NERVGEN PHARMA REPORTS SECOND QUARTER 2020 RESULTS

PHASE 1 CLINICAL STUDY REMAINS ON TRACK FOR Q4 2020

Vancouver, Canada. August 21, 2020 – **NervGen Pharma Corp. (TSX-V: NGEN) (OTCQX: NGENF)** ("NervGen" or the "Company"), a biotech company dedicated to creating innovative solutions for the treatment of nerve damage and neurodegenerative diseases, today reported its financial results for the second quarter ended June 30, 2020.

Paul Brennan, NervGen's President & CEO, stated, "We remain very excited about the potential of our technology to treat nerve damage, whether as a result of an acute injury, such as in the case of spinal cord injury, or the result of neurodegenerative diseases, such as in multiple sclerosis or Alzheimer's disease. This past quarter we have been actively working to generate the data that is necessary for us to initiate Phase 1 clinical trials in healthy volunteers. Subject to the results of our ongoing nonclinical studies, and any unanticipated effect of the COVID-19 pandemic, our objective still remains to initiate our Phase 1 trial by the end of 2020, and to initiate Phase 2 trials in spinal cord injury and multiple sclerosis in the second half of 2021. We also intend to present preclinical data in Alzheimer's disease in 2021. The financings we completed in May and August of this year should provide the necessary funding to advance our lead product, NVG-291, through to the topline readout of the single ascending dose portion of our planned Phase 1 clinical trial as well as supporting preclinical development in other indications."

Mr. Brennan continued, "NervGen's core technology, NVG-291, targets a novel receptor called protein tyrosine phosphatase sigma ("PTPσ"). PTPσ is present in the central nervous system and the peripheral nervous system and the receptor plays a key role when there is nerve damage. Preclinical testing has shown that inhibition of the PTPσ receptor promotes the regeneration of damaged nerves, increases plasticity and stimulates remyelination in animal models. Numerous peer-reviewed studies based on preclinical animal models have also shown functional benefits of PTPσ inhibition in models of spinal cord injury, multiple sclerosis, peripheral nerve injury and cardiac ischemia. Based on these exciting observations, we are focusing our development efforts towards the clinical development of NVG-291 for multiple sclerosis and spinal cord injuries, both sub-acute and chronic. At the same time, we are advancing our research for a solution for Alzheimer's disease and exploring other neurodegenerative applications."

Operational Highlights for Q2 2020 and Subsequent

- On April 6, 2020, we provided an update on our business in response to the COVID-19 global pandemic which included the following measures: (i) the reduction or suspension of the majority of external consulting contracts unless directly related to development programs or financing; (ii) the immediate departure of Denis Bosc, as the Company's Vice President, Chemistry, Manufacturing and Controls, such departure not affecting the Company's ability to meet its timelines; (iii) a temporary reduction in compensation for our executive officers and non-executive staff in exchange for a one time grant of additional stock options; and (iv) the receipt of working notice terminations for certain non-executive staff.

- On May 20, 2020, we completed a non-brokered private placement of 1,806,827 units of the Company (the "Private Placement Units") at a price of $1.25 per Private Placement Unit, with each Private Placement Unit comprised of one common share in the capital of the Company (a

"Common Share") and one Common Share purchase warrant of the Company (a "Private Placement Warrant") for gross proceeds of $2,258,534. Each Private Placement Warrant is exercisable to acquire one Common Share at an exercise price of $1.60 until May 20, 2022.

- On June 22, 2020, we announced that Dr. Jerry Silver of Case Western Reserve University, was awarded a research grant by the State of Ohio to conduct preclinical studies in collaboration with NervGen on spinal cord injury, including the effect of NVG-291 in a chronic setting. The $250,000 grant will support the study entitled "Overcoming Inhibitory Proteoglycans to Promote Recovery after Chronic Spinal Cord Injury".

- Subsequent to the quarter end, on August 10, 2020, we issued 3,685,714 units of the Company (the "Public Offering Units") at a price of $1.75 per Public Offering Unit for aggregate gross proceeds of $6.45 million, pursuant to an amended and restated prospectus supplement dated July 31, 2020 (the "A&R Prospectus"), to the Company's base shelf prospectus dated January 2, 2020. Each Public Offering Unit was comprised of one Common Share and one Common Share purchase warrant of the Company (a "Public Offering Warrant"). Each Public Offering Warrant is exercisable to acquire one Common Share at an exercise price of $2.40 until August 10, 2022.

Financial Highlights

- **Cash and Investments**: NervGen had a cash balance of $3.5 million as of June 30, 2020, compared to $2.5 million as of March 31, 2020. The net cash burn for Q2 2020 from operating activities was approximately $1.4 million. This was offset by approximately $140,000 in net proceeds from the exercise of options during the quarter and a private placement for gross proceeds of $2.3 million.

- **R&D Expenses:** Research and development expenses were $1.1 million for the three months ended June 30, 2020, compared to $0.9 million in the same period in 2019. The increase was primarily due to the manufacture of drug substance for non-clinical toxicology studies and related stability studies, patent related costs to continue to expand, extend and maintain our patent portfolio and non-cash stock-based compensation pertaining to option grants to employees and consultants, and the timing of the related vesting. These costs were partially offset by lower salaries due to COVID-19 related cost reductions and lower preclinical development related to IND enabling pharmacology, toxicology studies and analytical development, as well as associated consulting fees required to facilitate FDA IND submission and approval for clinical trials in the prior period.

- **G&A Expenses:** General and administrative expenses were $1.5 million for the three months ended June 30, 2020, compared to $0.7 million in the same period in 2019. The increase was primarily due to non-cash stock-based compensation pertaining to option grants to employees and consultants, and the timing of the related vesting, foreign exchange gain on our U.S. denominated assets as well as increased salaries. These costs were partially offset by lower corporate communications, legal fees and investor relations activities, facilities and general office expenses as well as travel. These decreases were a result of cost conservation efforts and travel restrictions imposed due to the COVID-19 pandemic.

- **Net Loss:** 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. For the three months ended June 30, 2019, net loss, which included $0.2 million of non-cash expenses, was $1.5 million, or $0.06 per basic and diluted Common Share.

About NervGen

NervGen is restoring life's potential by creating innovative solutions for the treatment of nerve damage and neurodegenerative diseases. The Company is developing drugs for the treatment of spinal cord injury, multiple sclerosis 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 (@NervgenC) and LinkedIn (NervGen Pharma Corp.) for the latest news on the Company.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 clinical development of NVG-291 for multiple sclerosis and spinal cord injuries, both sub-acute and chronic; steps taken to minimize the impact of the COVID-19 pandemic on our operations; our Phase 1 study; our Phase 2 trials in spinal cord injuries and multiple sclerosis, including our intention to conduct the trials in parallel to our spinal cord injuries trials; our intention to publish preclinical data in Alzheimer's disease; review of our Investigational New Drug Application by the FDA; future financings and our expectation that the financings we completed in May and August of this year should provide the necessary funding to advance our lead product, NVG-291, through to the topline readout of the single ascending dose portion of our planned Phase 1 clinical trial

as well as supporting preclinical development in other indications; PTPσ and its benefits in treating spinal cord injuries, multiple sclerosis, peripheral nerve injury and cardiac ischemia; and our research for a solution for Alzheimer's disease and other neurodegenerative applications.

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, A&R Prospectus, 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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