

June 30, 2025



Algernon Announces Amended Terms for Private Placement and Closing of the First Tranche totaling \$621,000

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VANCOUVER, British Columbia, June 30, 2025 (GLOBE NEWSWIRE) -- Algernon Pharmaceuticals Inc. (the "Company" or "Algernon") (CSE: AGN) (FRANKFURT: AGW0) (OTCQB: AGNPF), a Canadian healthcare and clinical stage drug development company, is announcing amended pricing and warrant terms for its non-brokered private placement for gross proceeds of \$1,000,000 (the "**Offering**") of units of common shares (the "**Common Units**") or subscription receipts (the "**Subscription Receipts**") previously announced on May 27, 2025. The Company is amending the issue price to \$0.06 per Common Unit from \$0.07 per Common Unit and \$0.60 per Subscription Receipt from \$0.70 per preferred unit. The Company expects twenty-five (25) percent of the Offering to be completed with Common Units and seventy-five (75) percent to be completed with Subscription Receipts.

Each Common Unit will consist of one Class A common share in the capital of the Company (a "**Common Share**") and one-half Common Share purchase warrant (a "**Common Warrant**"). Each full Common Warrant will now entitle the holder to acquire one Common Share (a "**Common Warrant Share**") at an exercise price of \$0.15 per Common Warrant Share (the "**Common Exercise Price**") for a period of twelve (12) months from the issuance date (the "**Issuance Date**"), after which on the first anniversary of the Issuance Date (the "**First Anniversary**"), the Common Exercise Price will increase to \$0.25 per Common Warrant Share for a period of twelve (12) months from the First Anniversary, and on the second anniversary of the Issuance Date (the "**Second Anniversary**"), the Common Exercise Price will increase to \$0.50 per Common Warrant Share for a period of thirty-six (36) months from the Second Anniversary.

Each Subscription Receipt will be issued for \$0.60 and each Subscription Receipt will be deemed converted into one preferred unit (a "**Preferred Unit**") if certain release conditions are met by the Company within 120 days of the issuance of the Subscription Receipt or if the Release Conditions are not met, ten (10) Common Units.

Each Preferred Unit will consist of one preferred share in the capital of the Company (a "**Preferred Share**") and one half Preferred Share purchase warrant (a "**Preferred Warrant**"). Each full Preferred Warrant will now entitle the holder to acquire one Preferred Share (a "**Preferred Warrant Share**") at an exercise price of \$1.50 per Preferred Warrant Share (the "**Preferred Exercise Price**") for a period of twelve (12) months from the Issuance Date, after which on First Anniversary, the Preferred Exercise Price will increase to \$2.50 per Preferred Warrant Share for a period of twelve (12) months from the First Anniversary, and on the Second Anniversary, the Preferred Exercise Price will increase to \$5.00 per Preferred Warrant Share for a period of thirty-six (36) months from the Second Anniversary.

Additionally, the Company has closed the first tranche (the **'First Tranche'**) of the Offering for gross proceeds of \$621,000 with the issuance of 1,035,000 Subscription Receipts.

The Company paid cash finder's fees pertaining to the First Tranche totaling \$16,800 and will issue finders warrants upon the conversion of the Subscription Receipts, to eligible finders for investors introduced to the Company by the eligible finder.

The Company will use the proceeds of the private placement towards advancing its new AD program towards the opening of its first U.S. AD clinic in Q4 2025, general and administrative expenses and for working capital purposes.

The Company expects additional tranches of the Offering to close on or before July 15, 2025.

The Common Warrants and Preferred Warrants are subject to an acceleration of their price if prior to the First Anniversary, the Common Shares trade on the Canadian Securities Exchange (the "CSE") at a price of \$0.20 or greater for a period of twenty (20) consecutive trading days. Following thirty (30) days written notice to the Common Warrant holders, the Common Exercise Price will increase to \$0.25 per Common Warrant Share until the date of the Second Anniversary, and on the Second Anniversary, the Common Exercise Price will increase to \$0.50 per Common Warrant Share for a period of thirty-six (36) months from the Second Anniversary. Additionally, the Preferred Exercise Price will increase to \$2.50 per Preferred Warrant Share until the date of the Second Anniversary, and on the Second Anniversary, the Preferred Exercise Price will increase to \$5.00 per Preferred Warrant Share for a period of thirty-six (36) months from the Second Anniversary.

The Company will expedite its annual meeting in order to seek shareholder approval for the Preferred Share issuance before the end of October 2025. Assuming the Company receives shareholder approval, the Preferred Shares are convertible into, without payment of any consideration and without further action on the part of the holder thereof, ten (10) Common Shares. The Preferred Shares will include a ten (10) percent annual dividend payable in Common Shares or Preferred Shares at the discretion of the Company's board of directors. If shareholder approval is not obtained, the Preferred Shares will be adjusted to Common Shares on a one (1) for ten (10) basis.

The Company may pay cash finder's fees and finders warrants to eligible finders, up to eight percent of the proceeds raised and units issued for investors introduced to the Company by the eligible finder on additional tranches of the Offering.

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.

For more information on franchising opportunities or medical partnerships, or general information please contact:

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About Algernon Pharmaceuticals

Algernon Pharmaceuticals is a Canadian healthcare company pioneering the establishment of Alzheimer's screening, imaging and treatment clinics in North America, while also advancing clinical stage pharmaceuticals through the investigation of multiple drugs for unmet global medical needs.

Algernon Pharmaceuticals is also the parent company of a private subsidiary called Algernon NeuroScience, that is advancing a psychedelic program investigating a proprietary form of DMT for stroke and traumatic brain injury.

Visit www.algernonpharmaceuticals.com for more information.

Visit www.algernonneuroscience.com for more information.

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 Inc.