



NervGen Pharma Reports Q1 2024 Financial Results and Operational Updates

- **Target for completing enrollment of the chronic cohort in the Phase 1b/2a clinical trial moved to Q3 2024**
- **Subacute cohort protocol being amended to enhance feasibility and lessen burden on participants**
- **CA\$23 million bought deal financing completed in March 2024 provides expected cash runway through Q3 2025**

Vancouver, Canada, May 16, 2024 – **NervGen Pharma Corp. (TSX-V: NGEN) (OTCQX: NGENF)**, a clinical-stage biotech company dedicated to developing innovative solutions for the treatment of nervous system damage, reported its financial and operational results for the first quarter ended March 31, 2024.

“Recruitment in our Phase 1b/2a clinical study of NVG-291 for individuals with spinal cord injury (SCI) has gone well, however, it has been slower than originally anticipated during Q2 due to challenges in finding, screening, and onboarding individuals that meet our very specific and rigorous inclusion and exclusion study criteria,” said [Mike Kelly](#), NervGen’s President & CEO. “Given the heterogeneous nature of spinal cord injuries and our efforts, through the novel design of our study, to recruit as homogeneous a SCI population as possible, the current study protocol and our single trial site location have limited the number of subjects that both qualify and can travel to Shirley Ryan AbilityLab in Chicago. While we have undertaken additional initiatives and operational directives that should help us in fully recruiting the study, we believe full enrollment of the chronic cohort is now more likely in Q3 of this year.”

This proof-of-concept clinical trial is innovative in two fundamental ways. First, it evaluates the ability of NVG-291 to enhance motor recovery through the complementary use of clinical assessments and objective electrophysiological measures of motor connectivity. Second, in order to increase the probability of success, it enrolls participants who have evidence of residual motor connectivity, electrophysiologically and functionally, which mirrors preclinical animal models of SCI, in which animals have some residual motor function.

“We have added initiatives to cover travel and accommodation expenses for participants through the 16-week trial and we are submitting a comprehensive communication/awareness plan to the IRB which is targeted to expand awareness of the trial to the spinal cord injury community nationwide,” said Dr. Daniel Mikol, NervGen’s Chief Medical Officer. “In addition, based on the insights gained since initiating enrollment of the chronic cohort of this study, we have modified eligibility criteria and testing requirements for the subacute cohort to facilitate enrollment and make participation less burdensome. Accordingly, we will be submitting a protocol amendment to our Institutional Review Board (IRB) and the U.S. Food and Drug Administration (FDA) to make these modifications.”

Operational Highlights for Q1 2024

- We advanced the clinical development of NVG-291.
 - In February, we provided an update on the timing for enrollment and delivery of the data readout of the chronic cohort in the Company’s Phase 1b/2a proof-of-concept, double blind, randomized placebo-controlled clinical trial for our proprietary investigational lead compound, NVG-291, in individuals with SCI. 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 IRB.

- We improved our cash position with equity proceeds.
 - In March, we announced the closing of a public offering, including the full exercise of the underwriters' over-allotment option for aggregate gross proceeds to the Company 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\$0.51 million in other share issue costs related to legal and listing fees.
 - During the three months ended March 31, 2024, we also received approximately \$600 thousand from the exercise of stock options.

Financial Highlights

- **Cash and Investments:** NervGen had cash and investments of \$30.3 million as of March 31, 2024, compared to \$11.7 million as of December 31, 2023. The net cash burn for Q1 2024 from operating activities was approximately \$3.3 million. This was offset by approximately \$21.4 million in net proceeds from aforementioned financing and \$0.6 million in proceeds from the exercise of options during the quarter.
- **R&D Expenses:** Research and development expenses were \$3.0 million for the three months ended March 31, 2024, which was comparable to \$3.0 million in the same period in 2023. The costs incurred in the current period pertain primarily to the ongoing Phase 1b/2a clinical trial and chemistry, manufacturing and controls consulting required to optimize our drug product for use in the current and future clinical trials. The costs incurred in the previous period related to the Phase 1 clinical trial which was in the later stages of completion.
- **G&A Expenses:** General and administrative expenses were \$2.0 million for the three months ended March 31, 2024, compared to \$1.7 million for the same period in 2023. The increase in the current period was primarily due to non-cash stock-based compensation expense related to option and retention security grants, and the timing of the related vesting, higher salary costs related to hiring a full time CEO subsequent to the quarter end in 2023, partially offset by a decrease in investor and public relations pertaining to federal and state government relations, public affairs, strategic communications, and advisory services incurred in the prior period.
- **Net Loss:** For the three months ended March 31, 2024, our net loss was \$2.3 million or \$0.04 per basic and diluted common share. The first quarter net loss included \$1.1 million of non-cash expenses pertaining to amortization, stock-based compensation and unrealized foreign exchange offset by a \$2.4 million non-cash gain due to the fair value adjustment of the warrant derivative. For the three months ended March 31, 2023, net loss, which included \$1.0 million of non-cash expenses, was \$4.7 million, or \$0.08 per basic and diluted common share.

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 (those with a more recent 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 in the company's initial target indication, 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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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; the expected benefits of our proposed protocol amendments and initiatives; 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; 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 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 pandemics such as COVID-19; 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 pandemics such as 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 the Company’s Annual Information Form, Prospectus Supplement, financial statements and Management Discussion and Analysis which can be found on 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.