REATA ANNOUNCES INITIATION OF A PHASE 1 TRIAL OF RTA 1701, A SELECTIVE, ORAL ALLOSTERIC INHIBITOR OF RORγT

IRVING, Texas—June 20, 2018—Reata Pharmaceuticals, Inc. (Nasdaq:RETA), a clinical-stage biopharmaceutical company, today announced the initiation of a Phase 1 clinical trial of Reata's RTA 1701, a highly selective and orally bioavailable allosteric RORγt inhibitor. This Phase 1, first-in-human study is evaluating the safety and pharmacokinetics of RTA 1701 in healthy volunteers and assessing *ex vivo* suppression of IL-17A secretion. Initial results are expected in the first half of 2019.

In preclinical studies, RTA 1701 exhibited potent inhibition of the expression of IL-17A, a key cytokine involved in the development and progression of autoimmune diseases. In a two-week study in non-human primates, RTA 1701 produced significant suppression of *ex vivo* stimulation of IL-17A secretion in whole blood in both a dose- and concentration-dependent manner, with significant effects observed as early as 24 hours after the first administration. In this non-human primate study, RTA 1701 also demonstrated dose-dependent systemic exposure over a broad dose range and a pharmacokinetic profile that supports once-daily oral administration. Other *in vitro* studies demonstrated that expression of IL-17A was significantly reduced by RTA 1701 treatment in blood samples from patients with rheumatoid arthritis and psoriasis. Additionally, RTA 1701 has demonstrated significant efficacy after oral dosing in rodent models of rheumatoid arthritis and multiple sclerosis. RTA 1701 was discovered by Reata, who holds global rights for the asset.

"We are excited to have clinical development underway with RTA 1701," said Keith Ward, Ph.D., Reata's Chief Development Officer. "RTA 1701 offers a unique, differentiated profile compared to other agents in this space owing to its novel allosteric binding mode, and we believe that it offers the potential to be a best-in-class oral inhibitor of RORγt for the treatment of patients with autoimmune and inflammatory disorders."

About RTA 1701

RTA 1701 is a selective and orally bioavailable allosteric inhibitor of RORγt, the master transcription factor that orchestrates the differentiation of T-helper 17 (Th17) cells and regulates production of pro-inflammatory cytokines, including the key effector cytokine IL-17A. The clinical significance of aberrant IL-17A signaling has been confirmed by the U.S. Food and Drug Administration's (FDA) recent approvals of multiple injectable IL-17A targeted therapies. Suppression of RORγt activity via an orally administered inhibitor, such as RTA 1701, has the potential for broad activity across multiple therapeutic areas with high unmet medical need including chronic inflammatory and autoimmune diseases such as rheumatoid arthritis, psoriasis, inflammatory bowel disease, and multiple sclerosis.

About Reata Pharmaceuticals, Inc.

Reata is a clinical-stage biopharmaceutical company that develops novel therapeutics for patients with serious or life-threatening diseases by targeting molecular pathways involved in the regulation of cellular metabolism and inflammation. Reata's two most advanced clinical candidates, bardoxolone methyl and omaveloxolone, target the important transcription factor Nrf2 that promotes the resolution of inflammation by restoring mitochondrial function, reducing oxidative stress, and inhibiting pro-inflammatory signaling.

Forward-Looking Statements

This press release includes certain disclosures that contain "forward-looking statements," including, without limitation, statements regarding the success, cost and timing of our product development activities and clinical trials, our plans to research, develop and commercialize our product candidates, and our ability to obtain and retain regulatory approval of our product candidates. You can identify forward-looking statements because they contain words such as "believes," "will," "may," "aims," "plans," and "expects." Forward-looking statements are based on Reata's current expectations and assumptions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, (i) the timing, costs, conduct, and outcome of our clinical trials and future preclinical studies and clinical trials, including the timing of the initiation and availability of data from such trials; (ii) the timing and likelihood of regulatory filings and approvals for our product candidates; (iii) the potential market size and the size of the patient populations for our product candidates, if approved for commercial use, and the market opportunities for our product candidates; and (iv) other factors set forth in Reata's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K, under the caption "Risk Factors." The forward-looking statements speak only as of the date made and, other than as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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