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Algernon Pharmaceuticals Forms Private Subsidiary to Advance Company's Psychedelic DMT Stroke Program; Files Form 1-A Offering Statement with U.S. SEC for Regulation A+ Offering

VANCOUVER, British Columbia, Jan. 03, 2023 (GLOBE NEWSWIRE) -- Algernon Pharmaceuticals Inc. (the "Company" or "AGN Pharma") (CSE: AGN) (FRANKFURT: AGW0) (OTCQB: AGNPF), a Canadian clinical stage pharmaceutical development company, is pleased to announce that it has established Algernon NeuroScience (AGN Neuro), a new wholly-owned private subsidiary of AGN Pharma, to advance the Company's psychedelic DMT stroke program. The Company has valued the psychedelic DMT research program at USD \$20M and has formally completed an asset transfer and trademark license agreement, transferring all DMT research program assets into AGN Neuro. The Company has also signed a management agreement with AGN Neuro to provide all day-to-day operations, as well as management of the DMT stroke clinical trial program.

AGN Pharma's valuation of the DMT program was based on multiple public company comparables for a wide range of pharmaceutical research programs, including for the indication of stroke, that are in the Phase 1 clinical trial stage.

AGN Neuro has filed a Form 1-A offering statement with the U.S. Securities and Exchange Commission (the "SEC"), seeking qualification to raise up to USD \$10M for AGN Neuro by offering up to 37.5% of its common shares, (including the maximum amount of bonus shares) with majority ownership residing with AGN Pharma, under a Tier II Regulation A+ offering (Reg A+). The capital raised will be used for research, development, and program management costs related to the completion of a Phase 1 and Phase 2a DMT stroke study.

AGN Neuro will remain a private company until it has advanced through to the completion of a Phase 2a stroke study, which is planned to begin in Q4 of the 2023 calendar. Based on the strength of the data from that study, AGN Neuro will review and consider a potential direct IPO listing onto the NASDAQ at that time.

Reg A+ financings are an SEC-regulated funding mechanism allowing issuers an alternative way to access the public markets, while reducing offering costs in the process. An offering under Reg A+ allows for greater marketing and promotion efforts than are permissible while soliciting to the general public under a traditional registered offering, including marketing using online and digital platforms.

AGN Neuro has retained Issuance Inc., the leading investment direct-to-market platform for Reg A+ offerings, as well as the Dalmore Group, a broker-dealer and global expert in the

primary and secondary market trading of private securities online at scale through Reg A+ registrations.

“Reg A+ financings continue to be a very successful way of raising capital by allowing the innovative online and digital marketing of securities to the general public on a global scale,” said Christopher J. Moreau, CEO of AGN Pharma. “By creating AGN Neuro with the sole focus of advancing the DMT stroke research program through its future clinical trials, we are working to create an exciting new investment vehicle with the goal of enhancing shareholder value in the process.”

Algernon Pharma will provide an update on the Company’s plans for 2023 for Ifenprodil and its IPF and Chronic cough research program shortly.

About Issuance, Inc.

For more information on Issuance please visit <https://www.issuance.com/>

About The Dalmore Group

For more information on DMG please visit <https://dalmorefg.com/>

About Algernon NeuroScience Inc.

Algernon NeuroScience is a wholly owned private equity subsidiary of Algernon Pharmaceuticals and has been created to advance the Company’s DMT stroke research program.

About Algernon Pharmaceuticals Inc.

Algernon Pharmaceuticals is a Canadian clinical stage drug development and repurposing company investigating multiple drugs for unmet global medical needs. Algernon Pharmaceuticals has active research programs for IPF with chronic cough, and chronic kidney disease, and is the parent company of a newly created private subsidiary called Algernon NeuroScience, that is advancing a psychedelic program investigating a proprietary form of psychedelic DMT for stroke.

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A video accompanying this announcement is available at: <https://www.globenewswire.com/NewsRoom/AttachmentNg/aef2fbcb-befd-470b-8445-13eaaa716d64>



Source: Algeron Pharmaceuticals