



NEWS RELEASE

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Alpha Cognition Announces Second Quarter and Six Months Ended 2023 Results and Provides Corporate Update

VANCOUVER, B.C., August 22, 2023. **Alpha Cognition Inc. (CSE: ACOG) (OTCQB: ACOGF)** ("Alpha Cognition", or the "Company"), a biopharmaceutical company committed to developing novel therapies with the potential to transform the lives of people with debilitating neurodegenerative disorders, today reported financial results for the second quarter and six months ended June 30, 2023, and provided a corporate update.

"As we approach a pivotal moment in our journey, the impending submission of our NDA marks a significant milestone for Alpha Cognition. Our dedicated team has tirelessly advanced our lead product, navigating complex research challenges, and has managed development challenges with unwavering determination. We stand on the cusp of a new chapter, confident in the strength of our data and the expertise that underpins our submission. The Company remains on track to file our NDA during the third quarter. We believe that ALPHA-1062 will offer a meaningful differentiated therapy for patients with Alzheimer's dementia" said Michael McFadden, the Company's Chief Executive Officer.

Corporate Updates

Alpha Cognition continues progress its new drug application (NDA) for ALPHA-1062 in mild-to-moderate Alzheimer's disease ("AD") which it expects to submit to FDA in September 2023. If the NDA file is accepted by the FDA, it would put Alpha Cognition on track for product approval during the third quarter of-2024. If approved, ALPHA-1062 would be one of three products approved by the FDA for the symptom treatment of Alzheimer's disease in the last fifteen years. The Company believes a well tolerated medicine with limited adverse events offers a significant benefit to patients and caregivers.

The Company received its pediatric waiver and small business waiver during the quarter. This provides clarity for future financial and clinical requirements for the company. The small business waiver provides the company user fee exemptions and reductions in fees, and the pediatric waiver removes the Company's obligations for future pediatric studies.

The Company announced the United States Patent and Trademark Office (USPTO) has issued a Notice of Allowance for patent application No. 17/575,025, titled "Solid Forms of ALPHA-1062 Gluconate," which includes claims covering protection for crystalline solid forms of ALPHA-1062 and will bolster existing patents that the Company holds. A Notice of Allowance is issued after the USPTO makes the determination that a patent should be granted from an application. This Notice of Allowance signifies a pivotal step forward in the Company's journey and is the result of years of relentless research and development, conducted by Alpha Cognition's team of esteemed scientists, researchers, and medical experts. ALPHA-1062 represents a breakthrough in the neurology market, offering a novel approach to addressing the symptomatic treatment of Alzheimer's Disease.



For the Company's TBI program, the Company met with the FDA in a pre-IND meeting for ALPHA-1062 Intranasal ("ALPHA-1062IN") for Cognitive Impairment with TBI, where the Company sought alignment with FDA on a number of manufacturing, pre-clinical, and clinical matters, which would lead to an IND file. The FDA grants IND's when all preclinical work is completed to enter into human subjects. The FDA indicated during this meeting that the Company should complete additional toxicity work to align with the contemplated Phase 2 trial the Company has proposed, and complete additional manufacturing work which the Company had anticipated would be required as part of normal development and manufacturing controls. The Company expects Alpha Seven Therapeutics (see TBI out-licensing discussion below) will initiate the additional toxicity direct manufacturing and manufacturing work, which would be anticipated to complete in 2H, 2024. Alpha Seven Therapeutics would then be in the position to file an IND for ALPHA-1062IN.

Awarded Department of Defense \$750,000 R&D Grant

On June 5, 2023, the Company was awarded a \$750,000 research and development grant from the Army Medical Research and Materiel Command for a pre-clinical study on the use of the ALPHA-1062IN to reduce blast mTBI (mild Traumatic Brain Injury) induced functional deficit and brain abnormalities. The study grant is issued in collaboration with the Seattle Institute of Biomedical and Clinical Research and is endorsed by the Department of Defense. The study is expected to commence in Q4 2023 and continue for a 16-month period.

PPM Financing Closing of Initial Tranche

On May 30, 2023, the Company announced a best-efforts private placement offering of up to US\$6.5 million of units at a price of \$0.22 per unit. Each unit consists of one common share and one-half of a common share purchase warrant. Each whole warrant will entitle the holder to purchase an additional common share of the Company at a price of US\$0.31 per share for a period of three years from the closing date. The Company expects to use the net proceeds from the offering for research and development, general and administrative matters, and working capital.

In connection with the offering the Company entered into an Investment Banking Agreement ("IBA") with Spartan Capital Securities, LLC ("Spartan"), pursuant to which Spartan will act as agent on a best-efforts basis. The Company and Spartan also entered into a consulting agreement pursuant to which Spartan agreed to provide consulting services for a three-year term. The services will include advising and assisting on potential business development transactions, strategic introductions, assisting management with enhancing corporate and shareholder value, and capital raising advice.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States of America. The securities have not been and will not be registered under the United States Securities Act of 1933 (the "1933 Act") or any state securities laws, and may not be offered or sold within the United States or to U.S. Persons (as defined in the 1933 Act) unless registered under the 1933 Act and applicable state securities laws, or an exemption from such registration is available.



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TBI Out-Licensing Plan

The Company has been working to out-license to a newly formed private entity, Alpha Seven Therapeutics, Inc. (“Alpha Seven”) which will develop ALPHA-1062IN for applications in traumatic brain injury. Spartan has agreed to act as agent, on a best efforts basis, for identifying financing for Alpha Seven Company in exchange for an initial 37.5% ownership interest in the TBI Company on completion of a minimum US\$1,000,000 financing. Inclusive of Spartan’s interest, once earned, the remaining shares of the Alpha Seven will be held 47.5% by the Company and 15% by key management of the Alpha Seven, prior to accounting for new investors.

Alpha Seven will focus on the advancement of ALPHA-1062IN initially for the treatment of Cognitive Impairment with mTBI using an intra-nasal formulation, including advancing clinical trials with the goal of FDA approval. The establishment of Alpha Seven Therapeutics is expected to provide for separate funding and advancement of the TBI applications of ALPHA-1062IN while permitting Alpha Cognition to remain focused on advancing ALPHA-1062 for use in the treatment of symptoms of Alzheimer’s disease. If successful, the Alpha Seven’s advancement of this program in 2023 will allow for potential upcoming inflection points including IND acceptance and first patient enrolled in Ph2 trial during 2H 2023 and in 2024 Last patient enrolled followed by initial Phase 2 clinical results.

The Company received shareholder approval of the TBI out-licensing plan at its annual shareholder meeting held on June 27, 2023.

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Financial Highlights for Second Quarter and Six months ended June 30, 2023

(Expressed in United States Dollars)

- Research and development (R&D) expenses were \$1.3 million for the three months ended June 30, 2023, and \$2.4 million for the six months ended June 30, 2023, compared to \$3.0 million and \$4.8 million in the same periods in 2022, respectively. R&D expenses for decreased from the prior year primarily due to the completion during 2022 of the main clinical trails for ALPHA-1062 in AD and overall lower costs associated with advancing clinical development of ALPHA-1062.
- General and administrative (G&A), excluding non-cash expenses relating to accretion, amortization, depreciation, and share-based compensation, were \$0.6 million for the three months ended June 30, 2023, and \$1.3 million for the six months ended June 30, 2023, compared to from \$1.0 million and \$1.8 million in the same periods of 2022 respectively. The decreases for both the three and the full six months ended June 30, 2023 in G&A expenses was primarily related to lower management fees and salaries, consulting, professional fees and subcontractors expenses. The overall G&A decrease year over year was due to the Company's cost cutting efforts and focus on the advancement if its main asset, ALPHA-1062 in AD.
- The Company recorded a loss on revaluation derivative liability for the three months ended June 30, 2023, of \$0.1 million and \$0.0 million for the full six months ended June 30, 2023, compared to a gain of \$1.3 million and \$1.4 million in the same periods of 2022 respectively. The Company performs a revaluation each reporting period for the derivative liability relating to the convertible debentures and the recognition of a derivative liability on the transfer of warrants with an exercise price in USD from Alpha Cognition Canada to Alpha Cognition Inc. pursuant to the transaction whereby Alpha Cognition Canada was acquired by and became a wholly owned subsidiary of Alpha Cognition Inc.
- Share-based compensation under general and administrative was \$0.8 million for the three months ended June 30, 2023, and \$1.0 million for the full six months ended June 30, 2023, compared to \$0.4 million and \$0.7 million in the same periods of 2022, respectably. The 2023 increases was primarily related to new stock option grants issued in 2023, the repricing of previously issued stock options during the first quarter of 2023, and related fluctuations in the Company's stock price over the periods.
- The Company incurred foreign exchange gain/losses of \$0.0 million in the three months ended June 30, 2023, and \$0.0 million for the full six months ended June 30, 2023, compared to a gain of \$0.1 million and \$0.1 million in the same periods of 2022, respectably.
- The second quarter of 2023 net loss was \$2.7 million, or a net loss of \$0.03 per share, and for the full six months ended June 30, 2023, net loss was \$4.6 million, or a net loss of \$0.05 per share, compared to the second quarter of 2022 net loss of \$3.4 million, or a net loss of \$0.05 per share, and for the full six months ended June 30, 2023, a net loss of \$6.1 million, or a net loss of \$0.09 per share.
- Cash and cash equivalents at June 30, 2023 were \$1.2 million.
- Shares of common stock outstanding at June 30, 2023 were 87,950,664.



About Alpha Cognition Inc.

Alpha Cognition Inc. is a clinical stage, biopharmaceutical company dedicated to developing treatments for patients suffering from neurodegenerative diseases, such as Alzheimer's disease and Cognitive Impairment with mild Traumatic Brain Injury ("mTBI"), for which there are currently no approved treatment options.

ALPHA-1062, is a patented new chemical entity being developed as a new generation acetylcholinesterase inhibitor for the treatment of Alzheimer's disease, with expected minimal gastrointestinal side effects. ALPHA-1062's active metabolite is differentiated from donepezil and rivastigmine in that it binds neuronal nicotinic receptors, most notably the alpha-7 subtype, which is known to have a positive effect on cognition. ALPHA-1062 is also being developed in combination with memantine to treat moderate to severe Alzheimer's dementia, and as an intranasal formulation for Cognitive Impairment with mTBI.

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Forward-looking Statements

This news release includes forward-looking statements within the meaning of applicable securities laws. Except for statements of historical fact, any information contained in this news release may be a forward-looking statement that reflects the Company's current views about future events and are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "project," "potential," "target," "seek," "contemplate," "continue" and "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. Forward-looking statements may include statements regarding the TBI out-licensing plan and associated financing, the availability of funding pursuant to financings, the Company's business strategy, market size, potential growth opportunities, capital requirements, clinical development activities, the timing and results of clinical trials, regulatory submissions, potential regulatory approval and commercialization of the Company's products. Although the Company believes to have a reasonable basis for each forward-looking statement, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain. The Company cannot assure that the actual results will be consistent with these forward-looking statements. These forward-looking statements speak only as of the date of this news release and the Company undertakes no obligation to revise or



update any forward-looking statements for any reason, even if new information becomes available in the future.

Condensed Consolidated Statements of Operations

(expressed in United States Dollars)

	Three months ended June 30,		Six months ended June 30,	
	2023	2022	2023	2022
Operating expenses	\$ (2,752,599)	\$ (4,417,993)	\$ (4,756,539)	\$ (7,360,315)
Other income (expenses)	(38,155)	1,414,160	104,313	1,443,158
Net loss for the year	(2,790,754)	(3,003,833)	(4,652,226)	(5,917,157)
Currency translation adjustment	27,898	(376,526)	(8,341)	(176,449)
Comprehensive loss	\$ (2,762,856)	\$ (3,380,359)	\$ (4,660,567)	\$ (6,093,606)
Basic and diluted loss per common share	\$ (0.03)	\$ (0.05)	\$ (0.05)	\$ (0.09)
Weighted average shares	94,605,510	68,023,450	86,273,053	67,920,089

Selected Consolidated Balance Sheet Data

(expressed in United States Dollars)

	June 30, 2023	December 31, 2022
Cash	\$ 1,217,771	\$ 2,083,696
Working capital (deficiency)	\$ 326,858	\$ (1,724,103)
Total assets	\$ 1,915,677	\$ 2,950,951
Total long-term liabilities	\$ 1,373,347	\$ 214,284