NERVGEN PHARMA REPORTS FIRST QUARTER 2021 RESULTS

Vancouver, Canada. May 20, 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 injuries, today reported its financial results for the first quarter ended March 31, 2021.

"We achieved several key milestones in the first quarter of 2021 including receiving clearance from the FDA to proceed with our Phase 1 clinical trial for our lead compound, NVG-291, which has now commenced in Australia," stated Paul Brennan, NervGen's President & CEO. "In addition, we established an Alzheimer's Disease Scientific Advisory Board comprised of world-class scientists and clinical researchers in Alzheimer's disease and have decided to initiate a multi-dose Alzheimer's disease patient cohort as a Phase 1b addition to our clinical program. We also received Orphan Designation for NVG-291 from the European Medicines Agency which provides multiple incentives that will assist us in our development program. We look forward to starting the multiple ascending dose portion of our Phase 1 trial in post-menopausal females later this year and then initiating Phase 2 trials in spinal cord injury and multiple sclerosis which are planned to start in 2022. We continue to generate encouraging preclinical data to support our programs to bring life-changing hope to many people suffering from nerve damage as a result of injury or neurodegenerative diseases."

Operational Highlights for Q1 2021 and Subsequent

- In January, we announced the establishment of an Alzheimer's Disease Scientific Advisory Board comprised of four world-class scientists and clinical researchers who will work closely with us as we plan our upcoming preclinical studies and clinical trials and analyze the results from these studies. We also announced that we plan to add an Alzheimer's disease patient cohort to our Phase 1 clinical trial program for NVG-291 starting in 2022 and that we engaged Encode Ideas, L.P. to provide capital markets consulting.

- In March, we provided an update regarding our NVG-291 IND submission, announcing that we have been cleared by the U.S. FDA to proceed with the single ascending dose portion of our Phase 1 clinical trial in females, and the multiple ascending dose portion of the trial in post-menopausal females.

- Also in March, we announced that the European Medicines Agency granted Orphan Designation for the treatment of spinal cord injury to NVG-291, which provides NervGen with multiple incentives, including improved access to scientific advice, fee reductions, and 10 years of protection from market competition in Europe from similar medicines with similar indications following the date that the drug candidate receives marketing authorization.

- Subsequent to the quarter end, in April, we announced that the Bellberry Human Research Ethics Committee in Australia had approved the design of our Phase 1 clinical trial for NVG-291 and on May 6, 2021, we announced that we dosed the first subject in our Phase 1 clinical trial for NVG-291 in healthy volunteers. Also in April, we announced that we hired Daniel Mikol, MD, PhD as

our Chief Medical Officer, effective May 5, 2021. Dr. Mikol is a Board Certified Neurologist and will oversee our medical and clinical activities, with a primary focus on NVG-291.

- Subsequent to the quarter end, on May 12, 2021, we completed an Overnight Marketed Equity offering in which we issued 3,250,000 units of the Company ("Units") 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 (a "Warrant"). Each Warrant is exercisable to acquire one common share in the capital of the Company (a "Warrant Share") at an exercise price of $2.10 per Warrant Share until May 12, 2023.

Financial Highlights

- **Cash and Investments**: NervGen had cash and investments of $5.0 million as of March 31, 2021, compared to $5.6 million as of December 31, 2020. The net cash burn for Q1 2021 from operating activities was approximately $1.3 million. This was partially offset by approximately $0.7 million in net proceeds from the exercise of options and warrants during the quarter.

- **R&D Expenses:** Research and development expenses were $0.7 million for the three months ended March 31, 2021, compared to $1.1 million in the same period in 2020. The decrease was primarily due to lower employee compensation costs, due to the departure of our VP, Clinical Operations during the quarter and our Chief Operating Officer in Q4 2020 and the related non-cash stock-based compensation pertaining to the forfeiture of employee stock options on departure. These costs were partially offset by higher chemistry, manufacturing and control costs relating to placebo formulation development required for the Phase 1 clinical trial and clinical costs related to retaining a clinical research organization to conduct and manage our Phase 1 clinical trial.

- **G&A Expenses:** General and administrative expenses were $1.5 million for the three months ended March 31, 2021, compared to $1.2 million in the same period in 2020. The increase 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 March 31, 2021, net loss, which included $0.8 million of non-cash expenses, was $2.2 million, or $0.06 per basic and diluted Common Share. For the three months ended March 31, 2020, net loss, which included $0.6 million of non-cash expenses, was $1.9 million, or $0.06 per basic and diluted Common Share.

About NVG-291

NVG-291 is an inhibitor of PTPσ, a promising target for reducing the clinical effects of nerve damage, either as a result of trauma, such as in the case of spinal cord injury, traumatic brain injury or stroke, or neurodegenerative diseases, such as multiple sclerosis or Alzheimer's disease. NervGen believes that inhibiting the activity of PTPσ has the potential to promote nerve repair mechanisms such as nerve regeneration, remyelination and plasticity; promote autophagy, a cellular self-cleaning mechanism; and to promote a non-inflammatory phenotype in microglia cells, the innate immune cells of the brain.

About NervGen

NervGen is restoring life's potential by developing innovative solutions for the treatment of nervous system injuries. The Company is developing drugs for the treatment of multiple sclerosis, spinal cord injury and Alzheimer's disease. NervGen's platform technology targets protein tyrosine phosphatase sigma ("PTPσ"), a neural receptor that impedes nerve repair. Inhibition of the PTPσ receptor has been shown to promote regeneration and remyelination of damaged nerves, as well as improvement of nerve function in animal models for various medical conditions.

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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 and study design of the Phase 1 study in healthy volunteers; our belief that we will evaluate the therapeutic potential of NVG-291 in Alzheimer's disease, multiple sclerosis and spinal cord injury patients upon successful completion of the Phase 1 trial in healthy volunteers; that receiving Orphan Designation from the European Medicines Agency will provide multiple incentives that will assist in the development program for NVG-291; 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; steps taken to minimize the impact of the COVID-19 pandemic on our operations; 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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