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Algernon to Acquire NoBrainer Imaging Centers, Inc. - Plans to Establish Alzheimer's Diagnostic and Treatment Medical Clinics Featuring New PET Scan Technology

First Clinic Targeted to Open Q4, 2025 in the U.S.

VANCOUVER, British Columbia, May 13, 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 pleased to announce it has entered into share exchange agreements to acquire 100% of the issued and outstanding shares of NoBrainer Imaging Centers, Inc. ("NIC") (the "Transaction"). The Transaction moves Algernon into the Alzheimer's Disease ("AD") diagnostic and treatment market, expanding on the Company's neurological research programs, and provides Algernon exclusive master franchise and licensing rights to open AD screening, diagnostic, and treatment centers across Canada and in multiple U.S. markets.

Algernon plans to both establish company-owned clinics and sell individual franchise licenses, allowing for rapid expansion throughout Canada, Florida and Los Angeles as well as in five strategic cities in other American states.

Comprehensive Alzheimer's Disease Clinics: A New Standard of Care

AD is a chronic neurodegenerative disease that destroys brain cells, resulting in the steady decline over years of a person's thinking ability and memory. The most common cause of dementia, AD begins with the appearance of a build-up of proteins in the brain in the form of amyloid plaques and neurofibrillary tangles, the key defining features of the presence of the disease.

The Company plans to open the world's first dedicated AD diagnostic and treatment medical clinic in the U.S. with a comprehensive service menu:

- Cognitive and genetic screening including the APOE genetic test which can indicate a pre-disposition to acquiring AD
- Laboratory developed blood tests for early detection of phosphorylated tau protein (an established biomarker for AD, correlated to amyloid plaque)
- Advanced Positron Emission Tomography (PET) scan imaging, using the Positrigo NeuroLF brain PET system recently cleared by the U.S. FDA, to confirm amyloid plaque presence
- Infusion of current U.S. FDA-approved and U.S. Medicare and Medicaid covered therapies

- Personalized wellness, nutrition, and longevity programs

The clinics will be anchored by the most advanced PET technology, namely, the ultra-compact Positrigo NeuroLF brain PET scanner, to perform PET imaging using radioisotopes designed to detect and define amyloid plaque build-up which is associated with AD. The PET scan is also covered by U.S. Medicare and Medicaid.

As a treatment center, the medical clinics will additionally offer infusion services for Kisunla and Leqembi, the two U.S. FDA-approved, and U.S. Medicare and Medicaid covered, AD monoclonal antibody treatment therapies developed by Eli Lilly, and Eisai and Biogen, respectively. These drug treatments, that clear the amyloid plaque from the brain and slow the progression of AD, will be delivered following tests that include genetic screening, cognitive function, and blood testing that indicates the presence of a protein which correlates to having plaque in the brain. However, prior to being able to receive AD treatment, a patient must undergo a final confirmatory test for plaque, also U.S. Medicare and Medicaid covered, of either a brain specific PET scan or a spinal tap, the latter being an invasive and less desirable diagnostic procedure.

Alzheimer's Disease, PET Scanning, and the Addressable Market

Prior to the recent development of having approved AD therapies available, there has not been any urgent clinical need to provide widespread genetic screening to patients or to conduct the now available blood tests that correlate with the presence of plaque in the brain. When the U.S. FDA first approved Leqembi, Eisai and Biogen's drug for AD, in a post-earnings call, GE HealthCare CEO Peter Arduini called it a "profound growth opportunity" for all providers offering PET scans and molecular imaging.

In a 2024 article published by Scientific American, the global economic burden of AD was estimated to be US$1 trillion in 2019 with a projected increase of up to US$10 trillion projected in 2050. The recent U.S. FDA approval of two new AD antibody therapies that require a brain specific PET scan (or alternatively a spinal tap) before AD treatments can be started, have created a billion-dollar market opportunity for the brain specific PET scan and AD treatment space.

The current number of full body PET/CT scanners in the U.S. is vastly insufficient to serve the massive newly opening AD treatment market. The majority of PET/CT scanners, 45% which are located in hospitals, and are primarily prioritized as cancer diagnostic and theranostic tools, and for cardiac imaging, make it challenging to schedule brain specific scans on a timely basis.

In the U.S. alone there are an estimated 7 million people living with AD along with 750,000 in Canada, numbers that are expected to double by the year 2030. With 45% of AD patients estimated to have early-stage disease, (and therefore eligible to receive treatment), the related market to provide PET scans at an approximate cost of US $5,000 (CAD$7,100) per scan, is expected to exceed US$18 billion. In addition, the recent decision by the U.S. Centers for Medicare and Medicaid Services to lift their coverage limit of only one beta-amyloid PET scan per lifetime for AD patients, allows physicians to order several scans for the purpose of disease staging and as a theranostic, further dramatically increasing the size the potential PET imaging market.

With the recent advancement of a genetic test that can help predict a person's lifetime risk of developing AD, and multiple blood tests that confirm the presence of phosphorylated tau proteins (an established biomarker for AD, correlated to amyloid plaque), new screening tools have now arrived to help identify patients with pre-clinical and early-stage disease. According to the University of Michigan National Poll on Ageing, less than 1% of the population has ever received the brain plaque blood test.

In a 2020 study, published in JAMA Neurology, about 30 percent of 4,486 patients, between the ages of 60 to 80 yrs. old, who were clinically normal and cognitively unimpaired at baseline after an extensive battery of neurocognitive assessments, tested positive for amyloid-beta protein after a PET scan. Since the approved AD drug data suggests that treatment in early-stage AD patients has better outcomes, early and comprehensive genetic and blood screening along with a confirmatory PET scans could accelerate and facilitate treatment more quickly for patients, in order to help delay the onset of cognitive disability.

Some data also suggest that AD can even be prevented with much earlier treatment. In a March 2025 study led by Dr. Randall J. Bateman, the Charles F. and Joanne Knight Distinguished Professor of Neurology at WashU Medicine showed that early intervention in patients in their 30s, 40s and 50s with anti-amyloid drugs may reduce the risk in people destined to develop AD. "We've entered into a new era of Alzheimer's research where we can not only modify the course of the disease, but where prevention is possible with therapeutic intervention," said Dr. Howard Fillit, MD, Co-Founder and Chief Science Officer at the Alzheimer's Drug Discovery Foundation.

Algernon's new healthcare initiative is focussed on delivering near term cash flow and profitability by capitalizing on the major gap between the expansive need for brain specific PET scan imaging for the diagnosis of AD, and the immediate need for comprehensive medical services specializing in the screening, diagnosis, and treatment of AD. One of the Company's goals will be the recruitment of neurologists as collaborators and potential franchisees to help accelerate the Company's plans for growth.

"The concept of building Alzheimer's Disease focussed diagnostic and treatment clinics that offer a comprehensive package of medical services, including AD screening, brain specific PET scan imaging, and multiple treatment options, is a unique and exciting approach to help fight this devastating disease," said Christopher J. Moreau, CEO of Algernon Pharmaceuticals. "This acquisition marks a transformative step for Algernon to become a comprehensive global healthcare partner in the battle against Alzheimer's Disease and related cognitive disorders, while strengthening the Company's valuation."

While this transaction represents a new business initiative for Algernon, the Company will continue to maintain and advance its current drug development research programs, including its active work on restoring brain function following stroke and traumatic brain injury through its subsidiary Algernon Neuroscience.

U.S. Flagship Location: Florida

Algernon is planning to open its first company-owned comprehensive AD medical clinic location in Florida in Q4 of this calendar year. After completing an initial startup phase, the Company plans to scale up its operations to open 10 additional corporately owned sites in 2026, as well as 10 additional franchise locations, in cities and states to be announced.

Canadian Market Expansion

The Positrigo NeuroLF PET system is not currently approved for commercial use in Canada and will only be available for clinical trials, subject to Health Canada oversight. Because the two antibody therapy treatments from Eli Lily, and Eisai and Biogen, are also not yet approved in Canada, the first Canadian AD clinics will focus on providing Alzheimer's cognitive screening, genetic testing and blood testing, as well as provide health, wellness and nutritional counselling, as introductory services and lead generation vehicles.

Canadian patients identified as having a higher risk of having AD, by way of the APOE genetic test and suspected of having AD as a result of testing positive for the Tau proteins found in the blood, will also be given the opportunity to travel to Algernon's U.S. clinic location(s) to undergo PET scan imaging and receive the new drug therapy if the presence of amyloid plaque is confirmed. Final diagnosis and treatment decisions will be made on an individual patient basis under the care of neurologists.

Clinical Trials and Other Brain Diseases

The shortage of PET scanners for brain specific scanning has an impact beyond patient care. With 162 AD drugs under development, there is also a significant opportunity to provide PET scan imaging services to drug development companies engaged in clinical trials, as another source of revenue for Algernon.

In addition to AD, the PET system can also be used to diagnose other forms of dementia, epilepsy, neuro-oncology, and movement disorders providing potential additional patient-based revenue for the Company.

Transaction Details

On May 12, 2025, the Company entered into share exchange agreements (collectively, the "Agreements") with NIC and each of the common shareholders of NIC (the "NIC Shareholders") to acquire 100% of the issued and outstanding common and preferred shares of NIC (the "NIC Shares"). NIC is a Canadian company which has the exclusive master franchise rights from NoBrainer Alzheimer's Treatment Centers, Inc. ("NATC") for the entire Canadian market (with the exception of the cities of Oakville and Ottawa, Ontario, which are being developed by NATC), and for Florida, excluding Miami, as well as additional franchise rights for Los Angeles and five more major U.S. cities in other U.S. states. As the flagship master franchisee, NIC has no initial franchise fees owing on its franchise territories. NIC has CAD$250,000 of working capital, including a deposit on a Positrigo NeuroLF brain-specific PET scanner, the latter of which is targeted for delivery to the first Company owned U.S. clinic in the Q4, 2025.

Algernon will work to enhance and further develop the AD medical clinic concept directly with the NATC management team, which brings deep experience in medical facility operations, dietary, cognitive, physical intervention, and international franchise development. NATC has plans to franchise the AD diagnostic and treatment clinic concept globally, which Algernon may come to participate in as well.

Pursuant to the terms and conditions of the Agreements, the Company will issue to the NIC Shareholders: (i) 4,500,000 common shares in the capital of the Company (each, a

“Common Share”) and 9,000,000 Common Share purchase warrants (each, a “Warrant”) to be issued on the closing date (the “Closing Date”); and (ii) 450,000 preferred shares (the “Preferred Shares”) to be issued on or before the date that is six (6) months from the Closing Date following approval of the creation of the Preferred Share class by the Company’s shareholders.

Each Warrant entitles the holder thereof to purchase one (1) Common Share at an exercise price (the “Exercise Price”) of $0.15 per Common Share 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 Exercise Price will increase to $0.25 per Common 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 Exercise Price will increase to $0.50 per Common Share for a period of thirty-six (36) months from the Second Anniversary. 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, and following thirty (30) days written notice to the Common Warrant holders, the Exercise Price will increase to $0.25 per Common Share until the date of the Second Anniversary, and on the Second Anniversary, the Exercise Price will increase to $0.50 per Common Share for a period of thirty-six (36) months from the Second Anniversary. The Warrants shall vest and become exercisable by the holders thereof on the date that is four (4) months and one (1) day from the date of issuance.

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 thereoften (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.

Algernon has agreed to expedite its annual meeting and seek shareholder approval for the Preferred Share issuance within six (6) months of the Closing Date. Algernon will also seek approval from the CSE to trade both the higher priced Preferred Shares and the Warrants. AGN will further seek approval for a preferred stock unit dividend and/or a rights offering to current Common Share shareholders in order to achieve the appropriate board lot holders as well as a minimum float. If shareholder approval is not obtained, the Preferred Shares will be adjusted to Common Shares on a one (1) for ten (10) basis.

All NIC Shareholders shall enter into a voting support agreement in favour of the Company in respect of the consideration securities received in connection with the Transaction.

The Transaction is subject to approval of the CSE and expects to close within five (5) business days.

The Company has also received an option (the “Option”) to acquire 20% of the issued and outstanding shares of NATC for additional equity in the Company, subject to CSE approval.

A New Era in Alzheimer’s Disease Diagnostic, Treatment, and Prevention

Through its recent acquisition and decision to establish the world’s first comprehensive AD diagnostic and treatment clinics, Algernon is uniquely positioned to address the gap between the urgent and growing demand for brain-specific diagnostics for AD and the limited PET

scan imaging equipment currently available.

The recent U.S. FDA approval of Kisunla and the 2023 approval of Leqembi, both monoclonal antibody therapies which clear the amyloid plaque clusters out of the brain, and the FDA's agency's clearance of the new ultra-compact Positrigo PET brain PET system, has ushered in a new pathway to advanced AD care - one that emphasizes early screening and early intervention for a disease that doctors have sometimes referred to as a death sentence.

These two developments together have opened billion-dollar market opportunities for AD brain specific imaging (PET Scan) and AD treatments in the U.S., which are also expected to be repeated globally as the treatments are approved in various international jurisdictions. The Positrigo brain PET system is currently the only device of it kind which has received market clearance in both the U.S. and Europe.

Algernon's company-owned AD medical clinics and franchised clinics model will be instrumental in rapidly scaling access to these services across North America and, in the future, globally.

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 and clinical stage pharmaceutical development company investigating 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.

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“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.

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Source: Algernon Pharmaceuticals Inc.