NERVGEN PHARMA REPORTS SECOND QUARTER 2022 RESULTS
AND PROVIDES CORPORATE UPDATE

- Cash position enhanced by over $22 million due to private placement and exercise of warrants and options
- Dosing in third dose cohort of multiple ascending dose (MAD) portion of Phase 1 clinical trial ongoing
- Discussions ongoing with FDA regarding partial clinical hold
- Update provided on developments with US Government related to non-dilutive funding in spinal cord injury and traumatic brain injury

Vancouver, Canada. August 10, 2022 – **NervGen Pharma Corp. (TSX-V: NGEN; OTCQX: NGENF)** ("NervGen" or the "Company"), a clinical stage biotech company dedicated to developing a first-in-class *neuroreparative* drug to treat nervous system damage, today reported its financial results for the second quarter ended June 30, 2022 and provided an operational update.

"We are also extremely pleased to have recently raised more than $22 million in equity funding to prepare for our planned efficacy studies in Alzheimer's disease, spinal cord injury and multiple sclerosis patients," stated Paul Brennan, NervGen's President & CEO. "Importantly, with the US$15 million investment by PFP Biosciences completed in July, we added an experienced new board member in Dr. Adam Rogers. We are very appreciative of the support by this institutional investor and also by our existing shareholders through the exercising of their warrants."

"We continue to make progress in the Phase 1 clinical trial of NVG-291," added Mr. Brennan. "We have treated two of the six subjects planned for the third and final cohort of the MAD portion of the study. Currently, most clinical trials being conducted in Australia are proceeding slower than scheduled due to logistical challenges related to recruiting subjects. NervGen is undertaking several mitigation strategies to address these challenges to complete the cohort as quickly as possible," Mr. Brennan continued. "We are very happy with the Phase 1 results to date. All single dose cohorts and the first two MAD cohorts have been well tolerated, even when NVG-291 was administered once a day for 14 days, at doses 80% higher than the highest corresponding dose found to be efficacious in animal models."

Mr. Brennan continued, "Also, in the second quarter NervGen submitted a comprehensive package of nonclinical studies to the United States Food and Drug Administration (FDA) to address the partial clinical hold in males and premenopausal females. The FDA has asked for clarification of certain issues, which we are now actively addressing. Upon removal of the partial clinical hold, we will initiate our 14 day bridging studies in males and premenopausal females, and now plan to initiate our clinical trials in patients with Alzheimer's, spinal cord injury and multiple sclerosis in Q1 and Q2 of next year."

Mr. Brennan concluded, "We have also made excellent progress in our efforts to obtain non-dilutive funding for research with NVG-291. In July, the U.S. Senate released the Fiscal Year (FY) 2023 National Defense Authorization Act (NDAA) and the accompanying report language related to traumatic brain injury (TBI) and spinal cord injury (SCI). The Senate language builds on the House Appropriations Committee's recent passage of the FY23 Defense Appropriations Act, which includes additional funding for brain injury research. Both measures represent significant steps forward in the Congressional and Department of Defense (DoD) commitment to the development of therapeutics like NervGen's proprietary compound, NVG-291. We have been actively working with members of Congress to draw attention to the tremendous potential that NVG-291 has for indications of interest to the US DoD, including SCI and TBI. It's very encouraging that the wording for the recently released acts, and their supporting language very specifically point out the need to support research that spans these indications, and that relies on plasticity as a major mechanism of action. We believe this wording gives us a high probability of obtaining a DoD funded grant and we have been actively engaged in the grant submission process over the past year. We are confident our significant efforts to date will begin to pay off in government funded development and research funding before the end 2022, allowing us to expand our research and potentially our clinical pipeline with non-dilutive financing and in collaboration with the DoD, government agencies and academic institutions."

Operational Highlights for Q2 2022 and Subsequent

- We improved our cash position with equity proceeds of over CA$22 million to fund our ongoing clinical and preclinical activities:
    - During the six months ended June 30, 2022, we received $2,722,463 from the exercise of stock options and Common Share Purchase Warrants.
    - On July 13, 2022, we closed a non-brokered private placement of 10,150,000 units of the Company at a price of US$1.50 per unit, for aggregate gross proceeds of US$15,225,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable into one common share at a price of US$1.75 per common share until July 13, 2027.
- We continued to advance our Phase 1 clinical trial for NVG-291:
    - On April 3, 2022, our Chief Medical Officer, Dr. Daniel Mikol, presented unblinded data from the SAD cohort of the phase 1 clinical trial, and interim blinded data from the MAD portion of the study, at the 2022 American Academy of Neurology Annual Meeting. Dr. Mikol reported that the NVG-291 dose administered in the first MAD cohort is already above the highest corresponding dose found to be efficacious in animal models and is substantially higher than the lower effective doses where dramatic functional improvements were observed. Additionally, the day 1 and day 14 pharmacokinetic characteristics for NVG-291 at the tested dose level were very similar to each other and to those for the same dose level in the SAD portion of the Phase 1 study. A reproducible pharmacokinetic profile is a highly desirable property for any drug being developed for human use.
    - On May 12, 2022, we announced that we had received approval from the Safety Review Committee to advance to the third and highest dose cohort in the MAD portion of our Phase 1 clinical trial.
    - On May 18, 2022, we hosted a 1-hour panel discussion at the 2022 American Spinal Cord Injury Association annual meeting held in New Orleans, Louisiana. In the translational research session, entitled “Translating Positive results with NVG-291 from Animals to Patients”, Dr. Daniel Mikol, provided an update on the Phase 1 clinical trial in healthy subjects. He also provided an overview of the Phase 1b/2a placebo-controlled clinical trial in spinal cord injury, which is currently designed to be a single center, adaptive sequential cohort design with both clinical and electrophysiological assessments. Subjects within each cohort of approximately 16 subjects will have similar characteristics.
- We announced pioneering research in a preclinical study of our lead drug in a stroke model:
    - On July 28, 2022, we announced that the University of Cincinnati and Case Western Reserve University have published a pioneering preclinical study in a peer-reviewed scientific journal demonstrating that NervGen’s proprietary drug, NVG-291-R, promotes nervous system repair and significant improvement in motor function, sensory function, spatial learning, and memory in a mouse model of severe ischemic stroke, even when treatment was initiated up to 7 days after onset.
- During the quarter, we expanded the expertise of our Board with the following additions:
    - On April 13, 2022, we announced the appointment of Craig Thompson to our Board of Directors. Concurrently with Mr. Thompson joining the Board, Dr. Michael Abrams resigned from the Board.
    - On July 13, 2022, in connection with the private placement, Adam Rogers, MD, Manager of PFP Biosciences Holdings, was appointed to our Board of Directors.
    - Mr. Thompson and Dr. Rogers both bring broad experience and a proven track record of successful drug development and biotech fundraising, licensing, mergers and acquisitions to our Board.

Financial Highlights

- **Cash and Investments**: NervGen had cash and investments of $11.6 million as of June 30, 2022, compared to $12.8 million as of March 31, 2022. The net cash burn for Q2 2022 from operating activities was approximately $3.7 million. This was offset by approximately $2.6 million in proceeds from the exercise of stock options and warrants during the quarter. Subsequent to the quarter end, on July 13, 2022, we closed a non-brokered private placement for gross proceeds of US$15.2 million.
- **R&D Expenses:** Research and development expenses were $4.7 million for the three months ended June 30, 2022, compared to $3.6 million for the three months ended March 31, 2022 and $1.6 million for the second quarter of 2021. The increase in the quarter ended June 30, 2022 was primarily due to costs related to the ongoing Phase 1 clinical trial, drug product manufacturing, toxicity preclinical studies and translational research initiated for Alzheimer's disease and spinal cord injury.
- **G&A Expenses:** General and administrative expenses were $1.6 million for the three months ended June 30, 2022, compared to $1.4 million for the three months ended March 31, 2022 and $1.2 million for the second quarter of 2021. The increase was primarily due to legal, professional, and corporate communication services directed to increasing awareness about our technology and attracting investors and costs related to the establishment of our new corporate head office.
- **Net Loss:** For the three months ended June 30, 2022, net loss, which included $0.9 million of non-cash expenses, was $6.3 million, or $0.13 per basic and diluted common share. For the three months ended March 31, 2022, net loss, which included $0.8 million of non-cash expenses, was $5.0 million, or $0.11 per basic and diluted common share.

About NVG-291

NervGen holds the exclusive worldwide rights to NVG-291 and is developing a unique new class of drugs around the technology. NVG-291 is a therapeutic peptide that mimics the intracellular domain of the receptor protein tyrosine phosphatase sigma (PTPσ), a cell surface receptor known to interact with chondroitin sulfate proteoglycans (CSPGs). Both PTPσ and CSPGs have been shown to inhibit neural repair mechanisms following nervous system damage. NVG-291-R, the rodent form of NVG-291, has been shown to promote functional recovery and enable nervous system repair in a range of animal models, including models of spinal cord injury, peripheral nerve injury, multiple sclerosis and stroke, through enhanced plasticity, axonal regeneration, and remyelination.

About NervGen

NervGen (TSX-V: NGEN, OTCQX: NGENF) is a clinical stage biotech company dedicated to developing innovative treatments that enable the nervous system to repair itself following damage, whether due to injury or disease. NervGen's lead drug candidate, NVG-291, is currently in a Phase 1 clinical trial. The company's initial target indications are spinal cord injury, Alzheimer's disease and multiple sclerosis. For more information, go to www.nervgen.com.

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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: our plans to develop a first-in-class neuroreparative drug to treat nervous system damage; the timing of the clinical development of NVG-291; the objectives, timing and study design of the Phase 1 study in healthy volunteers and planned Phase 1b/2a clinical trials; the timing and requirements to remove the partial clinical hold initiated by the FDA; the use of proceeds from our recent equity financings; our belief that the similarities in certain pharmacokinetic characteristics for NVG-291 in the MAD and SAD portions of the Phase 1 study is indicative of a highly desirable property for any drug being developed for human use; our clinical trial designs and timing to evaluate the therapeutic potential of NVG-291 in patients in Phase 1b/2 clinical trials in Alzheimer's disease, multiple sclerosis and spinal cord injury upon successful completion of the Phase 1 trial and bridging studies; our belief that recent wording in US Government Defense Appropriations Acts gives us a high probability of obtaining a DoD funded grant; the timing and expected impact of grant funding on our research and clinical programs; the belief that modulating the activity of PTPσ is a promising target for reducing the clinical effects of nervous system damage through multiple mechanisms; and the creation of innovative treatments of nervous system damage due to trauma or disease.

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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