

May 22, 2025



Algernon Closes NoBrainer Imaging Centers, Inc. Acquisition

VANCOUVER, British Columbia, May 22, 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 closed the acquisition to acquire 100% of the issued and outstanding shares of NoBrainer Imaging Centers, Inc. ("NIC") (the "Transaction") previously announced on May 13, 2025. The Transaction moves Algernon into the Alzheimer's Disease ("AD") diagnostic and treatment market, expanding on the Company's existing 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.

On May 12, 2025, the Company entered into share exchange agreements (collectively, the "Agreements") with NIC and each of the 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 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 Positron NeuroLF brain-specific PET scanner, the latter of which is targeted for delivery to the first Company owned U.S. clinic in Q4, 2025.

Pursuant to the terms and conditions of the Agreements, final consideration paid by the Company to complete the Transaction includes the issuance to the NIC Shareholders of: (i) 5,500,000 common shares in the capital of the Company (each, a "Common Share") and 5,500,000 Common Share purchase warrants (each, a "Common Warrant"); and (ii) 450,000 preferred shares (each, a "Preferred Share") and 450,000 Preferred Share purchase warrants (each, a "Preferred Warrant") to be issued on or before the end of six (6) months following approval of the creation of the Preferred Share class by the Company's shareholders.

Each Common Warrant entitles the holder thereof to purchase one (1) Common Share at an exercise price (the "Common 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 Common 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 Common 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 Common Exercise Price will increase to \$0.50 per Common Share for a period of thirty-six (36) months from the Second Anniversary. The Common 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 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.

Each Preferred Warrant entitles the holder thereof to purchase one (1) Preferred Share at an exercise price (the “Preferred Exercise Price”) of \$1.50 per Preferred Share 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 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 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 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 Preferred Warrant holders, the Preferred Exercise Price will increase to \$2.50 per Preferred Share until the date of the Second Anniversary, and on the Second Anniversary, the Preferred Exercise Price will increase to \$5.00 per Preferred Share for a period of thirty-six (36) months from the Second Anniversary. The Preferred 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.

Algernon has agreed to expedite its annual meeting and seek shareholder approval for the Preferred Share issuance within six (6) months. Algernon will also seek approval from the CSE to trade both the higher priced Preferred Shares, the Common Warrants and the Preferred 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 have entered into a voting support agreement in favour of the Company in respect of the consideration securities received in connection with the Transaction.

The securities issued and issuable, described in this news release, will be subject to a statutory hold period of (i) the greater of four months plus a day from the date of issuance and (ii) ten (10) trading days following the filing of the Company’s next financial statements , which reflect the acquisition of NIC, but not as a subsequent event. Such financial statements are expected to be filed on or before July 30, 2025

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 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.

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.

A video accompanying this release is available

at: <https://www.globenewswire.com/NewsRoom/AttachmentNg/881fa91a-b771-4622-b5ea-b300f9b76042>



Source: Algernon Pharmaceuticals Inc.