



NERVGEN PHARMA REPORTS FIRST QUARTER 2020 RESULTS

PHASE 1 CLINICAL TRIAL REMAINS ON TRACK FOR Q4 2020

Vancouver, Canada. June 1, 2020 – **NervGen Pharma Corp. (TSX-V: NGEN) (OTCQX: NGENF)** (“NervGen” or the “Company”), a biotech company dedicated to creating innovative solutions for the treatment of nerve damage and neurodegenerative diseases, today reported its financial results for the first quarter ended March 31, 2020.

Paul Brennan, NervGen’s President & CEO, stated, “We continue to generate encouraging preclinical data to support our programs to bring life-changing hope to many people suffering from nerve damage, such as that experienced in spinal cord injury, or in neurodegenerative diseases such as multiple sclerosis (“MS”) and Alzheimer’s disease (“AD”). As we have previously reported, we have been actively working to address the comments received from the U.S. Food and Drug Administration (“FDA”) regarding our Investigational New Drug (“IND”) application that we received during the quarter. We have engaged experts to review our preliminary preclinical data and as a result, we have refined our development program for NVG-291. Importantly, we have recently completed a private placement to fund the preclinical studies to address the FDA comments. We remain committed to our previous guidance that we intend to initiate our Phase 1 study in the fourth quarter of this year, Phase 2 trials in spinal cord injuries and MS in the second half of 2021, and to present preclinical data in Alzheimer’s disease in 2021, subject to further impact by the COVID-19 pandemic on our suppliers’ operations, FDA review and financing.”

Mr. Brennan continued, “NervGen’s core technology, NVG-291, targets a novel receptor called protein tyrosine phosphatase sigma (“PTP σ ”). PTP σ is present in the central nervous system and the peripheral nervous system and the receptor plays a key role when there is nerve damage. Preclinical testing has shown that inhibition of the PTP σ receptor promotes the regeneration of damaged nerves, increases plasticity and stimulates remyelination in animal models. Numerous peer-reviewed studies based on preclinical animal models have also shown functional benefits of PTP σ inhibition in models of spinal cord injury, MS, peripheral nerve injury and cardiac ischemia. Based on these exciting observations, we are focusing our development efforts towards the clinical development of NVG-291 for MS and spinal cord injuries, both sub-acute and chronic. At the same time, we are advancing our research for a solution for Alzheimer’s disease. These three indications represent a significant market opportunity due to the high cost burden to the health care system and the dramatic impact on quality of life. We are also identifying additional therapeutic candidates for other medical conditions involving neurogenerative applications.”

Operational Highlights for Q1 2020 and Subsequent

- We appointed Bill Adams as our Chief Financial Officer.
- In February 2020, we provided an update to our technology development plans for our lead product, NVG-291, following our review of the comments received from the FDA on our IND. We decided to delay the initiation of our Phase 1 clinical trial from the first quarter of 2020 to the fourth quarter of 2020 in order to obtain additional preclinical data required by the FDA. Although we believe it would have been possible to initiate the Phase 1 clinical trial in Q2 2020 on a

restricted basis, we decided to delay the start of the trial in order to provide additional information in our IND application to allow for a broader scope of the Phase 1 clinical trial.

- Subsequent to the end of Q1, in April 2020, we provided an update on our business in response to the COVID-19 global crisis and announced (i) the reduction or suspension of certain consulting contracts unless directly related to development programs or financing (ii) the departure of our Vice President, CMC (iii) a temporary reduction in compensation for certain executive officers and non-executive staff in exchange for a grant of stock options and (iv) working notice terminations for certain non-executive staff.
- On May 20, 2020 we completed a non-brokered private placement of 1,806,827 units of the Company (“Units”) at a price of \$1.25 per Unit, with each Unit comprised of one Common Share in the capital of the Company and one Common Share purchase warrant for gross proceeds of \$2,258,534.

Financial Highlights

- **Cash and Investments:** NervGen had cash and investments of \$2.5 million as of March 31, 2020, compared to \$4.1 million as of December 31, 2019. The net cash burn for Q1 2020 from operating activities was approximately \$1.7 million. This was partially offset by approximately \$100,000 in net proceeds from the exercise of options during the quarter.
- **R&D Expenses:** Research and development expenses were \$1.1 million for the three months ended March 31, 2020, compared to \$2.1 million in the same period in 2019. The decrease was primarily due to higher preclinical development, chemistry, manufacturing and control work, drug formulation development, and non-GMP and GMP manufacturing costs for NVG-291 incurred in 2019 that were not required again in Q1 2020. These costs were partially offset by higher salaries and stock-based compensation costs as we continued to add employees with the expertise required to leverage the broad potential application of our technology.
- **G&A Expenses:** General and administrative expenses were \$0.8 million for the three months ended March 31, 2020, compared to \$0.9 million in the same period in 2019. The decrease was primarily due to a foreign exchange gain on our U.S. denominated assets which was partially offset by increased salaries, corporate communications, legal fees and investor relations activities related to becoming a public company.
- **Net Loss:** For the three months ended March 31, 2020, net loss, which included \$0.6 million of non-cash expenses, was \$1.9 million, or \$0.06 per basic and diluted Common Share. For the three months ended March 31, 2019, net loss, which included \$0.6 million of non-cash expenses, was \$3.0 million, or \$0.16 per basic and diluted Common Share.

About NervGen

NervGen is restoring life's potential by creating innovative solutions for the treatment of nerve damage and neurodegenerative diseases. The Company is developing drugs for the treatment of spinal cord injury, multiple sclerosis and Alzheimer's disease. NervGen's platform technology targets protein tyrosine phosphatase sigma ("PTP σ "), a neural receptor that impedes nerve repair. Inhibition of the PTP σ receptor has been shown to promote regeneration and remyelination of damaged nerves, as well as improvement of nerve function in animal models for various medical conditions.

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Follow NervGen on Twitter (@NervgenC) and LinkedIn (NervGen Pharma Corp.) for the latest news on the Company.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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: the clinical development of NVG-291 for MS and spinal cord injuries, both sub-acute and chronic; steps taken to minimize the impact of the COVID-19 pandemic on our operations; our Phase 1 trial plans including providing additional information in our IND application to allow for a broader scope of the Phase 1 clinical trial; our Phase 2 trials in spinal cord injuries and MS, including our intention to conduct the trials in parallel to our SCI trials; our intention to present preclinical data in AD; review of our Investigational New Drug application by the FDA; future financings and that Phase 1 and Phase 2 clinical trials are subject to additional funding; PTP σ and its benefits in treating spinal cord injuries, MS, peripheral nerve injury and cardiac ischemia; and our research for the treatment of AD and other neurodegenerative applications, including the consultation of experts to generate research and development programs.

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, 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.