

August 23, 2022



Algernon Pharmaceuticals Announces Closing of Private Placement

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VANCOUVER, British Columbia, Aug. 23, 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 it has closed its previously announced non-brokered private placement in the amount of 373,900 units of the Company (the "Units") at a price of \$3.75 per Unit for gross proceeds of \$1,402,125 (the "Offering"). Each Unit consists 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 until August 22, 2027 (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 closing of the Offering, the Company paid cash finder's fees in the aggregate amount of \$122,850 and issued a total of 20,480 finder's warrants (the "Finder's Warrants") to eligible finders. The Finder's Warrants are non-transferable Common Share purchase warrants exercisable for one Common Share (a "Finder's Warrant Share") at a price of \$4.125 per Finder's Warrant Share until August 22, 2027 and are subject to the same acceleration provision as the Warrants.

The securities issued and 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 from the Offering 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 any securities.

The Company has also engaged GRA Enterprises LLC (the "Consultant", contact: 973-277-7674) of Mooresville, North Carolina to provide investor relations services pursuant to a consulting agreement dated August 22, 2022. Services will include the production and publication of investor bulletins, distribution of investor bulletins to the Consultant's e-mail list, and posts via the Consultant's blogs and social media accounts. In consideration of these services, the Company will pay the Consultant a fee of US\$100,000 for a 12-month contract. The Consultant is an arm's length party to the Company and does not currently own any securities of the Company as at the date hereof but may purchase securities in the Company from time to time for investment purposes. The consulting agreement with the Consultant is subject to acceptance by the Canadian Securities Exchange.

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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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