceuticals. “The grant process is highly competitive, and this award serves to recognize and support the therapeutic potential of RXi’s proprietary self-delivering RNAi platform.”

The Small Business Innovation Research (SBIR) program was created by the U.S. Congress to strengthen the role of small, innovative companies in federally supported research and development. It is one of the largest sources of early-stage technology financing in the U.S. The National Institute of Neurological Disorders and Stroke (NINDS) is the nation's leading funder of research on the brain and nervous system and a component of the National Institutes of Health (NIH). The content in this press release is solely the responsibility of RXi and BioAxone and does not necessarily represent the official view of NINDS or the NIH.

About BioAxone BioSciences

BioAxone BioSciences is an emerging, clinical-stage biotechnology company developing innovative drugs to restore neurological function for patients with Spinal Cord Injuries (SCI) and vascular malformations in the central nervous system and glaucoma. Led by a team of scientists renowned for their work on axon regeneration and neuronal signaling pathways, BioAxone has a pioneering SCI drug currently in a Phase IIb/III clinical trial partnered with Vertex. BioAxone has a strong preclinical research program in spinal cord injury with a goal to develop new drugs to expand the treatable SCI patient population. BioAxone seeks global partners for their ROCK2 first-in-class kinase inhibitors for treatment of neurological diseases with compromised blood-brain barrier function and for glaucoma. For more information, visit www.bioaxonebio.com.

About RXi Pharmaceuticals

RXi Pharmaceuticals Corporation (NASDAQ: RXII) is a clinical-stage company developing innovative therapeutics that address significant unmet medical needs. Building on the pioneering discovery of RNAi, scientists at RXi have harnessed the naturally occurring RNAi process which can be used to “silence” or down-regulate the expression of a specific gene that may be overexpressed in a disease condition. RXi developed a robust RNAi therapeutic platform, including self-delivering RNA (sd-rxRNA®) compounds, that have the ability to highly selectively block the expression of any target in the genome, thus providing applicability to many therapeutic areas. Our current programs include dermatology, ophthalmology, and cell-based immunotherapy. RXi's extensive patent portfolio provides for multiple product and business development opportunities across a broad spectrum of therapeutic areas, and we actively pursue research collaborations, partnering and out-licensing opportunities with academia and pharmaceutical companies. For additional information, visit the Company's website, www.rxipharma.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to,

statements about: our ability to successfully develop RXI-109, Samcyprone™ and our other product candidates (collectively "our product candidates"); the future success of our clinical trials with our product candidates; the timing for the commencement and completion of clinical trials; our ability to enter into strategic partnerships and the future success of these strategic partnerships; and our ability to deploy our sd-rxRNA® technology through partnerships, as well as the prospects of these partnerships to provide positive returns. Forward-looking statements about expectations and development plans of RXi's product candidates and partnerships involve significant risks and uncertainties, including the following: risks that we may not be able to successfully develop and commercialize our product candidates; risks that product development and clinical studies may be delayed, not proceed as planned and/or be subject to significant cost over-runs; risks related to the development and commercialization of products by competitors; risks related to our ability to control the timing and terms of collaborations with third parties; and risks that other companies or organizations may assert patent rights preventing us from developing or commercializing our product candidates. Additional risks are detailed in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q under the caption "Risk Factors." Readers are urged to review these risk factors and to not act in reliance on any forward-looking statements, as actual results may differ from those contemplated by our forward-looking statements. RXi does not undertake to update forward-looking statements to reflect a change in its views, events or circumstances that occur after the date of this release.

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