NervGen Pharma Reports Q2 2023 Financial Results and Operational Updates

- **Landmark Phase 1a/2b clinical trial of NVG-291 proceeds with recruitment of individuals with spinal cord injury; results expected in mid-2024**
- **Seasoned life sciences executive, Mike Kelly, appointed President & CEO**
- **Awarded grant of up to US$3.18 million from Wings for Life to support clinical trial**

Vancouver, Canada. August 9, 2023 – **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 reported its financial and operational results for the second quarter ended June 30, 2023.

"NervGen made considerable progress in the quarter to advance our landmark Phase 1a/2b clinical study of NVG-291 for individuals with spinal cord injury and improved our financial position," said Mike Kelly, NervGen's President & CEO. "We are thankful to Wings for Life for their generous grant to help fund this first-in-kind study, and we are very excited to be recruiting subjects at Shirley Ryan AbilityLab in Chicago. This clinical trial is an important proof-of-concept study aimed at demonstrating the potential NVG-291 may have in enabling repair of nervous damage in individuals with spinal cord injury, which has never been achieved before."

Operational Highlights for Q2 2023

- We advanced the clinical development of NVG-291.
    - In August, we received approval to proceed with our Phase 1b/2a clinical trial of NVG-291 in individuals with spinal cord injury from the Institutional Review Board from the single site of the trial, Shirley Ryan AbilityLab in Chicago. We initiated recruitment of the chronic cohort (1-10 years post-injury). Given the significant number of individuals suffering with chronic SCI and the tremendous anticipation of the trial within the SCI community, recruitment is anticipated to happen relatively quickly with results expected by mid-2024. Results from the subacute cohort (10-49 days post-injury) are expected in late 2024/early 2025.
    - In June, we were notified that U.S Food and Drug Administration (FDA) have completed their review of our Phase 1b/2a clinical trial protocol and determined that the study may proceed.
    - In April, our Chief Medical Officer, Dr. Dan Mikol presented the study design for our Phase 1b/2a clinical trial of NVG-291 in spinal cord injury and summarized the safety and pharmacokinetic results from the Phase 1 trial of NVG-291 in healthy volunteers at the American Spinal Injury Association 50th Annual Scientific Meeting. The Phase 1b/2a placebo-controlled proof-of-concept trial will evaluate the efficacy of NVG-291 in two cohorts of individuals with cervical spinal cord injury: chronic (1-10 years post-injury) and subacute (10-49 days post-injury). We plan to evaluate the efficacy of a fixed dose of NVG-291 administered once daily for 12 weeks with a four-week follow-up using clinical outcome

measures and objective electrophysiological measures that provide quantitative information about motor recovery. Specifically, the primary objective will be to assess the change in corticospinal connectivity of specific upper and lower extremity muscle groups following treatment based on changes in motor evoked potential amplitudes. Our secondary objectives will include clinical outcome assessments focusing on motor function and mobility, as well as additional electrophysiological measurements. Each cohort will be evaluated independently as the data becomes available. We expect to have data readout in 2024.

- We expanded the expertise of our leadership team and Board with the following addition.
    - On April 10, 2023, we appointed Mike Kelly as our President & CEO. Mr. Kelly brings three decades of pharmaceutical experience playing instrumental roles in the creation, development and strengthening of several companies. Concurrent with Mr. Kelly's appointment, Bill Radvak, Adam Rogers and Glenn Ives stepped down from their positions of Interim CEO, Interim President and Lead Independent Director, respectively, but remain members of the Board. Mr. Radvak remains Chairman of the Board.

- We improved our cash position with equity proceeds and grant funding to support our ongoing clinical and preclinical activities.
    - During the six months ended June 30, 2023, we received $669,597 from the exercise of stock options and Common Share Purchase Warrants.
    - On June 27, 2023, we announced that we had been awarded a grant of up to US$3.18 million from Wings for Life, a not-for-profit spinal cord injury research foundation, under the foundation's Accelerated Translational Program. The funding is to be provided in several milestone-based payments and will offset a portion of the direct costs of the upcoming Phase 1b/2a proof-of-concept clinical trial for NVG-291.

- We elevated our company positioning and investor visibility as a leading player in the SCI field through participation in an industry conference.

    - In June, we participated in the First Annual Spinal Cord Injury Investor Symposium which was co-hosted by the Christopher and Dana Reeve Foundation, a non-profit organization dedicated to advancing innovative research and improving quality of life for individuals impacted by paralysis. NervGen was just one of five companies selected to participate and present at this first of its kind event, which included research analysts from leading investment banks as well as investors, thought leaders, policymakers and individuals impacted by SCI. Dr. Mikol presented results from preclinical studies and our Phase 1 trial along with the trial design for our now initiated Phase 1b/2a SCI clinical trial.

Financial Highlights

- **Cash and Investments**: NervGen had cash and investments of $16.1 million as of June 30, 2023, compared to $22.5 million as of December 31, 2022. The net cash burn for Q2 2023 from operating activities was approximately $2.0 million. This was offset by approximately $0.3 million in proceeds from the exercise of options and warrants during the quarter.

- **R&D Expenses:** Research and development expenses were $1.5 million for the three months ended June 30, 2023, compared to $4.7 million in the same period in 2022. The decrease in Q2 2023 was primarily due to chemistry, manufacturing and control work pertaining to the manufacture of NVG-291 required for chronic toxicology studies and planned clinical trials conducted in the previous period, as well as a decrease in clinical and regulatory costs as we near completion of our Phase 1 clinical study and the receipt of grant funding, partially offset by increased regulatory costs related to resolving the FDA partial clinical hold and start up costs for the upcoming Phase 1b/2a proof-of-concept clinical trial.
- **G&A Expenses:** General and administrative expenses were $3.3 million for the three months ended June 30, 2023, compared to $1.6 million for the same period in 2022. The increase in Q2 2023 was primarily due to increased business and corporate development costs for market research and strategic planning support as we advance into later stage clinical trials. Employee salaries, bonuses, and benefits also increased with the engagement of our new President & CEO, as did non-cash stock-based compensation expense related to option and retention security grants to our new President & CEO, other employees and consultants, and the timing of the related vesting.
- **Net Loss:** For the three months ended June 30, 2023, net loss, which included $2.3 million of non-cash expenses, was $4.8 million, or $0.08 per basic and diluted common share. 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.

About NVG-291

NervGen holds exclusive worldwide rights to NVG-291, a first-in-class therapeutic peptide targeting mechanisms that interfere with nervous system repair. NVG-291 is derived from the intracellular wedge domain of the receptor type protein tyrosine phosphatase sigma (PTPσ). NVG-291-R, a rodent analog of NVG-291, has been shown to promote nervous system repair and functional recovery in animal models of spinal cord injury (acute and chronic intervention), 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 to be evaluated in a Phase 1b/2a clinical trial. The Company's initial target indication is spinal cord injury. For more information, go to www.nervgen.com and follow NervGen on Twitter, LinkedIn, and Facebook for the latest news on the Company.

Contacts

Huitt Tracey, Corporate Communications
htracey@nervgen.com
604.537.2094

Nancy Thompson, Vorticom Public Relations
nancyt@vorticom.com
212.532.2208

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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, Short Form Base Shelf 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.