Eupraxia Pharmaceuticals Announces Updated Positive Clinical Data in EP-104GI RESOLVE Trial for the Treatment of Eosinophilic Esophagitis

- No serious or treatment related adverse events in either the first or second cohort
- Second cohort demonstrated an average 60% reduction in Dysphasia Likert score and an average 80% reduction in Odynophagia Likert score
- First cohort maintaining signs of efficacy to six months
- Third cohort now fully dosed at five times the first cohort dose and two-and-a-half times the second cohort dose
- Results from third cohort are expected in the second quarter of 2024

Victoria, B.C. – February 5, 2024 – Eupraxia Pharmaceuticals Inc. ("Eupraxia" or the "Company") (TSX: EPRX), a clinical-stage biotechnology company leveraging its proprietary Diffusphere™ technology to optimize drug delivery for applications with significant unmet need, today announced updated positive clinical data from its Phase 1b/2a RESOLVE trial, which is evaluating safety and efficacy of EP-104GI as a treatment for eosinophilic esophagitis ("EoE").

EoE is a life altering, chronic, immune-mediated condition of the esophagus that causes inflammation, structural damage and dysfunction when left untreated. Patients with EoE experience difficulty and pain in swallowing; the extent of which can dramatically affect their quality of life. Current treatment options often provide poor or temporary control over the condition and can be accompanied with unpleasant side effects, such as oral fungal infections.

"Our goal for EP-104GI is to develop a product that provides potent and targeted immunotherapy to the esophagus with minimal systemic exposure and side effects," said Dr. James Helliwell, CEO of Eupraxia. "The updated data announced today from our RESOLVE trial in EoE demonstrate good tolerability and early efficacy signals from patients treated with EP-104GI, as well as evidence of a positive dose response. We believe that EP-104GI has the potential to meet our target profile and become an important treatment for EoE."

Positive Clinical Data from the RESOLVE Trial

The results announced today from the second cohort of the RESOLVE trial, using Eupraxia's Diffusphere™ technology for EoE, are derived from a low dose of eight 1 mg injections of EP-104GI administered to a portion of each patient's lower esophagus.

- There were no serious adverse events or treatment-related adverse events in either cohort.

- All three of the patients in the second dose cohort showed reductions in their patient-reported outcomes with an average 60% reduction in their Dysphasia Likert score (difficulty swallowing) and an 80% reduction in their Odynophagia Likert score (pain on swallowing) at three months.
- Patients demonstrated an average 40% reduction in eosinophil counts at three months in the second cohort.
- Plasma levels of fluticasone were very low (< 10pg/mL), supporting the potential to increase the dose in future cohorts. In previous Eupraxia studies, similar plasma levels of fluticasone had no effect on serum cortisol or blood glucose.
- Patients receiving the very low dose (four 1 mg injections) from the first cohort who reached the six-month mark still reported some beneficial effects from the treatment.
- The data supports the hypothesis that as the dose increases, the response improves. The first six patients showed meaningful improvement in self-reported symptoms and pathological findings of the disease assessed by esophageal biopsies. These findings are viewed optimistically in light of the low doses used in the first two cohorts.

The Company has previously announced that based on its first external safety review meeting of the RESOLVE trial, the original timeline of the trial was extended to six months to fully characterize the duration of efficacy endpoints. Durability of response is evidenced by the continued meaningful improvement in symptoms at six months in the first cohort with a low dose, and Eupraxia intends to follow all future cohorts to six months.

The third cohort of the RESOLVE trial has been fully recruited and the dosing is five times that of the first cohort (which was four 1 mg injections), with eight 2.5 mg injections offering a higher local dose and a broader spread of drug in the esophagus. The trial's third cohort has now been fully dosed and further results are expected in the second quarter of 2024.

The Company anticipates also releasing additional interim data as the study progresses.

About Eosinophilic Esophagitis (EOE)

EoE is a life altering, chronic, immune-mediated condition in which white blood cells migrate into the esophagus, causing inflammation, structural damage and dysfunction when left untreated. Patients with EoE experience difficulty and sometimes severe pain in swallowing; the extent of which can dramatically affect their quality of life. Current treatment options often provide poor or temporary control over the condition and can be accompanied by unpleasant side effects, such as oral fungal infections. Impacts from both symptoms and interventions frequently lead to mental health issues, compounding the disease burden of EoE for both the health care system and the individual.

About the RESOLVE Trial

RESOLVE is a Phase 1b/2a open-label dose-ascending trial with the primary objectives set to evaluate the safety and pharmacokinetic profile of EP-104GI when administered to the esophagus. The trial also includes a secondary objective to evaluate the efficacy of EP-104GI on EoE disease activity as measured by symptoms, endoscopy, and histology. The trial consists of three patients per cohort and a maximum of

five cohorts for a total target enrollment of up to 24 patients enrolled from centres in Canada, the Netherlands and Australia.

About Eupraxia Pharmaceuticals Inc.

Eupraxia is a clinical-stage biotechnology company focused on the development of locally delivered, extended-release products that have the potential to address therapeutic areas with high unmet medical need. The Company strives to provide improved patient benefit and has developed technology designed to deliver targeted, long-lasting activity with fewer side effects. Diffusphere™, a proprietary, polymer-based micro-sphere technology, is designed to facilitate targeted drug delivery, with extended duration of effect, and offers multiple, highly tuneable PK profiles. This investigational technology can be engineered for use with multiple active pharmaceutical ingredients and delivery methods.

Eupraxia recently completed a Phase 2b clinical trial for its lead product candidate, EP-104IAR, for the treatment of pain due to OA of the knee. The trial met its primary endpoint and three of the four secondary endpoints. Eupraxia has expanded the EP-104 platform into gastrointestinal disease with the Phase 1b/2a RESOLVE trial for treating eosinophilic esophagitis (EoE). Eupraxia is also developing a pipeline of later- and earlier-stage long-acting formulations. Potential pipeline indications include candidates for other inflammatory joint indications and oncology, each designed to improve on the activity and tolerability of currently approved drugs. For further details about Eupraxia, please visit the Company's website at: www.eupraxiapharma.com.

Notice Regarding Forward-looking Statements and Information

This news release includes forward-looking statements and forward–looking information within the meaning of applicable securities laws. Often, but not always, forward–looking information can be identified by the use of words such as "plans", "is expected", "expects", "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes", “estimates”, “potential” or variations (including negative and grammatical variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward looking statements in this news release include statements regarding the Company's business strategies and objectives, including current and future plans and opportunities, expectations and intentions; statements regarding the Company's clinical trials, including with respect to the potential for higher doses; the ability of the Company to execute on its business strategy; the potential of Eupraxia's product candidates, including EP-104GI with respect to the treatment of EoE; the Company's expectations regarding its product designs, including with respect to patient benefit, duration, safety, effectiveness and tolerability; the results gathered from studies of Eupraxia's product candidates and the timing of release thereof, including with respect to the RESOLVE trial; the potential and competitive advantages of Diffusphere™ in connection with the drug delivery process; the advancement of opportunities stemming from Diffusphere™ and the expansion of pipeline designs; the benefits to patients from the Company's drug platforms; the translation of the Company's technologies and expansion of its offerings into clinical applications; and the use of the terms "EP-104IAR", "EP-104GI", and "EP-104" in future disclosure.

Such statements and information are based on the current expectations of Eupraxia's management, and are based on assumptions, including but not limited to: future research and development plans for the Company proceeding substantially as currently envisioned; industry growth trends, including with respect to projected and actual industry sales; the Company's ability to obtain positive results from the Company's research and development activities, including clinical trials; and the Company's ability to protect patents and proprietary rights. Although Eupraxia's management believes that the assumptions underlying these statements and information are reasonable, they may prove to be incorrect. The forward–looking events and circumstances discussed in this news release may not occur by certain dates or at all and could differ materially as a result of known and unknown risk factors and uncertainties affecting Eupraxia, including, but not limited to: the Company's limited operating history; the Company's novel technology with uncertain market acceptance; if the Company breaches any of the agreements under which it licenses rights to its product candidates or technology from third parties, the Company could lose license rights that are important to its business; the Company's current license agreement may not provide an adequate remedy for its breach by the licensor; the Company's technology may not be successful for its intended use; the Company's future technology will require regulatory approval, which is costly and the Company may not be able to obtain it; the Company may fail to obtain regulatory approvals or only obtain approvals for limited uses or indications; the Company's clinical trials may fail to demonstrate adequately the safety and efficacy of our product candidates at any stage of clinical development; the Company may be required to suspend or discontinue clinical trials due to side effects or other safety risks; the Company completely relies on third parties to provide supplies and inputs required for its products and services; the Company relies on external contract research organizations to provide clinical and non-clinical research services; the Company may not be able to successfully execute its business strategy; the Company will require additional financing, which may not be available; any therapeutics the Company develops will be subject to extensive, lengthy and uncertain regulatory requirements, which could adversely affect the Company's ability to obtain regulatory approval in a timely manner, or at all; the impact of health pandemics or epidemics on the Company's operations; the Company's restatement of its consolidated financial statements, which may lead to additional risks and uncertainties, including loss of investor confidence and negative impacts on the Company's common share price; and other risks and uncertainties described in more detail in Eupraxia's public filings on SEDAR+ (sedarplus.ca). Although Eupraxia has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward–looking statements and information, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. No forward–looking statement or information can be guaranteed. Except as required by applicable securities laws, forward–looking statements and information speak only as of the date on which they are made and Eupraxia undertakes no obligation to publicly update or revise any forward–looking statement or information, whether as a result of new information, future events or otherwise.

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