REATA PHARMACEUTICALS, INC. ANNOUNCES FIRST QUARTER 2017 FINANCIAL AND OPERATING RESULTS

IRVING, Texas, May 11, 2017 (GLOBE NEWSWIRE) — Reata Pharmaceuticals, Inc. (Nasdaq:RETA) (Reata or the Company), a clinical-stage biopharmaceutical company, today announced financial results for the first quarter ended March 31, 2017, and provided an update on the Company's business and product development programs.

Financial Highlights

The Company incurred operating expenses of $19.9 million for the quarter ended March 31, 2017, with research and development accounting for $14.6 million. This compares to operating expenses of $12.7 million for the same period of the year prior, when research and development accounted for $9.3 million. A net loss of $7.1 million was reported by the Company for the quarter ended March 31, 2017, equating to a loss of $0.32 per share, compared to a loss of $0.3 million or $0.02 per share in the same period of the year prior.

Corporate Highlights

As of March 31, 2017, the Company had $82.7 million in cash and cash equivalents, which reflects the receipt of $19.8 million in net proceeds from the Company’s loan agreement entered into on March 31, 2017. Under the provisions of the term loan, our lenders agreed to lend us up to $35.0 million, issuable in two separate tranches of $20.0 million (Term A Loan) and $15.0 million (Term B Loan). On March 31, 2017, we borrowed $20.0 million from the Term A Loan.

All outstanding Term Loans will mature on March 1, 2022. We will make interest-only payments for 18 months through November 1, 2018; if we draw the Term B Loan, we will make interest-only payment for 24 months through May 1, 2019. The interest-only payment period will be followed by principal and interest payments thereafter and through maturity. The Term A Loan bears interest at a floating per annum rate calculated as 7.40% plus the greater of the 30-day U.S. Dollar LIBOR rate reported in The Wall Street Journal, or 0.75%, with a minimum rate of 8.15% and a maximum rate of 10.15%.

Product Development Highlights

Reata is a clinical-stage biopharmaceutical company focused on identifying, developing, and commercializing product candidates to address rare and life-threatening diseases with few or no approved therapies by targeting molecular pathways that regulate cellular metabolism and inflammation. Our lead product candidates, bardoxolone methyl and omaveloxolone, are members of a class of small molecules that target an important transcription factor, called Nrf2, to restore mitochondrial function, reduce oxidative stress, and resolve inflammation.

Bardoxolone Methyl in Pulmonary Arterial Hypertension and Pulmonary Hypertension due to Interstitial Lung Disease

Bardoxolone Methyl is currently being studied in a Phase 3 trial, known as CATALYST, for the treatment of pulmonary arterial hypertension associated with connective tissue disease (CTD-PAH), as well as a Phase 2 trial, known as LARIAT, for the treatment of PAH and pulmonary hypertension due to interstitial lung disease (PH-ILD).

In October 2016, the first patient was enrolled in CATALYST, an international, randomized, double-blind, placebo-controlled Phase 3 trial examining the safety, tolerability, and efficacy of bardoxolone methyl in patients with CTD-PAH when added to standard-of-care vasodilator therapy. The primary endpoint is the change from baseline in 6-minute walk distance (6MWD) relative to placebo at Week 24. Secondary endpoints include time to first clinical improvement as measured by improvement in World Health Organization/New York Heart Association functional class, increase from baseline in 6MWD by at least 10%, or decrease from baseline in creatine kinase (as a surrogate biomarker for muscle injury and inflammation) by at least 10%. The trial will enroll between 130 and 200 patients. Data from CATALYST are expected to be available during the first half of 2018.

Because bardoxolone methyl was active in patients with CTD-PAH, a fibrotic disease, in earlier LARIAT cohorts, we believe that bardoxolone methyl may be effective in PH-ILD patients. We are currently enrolling patients with PH-ILD caused by sarcoidosis, idiopathic pulmonary fibrosis, CTD, and idiopathic interstitial pneumonia in the LARIAT trial in four separate groups in cohort 4. Data have not been presented from cohort 4. We anticipate that data from PH-ILD patients in LARIAT will be available in the second half of 2017.

Bardoxolone Methyl in Chronic Kidney Disease Caused by Alport Syndrome

Bardoxolone methyl is also currently being studied in a single, pivotal Phase 2/3 trial, known as CARDINAL, for the treatment of chronic kidney disease (CKD) caused by Alport syndrome. Alport syndrome is a rare and serious hereditary disease with no currently approved therapies. Reata has initiated the Phase 2 portion of CARDINAL and enrolled the first patient in March 2017. We have designed the trial in collaboration with international key opinion leaders, the Alport Syndrome Foundation, and based on guidance from the FDA. The Phase 2 portion of the trial is open-label and will test bardoxolone methyl in approximately 30 patients with a primary endpoint of eGFR change at 12 weeks. These patients will be followed for two years with additional eGFR measurements including at weeks 48 and 100 on drug and 52 and 104 after withdrawal of drug for four weeks. Patients in the Phase 2 portion of the trial will not be included in the Phase 3 portion of the trial.

We have designed the Phase 3 portion of the trial to support registration and the primary endpoint will be eGFR change as compared to placebo at 48 weeks. The eGFR change at one year will be measured after 48 weeks while the patient

is on treatment and after withdrawal of drug for four weeks (retained eGFR). After withdrawal, patients will be restarted on study drug with their original treatment assignments and will continue on study drug for a second year. The eGFR change at two years will be measured also after 100 weeks while the patient is on treatment and after withdrawal of drug for four weeks (retained eGFR). If the trial is successful, the year one retained eGFR data could support accelerated approval under subpart H of the Federal Food, Drug, and Cosmetic Act (the FD&C Act), and the year two retained eGFR data could support full approval under the FD&C Act. Reata expects to have Phase 2 data in the second half of 2017 and to have the Phase 3 one year withdrawal data in the first half of 2019.

Omaveloxolone in Rare Neuromuscular Diseases and Immuno-Oncology

During the quarter, Reata advanced the clinical development of omaveloxolone, a close analog of bardoxolone methyl that has improved blood-brain barrier penetration. The Company believes that it may benefit patients with various types of neuromuscular diseases because impaired mitochondrial function and chronic inflammation have been shown to be key features of many of these diseases. The Company is initially targeting two rare and serious genetic diseases: Friedreich's ataxia (FA), and mitochondrial myopathies (MM). Both trials are designed in two parts with the first part being dose-ranging and the second part designed to provide additional efficacy and safety data with the potential to be used to support registration.

We are evaluating omaveloxolone in patients with FA in the MOXIe trial. MOXIe is being conducted at sites in the United States, Europe, and Australia, and we have recently finished enrollment in part one of the trial. Part one enrolled 69 patients and focuses on the evaluation of safety and efficacy of omaveloxolone doses ranging from 2.5 mg to 300 mg. Data for multiple endpoints are being collected, with the part one primary efficacy endpoint being the change in peak work, as measured by exercise testing on a recumbent bicycle. The key secondary endpoint in part one is a functional assessment based on the modified Friedreich's Ataxia Rating Scale. Data from MOXIe part one are expected in mid-year 2017.

We are evaluating omaveloxolone in patients with MM in the MOTOR trial. Part one of the trial focuses on the evaluation of safety and efficacy of omaveloxolone doses ranging from 2.5 mg to 160 mg. Data for multiple endpoints are being collected, with the primary efficacy endpoint being the change in peak work, as measured by exercise testing on a recumbent bicycle. The key secondary endpoint is the change from baseline in patients' 6MWD. Data from MOTOR part one are expected in the second half of 2017.

The Company is also conducting an open-label Phase 1b/2 trial, known as REVEAL, to evaluate the safety, pharmacodynamics, and efficacy of omaveloxolone in combination with existing immunotherapies for the treatment of

metastatic melanoma. The Company is using omaveloxolone in combination with checkpoint inhibitors to restore an immune response against the tumor in the presence of so called myeloid derived suppressor cells (MDSCs). MDSCs mask the tumor from the immune system by the production of mitochondrial ROS. Through this approach, Reata hopes to significantly increase the proportion of patients who respond to immunotherapy. Data from REVEAL are expected during the second half of 2017.

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 to restore mitochondrial function, reduce oxidative stress, and resolve inflammation.

Forward-Looking Statements

This press release includes certain disclosures which 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 are 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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