REATA ENROLLS FIRST PATIENT IN PHASE 3 CATALYST TRIAL OF BARDOXOLONE METHYL IN CTD-PAH PATIENTS AND REPORTS POSITIVE INTERIM DATA FROM CTD-PAH PATIENTS IN PHASE 2 LARIAT TRIAL

- **First Patient Has Been Enrolled In Phase 3 CATALYST Trial In CTD-PAH**
- **Updated Data from CTD-PAH Patients in Phase 2 LARIAT Trial Demonstrate Improvements Consistent with the Previously Reported Cohort 1 Data**
- **Design, Size, and Statistical Power of CATALYST are Adequate to Detect the Treatment Effect Observed in the Phase 2 LARIAT Trial**
- **Data from CATALYST are expected to be available in H1 2018**

IRVING, Texas—October 6, 2016—Reata Pharmaceuticals, Inc. (NASDAQ:RETA) ("Reata" or "the Company") today announced that it has enrolled the first patient into its Phase 3 trial (CATALYST) to evaluate the efficacy and safety of bardoxolone methyl in patients with connective tissue disease-associated pulmonary arterial hypertension (CTD-PAH).

"With the initiation of CATALYST, we have brought bardoxolone methyl one step closer to CTD-PAH patients who respond poorly to currently available therapies, have a high mortality rate, and are in need of new therapeutic options," said Warren Huff, Reata's Chief Executive Officer and President. "Bardoxolone methyl has a novel mechanism of action that has the potential to complement current vasodilator therapy by addressing the bioenergetic impairment and chronic inflammation that are key features of CTD-PAH. We are looking forward to working with the trial investigators and coordinators and the PAH clinical community as we conduct CATALYST."

Overview of CATALYST Design

CATALYST is an international, randomized, double-blind, placebo-controlled trial examining the safety, tolerability, and efficacy of bardoxolone methyl in patients with WHO Group I CTD-PAH when added to standard-of-care vasodilator therapy. Patients will be on up to two background therapies and will be randomized one-to-one to bardoxolone methyl or placebo. Patients will be enrolled at 100 sites in the US, Canada, Australia, Japan, Mexico, Europe, Israel, and South America. Study drug will be administered once daily for 24 weeks. Patients randomized to bardoxolone methyl will start at 5 mg and will dose-escalate to 10 mg at Week 4 unless contraindicated clinically. The primary endpoint is the change from baseline in six-minute-walk distance (6MWD) relative to placebo at Week 24. The secondary endpoint is time to first clinical improvement as measured by improvement in WHO 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. To determine the final sample size, a pre-specified, blinded sample size re-calculation based on 6MWD variability and baseline characteristics will be conducted after 100 patients have been enrolled in the trial. Data from CATALYST are expected to be available during the first half of 2018.

Initial Results of CTD-PAH Patients in Cohort 1 of LARIAT

Reata presented initial results from Cohort 1 of its Phase 2 PAH clinical trial, called LARIAT (A Dose-Ranging Study of the Efficacy and Safety of Bardoxolone Methyl in Patients with Pulmonary Hypertension), at the CHEST World Congress during October 2015. Cohort 1 of LARIAT included patients with both idiopathic PAH (I-PAH) and CTD-PAH. The study has enrolled only US patients on approved vasodilator therapy with most patients receiving two background therapies upon study entry. The data demonstrated that administration of bardoxolone methyl significantly improved the function of patients when compared to placebo as assessed by 6MWD. The primary efficacy analysis was the time-averaged change through 16 weeks of treatment using all available 6MWD values post-randomization. The placebo-corrected change in time averaged 6MWD was 21.4 meters (p=0.037). Additionally, no clinically meaningful differences were noted in safety variables including vital signs and laboratory data, and bardoxolone methyl was combined with approved vasodilator therapies without increasing the risk of hypotensive events or exacerbating their adverse event profile.

An important finding from Cohort 1 of LARIAT was that bardoxolone methyl provided the greatest improvement in 6MWD to CTD-PAH patients. A recently published meta-analysis of the response of CTD-PAH patients to vasodilator therapy in 11 registrational trials comprised of more than 2,700 PAH patients[1] demonstrated that CTD-PAH patients respond less well than I-PAH patients to approved vasodilator therapies in both 6MWD and clinical worsening. The meta-analysis also demonstrated that I-PAH patients were more hemodynamically impaired than CTD-PAH patients, which likely explains why vasodilator therapy is more effective in these patients. This difference also explains why CTD-PAH patients respond less well to vasodilator therapy, as their disease process is less hemodynamic and involves systemic fibrotic processes caused by the patients' underlying autoimmune diseases, such as scleroderma, lupus, or mixed connective tissue disease. The meta-analysis demonstrated that improvements in 6MWD from baseline in response to vasodilator therapy in CTD-PAH patients (9.6 meters) was approximately one-third of the response in I-PAH patients (30 meters). By contrast, in Cohort 1 of LARIAT, CTD-PAH patients treated with bardoxolone methyl (n=6) had time-averaged 6MWD improvements from baseline of 30.3 meters (p=0.05) and increases in 6MWD from baseline at Week 16 of 38.3 meters (p=0.01). In response to these initial data, Reata expanded LARIAT to include a cohort of additional CTD-PAH patients (Cohort 3A).

Updated Results of Additional CTD-PAH Patients in LARIAT

In preparation for the initiation of CATALYST, Reata has performed an interim analysis analyzing data for all CTD-PAH patients treated with doses of up to 10 mg who have completed the 16-week treatment period (or terminated early) in the ongoing LARIAT trial. A total of 22 CTD-PAH patients, including patients from Cohorts 1, 2, and 3A, meet these criteria, with 15 randomized to bardoxolone methyl and seven randomized to placebo. The LARIAT statistical analysis plan defined the treatment effect as the time-averaged change from baseline in 6MWD values using a longitudinal model to assess the average of all available 6MWD timepoints, improving the study's sensitivity to detect a significant difference between the active drug and placebo groups. Change from baseline in 6MWD at Weeks 4, 8, 12, and 16

were analyzed using a mixed-model repeated measures (MMRM) analysis to compare the difference between the active drug and placebo groups. The analysis showed that patients treated with bardoxolone methyl demonstrated a statistically significant mean time-averaged increase in 6MWD compared to baseline of 26.7 meters (p=0.001). Placebo-treated patients had a non-significant time-averaged mean change from baseline in 6MWD of 0.6 meters (p=0.96). The placebo-corrected time-averaged change in 6MWD was 26.1 meters (p=0.06).

Patients with moderate to severe anemia, which represents a small percentage of the patient population, will be excluded from CATALYST because treatment with iron supplementation or erythropoietin post-randomization can affect 6MWD values independent of study drug effect. Three CTD-PAH patients enrolled in LARIAT and included in the above analysis were anemic at screening (as defined by low hemoglobin values), and two of these patients, both randomized to placebo, received post-randomization anemia treatments. An analysis was conducted excluding patients with anemia at screening to estimate the treatment effect in patients who meet the final CATALYST eligibility criteria. MMRM analysis showed that CATALYST-eligible patients treated with bardoxolone methyl in LARIAT demonstrated a statistically significant mean time-averaged increase in 6MWD compared to baseline of 30.2 meters (p<0.001), and placebo-treated patients had a non-significant mean change from baseline in 6MWD of –10.1 meters (p=0.39) for a placebo-corrected change of 40.3 meters (p=0.009). The pooled standard deviation of change of 6MWD was 34.1 meters. The time-averaged change in 6MWD is shown below in Table 1.

Table 1: Summary of Time-Averaged 6MWD Changes for CTD-PAH Patients in LARIAT

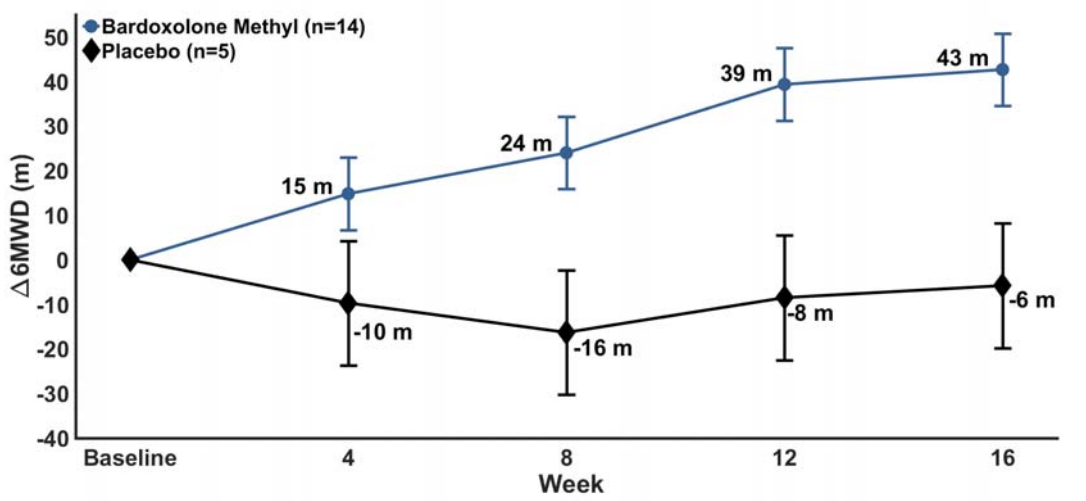
		All Patients			CATALYST-Eligible Patients	
Treatment	N	Change from Baseline (m)	Placebo-corrected (m)	N	Change from Baseline (m)	Placebo-corrected (m)
Placebo	7	0.6 p=0.96	-	5	–10.1 p=0.39	-
Bardoxolone Methyl	15	26.7 p=0.001	26.1 p=0.06	14	30.2 p < 0.001	40.3 p=0.009

With respect to safety, bardoxolone methyl continues to be well-tolerated. None of the 15 bardoxolone methyl treated patients discontinued early, whereas one of the seven placebo treated patients discontinued prematurely. The expanded data set shows no clinically meaningful differences in safety variables including vital signs and laboratory data. Bardoxolone methyl was combined with approved vasodilator therapies without increasing the risk of hypotensive events or exacerbating their adverse event profile.

Statistical Design of CATALYST

The method of statistical analysis for the CATALYST primary endpoint is the placebo-corrected change from baseline in 6MWD to the end-of-treatment at 24 weeks. This method allows for greater separation in 6MWD values between active and placebo groups assuming improved efficacy over time, which was observed in the CTD-PAH patients in LARIAT (Figure 1).

Figure 1: Mean Change in 6MWD (+/- SEM) Over Time in CATALYST-Eligible Patients from LARIAT



Reata performed an analysis applying the statistical methods for CATALYST to the available end-of-treatment (Week 16) change in 6MWD data from CTD-PAH patients in LARIAT. Using MMRM to estimate change from baseline in 6MWD at Week 16, patients treated with bardoxolone methyl demonstrated a statistically significant mean increase of 38.2 meters ($p<0.001$) (Table 2). Placebo-treated patients had a non-significant mean change from baseline in 6MWD of 9.8 meters ($p=0.44$). The placebo-corrected change in 6MWD at Week 16 was 28.4 meters ($p=0.07$). Excluding patients with moderate to severe anemia at screening, the patients treated with bardoxolone methyl demonstrated a statistically significant mean increase in 6MWD compared to baseline of 42.7 meters ($p<0.001$) (Table 2). Placebo-treated patients had a non-significant mean change from baseline in 6MWD of –5.8 meters ($p=0.68$). The placebo-corrected change in 6MWD at Week 16 was 48.5 meters ($p=0.005$).

Table 2: Summary of End-of-Treatment 6MWD Changes for CTD-PAH Patients in LARIAT

		All Patients			CATALYST Eligible Patients	
Treatment	N	Change from Baseline	Placebo-corrected	N	Change from Baseline	Placebo-corrected
Placebo	7	9.8 p=0.44	-	5	–5.8 p=0.68	-
Bardoxolone Methyl	15	38.2 p < 0.001	28.4 p=0.07	14	42.7 p < 0.001	48.5 p=0.005

CATALYST is designed to detect a minimum treatment effect of 12.5 meters assuming a standard deviation of 50 meters. The observed treatment effect in the LARIAT CTD-PAH subgroup analyses, both with and without the anemic patients included, is larger than the minimally detectable treatment effect in CATALYST. Further, the pooled standard deviation observed in LARIAT of 37 meters is lower than the estimated standard deviation of 50 meters in CATALYST.

"The additional LARIAT data have given us increased resolution on the treatment effect and safety profile of bardoxolone methyl in CTD-PAH patients. The initial LARIAT results in CTD-PAH patients have been replicated over

a larger number of patients, and the drug has continued to be well-tolerated," said Colin Meyer, M.D., Reata's Chief Medical Officer. "The additional Phase 2 experience allowed us to identify baseline anemia as a key factor that can influence placebo variability, and we have amended the CATALYST protocol to exclude patients with moderate to severe anemia. With this change and the available efficacy data, we believe that the design, size, and statistical power of CATALYST are adequate to detect the treatment effect observed in our Phase 2 LARIAT trial."

About CTD-PAH

CTD-PAH is a late and often fatal manifestation of many types of autoimmune disease, including systemic sclerosis (scleroderma), systemic lupus erythematosus, mixed connective tissue disease, and others. PAH results in a progressive remodeling and fibrosis of the pulmonary vasculature, which increases pulmonary vascular resistance and ultimately leads to right ventricular heart failure and death. PAH prevalence in the US was estimated at 20,000 patients by the American Thoracic Society (ATS) in 2010[2], and CTD-PAH is the second most common etiology and accounts for approximately 30% of patients with PAH[3]. Patients with CTD-PAH are generally less responsive to existing therapies and have shorter survival than patients with other forms of PAH. In the United States, the five-year survival rate for CTD-PAH patients is approximately 44% compared to idiopathic PAH patients, which have a 68% five-year survival rate[4]. Recent research has indicated that PAH patients, and particularly CTD-PAH patients, experience mitochondrial dysfunction, which occurs in the pulmonary vasculature, heart, and other organ systems. Mitochondrial dysfunction promotes reduced energy production, inflammation, and tissue remodeling, which causes impaired cardiac and skeletal muscle function, fibrosis, and eventual death[5].

About Bardoxolone Methyl

Bardoxolone methyl is an experimental, oral, once-daily antioxidant inflammation modulator (AIM) that has received orphan drug designation for the treatment of PAH by the U.S. Food and Drug Administration. Bardoxolone methyl binds to Keap1, a protein that is activated during the resolution of a healthy inflammatory response once the pathogenic threat or tissue damage is resolved. Through Keap1 binding, bardoxolone methyl activates Nrf2, a transcription factor that promotes normal mitochondrial function, increases production of antioxidant and detoxification enzymes, reduces oxidative stress, and reduces pro-inflammatory signaling. This activity inhibits NF-κB and proinflammatory cytokines including TNFα, IL-6, IL-1, and IFNγ. Since mitochondrial dysfunction, oxidative stress, and inflammation are features of many diseases, AIMs have many potential clinical applications and have been the subject of more than 200 peer-reviewed scientific papers.

The available preclinical data suggest that bardoxolone methyl has the potential to impact multiple aspects of PAH pathology not addressed by current therapies. Data from animal models of PAH suggest that bardoxolone methyl may directly target mitochondrial dysfunction and chronic inflammation in PAH not addressed by vasodilator therapy. In addition, data from animal models of scleroderma and lupus suggest that bardoxolone methyl and analogs may address the chronic inflammation and fibrotic remodeling present in patients with CTD-PAH.

About the LARIAT Trial

LARIAT (A Dose-Ranging Study of the Efficacy and Safety of Bardoxolone Methyl in Patients with Pulmonary Hypertension) is a Phase 2 dose-ranging trial examining the safety, tolerability, and efficacy of bardoxolone methyl in patients with PAH on stable background therapy. To determine if bardoxolone methyl could complement approved PAH therapies, the Phase 2 trial was designed to assess efficacy through exercise capacity.

Patients were randomized 1:3 to receive once-daily placebo or bardoxolone methyl for 16 weeks. Patients were required to be stable on at least one approved PAH therapy. The primary efficacy variable, 6MWD, was collected at baseline and at every four weeks. Patients who completed the 16-week treatment period were allowed to enter an open-label, long-term extension phase of the study.

About Reata Pharmaceuticals, Inc.

Reata Pharmaceuticals, Inc., 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 energy production and inflammation. Our two most advanced clinical candidates (bardoxolone methyl and omaveloxolone) target important transcription factors, called Nrf2 and NF-κB, 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 Registration Statement on Form S-1, as amended from time to time, 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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