

July 14, 2023



Algernon Pharmaceuticals Announces Private Placement and Issuance of Shares in Connection with Financial Advisory Agreement

VANCOUVER, British Columbia, July 14, 2023 (GLOBE NEWSWIRE) -- Algernon Pharmaceuticals Inc. (CSE: AGN) (FRANKFURT: AGW0) (OTCQB: AGNPF) (the “**Company**” or “**Algernon**”), a Canadian clinical stage pharmaceutical development company, announces a non-brokered private placement for gross proceeds of CDN\$205,000 (the “**Offering**”) of units (the “**Units**”) at an issue price of CDN\$0.20 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 CDN\$0.25 per Warrant Share for a period of 2 years from the date of issuance (the “**Expiry Date**”), subject to acceleration of the Expiry Date as described below. The Offering is expected to close on July 21, 2023.

The Warrants are subject to accelerated expiry in the event the volume weighted average trading price of the Common Shares exceeds CDN\$0.50 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. The Company will use the proceeds of the private placement for working capital purposes.

The Company also intends to issue on July 21, 2023 to Maxim Group LLC (**Maxim**) 200,000 common shares (“**Common Shares**”) at a deemed issue price of CDN\$0.22, being the closing price of the Common Shares on the CSE on July 13, 2023, as initial compensation for entering into an engagement letter (the “**Engagement Letter**”) pursuant to which Maxim will provide financial advisory and investment banking services, and assist in identifying and evaluating potential M&A and strategic opportunities, including the potential spin-off of the Company's NP-120 (“**Ifenprodil**”) chronic cough research program, as previously announced on June 27, 2023. In connection with entering into the Engagement Letter, the Company may be obligated to issue up to an additional 200,000 Common Shares to Maxim in certain circumstances. The Company may also be obligated to pay Maxim a success fee upon the consummation of a successful transaction.

The securities issued and issuable, described in this news release, will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable Canadian securities legislation.

The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as such term is defined in Regulation S under the U.S. Securities Act) absent registration under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration.

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 and traumatic brain injury.

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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 the completion of the Offering, use of proceeds from the Offering, engagement of Maxim, the completion of future transactions and the spin-off of the Ifenprodil research program 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