



Condensed consolidated interim financial statements of

# **NERVGEN PHARMA CORP.**

(Expressed in Canadian Dollars - Unaudited)

For the three months ended March 31, 2026 and 2025

**NERVGEN PHARMA CORP.**  
**Condensed Consolidated Interim Statements of Financial Position**  
(Expressed in Canadian dollars)  
(Unaudited)

as at	March 31, 2026	December 31, 2025
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	16,559,056	22,069,635
Receivables (Note 8)	93,535	80,825
Prepays, deposits, and other current assets (Note 7)	3,717,742	641,649
Current portion of net investment in lease (Note 9)	-	8,369
	<b>20,370,333</b>	<b>22,800,478</b>
<b>Non-current assets</b>		
Intangible assets (Note 10)	395,214	409,163
	<b>395,214</b>	<b>409,163</b>
	<b>20,765,547</b>	<b>23,209,641</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 11, 12)	5,878,662	4,657,448
Warrant derivative (Note 13)	9,345,313	15,066,898
Current portion of lease liability (Note 9)	-	8,369
	<b>15,223,975</b>	<b>19,732,715</b>
<b>Shareholders' Equity (Deficit)</b>		
Common shares (Note 14)	107,893,248	102,998,992
Reserves (Note 15)	46,087,391	47,241,452
Deficit	(148,439,067)	(146,763,518)
	<b>5,541,572</b>	<b>3,476,926</b>
	<b>20,765,547</b>	<b>23,209,641</b>

Nature of business (Note 1)  
Commitments (Note 16)  
Subsequent events (Note 18)

Approved by the Board

/s/ Adam Rogers

Director

/s/ Neil A. Klompas

Director

*The accompanying notes are an integral part of these condensed consolidated interim financial statements*

## NERVGEN PHARMA CORP.

### Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

(Unaudited)

	For the Three Months Ended March 31, 2026 \$	For the Three Months Ended March 31, 2025 \$
<b>Operating expenses</b>		
Research and development (Note 17)	4,863,626	3,148,255
General and administrative (Note 17)	2,667,952	2,887,027
<b>Total operating expenses</b>	<b>7,531,578</b>	<b>6,035,282</b>
Interest income	(104,067)	(107,761)
Unrealized gain on warrant derivative (Note 13)	(5,721,585)	(1,996,400)
Foreign exchange loss (gain)	(30,377)	17,071
<b>Net loss and comprehensive loss</b>	<b>(1,675,549)</b>	<b>(3,948,192)</b>
Basic net loss per share (Note 14)	(0.02)	(0.06)
Diluted net loss per share (Note 14)	(0.09)	(0.06)
Weighted average Common Shares outstanding (Note 14)	79,900,758	70,666,920

*The accompanying notes are an integral part of these condensed consolidated interim financial statements*

**NERVGEN PHARMA CORP.**  
**Condensed Consolidated Interim Statements of Cash Flows**  
(Expressed in Canadian dollars)  
(Unaudited)

	<b>Three Months Ended March 31, 2026</b>	<b>Three Months Ended March 31, 2025</b>
	<b>\$</b>	<b>\$</b>
<b>Operating Activities</b>		
Net loss for the period	<b>(1,675,549)</b>	(3,948,192)
Items not involving cash:		
Amortization of intangible asset (Note 10)	<b>13,949</b>	13,949
Interest expense on lease liability (Note 9)	<b>42</b>	1,466
Interest income on net investment in lease (Note 9)	<b>(42)</b>	(1,466)
Stock-based compensation	<b>952,131</b>	1,461,454
Unrealized foreign exchange	<b>72,998</b>	(5,040)
Change in fair value of warrant derivative (Note 13)	<b>(5,721,585)</b>	(1,996,400)
Changes in non-cash working capital:		
Receivables (Note 8)	<b>(12,710)</b>	81,535
Prepaid expenses (Note 7)	<b>(3,076,093)</b>	732,025
Accounts payable and accrued liabilities (Note 11, 12)	<b>1,247,209</b>	(458,015)
	<b>(8,199,650)</b>	(4,118,684)
<b>Investing Activities</b>		
Payments received from net investment in lease (Note 9)	<b>8,411</b>	25,232
	<b>8,411</b>	25,232
<b>Financing Activities</b>		
Repayment of lease liability (Note 9)	<b>(8,411)</b>	(25,232)
Gross proceeds from issuance of common shares (Note 14)	<b>1,644</b>	1,639,761
Share issue costs – cash (Note 14)	<b>(50,510)</b>	(460,153)
Warrant and option exercises (Note 15)	<b>2,836,930</b>	120,000
	<b>2,779,653</b>	1,274,376
Effect of foreign exchange on cash and cash equivalents	<b>(98,993)</b>	22,884
<b>Net (decrease) in cash and cash equivalents</b>	<b>(5,510,579)</b>	(2,796,192)
Cash and cash equivalents, beginning of period	<b>22,069,635</b>	17,267,489
<b>Cash and cash equivalents, end of period</b>	<b>16,559,056</b>	14,471,297
Cash paid for interest and taxes	\$ -	\$ -
Non-cash transactions:		
Finder's/Broker's warrants	-	-
Fair value of options allocated to share capital	<b>2,044,837</b>	-
Fair value of warrants allocated to share capital	<b>61,335</b>	12,000

*The accompanying notes are an integral part of these condensed consolidated interim financial statements*

## NERVGEN PHARMA CORP.

### Condensed Consolidated Interim Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

(Unaudited)

	Common Shares		Reserves	Deficit	Total
	Number	Amount			
		\$	\$	\$	\$
<b>Balance December 31, 2024</b>	<b>70,333,149</b>	<b>81,194,288</b>	<b>24,028,532</b>	<b>(102,646,213)</b>	<b>2,576,607</b>
Common share financings, net (Note 14)	564,500	1,179,608	-	-	1,179,608
Warrant exercise (Note 15)	40,000	132,000	(12,000)	-	120,000
Stock-based compensation (Note 15)	-	-	1,461,454	-	1,461,454
Loss and comprehensive loss	-	-	-	(3,948,192)	(3,948,192)
<b>Balance March 31, 2025</b>	<b>70,937,649</b>	<b>82,505,896</b>	<b>25,477,986</b>	<b>(106,594,405)</b>	<b>1,389,477</b>
<b>Balance December 31, 2025</b>	<b>79,649,257</b>	<b>102,998,992</b>	<b>47,241,452</b>	<b>(146,763,518)</b>	<b>3,476,926</b>
Common share financings, net (Note 14)	245	(48,866)	-	-	(48,866)
Warrant exercises (Note 15)	296,369	890,715	(61,355)	-	829,360
Option exercises (Note 15)	1,045,000	4,052,407	(2,044,837)	-	2,007,570
Stock-based compensation	-	-	952,131	-	952,131
Loss and comprehensive loss	-	-	-	(1,675,549)	(1,675,549)
<b>Balance March 31, 2026</b>	<b>80,990,871</b>	<b>107,893,248</b>	<b>46,087,391</b>	<b>(148,439,067)</b>	<b>5,541,572</b>

*The accompanying notes are an integral part of these condensed consolidated interim financial statements*

# NERVGEN PHARMA CORP.

Notes to the condensed consolidated interim financial statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

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## 1. Nature of business

NervGen Pharma Corp. (the “Company” or “NervGen”) is a publicly traded biotechnology company incorporated on January 19, 2017, under the Business Corporations Act (British Columbia). The corporate office of the Company is located at 112-970 Burrard Street, Unit 1290, Vancouver, BC, V6Z 2R4, Canada, and the registered office is located at 1133 Melville Street, Suite 3500, The Stack, Vancouver, BC, V6E 4E5, Canada.

Common Shares in the capital of NervGen (the “Common Shares”) trade on the Nasdaq Capital Markets under the symbol “NGEN”.

The Company has two wholly owned subsidiaries: NervGen US Inc. incorporated in the State of Delaware on June 11, 2018, and NervGen Australia Pty Ltd. registered in Queensland on December 8, 2020.

The Company's principal business activity is the discovery, development and commercialization of pharmaceutical products for the treatment of nervous system damage. NervGen's initial target indication is spinal cord injury (“SCI”).

## 2. Basis of presentation

### a) Basis of measurement and statement of compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (IAS 34) using the same accounting policies as detailed in the Company's annual audited consolidated financial statements for the year ended December 31, 2025. These condensed consolidated interim financial statements do not include all of the information required for full annual financial statements in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for certain financial assets measured at fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2025.

The condensed consolidated interim financial statements were approved by the Company's board of directors (the “Board of Directors”) and authorized for issue on May 15, 2026.

### b) Going Concern

These condensed consolidated interim financial statements have been prepared in accordance with IFRS accounting principles applicable to a going concern using the historical cost basis.

The Company is in pre-revenue stage and no revenues are expected in the foreseeable future. The Company's future operations are dependent on successful development and commercialization of pharmaceutical products, as well as its ability to secure additional financing as needed. Management has forecasted that the Company's ability to operate the Company for the ensuing 12 months from the issuance of these financial statements is dependent on raising additional financing or successfully implementing measures to reduce operating costs, delay planned expenditures in its research and development programs and slow the progress in the Company's planned clinical programs. The Company will need to raise additional capital to fund its research and development plans including its next phase human clinical trials for its various drug candidates until it generates revenue that reaches a level sufficient to provide self-sustaining cash flows. While the Company has been successful in the past in obtaining financing, there can be no assurance that the Company will be able to obtain adequate financing, or that such financing will be on terms acceptable to the Company, to meet future operational needs which may result in the delay, reduction, or discontinuation of ongoing development programs. These factors indicate the existence of a material uncertainty that may cast significant doubt as to the Company's ability to continue as a going concern.

These consolidated financial statements do not reflect the adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and settle

# NERVGEN PHARMA CORP.

Notes to the condensed consolidated interim financial statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

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## 2. Basis of presentation cont'd

its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying consolidated financial statements. Such amounts could be material.

### c) *Principles of Consolidation*

These condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiaries NervGen US Inc. and NervGen Australia Pty Ltd. The subsidiaries are fully consolidated from the date at which control is determined to have occurred and are deconsolidated from the date that the Company no longer controls the entity. Intercompany transactions, balances, and gains and losses on transactions between subsidiaries are eliminated.

### d) *Functional and presentation currency*

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of NervGen and its subsidiaries is the Canadian dollar. Transactions in foreign currencies are translated to the functional currency at the rate on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot rate of exchange as at the reporting date. All differences are taken to profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

### e) *Significant accounting judgements, estimates and assumptions*

The preparation of these condensed consolidated interim financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated interim financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The condensed consolidated interim financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed consolidated interim financial statements and may require accounting adjustments based on future occurrences. The estimates and underlying assumptions are reviewed on a regular basis. Revisions to accounting estimates are accounted for prospectively.

The key judgments and assumptions concerning the future, and other key sources of estimation uncertainty, as of the date of the condensed consolidated interim statement of financial position, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next fiscal year arise in connection with the going concern assessment, valuation of intangible assets, recognition of government assistance, valuation of warrant derivative, stock-based compensation, contingent repayment of grant funding and the determination of the functional currency of the Company.

## 3. Material accounting policies

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in our audited consolidated financial statements for the year ended December 31, 2025.

# NERVGEN PHARMA CORP.

Notes to the condensed consolidated interim financial statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

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## 4. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The Company has one reportable operating segment being the research and development of pharmaceutical drugs. The Company's intangible assets are registered in the U.S., and as at March 31, 2026, the Company had other current assets of approximately US\$1,415,611, CA\$1,954,066 (December 31, 2025 - US\$3,833,348, CA\$5,238,386), in the U.S. As of March 31, 2026, the Company also had other current assets of approximately AUS\$467,094, CA\$447,943 (December 31, 2025 - AUS\$531,664, CA\$486,313) held in Australia. All other assets are held in Canada.

## 5. Capital disclosures

The Company defines its capital as share capital, warrants, retention securities and options. The Company's objectives, when managing capital, are to safeguard cash as well as maintain financial liquidity and flexibility in order to preserve its ability to meet financial obligations and deploy capital to grow its businesses.

The Company's financial strategy is designed to maintain a flexible capital structure consistent with the objectives stated above and to respond to business growth opportunities and changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue shares or issue debt (secured, unsecured, convertible and/or other types of available debt instruments).

On November 25, 2024 the Company filed a short form base shelf prospectus, which was subsequently amended on December 15, 2025 (the "Base Shelf") that qualifies for distribution of up to US\$150,000,000 of Common Shares, debt securities, subscription receipts, warrants and units comprised of one or more of the other securities described. The Base Shelf amends our previous base shelf and was also registered with the U.S. Securities and Exchange Commission on Form F-10 that was filed on December 17, 2025, as amended and declared effective on January 7, 2026 (the Form F-10 and the Base Shelf referred to herein collectively as the "Base Shelf"). Under our Base Shelf, we may sell securities to or through underwriters, dealers, placement agents, or other intermediaries, and also may sell securities directly to purchasers or through agents, subject to obtaining any applicable exemption from registration requirements. The distribution of securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be subject to change, at market prices prevailing at the time of sale, or at prices related to such prevailing market prices to be negotiated with purchasers and as set forth in an accompanying prospectus supplement.

Our Base Shelf provides us with additional flexibility when managing our cash resources as, under certain circumstances, it shortens the time period required to close a financing and is expected to increase the number of potential investors that may be prepared to invest in our company. We expect that our Base Shelf will be effective until December 25, 2026.

On December 19, 2024, the Company filed a prospectus supplement that, together with the Base Shelf, qualified the distribution of Common Shares, under an at-the-market equity program (the "ATM Program") that allowed the Company to issue and sell Common Shares to the public from time to time through an agent (the "Agent"), at the Company's discretion and subject to regulatory requirements. All Common Shares issued under the ATM Program were sold in transactions that are deemed to be "at-the-market" distributions as defined in National Instrument 44-102 – Shelf Distributions. All Common Shares sold under the ATM Program were sold through the TSX-V or any other recognized marketplace upon which the Common Shares are listed, quoted or otherwise traded in Canada, at the prevailing market price at the time of sale. As Common Shares distributed under the ATM Program were issued and sold at the prevailing market prices at the time of their sale, prices may vary among purchasers and during the period of distribution.

An ATM Program provides the Company with enhanced flexibility should future additional financing be required, with the ability to activate the program as deemed appropriate. The ATM was activated and the distribution of shares under the ATM Program began on January 10, 2025. The volume and timing of distributions under the ATM Program, were determined in the Company's sole discretion and in accordance with the terms and conditions of an equity distribution agreement (the "Distribution Agreement"), dated December 19, 2024, between the Company and the Agent. The Company was not obligated to make any sales of Common Shares under the ATM Program and was limited to sell up to CA\$30 million in Common Shares.

# NERVGEN PHARMA CORP.

Notes to the condensed consolidated interim financial statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

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## 5. Capital disclosures cont'd

Through March 31, 2026, the Company issued and sold 949,945 Common Shares under the ATM Program at a weighted average price of \$2.92 per share, for aggregate gross proceeds of \$2,775,746. The Company paid cash placement fees of \$55,514 to the Agent resulting in aggregate net proceeds of \$2,720,231 and incurred \$715,641 in professional fees to establish, maintain, and wind down the ATM Program, including \$410,255 that were incurred in 2024. These costs are recorded as a decrease to Common Shares within the consolidated statements of financial position. On March 12, 2026 the ATM Program was terminated.

The Company has used and will use the net proceeds from the ATM Program principally for general corporate purposes (including funding ongoing operations and/or working capital requirements), to repay indebtedness outstanding from time to time, to fund research and development, intellectual property development, and preclinical and clinical expenses.

There were no changes to the Company's capital management policy during the three months ended March 31, 2026. The Company is not subject to any externally imposed capital requirements.

## 6. Financial risk management

### (a) Fair value

The Company's financial instruments recognized on the condensed consolidated interim statements of financial position consist of cash and cash equivalents, receivables, warrant derivative, accounts payable and accrued liabilities. The fair value of these instruments approximate their carrying values due to their short-term maturity.

### (b) Classification of financial instruments

The Company's financial instruments, recorded at fair value, require disclosure about how the fair value was determined based on significant levels of inputs described in the following hierarchy:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions occur in sufficient frequency and value to provide pricing information on an ongoing basis.

Level 2 - Pricing inputs are other than quoted prices in active markets included in Level 1. Prices in Level 2 are either directly or indirectly observable as of the reporting date. Level 2 valuations are based on inputs including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace.

Level 3 - Valuations in this level are those with inputs for the asset or liability that are not based on observable market data.

Cash and cash equivalents are measured at fair value using Level 1 as the basis for measurement in the fair value. The recorded amounts for receivables, accounts payable, and accrued liabilities, approximate their fair value due to their short-term nature. In July 2022 and November 2025, the Company issued common share purchase warrants with an exercise price denominated in a currency that differs from our functional currency, which are treated as a derivative measured at fair value with subsequent changes in fair value accounted for through the consolidated statements of loss and comprehensive loss. The warrants issued in July 2022 were subsequently amended in December 2025 to have an exercise price denominated in the Company's functional currency resulting in a reclassification of the warrant as an equity classified instrument at the fair value determined on the date of the amendment. The November 2025 warrants remain liability classified as of March 31, 2026, and the fair value of the corresponding warrant derivative recognized on the consolidated statements of financial position is based on level 2 inputs (significant observable inputs) as these warrants have not been listed on an exchange and therefore do not trade on an active market. As at March 31, 2026, the fair value of our non-cash warrant derivative was \$9,345,313 (December 31, 2025 - \$15,066,898). The Company uses the Black-Scholes valuation model to estimate fair value. The expected volatility is based on the Common Share historical volatility, the risk-free interest rate is based on Bank of Canada benchmark treasury yield rates and the expected life represents the estimated length of time the warrants are expected to remain outstanding.

# NERVGEN PHARMA CORP.

Notes to the condensed consolidated interim financial statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

## 6. Financial risk management cont'd

The Company has exposure to the following risks from its use of financial instruments: credit, liquidity, currency, and interest rate risk. The Company reviews its risk management framework on a quarterly basis and makes adjustments as necessary. There have been no significant changes in these risk exposures compared to December 31, 2025.

### (c) Credit risk

Credit risk is the risk of potential loss if a counterparty to a financial instrument fails to meet its contractual obligations. Our credit risk is primarily attributable to our liquid financial assets, including cash and cash equivalents, receivables, deposits, and balances receivable from the government. We limit the exposure to credit risk in our cash and cash equivalents by only holding our cash and cash equivalents with high-credit quality financial institutions in business and/or savings accounts.

### (d) Liquidity risk

Liquidity risk is the risk that we will not have the resources to meet our obligations as they fall due. We manage this risk by closely monitoring cash forecasts and managing resources to ensure that we will have sufficient liquidity to meet our obligations. All of our financial liabilities are classified as current and the majority, other than the non-cash warrant derivative and lease liability, are anticipated to mature within the next ninety days. We are exposed to liquidity risk other than for the warrant derivative which is non-cash.

### (e) Market Risk

#### a. Currency risk

The Company has identified our functional currency as the Canadian dollar. Transactions are transacted in Canadian dollars, U.S. dollars and in Australian dollars. Fluctuations in the U.S. or Australian dollar exchange rate could have a significant impact on the Company's results. Assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the U.S. dollar would result in an increase or decrease in loss and comprehensive loss for the three months ended March 31, 2026, of \$536,929 (March 31, 2025 - \$25,598). A 10% depreciation or appreciation of the Canadian dollar against the Australian dollar would result in an increase or decrease in loss and comprehensive loss for the three months ended March 31, 2026, of \$148,148 (March 31, 2025 - \$118,710).

In the near-term, we mitigate overall currency risk through of the use of U.S. dollar denominated cash balances to pay forecasted U.S. denominated expenses when possible. In the long-term, we are exposed to net currency risk from employee costs as well as the purchase of goods and services in the United States and Australia.

Balances in U.S. dollars are as follows:

	March 31, 2026 US\$	December 31, 2025 US\$
Cash	6,115,453	9,695,348
Receivables	28,679	47,275
Vendor deposits	67,024	134,503
Accounts payable and accrued liabilities	(2,359,165)	(1,331,795)
	<b>3,851,991</b>	<b>8,545,331</b>

## NERVGEN PHARMA CORP.

Notes to the condensed consolidated interim financial statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

### 6. Financial risk management cont'd

Balances in Australian dollars are as follows:

	March 31, 2026 AU\$	December 31, 2025 AU\$
Cash	466,167	529,628
Receivables	927	2,036
Accounts payable and accrued liabilities	(2,011,915)	(2,009,171)
	<b>(1,544,821)</b>	<b>(1,477,507)</b>

#### b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The warrant derivative that is discussed further in Note 13 is recorded at fair value using a Black-Scholes pricing model with changes in fair value recorded in the condensed consolidated statements of loss and comprehensive loss. An input to the model is the risk-free rate which is reflective of Canadian bond yields. Therefore, the company is exposed to interest rate risk through the non-cash impact it has on the condensed consolidated statements of loss and comprehensive loss.

#### c. Other price risk

Other price risks include the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than interest rate or currency risk). The warrant derivative that is discussed further in Note 13 is recorded at fair value using a Black-Scholes pricing model with changes in fair value recorded in the condensed consolidated statements of loss and comprehensive loss. An input to the model is the market price of the Company's shares as of the valuation date. Therefore, the company is exposed to other price risk through the non-cash impact it has on the condensed consolidated statements of loss and comprehensive loss.

### 7. Prepaids, deposits, and other current assets

	March 31, 2026 \$	December 31, 2025 \$
Prepaid insurance	873,669	88,405
Prepaid membership fees	18,443	43,567
Prepaid listing fees	96,141	14,512
Prepaid software	2,085	11,556
Licensing fees	69,432	92,576
Prepaid rent and related deposits	20,858	37,328
Clinical study deposits	725,819	164,657
Prepaid manufacturing	1,050,012	131,710
Prepaid nonclinical studies	801,376	-
Other	59,907	57,338
	<b>3,717,742</b>	<b>641,649</b>

## NERVGEN PHARMA CORP.

Notes to the condensed consolidated interim financial statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

### 8. Receivables

	March 31, 2026	December 31, 2025
	\$	\$
Value added and other taxes receivable	93,535	55,510
Grants receivable	-	25,315
	93,535	80,825

### 9. Net investment in lease and lease liability

The carrying amounts of the Company's net investment in lease and lease liabilities and movements during the three months ended March 31, 2026, were as follows:

	Net Investment in Lease	Lease Liability
	\$	\$
<b>Balance December 31, 2025</b>	<b>8,369</b>	<b>8,369</b>
Lease payments	(8,411)	(8,411)
Lease interest	42	42
<b>Balance, March 31, 2026</b>	<b>-</b>	<b>-</b>
Current portion	-	-
<b>Non-current portion</b>	<b>-</b>	<b>-</b>

The Company's sublease and sub-sublease of the head office expired on February 26, 2026. The lease arrangement was not renewed and the Company has not entered into a new lease arrangement.

### 10. Intangible asset

In June 2018, the Company entered into an exclusive worldwide licensing agreement to research, develop and commercialize a patented technology, with Case Western Reserve University ("CWRU") in Cleveland, Ohio with potential to bring new therapies for spinal cord injury and other conditions associated with nerve damage.

The license costs are being amortized on a straight-line basis over the remaining life of the licensed patent which was 15 years at the time of licensing.

Continuity of the intangible asset is as follows:

	Total
	\$
Intangible asset – Case Western Reserve license	
<b>Balance, December 31, 2025</b>	<b>409,163</b>
Amortization expense	(13,949)
<b>Balance, March 31, 2026</b>	<b>395,214</b>

Under the exclusive worldwide licensing agreement with CWRU to research, develop and commercialize patented technologies, the Company has commitments to pay various annual license fees, patent costs, milestone payments and royalties on revenues, contingent on the achievement of certain development and regulatory milestones. The future milestone payments that are contingent upon the occurrence of future events or future royalties which may be due upon the regulatory approval of products derived from licensed technologies cannot be reasonably estimated. Annual minimum royalty payments are expensed whereas milestone payments related to the cost of the intangible asset are capitalized, as incurred.

# NERVGEN PHARMA CORP.

Notes to the condensed consolidated interim financial statements (unaudited)

For the three months ended March 31, 2026 and 2025

(Expressed in Canadian Dollars)

## 10. Intangible asset cont'd

As at March 31, 2026, the Company is obligated to pay the following:

- An annual minimum royalty of US\$50,000 per year, adjusted by the cumulative % change in the CPI-W.
- Project milestones payable based on the achievement of future clinical development milestones, estimated to total US\$1,885,000, of which \$135,000 has been paid related to milestones achieved. There are up to \$1,750,000 remaining milestone payments as of March 31, 2026, of which \$250,000 may be payable within the next twelve months contingent on certain milestones being achieved.

## 11. Accounts payable and accrued liabilities

	March 31, 2026	December 31, 2025
	\$	\$
Employee related costs	1,135,936	1,362,925
Legal and professional fees	1,022,083	714,529
Research and development	3,678,758	2,552,529
Other	41,885	27,465
	5,878,662	4,657,448

## 12. Key management personnel

Key management personnel, consisting of the Company's Board of Directors and corporate officers, received the following compensation for the following periods:

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
	\$	\$
Stock-based compensation	603,143	826,266
Salaries and bonuses	228,243	828,739
Consulting	116,650	-
	948,036	1,655,005

As at March 31, 2026, the Company had amounts owing or accrued to key management personnel of \$102,638 (December 31, 2025 - \$332,430) pertaining to expense reimbursements and accrued bonuses.

## 13. Warrant derivative

On July 13, 2022, pursuant to a non-brokered private placement, 10,150,000 units were sold at a purchase price of US\$1.50 per unit for gross proceeds of \$19,783,500 (US\$15,225,000). Each unit included one Common Share and one-half of one Common Share purchase warrant (the "July '22 Warrants"). Each whole warrant was exercisable into one Common Share at a price of US\$1.75 per Common Share until July 13, 2027. On December 12, 2025, the Company amended the terms of the warrants to change the denomination of the exercise price from US\$1.75 to C\$2.44. The change in the denomination of the exercise price resulted in the derecognition of the warrant derivative liability and recognition of an equity classified instrument at the fair value as determined on December 12, 2025.

On November 19, 2025, pursuant to a non-brokered private placement, 4,785,674 units were sold at a purchase price of US\$2.10 per unit for gross proceeds of \$14,110,081 and (US\$10,049,915). Each unit included one Common Share and one-half of one Common Share purchase warrant (the "November '25 Warrants"). Each whole warrant was exercisable into one Common Share at a price of US\$2.65 per Common Share until November 19, 2028.

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## 13. Warrant derivative cont'd

There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the warrant derivative or when warrants expire unexercised.

A reconciliation of the change in fair value of the warrant derivative is as follows:

	Fair Value of Warrant Derivative \$
<b>Balance, December 31, 2025</b>	<b>15,066,898</b>
Change in fair value of warrant derivative	(5,721,585)
<b>Balance, March 31, 2026</b>	<b>9,345,313</b>

The estimated fair value of the warrant derivative was determined using the Black-Scholes valuation model using the following assumptions:

	March 31, 2026	December 31, 2025
Risk-free interest rate	2.82%	2.57%
Expected warrant life in years	2.39 years	2.62 years
Expected stock price volatility	128.38%	133.05%
Dividend yield	-	-
Warrants outstanding	2,392,832	2,392,832

## 14. Share capital

### Authorized

Unlimited common shares.

### Equity Issuances

#### Fiscal 2026

During the three months ended March 31, 2026, 1,045,000 options were exercised for cash proceeds of \$2,007,570. In addition to the cash proceeds received, the original fair value related to these options of \$1,931,321, were transferred from reserves to share capital. Additionally, 296,369 warrants were exercised for cash proceeds of \$829,360. In addition to the cash proceeds received, the original fair value related to these warrants of \$61,335, were transferred from reserves to share capital.

The Company also issued and sold 245 Common Shares under the ATM Program at a weighted average price of \$6.20 per unit, for aggregate gross proceeds of \$1,519, plus interest from the distribution agent. The Company incurred cash placement fees and professional fees totaling \$50,510 related to maintaining and winding down the ATM Program. These costs are recorded as a decrease to Common Shares within the condensed consolidated statements of financial position.

#### Fiscal 2025

During the three months ended March 31, 2025, 40,000 warrants were exercised for cash proceeds of \$120,000. In addition to the cash proceeds received, the original fair value related to these warrants of \$12,000, were transferred from reserves to share capital. The Company also issued and sold 564,500 Common Shares under the ATM Program at a weighted average price of \$2.91 per unit, for aggregate gross proceeds of \$1,639,761. The Company paid cash placement fees of \$32,796 to the agents and incurred \$427,357 in professional fees related to the establishment of the ATM Program, including \$410,255 that were incurred in 2024. These costs are recorded as a decrease to Common Shares within the condensed consolidated statements of financial position.

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## 14. Share capital cont'd

### Calculation of loss per share

Loss per common share is calculated using the weighted average number of common shares outstanding.

The Company reported a net loss for the period. Accordingly, potential ordinary shares are generally anti-dilutive and excluded from diluted earnings per share. However, during the period, the Company recognized an unrealized gain on the remeasurement of liability-classified warrants, which reduced the net loss and comprehensive loss. As this gain is non-cash and would not arise assuming settlement of the warrants, it is adjusted in the calculation of diluted earnings per share.

For diluted earnings per share, the Group assumes settlement of the warrants at the beginning of the period, applying the treasury stock method. The gain recognized on the warrant liability is reversed in the numerator, and the resulting incremental shares are included in the denominator, where dilutive.

Potential ordinary shares are included only when their overall effect is dilutive. The calculation was as follows:

	<b>Three Months Ended March 31, 2026</b>	Three Months Ended March 31, 2025
<b>Numerator:</b>		
<b>Net loss and Comprehensive loss</b>		
Basic	<b>(1,675,549)</b>	(3,948,192)
Adjustment for unrealized gain on warrant liability	<b>(5,721,585)</b>	-
Diluted	<b>(7,397,134)</b>	(3,948,192)
<b>Denominator:</b>		
<b>Weighted-average common stock outstanding</b>		
Basic	<b>79,900,758</b>	70,666,920
Adjustment for dilutive effect of liability classified warrants	<b>960,235</b>	-
Diluted	<b>80,860,993</b>	70,666,920
<b>Basic net loss per share</b>	<b>(0.02)</b>	(0.06)
<b>Diluted net loss per share</b>	<b>(0.09)</b>	(0.06)

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### 15. Stock options, retention securities and warrants

#### Stock Options:

Stock option transactions for the three months ended March 31, 2026 are set forth below:

	Number of shares issuable under options	Weighted average exercise price \$
<b>Balance outstanding at December 31, 2025</b>	<b>9,275,900</b>	<b>2.31</b>
Granted	936,638	6.80
Exercised	(1,045,000)	1.92
Forfeited/Expired	(104,500)	2.33
<b>Balance outstanding at March 31, 2026</b>	<b>9,063,038</b>	<b>2.82</b>

The following table summarizes information about stock options outstanding at March 31, 2026:

Exercise Price (\$)	Number of Options Outstanding	Weighted average remaining contractual life (Years)	Weighted average exercise Price (\$)	Number of Options Exercisable	Weighted average remaining contractual life (Years)	Weighted average exercise Price (\$)
1.01-1.50	38,000	4.02	1.13	38,000	4.02	1.13
1.51-2.00	4,430,000	4.80	1.78	4,430,000	4.80	1.78
2.01-2.50	790,000	2.26	2.14	765,000	2.07	2.14
2.51-3.00	763,000	7.08	2.86	519,000	6.31	2.87
3.01-3.50	1,162,900	5.15	3.24	1,162,900	5.15	3.24
3.51-4.00	942,500	2.48	3.83	526,458	1.27	3.85
5.51-6.00	218,747	9.93	5.63	-	-	-
7.01-7.50	614,799	9.87	7.05	-	-	-
7.51-8.00	103,092	4.87	7.76	-	-	-
	<b>9,063,038</b>	<b>5.04</b>	<b>2.82</b>	<b>7,441,358</b>	<b>4.43</b>	<b>2.26</b>

The fair value of options granted is calculated on the grant date using the Black-Scholes option pricing model using the following assumptions:

	March 31, 2026	March 31, 2025
Risk-free interest rate	2.90% - 3.24%	2.72% - 3.19%
Expected term in years	5.0 – 9.0 years	4.1 – 9.2 years
Expected stock price volatility	161.66% - 195.91%	151.01% - 168.93%
Dividend yield	-	-

#### Retention Securities:

The Company has granted 590,000 retention securities to its former President and Chief Executive Officer in connection with his appointment on April 10, 2023. As a result of the resignation of the former President and Chief Executive Officer in July 2025, 98,333 retention securities were forfeited. Each retention security is exercisable into one common share at a price of \$1.78 per share for a period of 10 years and the retention securities vested equally every month over a three-year period. The weighted average remaining contractual life of the retention securities is 0.29 years and 491,667 securities were exercisable as at March 31, 2026.

The retention securities were granted outside of the Company's stock option plan, as an inducement grant to the former President and Chief Executive Officer of the Company pursuant to Section 6.4 of TSX Venture Exchange Policy 4.4.

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### 15. Stock options, retention securities and warrants cont'd

#### Warrants:

Warrant transactions for the three months ended March 31, 2026 are set forth below:

	Number of shares issuable under warrants	Weighted average exercise price US\$	Weighted average exercise price \$
Balance outstanding at December 31, 2025	11,339,848	2.65	2.88
Exercised	(296,369)		2.80
Balance outstanding at March 31, 2026	11,043,479		2.89

The following table summarizes information about warrants outstanding at March 31, 2026:

Exercise Price (\$)	Number of Warrants Outstanding	Grant Date	Expiry Date
2.44	5,075,000	July 13, 2022	July 13, 2027
3.00	3,575,647	March 28, 2024	March 28, 2027
3.69 (US 2.65)	2,392,832	November 19, 2025	November 19, 2028
	11,043,479		

### 16. Commitments

In the normal course of business, the Company enters into contracts for the procurement of research and related services. These contracts are typically cancellable by the Company with notice.

In June 2023, the Company was awarded a grant of up to US\$3.18 million (CA\$4.22 million) to support the Company's Phase 1b/2a clinical trial in individuals with SCI. In connection with the grant, the Company agreed to pay a percentage of the Company's net annual sales revenue of NVG-291 or any derivative approved in SCI through the provision of an unrestricted donation to the granting entity in the amount of up to the total funds received through the agreement. Any donation that may become due under the agreement is dependent on, among other factors, the successful development and sale of a new drug, the outcome and timing of which is uncertain. As at March 31, 2026, the Company had achieved four of the five milestones in the grant and received US\$2.56 million (CA\$3.40 million). The grant funding received was recorded as a reduction of the related clinical and regulatory expenses, included in research and development expenses, in the period the milestone was earned.

### 17. Nature of expenses

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
	\$	\$
<b>Research and Development Expenses</b>		
Amortization of intangible asset	13,949	13,949
Preclinical development	505,501	163,417
Chemistry, manufacturing and controls	1,542,776	297,228
Licensing and patent legal fees	105,256	42,242
Clinical and regulatory	1,757,675	887,020
Salaries and benefits	520,577	1,182,613
Stock-based compensation	292,872	447,351
Other research and development	125,020	114,435
	4,863,626	3,148,255

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### 17. Nature of expenses cont'd

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
	\$	\$
<b>General and Administrative Expenses</b>		
Legal, professional and finance	682,298	283,811
Investor and public relations	599,656	459,087
Salaries and benefits	194,753	872,935
Stock-based compensation	659,259	1,014,103
Other general and administrative	531,986	257,091
	<b>2,667,952</b>	<b>2,887,027</b>

### 18. Subsequent events

Subsequent to March 31, 2026:

- (a) 298,980 stock options were exercised for cash proceeds of \$606,317. 1,271,020 options were exercised on a cashless basis, for which the Company withheld shares with a fair market value sufficient to satisfy the exercise price, resulting in net 842,232 shares being issued
- (b) Cash proceeds of \$194,735 were received from the exercise of 61,053 warrants.
- (c) The Company entered into an employment agreement with Dr. Keith Vendola, under which he was appointed Chief Financial Officer of the Company with terms including a US\$515,000 annual base salary, participation in incentive and benefits programs, and equity awards consisting of stock options, fully vested shares, and performance-based restricted stock units.