Eupraxia Pharmaceuticals Announces Filing of Preliminary Base Shelf Prospectus

December 13, 2021

VICTORIA, BC, Dec. 13, 2021 /CNW/ - Eupraxia Pharmaceuticals Inc. ("Eupraxia" or the "Company") (TSX: EPRX), a clinical-stage biotechnology company with an innovative drug delivery platform technology, announced today that it has filed and obtained a receipt for a preliminary short form base shelf prospectus with the securities regulatory authorities in each of the provinces and territories of Canada.

Upon a final short form base shelf prospectus (the "Prospectus") becoming effective, these filings, subject to securities regulatory requirements, will allow the Company and certain of its securityholders to qualify the distribution of up to C$30 million of common shares, preferred shares, debt securities, warrants, subscription receipts, and units, or any combination thereof (collectively, the "Securities") during the 25-month period that the Prospectus is effective, in amounts, at prices and on terms based on market conditions at the time of any offering, and set forth in an accompanying shelf prospectus supplement ("Prospectus Supplement").

The filing of a Prospectus is intended to provide the Company with financing flexibility. Each Prospectus Supplement will contain specific information concerning, among other matters, the Securities to be issued and the use of proceeds from any such issuance. There is no certainty that any Securities will be offered or sold under the Prospectus and any Prospectus Supplement within the 25-month period that it is effective.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any Securities in the United States or to, or for the account or benefit of, U.S. persons. The Securities referred to in this press release may not be offered or sold in the United States absent registration or an applicable exemption from registration. A copy of the preliminary short form base shelf prospectus can be found the Company's profile on SEDAR at www.sedar.com.

About Eupraxia

Eupraxia is a clinical-stage biotechnology company focused on the development of locally delivered, extended-release alternatives to currently approved drugs. Each of Eupraxia's product candidates has the potential to address therapeutic areas with high unmet medical need and strives to provide improved patient benefit by delivering targeted, long-lasting activity with fewer side effects.

Eupraxia's lead product candidate, EP-104IAR, is currently in Phase 2 development for the treatment of pain due to OA of the knee. In addition to EP-104IAR, Eupraxia is developing a pipeline of earlier-stage long-acting formulations. Potential pipeline candidates include a range of drugs for indications such as post-surgical pain (EP-105), and post-surgical site infections (EP-201), each designed to improve on the activity and tolerability of approved drugs. Eupraxia is also developing a formulation of EP-104IAR for use in canine and equine OA.

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 Canadian 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" 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 press release include statements regarding the Company's business strategies and objectives, including the Company's potential plans for future offerings and the benefits of any such offerings, current and future plans and the Company's ability to move into Phase 3 development, expectations and intentions, statements regarding the Company's Phase 2 clinical trial, including the expected timing for dosing patients in the Phase 2 trial, expected timing of the data readout and the results thereof, the ability of the Company to execute on its business strategy, the Company having sufficient resources, the potential of Eupraxia's product candidates, the potential for the Company's technology to impact the drug delivery process, the competitive advantages of the Company's technology, 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, the Company's estimation of potential product markets, the demand and market acceptance for products developed by the Company and the impact of COVID-19 on the Company's ability to meet expectations, intentions and expected timelines with respect to its Phase 2 clinical trial. 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 ability of the Company to meet its intended timing for the dosing of patients in its Phase 2 trial, the ability of the Company to meet its timeline of its data readout from its Phase 2 trial in late 2022, 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 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 nonclinical 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 the COVID-19 pandemic on the Company's operations; and other risks and uncertainties described in more detail in Eupraxia's public filings on SEDAR (www.sedar.com). 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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