

February 21, 2020



Algeron Pharmaceuticals Announces Increase and Closing of CDN\$1.55M Private Placement

VANCOUVER, British Columbia, Feb. 21, 2020 (GLOBE NEWSWIRE) -- Algeron Pharmaceuticals Inc. (CSE: AGN) (FRANKFURT: AGW) (OTCQB: AGNPF) (the "**Company**" or "**Algeron**") a clinical stage pharmaceutical development company is pleased to announce that, due to strong demand, it has increased its previously announced non-brokered private placement of units (the "**Units**"), and has issued an aggregate of 18,304,939 Units at the price of CDN\$0.085 per Unit, raising gross proceeds of CDN\$1,555,919.82 (the "**Offering**").

Each Unit is comprised of one Class A common share (a "**Share**") and one Share purchase warrant. Each whole warrant will entitle the holder to acquire one additional Share at a price of CDN\$0.12 per Share until August 20, 2022 (the "**Expiry Date**").

If, at any time after June 21, 2020 and prior to the Expiry Date, the volume weighted average trading price of the Shares on the Canadian Securities Exchange (the "**CSE**"), or other principal exchange on which the Shares are listed, is greater than CDN\$0.35 for 20 consecutive trading days, the Company may, within 15 days of the occurrence of such event, deliver a notice to the holders of warrants accelerating the Expiry Date to the date that is 30 days following the date of such notice (the "**Accelerated Exercise Period**"). Concurrent with the giving of such notice, the Company will also issue a press release disclosing the Accelerated Exercise Period. Any unexercised warrants shall automatically expire at the end of the Accelerated Exercise Period.

In connection with the Offering, the Company has paid cash commissions in the aggregate amount of CDN\$82,413.60, being 8% of the aggregate proceeds raised from the sale of Units to purchasers introduced by eligible finders. In addition, the Company has issued 969,571 finder's warrants (the "**Finders' Warrants**"), being 8% of the number of Units sold under the Offering to purchasers introduced by such finders. Each Finders' Warrant entitles the holder to purchase one Unit at a price of CDN\$0.085 per Unit until August 20, 2022.

All securities issued in connection with the Offering are subject to a statutory hold period expiring June 21, 2020 in accordance with applicable securities legislation. The net proceeds of the Offering will be used to fund the Company's planned phase 2 clinical trial programs and for general corporate purposes.

The Company also announces that it has granted, effective February 13, 2020, an aggregate of 4,375,000 stock options (each an "**Option**") to certain directors, officers, and consultants of the Company in accordance with the Company's stock option plan. Each Option is exercisable into one Share at a price of CDN\$0.10 per Share until February 13, 2025. 4,275,000 Options have vested immediately and 100,000 Options will vest on August 13,

2020.

About Algernon Pharmaceuticals Inc.

Algernon Pharmaceuticals is a clinical stage pharmaceutical development company focused on advancing its lead compounds for non-alcoholic steatohepatitis (NASH), chronic kidney disease (CKD) inflammatory bowel disease (IBD), idiopathic pulmonary fibrosis (IPF) and chronic cough.

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The CSE does not accept responsibility for the adequacy or accuracy of this release.

Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release. The Canadian Securities Exchange has not in any way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

CAUTIONARY DISCLAIMER STATEMENT: No securities regulatory authority or stock exchange has reviewed nor accepts responsibility for the adequacy or accuracy of the content of this news release. This news release contains forward-looking statements relating to the closing of the Offering, product development, licensing, commercialization and regulatory compliance issues and other statements that are not historical facts. Forward-looking statements are often identified by terms such as “will”, “may”, “should”, “anticipate”, “expects” and similar expressions. All statements other than statements of historical fact, included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations include the failure to satisfy the conditions of the relevant securities exchange(s) and other risks detailed from time to time in the filings made by the Company with securities regulations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or

revise publicly any of the included forward-looking statements as expressly required by applicable law.



Source: Algeron Pharmaceuticals