NERVGEN PHARMA PROVIDES AN OPERATIONAL UPDATE ON ITS ONGOING PHASE 1 CLINICAL TRIAL AND REPORTS SECOND QUARTER 2021 RESULTS

Vancouver, Canada. August 19, 2021 – **NervGen Pharma Corp. (TSX-V: NGEN; OTCQX: NGENF)** ("NervGen" or the "Company"), a clinical stage biotech company dedicated to developing innovative solutions for the treatment of nervous system damage, today is providing an update on its Phase I clinical trial and is reporting its financial results for the second quarter ended June 30, 2021.

"The second quarter of 2021 was pivotal for NervGen as we started our Phase 1 clinical trial with NVG-291," stated Paul Brennan, NervGen's President & CEO. "We have now completed the fourth of six planned dose cohorts in the single ascending dose portion of the study and, having received approval from the safety review committee to proceed, we intend to initiate dosing in the fifth cohort next week. It is of note that, using the appropriate dose conversion models, the dose levels in cohorts 4 through 6 correspond to doses greater than the highest doses tested and found to be efficacious in different animal models of nervous system injury, increasing our confidence that we will be in the therapeutic range for the cohorts in the multiple ascending dose portion of the trial. We expect to have topline data to report from the single ascending dose portion of the trial in the fourth quarter of this year while at the same time advancing the trial to test multiple ascending doses."

"Our shareholders should also take great comfort in knowing that we continue to attract world-class talent to our team," continued Mr. Brennan. "This has been illustrated most recently with the addition of Dr. Daniel Mikol as our Chief Medical Officer, the addition of three more world-class members to our Alzheimer's Disease Clinical Advisory Board, and the creation of our Multiple Sclerosis Clinical Advisory Board, also composed of leading global experts in their respective fields. It is of particular importance to highlight that Dr. Mikol, who was most recently Executive Medical Director of Global Clinical Development at Amgen, left his senior position at arguably one of the most successful companies in biotech history as a result of his attraction to NervGen's technology and its potential revolutionary impact on patients with serious neurological conditions. His decision speaks to both the power and potential of our core technology, its supporting science and data, as well as the exciting opportunity to take this new class of therapeutics into the clinic next year against such challenging and traumatic conditions as spinal cord injury and devastating degenerative diseases such as Alzheimer's disease and multiple sclerosis."

Operational Highlights for Q2 2021 and Subsequent

- In April, we announced that the Bellberry Human Research Ethics Committee in Australia has approved the design of our Phase 1 clinical trial for NVG-291 in healthy volunteers and shortly thereafter, in early May, we dosed the first subject in this clinical trial.

- In May, Daniel Mikol, MD, PhD, joined us as our Chief Medical Officer. Dr. Mikol is a Board-Certified Neurologist with significant big-biotech and pharma experience which includes Amgen, Biogen and Novartis, who will oversee our medical and clinical activities, with a primary focus on NVG-291.

- On May 12, 2021, we completed an Overnight Marketed Equity offering in which we issued 3,250,000 units of the Company at a price of $1.55 per unit for aggregate gross proceeds of $5.04

million. Each unit is comprised of one common share and one-half common share purchase warrant of the Company. Each full warrant is exercisable to acquire one common share at an exercise price of $2.10 per warrant share until May 12, 2023.

- In June, we expanded our research activities in Alzheimer's disease by entering into a research agreement with Sylics Contract Research, a contract research organization specializing in testing novel therapies in the field of neurosciences, to study the effects of NVG-291 in mouse models of Alzheimer's disease.

- Subsequent to the quarter end, we announced that three additional world-class scientists and clinical researchers joined our Alzheimer's Disease Clinical Advisory Board. In addition, we announced the formation of a Multiple Sclerosis Clinical Advisory Board comprised of six world-class scientific and clinical researchers in the field of multiple sclerosis. These Advisory Boards will work closely with us as we prepare for our upcoming Phase 1b and Phase 2 clinical trials with NVG-291 in 2022.

- Subsequent to the quarter end, on August 4, 2021, we completed a Non-Brokered Private Placement comprised of the sale of 1,511,636 units of the Company at a price of $1.55 per unit for aggregate gross proceeds of $2.34 million. Each unit is comprised of one common share and one-half common share purchase warrant. Each full warrant is exercisable to acquire one common share at an exercise price of $2.10 per warrant share until August 4, 2023.

Financial Highlights

- **Cash and Investments**: NervGen had cash and investments of $7.4 million as of June 30, 2021, compared to $5.0 million as of March 31, 2021. The net cash burn for Q2 2021 from operating activities was approximately $2.1 million. This was offset by approximately $4.4 million in net proceeds from an equity financing during the quarter.

- **R&D Expenses:** Research and development expenses were $1.6 million for the three months ended June 30, 2021, compared to $1.1 million in the same period in 2020. The increase was primarily due to the initiation of additional preclinical studies required to support our clinical studies, clinical costs associated with the initiation of our Phase 1 clinical trial and recruitment fees related to the hiring of our new Chief Medical Officer.

- **G&A Expenses:** General and administrative expenses were $1.2 million for the three months ended June 30, 2021, compared to $1.4 million in the same period in 2020. The decrease was primarily due to non-cash stock-based compensation expense related to option grants to employees and consultants, and the timing of the related vesting.

- **Net Loss:** For the three months ended June 30, 2021, net loss, which included $0.9 million of non-cash expenses, was $2.7 million, or $0.07 per basic and diluted Common Share. For the three months ended June 30, 2020, net loss, which included $1.2 million of non-cash expenses, was $2.6 million, or $0.09 per basic and diluted Common Share.

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About NVG-291

NVG-291 modulates protein tyrosine phosphatase ("PTPσ"), the key receptor for chondroitin sulfate proteoglycans ("CSPGs"). PTPσ and CSPGs have been shown to impede repair following injury to the nervous system, whether a result of trauma, such as in the case of spinal cord injury or traumatic brain injury, or disease-specific mechanisms, such as Alzheimer's disease or multiple sclerosis. NVG-291 promotes neural repair mechanisms such as axonal regeneration; remyelination; plasticity; autophagy (a cellular self-cleaning mechanism that removes unnecessary or dysfunctional components); and a non-inflammatory phenotype in microglia cells, the innate immune cells of the central nervous system.

A Phase 1 trial of NVG-291 in heathy subjects is ongoing and, upon completion of the multiple ascending dose portion of the trial, NervGen intends to initiate a Phase 1b trial in Alzheimer's disease patients. Concurrently, the Company also plans to initiate Phase 2 trials in spinal cord injury and multiple sclerosis with each of these trials planned to start in 2022.

About NervGen

NervGen is restoring life's potential by creating innovative solutions for the treatment of nervous system injury due to trauma or disease as a result of underlying inflammation and/or neurodegeneration. The Company is initially developing drugs for the treatment of multiple sclerosis, spinal cord injury and Alzheimer's disease.

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Follow NervGen on Twitter (@NervgenP), LinkedIn (NervGen Pharma Corp.), and Facebook (www.facebook.com/nervgen/) for the latest news on the Company.

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Cautionary Note Regarding Forward-Looking Statements

This news release may contain "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation. Such forward-looking statements and information herein include, but are not limited to, the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements, or any other future events or developments constitute forward-looking statements, and the words "may", "will", "would", "should", "could", "expect", "plan", "intend", "trend", "indication", "anticipate", "believe", "estimate", "predict", "likely" or "potential", or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. Forward-looking

statements include, without limitation, statements relating to: the timing of the clinical development of NVG-291; the objectives, timing and study design of the Phase 1 study in healthy volunteers; our confidence that we will be in the therapeutic range for the cohorts in the multiple ascending dose portion of our clinical trial; our plans to evaluate the therapeutic potential of NVG-291 in patients in Phase 1b and Phase 2 clinical trials upon successful completion of the Phase 1 trial; our belief that inhibiting the activity of PTPσ is a promising target for reducing the clinical effects of nervous system injuries through multiple mechanisms; our belief that NVG-291 has the potential to redefine how nervous system injuries are treated across multiple indications; our belief in the potential revolutionary impact that NVG-291 may have on patients with serious neurological conditions; and the creation of innovative treatments for nervous system injuries and neurodegenerative diseases.

Forward-looking statements are based on estimates and assumptions made by the Company in light of management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances. In making forward-looking statements, the Company has relied on various assumptions, including, but not limited to: the Company's ability to manage the effects of the COVID-19 pandemic; the accuracy of the Company's financial projections; the Company obtaining positive results in its clinical and other trials; the Company obtaining necessary regulatory approvals; and general business, market and economic conditions.

Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation, a lack of revenue, insufficient funding, the impact of the COVID-19 pandemic, reliance upon key personnel, the uncertainty of the clinical development process, competition, and other factors set forth in the "Risk Factors" section of the Company's Annual Information Form, Prospectus Supplement, financial statements and Management Discussion and Analysis which can be found on SEDAR.com. All clinical development plans are subject to additional funding.

Readers should not place undue reliance on forward-looking statements made in this news release. Furthermore, unless otherwise stated, the forward-looking statements contained in this news release are made as of the date of this news release, and we have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. The forward-looking statements contained in this news release are expressly qualified by this cautionary statement.

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