NervGen Pharma Reports 2023 Year-End Financial Results and Operational Updates

- **Anticipated completion of enrollment of the chronic cohort in the Phase 1b/2a clinical trial in Q2 2024**
- **CA$23 million bought deal financing completed in March 2024 provides expected cash runway through Q3 2025**
- **Fast Track designation granted by U.S. Food and Drug Administration (FDA) for NVG-291 in spinal cord injury**

Vancouver, Canada April 17, 2024 – **NervGen Pharma Corp. (TSXV: NGEN) (OTCQX: NGENF)** 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 year ended December 31, 2023.

“Recruitment in our Phase 1b/2a clinical study of NVG-291 for individuals with spinal cord injury continues and we are targeting for the chronic cohort to be fully enrolled this quarter. We also plan to initiate recruitment in the subacute cohort shortly with enrollment expected to be completed in 2025,” said Mike Kelly, NervGen’s President & CEO. "This clinical trial is an important proof-of-concept study aimed at demonstrating for the first time the potential NVG-291 may have in enabling repair of nervous system damage in individuals with spinal cord injury. We are also encouraged by the FDA’s decision to grant Fast Track designation for NVG-291 which underscores the significance and severity of the unmet medical need that exists for individuals living with spinal cord injury and their caregivers. Importantly, we expect that the net proceeds from our recently completed CA$23 million bought deal financing, coupled with our existing working capital, will fund our Phase 1b/2a clinical trial along with research and development activities to support further NVG-291 clinical studies and preclinical activities in other indications through Q3 2025.”

Operational Highlights for 2023 and Subsequent

- We completed our Phase 1 clinical trial and initiated a Phase 1b/2a clinical trial for NVG-291:
    - In February, we announced that we have completed the dosing of all subjects in the NVG-291 Phase 1 clinical trial and that there have been no serious adverse events reported in subjects receiving NVG-291.
    - In June, the FDA completed their review of our clinical trial protocol and determined that we may proceed with our Phase 1b/2a proof-of-concept, double-blind, randomized placebo-controlled clinical trial for our proprietary investigational lead compound, NVG-291, in individuals with spinal cord injury. Then on August 8, 2023, we announced that we received Institutional Review Board approval for this clinical trial and recruitment was initiated on September 25, 2023.
    - In October, we announced that the FDA granted Fast Track designation for NVG-291 in individuals with spinal cord injury. FDA’s Fast Track program is designed to facilitate the development of drugs intended to treat serious conditions and fill unmet medical needs as part of the FDA’s goal to get important new drugs to patients earlier. Fast Track also provides eligibility for both Priority Review, which can shorten the New Drug Application review process, and for Accelerated Approval, which can allow for an earlier or faster approval based on a surrogate or intermediate clinical endpoint.
    - Subsequent to year-end, on February 15, 2024, we announced that we are on track to complete enrollment of the chronic cohort of the Phase 1b/2a clinical trial in Q2 2024. Additionally, we announced that we are developing plans to initiate a new study in which subjects completing the current trial who received placebo, would have the option to receive open-label NVG-291 under a separate protocol. We plan to initiate this open-label study, provided that an efficacy signal is observed in the chronic cohort, contingent upon protocol approval by the FDA as well as the study’s Institutional Review Board.

- We improved our cash position with equity proceeds of over CA$23 million and were awarded a grant of up to US$3.18 million to fund our ongoing clinical trial:
    - In June, we announced that we had been awarded a grant of up to US$3.18 million (CA$4.22 million) from Wings for Life, a not-for-profit spinal cord injury research foundation, under the foundation's Accelerated Translational Program. The funding is being provided in several milestone-based payments that offset a portion of the direct costs of our Phase 1b/2a clinical trial for NVG-291.
    - Subsequent to the year-end, on March 28, 2024, we announced the closing of the previously announced public offering, including the full exercise of the underwriters' over-allotment option for aggregate gross proceeds of CA$23 million. Pursuant to the offering, the underwriters purchased, on a bought deal basis, and we issued 9,792,250 units at a price of CA$2.35 per unit. Each unit was comprised of one common share and one-half of one common share purchase warrant. Each whole warrant is exercisable to acquire one common share for a period of 36 months following the closing of the offering at an exercise price of CA$3.00 per warrant share. In connection with the offering, we issued an aggregate of 170,127 broker warrants and paid a cash commission of CA$1 million to the underwriters and incurred approximately CA$0.45 million in other share issue costs related to legal and listing fees.
- During the year, we continued to add expertise to our team with the following additions and appointments:
    - In April, we announced that we had hired 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.
    - In October, we announced the appointment of John Ruffolo, Founder and Managing Partner of Maverix Private Equity, to our Board of Directors. Mr. Ruffolo previously founded OMERS Ventures, the venture capital arm of the large Ontario pension fund, and championed Canada's technology industry as a co-founder of the Council of Canadian Innovators. Mr. Ruffolo is providing substantial expertise in finance and developing leading-edge technologies to our Board and he also brings the very unfortunate experience of surviving a tragic accident, which resulted in severe injuries including a spinal cord injury.

Financial Highlights

- **Cash and Investments:** NervGen had cash and investments of $11.7 million as of December 31, 2023, compared to $22.5 million as of December 31, 2022. Our cash balance was improved subsequent to year end by the net proceeds of the March 2024 bought deal financing. The net cash burn for the year ended December 31, 2023, from operating activities was approximately $11.3 million. This was partially offset by approximately $0.9 million in proceeds from the exercise of stock options and warrants during the year.
- **R&D Expenses:** Research and development expenses were $8.0 million for the year ended December 31, 2023, compared to $16.6 million for the year ended December 31, 2022. The decrease in the year ended December 31, 2023, is primarily related to toxicity preclinical studies and associated drug product manufacturing conducted in the previous year, as well as a decrease in clinical study costs as we completed dosing in our Phase 1 clinical trial, and the receipt of grant funding partially offsetting the costs of our Phase 1b/2a clinical trial that commenced in the second half of 2023.
- **G&A Expenses:** General and administrative expenses were $9.7 million for the year ended December 31, 2023, compared to $6.4 million for the year ended December 31, 2022. The increase was primarily due to non-cash stock-based compensation expenses due to the hiring of our new CEO in 2023.
- **Net Loss:** For the year ended December 31, 2023, net loss was $22.4 million, or $0.38 per basic and diluted common share. The net loss for the year included $11.3 million of non-cash expenses pertaining to amortization, stock-based compensation, unrealized foreign exchange and the fair value adjustment of the warrant derivative. For the year ended December 31, 2022, net loss was $20.7 million, or $0.39 per basic and diluted common share which included $2.9 million of non-cash expenses offset by $2.6 million of non-cash gains pertaining to unrealized foreign exchange and the fair value adjustment of the warrant derivative.

About the NVG-291 Phase 1b/2a Trial
The double-blind, placebo-controlled proof-of-concept trial (NCT05965700) will evaluate the efficacy of NVG-291 in two separate cohorts of individuals with cervical spinal cord injury: chronic (1-10 years post-injury) and subacute (10-49 days post-injury), given demonstrated efficacy in preclinical models of both chronic and acute spinal cord injury. The trial is designed to evaluate the efficacy of a fixed dose of NVG-291 using multiple clinical outcome measures as well as objective electrophysiological and MRI imaging measures and blood biomarkers that together will provide comprehensive information about the extent of recovery of function, with a focus on improvements in motor function. Specifically, the primary objective is to assess the change in corticospinal connectivity of defined upper and lower extremity muscle groups following treatment based on changes in motor-evoked potential amplitudes. Secondary objectives are to evaluate changes in a number of clinical outcome assessments focusing on motor function, upper extremity dexterity and grasping and mobility, as well as changes in additional electrophysiological measurements. Each cohort will be evaluated independently as the data becomes available. The trial is being partially funded by a grant from Wings for Life, which is being provided in several milestone-based payments that will offset a portion of the direct costs of this clinical trial.

About NervGen
NervGen (TSXV: 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 being evaluated in a Phase 1b/2a clinical trial. The company's initial target indication is spinal cord injury. For more information, visit www.nervgen.com and follow NervGen on X, LinkedIn, and Facebook for the latest news on the company.

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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, NervGen’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 objectives, timing, rate of subject recruitment and study design of the clinical development of NVG-291, including the Phase 1b/2a clinical trial in spinal cord injury; our belief that the net proceeds from our recent financing, along with our current working capital, is sufficient to fund our planned research and development activities through Q3 2025; the expected benefits of Fast Track designation; our plans to initiate a new study to offer open-label NVG-291 for patients that received placebo in the current study subject to certain conditions being met; the receipt of the milestone-based grant payments; the belief that targeting mechanisms that interfere with nervous system repair 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 NervGen 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, we have relied on various assumptions, including, but not limited to: our ability to manage the effects of COVID-19; the accuracy of our financial projections; obtaining positive results in our clinical and other trials; NervGen 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 COVID-19, reliance upon key personnel, the uncertainty of the clinical development process, competition, and other factors set forth in the "Risk Factors" section of our Annual Information Form, Prospectus Supplement, financial statements and Management Discussion and Analysis which can be found on SEDAR+ at www.sedarplus.ca. 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.