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Recro Pharma Acquires Novel Neuromuscular Blocking Agents

Transaction strengthens Recro's portfolio of acute care pain products.

MALVERN, PA, July [5] 2017 – Recro Pharma, Inc. (Nasdaq:REPH), a revenue generating specialty pharmaceutical company focused on therapeutics for hospital and other acute care settings, today announced the acquisition of exclusive global rights to two novel neuromuscular blocking agents (NMBs) and a proprietary chemical reversal agent from Cornell University. The assets include one novel intermediate-acting neuromuscular blocking agent that has completed Phase I trials, one short-acting neuromuscular blocking agent, as well as a rapid-acting reversal agent proprietary to these compounds. The novel neuromuscular blocking agents acquired through this agreement permit a very rapid induction of neuromuscular blockade at the onset of use and the novel reversal agent will provide for more rapid reversal of the neuromuscular blockade. These novel agents may meaningfully reduce the patient's post-procedure time in the operating room or post-acute care unit and could provide valuable cost savings to hospitals and ambulatory surgical centers.

"We look forward to working with Recro Pharma Inc. to commercialize a series of proprietary neuromuscular blocking agents that may benefit patients and the medical community," said Dr. Brian Kelly, the Director of Cornell's Center for Technology Licensing at Cornell University.

"This transaction strengthens our portfolio with the addition of several novel compounds, which have the potential to be significant contributors within the surgical anesthesia space and complement our existing pipeline of hospital/acute care pain products," said Gerri Henwood, President and Chief Executive Officer of Recro Pharma. "As we continue to advance our lead pipeline candidate, IV meloxicam, for the treatment of moderate to severe pain, toward an NDA filing in early third quarter of 2017, we see value in building our in-hospital product portfolio and believe that we can leverage our expertise in the field to efficiently develop these differentiated agents. The development effort for these agents was anticipated in our planned pipeline spend through 2018."

Under the terms of the agreement, Recro Pharma will pay Cornell a six figure initial up-front fee. Cornell is entitled to receive additional milestone payments in the millions per each acquired candidate upon the achievement of certain US and EU regulatory approval and commercial milestones, as well as additional net sales milestone payments and royalties, in each case, related to the acquired agents.

About Recro Pharma, Inc.

Recro is a specialty pharmaceutical company that operates through two business divisions, an Acute Care, hospital product division and a revenue-generating contract development and manufacturing, or CDMO division, located at the Company's Gainesville facility. The Acute Care division is primarily focused on developing innovative products for hospital and other acute care settings. The Company's lead product candidate is a proprietary injectable form of meloxicam, a long-acting preferential COX-2 inhibitor. IV meloxicam has successfully completed four Phase II clinical trials in the management of moderate to severe post-operative pain and two pivotal Phase III clinical efficacy trials in patients following bunionectomy and abdominoplasty surgeries, as well as a large double blind Phase III safety trial and other safety studies. As injectable meloxicam is in the non-opioid class of drugs, the Company believes it will overcome many of the issues associated with commonly prescribed opioid therapeutics, including respiratory depression, constipation, excessive nausea and vomiting, as well as having no addictive potential while maintaining meaningful analgesic effects for relief of pain. The Company's CDMO division leverages its formulation expertise to develop and manufacture pharmaceutical products using its proprietary delivery technologies and other manufacturing services for commercial partners who commercialize or plan to commercialize these products. These collaborations can result in revenue streams including royalties, profit sharing, research and development and manufacturing fees, which support continued operations for its CDMO division and it contributes non-dilutive funding for the development and pre-commercialization activities of its Acute Care division.

Cautionary Statement Regarding Forward Looking Statements

This press release contains forward-looking statements that involve risks and uncertainties. Such forward looking statements reflect Recro's expectations about its future performance and opportunities that involve substantial risks and uncertainties. When used herein, the words "anticipate," "believe," "estimate," "upcoming," "plan," "target", "intend" and "expect" and similar expressions, as they relate to Recro or its management, are intended to identify such forward-looking statements. These forward looking statements are based on information available to Recro as of the date of this press release and are subject to a number of risks, uncertainties, and other factors that could cause Recro's performance to differ materially from those expressed in, or implied by, these forward looking statements. Recro assumes no obligation to update any such forward-looking statements. Factors that could cause Recro's actual performance to materially differ from those expressed in the forward-looking statements set forth in this press release include, without limitation: results and timing of the clinical trials of injectable meloxicam, the preparation and filing of other portions of the drug application, including CMC, the ability to obtain and maintain regulatory approval of injectable meloxicam and, and the labeling under any such approval, regulatory developments in the United States and foreign countries; the Company's ability to achieve its financial goals, including financial guidance; the Company's ability to raise future financing for continued development and the payment of milestones; the Company's ability to pay its debt; customer product performance and ordering patterns, the performance of third-party suppliers and manufacturers; the Company's ability to obtain, maintain and successfully enforce adequate patent and other intellectual property protection; and the successful commercialization of injectable meloxicam. In addition, the forward looking statements in this press release should be considered together with the risks and uncertainties that may affect Recro's business and future results included in Recro's filings with the Securities and Exchange Commission at www.sec.gov. Recro assumes no obligation to update any such forward looking statements.

CONTACT:

Investor Relations Contact:

Argot Partners

Susan Kim/Natalie Wildenradt

(212) 600-1902

susan@argotpartners.com

natalie@argotpartners.com

Recro Pharma, Inc.

Michael Celano

(484) 395-2413

mcelano@recropharma.com

Media Contact:

Argot Partners

Eliza Schleifstein

(973) 361-1546

eliza@argotpartners.com