Eupraxia Pharmaceuticals Reports First Quarter 2026 Financial Results

May 12, 2026

Robust response in highest dose cohort after 36 weeks following a single treatment of EP-104GI

Completion of a $63.2 million public offering to enable clinical trials of EP-104GI in additional indications

Well-capitalized into H2 2028, beyond key catalysts with over $140 million cash

VANCOUVER, British Columbia, May 12, 2026 (GLOBE NEWSWIRE) -- Eupraxia Pharmaceuticals Inc. ("Eupraxia" or the "Company") (NASDAQ:EPRX) (TSX:EPRX), a clinical-stage biotechnology company leveraging its proprietary Diffusphere™ technology designed to optimize local, controlled drug delivery for applications with significant unmet need, today announced its financial results for the first quarter of 2026.

"The clinical data reported this quarter further reinforces the potential for EP-104GI to become an important new treatment for Eosinophilic Esophagitis (EoE)," said Dr. James A. Helliwell, Chief Executive Officer of Eupraxia. "With the capital from the recent financing, we are excited to continue development of EP-104GI in EoE and accelerate additional clinical programs in new indications within the GI field, where we believe that EP-104GI has the opportunity to work due to the Diffusphere's ability to provide hyper-targeted delivery into diseased areas over a long period of time without the typical systemic exposure profile."

Recent Operational and Financial Highlights

- On January 8, 2026, the Company announced positive tissue health data from its ongoing RESOLVE trial in EoE demonstrating near-complete improvement on biopsy.
- On February 20, 2026, the Company announced the closing of a public offering of Common Shares (the "Offering"). The Company issued 7,607,145 Common Shares at a price of $7.00 per Common Share for gross proceeds of approximately $63.2 million which included the issuance of 1,178,571 Common Shares upon full exercise of the option to purchase additional shares granted to the underwriters, and 1,428,571 Pre-Funded Warrants at a price of $6.99999 per Pre-Funded Warrant.
- On March 17, 2026, the Company announced six-month symptom data from the highest dose cohort in its ongoing Phase 1b/2a RESOLVE trial in EoE.
- On April 21, 2026, the Company announced positive nine-month tissue health and symptom data from the highest dose cohort in its ongoing Phase 1b/2a RESOLVE trial in EoE.

First Quarter 2026 Financial Review

The Company incurred a net loss of $12.7 million for the three months ended March 31, 2026, versus a net loss of $6.8 million for the three months ended March 31, 2025. The increase in net loss was primarily due to an increase in research and development costs as a result of doubling the size of the RESOLVE Part 2 trial and general and administrative costs, partially offset by an increase in other income.

The Company had cash and cash equivalents of $58.5 million and short-term investments of $80.4 million as of March 31, 2026, up from a cash balance of $80.6 million at the end of the fourth quarter of 2025. These funds are being used to fund clinical trials in EP-104GI and the remainder of the funds will be used for general and administrative expenses, working capital needs and other general corporate purposes.

The Company anticipates that existing cash reserves, and proceeds from the anticipated future exercise of in-the-money warrants, will be sufficient to fund the Company into the second half of 2028.

As of March 31, 2026, the Company had 61,808,630 common shares and 8,355,638 preferred shares outstanding.

Potential Impact of Tariffs

Management continues to monitor the North American trade situation that began with the February 2025 announcement by the U.S. government of proposed 25% tariffs on selected imported Canadian goods, and the subsequent Canadian announcement of planned retaliatory tariffs on selected imported U.S. goods. At present, U.S. tariffs are in flux following the recent U.S. Supreme Court decision regarding the scope of executive tariff authority that struck down certain tariffs that had been in place.

Eupraxia manufactures its clinical supplies of EP-104IAR and EP-104GI in the U.S. by a third-party. The Company expects to continue to access manufactured products from the U.S.

The Company maintains U.S. dollar balances to pay U.S. dollar expenses and to minimize the impact of short-term fluctuations in exchange rates.
Management continues to assess the potential direct and indirect impacts of tariffs, counter-tariffs and other trade protection measures on Eupraxia's business and will take those steps it deems necessary to attempt to mitigate any impact as the situation evolves.

Financial Statements and Management Discussion & Analysis

Please see the unaudited interim consolidated financial statements and related MD&A for more details. The unaudited interim consolidated financial statements for the quarter ended March 31, 2026, and related MD&A have been reviewed and approved by Eupraxia's Audit Committee and Board of Directors. For a more detailed explanation and analysis, please refer to the MD&A that has been filed under the Company's profile on EDGAR at www.sec.gov and on SEDAR+ at sedarplus.ca and which is also available on the Company's website at www.eupraxiapharma.com.

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. Diffusphere™, a proprietary, polymer-based micro-sphere technology, is designed to facilitate targeted drug delivery of both existing and novel drugs. The technology is designed to support extended duration of effect and delivery of drugs in a hyper-localized fashion, targeting only the tissues that physicians are wanting to treat. We believe the potential for fewer adverse events may be achieved through the precision targeting and the stable and flat delivery of the active ingredient when using the Diffusphere™ technology, versus the peaks and troughs seen with more traditional drug delivery methods. The precision of Eupraxia's Diffusphere™ technology platform has the potential to augment and transform existing FDA-approved drugs to improve their safety, tolerability, efficacy and duration of effect. The potential uses in therapeutic areas may go beyond pain and inflammatory gastrointestinal disease, where Eupraxia currently is developing advanced treatments, to also be applicable in oncology, infectious disease and other critical disease areas.

Eupraxia's EP-104GI is currently in a Phase 1b/2 trial, the RESOLVE trial, for the treatment of EoE. EP-104GI is administered as an injection into the esophageal wall, providing local delivery of drug. This is a unique treatment approach for EoE. Eupraxia also completed a Phase 2b clinical trial (SPRINGBOARD) of EP-104IAR for the treatment of pain due to knee osteoarthritis. The trial met its primary endpoint and three of the four secondary endpoints. In addition, Eupraxia is 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", "suggests", “indicates”, "scheduled", "intends", "contemplates", "anticipates", "believes", "proposes", "potential" or variations (including negative and grammatical variations) of such words and phrases, or statements 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 interpretation of the 36-week data from the RESOLVE trial, including tissue health and symptom response; the Company’s expected timing of reporting additional data from the RESOLVE trial, including the Phase 2b portion thereof; the Company's product candidates, including their expected benefits with respect to safety, tolerability, efficacy and duration of effect and their potential use in therapeutic areas beyond pain and inflammatory gastrointestinal disease; the expectations regarding the advancement of the Company’s product candidates through clinical development; the results of clinical trials of the Company's product candidates; the potential for the Company’s technology to impact the drug delivery process; the potential market opportunity for the Company’s product candidates; and potential pipeline indications. 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: risks and uncertainties related 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 possibility that 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 possibility that the Company's technology may not be successful for its intended use; the fact that the Company's future technology will require regulatory approval, which is costly and the Company may not be able to obtain it; the possibility that the Company may fail to obtain regulatory approvals or only obtain approvals for limited uses or indications; the possibility that the Company's clinical trials may fail to demonstrate adequately the safety and efficacy of its product candidates at any stage of clinical development; the possibility that the Company may be required to suspend or discontinue clinical trials due to side effects or other safety risks; the fact that the Company completely relies on third parties to provide supplies and inputs required for its product candidates and services; the potential impact of tariffs on the cost of the Company’s active pharmaceutical

ingredients and clinical supplies of EP-104IAR and EP-104GI; the fact that the Company relies on external contract research organizations to provide clinical and non-clinical research services; the possibility that the Company may not be able to successfully execute its business strategy; the fact that the Company will require additional financing, which may not be available; the fact that 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) and EDGAR (sec.gov). 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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