February 20, 2019

Moleculin Announces Outlicensing Deal To Accelerate Preclinical and Clinical Development

HOUSTON, Feb. 20, 2019 (GLOBE NEWSWIRE) -- Moleculin Biotech, Inc., (Nasdaq: MBRX) ("Moleculin" or the "Company"), a clinical stage pharmaceutical company focused on the development of oncology drug candidates, all of which are based on license agreements with The University of Texas System on behalf of the M.D. Anderson Cancer Center, today announced that it has entered into a sublicense agreement with WPD Pharmaceuticals (WPD), located in Poland.

The agreement provides WPD with exclusive rights, subject to current license agreements, to develop and market a range of Moleculin's technologies in certain European countries (which does not include the UK, France, Italy and Spain) in exchange for contributing a minimum of $4 million in development expenditures agreed upon by Moleculin during the term of the agreement plus an ongoing royalty on future revenues. The agreement is specifically geared to provide Moleculin with the benefit of European Union (EU) grant funding, which is available to companies like WPD that are formed and present in EU countries.

The Company has previously entered into similar agreements with Dermin s.p. z.o.o. with some of its technologies in similar territories and Dermin has succeeded in obtaining grant funding in Poland benefiting the Company's development objectives.

"Prior to being a public company, our portfolio benefited from funding obtained by Dermin in the past allowing us to accelerate our lead drug development in exchange for the rights to selected territories," commented Walter Klemp, Moleculin's Chairman and CEO, "so, we already have a strong track record of pursuing and utilizing EU funding sources. Since our Scientific Founder, Dr. Waldemar Priebe has a major interest in both Moleculin and WPD, we believe we have an even better alignment of priorities allowing both companies to work together for our mutual benefit with this new agreement going forward."

Mr. Klemp added: "We view this as a potential source of 'non-dilutive financing' that we believe greatly benefits Moleculin shareholders. We estimate that the territories we are outlicensing represent approximately 10% of the worldwide spending on healthcare (as reported by the World Health Organization), and exclude key markets considered important to potential future outlicensing opportunities with 'Big Pharma,' so, we believe the opportunity to access $4 million and potentially significantly more in spending toward our development objectives, without dilution to shareholders, is a good deal for Moleculin. We believe this deal may allow us to pursue new indications for our lead drugs that otherwise would remain unexplored, which may ultimately increase our market opportunities and our chances for earlier drug approval. An added and extremely important benefit of this

approach is that Moleculin doesn't have to invest its own resources in establishing an EU-based infrastructure that would be required to access such grant funding of our own. We believe this deal continues our low overhead, capital efficient approach."

Roth Capital Partners rendered a fairness opinion to the Company's board of directors in connection with the transaction with WPD.

About Moleculin Biotech, Inc.

Moleculin Biotech, Inc. is a clinical stage pharmaceutical company focused on the development of oncology drug candidates, all of which are based on discoveries made at M.D. Anderson Cancer Center. The Company's clinical stage drugs are Annamycin, an anthracycline designed to avoid multidrug resistance mechanisms with little to no cardiotoxicity being studied for the treatment of relapsed or refractory acute myeloid leukemia, more commonly referred to as AML, and WP1066, an immuno-stimulating STAT3 inhibitor targeting brain tumors, pancreatic cancer and AML. Moleculin Biotech is also engaged in preclinical development of additional drug candidates, including additional STAT3 inhibitors and compounds targeting the metabolism of tumors.

For more information about the Company, please visit http://www.moleculin.com.

Forward-Looking Statements

Some of the statements in this release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995, which involve risks and uncertainties. Forward-looking statements in this press release include, without limitation, the ability of WPD to obtain grant funding for the benefit of Moleculin's drug development. Although Moleculin Biotech believes that the expectations reflected in such forward-looking statements are reasonable as of the date made, expectations may prove to have been materially different from the results expressed or implied by such forward-looking statements. Moleculin Biotech has attempted to identify forward-looking statements by terminology including "believes," "estimates," "anticipates," "expects," "plans," "projects," "intends," "potential," "may," "could," "might," "will," "should," "approximately" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors, including those discussed under Item 1A. "Risk Factors" in our most recently filed Form 10-K filed with the Securities and Exchange Commission ("SEC") and updated from time to time in our Form 10-Q filings and in our other public filings with the SEC. Any forward-looking statements contained in this release speak only as of its date. We undertake no obligation to update any forward-looking statements contained in this release to reflect events or circumstances occurring after its date or to reflect the occurrence of unanticipated events.

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Source: Moleculin Biotech, Inc.