



Phio Pharmaceuticals Announces \$4.0 Million Registered Direct Offering Priced At-the-Market

March 31, 2020

MARLBOROUGH, Mass., March 31, 2020 /PRNewswire/ -- Phio Pharmaceuticals Corp. (Nasdaq: PHIO), a biotechnology company developing the next generation of immuno-oncology therapeutics based on its proprietary self-delivering RNAi (INTASYL™) therapeutic platform, today announced that it has entered into definitive agreements with several institutional investors for the purchase and sale of 1,713,064 shares of Phio's common stock, at a purchase price of \$2.335 per share, for gross proceeds of approximately \$4.0 million in a registered direct offering priced at-the-market under Nasdaq rules. Phio has also agreed to issue to the investors unregistered warrants to purchase up to an aggregate of 1,713,064 shares of common stock. The closing of the offering is expected to occur on or about April 2, 2020, subject to the satisfaction of customary closing conditions.

Logo - https://mma.prnewswire.com/media/786567/Phio_Pharmaceuticals_Logo.jpg

H.C. Wainwright & Co. is acting as the exclusive placement agent for the offering.

The warrants have an exercise price of \$2.21 per share of common stock, will be exercisable immediately following the date of issuance and will expire 5.5 years following the date of issuance.

Phio currently intends to use the net proceeds from the offering for the development of its immuno-oncology programs, other research and development activities and for general working capital needs.

The shares of common stock (but not the warrants or the shares of common stock underlying the warrants) are being offered by Phio pursuant to a "shelf" registration statement on Form S-3 (File No. 333-224031) previously filed with the Securities and Exchange Commission (the "SEC") on March 29, 2018 and declared effective by the SEC on April 6, 2018. The offering of the shares of common stock will be made only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement. A final prospectus supplement and accompanying prospectus relating to the shares of common stock being offered will be filed with the SEC. Electronic copies of the prospectus supplement and accompanying prospectus may be obtained, when available, on the SEC's website at <http://www.sec.gov> or by contacting H.C. Wainwright & Co., LLC at 430 Park Avenue, 3rd Floor, New York, NY 10022, by phone at (646) 975-6996 or e-mail at placements@hcwco.com.

The warrants described above were offered in a private placement under Section 4(a)(2) of the Securities Act of 1933, as amended (the "Act"), and Regulation D promulgated thereunder and, along with the shares of common stock underlying the warrants, have not been registered under the Act, or applicable state securities laws. Accordingly, the warrants and underlying shares of common stock may not be offered or sold in the United States except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Act and such applicable state securities laws.

This press release shall not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Phio Pharmaceuticals Corp.

Phio Pharmaceuticals Corp. (Nasdaq: PHIO) is a biotechnology company developing the next generation of immuno-oncology therapeutics based on its self-delivering RNAi (INTASYL™) therapeutic platform. The Company's efforts are focused on silencing tumor-induced suppression of the immune system through its proprietary INTASYL platform with utility in immune cells and/or the tumor micro-environment. Our goal is to develop powerful INTASYL therapeutic compounds that can weaponize immune effector cells to overcome tumor immune escape, thereby providing patients a powerful new treatment option that goes beyond current treatment modalities. For additional information, visit the Company's website, www.phiopharma.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are neither historical facts nor assurances of future performance. These statements are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Forward-looking statements include statements concerning the timing and certainty of the registered direct offering closing and the anticipated use of the proceeds of the registered direct offering. Investors should not unduly rely on forward-looking statements. Our actual results may differ materially from those indicated in the forward-looking statements as a result of a number of important factors, including, but not limited to, market and other conditions and those identified in our Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q under the caption "Risk Factors" and in other filings the Company periodically makes with the SEC. Readers are urged to review these risk factors and to not act in reliance on any forward-looking statements, as actual results may differ from those contemplated by our forward-looking statements. Phio does not undertake to update forward-looking statements to reflect a change in its views, events or circumstances that occur after the date of this release, except as required by law.

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