UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)
☑ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2020**

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF

THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from_____to

Commission File No.:001-34079

Rexahn Pharmaceuticals, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**11-3516358**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
15245 Shady Grove Road, Suite 455 **Rockville, MD**	**20850**
(Address of principal executive offices)	(Zip Code)

Telephone: (240) 268-5300
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.0001 par value	REXN	Nasdaq Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "accelerated filer," "large accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☑	Smaller reporting company	☑
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☑

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 4,019,141 shares as of May 7, 2020.

REXAHN PHARMACEUTICALS, INC.
TABLE OF CONTENTS

PART I. Financial Information
Item 1. Financial Statements

REXAHN PHARMACEUTICALS, INC.
Condensed Balance Sheet
(Unaudited)

	March 31, 2020	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	**$ 10,998,096**	$ 9,219,547
Marketable securities	**-**	2,997,220
Prepaid expenses and other current assets	**290,756**	447,206
Total Current Assets	**11,288,852**	12,663,973
Security Deposits	**25,681**	25,681
Operating Lease Right-of-Use Assets	**171,870**	203,348
Equipment, Net	**66,515**	75,770
Total Assets	**$ 11,552,918**	$ 12,968,772
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued expenses	**$ 1,237,007**	$ 1,265,731
Deferred revenue	**600,000**	1,500,000
Operating lease liabilities, current	**144,610**	139,765
Total Current Liabilities	**1,981,617**	2,905,496
Operating Lease Liabilities, non-current	**25,790**	63,605
Warrant Liabilities	**100,109**	41,717
Total Liabilities	**2,107,516**	3,010,818
Commitments and Contingencies (note 11)		
Stockholders' Equity:		
Preferred stock, par value $0.0001, 10,000,000 authorized shares, none issued and outstanding	**-**	-
Common stock, par value $0.0001, 75,000,000 authorized shares, 4,019,141 issued and outstanding	**402**	402
Additional paid-in capital	**173,354,446**	173,278,144
Accumulated other comprehensive income	**-**	2,084
Accumulated deficit	**(163,909,446)**	(163,322,676)
Total Stockholders' Equity	**9,445,402**	9,957,954
Total Liabilities and Stockholders' Equity	**$ 11,552,918**	$ 12,968,772

(See accompanying notes to the condensed financial statements)

REXAHN PHARMACEUTICALS, INC.
Condensed Statement of Operations
(Unaudited)

	For the Three Months Ended March 31,	
	2020	2019
Revenues	**$ 1,150,000**	$ -
Expenses:		
General and administrative	**1,256,006**	1,695,523
Research and development	**456,790**	2,242,229
Total Expenses	**1,712,796**	3,937,752
Loss from Operations	**(562,796)**	(3,937,752)
Other Income		
Interest income	**34,418**	81,385
Unrealized (loss) gain on fair value of warrants	**(58,392)**	1,513,371
Total Other (Loss) Income	**(23,974)**	1,594,756
Net Loss Before Provision for Income Taxes	**(586,770)**	(2,342,996)
Provision for Income Taxes	**-**	-
Net Loss	**$ (586,770)**	$ (2,342,996)
Net loss per share, basic and diluted	**$ (0.15)**	$ (0.62)
Weighted average number of shares outstanding, basic and diluted	**4,019,141**	3,779,953

(See accompanying notes to the condensed financial statements)

REXAHN PHARMACEUTICALS, INC.
Condensed Statement of Comprehensive Loss
(Unaudited)

	For the Three Months Ended March 31,	
	2020	2019
Net Loss	**$ (586,770)**	$ (2,342,996)
Unrealized (loss) gain on available-for-sale securities	**(2,084)**	5,234
Comprehensive Loss	**$ (588,854)**	$ (2,337,762)

(See accompanying notes to the condensed financial statements)

REXAHN PHARMACEUTICALS, INC.
Condensed Statement of Stockholders' Equity
For the Three Months Ended March 31, 2020 and 2019
(Unaudited)

	Common Stock					
	Number of Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
Balances at January 1, 2020	4,019,141	$ 402	$ 173,278,144	$ (163,322,676)	$ 2,084	$ 9,957,954
Stock-based compensation	-	-	76,302	-	-	76,302
Net loss	-	-	-	(586,770)	-	(586,770)
Other comprehensive loss	-	-	-	-	(2,084)	(2,084)
Balances at March 31, 2020	**4,019,141**	**$ 402**	**$ 173,354,446**	**$ (163,909,446)**	**$ -**	**$ 9,445,402**
Balances at January 1, 2019	3,122,843	$ 312	$ 165,267,656	$ (154,687,242)	$ (17,836)	$ 10,562,890
Issuance of common stock and units, net of issuance costs	895,834	90	7,553,738	-	-	7,553,828
Common stock issued from vested restricted stock units	464	-	-	-	-	-
Stock-based compensation	-	-	161,000	-	-	161,000
Net loss	-	-	-	(2,342,996)	-	(2,342,996)
Other comprehensive income	-	-	-	-	5,234	5,234
Balances at March 31, 2019	**4,019,141**	**$ 402**	**$ 172,982,394**	**$ (157,030,238)**	**$ (12,602)**	**$ 15,939,956**

(See accompanying notes to the condensed financial statements)

REXAHN PHARMACEUTICALS, INC.
Condensed Statement of Cash Flows
(Unaudited)

	For the Three Months Ended March 31,	
	2020	2019
Cash Flows from Operating Activities:		
Net loss	**$ (586,770)**	$ (2,342,996)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	**9,255**	11,533
Loss on sale of equipment	**-**	9,594
Amortization of premiums and discounts on marketable securities, net	**(4,864)**	(18,499)
Stock-based compensation	**76,302**	161,000
Unrealized loss (gain) on fair value of warrants	**58,392**	(1,513,371)
Changes in assets and liabilities:		
Prepaid expenses and other assets	**156,450**	73,367
Accounts payable and accrued expenses	**(28,724)**	(906,350)
Deferred revenue	**(900,000)**	150,000
Other, net	**(1,492)**	(4,373)
Net Cash Used in Operating Activities	**(1,221,451)**	(4,380,095)
Cash Flows from Investing Activities:		
Purchase of equipment	**-**	(13,181)
Sale of equipment	**-**	5,500
Purchase of marketable securities	**-**	(8,887,566)
Redemption of marketable securities	**3,000,000**	3,000,000
Net Cash Provided by (Used in) Investing Activities	**3,000,000**	(5,895,247)
Cash Flows from Financing Activities:		
Issuance of common stock and units, net of issuance costs	**-**	7,653,828
Net Cash Provided by Financing Activities	**-**	7,653,828
Net Increase (Decrease) in Cash and Cash Equivalents	**1,778,549**	(2,621,514)
Cash and Cash Equivalents - beginning of period	**9,219,547**	8,744,301
Cash and Cash Equivalents - end of period	**$ 10,998,096**	$ 6,122,787
Supplemental Cash Flow Information		
Operating cash flows paid for amounts included in the measurement of lease liabilities	**$ 38,262**	$ 84,651
Non-cash financing and investing activities:		
Warrants issued	**$ -**	$ 4,735,913
Operating lease right-of-use assets obtained in exchange for lease obligations	**$ -**	$ 380,935

(See accompanying notes to the condensed financial statements)

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

1. Operations and Organization

Operations
Rexahn Pharmaceuticals, Inc. (the "Company"), a Delaware corporation, is a biopharmaceutical company whose principal operations are the development of innovative treatments for cancer. The Company had an accumulated deficit of $163,909,446 at March 31, 2020 and anticipates incurring losses in the foreseeable future. In September 2019, the Company commenced a process to explore and evaluate strategic alternatives to enhance shareholder value and engaged a financial advisory firm to assist in the process.

The Company believes that its cash and cash equivalents of approximately $11.0 million as of March 31, 2020 will be sufficient to cover its cash flow requirements for its current activities for at least the next 12 months from the date these financial statements were issued.

Basis of Presentation
The accompanying unaudited condensed financial statements of the Company have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission for interim financial information. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States ("U.S. GAAP") for complete financial statements. In the opinion of the Company's management, all adjustments (consisting of only normal recurring accruals) considered necessary for a fair presentation of the Company's financial position as of March 31, 2020 and December 31, 2019 and of the results of operations, comprehensive loss, stockholders' equity and cash flows for the three months ended March 31, 2020 and 2019 have been included. Operating results for the three months ended March 31, 2020 are not necessarily indicative of results that may be expected for any other interim period or the full fiscal year ending December 31, 2020. The accompanying unaudited condensed financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019 (the "2019 Form 10-K"). Information included in the condensed balance sheet as of December 31, 2019 has been derived from the Company's audited financial statements for the year ended December 31, 2019 included in the 2019 Form 10-K. The unaudited condensed financial statements have been prepared on a basis that assumes the Company will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results may ultimately differ from these estimates. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become available.

COVID-19 Pandemic
The outbreak of the COVID-19 disease, which the World Health Organization declared a pandemic in March 2020, has led to disruption in the global economy and the biopharmaceutical industry. The extent of the COVID-19 pandemic's impact on the Company's business, financial condition and results of operations, as well as the Company's ability to enter into and complete a strategic transaction, is highly uncertain and will depend on various factors, including the duration and scope of the pandemic, restrictions on business and social distancing guidelines that may be requested or mandated by governmental authorities, other actions taken to contain the impact of the pandemic, and impacts on the Company's ability or the ability of potential strategic partners to access the markets on favorable terms, or at all.

2. Marketable Securities

Marketable securities are considered "available-for-sale" in accordance with Financial Accounting Standards Board Accounting Standards Codification ("ASC") 320, "Debt and Equity Securities," and thus are reported at fair value in the Company's accompanying balance sheet, with unrealized gains and losses excluded from earnings and reported as a separate component of stockholders' equity. Amounts reclassified out of accumulated other comprehensive income (loss) into realized gains and losses are accounted for on the basis of specific identification and are included in other income or expense in the statement of operations. The Company classifies such investments as current on the balance sheet as the investments are readily marketable and available for use in current operations.

The Company had no marketable securities as of March 31, 2020. The following table shows the Company's marketable securities' adjusted cost, gross unrealized gains and losses, and fair value by significant investment category as of December 31, 2019:

	December 31, 2019			
	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Commercial Paper	$ 1,996,216	$ 1,184	$ -	$ 1,997,400
Corporate Bonds	998,920	900	-	999,820
Total Marketable Securities	$ 2,995,136	$ 2,084	$ -	$ 2,997,220

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

3. Equipment, Net

	March 31, 2020	December 31, 2019
Furniture and fixtures	**$ 67,650**	$ 67,650
Office and computer equipment	**163,440**	163,440
Leasehold improvements	**116,403**	116,403
Total equipment	**347,493**	347,493
Less: Accumulated depreciation and amortization	**(280,978)**	(271,723)
Net carrying amount	**$ 66,515**	$ 75,770

4. Accounts Payable and Accrued Expenses

	March 31, 2020	December 31, 2019
Trade payables	**$ 891,419**	$ 488,285
Accrued expenses	**165,931**	471,700
Accrued research and development contract costs	**125,992**	221,170
Payroll liabilities	**53,665**	84,576
	$ 1,237,007	$ 1,265,731

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

5. License Agreements

BioSense Global LLC

On March 10, 2020, the Company entered into an amendment to its collaboration and license agreement, (as amended, the "License and Assignment Agreement") with BioSense Global LLC ("BioSense") to advance the development and commercialization of RX-3117 for all human uses in the Republic of Singapore, China, Hong Kong, Macau, and Taiwan (the "Territory"). Under the terms of the License and Assignment Agreement, upon payment in full of an upfront payment, the Company will (i) grant BioSense an exclusive license to develop and commercialize pharmaceutical products containing RX-3117 as a single agent for all human uses in the Territory and (ii) assign and transfer all of the Company's patents and patent applications related to RX-3117 in the Territory. The upfront payment consists of an aggregate of $1,650,000, of which $1,500,000 has been received to date. Under the License and Assignment Agreement, the Company is eligible to receive milestone payments in an aggregate of up to $84.5 million upon the achievement of development, regulatory and commercial goals and will also be eligible to receive tiered royalties in the mid-single digits to low tens on annual net sales in the Territory.

The Company has evaluated the License and Assignment Agreement under ASC 606, "Revenue from Contracts with Customers," to determine the appropriate amount of revenue to be recognized as the Company fulfills its obligations under the License and Assignment Agreement. The Company identified the exclusive license to develop RX-3117 and the supply of RX-3117 drug product, drug substance and intermediate materials (collectively, the "Transferred Materials") as the distinct performance obligations in the contract. The Company has determined that it will recognize revenue related to the exclusive license to develop RX-3117 and the supply of the Transferred Materials transfers to BioSense at a point in time when the exclusive license is conveyed and the Transferred Materials are made available for delivery to BioSense, respectively.

The Company has determined the transaction price contains both fixed and variable consideration. The fixed consideration is equal to the upfront payment of $1,650,000. The variable consideration relates to the milestone payments and future sales-based royalty payments. The Company estimates the variable consideration in the contract using the most likely amount method. The Company determined at the contract outset and as of March 31, 2020 that all milestone payments should be fully constrained, as it is not probable that a significant reversal of revenue will not occur in a future period, given the significance of the milestone payments and that the payments are earned based upon the achievement of events that are highly susceptible to factors outside of the Company's control. Future sales-based royalties related to the exclusive license to develop RX-3117 will be recognized in the period the underlying sales transaction occurs.

The $1,650,000 upfront payment has been allocated to the performance obligations on the basis of the relative standalone selling price estimated for each performance obligation. The Company has determined the standalone selling price of the exclusive license to develop RX-3117 using the adjusted market approach, which represents the price the market will bear based on the license rights granted and the state of the intellectual property, and has determined the standalone selling price of the supply of the Transferred Materials using a cost approach. Accordingly, the Company has allocated $750,000 of the upfront transaction price to the exclusive license to develop RX-3117 and $900,000 to the supply of the Transferred Materials. Additional transaction price recognized in future periods related to milestone payments and royalties will be allocated solely to the exclusive license to develop RX-3117, as these amounts relate to efforts associated with the development and commercialization of products related to the exclusive license to develop RX-3117.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

As of March 31, 2020, $1,500,000 of the upfront payment had been paid, and the remaining $150,000 remained unpaid. As of March 31, 2020, the Company had satisfied the performance obligation related to the Transferred Materials and therefore recognized $900,000 in revenue which was previously classified as deferred revenue. As of March 31, 2020, the exclusive license had not been transferred and no revenue was recognized related to that performance obligation. Therefore, the Company has recorded the additional $600,000 of transaction consideration received as of March 31, 2020 as deferred revenue on the Company's balance sheet.

Zhejiang HaiChang Biotechnology Co., Ltd.

On February 8, 2020, the Company entered into an exclusive license agreement (the "HaiChang License Agreement") withZhejiang HaiChang Biotechnology Co., Ltd. ("HaiChang") pursuant to which the Company granted HaiChang an exclusive (even as to the Company), royalty-bearing, sublicensable worldwide license to research, develop and commercialize pharmaceutical products comprising RX-0201 (subject to and limited by the exclusive rights of NEXT BT Co. Ltd ("Next BT") with respect to RX-0201 in Asia), the nano-liposomal formulation of RX-0201 known as RX-0301, and RX-0047, a proprietary compound currently in preclinical development. HaiChang has agreed to use commercially reasonable efforts to develop, seek regulatory approval for, and commercialize one product comprising RX-0301 and one product comprising RX-0047.

HaiChang paid a one-time upfront payment of $250,000 to the Company for certain materials to be transferred by the Company to HaiChang. HaiChang will pay the Company development milestone payments in an aggregate of up to $63,000,000 with respect to RX-0201 and RX-0301 and up to $33,000,000 with respect to RX-0047, and royalties based on percentages of net sales in the low tens with respect to RX-0201 and RX-0301 and the mid-single digits with respect to RX-0047. However, if HaiChang exclusively sublicenses its rights to a third party with respect to RX-0201 and RX-0301 or RX-0047 in a particular jurisdiction, instead of the foregoing milestones and royalties to the extent relating to such compound(s) and jurisdiction, HaiChang will pay the Company a percentage of any sublicensing revenue received by HaiChang, provided that in any event HaiChang will pay a milestone payment on initiation of a Phase 3 clinical trial that is subject to reduction by the amount of any sublicensing revenue paid with respect to the applicable compound(s) as of the time of initiation of the trial.

The Company accounts for the HaiChang License Agreement under ASC 606. The Company has determined the performance obligations under the contract relate to the transfer of materials and the license of intellectual property. Revenue associated with the materials and license are recognized at a point in time. The Company has determined the transaction price contains both fixed and variable consideration. The fixed consideration is equal to the upfront payment of $250,000. At the outset of the contract, the value of the license was determined to be de minimis given the early stage of clinical development of the intellectual property, and allocated the entire fixed consideration to the materials. The Company transferred the materials during the three months ended March 31, 2020 and therefore recognized the entire fixed consideration as revenue. The variable consideration relates to the milestone payments, sublicense fees and future sales-based royalty payments. The Company estimates variable consideration under the contract using the expected value method. Given the early stage and the uncertain success of the development work to be performed by HaiChang, the Company has determined that the variable consideration in the contract should be fully constrained at the contract outset and as of March 31, 2020.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

6. Leases

The Company leases 5,466 square feet of office space in Rockville, Maryland, with a lease term ending June 30, 2024. Under the lease agreement, the Company pays its allocable portion of real estate taxes and common area operating charges, which are recorded as variable lease costs. The lease has escalating rent payments for which the Company records lease expense on a straight-line basis over the lease term, and an option to terminate the leased premises, without penalty, on June 30, 2021. The Company is reasonably certain that it will not remain in these leased premises after the optional termination date, and therefore, is using the optional termination date in assessing the lease term.

The following table summarizes the right of use lease assets and lease liabilities as of March 31, 2020:

Right-of-Use Assets	$ 171,870
Operating Lease Liabilities	
Current	$ 144,610
Long Term	25,790
Total Operating Lease Liabilities	$ 170,400

The components of lease expense were as follows:

	For the Three Months Ended March 31,	
	2020	2019
Operating lease cost	**$ 36,771**	$ 80,279
Variable lease cost	**5,693**	16,012
Total Lease Cost	**$ 42,464**	$ 96,291

The right-of-use asset and lease liability were calculated using an estimated incremental borrowing rate of 11%. At March 31, 2020, the weighted average lease term was 1.3 years.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

The table below summarizes the Company's scheduled future minimum lease payments recorded on the balance sheet, as of March 31, 2020:

Year Ending December 31:		
2020 (excluding the three months ended March 31, 2020)	$	117,018
2021		65,364
Minimum lease payments		182,382
Less: Imputed interest		(11,982)
Present value of minimum lease payments		170,400
Less: current maturities of lease obligations		(144,610)
Long-term lease obligations	$	25,790

7. Net Loss per Common Share

Basic loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding for the period. Diluted loss per common share is computed by dividing net loss by the weighted average number of shares of common stock outstanding, plus the number of common share equivalents that would be dilutive. As of March 31, 2020 and December 31, 2019, there were stock options, and warrants to acquire, in the aggregate, 2,070,511 and 2,126,063 shares of the Company's common stock, respectively, that are potentially dilutive. However, diluted loss per share is the same as basic loss per share for all periods presented because the inclusion of common share equivalents would be anti-dilutive.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

8. Stock-Based Compensation

As of March 31, 2020, the Company had 149,022 options to purchase common stock outstanding.

In June 2013, the Company's shareholders voted to approve the Rexahn Pharmaceuticals, Inc. 2013 Stock Option Plan (the "2013 Plan"). Under the 2013 Plan, the Company grants equity awards to key employees, directors and consultants of the Company. The Company has reserved 283,333 shares of common stock for issuance pursuant to the 2013 Plan. As of March 31, 2020, there were 144,366 options outstanding under the 2013 Plan, and 136,936 shares were available for issuance. In addition, as of March 31, 2020, there were 4,656 options outstanding under a previously established stock option plan under which no new stock options may be granted.

Accounting for Awards

Stock-based compensation expense is the estimated fair value of options granted amortized on a straight-line basis over the requisite vesting service period for the entire portion of the award. Total stock-based compensation recognized by the Company for the three months ended March 31, 2020 and 2019 is as follows:

	For the Three Months Ended March 31,	
	2020	2019
Statement of operations line item:		
General and administrative	**$ 72,420**	$ 116,679
Research and development	**3,882**	44,321
Total	**$ 76,302**	$ 161,000

No income tax benefit has been recognized in the statement of operations for stock-based compensation arrangements as the Company has provided for a 100% valuation allowance on its deferred tax assets.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

Summary of Stock Option Transactions

A summary of stock option activity for the three months ended March 31, 2020 is as follows:

	Number of Options		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term		Aggregate Intrinsic Value
Outstanding, January 1, 2020	204,574	$	35.60	7.3 years	$	-
Granted	-	$	-			
Exercised	-	$	-			
Expired	(2,498)	$	159.60			
Cancelled	(53,054)	$	60.40			
Outstanding, March 31, 2020	149,022	$	24.69	7.8 years	$	-
Exercisable, March 31, 2020	75,304	$	37.16	7.0 years	$	-

A summary of the Company's unvested options as of March 31, 2020 and changes during the three months ended March 31, 2020 is presented below:

	2020		
	Number of Options		**Weighted Average Fair Value at Grant Date**
Unvested at January 1, 2020	81,311	$	7.90
Granted	-	$	-
Vested	(7,593)	$	8.34
Cancelled	-	$	-
Unvested at March 31, 2020	73,718	$	7.85

As of March 31, 2020, there was $501,655 of total unrecognized compensation cost related to unvested stock options, which is expected to be recognized over a weighted average vesting period of 1.7 years.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

9. Warrants

The following table summarizes the Company's outstanding warrants to purchase common stock as of March 31, 2020 and December 31, 2019:

	Number of Warrants:			
Warrant Issuance	**March 31, 2020**	December 31, 2019	Exercise Price	Expiration Date
Liability-classified Warrants				
November 2015 Investors	**104,168**	104,168	$ 63.60	May 2021
November 2015 Placement Agent	**279**	279	$ 63.60	Nov. 2020
March 2016 Investors	**50,651**	50,651	$ 50.40	Sept. 2021
September 2016 Investors	**67,084**	67,084	$ 36.00	Mar. 2022
June 2017 Investors	**126,264**	126,264	$ 48.00	Dec. 2022
June 2017 Placement Agent	**15,153**	15,153	$ 49.50	June 2022
October 2017 Investors	**136,058**	136,058	$ 34.20	Apr. 2023
October 2017 Placement Agent	**16,327**	16,327	$ 36.72	Oct. 2022
Total liability classified warrants	**515,984**	515,984		
Equity-classified Warrants				
October 2018 Investors	**480,771**	480,771	$ 20.04	Apr. 2024
October 2018 Placement Agent	**28,848**	28,848	$ 19.50	Oct. 2023
January 2019 Investors	**895,886**	895,886	$ 9.60	Jan. 2024
Total equity-classified warrants	**1,405,505**	1,405,505		
Total outstanding warrants	**1,921,489**	1,921,489		

The following table summarizes the Company's warrant activity for the three months ended March 31, 2020:

	Number of Warrants			
	Liability-classified	Equity-classified	Total	Weighted average exercise price
Balance, January 1, 2020	515,984	1,405,505	1,921,489	$ 22.10
Issued during the period	-	-	-	$ -
Exercised during the period	-	-	-	$ -
Expired during the period	-	-	-	$ -
Balance, March 31, 2020	515,984	1,405,505	1,921,489	$ 22.10

At March 31, 2020, the weighted average remaining contractual life of the outstanding warrants was 3.4 years.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

The following table summarizes the fair value of the liability-classified warrants as of the respective balance sheet dates:

	Fair Value as of:	
Warrant Issuance:	**March 31, 2020**	December 31, 2019
November 2015 Investors	**$ 971**	$ 55
November 2015 Placement Agent	**-**	-
March 2016 Investor	**1,240**	439
September 2016 Investors	**14,639**	3,196
June 2017 Investors	**30,364**	11,736
June 2017 Placement Agent	**2,574**	845
October 2017 Investors	**46,178**	23,772
October 2017 Placement Agent	**4,143**	1,674
Total:	**$ 100,109**	$ 41,717

The assumptions used in calculating the fair values of the liability-classified warrants are as follows:

	March 31, 2020	December 31, 2019
Trading market prices	**$ 1.80**	$ 1.91
Estimated future volatility	**100%**	102%
Dividend	**-**	-
Estimated future risk-free rate	**0.20-0.41%**	1.57-1.72%
Equivalent volatility	**113-129%**	85-94%
Equivalent risk-free rate	**0.13-0.19%**	1.57-1.59%
Fundamental transaction likelihood	**50%**	50%
Fundamental transaction timing	**July 2020**	April 2020

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

Changes in the fair value of the warrant liabilities, carried at fair value, reported as "unrealized (loss) gain on fair value of warrants" in the statement of operations:

	For the Three Months Ended March 31,	
	2020	2019
November 2015 Investors	**$ (916)**	$ 197,084
November 2015 Placement Agent	**-**	380
March 2016 Investors	**(801)**	114,799
September 2016 Investors	**(11,443)**	217,869
June 2017 Investors	**(18,628)**	388,391
June 2017 Placement Agent	**(1,729)**	41,911
October 2017 Investors	**(22,406)**	496,501
October 2017 Placement Agent	**(2,469)**	56,436
Total:	**$ (58,392)**	$ 1,513,371

10. Income Taxes

No provision for federal and state income taxes was required for the three months ended March 31, 2020 and 2019 due to the Company's operating losses and increased deferred tax asset valuation allowance. At March 31, 2020 and December 31, 2019, the Company had unused net operating loss carry-forwards of approximately $157,964,000 and $156,586,000 respectively, which portions of expire at various dates beginning in 2021. Some of this amount may be subject to annual limitations under certain provisions of the Internal Revenue Code related to "changes in ownership."

As of March 31, 2020 and December 31, 2019, the deferred tax assets related to the aforementioned carry-forwards have been fully offset by valuation allowances, because significant utilization of such amounts is not presently expected in the foreseeable future.

Deferred tax assets and valuation allowances consist of:

	March 31, 2020	December 31, 2019
Net Operating Loss Carryforwards	**$ 44,230,000**	$ 43,844,000
Stock Compensation Expense	**551,000**	1,191,000
Book Tax Differences on Assets and Liabilities	**163,000**	464,000
Valuation Allowance	**(44,944,000)**	(45,499,000)
Net Deferred Tax Assets	$ -	$ -

The Company files income tax returns in the U.S. federal and Maryland state jurisdictions. Tax years for fiscal 2016 through 2019 are open and potentially subject to examination by the federal and Maryland state taxing authorities.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

11. Commitments and Contingencies

a) The Company has contracted with various vendors for services, with terms that require payments over the terms of the agreements, usually ranging from two to 36 months. The costs to be incurred are estimated and are subject to revision. As of March 31, 2020, the total estimated cost to complete these agreements was approximately $800,000. All of these agreements may be terminated by either party upon appropriate notice as stipulated in the respective agreements.

b) On June 22, 2009, the Company entered into a License Agreement with Korea Research Institute of Chemical Technology ("KRICT") to acquire the rights to all intellectual property related to quinoxaline-piperazine derivatives that were synthesized under a Joint Research Agreement. The agreement with KRICT calls for a one-time milestone payment of $1,000,000 within 30 days after the first achievement of marketing approval of the first commercial product arising out of or in connection with the use of KRICT's intellectual property. As of March 31, 2020, the milestone has not occurred.

c) The Company has established a 401(k) plan for its employees. The Company has elected to match 100% of the first 3% of an employee's compensation plus 50% of an additional 2% of the employee's deferral. Expense related to this matching contribution aggregated to $11,229 and $27,879 for the three months ended March 31, 2020 and 2019, respectively.

d) On February 5, 2018, the Company and Next BT terminated a research collaboration agreement between the Company and Rexgene Biotech Co., Ltd, a predecessor in interest to Next BT. The Company agreed to pay Next BT a royalty in the low single digits of any net sales of RX-0201 the Company makes in Asia and 50% of the Company's licensing revenue related to licensing of RX-0201 in Asia, up to an aggregate of $5,000,000. As of March 31, 2020, the Company has not made any royalty payments to Next BT.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

12. Fair Value Measurements

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, not adjusted for transaction costs. ASC 820 also establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels giving the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels are described below:

Level 1 Inputs	—	Unadjusted quoted prices in active markets for identical assets or liabilities that are accessible by the Company;
Level 2 Inputs	—	Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly;
Level 3 Inputs	—	Unobservable inputs for the asset or liability including significant assumptions of the Company and other market participants.

The following tables present assets and liabilities that are measured at fair value on a recurring basis and are categorized using the fair value hierarchy.

Fair Value Measurements at March 31, 2020

	Total	Level 1	Level 2	Level 3
Liabilities:				
Warrant Liabilities	**$ 100,109**	**$ -**	**$ -**	**$ 100,109**

Fair Value Measurements at December 31, 2019

	Total	Level 1	Level 2	Level 3
Assets:				
Commercial Paper	$ 1,997,400	$ -	$ 1,997,400	$ -
Corporate Bonds	999,820	-	999,820	-
Total Assets:	$ 2,997,220	$ -	$ 2,997,220	$ -
Liabilities:				
Warrant Liabilities	$ 41,717	$ -	$ -	$ 41,717

There have been no changes in the methodologies used at March 31, 2020 and December 31, 2019, and no transfers between Level 1, 2 and 3 during the three months ended March 31, 2020.

REXAHN PHARMACEUTICALS, INC.
Notes to Condensed Financial Statements
(Unaudited)

The reconciliation of changes to the fair value of the Company's warrant liabilities for the three months ended March 31, 2020 is as follows:

	Warrant Liabilities
Balance at January 1, 2020	$ 41,717
Unrealized losses, net	58,392
Balance at March 31, 2020	$ 100,109

13. Subsequent Event

On April 7, 2020, the Company notified Merck Sharp & Dohme B.V. ("Merck") that it was terminating the Clinical Trial Collaboration and Supply Agreement dated as of August 16, 2018, by and between the Company and Merck, effective immediately, in connection with the Company's determination to discontinue development of RX-5902 for the treatment of metastatic triple negative breast cancer.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

OVERVIEW

The following discussion should be read in conjunction with the unaudited condensed financial statements and notes thereto set forth in Item 1 of this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2019 (the "2019 Form 10-K").

Except for the historical information contained herein, the matters discussed in this Quarterly Report on Form 10-Q may be deemed to be forward-looking statements that involve risks and uncertainties. We make such forward-looking statements pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. In this Quarterly Report on Form 10-Q, words such as "believe", "estimate", "expect", "anticipate", "will", "may", "intend" and other similar expressions, are intended to identify forward-looking statements. We caution that forward-looking statements are based largely on our expectations and are subject to a number of known and unknown risks and uncertainties that are subject to change based on factors that are, in many instances, beyond our control. Actual results, performance or achievements may differ materially from those contemplated, expressed or implied by the forward-looking statements.

Although we believe that the expectations reflected in our forward-looking statements are reasonable as of the date we make them, actual results could differ materially from those currently anticipated due to a number of factors, including risks relating to:

- *uncertainties about the exploration and evaluation of strategic alternatives, including that they may not result in a definitive transaction or enhance shareholder value and may create a distraction or uncertainty that may adversely affect our operating results, business, or investor perceptions;*
- *uncertainties about the paths of our programs and our ability to evaluate and identify a path forward for those programs, particularly given the constraints we have as a small company with limited financial, personnel and other operating resources;*
- *the impact of the COVID-19 pandemic on the economy, our industry, and our financial condition and results of operations, as well as our ability to enter into and complete a strategic transaction;*
- *our understandings and beliefs regarding the role of certain biological mechanisms and processes in cancer;*
- *our product candidates being in early stages of development, including in preclinical development;*
- *our ability to successfully and timely complete clinical trials for our drug candidates in clinical development;*
- *uncertainties related to the timing, results and analyses related to our drug candidates in preclinical development;*
- *our ability to obtain the necessary U.S. and international regulatory approvals for our drug candidates;*

- *our reliance on third-party contract research organizations and other investigators and collaborators for certain research and development services;*
- *our ability to maintain or engage third-party manufacturers to manufacture, supply, store and distribute supplies of our drug candidates for our clinical trials;*
- *our ability to form strategic alliances and partnerships with pharmaceutical companies and other partners for development, sales and marketing of certain of our product candidates;*
- *demand for and market acceptance of our drug candidates;*
- *the scope and validity of our intellectual property protection for our drug candidates and our ability to develop our candidates without infringing the intellectual property rights of others;*
- *our lack of profitability and the need for additional capital to operate our business; and*
- *other risks and uncertainties, including those set forth herein and in the 2019 Form 10-K under the caption "Risk Factors" and those detailed from time to time in our filings with the Securities and Exchange Commission.*

These forward-looking statements are made only as of the date hereof, and we undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

We are a clinical stage biopharmaceutical company developing innovative therapies to improve patient outcomes in cancers that are difficult to treat. Our pipeline features two clinical-stage product candidates and additional compounds in preclinical development.

- RX-3117 is a novel, investigational oral, small molecule nucleoside compound. Once intracellularly activated (phosphorylated) by the enzyme UCK2, it is incorporated into the DNA or RNA of cells and inhibits both DNA and RNA synthesis, which induces apoptotic cell death of tumor cells. RX-3117 is the subject of a Phase 2a clinical trial in combination with Celgene's Abraxane® (paclitaxel protein-bound particles for injectable suspension) as a first-line treatment in patients newly diagnosed with metastatic pancreatic cancer. The trial reached its target enrollment in February 2019. As of July 24, 2019, an overall response rate of 23% had been observed in 40 patients that had at least one scan on treatment. Preliminary and unaudited data indicates that the median progression free survival for patients in the study is approximately 5.4 months. Complete data from the trial is expected to be available in 2020. We do not plan to conduct or sponsor any additional trials with RX-3117.

  On March 10, 2020, we amended our collaboration and license agreement (as amended, the "License and Assignment Agreement") with BioSense Global LLC ("BioSense") to advance the development and commercialization of RX-3117 for all human uses in the Republic of Singapore, China, Hong Kong, Macau, and Taiwan (the "Territory"). Under the terms of the License and Assignment Agreement, upon payment in full of an upfront payment, we will grant BioSense an exclusive license to develop and commercialize pharmaceutical products containing RX-3117 as a single agent for all human uses in the Territory and assign and transfer to BioSense all of our patents and patent applications related to RX-3117 in the Territory. The upfront payment consists of an aggregate of $1,650,000, of which $1,500,000 has been received to date. Under the License and Assignment Agreement, we are eligible to receive milestone payments in an aggregate of up to $84.5 million upon the achievement of development, regulatory and commercial goals and will also be eligible to receive tiered royalties in the mid-single digits to low tens on annual net sales in the Territory.

- RX-5902 is a potential first-in-class small molecule modulator of the Wnt/beta-catenin pathway which plays a key role in cancer cell proliferation and tumor growth. In August 2018, we entered into a Clinical Trial Collaboration and Supply Agreement (the "Collaboration Agreement") with Merck Sharp & Dohme B.V. ("Merck") to evaluate the combination of RX-5902 and Merck's anti-PD-1 therapy, KEYTRUDA® (pembrolizumab) in a Phase 2 trial in patients with metastatic triple negative breast cancer ("TNBC"). On April 7, 2020, we notified Merck that we were terminating the Collaboration Agreement, effective immediately, in connection with our determination to discontinue development of RX-5902 for the treatment of TNBC. We are evaluating development options for RX-5902 and may or may not sponsor additional clinical trials with the compound.

- RX-0301 is a potential best-in-class, potent inhibitor of the synthesis of the protein kinase Akt-1, which we believe plays a critical role in cancer cell proliferation, survival, angiogenesis, metastasis, and drug resistance. RX-0301 is currently in preclinical development by Zhejiang HaiChang Biotechnology Co., Ltd. ("HaiChang") as a nano-liposomal formulation of RX-0201 (Archexin®) using HaiChang's proprietary QTsome™ technology On February 8, 2020, we entered into an exclusive license agreement with HaiChang (the "HaiChang License Agreement") pursuant to which we granted HaiChang an exclusive (even as to us), royalty-bearing, sublicensable worldwide license to research, develop and commercialize RX-0201 and RX-0301. The HaiChang License Agreement supersedes a prior agreement with HaiChang to develop RX-0301 under which HaiChang was to conduct certain preclinical and clinical activities through completion of a Phase 2a proof-of-concept clinical trial in hepatocellular carcinoma.

We have no product sales to date, and our major sources of working capital have been proceeds from various private and public financings and licensing and collaboration agreements with our partners. In September 2019, we commenced a process to explore and evaluate strategic alternatives to enhance shareholder value, and have engaged Oppenheimer and Co. Inc. as our financial advisor to assist us in this process. Potential strategic alternatives include an acquisition, merger, reverse merger, other business combination, sales of assets, licensing, or other strategic alternatives. In connection with the evaluation of strategic alternatives, we are evaluating opportunities to extend our resources and have reduced our headcount to five employees.

The outbreak of the COVID-19 disease, which the World Health Organization declared a pandemic in March 2020, has led to disruption in the global economy and the biopharmaceutical industry. The extent of the COVID-19 pandemic's impact on our business, financial condition and results of operations, as well as on our ability to enter into and complete a strategic transaction, is highly uncertain and will depend on various factors, including the duration and scope of the pandemic, restrictions on business and social distancing guidelines that may be requested or mandated by governmental authorities, other actions taken to contain the impact of the pandemic, and impacts on our ability or the ability of potential strategic partners to access the markets on favorable terms, or at all.

Results of Operations

Comparison of the Three Months Ended March 31, 2020 and March 31, 2019

Total Revenues

We recorded revenues of $1,150,000 during the three months ended March 31, 2020, consisting of $250,000 earned from the HaiChang License Agreement and $900,000 from the BioSense License and Assignment Agreement. We had no revenues for the three months ended March 31, 2019.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related expenses for executive, finance and other administrative personnel, recruitment expenses, professional fees, and other corporate expenses, including business development, investor relations, and general legal activities.

General and administrative expenses decreased approximately $440,000, or 25.9%, to approximately $1,256,000 for the three months ended March 31, 2020 from $1,696,000 for the three months ended March 31, 2019. The decreases were primarily attributable to decreased personnel and operating costs resulting from the streamlining of operations.

Research and Development Expenses

Research and development costs are expensed as incurred. These costs consist primarily of salaries and related personnel costs, and amounts paid to contract research organizations, hospitals and laboratories for the provision of services and materials for drug development and clinical trials. Our research and development expenses are currently related to our oncology drug candidates.

Research and development expenses decreased approximately $1,785,000, or 79.6%, to approximately $457,000 for the three months ended March 31, 2020, from approximately $2,242,000 for the three months ended March 31, 2019. The decreases are a result of the completion of our RX-3117 and RX-5902 clinical trials, and decreased drug manufacturing costs.

The table below summarizes the approximate amounts incurred in each of our research and development projects for the three months ended March 31, 2020 and 2019:

	For the Three Months Ended March 31,	
	2020	2019
Clinical Candidates:		
RX-3117	**$ 326,900**	$ 1,078,400
RX-5902	**4,200**	342,400
RX-0201	**1,800**	115,800
Preclinical, Personnel and Overhead	**123,890**	705,629
Total Research and Development Expenses	**$ 456,790**	$ 2,242,229

We expect total research and development expenses to decrease in the remainder of 2020 as compared to the three months ended March 31, 2020 as we complete our Phase 2a clinical trial of RX-3117 with Abraxane and explore and evaluate strategic alternatives.

Interest Income

Interest income decreased approximately $47,000, or 57.7% for the three months ended March 31, 2020, compared to the same period in 2019. The decreases were primarily attributable to lower interest rates and balances of cash, cash equivalents and marketable securities for the three months ended March 31, 2020 compared to the same period in 2019.

Unrealized (Loss) Gain on Fair Value of Warrants

Our warrants are recorded as liabilities at fair value, and the warrants are valued using a lattice model. Changes in the fair value of warrants are recorded as an unrealized gain or loss in our statement of operations. During the three months ended March 31, 2020 and 2019, we recorded unrealized (losses) gains on the fair value of our warrants of approximately $(58,000) and $1,513,000, respectively. Estimating fair values of warrants requires the development of significant and subjective estimates that may, and are likely to, change over the duration of the warrants due to related changes to external market factors. The large unrealized gain for the three months ended March 31, 2019 primarily resulted from a significant decrease in the stock price of the underlying common stock at the end of this period compared to the beginnings of this period.

Net Loss

As a result of the above, net loss for the three months ended March 31, 2020 was approximately $587,000 or $0.15 per share, compared to approximately $2,343,000, or $0.62 for the three months ended March 31, 2019.

Liquidity and Capital Resources

Current and Future Financing Needs

We have incurred negative cash flow from operations since we started our business. We expect to continue to incur negative cash flow and operating losses as we explore strategic alternatives. We have spent, and subject to our exploration of strategic alternatives, expect to continue to spend, substantial amounts in connection with implementing our business strategy, including our planned product development efforts, our clinical trials and our research and development efforts. Subject to the result of our exploration of strategic alternatives, we will need to raise additional capital through public or private equity or debt offerings or through arrangements with strategic partners or other sources in order to continue to develop our drug candidates. In conjunction with our exploration of strategic alternatives, we are exploring opportunities to extend our resources. We believe that our cash and cash equivalents of approximately $11.0 million as of March 31, 2020 will be sufficient to cover our cash flow requirements for our current activities for at least the next 12 months following the issuance of the financial statements contained in this Quarterly Report. However, our resource requirements could materially change to the extent we identify and enter into any strategic transaction. Our ability to enter into a strategic transaction could also be impacted by our, or any potential partner's ability to, raise additional capital.

Cash Flows

Cash used in operating activities was approximately $1,221,000 for the three months ended March 31, 2020. The operating cash flows during the three months ended March 31, 2020 reflect a net loss of approximately $587,000, a net decrease of cash components of working capital and non-cash charges totaling $634,000. Cash used in operating activities was approximately $4,380,000 for the three months ended March 31, 2019. The operating cash flows during the three months ended March 31, 2019 reflect a net loss of approximately $2,343,000, an unrealized gain on the fair value of warrants of approximately $1,514,000, and a net increase of cash components of working capital and non-cash charges totaling approximately $523,000.

Cash provided by investing activities was $3,000,000 from the redemption of marketable securities for the three months ended March 31, 2020. Cash used in investing activities was approximately $5,895,000 for the three months ended March 31, 2019 which consisted of approximately $8,888,000 and approximately $13,000 from the purchases of marketable securities and equipment, respectively, offset by approximately $6,000 from the sale of equipment and $3,000,000 from the redemption of marketable securities.

There was no cash provided by financing activities for the three months ended March 31, 2020. Cash provided by financing activities was approximately $7,654,000 for the three months ended March 31, 2019, which consisted of net proceeds from our underwritten offering in January 2019.

Contractual Obligations

We have a variety of contractual obligations, as more fully described in the 2019 Form 10-K. These obligations include, but are not limited to, contractual obligations in connection with license agreements (including related milestone payments), lease payments, employee compensation and incentive program expenses, and contracts with various vendors for services. As of March 31, 2020, the total estimated cost to complete our contracts with vendors for research and development services was approximately $800,000 under the terms of the applicable agreements. All of these agreements may be terminated by either party upon appropriate notice as stipulated in the respective agreements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not required.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this report. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective such that the information required to be disclosed by us in reports filed under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's (the "SEC's") rules and forms and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding disclosure. A controls system cannot provide absolute assurance, however, that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2020 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1A. Risk Factors.

Investing in our stock involves a high degree of risk. You should carefully consider the following discussion of risk factors in its entirety. In addition to the other information set forth in this report, you should carefully consider the factors set forth in the Risk Factors section of our 2019 Form 10-K, as well as other information contained in the 2019 Form 10-K and in other reports we file with the SEC.

Our business is subject to risks arising from the ongoing COVID-19 pandemic.

The outbreak of COVID-19, which the World Health Organization declared a pandemic in March 2020, has spread across the globe and has led to disruption in the global economy and the biopharmaceutical industry. COVID-19 poses the risk that we or our employees, licensees, and other partners may be prevented from or restricted in conducting business activities for an indefinite period of time, including due to spread of the disease within these groups or due to restrictions on business and social distancing guidelines that may be requested or mandated by governmental authorities. We have reduced our headcount to five employees and are dependent on the efforts of our President and Chief Executive Officer, Douglas J. Swirsky, and other key professionals. The loss of Mr. Swirsky or any of our other key professionals as a result of illness or otherwise in connection with the COVID-19 pandemic could materially and adversely affect our business and our prospects. In addition, as the COVID-19 pandemic continues to disrupt the economy, our future access to capital on favorable terms and our ability to enter into and complete a strategic transaction may be adversely impacted.

The extent to which the COVID-19 pandemic impacts our business, financial condition and results of operations as well as on our ability to enter into and consummate a strategic transaction is highly uncertain and will depend on various factors, including the duration and scope of the pandemic, restrictions on business and social distancing guidelines that may be requested or mandated by governmental authorities, the other actions that may be taken to contain its impact, and impacts on our ability or the ability of potential strategic partners to access the markets on favorable terms, or at all.

Item 6. Exhibits.

Exhibit No.	Description
**10.1	Amendment No. 2 to Collaboration and License Agreement, dated as of March 10, 2020 between BioSense Global LLC and Rexahn Pharmaceuticals, Inc.
31.1	Certification of Chief Executive Officer pursuant to Rules 13a-14(a) / 15d-14(a).
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101	The following materials from Rexahn Pharmaceuticals, Inc.'s Quarterly Report on Form 10-Q, formatted in Extensible Business Reporting Language ("XBRL"): (i) Condensed Balance Sheet; (ii) Condensed Statement of Operations; (iii) Condensed Statement of Comprehensive Loss; (iv) Condensed Statement of Stockholders' Equity; (v) Condensed Statement of Cash Flows; and (vi) Notes to the Financial Statements.

**Portions of this exhibit have been omitted in compliance with Item 601 of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

REXAHN PHARMACEUTICALS, INC.
(Registrant)

By: /s/ Douglas J. Swirsky
Douglas J. Swirsky
Chief Executive Officer and President
(principal executive, financial and accounting officer)

Date: May 7, 2020

Exhibit 10.1

Portions of this exhibit indicated by bracketed asterisks have been omitted because they are not material and would likely cause competitive harm to Rexahn Pharmaceuticals, Inc. if publicly disclosed.

Confidential

AMENDMENT NO. 2
TO
COLLABORATION AND LICENSE AGREEMENT

This **AMENDMENT NO. 2** (this "**Amendment No. 2**"), to the Collaboration and License Agreement, dated as of February 25, 2019 (as amended by the First Amendment, as defined below, the "**Agreement**"), by and between **BIOSENSE GLOBAL LLC**, a New Jersey limited liability company having a place of business located at 1 Meadowlands Plaza, Suite 800, East Rutherford, NJ 07073 ("**Biosense**"), and **REXAHN PHARMACEUTICALS, INC.**, a Delaware corporation having a place of business located at 15245 Shady Grove Road, Suite 455, Rockville, MD 20850 ("**Rexahn**"), is effective as of March 10, 2020 (the "**Amendment Effective Date**"). Biosense and Rexahn are sometimes referred to herein individually as a " **Party**" and collectively as the "**Parties**."

RECITALS:

WHEREAS, the Parties entered into the Agreement effective as of February 25, 2019;

WHEREAS, the Parties amended the Agreement pursuant to the First Amendment, effective as of August 24, 2019;

WHEREAS, as of the Amendment Effective Date, Rexahn does not expect to pursue the further development of RX-3117, including in combination with Abraxane as first line treatment for pancreatic cancer and other indications.

WHEREAS, the Parties now desire to the further amend the Agreement, on the terms and subject to the conditions set forth in this Amendment No. 2.

NOW, THEREFORE, in consideration of the foregoing promises and the mutual covenants herein contained, Biosense and Rexahn hereby agree as follows:

1. Definitions. As used in this Amendment No. 2, capitalized terms shall have the meanings assigned to them in the Agreement, except as otherwise defined in this Amendment No. 2, including in this Section 1.

a. "**Assigned Patents**" means any Patents assigned by Rexahn to Biosense pursuant to Article 7 of the Agreement.

b. "**Drug Substance Materials**" means up to [***] of active pharmaceutical ingredient of RX-3117 and all associated manufacturing information (e.g., batch records, standard operating procedures) in the possession and control of Rexahn.

c. "**Drug Product**" means the following quantity of finished clinical trial supply of RX-3117 and all associated release and other related documentation in the possession and control of Rexahn: [***] 10ct bottles of 200mg capsules and [***] 10ct bottles of 500mg capsules.

d. "**First Amendment**" means Amendment No. 1 to Collaboration and License Agreement, effective as of August 24, 2019, between the Parties.

e. "**Intermediate Materials**" means up to [***] of pharmaceutical intermediate materials known as [***] and all associated manufacturing information (e.g., batch records, standard operating procedures) in the possession and control of Rexahn.

f. "**Joint Patents**" means Patents jointly owned by the Parties that cover the Licensed Product, both within and outside of the Territory.

g. "**Licensed Field**" means all human uses.

h. "**Licensed Patents**" means Patents within the Licensed IP.

i. "**Transferred Materials**" means the Drug Substance Materials, Drug Product and Intermediate Materials.

2. Amendments. The Parties agree that, effective from and after the Amendment Effective Date, the Agreement shall be amended as set forth in this Section 2.

a. Title of Agreement. The title of the Agreement shall be changed from "***Collaboration and License Agreement***," to "***License and Assignment Agreement***".

b. Reporting. Within [***] days of the Amendment Effective Date, Biosense shall provide Rexahn with an initial development plan that outlines in reasonable detail the development and supportive activities to be conducted by Biosense for the [***]-year period following the Amendment Effective Date for the Licensed Product (the "**Development Plan**"). Biosense shall, within [***] days following the end of each calendar year during the Term, update the Development Plan setting forth, in reasonable detail, the activities undertaken during the prior calendar year (or portion thereof) in respect of the clinical development of the Licensed Product, and the planned and expected development activities for the subsequent [***]-year period. Biosense shall continue to provide these reports with respect to each Licensed Product until that Licensed Product is the subject of a report provided under Section 5.5.1 of the Agreement. To be clear, these reports are for the purpose of satisfying the obligations of Biosense under this section, and not for the purpose of Rexahn providing agreement or approval thereto.

c. Section 4.2. Section 4.2 of the Agreement is amended to add the following subsection 4.2.3:

"Subject to the terms and conditions of this Agreement, as partial consideration for the payments set forth herein, subject to the payment of the Upfront Payments, Rexahn shall assign, transfer and convey to Biosense, the Assigned Patents pursuant to a mutually agreed form of patent assignment agreement, such assignment agreement to be filed in applicable patent offices in the Territory."

d. Section 6.1. Section 6.1 of the Agreement is deleted in its entirety and is replaced with the following:

i. "In partial consideration for the Exclusive License and the assignment of the Assigned Patents to Biosense, Biosense has paid Rexahn $150,000 on or about the Effective Date, and $1,350,000, on or about April 13, 2019;

ii. On or within [***] days of the Amendment Effective Date, Biosense shall pay to Rexahn (X) $50,000, as a non-refundable license fee; and (Y) $100,000 upon Rexahn making available the Transferred Materials, pursuant to Section 2.e., below. The payments set forth in this Section 6.1 (i-iii, inclusive, such payments, the "**Upfront Payments**"), represent all of the payments due and payable on account of the Upfront Payments from Biosense to Rexahn."

e. Transfer of Transferred Materials. Upon the written request of Biosense (a "**Transfer Request**"), Rexahn will make available, at a location or locations identified by Rexahn in its sole discretion, the Transferred Materials. Rexahn shall be under no obligation to make the Transferred Materials available to Biosense on fewer than [***] days prior notice. Rexahn will provide the Transferred Materials to Biosense at no additional charge. Biosense shall be fully responsible for the costs and expenses associated with the transfer of the Transferred Materials to Biosense, including transportation costs, taxes, customs duties and any costs related to export/import licenses. From and after [***] days following the Amendment Effective Date until such time as Biosense makes the written request referred to above, until the transfer of title to the Transferred Materials, as applicable, Biosense shall pay Rexahn all actual costs and expenses incurred by Rexahn in connection with the storage and maintenance of the Transferred Materials at the location or locations where those Transferred Materials are being stored or maintained. REXAHN MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE TRANSFERRED MATERIALS, AND THE TRANSFERRED MATERIALS ARE PROVIDED ON AN "AS IS" "WHERE IS" BASIS. BIOSENSE SHALL MAKE USE OF THE TRANSFERRED MATERIALS AT ITS OWN RISK. Rexahn shall provide all corresponding records in Rexahn's possession and control relating specifically to the Transferred Material, including but not limited to production and analysis records for the Transferred Materials. In the case where Rexahn fails to provide any corresponding records in Rexhan's possession and control relating specifically to the Transferred Material, Biosense is entitled to require Rexahn or its successors, permitted assigns or acquirer to provide these records within [***] days any time after Amendment Effective Date. Rexahn represents and warrants to Biosense that the Transferred Materials are owned by Rexahn free and clear of all liens and encumbrances, and that Rexahn has the authority to transfer the Transferred Materials to Biosense as set forth in this Section 2.e. Title to, and risk of loss for the Transferred Materials shall transfer to Biosense at the date, time and place on which Rexahn makes the Transferred Materials, as applicable, available to Biosense. Rexahn shall maintain the Transferred Materials properly and have liability to Biosense for any loss occurring to the Transferred Materials until the title to and risk of loss for the Transferred Materials are transferred to Biosense unless the BioSense written request is made more than [***] days after the Amendment Effective Date. Biosense may dispose of any unused Transferred Material at its own discretion.

f. Milestone Payments; Royalties.

i. The charts set forth in Sections 6.2 and 6.3 of the Agreement are deleted in their entirety and are replaced with the charts set forth on Schedules 2.c-1 and 2.c-2. of this Amendment No. 2.

ii. The chart set forth in Section 6.5.1 of the Agreement is deleted in its entirety and is replaced with the chart set forth on Schedule 2.c-3 of this Amendment No. 2.

g. Rexahn Know-How. Within the first to occur of [***] days of the Amendment Effective Date or the closing of a transaction that results in a change in control of Rexahn, Rexahn shall make available to Biosense, at a location identified by Rexahn, a copy of all Rexahn Know-How reasonably available to Rexahn as of the Amendment Effective Date and listed on Schedule 2.d in both electronic and paper copies when reasonably available. In the case where Rexahn fails to provide a complete copy of all Rexahn Know-How reasonably available to Rexahn as of the Amendment Effective Date, Biosense is entitled to require Rexahn or its successors, permitted assigns or acquirer to provide such Know-How within [***] days any time after Amendment Effective Date. Biosense shall be responsible for all costs and expenses with respect to the matters set forth in this Section 2.g.

h. Certain Intellectual Property Matters. Article 7 of the Agreement shall be deleted in its entirety and replaced with the following:

"ARTICLE 7
PATENT MATTERS

7 . 1 Transfer of Licensed Patents and Joint Patents. Within [***] days following the Amendment Effective Date, Rexahn shall assign to Biosense (i) the Licensed Patents to Biosense, and (ii) Rexahn's interest in Joint Patents. For clarity, the foregoing assignment of Licensed Patents and Rexahn's interest in Joint Patents is solely with respect to the Territory. Biosense shall be responsible for all costs and expenses arising from the foregoing assignment of the Licensed Patents and Rexahn's interest in the Joint Patents.

7 . 2 Abandonment of Joint Patents. If Rexahn intends to abandon the prosecution or maintenance of Rexahn's interest in the Joint Patents outside of the Territory (the "**Outside the Territory Patents**"), then Rexahn shall notify Biosense and provide Biosense with a reasonable opportunity to request that Rexahn assign to Biosense the Outside the Territory Patents. If requested by Biosense, Rexahn shall assign the Outside the Territory Patents to Biosense at no additional charge, except that Biosense shall be responsible for the third party costs and expenses related to such assignment. Rexahn shall have no obligation to prosecute, maintain, defend or enforce any Outside the Territory Patents.

7.3 Prosecution, Maintenance and Enforcement of Assigned Patents. Biosense shall use Commercially Reasonable Efforts to, and shall be solely responsible for the prosecution, maintenance, defense and enforcement of any Assigned Patents, including the costs and expenses thereof."

i. New IP. Any New IP developed, conceived or generated solely by Biosense after the Amendment Effective Date shall be owned and vest in Biosense. Biosense shall own all right, title, and interest in and to any New IP invented or developed using the Licensed IP and Rexahn Materials.

j. Licensed IP. Following the Amendment Effective Date (and as a result of giving effect to this Amendment No. 2), the term Rexahn Patents shall include any patents transferred to Biosense as a result of this Amendment No. 2.

k. Personnel Support. Within [***] days after the Amendment Effective Date, Rexahn shall provide the contact information of the Key Employees of Rexahn as set out in Schedule 2.k. to BioSense so that BioSense, if it determines necessary, may use its reasonable efforts to establish consulting arrangements if these employees terminate their employment with Rexahn, except Rexahn shall have no obligation whatsoever to procure any such consulting arrangements for the benefit of Biosense. Rexahn shall waive any non-compete, confidentiality, and IP ownership obligations of the Key Employees solely to the extent related to RX-3117, which may conflict with or restrict those employees from entering into consulting agreements with Biosense after those employees terminate their employment relationship with Rexahn.

l. Non-compete and Rights for other territories.

   i. Rexahn irrevocably and unconditionally agrees with and undertakes to BioSense that, unless with prior written consent of BioSense, during the Term of this Agreement and [***] years thereafter, Rexahn shall not, within the Territory (1) engage in research, development or commercialization of any Licensed Product or structurally-related nucleoside analogue that is activated primarily by UCK-2 dependent phosphorylation ("**Restricted Products**"); or (2) market or sell any Restricted Products in the Territory; or (3) authorize other parties to do so in the Territory.

   ii. From the Amendment Effective Date until March 31, 2020, Biosense may acquire rights to the Licensed Product outside of the Licensed Territory on the economic terms set forth on Schedule (l)(ii), and otherwise on mutually agreed terms and conditions consistent with this License and Assignment Agreement negotiated in good faith by the Parties. In no event, however, shall either Rexahn or Biosense be obligated to enter into an agreement for rights to the Licensed Product outside of the Territory following March 31, 2020.

m. New Materials. Any new project documents (including study results, regulatory documents etc.) created by BioSense after the Effective Dates will be solely owned by BioSense. These new project documents may be used to support the development or registration of RX-3117 in the Territory by Biosense, and in other markets under the authorization of BioSense with appropriate financial terms to be discussed and agreed by BioSense, and the party interested in obtaining the information.

n. Other Amendments to the Agreement. It is the intent of the Parties that from and after the Amendment Effective Date, Biosense shall pursue its obligations under the Agreement to develop and commercialize the Licensed Product in the Territory without contribution or collaboration from Rexahn. Therefore, the Parties agree that the Agreement shall be amended as follows to effect this intent of the Parties:

i. Article 2 of the Agreement shall be deleted in its entirety.

ii. Article 3 of the Agreement shall be deleted in its entirety, because, among other reasons, the Parties no longer require a Joint Steering Committee for the Parties to perform their respective obligations under the Agreement. To the extent any provision of Article 3 of the Agreement is referenced in any other portion of the Agreement (e.g., certain definitions, the operation of the Joint Steering Committee and the roles and responsibilities of Alliance Managers), then those portions of the Agreement shall be deemed to be deleted from the Agreement if not otherwise deleted, modified, waived or amended by this Amendment No. 2.

iii. Section 4.4 of this Agreement shall be deleted in its entirety.

iv. Article 5 of the Agreement shall be amended as follows:

1. Section 5.1 of the Agreement shall be replaced with the following:

"Biosense, either itself or by and through its Affiliates, Sublicensees or Subcontractors, shall be solely responsible for all development, registration, marketing, advertising, promotional, launch and sales activities in connection with the Licensed Product in the Licensed Field in the Territory."

2. Section 5.2 of the Agreement shall be replaced with the following:

"Biosense shall use Commercially Reasonable Efforts to develop and commercialize the Licensed Product in the Licensed Field in the Territory . Without limiting the generality of the foregoing, Biosense shall use Commercially Reasonable Efforts to (a) develop, obtain Regulatory Approval for and commercialize at least one (1) Licensed Product hereunder, (b) file an IND in China by [***], (c) undertake the commercial launch of a Licensed Product in China promptly after, and in any case not later than [***] months after, the date that Regulatory Approval is granted with respect such Licensed Product in China, and (d) after receipt of Regulatory Approval of the Licensed Product in China, establish and maintain a sales force and commercial infrastructure either by itself or through its Affiliates or Subcontractors, necessary to commercialize the Licensed Product in the Licensed Field in the Territory to a scale that is sufficient given the market demand for the Licensed Product in the Licensed Field in the Territory . Any failure by Biosense to comply with the obligations set forth in this Section 5.2 shall be deemed to be a material breach for which Rexahn may exercise any rights and remedies at law or in equity. Subject to the provisions of this Section 5.2, BioSense shall have sole decision making authority for all matters related to the development, manufacturing and commercialization of RX-3117 in its territory from and after the Amendment Effective Date. Without prejudice to the rights of Rexahn hereunder, BioSense will provide a written explanation to Rexahn when there are decisions made by BioSense that result in not achieving the milestones with respect to RX-3117 set forth in this Section 5.2.

3. Section 5.4 is deleted in its entirety.

4. Section 5.5.2 is deleted in its entirety.

v. Article 12 of the Agreement shall be amended as follows:

1. The reference to Patents in Section 12.2.3 of the Agreement shall be deemed to include any Patents transferred to Biosense pursuant to this Amendment No. 2.

2. Section 12.5 of the Agreement shall be deleted in its entirety.

3. Section 12.6.1 of the Agreement shall be amended by adding the following subsection (f): "upon the request of Rexahn, Biosense shall promptly assign and transfer to Rexahn any Patents transferred by Rexahn to Biosense pursuant to Article 7 of the Agreement."

vi. Article 13 of the Agreement shall be amended as follows:

1. The "proviso" in the last sentence of Section 13.1 shall be deleted, because the corresponding provision of Section 3.1.4 of the Agreement has been deleted.

2. All other provisions of Article 13 shall apply with respect to the resolution of disputes under this License and Assignment Agreement.

3. Effectiveness. This Amendment No. 2 shall be effective from and after the Amendment Effective Date.

4. No Other Amendments. Except as modified by this Amendment No. 2 or as the context of this Amendment No. 2 may require, the Agreement shall remain in full force and effect, enforceable in accordance with its terms.

5. Governing Law. This Amendment and any dispute arising from the performance or breach hereof shall be governed by and construed and enforced in accordance with the laws of the State of New York without reference to conflicts of laws principles which would direct the application of the laws of another jurisdiction.

6. Severability. If any provision hereof should be held invalid, illegal or unenforceable in any jurisdiction, the Parties shall negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties and all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in order to carry out the intentions of the Parties hereto as nearly as may be possible. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

7. Release. As a condition to Rexahn entering into this Amendment No. 2., Biosense, for itself and its affiliated companies, predecessors, successors, representatives, stockholders, directors, trustees, officers, employees, assigns and anyone claiming by, through or under the foregoing (each, a "**Biosense Releasing Party**"), hereby irrevocably, unconditionally and completely releases, acquits and forever discharges Rexahn, and its successors, representatives, stockholders, directors, officers, employees and assigns (each, a "**Rexahn Released Party**"), from and against, and hereby irrevocably, unconditionally and completely waives and relinquishes all past, present and future disputes, claims, controversies, demands, rights, obligations, liabilities, actions and causes of action of every kind and nature (collectively, "**Claims**") that a Biosense Releasing Party may have had in the past, may now have or may have in the future, whether directly or indirectly, against any Rexahn Released Party arising out of or related to the Agreement prior to the Amendment Effective Date, whether such Claims are based in tort or contract, or are brought under law or in equity.

8. Counterparts. This Amendment may be signed in counterparts, each and every one of which shall be deemed an original, notwithstanding variations in format or file designation which may result from the electronic transmission, storage and printing of copies of this Agreement from separate computers or printers. Facsimile signatures and signatures transmitted via PDF shall be treated as original signatures.

9. Successors and Assigns. This Amendment shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns (including acquirer of Rexahn).

Remainder of page intentionally left blank

IN WITNESS WHEREOF, the Parties have caused this Amendment No. 2 to be executed by their duly authorized representatives as of the Amendment Effective Date.

REXAHN PHARMACEUTICALS, INC.

By: /s/ Douglas J. Swirsky

Name: Douglas J. Swirsky

Title: President & CEO

BIOSENSE GLOBAL LLC

By: /s/ Andy Li

Name: Andy Li

Title: CEO, President

SCHEDULE 2.C.

MILESTONE PAYMENT CHART

Schedule 2.c-1:

	Milestone Event	**Payment** (Amounts set forth below are in Dollars)
1.	[***]	$[***]
2.	[***]	$[***]
3.	[***]	$[***]
4.	[***]	$[***]

Schedule 2.c-2:

Milestone Event	**Payment** (Amounts set forth below are in Dollars)
$[***] in Annual Net Sales of a Licensed Product in the Territory	$[***]
$[***] in Annual Net Sales of a Licensed Product in the Territory	$[***]

Schedule 2.c-3:

Annual Net Sales	**Royalty Rate**
Annual Net Sales for a Licensed Product less than $[***]	[***]%
Annual Net Sales for a Licensed Product equal to or exceeding $[***], but less than or equal to $[***]	[***]%
Annual Net Sales for a Licensed Product exceeding $[***]	[***]%

SCHEDULE 2.D.

REXAHN KNOW-HOW*

[***]

***Both parties understand that this may not be a complete list and BioSense Global may identify additional items that Rexahn possesses and is required by BioSense to support its regulatory submission or continue or complete its development activities and in such case, Rexahn will provide such records to BioSense Global.**

SCHEDULE 2.K.

List of Key Employees

[***]

SCHEDULE 2.L.II.

Outside the Territory Economic Terms

	Upfront Fee	**Payment** (Amounts set forth below are in Dollars)
1.	Upfront[***] fee	$[***]

	Milestone Event	**Payment** (Amounts set forth below are in Dollars)
2.	[***]	$[***]
3.	[***]	$[***]
4.	[***]	$[***]
5.	[***]	$[***]
6.	[***]	$[***]
7.	[***]	$[***]
8.	[***]	$[***]
9.	[***]	$[***]

Sales-related Milestones ex-China

Milestone Event	Payment (Amounts set forth below are in Dollars)
$[***] in Annual Net Sales of a Licensed Product outside of the Territory (ie outside China)	$[***]
$[***] in Annual Net Sales of a Licensed Product outside of the Territory (ie outside China)	$[***]
$[***] in Annual Net Sales of a Licensed Product outside of the Territory (ie outside China)	$[***]

Royalties ex-China

Annual Net Sales outside of the Territory (ie outside China)	Royalty Rate
Annual Net Sales for a Licensed Product less than $[***]	[***]%
Annual Net Sales for a Licensed Product equal to or exceeding $[***], but less than or equal to $[***]	[***]%
Annual Net Sales for a Licensed Product exceeding $[***]	[***]%

Exhibit 31.1

CERTIFICATION PURSUANT TO RULES 13A-14(D)
AND 15D-14(D)

I, Douglas J. Swirsky certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Rexahn Pharmaceuticals, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in the "Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 7, 2020
/s/ Douglas J. Swirsky
Douglas J. Swirsky
Chief Executive Officer and President

Exhibit 32.1

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350

SECTION 1350 CERTIFICATION*

In connection with the Quarterly Report of Rexahn Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas J. Swirsky, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 7, 2020

By: /s/ Douglas J. Swirsky
Douglas J. Swirsky,
Chief Executive Officer and President

* This Certification is being furnished as required by Rule 13a-14(b) under the Securities Exchange Act of 1934 (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code, and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section. This Certification shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Exchange Act, except as otherwise stated in such filing.

A signed original of this written statement required by 18 U.S.C. § 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.