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Algernon Pharmaceuticals Announces Private Placement

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VANCOUVER, British Columbia, Aug. 18, 2022 (GLOBE NEWSWIRE) -- Algernon Pharmaceuticals Inc. (CSE: AGN) (FRANKFURT: AGW0) (OTCQB: AGNPF) (the "Company" or "Algernon") a clinical stage pharmaceutical development company is pleased to announce a non-brokered private placement for gross proceeds of \$1,402,125 (the "Offering") of units (the "Units") at an issue price of \$3.75 per Unit. Each Unit will consist of one Class A common share in the capital of the Company (a "Common Share") and one Common Share purchase warrant (a "Warrant"). Each Warrant will entitle the holder to acquire one Common Share (a "Warrant Share") at an exercise price of \$4.25 per Warrant Share for a period of 5 years from the date of issuance (the "Expiry Date"), subject to acceleration of the Expiry Date as described below.

The Warrants are subject to accelerated expiry in the event the volume weighted average trading price of the Common Shares exceeds \$12.75 for 20 consecutive trading days, the Company may, within 10 business days of the occurrence of such event, deliver a notice to the holders of the Warrants accelerating the Expiry Date of the Warrants to a date that is not less than 30 days following the date of such notice and the issuance of a press release by the Company announcing the acceleration notice (the "Accelerated Exercise Period"). Any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

In connection with the Offering, eligible parties may receive a cash finder's fee payment equal to up to 8% of the gross proceeds of the Units that are sold to subscribers introduced by such parties, and warrants (the "Finder's Warrants") to purchase that number of Common Shares (the "Finder's Warrant Shares") equal to up to 4% of the Units that are sold to subscribers introduced by such parties, with each Finder's Warrant being exercisable for one Finder's Warrant Share at a price of \$4.125 per Finder's Warrant Share for a period of 5 years from the closing of the Offering.

The securities issued or issuable in connection with the closing of the Offering will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation.

The Company will use the proceeds of the private placement to fund research and development programs, general and administrative expenses and for working capital purposes.

The securities referred to in this news release have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and

may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This press release shall not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Algernon Pharmaceuticals Inc.

Algernon is a drug re-purposing company that investigates safe, already approved drugs, including naturally occurring compounds, for new disease applications, moving them efficiently and safely into new human trials, developing new formulations and seeking new regulatory approvals in global markets. Algernon specifically investigates compounds that have never been approved in the U.S. or Europe to avoid off label prescription writing.

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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.

CAUTIONARY DISCLAIMER STATEMENT: No Securities 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 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: Algernon Pharmaceuticals