



TSX-V: NGEN | OTCQX: NGENF

January 11, 2021

NervGen's 2020 in Review and the Plan Ahead

Dear NervGen shareholders,

How was your 2020? I think we can say that it has been a year like no other, both personally and professionally. The unforeseen challenge of the COVID-19 pandemic has caused every person and every company to reset their plans and priorities. We've all experienced difficult times, but hopefully for most there has also been an ability to gain strength out of adversity. I strongly believe that is what has happened with NervGen.

The beginning of 2020 did not start as well as we would have liked. In late February we received a comment letter from the U.S. Food and Drug Administration (the "FDA") regarding our Investigational New Drug ("IND") application which we had submitted to gain approval to initiate our Phase 1 study in healthy volunteers. The net result of the letter was that we were unable to initiate our trial in early 2020 as planned, and instead we would have to use 2020 to generate additional preclinical data to address the comments from the FDA. While this was disappointing, in no way did it diminish our resolute confidence in our technology. So, we used our time wisely; consulted with world experts in the field where the FDA had questions and conducted a number of additional preclinical studies in the areas related to the questions raised by the FDA. We believe that we are now in a very strong position to answer the FDA's concerns which gives us confidence that we will be able to initiate our Phase 1 study in the first quarter of this year.

At the same time that we were dealing with the questions from the FDA, the progression of COVID-19 from an isolated virus to a worldwide pandemic caused significant disruption in the capital markets, and by extension to NervGen. To preserve corporate resources, we adopted a short-term defensive strategy which included a temporary reduction in executive and non-executive salaries and a reduction in consulting and business expenditures. I am immensely grateful to the employees of NervGen who understood the need for us to adopt this defensive posture in time of uncertainty, and who continued to fully support the company.

As the capital markets stabilized, we were able to complete a private placement financing in May, and a further, more substantial financing in August for a total of \$8.7 million in gross proceeds. These financings have been critical for our continued success, and I would like to thank all the staff, bankers, advisors and in particular the investors that allowed our financings to be completed in a timely manner.

Whilst our operations staff has been working hard to coordinate and complete the additional preclinical studies required for the FDA, we have continued to build the NervGen team, notably:

- in February we appointed Bill Adams, CPA, CA, as Chief Financial Officer. The timing of this hiring was fortuitous as Bill made a meaningful contribution to the successful navigation through the turbulence of the markets that followed. Additionally, Bill has previous experience in working as a CFO in a Nasdaq company, which is pivotal to our finance strategy going forward, and
- in October we announced the appointment of Dr. Randall Kaye, to our Board of Directors. Dr. Kaye brings a wealth of experience developing and managing clinical programs for therapeutics for the treatment of central nervous system disorders and has already made several significant contributions to the company.

As well, the strategic advisors and consultants which we have added in 2020 has been impressive. The most noteworthy publicly announced engagements were:

- Dr. George Perry, the current and founding Editor-in-Chief of the Journal of Alzheimer's Disease and Semmes Distinguished University Chair in Neurobiology at the University of Texas, San Antonio, to provide expert strategic advice to guide the development of our lead compound in the treatment of Alzheimer's disease,
- Dr. Michael Davis, MD, FACS, FRCS (Hon.), Colonel (Ret.) formerly Director of the U.S. Combat Casualty Care Research Program, to help us identify, prioritize and secure sources of non-dilutive funding, predominately from the U.S. Department of Defense, and
- LifeSci Advisors, LLC ("LifeSci"), a leading New York biotech investor relations advisory firm. We have been working closely with LifeSci to position the company as a world-leading neurosciences company that will attract a broad category of investors, including retail investors, family offices and specialist biotech institutional investors.

In the fall, we also established a multiple sclerosis advisory board, which consists of global leaders in the field of preclinical and clinical research in remyelination and multiple sclerosis. The advisory board consists of members from the U.S., Canada, Australia and the UK. The feedback we are receiving from this group is spectacular and is critical as we move towards planning our Phase 2 studies in early 2022.

Importantly, we also evolved our planning with respect to our indication strategy. Our lead indications currently are multiple sclerosis, spinal cord injury and Alzheimer's disease. This strategy is based on a combination of scientific rationale, unmet medical need, and investor sentiment. Yet there still exists some very exciting data and/or rationale for use of our technology in indications that we haven't highlighted, such as stroke, traumatic brain injury, and peripheral nerve injury. Our strategy in the next few years will be to advance these indications if we are able to secure external funding and resources to perform the studies. We are now actively pursuing non-dilutive funding opportunities on multiple levels, and Dr. Davis will be very helpful with these efforts.

Looking forward, 2021 looks to be a very exciting year for NervGen. We are planning to initiate our Phase 1 trial this quarter. The trial will be conducted in Australia where COVID-19 cases are very low, thus minimizing risk from the COVID-19 pandemic. We also expect to initiate our Phase 2 clinical trial in spinal cord injury by the end of 2021, and in multiple sclerosis in early 2022. Additionally, we are hoping to significantly advance our development program for Alzheimer's disease. Our first preclinical result with NVG-291 in Alzheimer's disease should read-out in 2021, and we are exploring with our advisors the quickest route to the clinic for this indication.

On a corporate level we also expect to see a number of developments for the company. We will continue to build our management team and plan to recruit a Chief Medical Officer. From an investor relations perspective, we will continue to explore new connections. The company is well known by our current retail investors, but we have been flying "under the radar" (as quoted from Neuroperspectives in their Jan/Feb 2021 issue) to many industry specialist investors and analysts. When we reach Phase 1 we expect that our public profile will increase and we will be working with our consultants, including LifeSci, to make sure that happens. We also are very aware that there is a keen interest from many current and prospective shareholders for NervGen to list on Nasdaq. There are multiple criteria to consider related to a cross-listing on Nasdaq, and these will be considered carefully in 2021 as we see multiple benefits if the correct circumstances present themselves.

At NervGen, we truly believe that our technology will be disruptive. It is not an overstatement that we are on a mission to change the world. To be successful we will need the backing of our employees, our Board, our advisors and consultants, our partners and of course, our investors. I've been extremely impressed by the attention and support that we have received to date by all our stakeholders, which is an indication of the general level of excitement about our technology.

Finally, I'd like to say that I am very grateful for the ongoing support from you, our shareholders. You have been key to building the company from its inception, and the feedback and interest has been impressive. I look forward to continuing this journey with you in 2021 and beyond.

Best regards,

Paul Brennan
President & CEO
NervGen Pharma Corp.

P.S. If you interested in following NervGen even more closely, please note that in late 2020 we have become much more active in social media, with an emphasis on Facebook (where we now have over 10,000 followers), Twitter and LinkedIn. Here, not only do we provide updates on the company, but we also raise attention to general interest stories related to our disease indications of interest.

Suite 1703, 595 Burrard Street, Vancouver, BC Canada V7X 1J1