

NurExone Issues Annual Shareholder Letter

Calgary, Alberta--(Newsfile Corp. - December 15, 2022) - NurExone Biologic Inc. (TSXV: NRX) (FSE: J90) ("we", "our", the "Company" or "NurExone"), a biopharmaceutical company developing biologically-guided exosome therapy ("ExoTherapy") for patients with traumatic spinal cord injuries, is pleased to provide the following shareholder letter from NurExone CEO Dr. Lior Shaltiel.

Dear Shareholders,

We started our journey to provide much-needed therapy for people who have suffered spinal cord injuries and have accomplished very significant achievements in 2022. As we progress with developing our underlying technology, the awareness of a greater picture has intensified. The same technologies and science that will serve NurExone may be of great use and interest to other pharmaceutical companies for different exosome-based indications. So, going forward, we have decided that, in parallel with our vision for drug development, we will also pursue licensing and commercialization applications for our unique exosome technology.

Go-Public Listing on the TSX Venture Exchange

First and foremost, we completed our public listing in Canada on the TSX Venture Exchange (TSXV), a well-recognized junior stock exchange in North America and began trading under the ticker symbol "NRX" in June 2022. Although our Company was founded in Israel, we decided it was in the best interest of the Company to expand our presence and grow our investor base in North America. By being listed on the TSXV, we are looking to build a strong network of North American investors as well as strengthen our relationship with the U.S. and Canadian sell-side investment community.

U.S. Food and Drug Administration (FDA) Regulatory Timeline

As we scale up our research and product development, we continue to pursue healthcare regulatory approval from the U.S. Food and Drug Administration (FDA), which we believe is the gold standard of the biopharmaceutical industry for drug approval and enables us to fully commercialize our drug platform in one of the biggest healthcare markets in the world. The U.S. spinal cord injury (SCI) treatment market alone was estimated to be worth US\$717.6 Million in 2020.¹

As far as we know, there are currently no other biopharmaceutical companies that utilize exosomes to develop a treatment for spinal cord injuries, and we intend to be the first exosome-based company to capitalize on this substantial market opportunity. As a result, it is imperative that we obtain FDA clearance. In an official response from the FDA, we were informed that NurExone's product development program is appropriate for a Pre-Investigational New Drug (IND) meeting. Therefore, we are proceeding towards submitting a formal request for a Pre-IND meeting with the FDA in connection with ExoPTEN, NurExone's first ExoTherapy product that is currently in development. Pre-IND meetings offer applicants valuable information about preparing complete IND applications and planning clinical studies for their products, which reduces the risk of a clinical hold. We plan to formally submit this request in the first quarter of 2023.

Research and Development

Co-founder and Scientific Advisory Board member Prof. Shulamit Levenberg is a world-class accredited researcher and the former Dean of the Biomedical Engineering Department at the Technion. Our Research and Development (R&D) team is led by Dr. Lyora Aharonov, PhD, an expert in Biological Research with more than 15 years of extensive hands-on and management experience in academic and industrial R&D. The team has continued to advance various verticals of our technology portfolio and platform which is based on 6 different patent families. To summarize, we conducted scientific research and experiments on the effectiveness of our proprietary small interfering RNA (siRNA) in healing traumatic SCIs, and patent-pending processes for generating extensive exosome production and

exosome loading technology, all of which have shown positive results. For more information on these studies, I encourage our shareholders to read the recent news releases we published.

The Company's platform for exosome-based therapy production is planned to include: (i) large-scale exosome production, (ii) therapeutic cargo and (iii) unique technology to load the therapeutic cargo into exosomes to achieve therapeutic exosomes. The therapeutic exosomes will be guided biologically to a target damaged anatomical location to "dock" and unload their therapeutic cargo in the neuronal cells for healing. We have made progress in all of these directions during 2022 leaving us prepared to meet our key 2023 milestones.

Strategic Collaborations and Partnerships

Throughout 2022, we established more strategic collaborations and partnerships, namely with the following organizations:

- Yissum Research Development Company, a wholly-owned subsidiary of the Hebrew University of Jerusalem Ltd. based in Israel
- denovoMATRIX GmbH, a leading developer of innovative technologies for cell therapies based in Germany
- Nanometrix Ltd., a nanoparticle analysis company based in the United Kingdom

The recent collaborations and partnerships focus on enhancing our manufacturing process to enable efficient large-scale exosome production, which could result in not only the development of new intellectual property but also, potential commercialization opportunities for NurExone. We intend to collaborate or partner with more organizations within the biopharmaceutical space as we can combine our efforts to potentially achieve new avenues to grow different areas of our business. This year, we have attended multiple scientific and business conferences, most notably the 2022 Bio-Europe Conference in Leipzig, Germany, to establish new business relationships and we will continue to attend more similar events in 2023.

Other Growth Opportunities

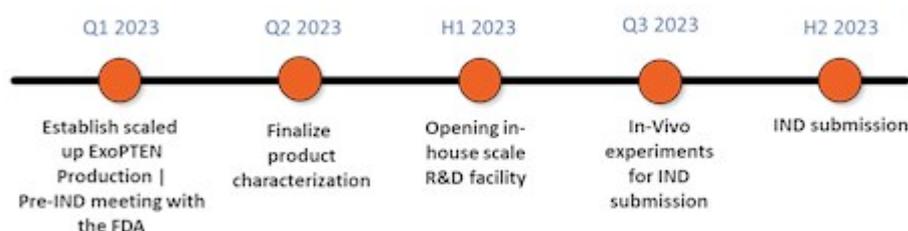
While pursuing our objective of finalizing our product and gaining FDA clearance to launch our drug platform, we seek to commercialize our technology portfolio by licensing it to other organizations within the global biopharmaceutical industry. This will enable us to potentially generate revenue prior to the completion of our proprietary ExoPTEN drug for spinal cord injury.

Furthermore, we also seek to complete accretive acquisitions to unlock revenue and cost synergies that can strengthen our drug platform.

Debt Settlements and Cash Balance

In recent months, we removed substantial debt that was incurred prior to our reverse takeover transaction in which the Company officially became NurExone Biologic Inc. As of September 30, 2022, we have a cash balance of US\$3.2 million and we will continue to evaluate different strategies to streamline our operations in order to maximize cost efficiencies.

NurExone's Objectives



Planned Roadmap

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/3274/148110_a1b9afb40e588b_002full.jpg

As highlighted by the planned roadmap above, we intend to establish scaled-up ExoPTEN production, participate in a Pre-IND meeting with the FDA, finalize our product characterization for ExoPTEN, build a new in-house R&D facility, which will allow us to further advance our R&D program, conduct In-Vivo experiments and complete the IND submission for ExoPTEN - all during 2023.

As we head towards the end of 2022, I would like to thank our shareholders for being supportive of our ongoing commitment to establishing a unique exosome-based drug platform for treating traumatic spinal cord injury (SCI) and potentially other central nervous system indications. Overall, 2022 was a transformative year as it saw us reaching greater heights and meeting our commercial and scientific milestones.

Sincerely,
Dr. Lior Shaltiel
CEO of NurExone

About NurExone Biologic Inc.

NurExone Biologic Inc. is a TSXV listed pharmaceutical company that is developing a platform for biologically-guided ExoTherapy to be delivered, non-invasively, to patients who suffered traumatic spinal cord injuries. ExoTherapy was conceptually demonstrated in animal studies at the Technion, Israel Institute of Technology. NurExone is translating the treatment to humans, and the company holds an exclusive worldwide license from the Technion and Tel Aviv University for the development and commercialization of the technology.

For additional information, please visit www.nurexone.com or follow NurExone on [LinkedIn](#), [Twitter](#), [Facebook](#), or [YouTube](#).

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FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements, including statements about the Company's future plans and intellectual property, the scientific and development activities to be carried out by the company, future potential manufacturing and marketing activities, the treatment of certain conditions, the Company's growth plans, potential acquisition transactions, the achievement of regulatory timelines and milestones, research and development activities, strategic collaboration and partnership opportunities and opportunities to achieve revenues. Wherever possible, words such as "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "predict" or "potential" or the negative or other variations of these words, or similar words or phrases, have been used to identify these forward-looking statements. These statements reflect management's current beliefs and are based on information currently available to management as at the date hereof. Forward-looking statements involve significant risk, uncertainties and assumptions. Many factors could cause actual

results, performance or achievements to differ materially from the results discussed or implied in the forward-looking statements. These risks and uncertainties include, but are not limited to, risks related to the Company's early stage of development, lack of revenues to date, government regulation, market acceptance for its products, rapid technological change, dependence on key personnel, protection of the Company's intellectual property and dependence on the Company's strategic partners. These factors should be considered carefully and readers should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this press release are based upon what management believes to be reasonable assumptions, the Company cannot assure readers that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this press release, and the Company assumes no obligation to update or revise them to reflect new events or circumstances, except as required by law.

Neither 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.

1. <https://www.researchandmarkets.com/reports/5140129/spinal-cord-trauma-treatment-global-strategic>



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