

Algernon Pharmaceuticals Announces Private Placement

VANCOUVER, BC – (February 13, 2020) – Algernon Pharmaceuticals Inc. (CSE: AGN) (FRANKFURT: AGW) (OTCQB: AGNPF) (the “**Company**” or “**Algernon**”) a clinical stage pharmaceutical development company is pleased to announce it is undertaking a non-brokered private placement of up to CDN \$1,200,000 or approximately 14.1M units (the “Units”) at a price of \$0.085 per Unit. 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 \$0.12 per Share, for a period of 30 months from the date the Units are issued (the “Offering”).

If during the exercise period of the warrants, but after the resale restrictions on the securities have expired, the Company's Shares trade at or above a weighted average trading price of \$0.35 per Share for 20 consecutive trading days, the Company may accelerate the expiry time of the warrants by giving written notice to warrant holders that the warrants will expire 30 days from the date of providing such notice.

The net proceeds of the Offering will be used to fund the Company’s planned phase clinical trial for idiopathic pulmonary fibrosis and chronic cough, and for general corporate purposes.

The Offering is scheduled to close on or about February 18, 2020 (the “Closing Date”) and is subject to certain conditions customary for transactions of this nature, including, but not limited to, the receipt of all necessary approvals, including the approval of the CSE.

The Company has previously announced that Novotech, the contract research organization that was chosen to conduct the Company’s first phase 2 clinical trial, will be participating in the private placement in the amount of CDN \$220,000.

The Shares and warrants, including Shares issued upon the exercise of warrants, issued under the Offering will be subject to a statutory hold period in Canada of four months and one day following the Closing Date.

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.