UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2025

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number: 001-42403

Alpha Cognition Inc.
(Exact Name of Registrant as Specified in its Charter)

British Columbia	**N/A**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1452 Hughes Rd. Ste. 200 Grapevine, Texas	**76051**
(Address of Principal Executive Offices)	(Zip Code)

(858) 344-4375
(Registrant's Telephone Number, including Area Code)

Securities registered pursuant to Section 12(b) of the Act: None

Title of each class:	Trading Symbol	Name of each exchange on which registered:
Common Shares, no par value	ACOG	The Nasdaq Stock Market LLC

Indicate by checkmark whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☒
Smaller Reporting Company ☒	Emerging Growth Company ☒	

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act): Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practical date: 16,019,787 common shares, without par value, outstanding as of May 15, 2025.

ALPHA COGNITION INC.
FORM 10-Q
For the Quarter Ended March 31, 2025
INDEX

PART I

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

ALPHA COGNITION INC.
CONDENSED INTERIM CONSOLIDATED BALANCE SHEETS

	(Unaudited) March 31, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 45,527,197	$ 48,546,210
Restricted cash	95,032	17,872
Accounts receivable, net	422,796	-
Inventory	883,376	615,133
Prepaid expenses and other current assets	1,190,555	1,071,963
Total current assets	48,118,956	50,251,178
Other assets	11,429	45,714
Equipment, net	70,452	27,077
Intangible assets, net	407,582	412,969
Total assets	**$ 48,608,419**	**$ 50,736,938**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	$ 2,567,861	$ 2,439,289
Current portion of promissory note - related party	-	911,463
Deferred income	239,536	-
Total current liabilities	2,807,397	3,350,752
Deferred income	202,675	-
Warrant liabilities	4,672,476	5,820,358
Other long-term liabilities	113,996	102,783
Total liabilities	7,796,544	9,273,893
Stockholders' equity		
Common shares, no par value, unlimited shares authorized, 16,019,787 shares issued and outstanding as of March 31, 2025, and December 31, 2024	99,128,230	99,128,230
Class B preferred shares, no par value, unlimited shares authorized, 316,655 shares issued and outstanding as of March 31, 2025, and December 31, 2024	62	62
Additional paid-in capital	20,079,465	18,724,092
Accumulated other comprehensive loss	(104,301)	(104,301)
Accumulated deficit	(78,291,581)	(76,285,038)
Total stockholders' equity	40,811,875	41,463,045
Total liabilities and stockholders' equity	**$ 48,608,419**	**$ 50,736,938**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

ALPHA COGNITION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(UNAUDITED)

	For the Three Months Ended March 31,	
	2025	**2024**
Revenue		
Product, net	$ 346,929	$ -
Licensing	2,581,725	-
Total revenue	2,928,654	-
Costs and Expenses		
Cost of product sales, excluding amortization of intangible asset	26,541	-
License royalty cost of sales	810,000	-
Amortization of intangible asset	5,387	20,594
Research and development	407,511	916,716
Selling, general and administrative expenses	5,365,647	3,474,208
Total costs and expenses	6,615,086	4,411,518
Loss before other income (expenses)	(3,686,432)	(4,411,518)
Other income (expenses)		
Foreign exchange (loss) gain	(957)	(14,629)
Interest income	470,676	12,070
Grant income	71,095	133,779
Interest expense	(8,807)	(8,258)
Impairment of intangible assets	-	(39,166)
Gain (loss) on warrant liabilities	1,147,882	(619,989)
Provision for loan losses	-	(55,000)
Total other income (expenses)	1,679,889	(591,193)
Net loss and comprehensive loss	**$ (2,006,543)**	**$ (5,002,711)**
Loss per share, basic and diluted	**$ (0.13)**	**$ (0.87)**
Weighted-average shares used to compute net loss per share, basic and diluted	**16,019,787**	**5,744,639**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

ALPHA COGNITION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIENCY)
(UNAUDITED)
For the Three Months Ended March 31, 2025 and 2024

For the three months ended March 31, 2025

	Common Shares		Preferred Shares		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Total
Balance, December 31, 2024	**16,019,787**	**$99,128,230**	**316,655**	**$ 62**	**$18,724,092**	**$ (104,301)**	**$ (76,285,038)**	**$41,463,045**
Share-based compensation	-	-	-	-	1,355,373	-	-	1,355,373
Net loss	-	-	-	-	-	-	(2,006,543)	(2,006,543)
Balance, March 31, 2025	**16,019,787**	**$99,128,230**	**316,655**	**$ 62**	**$20,079,465**	**$ (104,301)**	**$ (78,291,581)**	**$40,811,875**

For the three months ended March 31, 2024

	Common Shares		Preferred Shares		Additional Paid-In	Accumulated Other Comprehensive	Accumulated	
	Shares	Amount	Shares	Amount	Capital	Loss	Deficit	Total
Balance, December 31, 2023	**4,728,355**	**$39,760,287**	**316,655**	**$ 62**	**$17,288,430**	**$ (104,301)**	**$ (61,648,173)**	**$(4,703,695)**
Units issued for cash	678,630	3,732,469	-	-	-	-	-	3,732,469
Shares issued for services	413,445	2,273,949						2,273,949
Share issuance costs	168,886	(987,988)	-	-	582,245	-	-	(405,743)
Options exercised	7,700	36,751	-	-	(36,751)	-	-	-
Share-based compensation	-	-	-	-	348,085	-	-	348,085
Reallocation of derivative liability on re-pricing of warrants from CAD to USD exercise price	-	4,292,797	-	-	-	-	-	4,292,797
Net loss	-	-	-	-	-	-	(5,002,711)	(5,002,711)
Balance, March 31, 2024	**5,997,016**	**$49,108,265**	**316,655**	**$ 62**	**$18,182,009**	**$ (104,301)**	**$ (66,650,884)**	**$ 535,151**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

ALPHA COGNITION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months Ended March 31,	
	2025	**2024**
Cash flows provided by (used in) operating activities		
Net loss	$ (2,006,543)	$ (5,002,711)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	7,282	20,831
Accrued expenditures for government grant	26,419	(27,044)
Accrued interest income, related party	-	2,550
Loss (gain) on warrant liabilities	(1,147,882)	619,989
Change in fair value of bonus rights liability	11,213	(84,125)
Provision for loan losses	-	55,000
Impairment of intangible assets	-	39,166
Reallocation of equipment to commercial operations	18,000	-
Share-based compensation	1,355,373	348,085
Shares issued for services	-	2,273,949
Changes in non-cash operating working capital items:		
Accounts receivable, net	(422,796)	-
Inventories	(268,243)	-
Prepaid expenses and other current assets	(163,950)	(213,439)
Accounts payable and accrued liabilities	128,572	(503,743)
Deferred income	418,275	-
Net cash provided by (used in) operating activities	(2,044,280)	(2,471,492)
Cash flows (used in) investing activities	-	-
Acquisition of equipment	(63,270)	-
Net cash (used in) investing activities	(63,270)	-
Cash flows provided by (used in) financing activities		
Units issued for cash	-	3,732,469
Repayment of promissory notes	(911,463)	-
Proceeds received from restricted government grant	174,675	180,000
Amounts paid from restricted government grant funds	(97,515)	(106,735)
Share issuance costs	-	(405,753)
Net cash provided by (used in) financing activities	(834,303)	3,399,981
Change in cash and cash equivalents during the period	(2,941,853)	928,489
Cash and cash equivalents, beginning of period	48,564,082	1,494,573
Cash and cash equivalents, end of period	**$ 45,622,229**	**$ 2,423,062**
Cash and cash equivalents consists of:		
Demand deposits	$ 45,527,197	$ 852,296
Term deposit	-	1,407,088
Restricted cash	95,032	163,678
	$ 45,622,229	**$ 2,423,062**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

ALPHA COGNITION INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the Three Months ended March 31,	
	2025	**2024**
Supplemental Disclosure		
Cash paid for interest	**$ 4,894**	**$ 16,612**
Supplemental non-cash disclosures		
Reallocation of fair value of share options upon exercise	**$ -**	**$ 36,751**
Reclassification of derivative liability for warrants re-priced from CAD to USD exercise price	**$ -**	**$ 3,942,575**
Common shares issued for share issuance costs	**$ -**	**$ 928,874**
Warrants issued for share issuance costs	**$ -**	**$ 582,245**

The accompanying notes to the consolidated financial statements are an integral part of these statements.

NOTE 1 – NATURE OF OPERATIONS

Alpha Cognition Inc. ("ACI" or the "Company") is a commercial stage, biopharmaceutical company dedicated to developing treatments for patients suffering from neurodegenerative diseases, such as Alzheimer's Disease and Cognitive Impairment with Traumatic Brain Injury ("TBI"), for which there are limited or no treatment options. The registered and records office of the Company is 1200 – 750 West Pender Street, Vancouver, BC, V6C 2T8. As of November 12, 2024, the Company's common shares commenced trading on the NASDAQ stock exchange under the symbol "ACOG". The Company's common shares traded on the Canadian Securities Exchange ("CSE") under the symbol "ACOG" from May 1, 2023 to December 17, 2024 on which date they were voluntarily delisted. Previously the Company's shares were traded on the TSX Venture Exchange ("TSX-V") until April 28, 2023, when the Company had them voluntarily delisted. The Company's shares also traded on the Over-The-Counter Markets ("OTC") under the trading symbol "ACOGF" until they were listed on the NASDAQ.

On July 29, 2024, the Company was granted approval by the U.S. Food and Drug Administration ("FDA") for the commercialization of ZUNVEYL, previously known as ALPHA-1062, for the treatment of mild-to-moderate Alzheimer's disease.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation – The conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and the rules of the Securities and Exchange Commission (the "SEC"). It is recommended that the unaudited condensed interim consolidated financial statements be read in conjunction with the 2024 Consolidated Financial Statements.

Principles of Consolidation – These unaudited condensed interim consolidated financial statements include the accounts of the Company, its wholly owned subsidiary, Alpha Cognition Canada Inc. ("ACI Canada") and ACI Canada's wholly owned subsidiary Alpha Cognition USA Inc. ("ACI USA").

All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Functional and Reporting Currency – The functional currency of the Company and its subsidiaries is USD, being the currency of the primary economic environment in which each entity operates. The Company's reporting currency is the USD. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's CAD operations are translated to USD at the exchange rate on the reporting date. The income and expenses are translated using average exchange rates. Foreign currency differences that arise on translation for consolidation purposes are recognized in net loss on the consolidated statements of operations and comprehensive (loss) income.

Use of Estimates and Assumptions – The preparation of these unaudited condensed interim consolidated financial statements in conformity with GAAP requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and disclosure of contingent liabilities as of the date of the unaudited condensed interim consolidated financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its estimates, to ensure that those estimates effectively reflect changes in the Company's business and new information as it becomes available. Management bases these estimates on historical and anticipated results, trends, and various other assumptions that the Company believes are reasonable under the circumstances, including assumptions as to forecasted amounts and future events. Actual results could differ materially from these estimates under different assumptions or conditions.

Revenue Recognition

Revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. The Company applies the following five-step revenue recognition model in accordance with ASC Topic 606, Revenue from Contracts with Customers, to determine revenue:

i) identify the contract with a customer;

ii) identify the performance obligations in the contract;

iii) determine the transaction price;

iv) allocate the transaction price to the performance obligations in the contract; and

v) recognize revenue when (or as) the Company satisfies a performance obligation.

Product Sales, Net

Products are primarily sold to distributors and wholesalers. The Company's contractual performance obligations are generally limited to the transfer of control of the product to the customer. For Zunveyl tablets provided to distributors, revenue is recognized at the point in time when control of the goods transfers to the distributor. The Company's contracts typically stipulate F.O.B. (Free on Board) destination terms. Consequently, revenue is recognized when the drugs are delivered to the distributor's location or any destination designated by the distributor for drop-shipment. This arrangement is not a consignment arrangement, and therefore, the Company recognizes revenue upon the delivery of goods to the distributor. The Company's payment terms to customers range from 60 to 96 days; payment terms differ by customer and by product.

Items Deducted from Gross Product Sales

Revenue is reduced at the time of recognition for expected chargebacks, product returns, recalls, and consideration payable to customers, collectively referred to as gross-to-net (GTN) adjustments. Chargebacks, product returns, and recalls are based on agreed-upon contractual terms. Consideration payable to customers comprises distributor fees. These service fees for distribution services are calculated as a percentage of monthly product sales based on the Wholesale Acquisition Cost (WAC). These fees are paid to wholesale distributors for services such as access to inventory and sales data to pharmacies, inventory management, accounts receivable administration, and return and chargeback administration. These services are integral activities within the distribution chain with the distributor customer, specifically related to Alpha Cognition's sales of Zunveyl, and are not considered distinct from the Company's promise to sell Zunveyl through the distribution channel to end customers. Consequently, these fees are recognized as a reduction of revenue.

Variable consideration will be re-evaluated at least on a quarterly basis, and we will continue to re-evaluate variable consideration on an ongoing basis. The amount of variable consideration can vary from period to period due to fluctuations in chargebacks, product returns, recalls, and consideration payable to customers, or other similar items.

Licensing Revenue

At contract inception, the Company identifies the goods or services promised in the contract and assesses whether each is distinct for the purpose of identifying performance obligations. A promised good or service is distinct if (1) the customer can benefit from the good or service either on its own or together with other resources that are readily available to the customer; and (2) the Company's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract. In licensing arrangements, the Company considers factors such as the collaboration partner's capabilities and the availability of required expertise in the marketplace. The intended benefit of the contract is also considered in determining whether a promised good or service is separately identifiable. If a good or service is not distinct, it is combined with other promised goods or services until a distinct bundle is identified.

Arrangements that include rights to additional goods or services that are exercisable at a customer's discretion are generally considered options. The Company evaluates whether such options provide a material right to the customer. If so, they are treated as separate performance obligations.

The transaction price is then determined and allocated to the identified performance obligations in proportion to their standalone selling prices ("SSP"). SSP is determined at contract inception and is not updated to reflect changes between contract inception and when the performance obligations are satisfied. Judgment is required in estimating SSP, and the Company considers market conditions, entity-specific factors, and estimated costs in making this determination.

If the consideration includes a variable amount, the Company estimates the amount to which it expects to be entitled using either the expected value or the most likely amount method, depending on which better predicts the outcome. The estimated amount is included in the transaction price only to the extent it is probable that a significant reversal of cumulative revenue will not occur when the uncertainty is resolved. The Company re-evaluates estimates and constraints at each reporting date and adjusts the transaction price accordingly, recording any changes on a cumulative catch-up basis.

For arrangements that include development or regulatory milestone payments, the Company evaluates whether achieving the milestone is probable and recognizes revenue only if a significant reversal is not expected. Regulatory milestones that are outside the control of either party are generally excluded from the transaction price until achieved.

For licenses of intellectual property that include sales-based royalties or milestones, and when the license is the predominant item to which the royalties relate, the Company recognizes royalty revenue at the later of (i) when the related sales occur, or (ii) when the performance obligation to which the royalty has been allocated has been satisfied, consistent with the sales-based royalty exception.

Revenue is recognized when the Company satisfies a performance obligation, either at a point in time or over time. The amount of revenue recognized is based on the portion of the transaction price allocated to each performance obligation in accordance with its relative SSP. For obligations satisfied over time, revenue is recognized using an input or output method, depending on which most accurately depicts the transfer of control to the customer.

Concentrations of Credit Risk – The Company's financial instruments subject to concentrations of credit risk consists primarily of cash and cash equivalents. Cash is deposited with financial institutions with high credit quality which are typically in excess of insured limits. Additionally, as of March 31, 2025, the Company had $53,909 (December 31, 2024 - $69,387) in cash held at its payment processing company in a demand account to be used to pay accounts payable. During the three months ending March 31, 2025, and 2024, the Company did not experience any loss related to these concentrations.

Cash and Cash Equivalents – The Company considers cash to include currency on hand, demand deposits with banks or other financial institutions, and other kinds of accounts that have the general characteristics of demand deposits in that the Company may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty. The Company considers cash equivalents to include term deposits, certificates of deposit, and all highly liquid instruments with original maturities of three months or less to be cash equivalents.

Accounts Receivable - The majority of our accounts receivable arise from product sales and primarily represent amounts due from our wholesale and other third-party distributors standard payment terms that generally require payment within 60 to 96 days.

We provide reserves against accounts receivable for estimated losses that may result from a customer's inability to pay. Amounts determined to be uncollectible are charged or written-off against the reserve.

Inventory – The Company values its inventories at the lower of cost or estimated net realizable value. The Company determines the cost of its inventories, which includes amounts related to materials and manufacturing overhead, on a first-in, first-out basis. The Company classifies inventory as long-term when consumption or sale of the inventory is expected beyond its normal operating cycle of twelve months. The Company performs an assessment of the recoverability of capitalized inventory during each reporting period, and it writes down any excess and obsolete inventories to their estimated realizable value in the period in which the impairment is first identified. Such impairment charges, should they occur, are recorded within cost of sales. The determination of whether inventory costs will be realizable requires estimates by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventory may be required which would be recorded as cost of sales in the consolidated statements of operations.

The Company capitalizes inventory costs associated with the Company's products after regulatory approval when, based on management's judgment, future commercialization is considered probable and the future economic benefit is expected to be realized. Inventory acquired prior to receipt of regulatory approval of a product candidate is expensed as research and development expense as incurred. The Company began to capitalize inventory costs upon receipt of regulatory approval in July 2024. Raw materials consist of materials, including active pharmaceutical ingredients, to be consumed in production of inventory related to FDA approved products.

Equipment – Equipment is stated at historical cost less accumulated depreciation. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the consolidated statement of operations. Repairs and maintenance are expensed as incurred. Depreciation is charged over the estimated useful lives using the straight line method as follows:

Computer equipment	3 years

Intangible Assets – The Company accounts for intangible assets in accordance with FASB ASC 350*, Intangibles – Goodwill and Other.* The Company's intangible assets consist of exclusive licenses that allow the Company to further exploit the ALPHA-1062 and ALPHA-0602 Technology, as defined in Note 14. The license is carried at cost and amortized on a straight-line basis over their estimated useful life of 15 years. During the three months ended December 31, 2024, the Company impaired the ALPHA-0602 license in the amount of $39,166 on the consolidated statements of operations and comprehensive loss.

Leases – The Company accounts for leases using FASB ASC 842, *Leases*. The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The lease payments associated with these leases are charged directly to the consolidated statement of operations on a straight-line basis over the lease term. The Company had no leases outstanding during the three months ended March 31, 2025, and as at December 31, 2024.

Impairment of Long-Lived and Non-Financial Assets – The Company reviews long-lived assets, primarily comprised of equipment and definite life intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparison of the carrying amount to the future net cash flows which the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the projected discounted future net cash flows arising from the asset and whether any impairment indicators exist. The Company recorded an impairment of intangible assets of $nil and $39,166 for the three months ending March 31, 2025, and 2024, respectively.

Royalty Cost of Sales – The Company makes royalty payments to third parties under license or purchase agreements associated with the acquisition of intellectual property. These royalty payments are calculated as a percentage of the net product sales and licensing fee in the period the corresponding sales occur. Royalty expenses are recognized as incurred and recorded as a component of cost of sales in the consolidated statements of operations and comprehensive loss.

Income Taxes – The Company uses the asset and liability method to account for income taxes in accordance with ASC 740, *Income Taxes*. Under this method, deferred tax assets and liabilities are determined based on future tax consequences attributable to differences between the consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases, tax loss and credit carry forwards.

Deferred tax assets and liabilities are measured using enacted tax rates applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that include the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that is greater than a 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits in income tax expense. To date, there have been no interest or penalties recorded in relation to unrecognized tax benefits.

Research and Development Costs – The Company expenses all research and development costs incurred in accordance with the Accounting Standard Codifications as promulgated by FASB ASC 730*, Research and Development.*

Advertising and Marketing Costs – The Company expenses advertising and marketing costs when incurred. During the three months ending March 31, 2025, and 2024, the Company incurred advertising and marketing expenses of $47,333 and $3,001, respectively, which are included in general and administrative expenses in the unaudited condensed interim consolidated statements of operations and comprehensive loss.

Loss Per Share – Basic loss per share is computed by dividing net loss available to ordinary stockholders by the weighted-average number of common shares outstanding during the reporting period. If applicable, diluted income per share is computed similar to basic income per share except that the weighted average shares outstanding are increased to include potential common shares for the assumed conversion of convertible debentures and the exercise of share options and warrants, if dilutive. The number of potential common shares is calculated by assuming outstanding share options and warrants were exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. For the periods presented, this calculation proved to be anti-dilutive.

Share-Based Compensation **–** The Company accounts for share-based compensation in accordance with ASC 718, *Compensation – Share-Based Compensation,* which requires compensation cost for the grant-date fair value of share-based awards to be recognized over the requisite service period. The Company accounts for forfeitures when they occur. The fair value of share-based awards, granted or modified, is determined on the grant date (or modification or acquisition dates, if applicable) at fair value, using the Black-Scholes option pricing model. This model is affected by the Company's share price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to, the Company's expected share price volatility over the terms of the awards, and actual and projected employee share option exercise behaviors. The Company records share-based compensation expense for service-based share options on an accelerated attributions method over the requisite service period. The Company records share-based compensation expense for performance-based share options on an accelerated attribution method over the requisite service period, and only if performance-based conditions are considered probable to be satisfied.

The fair value of options is determined using the Black-Scholes option pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Liability-Based Awards – Bonus right awards that include cash settlement features are accounted for as liability-based awards in accordance with ASC 718, *Compensation – Share Based Compensation*. The fair value of the bonus right awards is estimated using a Black-Scholes option-pricing model and is revalued on each reporting date, based on the probability of the expected awards to vest, until settlement. Changes in the estimated fair value of the bonus right awards are recognized within general and administrative expense in the unaudited condensed interim consolidated statement of operations and comprehensive loss over the vesting period. Key assumptions in the calculation of the fair value of the bonus right awards include expected volatility, risk-free interest rate, expected life, and fair value per award.

Segment Reporting – The Company currently operates in researching and developing pharmaceutical treatments for neurological diseases industry. Based on the guidance of ASC 280, *Segment Reporting,* the Company has one operating segment. For the three months ending March 31, 2025, and 2024, the Company operated in two geographical areas; the United States and Canada.

Convertible Debentures and Conversion Feature Liability – The Company's debt instruments contain a host liability and an embedded conversion feature. The Company uses the guidance under FASB ASC Topic 815 *Derivatives and Hedging* ("ASC 815") to determine if the embedded conversion feature must be bifurcated and separately accounted for as a derivative under ASC 815. It also determines whether any embedded conversion features requiring bifurcation qualify for any scope exceptions contained within ASC 815. Generally, contracts issued or held by a reporting entity that are both (i) indexed to its own shares, and (ii) classified in stockholders' equity, would not be considered a derivative for the purposes of applying ASC 815. Any embedded conversion features that do not meet the scope exception noted above are classified as derivative liabilities, initially measured at fair value, and remeasured at fair value each reporting period with change in fair value recognized in the consolidated statements of operations and comprehensive loss. Any embedded conversion features that meet the scope exception under ASC 815 are initially recorded at their relative fair value in paid-in-capital and are not remeasured at fair value in future periods.

Any embedded conversion features that do not meet the scope exception under ASC 815 are initially recorded at their fair value and the residual amount of the proceeds received is allocated to the convertible debentures. The host debt instrument is accounted for in accordance with guidance applicable to non-convertible debt under FASB ASC Topic 470 Debt ("ASC 470") and is accreted to its face value over the term of the debt with accretion expense and periodic interest expense recorded in the consolidated statements of operations and comprehensive loss.

The Company uses the Monte Carlo Simulation method to determine the fair value of the conversion feature liability and warrant liability. This requires the input of subjective assumptions including the following:

Risk-Free Interest Rate – The risk-free interest rate is the continuously compounded, term matching based on the U.S. Treasury zero coupon rate from the valuation date.

Expected Life – The Company's expected term represents the period that the Company's convertible debentures are issued and are expected to be outstanding or the remaining contractual life of the conversion period and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term).

Expected Volatility – The Company's expected volatility was estimated based on the average volatility for comparable publicly traded biopharmaceutical companies over a period equal to the expected term of the awards.

Probability – The probability is based on management's best estimate of based on the relevant information available.

Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity.

Derivative liability – The Company recognizes and measures derivative financial instruments in according with ASC 815, Derivatives and Heding, which requires that all derivative instruments be recognized on the balance sheet at fair value. Derivative instruments are classified as either assets or liabilities.

The Company uses the Black-Scholes option pricing model to determine the fair value of the warrant liability, share-based options, and stand-alone share purchase warrants issued as noted above. This model requires the input of subjective assumptions including the following:

Risk-Free Interest Rate – The risk-free interest rate is based on the U.S. Treasury zero coupon bond issues in effect at the time of grant for periods corresponding with the expected term of option.

Dividend Yield – The Company has never paid dividends on its common shares and has no plans to pay dividends on its common shares. Therefore, the Company used an expected dividend yield of zero.

Expected Life – The Company's expected term represents the period that the Company's options granted are expected to be outstanding or the remaining contractual life of the conversion period and is determined using the simplified method (based on the mid-point between the vesting date and the end of the contractual term).

Expected Volatility – The Company's expected volatility was estimated based on the average volatility for comparable publicly traded biopharmaceutical companies over a period equal to the expected term of the awards.

Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity.

Fair Value Measurements - FASB ASC 820 – *Fair Value Measurements and Disclosures* defines fair value, establishes a framework for measuring fair value under U.S. GAAP, and expands disclosures about fair value measurements. In accordance with ASC 820, we have categorized our financial assets and liabilities based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy as set forth below. If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded in the accompanying consolidated balance sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial instruments whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market which we have the ability to access at the measurement date.

Level 2 – Financial instruments whose values are based on quoted market prices in markets where trading occurs *infrequently* or whose values are based on quoted prices of instruments with similar attributes in active markets.

Level 3 – Financial instruments whose values are based on prices or valuation techniques that require inputs that are *both* unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the instrument.

The Company's financial instruments consist of cash, restricted cash, accounts receivable, accounts payable, promissory note, warrant liabilities, and other liabilities. The fair values of inventory, prepaid and other current assets, accounts payable, and promissory note approximate their carrying values either due to their current nature or current market rates for similar instruments.

Cash is measured at fair value on a recurring basis using level 1 inputs. Other liabilities consisting of the bonus rights liability and warrant liabilities are measured at fair value on a recurring basis using level 3 inputs. As of March 31, 2025 and December 31, 2024, the fair value of the bonus rights liability was $113,996 and $102,783, respectively. As of March 31, 2025 and December 30, 2024, the fair value of the warrant liabilities was $4,672,476 and $5,820,358, respectively.

Grant Accounting – All funds relating to government grants are being recorded under the gross method of accounting for government grants whereby any income received and associated expenses incurred will be reported as grant income and included in research and development expenses, respectively on the statement of operations and comprehensive loss. When grant proceeds are initially received, they are recorded as deferred income and restricted cash. Grant proceeds used to pay for study costs and are expensed as incurred, with a corresponding amount of grant revenue recorded along with a reduction of the balance of the deferred income liability. The Company classifies the balance of cash received from grants as restricted cash when the proceeds from the grant have been designated for use in specified research. During the three months ending March 31, 2025 and 2024, the Company recorded grant income of $71,095 and $133,779, respectively, from its R&D Grant (defined in Note 3) in the unaudited condensed interim consolidated statements of operations and comprehensive loss.

New Accounting Pronouncements –

In December 2023, FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements in Income Tax Disclosures,* which is to enhance the transparency and decision usefulness of income tax disclosures. This amendment requires public companies to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. Additionally, under the amendment entities are required to disclose the amount of income taxes paid disaggregated by federal, state and foreign taxes, as well as disaggregated by material individual jurisdictions. Finally, the amendment requires entities to disclose income from continuing operations before income tax expense disaggregated between domestic and foreign and income tax expense from continuing operations disaggregated by federal, state and foreign. The new rules are effective for annual periods beginning after December 15, 2024. We will adopt this standard on a prospective basis as allowed by the standard. The adoption of this standard is not expected to have a material impact on our financial statements.

In November 2024, FASB issued ASU 2024-03, *Income Statement (Subtopic 220-40): Reporting Comprehensive Income – Expense Disaggregation Disclosures.* This standard requires disclosure in the notes to the financial statements, at each interim and annual reporting period, of specified information about certain costs and expense including purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption. This standard also requires a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated, as well as disclosure of the total amount of selling expenses, and, in annual reporting periods, an entity's definition of selling expenses. These new rules are effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. We are currently evaluating the potential impact that this new standard will have on our consolidated financial statements and related disclosures.

NOTE 3 – R&D GRANT

On June 5, 2023, the Company was awarded a $750,000 research and development grant from the Army Medical Research and Material Command for a pre-clinical study on the use of the ALPHA-1062 Intranasal to reduce blast mTBI (mild Traumatic Brain Injury) induced functional deficit and brain abnormalities ("R&D Grant"). The R&D Grant is issued in collaboration with the Seattle Institute of Biomedical and Clinical Research and endorsed by the Department of Defense.

As of March 31, 2025, the Company has received $174,675 (March 31, 2024 - $180,000) for the R&D Grant and has restricted cash of $95,032 (December 31, 2024 - $17,872). As of March 31, 2025, the Company has deferred income of $23,936 (December 31, 2024 – grant receivable of $79,643) and recognized $71,095 and $133,779 of grant income on the consolidated statement of comprehensive loss during the three months ended March 31, 2025 and 2024, respectively. Additionally, during the three months ended March 31, 2025 and 2024, the Company has incurred $71,095 and $133,779, respectively, in expenses relating to the R&D Grant. The grant funds are to be used on the following project "Assessment of Functional Recovery and Reduced Tauopathy Following ALPHA-1062 Administration in a Repetitive Blast TBI Model in Rodents." The R&D Grant is issued in collaboration with the Seattle Institute of Biomedical and Clinical Research and endorsed by the Department of Defense. Funds received from the R&D grant are restricted and to be used solely as outlined in the grant. The R&D grant funding will expire for use on September 30, 2028. The award funding is to subsidize the costs for research and development with the following specific aims:

- Specific Aim 1: Quantify the ability of ALPHA-1062 to reduce brain-wide tauopathy and pathology in blast-mTBI;
- Specific Aim 2: Characterize and quantify changes in the inter-cellular associations between disease-associated microglia and cells of the basal forebrain induced by repetitive blast-mTBI and altered by ALPHA-1062 treatment; and
- Specific Aim 3: Determine the efficacy of ALPHA-1062 to improve the adverse cognitive and behavioral outcomes consequent to repetitive blast-mTBI.

Per the R&D Grant budget expenses are expected to include cost to carry out the clinical trials including personnel costs, materials and supplies, animal housing, publications, and travel costs. The Company classifies any cash received from the R&D Grant that has not yet been used to pay ongoing R&D grant expenditures as restricted cash, as the proceeds from the grant are to be designated for the specified grant research.

NOTE 4 – INVENTORY

Inventory consists of the following:

	March 31, 2025	December 31, 2024
Raw materials	$ -	$ -
Work in progress	792,827	615,133
Finished goods	90,549	-
Total	**$ 883,376**	**$ 615,133**

As of March 31, 2025 and prior there to, raw materials were acquired to be used in the development process and expensed as incurred as they had no alternative future use.

During the three months ended, March 31, 2025, the Company recognized cost of sales of $12,689, (2024: $nil) in the condensed interim consolidated statement of operations and comprehensive loss.

NOTE 5 – RELATED PARTY NOTE RECEIVABLE

On July 7, 2023, the Company entered into a loan agreement with Alpha Seven Therapeutics, Inc., ("Alpha Seven") a related party through a common director and officers of the Company, to advance an amount up to $150,000. The unsecured outstanding balance carries an interest rate of 12% per annum, a term of 12 months, no payments are due until maturity. As of March 31, 2025, and December 31, 2024, the Company had advanced $55,000 and accrued interest of $nil and $1,645, respectively.

As of December 31, 2024, management determined the credit risk of the loan to Alpha Seven had increased significantly since initial recognition and the Company recorded a provision for credit losses for the outstanding principal balance of $55,000 and reversed the accrued interest of $1,243 in the condensed interim consolidated statement of operations and comprehensive loss.

NOTE 6 – BALANCE SHEET COMPONENTS

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following:

	March 31, 2025	December 31, 2024
Other receivables	$ 185,707	$ 253,426
Prepaid insurance and other expenses	971,534	795,141
Prepaid legal expenses	33,314	23,396
Prepaid expenses and other assets	**$ 1,190,555**	**$ 1,071,963**

Other assets

Other assets include the long-term prepaid portion of $11,429 relating to the Spartan Consulting Agreement (defined in Note 14).

Equipment

Equipment consisted of the following:

	March 31, 2025	December 31, 2024
Equipment	$ 84,341	$ 21,071
Construction in progress	-	18,000
Total equipment	84,341	39,071
Less: accumulated depreciation	(13,889)	(11,994)
Total equipment, net	**$ 70,452**	**$ 27,077**

Depreciation expense for the three months ended March 31, 2025 and 2024 was $1,895 and $237, respectively.

Accounts payable and accrued liabilities

	March 31, 2025	December 31, 2024
Accounts payable	$ 821,868	$ 872,676
Other accrued liabilities	1,269,925	643,063
Accrued payroll and bonuses	476,068	923,550
Accounts payable and accrued liabilities	**$ 2,567,861**	**$ 2,439,289**

NOTE 7 – INTANGIBLE ASSETS

Intangible assets consisted of the following:

March 31, 2025	Gross Amount	Accumulated Amortization	Net Balance	Weighted Average Remaining Useful Life
Licenses	$ 1,185,633	$ 778,051	$ 407,582	18.92

December 31, 2024	Gross Amount	Accumulated Amortization	Net Balance	Weighted Average Remaining Useful Life
Licenses	$ 1,185,633	$ 772,664	$ 412,969	5.17

On January 25, 2025, the Company was granted a new patent titled "Coated Tablets for pH-Dependent Release of Benzgalantamine" from the United States Patent and Trademark Office (USPTO) until 2044. As a result of the granted patent, management reviewed the estimated useful life of the license related to this patent, and determined the remaining useful life should be extended from 5 years to 19 years.

Change in Useful Life of Intangible Asset

During the three months ended March 31, 2025, the Company completed a review of the estimated useful life of its intangible asset after a patent application, related to the Memogain License, was granted in January 2025. The patent term was extended to February 2044. Management determined that the estimated useful life of the license should be extended for an additional 14 years. Effective January 1, 2025, the Company extended the estimated remaining useful life of the license from 5 years to 19 years.

This change in estimated has been applied prospectively in accordance with ASC 250, Accounting Changes and Error Corrections. As a result of this change, amortization expensed decreased by approximately $14,400 for the three months ended March 31, 2025, compared to the prior amortization schedule.

Amortization expense for the three months ended March 31, 2025 and 2024, was $5,387 and 20,594, respectively. During the three months ended March 31, 2025, and 2024, the Company reported an impairment of intangible assets of $nil and $39,166, respectively, from the impairment of one license.

The following table outlines the estimated future annual amortization expense related to intangible assets as of March 31, 2025:

Year Ending December 31,	
2025	$ 16,160
2026	21,546
2027	21,546
2028	21,546
Thereafter	326,784
Total	**$ 407,582**

NOTE 8 – PROMISSORY NOTE

In March 2015, the Company issued a promissory note of $1,400,000 to Neurodyn Life Sciences Inc ("NLS"), a related party through a common director, for the acquisition of the ALPHA-1062 Technology ("NLS Promissory Note") (Note 10).

On March 6, 2023, the Company and NLS agreed to an amendment to the promissory note pursuant to which the interest rate was increased from 2% to 5.5% and the maturity date was extended from December 31, 2022, to July 15, 2024. The amended agreement was effective March 1, 2023, and requires interest only payments until maturity. In addition, the amendment now incorporates both Alpha Cognition Inc. and Alpha Cognition Canada, Inc. under the Memogain Technology License Agreement and added clarity to certain terms and definitions under the license agreement. The Company evaluated the amended agreement under ASC 470 and determined that the amendment should be accounted for as a debt modification prospectively. The Company accounted for this transaction as a debt modification and did not record any gain or loss relating to the modification. The debt modification did not meet the greater than ten percent test and was deemed not substantial.

Effective April 1, 2024, the Company and NLS agreed to another amendment to the promissory note pursuant to which the interest rate was increased from 5.5% to 7% and the maturity date was extended from July 15, 2024, to July 15, 2025. Additionally, $300,000 was to be paid on or by December 31, 2024 (paid), with the remaining principal balance due at maturity with certain events triggering the balance to be repayable on demand. Such events include (1) being in breach of the Memogain License Agreements (Note 12); (2) failure to make payments when due; (3) entering into a technology license or merger and acquisition transaction having a value in excess of USD $40,000,000; and (4) completing a financing, excluding any initial NASDAQ uplisting, having a value in excess of USD $40,000,000. The balance was repaid in full on January 29, 2025. The Company evaluated the amended agreement under ASC 470 and determined that the amendment should be accounted for as a debt modification prospectively. The Company accounted for this transaction as a debt modification and did not record any gain or loss relating to the modification. The debt modification did not meet the greater than ten percent test and was deemed not substantial.

As of March 31, 2025 and December 31, 2024, the principal balance outstanding on the promissory note was $nil and $911,463, respectively. During the three months ended March 31, 2025, and 2024, the Company recorded interest expense and amortization of the premium, included in accretion expense, of $4,894 and $16,612, respectively.

NOTE 9 – CONVERTIBLE DEBENTURES AND CONVERSION FEATURE LIABILITY

On September 24, 2024, the Company entered into Securities Purchase Agreements ("SPAs") with various third party lenders for the issuance of convertible debentures ("Debentures") and warrants to purchase 430,805 common shares of the Company at an exercise price of $10.55 per share until September 24, 2029 ("Initial Debenture Warrants") for $4,545,000.

The Debentures bore interest at 10% per annum, computed on the basis of a 360-day year and twelve 30-day months, and are due and payable with accrued interest thereon on September 24, 2026 ("Maturity Date"). At any time prior to the Maturity Date, the holder had the option to convert their Debenture and any accrued interest into common shares of the Company at a price of $10.55 ("Conversion Price"). Should the Company have completed a Qualified Offering, being an offering of the Company's securities for at least $10 million in aggregate gross proceeds in coordination with the simultaneous uplisting of the Company's common shares onto a United States national securities exchange, the Debentures would automatically convert into the securities, including warrants, on the same terms as are applicable in the Qualified Offering at the lower of (i) the Conversion Price or (ii) the per security offering price in the Qualified Offering. If prior to the Maturity Date or the completion of a Qualified Offering, the last trading price of the Company's common shares exceed 250% of the Conversion Price for 10 consecutive trading days, the Debentures and accrued interest would automatically convert into common shares of the Company at the Conversion Price.

Upon closing of a Qualified Offering, each Initial Debenture Warrant holder would receive an additional 50% of warrants ("Additional Debenture Warrant") with identical terms as the Initial Debenture Warrants. The exercise price of the Initial Debenture Warrants are subject to adjustment upon the completion of a Qualified Offering to the lower of (i) the existing Debenture Warrant exercise price, (ii) the exercise price of any common share purchase warrants issued in the Qualified Offering, or (iii) if no common share purchase warrants are issued in the Qualified Offering, the closing price of the common shares on the Canadian Securities Exchange (as converted into U.S. dollars) immediately prior to the pricing news release of the Qualified Offering.

The holders of the Initial Debenture Warrants may have elected, if the Company does not have an effective registration statement registering or the prospectus contained therein is not available for the issuance of the Initial Debenture Warrant shares to the holder, in lieu of exercising the Initial Debenture Warrants for cash, a cashless exercise option to receive common shares equal to the fair value of the Initial Debenture Warrants. The fair value is determined by multiplying the number of Initial Debenture Warrants to be exercised by, the option of the Debenture Holder, (i) the previous day's volume weighted average price ("VWAP") of the common shares of the Company, (ii) the bid price of the common shares of the Company as of the time of the execution of the exercise notice, or (iii) the closing price of the common shares on the date of the exercise notice ("Elected Exercise Price") less the exercise price with the difference divided by the Elected Exercise Price. On October 16, 2024, the Company's registration statement restricting the Initial Debenture Warrant holders ability to elect to cashless exercise their Initial Debenture Warrants became effective.

Each SPA also grants each lender a participation right up to September 24, 2025 whereby each lender will have the right to participate in up to 25% of any subsequent offering of the Company based on such lender's pro rata portion of the SPAs.

On November 13, 2024, the convertible notes automatically converted pursuant to their terms into 801,413 Common Shares at a conversion price of $5.75 being the public offering price per share in the public offering. Additionally, the Company issued an additional 215,421 warrants exercisable to acquire 215,421 Common Shares at an exercise price of $7.19 per share and the exercise price of the Company's existing 430,805 warrants issued in connection with the offering of the convertible notes was repriced from $10.55 per share to $7.19 per share.

NOTE 10 – OTHER LONG-TERM LIABILITIES

The Company adopted a cash bonus policy pursuant to which it may grant bonus rights to certain eligible participants, which include employees, officers, or consultants of the Company, that are payable in cash. These bonus rights are subject to certain vesting provisions and are revalued at each reporting date with the change being included in management fees and salaries on the Company's consolidated statements of operations and comprehensive loss.

During the year ended December 31, 2022, Officers of the Company were granted the ability to earn up to 370,448 bonus rights entitling them to a cash bonus equal to an amount by which the fair market value of one common share of the Company (calculated as the 30-day Volume Weighted Average Price ("VWAP") per common share) exceeds $39.50 multiplied by the number of bonus rights vested. The bonus rights initially earned vest on the earlier of the date of a change of control or April 15, 2024, and were be payable upon vesting. The bonus rights will be earned in tranches based on the price of the Company's common share exceeding certain thresholds.

On April 16, 2024, the Company amended the bonus rights agreements to extend the vesting date from April 15, 2024, through the earlier of April 28, 2027, a change of control, or attainment of the business value threshold with respect to any tranche. Additionally, the grant price was reduced from $39.50 to $29.75. As of March 31, 2025 and December 31, 2024, the Officers had earned 95,071 bonus rights.

As of March 31, 2025 and December 31, 2024, the Company recognized a bonus right liability of $113,996 and $102,783, respectively, to recognize the proportionate unvested bonus rights. Total compensation expense (recovery) for the bonus rights recognized within general and administrative expenses for the three months ended March 31, 2025, and 2024, was $10,915 and $(58,427), respectively. Total compensation expense (recovery) for the bonus rights recognized within research and development expenses for the three months ended March 31, 2025, and 2024, was $298 and $(25,698), respectively. As of March 31, 2025 and December 31, 2024, there was $146,387 and $264,043 of unrecognized compensation expense related to the bonus right awards, respectively.

In accordance with ASC 718, *Share-Based Payments,* the bonus right awards are considered liability-based awards and are revalued at each reporting date. The following weighted average assumptions were used in the Black-Scholes option-pricing model for the valuation of the bonus rights liability as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Risk-free interest rate	3.89%	4.25%
Expected life (in years)	2.09	2.33
Volatility	148.55%	166.95%
Weighted average fair value per bonus right	$ 2.49	$ 3.30

NOTE 11 – STOCKHOLDERS' DEFICIENCY

Authorized Share Capital

The Company is authorized to issue the following share capital:

- Unlimited common voting shares without par value ("Common Share")
- Unlimited Class A restricted voting shares without par value ("Restricted Share")
- Unlimited Class B Preferred Series A voting shares without par value, convertible on a 1:1 basis into Common Share ("Class B Preferred Share")

Issued Share Capital

During the three months period ended March 31, 2025, the Company did not issue any Common Shares, Restricted Shares or Class B Preferred Shares.

Warrants

During the three months period ended March 31, 2025, the Company did not issue any warrants.

The schedule of activity for the warrants is as follows:

	Number of Warrants	Weighted Average Exercise Price (as converted)	Remaining Contractual Term (Years)
Balance, December 31, 2024	**3,635,962**	**$ 7.37**	**3.30**
Balance, March 31, 2025	**3,635,962**	**$ 7.37**	**3.05**

A summary of the warrants outstanding and exercisable as of March 31, 2025, is as follows:

Warrants Outstanding	Exercise Price	Expiry Date
133,193	$ 7.75	August 31, 2026
35,064	$ 7.75	October 16, 2026
101,000	$ 7.75	November 8, 2026
394,572	$ 7.75	December 22, 2026
720,123	$ 7.75	January 19, 2027
585,609	$ 7.23	February 16, 2028
86,200	$ 6.78 (CAD$9.75)	February 16, 2028
28,796	$ 6.78 (CAD$9.75)	March 15, 2028
262,287	$ 7.08	March 15, 2028
430,805	$ 7.19	September 24, 2029
642,892	$ 7.18	November 8, 2029
215,421	$ 7.19	November 13, 2029
3,635,962		

Warrants Liabilities

a) On August 31, 2023, the Company's functional currency changed to the USD from the CAD; as such, the Company recorded a derivative liability on the warrants outstanding with CAD exercises prices. This derivative liability is being revalued at each reporting period.

   As of March 31, 2025 and December 31, 2024, the Company revalued the derivative liability to $415,434 and $503,129, respectively, and recorded a gain on revaluation of $87,695 for the three months ended March 31, 2025 (three months ended March 31, 2024 – loss of $619,989).

Balance as of December 31, 2024	**$**	**503,129**
Revaluation of derivative liability		(87,695)
Balance as of March 31, 2025	**$**	**415,434**

A summary of warrants not issued for services with CAD exercise prices outstanding and exercisable as of March 31, 2025, is as follows:

Warrants Outstanding		Exercise Price	Expiry Date
86,200	$	6.78 (CAD$9.75)	February 16, 2028
15,810	$	6.78 (CAD$9.75)	March 15, 2028
102,010			

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the re-valuations as of March 31, 2025 and December 31, 2024:

	March 31, 2025	December 31, 2024
Risk-free interest rate	4.27%	4.27%
Dividend yield	-	-
Expected life (in years)	2.89	3.14
Volatility	158%	158%
Weighted average fair value per warrant	$ 4.07	$ 4.93

b) On September 24, 2024, the Company entered into SPAs with various third party lenders for the issuance of the 430,805 Initial Debenture Warrants and 215,421 Additional Debenture Warrants .

The Initial Debenture Warrants were exercisable at a price of $10.55 per share until September 24, 2029. Upon closing of a Qualified Offering, each Initial Debenture Warrant holder received Additional Warrants with identical terms as the Initial Debenture Warrants. The exercise price of the Debenture Warrants are subject to adjustment upon the completion of a Qualified Offering to the lower of (i) the existing Debenture Warrant exercise price, (ii) the exercise price of any common share purchase warrants issued in the Qualified Offering, or (iii) if no common share purchase warrants are issued in the Qualified Offering, the closing price of the common shares on the Canadian Securities Exchange (as converted into U.S. dollars) immediately prior to the pricing news release of the Qualified Offering.

The fundamental transaction clause in the warrant agreement stipulates that the expected volatility is determined as the greater of 100% and the 30-day volatility, as calculated from the HVT function on Bloomberg. Under ASC 815 (Derivatives and Hedging), an instrument must be classified as equity if it passes the “fixed-for-fixed” indexation test, meaning both the exercise price and the number of shares to be issued must be fixed at issuance. In this case, the volatility input is predetermined and fixed in the agreement “an expected volatility equal to the greater of 100% and the 30 day volatility from the “HVT” function on Bloomberg”, and is therefore not indexed to the Company’s stock. As a result, the Initial and Additional Debenture Warrants fail the “fixed-for-fixed” test and are classified as derivative liabilities in accordance with ASC 815.

As at March 31, 2025, the Company revalued the derivative liabilities to $2,123,352 (December 31, 2024 - $2,646,843) and recorded a gain on revaluation of $523,491 and $nil for the three months ended March 31, 2025 and 2024, respectively.

A summary of the Initial and Additional Debenture Warrants issued and outstanding as of March 31, 2025, is as follows:

Warrants Outstanding		Exercise Price	Expiry Date
430,805	$	7.19	September 24, 2029
215,421	$	7.19	November 13, 2029
646,226			

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the revaluation for the Initial and Additional Debenture Warrant as of December 31, 2024 and March 31, 2025:

	March 31, 2025	December 31, 2024
Risk-free interest rate	3.96%	4.38%
Dividend yield	-	-
Expected life (in years)	4.53	4.73
Volatility	93%	94%

c) Agent Warrants issued in connection with the public offering.

Upon completion of the public offering, the Company issued 608,696 agent warrants and an additional 34,196 agent warrants for the over-allotment. In the warrant agreement it included the fundamental transaction clause that stipulates that the expected volatility is determined as the greater of 100% and the 30-day volatility, as calculated from the HVT function on Bloomberg. Under ASC 815 (Derivatives and Hedging), an instrument must be classified as equity if it passes the “fixed-for-fixed” indexation test, meaning both the exercise price and the number of shares to be issued must be fixed at issuance. In this case, the volatility input is predetermined and fixed in the agreement “an expected volatility equal to the greater of 100% and the 30 day volatility from the “HVT” function on Bloomberg”, and is therefore not indexed to the Company’s stock. As a result, the agent warrants fail the “fixed-for-fixed” test and are classified as derivative liabilities in accordance with ASC 815.

As at March 31, 2025, the Company revalued the derivative liabilities to $2,133,690 (December 31, 2024 - $2,670,386) and recorded a gain on revaluation of $536,696 and $nil for the three months ended March 31, 2025 and 2024, respectively.

A summary of the agent warrants issued and outstanding as of March 31, 2025, is as follows:

Warrants Outstanding		Exercise Price	Expiry Date
642,892	$	7.18	November 9, 2029

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the revaluations:

	March 31, 2025	December 31, 2024
Risk-free interest rate	3.96%	4.38%
Dividend yield	-	-
Expected life (in years)	4.61	4.86
Volatility	94%	95%

Share Options

Common Share Options

The Company's 2023 Share Option Plan (the "2023 Option Plan") for its officers, directors, employees and consultants was approved by stockholders on June 27, 2023. Pursuant to the 2023 Option Plan, the Company may grant non-transferable share options totaling in aggregate up to 20% of the Company's issued and outstanding Common Shares and Restricted Shares, exercisable for a period of up to ten years from the date of grant, and at an exercise price that will not be lower than the greater of the last closing price for the Common Shares as quoted on the CSE: (i) on the trading day prior to the date of grant; and (ii) the date of grant. All options granted pursuant to the 2023 Option Plan will be subject to such vesting requirements as may be imposed by the Board. In the event of a Change of Control, as defined in the 2023 Option Plan, all unvested options will vest immediately.

The 2022 Option Plan was previously adopted by the board and approved by stockholders on July 19, 2022, pursuant to which incentive share options were granted to certain directors, officers, employees and consultants (the "2022 Option Plan"). Under the 2022 Option Plan, the Company could grant non-transferable share options totaling in aggregate up to 10% of the Company's issued and outstanding Common Shares, exercisable for a period of up to ten years from the date of grant, and at an exercise price which is not less than that permitted by the TSX-V. In connection with listing of the Common Shares on the CSE, the Company adopted the 2023 Option Plan and determined that the 2022 Option Plan be closed to new grants. The options outstanding under the 2022 Option Plan, issued prior to the adoption of the 2023 Option Plan ("2022 Options") are not included in the maximum number of share options available for grant pursuant to the 2023 Option Plan and are not subject to the terms of the 2023 Option Plan; as such, the 2022 Options will continue to be governed by the 2022 Option Plan.

The following weighted average assumptions were used in the Black-Scholes option-pricing model for the valuation of the Common Share options issued:

	March 31, 2025	December 31, 2024
Risk-free interest rate	4.31%	4.34%
Expected life (in years)	10	10
Volatility	82%	82%
Weighted average fair value per option	$ 4.91	$ 5.58

The following table summarizes the total amount of share-based compensation expense related to service conditions for Common Share options during the three months ended March 31, 2025, and 2024:

	For the Three Months Ended	
	March 31, 2025	March 31, 2024
Research and development	$ 33,079	$ 87,847
General and administrative	1,322,294	260,238
Total share-based compensation	**$ 1,355,373**	**$ 348,085**

As of March 31, 2025, there was an unrecognized share-based compensation expense relating to service conditions for common share options of $5,286,397.

Common share option activity is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value[(1)]
Balance, December 31, 2024	**888,529**	**$ 4.58**	**8.36**	**$ 1,159,843**
Granted	**1,165,522**	**5.93**		
Balance, March 31, 2025	**2,054,121**	**5.32**	**8.80**	**725,617**
Options exercisable, March 31, 2025	**746,240**	**$ 4.50**	**7.20**	**$ 563,504**

(1) The aggregate intrinsic values were calculated as the difference between the exercise price of the options and the closing price of the Company's common share. The calculation excludes options with an exercise price higher than the closing price of the Company's share on the reporting date.

A summary of the Common Share options outstanding at March 31, 2025, is as follows:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
7,300	7,300	4.87 (CAD$7.00)	September 30, 2025
82,367	82,367	3.83 (CAD$5.50)	September 30, 2025
1,566	1,566	$ 10.00	June 1, 2029
1,566	1,566	$ 10.00	July 22, 2030
104,000	104,000	$ 4.87 (CAD$7.00)	August 3, 2031
37,600	37,600	$ 4.87 (CAD$7.00)	December 20, 2031
8,600	8,600	$ 4.87 (CAD$7.00)	February 14, 2032
18,000	18,000	$ 4.87 (CAD$7.00)	May 31, 2032
477,600	347,006	$ 3.83 (CAD$5.50)	June 8, 2033
32,000	2,667	$ 10.43 (CAD$15.00)	October 21, 2034
84,000	7,001	$ 5.70 (CAD$8.20)	November 26, 2034
34,000	2,834	$ 5.03	December 24, 2034
10,000	-	6.00	January 14, 2035
52,500	-	5.80	February 12, 2035
1,005,822	125,732	5.93	February 25, 2035
8,000	-	5.75	March 4, 2035
89,200	-	5.55	March 20, 2035
2,054,121	746,240		

ACI Canada Legacy Performance Options

The Company retained ACI Canada's share option plan whereby ACI Canada could grant share options to directors, officers, employees and consultants enabling them to acquire common shares. Options granted had a maximum term of ten years and the board of directors determined the vesting requirements. From time to time, the Company granted performance-based share options to management and consultants. These options vest based on the Company's achievement of certain performance goals and operational metrics, as applicable, subject to continuous employment by each recipient.

The Company did not recognize any share-based compensation expense relating to service or performance conditions for the ACI Canada legacy performance options during the three months ended March 31, 2025 and 2024. As of March 31, 2025 and December 31, 2024, there was no unrecognized share-based compensation expense relating to service condition awards.

The following table summarizes ACI Canada legacy performance option activity for the Company:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value[(1)]
Balance, December 31, 2024	**265,642**	**0.22**	**3.48**	**1,506,321**
Balance, March 31, 2025	**265,642**	**0.22**	**3.23**	**1,285,838**
Options exercisable, March 31, 2025	**258,362**	**$ 0.22**	**3.21**	**$ 1,250,821**

(1) The aggregate intrinsic values were calculated as the difference between the exercise price of the options and the closing price of the Company's common share. The calculation excludes options with an exercise price higher than the closing price of the Company's shares on the reporting date

A summary of the ACI Canada legacy performance options outstanding at March 31, 2025, is as follows:

Options Outstanding	Options Exercisable	Exercise Price	Expiry Date
36,000	36,000	$ 0.025	February 1, 2026
27,642	27,642	$ 0.25	December 31, 2027
122,000	121,120	$ 0.25	September 1, 2028
80,000	73,600	$ 0.25	June 1, 2029
265,642	**258,362**		

NOTE 12 – CMS LICENSE AND COLLABORATION AGREEMENT

On January 8, 2025 (the "Effective Date"), the Company entered into a License, Collaboration and Distribution Agreement (the "CMS License Agreement") with CMS International Development and Management Limited ("CMS"), pursuant to which the Company granted CMS an exclusive, transferable, sub-licensable, and royalty-bearing license to develop, register, manufacture, import, export, and commercialize ZUNVEYL (the "Product") in the Asia-Pacific region (excluding Japan), Australia, and New Zealand (the "Territory"). ZUNVEYL is a next generation acetylcholinesterase inhibitor approved in the US for the treatment of mild-to-moderate Alzheimer's disease.

Under the terms of the CMS License Agreement, the Company received a one-time, non-refundable, non-creditable upfront payment of $3.0 million in January 2025 and is eligible to receive up to $11.0 million in development and regulatory milestone payments, as well as up to $30.0 million in sales milestone payments. In addition, CMS is obligated to pay annual royalties of 9% on net sales within the defined royalty term.

The CMS License Agreement remains in effect for an initial term of 20 years from the Effective Date and will automatically renew for additional five-year terms unless either party provides notice of non-renewal at least six months prior to the expiration of the then-current term.

The total transaction price at inception was determined to consist of the $3.0 million upfront payment. The Company identified two distinct performance obligations: (1) the license to the Company's pharmaceutical intellectual property, and (2) certain regulatory, technical, and clinical assistance to be provided by the Company and the Joint Steering Committee, which includes representatives from both the Company and CMS, through the expected commercialization of the Product. The upfront payment of $3 million was allocated to the identified performance obligations based on their relative standalone selling prices (SSPs). The SSP for the license was determined using the residual method due to the highly variable nature of similar license transactions, while the SSP for services was based on estimated costs plus a margin.

License of Intellectual Property

The license to the Company's intellectual property represents a distinct performance obligation. The license was transferred to CMS on the Effective Date to satisfy this performance obligation. The Company allocated $2,525,900 of the total transaction price to the license and recognized the corresponding revenue in the first quarter of 2025.

Regulatory, Technical, and Clinical Assistance

The Company's promise to provide supporting services, whether directly or in participation with the Joint Steering Committee, to CMS is expected to be primarily fulfilled during the early stages of the contract through commercialization of the Product. These services represent a distinct performance obligation and will be recognized over time as the services are rendered. Based on estimated effort and project timelines, $223,300 of revenue was allocated to be recognized ratably over the first year 2025, with $192,500 expected to be recognized in 2026 and $58,300 in 2027. As of March 31, 2025, the Company recognized $55,825 of revenue related to these services.

Development and Regulatory Milestone Payments

The potential development and regulatory milestone payments are contingent upon the occurrence of certain milestones as defined in the CMS License Agreement. These payments have been fully constrained until the Company concludes that achievement of the milestone is probable and that recognition of revenue related to the milestone will not result in a significant reversal in amounts recognized in future periods. As such, they have been excluded from the transaction price. At the end of each subsequent reporting period, the Company will re-evaluate the probability of achievement of each milestone and any related constraint and, if necessary, adjust its estimate of the overall transaction price. The updated transaction price will be allocated to the two identified performance obligations based on estimated SSP. As of March 31, 2025, the Company has not recognized any revenue associated with the development and regulatory milestones.

Sales Milestone Payments and Royalties

Any consideration related to sales milestones or royalties will be recognized if and when the related sales occur as such amounts are determined to relate predominantly to the license granted to CMS. Accordingly, this consideration has been excluded from the transaction price. No allocation to performance obligations will be performed, as both the license and related assistance are expected to be satisfied by the time sales milestones and royalties are earned. No sales milestone or royalty revenue was recognized as of March 31, 2025.

As of March 31, 2025, no amounts were due from CMS, and no receivables or contract assets had been recorded in relation to the CMS License Agreement.

NOTE 13 – RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and members of its Board of Directors.

In September 2018, the Company signed a management agreement with CMI Cornerstone Management Corp. ("CMI"), a company controlled by Ken Cawkell, former CEO and a director of the Company, which requires monthly payments of $15,000. In June 2019, the Company amended the agreement to increase the monthly fees to $18,000. Included in the agreement is a provision for a termination payment equal to the greater of (i) $432,000 less any fees previously paid under the agreement between June 1, 2019, and the date of termination or (ii) $54,000. On September 1, 2022, the Company amended the agreement to decrease the monthly fees to $9,000. On April 30, 2023, the Company amended the agreement to an hourly fee of $400 for services rendered. The amendment included a payment of $54,000 for the termination fee.

In February 2021, the Company signed a consulting agreement with Michael McFadden, CEO of the Company, requiring an annual base compensation of $500,000. A new employment agreement was signed in March 2022 which included in the agreement is a provision for termination payment without just cause of:

a) Severance payments for a period of twelve months with the following terms:

   i) Months 1 through 6: 100% of annual base salary;

   ii) Months 7 through 9: 50% of annual base salary; and

   iii) Months 10 through 12: 25% of annual base salary.

b) Bonus severance equal to the average of bonuses paid of the two most recent full fiscal years prior to termination plus the bonus that would have been paid in the fiscal year of termination.

Also included in the agreement is a provision for termination payment due to a change of control, the CEO will receive:

a) a cash payment equal to the annual base salary;

b) a full bonus payable in cash immediately, irrespective of whether targets have been met; and

c) continuation of healthcare benefits for twelve months from date of change of control event.

In April 2022, Mr. McFadden was granted the ability to earn up to 327,830 bonus rights of which 65,566 bonus rights had been earned as of March 31, 2025 (Note 10). The value of these bonus rights was determined to be $82,819 and $74,587 as of March 31, 2025, and December 31, 2024, respectively, and is included in other liabilities.

In May 2021, the Company hired Lauren D'Angelo as the Company's Chief Commercial Officer. In 2023 Ms. D'Angelo was promoted to Chief Operating Officer of the Company. The employment agreement signed in May 2021 with Ms. D'Angelo requires an annual base compensation currently at $420,000 and includes a provision for a termination payment due to a change of control as follows:

a) a cash payment equal to the annual base salary;

b) a full bonus payable in cash immediately, irrespective of whether targets have been met; and

c) continuation of healthcare benefits for twelve months from date of change of control event.

In May 2022, Ms. D'Angelo was granted the ability to earn up to 42,618 bonus rights of which 29,505 bonus rights had been earned as of March 31, 2025 (Note 10). The value of these bonus rights was determined to be $31,177 and $28,196 as of March 31, 2025, and December 31, 2024, respectively, and is included in other liabilities.

In April 2022, the Company signed an employment agreement with Donald Kalkofen, the Chief Financial Officer ("CFO") of the Company, requiring an annual base compensation of $420,000. Included in the agreement is a provision for termination payment due to a change of control, which if occurs, the CFO will receive:

a) a cash payment equal to the annual base salary;

b) a cash bonus equal to 50% of the annual base salary; and

c) continuation of healthcare benefits for twelve months from date of change of control event.

On October 1, 2024, Donald Kalkofen resigned as the Chief Financial Officer of the Company.

As of March 31, 2025, and December 31, 2024, $248,614 and $799,941, respectively, is owing to directors and officers of the Company and has been included in accounts payable and accrued liabilities. These balances are in relation to fees and management compensation and are non-interest bearing, unsecured and due on demand.

As of March 31, 2025, and December 31, 2024, the Company owed NLS $nil and $911,463 respectively. During the three months ended March 31, 2025 and 2024, the Company recorded interest expense and amortization of the premium, included in accretion expense, of $4,894 and $16,612, respectively (Note 8).

As of December 31, 2024, the Company had advanced Alpha Seven $55,000 and accrued interest of $1,645 (Note 5). As of December 31, 2024, the Company set up a full provision for loan losses on the outstanding loan balance and reversed the accrued interest.

Summary of key management personnel compensation:

	For the Three Months Ended	
	March 31, 2025	**March 31, 2024**
Management fees and salaries in research and development	$ 19,528	$ 171,057
Management fees and salaries in selling, general and administrative expenses	571,662	325,463
Share-based compensation in research and development	32,675	85,090
Share-based compensation in selling, general and administrative expenses	1,139,024	260,240
Total related party transactions	**$ 1,762,889**	**$ 841,850**

NOTE 14 – COMMITMENTS AND CONTINGENCIES

ALPHA-1062 Technology

In March 2015, the Company entered into the Memogain Technology License Agreement ("License Agreement") with NLS for the exclusive right and license to further develop and exploit the ALPHA-1062, formerly Memogain, Technology. The License Agreement set out the consideration as follows:

- The Company assumed all of NLS's obligations under the Memogain Asset Purchase Agreement which consisted of cumulative total payments to Galantos Pharma GmbH of $10,820,000 (EUR 10,000,000), the cumulative total may be increased to $16,230,000 (EUR 15,000,000) subject to certain provisions, involving sub-licensing the ALPHA-1062 technology and Company the receiving an upfront out-licensing payment of no less than $8,656,000 (EUR 8,000,000). Royalty payments, are determined as follows (collectively the "Galantos Royalty Payments"):
    - 3% of the net sales revenue received by the Company from the sale of any products relating to the ALPHA-1062 Technology;
    - 10% of any sublicensing revenue; and
    - 25% of an upfront payment or milestone payment paid by a sub-licensee to the Company;
- Upon completion of the Galantos Royalty Payments, a royalty payment to NLS of 1% of the revenue received from the ALPHA-1062 Technology by the Company over $100 million per annum; and
- The issuance of a promissory note of $1,400,000 to NLS (Note 8).

The expiration date is twenty years from the Commencement Date (March 15, 2035) or the expiration of the last patent obtained (existing patents extend through 2044) pursuant, whichever event shall last occur, unless earlier terminated pursuant to bankruptcy or insolvency of the licensee; court order against the licensee; or a winding up, liquidation or termination of the existence of the licensee occurs.

As of March 31, 2025, the Company has accrued royalty fees of $760,389. No payments have been made to date related to the Galantos Royalty Payments.

On January 1, 2016, the Company assumed NLS's obligations under a Royalty Agreement with Galantos Consulting dated August 31, 2013, which consist of cumulative total payments to Galantos Consulting of $2,164,000 (EUR 2,000,000), the cumulative total may be increased to $3,246,000 (EUR 3,000,000) subject to certain provisions, which is to be paid as follows (collectively the "Galantos Consulting Payments"):

- 1% of the net sales revenue received by the Company from the sale of any products relating to the ALPHA-1062 Technology;
- 2% of any sublicensing revenue; and
- 2% of an upfront payment or milestone payment paid by a sub-licensee to the Company.

The termination date is set as the date at which no further payments of any nature are due.

As of March 31, 2025, the Company has accrued royalty fees of $63,463. No payments have been made to date relating to the Galantos Consulting Payments.

ALPHA-0602 Technology

In November 2020, the Company entered into a license agreement with NLS for the world-wide exclusive right to the Progranulin ("ALPHA-0602") Technology. In accordance with the agreement, the Company will pay the following:

- $50,000 to NLS before January 15, 2021 (paid);
- a royalty of 1.5% of the commercial sales, capped at $2,000,000, to NLS;
- 10% of any Upfront Payments the Company may receive in the future in excess of $2,000,000.

The ALPHA-0602 Technology license agreement shall terminate 11 years (November 3, 2031) from the Commencement Date, expiration of the last patents, or when full payment has been made, whichever shall first occur.

The total amount payable to NLS under this agreement shall not exceed $2,000,000. Regarding the ALPHA-602 technology the Company paid $50,000 in January 2021 as per the license agreement. No payments have been made to date under the above NLS world-wide exclusive rights for the royalties or Upfront Payments the Company may receive.

During the year ended December 31, 2024, the Company decided to discontinue development of the ALPHA-602 technology.

Spartan Capital Securities, LLC Agreement

On May 30, 2023, the Company agreed to enter into an ongoing consulting services agreement (the "Spartan Consulting Agreement") for a three-year term with Spartan Capital Securities, LLC ("Spartan"). The services include advising and assisting on potential business development transactions, strategic introductions, assisting management with enhancing corporate and stockholder value, and capital raising advice.

Legal Proceedings

During the normal course of business, the Company may become involved in legal claims that may or may not be covered by insurance. Management does not believe that any such claims would have a material impact on the Company's unaudited condensed interim consolidated financial statements.

NOTE 15 – CAPITAL DISCLOSURE AND MANAGEMENT

The Company defines its capital as all components of stockholders' equity. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern.

The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital. The Company is not subject to externally imposed capital requirements.

NOTE 16 – LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations associated with financial liabilities. The Company's ultimate success depends on the outcome of its research and development and collaboration activities. The Company expects to incur additional losses in the future and anticipates the need to raise additional capital to continue to execute its long-range business plan. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

Contractual undiscounted cash flow requirements for financial liabilities as of March 31, 2025 are as follows:

	≤1 Year	>1 Year	Total
Accounts payable	$ 2,567,861	$ -	$ 2,567,861

Contractual undiscounted cash flow requirements for financial liabilities as of December 31, 2024, are as follows:

	≤1 Year	>1 Year	Total
Accounts payable	$ 2,439,289	$ -	$ 2,439,289
Promissory note	911,463	-	911,463
	$ 3,350,752	$ -	$ 3,350,752

NOTE 17 – NET LOSS PER SHARE

Net loss per common share has been computed on the basis of the weighted-average number of common shares outstanding during the three months ended March 31, 2025 and 2024. Since the Company was in a loss position for the three months ended March 31, 2025 and 2024, basic net loss per share was the same as diluted net loss per share for the period presented.

The following table sets forth the computation of (loss) earnings per share:

	For the Three Months Ended	
	March 31, 2025	March 31, 2024
Numerator		
Net loss – basic and diluted	$ (2,006,543)	$ (5,002,711)
Denominator		
Weighted average shares used to compute net loss per share, basic and diluted	16,019,787	5,744,639
Net loss per share – basic and diluted	**$ (0.13)**	**$ (0.87)**

The following potentially dilutive common shares related to outstanding securities for the three months ended March 31, 2025, and 2024 were excluded from the computation of diluted net loss per share because their effect would have been anti-dilutive for the period, see below:

	For the Three Months Ended	
	March 31, 2025	March 31, 2024
Warrants	3,635,962	2,469,315
Common Share options	2,054,121	815,975
ACI Canada legacy performance options	265,642	272,842
Total anti-dilutive features	**5,955,725**	**3,558,132**

NOTE 18 – SUBSEQUENT EVENTS

a) Subsequent to March 31, 2025, the Company granted the following Common Shares options:

i) 12,000 Common Shares options to an employee of the Company with an exercise price of $5.08 per share for a period of ten years from date of grant. The options will vest over three years vesting on a quarterly basis.

ii) 35,575 Common Shares options to a director of the Company with an exercise price of $4.83 per share for a period of ten years from date of grant. The options will vest over three years vesting on a quarterly basis.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements for the three months ended March 31, 2025, and the related notes thereto, which have been prepared in accordance with generally accepted accounting principles in the United States. This discussion and analysis contains forward-looking statements and forward-looking information that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements and information as a result of many factors. See section heading "Special Note Regarding Forward-Looking Statements."

Overview

The Company is a biopharmaceutical company dedicated to developing treatments for patients suffering from neurodegenerative diseases, such as Alzheimer's disease ("Alzheimer's disease" or "AD"), for which there are limited or no treatment options. The Company focuses on the development of commercial manufacturing and commercial sales of ZUNVEYL oral tablet formulation. The Company's commercial development program for ZUNVEYL is primarily focused on building a long-term care commercial team that can focus on providing key points of differentiation, exploiting key issues with existing AChEI treatments, and franchising potential additional indications and new products.

The Company launched ZUNVEYL on March 17, 2024 and will target the largest volume nursing homes specializing in Alzheimer's Disease, leveraging an account-based sales team with demonstrated success in LTC, positioning ZUNVEYL with Medicare payors, and developing strategic and clinical partnerships with consultant pharmacists and long-term care pharmacies. Alpha Cognition has set the Wholesale Acquisition Cost (WAC) for its latest therapeutic product at $749 per month. This pricing reflects the company's commitment to balancing patient access with the value of innovative healthcare solutions. By establishing a competitive WAC price, Alpha Cognition aims to enhance affordability and ensure patients can benefit from our advanced treatment options. Patients' out-of-pocket cost for treatment with ZUNVEYL will depend on their length of treatment and their insurance. The Company has three additional pre-clinical development programs: ZUNVEYL in combination with memantine for the treatment of moderate-to-severe Alzheimer's disease, ALPHA-1062 sublingual formulation, ALPHA-1062 intranasal ("ALPHA-1062IN") formulation for the treatment of cognitive impairment with mild traumatic brain injury (mTBI; otherwise known as concussion) and ALPHA-0602, ALPHA-0702 & ALPHA-0802, also referred to as 'Progranulin' and 'Progranulin GEM's', for the treatment of neurodegenerative diseases including amyotrophic lateral sclerosis, otherwise known as ALS or Lou Gehrig's disease and spinal muscular atrophy (SMA).

ZUNVEYL, is a patented new innovative product being developed as a next generation acetylcholinesterase inhibitor for the treatment of Alzheimer's disease, with expected minimal gastrointestinal side effects. ZUNVEYL'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. ZUNVEYL is in pre-clinical development in combination with memantine to treat moderate to severe Alzheimer's disease, in pre-clinical development with sublingual formulation for patients suffering from dysphagia, and ALPHA-1062IN is intended to be out-licensed for pre-clinical development to study an intranasal formulation for cognitive impairment with mTBI.

Our other pre-clinical stage assets include ALPHA-0602, ALPHA-0702 & ALPHA-0802 (Progranulin and Progranulin GEM's), which are expressed in several cell types in the central nervous system and in peripheral tissues, promotes cell survival, regulates certain inflammatory processes, and play a significant role in regulating lysosomal function and microglial responses to disease. Its intended use for the treatment of neurodegenerative diseases has been patented by the Company and ALPHA-0602 has been granted an Orphan Drug Designation for the treatment of ALS by the FDA. Orphan Drug Designation was provided for ALPHA-0602 by the Office of Orphan Drug Products, FDA on February 2020 based on the Federal Food Drug, and Cosmetic Act, whereby the ALPHA-0602 met the criteria designated in Section 526 of such Act. For a further description see the section entitled "*Business — Government Regulation — Orphan Drug Designation*". The Orphan Drug Designation allows for exclusivity provisions provided the drug is approved first for indication: treatment of amyotrophic lateral sclerosis ALPHA-0702 and ALPHA-0802 are Granulin Epithelin Motifs, ("GEMs"), derived from full length progranulin which have therapeutic potential across multiple neurodegenerative diseases. GEMs have been shown to be important in regulating cell growth, survival, repair, and inflammation. ALPHA-0702 and ALPHA-0802 are designed to deliver this with potentially lower toxicity, and greater therapeutic effect. As the assets are pre-clinical assets and do not add material value to the Company, the Company will not develop these assets further and instead will seek to out-license the assets to interested third parties. Given the early stage of discussion with third parties, the Company cannot assess value to a license agreement.

The Company is the parent company of Alpha Cognition Canada Inc. ("Alpha Canada" or "ACI Canada") which is the parent company of Alpha Cognition USA Inc. ("ACI USA"). As of May 1, 2023, the Company's common shares commenced trading on the CSE under the symbol "ACOG", previously the Company's shares were traded on the TSX-V until April 28, 2023, when the Company had them delisted. As of November 12, 2024, the Company's common shares commenced trading on The Nasdaq Capital Market under the symbol "ACOG". The Company's shares were voluntarily delisted from the CSE and OTCQB on December 17, 2024.

Operations

As of March 31, 2025, the Company had a deficit of $78,291,581 (December 31, 2024 – $76,285,038) which has been primarily financed by equity. The Company had $45,622,229 in cash and cash equivalents, including restricted cash, and $2,807,397 in current liabilities (of which $23,936 is payable from the Company's available restricted cash balance) as of March 31, 2025. The Company's continuing operations, as intended, are highly dependent upon its ability to obtain additional funding and eventually generate cash flows. Management is of the opinion that it does have sufficient working capital to fully meet the Company's liabilities and commitments as outlined and planned in the following discussion. Management is of the opinion it will need to raise additional capital to cover upcoming planned Research and Development ("R&D"), commercialization of ZUNVEYL and operating costs. Possible sources of such capital may come from private placements and public offerings of the Company's common shares and funds received from the exercise of warrants and share options. Additionally, the Company will also consider funding that may arise through partnership activities, including royalties, and debt. There is a risk that additional financing will not be available on a timely basis, on terms acceptable, or at all to the Company.

The Company is also contemplating raising capital by pursuing both dilutive and non-dilutive strategic sources of capital to fully execute its commercialization and operating plans following receipt of the NDA approval for ZUNVEYL from the FDA. Any additional capital is expected to further support our planned costs to begin commercial activities including launching U.S. sales of ZUNVEYL in AD

Reverse Stock Split

On November 5, 2024, we completed a reverse stock split of our common shares with a stock split ratio of 1-for-25 ("Reverse Stock Split").

Except as otherwise indicated, all references to our common shares, share data, per share data and related information depict the effect of the Reverse Stock Split as if it had occurred at the beginning of the earliest period presented. The Reverse Stock Split combined each twenty five shares of our outstanding common shares into one common share, without any change in the par value per share which will remain no par value, and the Reverse Stock Split correspondingly adjusted, among other things, the number of common shares issuable upon exercise of outstanding options and warrants and the exercise price of such options and warrants and shares issuable upon conversion of preferred stock and other convertible securities. No fractional shares were or will be issued in connection with the Reverse Stock Split, and any fractional shares resulting from the Reverse Stock Split were rounded to the nearest whole share.

Components of our Results of Operations

Research and development

Research and development expenses represent costs incurred to conduct research, such as the discovery and development of our product candidates. We recognize all research and development costs as they are incurred unless there is an alternative future use in other research and development projects or otherwise.

Research and development expenses consists primarily of the following:

- costs related to production of clinical supplies and non-clinical materials, including fees paid to contract manufacturers.
- employee-related expenses, which include salaries, benefits, and stock-based compensation.
- other expenses including travel and consulting services.

General and administrative expenses

General and administrative expenses costs consist of personnel costs, other outside professional services including legal, human resources, audit and accounting services, consulting and pre-commercialization expenses, including selling and marketing costs as well attendance to various conferences. Personnel costs consist of salaries, benefits, and share-based compensation. We expect to continue to incur expenses to support our continued operations as a public company, including expenses related to existing and future compliance with rules and regulations of the stock exchanges on which our securities are now traded, insurance expenses, investor relations, audit fees, professional services and general overhead and administrative costs.

Foreign exchange gain (loss)

The foreign exchange gain (loss) amount consists of changes in the value of the Canadian Dollar compared to the U.S. Dollar throughout the year.

Liability-Based Awards

Bonus right awards that include cash settlement features are accounted for as liability-based awards in accordance with ASC 718, Compensation — Share Based Compensation. The fair value of the bonus right awards is estimated using a Black-Scholes option-pricing model and is revalued on each reporting date, based on the probability of the expected awards to vest, until settlement. Changes in the estimated fair value of the bonus right awards are recognized within general and administrative expense in the consolidated statement of operations and comprehensive loss over the vesting period. Key assumptions in the calculation of the fair value of the bonus right awards include expected volatility, risk-free interest rate, expected life, and fair value per award.

Share Based Compensation

Share-based compensation cost is recorded for all option grants and awards of non-vested stock based on the grant date fair value of the award using the Black-Scholes option-pricing model and is recognized over the service period required for the award. We estimate the fair value of stock option grants using the Black-Scholes option pricing model and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

Expected Term — The expected term of options represents the period that the Company's stock-based awards are expected to be outstanding based on the simplified method, which is the half-life from vesting to the end of its contractual term.

Expected Volatility — The Company computes stock price volatility over expected terms based on its historical common stock trading prices.

Risk-Free Interest Rate — The Company bases the risk-free interest rate on the implied yield available on United States Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend — The Company has never declared or paid any cash dividends on its common shares and does not plan to pay cash dividends in the foreseeable future, and, therefore, uses an expected dividend yield of zero in its valuation models.

Interest income

Interest income consists of interest earned on our cash and cash equivalents.

Grant revenue

The Company received grant revenue from the Army Medical Research and Material Command on June 5, 2023, for a pre-clinical study on the use of the ALPHA-1062 Intranasal to reduce blast of mTBI induced functional deficit and brain abnormalities. All funds relating to government grants are being recorded under the gross method of accounting for government grants whereby any income received and associated expenses incurred will be reported as grant income and included in research and development expenses, respectively on the statement of operations and comprehensive loss. When grant proceeds are initially received, they are recorded as deferred income and restricted cash. Grant proceeds used to pay for study costs and are expensed as incurred, with a corresponding amount of grant revenue recorded along with a reduction of the balance of the deferred income liability. The Company classifies the balance of cash received from grants as restricted cash, when the proceeds from the grant have been designated for use in specified research. During the three months ended March 31, 2025 and 2024, the Company recorded grant income of $71,095 and $133,779, respectively, from its R&D Grant in the consolidated statements of operations and comprehensive loss.

Interest expense

Interest expense relates primarily to the interest paid on the Neurodyn Life Sciences Inc. ("NLS") promissory note. Effective April 1, 2024, the Company and NLS agreed to another amendment to the promissory note pursuant to which the interest rate was increased from 5.5% to 7% and the maturity date was extended from July 2024 to July 2025. Additionally, $300,000 was paid on December 31, 2024, with the remaining principal balance due at maturity. The balance was repaid in full on January 29, 2025.

Change in fair value of derivatives

The change in the fair value of derivative liabilities consists of the Company's revaluation of their liability classified warrants that have an exercise price in USD, recognition and revaluation of the conversion feature and warrant liabilities from the convertible debentures and warrants issued to agent. The Company uses the Black-Scholes Option Pricing Model to determine the fair value of the warrant liability at the end of each reporting period. This model requires the input of subjective assumptions including expected share price volatility, risk-free interest rate, and term of the warrant. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity.

Results of Operations

Comparison of the Three Months ended March 31, 2025 and 2024

	For the Three Months Ended March 31,		Dollar	Percentage
	2025	2024	Change	Change
Revenue				
Product sales, net	$ 346,929,	$ -	$ 346,929	100%
Licensing revenue	2,581,725	-		100
Total revenue	2,928,654	-		100
Cost and Expenses				
Cost of product sales, excluding amortization of intangible asset	26,541	-	26,541	100
License royalty cost of sales	810,000	-	810,000	100
Amortization of intangible assets	5,387	20,594	(15,207)	(74)
Research and development	407,511	916,716	(509,205)	(56)
Selling, general and administrative expenses	5,365,647	3,474,208	1,891,439	54
Total costs and expenses	6,615,086	4,411,518	1,382,234	31
Loss before other income (expenses)	(3,686,432)	(4,411,518)	725,086	(16)
Other income (expense)				
Foreign exchange (loss) gain	(957)	(14,629)	13,672	(93)
Interest income	470,676	12,070	458,606	3,800
Grant income	71,095	133,779	(62,684)	(47)
Interest expense	(8,807)	(8,258)	(549)	7
Impairment of intangible assets	-	(39,166)	39,166	(100)
Gain (loss) on warrant liabilities	1,147,882	(619,989)	1,767,781	(285)
Provision for loan losses	-	(55,000)	55,000	(100)
Total other income (expense)	1,679,889	(591,193)	2,271,082	(384)
Net loss and comprehensive loss	$ (2,006,543)	$ (5,002,711)	2,996,168	(60)
Net loss per share, basic and diluted	$ (0.13)	$ (0.87)	$ 0.74	(85)
Weighted-average shares used to compute net loss per share, basic and diluted	16,019,787	5,744,639	10,275,148	179%

Research and development expenses

Comparison of Research and Development for the Three Months ended March 31, 2025 and 2024

Research and development expenses decreased by $509,205, or 56%, from $916,716 for the three months ended March 31, 2024, to $407,511 for the three months ended March 31, 2025. Research and development costs decreased primarily due to lower product development costs, and less time allocated to management and employees, which resulted in lower management fees and salaries, share-based compensation and employees. The Company's research and development expenses are summarized below:

	For the Three Months Ended March 31,		Dollar	Percentage
	2025	2024	Change	Change
Product development	$ 168,562	$ 417,543	$ (248,981)	(60)%
Management fees and salaries	43,250	187,795	(144,545)	(77)
Share-based compensation	33,079	87,847	(54,768)	(62)
R&D grant expenses	71,095	133,779	(62,684)	(47)
Consulting fees	50,636	4,505	46,131	1,024
Employee costs	40,889	85,247	(44,358)	(52)
	$ 407,511	$ 916,716	$ (509,205)	(56)%

General and administrative expenses

General and administrative expenses costs consist of personnel costs, consulting fees, other outside professional services including legal, human resources, audit and accounting services, and commercial operations, including selling and marketing costs as well attendance to various conferences. Personnel costs consist of salaries, benefits, and share-based compensation. We expect to continue to incur expenses to support our continued operations as a public company, including expenses related to existing and future compliance with rules and regulations of the stock exchanges on which our securities are traded, insurance expenses, investor relations, audit fees, professional services and general overhead and administrative costs.

Comparison of General and Administrative Expenses for the Three Months ended March 31, 2025 and 2024

General and administrative expenses increased by $1,891,439 or 54%, from $3,474,208 for the three months ended March 31, 2024, to $5,365,647, for the three months ended March 31, 2025. Commercial operations, management fees and salaries, share-based compensation, employee costs and other general and administrative costs were primarily higher in the three months ended March 31, 2025, in support of the Company's expansion in commercial operations and launch of ZUNVEYL. Share-based compensation was higher primarily due to the grant options issued during the three months ended March 31, 2025. The following table depicts the fluctuation in the general and administrative accounts:

	For the Three Months Ended March 31,		Dollar	Percentage
	2025	2024	Change	Change
General and Administrative Expenses:				
Accretion expenses	$ 4,894	$ 16,612	$ (11,718)	(71)%
Commercial operations	309,313	-	309,313	100
Consulting fees	443,502	2,308,784	(1,865,282)	(81)
Depreciation	1,895	237	1,658	700
Employee costs	1,709,899	-	1,709,889	100
Health care provider expenses	11,593	-	11,593	100
Investor relations	21,500	52,248	(30,748)	(59)
Management fees and salaries	608,055	357,620	250,435	70
Marketing	47,333	3,001	44,332	1,477
Other general and administrative	363,353	62,288	301,065	483
Professional fees	436,969	376,403	60,566	16
Registrar and filing fees	36,159	30,684	5,475	18
Share-based compensation	1,322,294	260,238	1,062,056	408
Travel and related	48,888	6,093	42,795	702
	$ 5,365,647	$ 3,474,208	$ 1,891,439	54%

Foreign Exchange (Loss) Gain

The foreign exchange (loss) gain amount consists of changes in the value of the Canadian Dollar compared to the U.S. Dollar throughout the year.

The foreign exchange gain (loss) changes by $13,672, or 93%, from a loss of $14,629 for the three months ended March 31, 2024, to a loss of $957 for the three months ended March 31, 2025, due primarily to the fluctuations in exchange rate between the Canadian Dollar and the U.S. Dollar. The change in mix and balance of the Company's assets and liabilities over the periods also impacted the changes in foreign currency exchange (loss) gain.

Interest Income

Interest income consists of interest earned on the Company's cash.

Interest income increased $458,606, or 3,800%, from $12,070 for the three months ended March 31, 2024, to $470,676 for the three months ended March 31, 2025.

Grant Income

The Company received grant revenue from the Army Medical Research and Material Command on June 5, 2023, for a pre-clinical study on the use of the ALPHA-1062 Intranasal to reduce blast of mTBI induced functional deficit and brain abnormalities. During the three months ended March 31, 2025 and 2024, the Company recorded grant income of $71,095 and $133,779, respectively.

Impairment of Intangible Assets

During the three months ended March 31, 2025 and 2024, the Company recorded an impairment of intangible assets of $0 and $39,166, respectively, from the impairment of the ALPHA-0602 license as the Company decided to discontinue development of the ALPHA-602 technology.

Change in Fair Value of Derivatives

The Company uses the Black-Scholes Option Pricing Model to determine the fair value of stock options, standalone share purchase warrants issued and derivative liability. This model requires the input of subjective assumptions including expected share price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings (loss) and equity reserves.

The gain of $1,147,882 for the three months ended March 31, 2025 for the fair value of the warrant liabilities was a net change of $1,767,871, or 285%, compared to a loss of $619,989 for the three months ended March 31, 2024. The change was primarily due to the additional derivatives from the convertible debentures conversion and US IPO in November 2024 and the fluctuation in the Company's stock price.

Provision for Loan Losses

The Company recorded a provision for loan losses of $55,000 relating to its loan to Alpha Seven during the three months ended March 31, 2024, following a delay in Alpha Seven's initial capital raise and therefore potential inability to repay the loan when due.

Liquidity and Capital Resources

Sources of Liquidity

The Company does not have operating revenue to finance its existing obligations and therefore must continue to rely on external financing to generate capital to maintain its capacity to meet working capital requirements. The Company has relied on debt and equity raises to finance its operating activities since incorporation. The Company expects to continue to rely on debt and the issuance of shares, and possibly other non-dilutive financing options to finance its ongoing operations and plans for commercialization of ZUNVEYL. However, there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company.

Future Funding Requirements

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we continue the commercialization of ZUNVEYL, following the FDA's approval in July 2024 and potentially seek to discover and develop additional product candidates, conduct our ongoing and planned clinical trials and preclinical studies, continue our R&D activities, utilize third parties to manufacture ZUNVEYL, hire additional personnel, expand and protect our intellectual property, and incur additional costs associated with being a public company.

Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable, accrued expenses, and prepaid expenses. The timing and amount of our funding requirements will depend on many factors, including:

- the initiation, type, number, scope, progress, expansions, results, costs and timing of clinical trials and preclinical studies of ZUNVEYL and any future product candidates we may choose to pursue, including the costs of modification to clinical development plans based on feedback that we may receive from regulatory authorities and any third-party products used as combination agents in our clinical trials;

- the costs, timing and outcome of regulatory meetings and reviews of ZUNVEYL or any future product candidates, including requirements of regulatory authorities in any additional jurisdictions in which we may seek approval for ZUNVEYL and any future product candidates;

- the costs of obtaining, maintaining, enforcing and protecting our patents and other intellectual property and proprietary rights;

- our efforts to enhance operational systems and hire additional personnel to satisfy our obligations as a public company, including enhanced internal control over financial reporting;

- the costs associated with hiring additional personnel and consultants as our business grows, including additional executive officers and clinical development, regulatory, CMC quality and commercial personnel;

- the costs and timing of establishing or securing sales and marketing capabilities of any future product candidate approval;

- our ability to achieve sufficient market acceptance, coverage, and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products;

- our ability and strategic decision to develop future product candidates other than ZUNVEYL, and the timing of such development, if any;

- patients' willingness to pay out-of-pocket for any approved products in the absence of coverage and/or adequate reimbursement from third-party payors;

- the terms and timing of establishing and maintaining collaborations, licenses and other similar arrangements; and

- costs associated with any products or technologies that we may in-license or acquire.

Based upon our current operating plan, we estimate that our existing cash, cash equivalents and marketable securities as of the date of this filing, will be sufficient to fund our projected base ongoing operating expenses, the initial costs to prepare for commercialization of ZUNVEYL in AD, planned CMC costs, ongoing operating costs and capital expenditures through at least the next 24 months. We expect to look to raise additional capital to continue to further advance our commercialization plans and ongoing operating costs. However, we have based our estimates on assumptions that may prove to be wrong, and our operating plan may change as a result of many factors currently unknown to us. In addition, we could utilize our available capital resources sooner than we expected. The Company is also contemplating raising additional capital by pursuing both dilutive and non-dilutive strategic sources of capital; to fully execute its commercial and operating plans following receipt of the NDA approval for ZUNVEYL from the FDA. Any additional capital would further support our planned costs to begin commercial activities including launching U.S. sales of ZUNVEYL in AD.

We have no other committed sources of capital. Until such time, if ever, we can generate substantial product revenue, we expect to finance our operations through equity offerings, debt financings, or other capital sources, including current or potential future collaborations, licenses, royalties and other similar arrangements. We do not know what the terms of these future financings will be and whether they will be acceptable to the us or not and, therefore, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. To the extent we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making acquisitions, engaging in acquisition, merger or collaboration transactions, selling or licensing our assets, making capital expenditures, redeeming our stock, making certain investments or declaring dividends. If we raise additional funds through collaborations or license agreements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or product candidates, or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market product candidates that we would otherwise prefer to develop and market ourselves, or even cease operations.

Recent capital raising activities

During the third quarter of 2022 the Company initiated cost cutting measures to extend its cash runway and reduce ongoing cash burn. The Company streamlined R&D programs and has prioritized spend towards the NDA filing and development of ALPHA-1062 in AD. The Company has reduced headcount and other operating costs related to the ZUNVEYL NDA file and other development costs. The Company has lowered its near-term operating burn until additional capital can be secured. If we are unable to raise adequate funds, we may have to further delay or reduce the scope of or eliminate some or all of our current research and development. Any of these actions could have a material adverse effect on our business, results of operations or financial condition.

During the first quarter of 2023 the Company completed the brokered private placement by issuing 949,906 units at a price of CAD$6.38 for total proceeds of $4,506,055 (CAD$6,055,650) with each unit consisting of one Common share and one warrant exercisable at a price of CAD$9.75 per warrant for a term of 5 years from the closing date (“Q1 2023 PP”).

In March 2023, the Company entered into an amendment of the Promissory Note and License Agreement with the NLS promissory note holders to extend the maturity of the $1.2M outstanding promissory note to July 15, 2024, the previous maturity date of the promissory note was December 31, 2022. The parties also agreed to increase the Promissory Note interest rate from 2% annually to a market rate of 5.5% annually. (see Note 7 of the accompanying audited financial statements).

On May 30, 2023, the Company announced a best-efforts private placement offering of up to $6,500,000 of units at the initial pricing of $5.50 per unit ("Q2 2023 PP"). Each unit consists of one common share and one-half of a warrant. Each whole warrant will entitle the holder to purchase an additional common share of the Company at the initial pricing of $7.75 per share for a period of three years from the closing date. The aggregate proceeds may be increased by 30% to accommodate any overallotment. The Company also announced that it entered into an Investment Banking Agreement ("IBA") with Spartan Securities LLC ("Spartan") pursuant to which Spartan will act as agent on a best-efforts basis in connection with the Q2 2023 PP. In accordance with the Q2 2023 PP, the Company has agreed to pay Spartan cash commissions of 10% of the gross proceeds, issue Spartan finder's warrants equal to 10% of the number of the warrants issued to investors, in each case excluding investors on the Company's president's list and pay Spartan a non-accountable expense fee equal to 5% of the gross proceeds of the Q2 2023 PP excluding the president's list.

The Q2 2023 PP capital raising are summarized below for each closing date.

The Following table summarizes the Q2 2023 PP closing activity:

Date Issued	Tranche	# Units Issued at $5.50 per share	Gross Proceeds	# of Warrants issued at $7.75 per Warrant	Cash Commissions Paid[2]	Agent Warrants Issued[1]	Warrant Expiry date
August 31, 2023	Tranche 1	244,562	$ 1,345,093	122,284	$ 180,051	10,912	August 31, 2026
October 16, 2023	Tranche 2	63,873	$ 351,303	31,937	$ 51,600	3,127	October 16, 2026
November 8, 2023	Tranche 3	183,636	$ 1,009,999	91,818	$ 151,500	9,182	November 8, 2026
December 22, 2023	Tranche 4	365,661	$ 2,011,137	365,659	$ 238,515	28,911	December 22, 2026
January 19, 2024	Tranche 5	678,630	$ 3,732,469	678,626	$ 391,178	41,493	January 19, 2027
Totals		1,536,362	$ 8,450,000	1,290,324	$ 1,012,844	93,625	

(1) Each warrant is exercisable at $0.31 per warrant.

(2) On November 8, 2023, the Company also paid a consulting fee of US$160,000 pursuant to the Spartan Consulting Agreement. In January 2024 the Company also paid a consulting fee of US$320,000 and issued 582,331 common shares to Spartan pursuant to a consulting agreement. The Company also paid to certain finders aggregate cash commission of US$48,858, being 6% of the gross proceeds raised under the offering from investors introduced to the Company by such finders.

On September 24, 2024, the Company announced the closing of a $4.545 million bridge financing through the issuance of convertible notes and warrants led by existing investors and select new investors comprised of institutional funds and high-net-worth accredited investors.

- The notes are convertible into common shares of the Company at a conversion price of $10.55 per share. The notes were set to mature on September 24, 2026, had an aggregate face value of $4.545 million and bears interest at a rate of 10% per annum paid in common shares of the Company at the conversion price, subject to certain limitations. The notes were subject to mandatory conversion into common shares of the Company in conjunction with the closing of an offering of securities of the Company for at least $10 million in aggregate gross proceeds in coordination with the simultaneous uplisting of the common shares of the Company onto a United States national securities exchange (a "Qualified Offering"). Such conversion was completed into the securities offered in such Qualified Offering at the lower of (i) the conversion price in effect at such time and (ii) the offering price of the securities in the Qualified Offering. The notes were unsecured and rank senior to the Company's other indebtedness.

- The notes were sold along with warrants to purchase common shares of the Company at an exercise price of $10.55 for a five-year term. Each investor received warrants sufficient to purchase such number of common shares equal to the principal amount of notes such investor purchased divided by the conversion price of the notes. Each investor will receive an additional 50% of warrants with identical terms upon the closing of a Qualified Offering, as described above. The exercise price of the warrants is subject to adjustment upon the completion of a Qualified Offering to the lower of (i) the then existing exercise price, (ii) the exercise price of any common share purchase warrants issued in the Qualified Offering or (iii) if no common share purchase warrants are issued in the Qualified Offering, the closing price of the common shares on the Canadian Securities Exchange (as converted into U.S. dollars) immediately prior to the pricing news release of the Qualified Offering.

On November 13, 2024, the Company completed a public offering of common shares by issuing 8,695,653 common shares at a public offering price of $5.75 per share for gross proceeds of approximately $50 million. In connection with the US public offering, the Company's Common Shares began trading on The Nasdaq Capital Market on November 12, 2024.

The completion of the public offering of common shares was a "Qualified Offering" under the Company's convertible notes, which automatically converted into 801,413 common shares at closing of the public offering at a price of $5.75 per share, being the public offering price in the Qualified Offering. The amount converted consisted of the converted principal amount of convertible notes and interest through November 13, 2024.

Additionally, as a result of the closing of the Qualified Offering, the Company issued an additional 215,418 warrants exercisable to acquire 215,421 Common Shares with an exercise price of $7.19 per share and the exercise price of the Company's existing 430,835 warrants issued in connection with the offering of the convertible notes was repriced from $10.55 per share to $7.19 per share.

On December 12, 2024, the underwriter of the Company's underwritten U.S. public offering partially exercised its over-allotment option to purchase an additional 488,506 common shares at the public offering price of $5.75 per share for additional gross proceeds of $2.8 million.

Financing Activities

Cash Flows

The following table provides information regarding our cash flows for the three months ended March 31, 2025, and 2024:

	For the Three Months Ended March 31,		Dollar	Percentage
	2025	2024	Change	Change
Consolidated Statement of Cash Flows Data				
Cash used in operating activities	$ (2,044,280)	$ (2,471,492)	$ 427,212	(17)%
Cash used in investing activities	$ (63,270)	$ -	$ (63,270)	100%
Net cash provided by (used in) financing activities	$ (834,303)	$ 3,399,981	$ (4,234,284)	(125)%
Share-based compensation	$ 1,355,373	$ 348,085	$ 1,007,288	289%

Cash provided by/(used in) operating activities

Cash used in operating activities decreased by $427,212 to $2,044,280 for the three months ended March 31, 2025, from $2,471,492 for the comparative period. The change in cash flows from operating activities represents the effect on cash flows from net losses adjusted for items not affecting cash, principally amortization and depreciation, accrued expenditures for government grant, share-based compensation, impairment of intangible assets, provision for loan losses, shares issued for services, and the changes in the value of conversion feature liability, warrant liabilities, and bonus rights liability, in addition to net changes in non-cash balances related to working capital items.

Cash used in investing activities

Cash used in investing activities increased by $63,270 to $63,270 for the three months ended March 31, 2025 from $nil compared to the comparative period. During the three months ended March 31, 2025, investing activities consisted of acquiring equipment due expansion of commercial activity.

Cash provided by/(used in) financing activities

Cash provided by financing activities for the three months ended March 31, 2025, decreased by $4,234,284 compared to the comparative period. During the three months ended March 31, 2025, financing activities was primarily due to the principal repayment of the promissory note of $911,463 and receiving $174,675 in government grant proceeds offset by $97,515 of related grant expenses. During the three months ended March 31, 2024, financing activities primarily consisted of raising proceeds of $3,732,469 from units issued for cash and receiving $180,000 in government grant proceeds offset by $106,735 of related expenses.

Contractual Obligations and Other Commitments

In the normal course of business, we enter into agreements with contract service providers to assist in the performance of R&D and clinical and commercial manufacturing activities. We currently have two license agreements, ALPHA-1062 technology and ALPHA-602 technology, which are outlined below. We expect to enter into additional clinical development, contract research, clinical and commercial manufacturing, supplier, and collaborative research agreements in the future, which may require upfront payments and long-term commitments of capital resources.

See "Note 14 – Commitments and Contingencies" of the accompanying financial statements for a discussion of our contractual obligations and long-term commitments.

Contingencies

The Company did not have any contingencies as of March 31, 2025, or the date of this report.

Critical Accounting Policies and Estimates

Our management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with US GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the consolidated financial statements and expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Use of Estimates and Assumptions

The preparation of these consolidated financial statements in conformity with US GAAP requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the consolidated financial statements and the reported amounts of expenses during the reporting period. On an ongoing basis, management evaluates its estimates, including valuing equity securities in share-based payment arrangements, estimating the fair value of financial instruments recorded as a warrant liability, useful lives of depreciable assets and definite lived intangible assets, and whether impairment charges may apply, and the determination of whether an asset constitutes a business combination or asset acquisition. Management bases these estimates on historical and anticipated results, trends, and various other assumptions that the Company believes are reasonable under the circumstances, including assumptions as to forecasted amounts and future events. Actual results could differ materially from these estimates under different assumptions or conditions.

Functional Currency

The functional currency of the Company and its subsidiaries is USD, being the currency of the primary economic environment in which each entity operates. The Company's reporting currency is the USD. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's CAD operations are translated to USD at the exchange rate on the reporting date. The income and expenses are translated using average exchange rates. Foreign currency differences that arise on translation for consolidation purposes are recognized in net loss on the consolidated statements of operations and comprehensive (loss) income.

Grant Accounting

All funds relating to government grants are being recorded under the gross method of accounting for government grants whereby any income received and associated expenses incurred will be reported as grant income and included in research and development expenses, respectively on the statement of comprehensive loss. When grant proceeds are initially received, they are recorded as deferred income and restricted cash. Grant proceeds are then used to pay for study costs and are expensed, the Company will also record a corresponding amount to grant revenue and reduce the balance of the deferred income liability.

On June 5, 2023, the Company was awarded a $750,000 research and development grant from the Army Medical Research and Material Command for a pre-clinical study on the use of the ALPHA-1062IN (Intranasal) to reduce blast mTBI (mild Traumatic Brain Injury) induced functional deficit and brain abnormalities ('R&D Grant"). The grant funds are to be used on the following project "*Assessment of Functional Recovery and Reduced Tauopathy Following ALPHA-1062 Administration in a Repetitive Blast TBI Model in Rodents*." The R&D Grant is issued in collaboration with the Seattle Institute of Biomedical and Clinical Research and endorsed by the Department of Defense. Funds received from the R&D grant are restricted and to be used solely as outlined in the grant. The R&D grant funding will expire for use on September 30, 2028. The award funding is to subsidized the costs for research and development with the following specific Aims:

- Specific Aim 1: Quantify the ability of ALPHA-1062 to reduce brain-wide tauopathy and pathology in blast-mTBI;
- Specific Aim 2: Characterize and quantify changes in the inter-cellular associations between disease-associated microglia and cells of the basal forebrain induced by repetitive blast-mTBI and altered by ALPHA-1062 treatment; Specific Aim 3: Determine the efficacy of ALPHA-1062 to improve the adverse cognitive and behavioral outcomes consequent to repetitive blast-mTBI.

Per the R&G Grant budget expenses are expected to include cost to carry out the clinical trials including personnel costs, materials and supplies, animal housing, publications, and travel costs. The Company classifies any cash received from the R&D Grant that has not yet been used to pay ongoing R&D grant expenditures as restricted cash, as the proceeds from the grant are to be designated for the specified grant research.

Fair Value Measurements

Fair value is defined as the price that would be received for sale of an asset or paid for transfer of a liability, in an orderly transaction between market participants at the measurement date. U.S. GAAP establishes a three-tier fair value hierarchy that prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers include:

- *Level 1* — defined as observable inputs such as quoted prices for identical instruments in active markets;
- *Level 2* — quoted prices for similar assets and liabilities in active markets or inputs that are observable;
- *Level 3* — inputs that are unobservable.

The Company's financial instruments consist of cash, restricted cash, accounts receivable, accounts payable, promissory note, warrant liabilities, and other liabilities. The fair values of inventory, prepaid and other current assets, accounts payable, and promissory note approximate their carrying values either due to their current nature or current market rates for similar instruments.

Share Based Compensation

Share-based compensation cost is recorded for all option grants and awards of non-vested stock based on the grant date fair value of the award using the Black-Scholes option-pricing model and is recognized over the service period required for the award. We estimate the fair value of stock option grants using the Black-Scholes option pricing model and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgment.

Expected Term — The expected term of options represents the period that the Company's stock-based awards are expected to be outstanding based on the simplified method, which is the half-life from vesting to the end of its contractual term.

Expected Volatility — The Company computes stock price volatility over expected terms based on its historical common stock trading prices.

Risk-Free Interest Rate — The Company bases the risk-free interest rate on the implied yield available on U. S. Treasury zero-coupon issues with an equivalent remaining term.

Expected Dividend — The Company has never declared or paid any cash dividends on its common shares and does not plan to pay cash dividends in the foreseeable future, and, therefore, uses an expected dividend yield of zero in its valuation models.

Liability-Based Awards

Bonus right awards that include cash settlement features are accounted for as liability-based awards in accordance with ASC 718, Compensation — Stock Compensation. The fair value of the bonus right awards is estimated using a Black-Scholes option-pricing model and is revalued on each reporting date, based on the probability of the expected awards to vest, until settlement. Changes in the estimated fair value of the bonus right awards are recognized within general and administrative expense on the consolidated statement of operations and comprehensive income. Key assumptions in the calculation of the fair value of the bonus right awards include expected volatility, risk-free interest rate, expected life, and fair value per award.

Research and Development Costs

Research and development costs are expensed as incurred unless there is an alternate future use in other research and development projects or otherwise. Research and development costs include salaries and benefits, share-based compensation expense, management fees and salaries, research costs, travel costs and other consulting services. We expect our research and development expenses will increase as we progress our product candidates into later stage clinical trials, add to the number of ongoing clinical trials, advance our discovery research projects into the pre-clinical stage, continue our early-stage research, and prepare for the commercialization of our product candidates. The process of conducting research, identifying potential product candidates, and conducting pre-clinical and clinical trials necessary to obtain regulatory approval and commencing pre-commercialization activities is costly and time intensive. We may never succeed in achieving marketing approval for our product candidates regardless of our costs and efforts. The probability of success of our product candidates may be affected by numerous factors, including pre-clinical data, clinical data, competition, manufacturing capability, our cost of goods to be sold, our ability to receive, and the timing of, regulatory approvals, market conditions, and our ability to successfully commercialize our products if they are approved for marketing. As a result, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of any of our product candidates. Our research and development programs are subject to change from time to time as we evaluate our priorities and available resources.

Going concern

We continue to assess the ability to continue as a going concern, which involves management judgement and analysis of resources and prospects. The Company has reported negative cash flow from operating activities since inception and expects to experience negative operating cash flows for the foreseeable future. As of March 31, 2025, the Company had a deficit of $78,291,581 (December 31, 2024 - $76,285,038) which has been primarily financed by equity. The Company had $45,622,229 in cash and restricted cash and $2,807,397 in current liabilities (of which $71,095 is payable from the Company's available restricted cash balance) as of March 31, 2025. The Company's continuing operations, as intended, are highly dependent upon its ability to obtain additional funding and generate cash flows. Based upon our current operating plan and our closing of our public offering of common shares for approximately $46.42 million in net proceeds on November 13, 2024, we estimate that our existing cash, cash equivalents and marketable securities as of the date of this filing would be sufficient to fund our projected base ongoing operating expenses, the initial costs to prepare for commercialization of ZUNVEYL in AD, planned CMC costs, ongoing operating costs and capital expenditures through at least the next 12 months from the date of this Form 10-Q. However, we may look to raise additional capital to continue to further advance our commercialization plans, R&D pipeline, and ongoing operating costs through a debt or equity financing in the next 12 months from the date of the filing of this Form 10-Q. We have based our estimates on assumptions that may prove to be wrong, and our operating plan may change as a result of many factors currently unknown to us. In addition, we could utilize our available capital resources sooner than we expected. The Company is also contemplating raising additional capital by pursuing both dilutive and non-dilutive strategic sources of capital; to fully execute its commercial and operating plans following receipt of the NDA approval for ZUNVEYL from the FDA. Any additional capital would further support our planned costs to begin commercial activities including launching U.S. sales of ZUNVEYL in AD.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Impairment of intangible assets

The application of the Company's accounting policy for intangible assets requires judgment in determining whether it is likely that future economic benefits will flow to the Company and whether any impairment indicators exist, which may be based on assumptions about future events or circumstances. Estimates and assumptions may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

Useful lives of intangible assets

Amortization is recorded on a straight-line basis based upon management's estimate of the useful life and residual value. The estimates are reviewed at least annually and are updated if expectations change as a result of technical obsolescence or legal and other limits to use.

Recent Accounting Pronouncements Not Yet Adopted

In August 2020, FASB issued ASU 2020-06, Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging — Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which is intended to simplify the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. ASU 2020-06 is effective for the Company for the fiscal year beginning after December 15, 2023. There was no material impact of this new guidance on the accompanying unaudited condensed interim consolidated financial statements.

In December 2023, FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements in Income Tax Disclosures, which is to enhance the transparency and decision usefulness of income tax disclosures. This amendment requires public companies to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. Additionally, under the amendment entities are required to disclose the amount of income taxes paid disaggregated by federal, state and foreign taxes, as well as disaggregated by material individual jurisdictions. Finally, the amendment requires entities to disclose income from continuing operations before income tax expense disaggregated between domestic and foreign and income tax expense from continuing operations disaggregated by federal, state and foreign. The new rules are effective for annual periods beginning after December 15, 2024. We will adopt this standard on a prospective basis as allowed by the standard. The adoption of this standard is not expected to have a material impact on our financial statements.

In November 2024, FASB issued ASU 2024-03, Income Statement (Subtopic 220-40): Reporting Comprehensive Income – Expense Disaggregation Disclosures. This standard requires disclosure in the notes to the financial statements, at each interim and annual reporting period, of specified information about certain costs and expense including purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption. This standard also requires a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated, as well as disclosure of the total amount of selling expenses, and, in annual reporting periods, an entity's definition of selling expenses. This new rules are effective for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. We are currently evaluating the potential impact that this new standard will have on our unaudited condensed interim consolidated financial statements and related disclosures.

Emerging Growth Company Status and Smaller Reporting Company Status

We are an emerging growth company, as defined in the JOBS Act. The JOBS Act permits an emerging growth company such as us to take advantage of an extended transition period to comply with new or revised accounting standards. We have elected to avail ourselves of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we can adopt the new or revised standard at the time private companies adopt the new or revised standard and may do so until such time that we either (i) irrevocably elect to opt out of such extended transition period or (ii) no longer qualify as an emerging growth company. We may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for private companies. We will continue to remain an emerging growth company until the earliest of the following: (1) the last day of the fiscal year following the fifth anniversary of the date of the effectiveness of the Registration Statement on Form S-1 of which this prospectus form a part; (2) the last day of the fiscal year in which our total annual gross revenue is equal to or more than $1.235 billion; (3) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (4) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

We are also a smaller reporting company as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our voting and non-voting common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year and our voting and non-voting common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information required under this item.

ITEM 4. CONTROLS AND PROCEDURES.

Disclosure Controls and Procedures

At the end of the period covered by this quarterly report on Form 10-Q for the three months ended March 31, 2025, an evaluation was carried out under the supervision of and with the participation of our management, including the Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act). Based on that evaluation, the CEO and the CFO have concluded that as of the end of the period covered by this quarterly report, our disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by us in reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There has been no change in our internal control over financial reporting during the three months ended March 31, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we are involved in various legal proceedings arising from the normal course of business activities. We are not currently a party to any material legal proceedings. However, from time to time, we may become involved in other litigation or legal proceedings relating to claims arising from the ordinary course of business.

ITEM 1A. RISK FACTORS.

There have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2024 as filed with the SEC on March 31, 2025.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

Repurchase of Equity Securities

During the three months ended March 31, 2025, the Company did not repurchase any of its equity securities.

Use of Proceeds

On November 13, 2024, the Company completed a public offering of common shares by issuing 8,695,653 common shares at a public offering price of $5.75 per share for gross proceeds of approximately $50 million and net proceeds, after deducting discounts and commissions and estimated offering expenses payable by us, of approximately $46.15 million. The initial public offering was completed pursuant to the Company's registration statement on Form S-1 (333-280196) which was brought effective by the SEC on November 8, 2024, registering 8,695,653 common shares and pre-funded warrants to purchase up to 8,695,653 common shares to gross aggregated proceeds of $50 million. No pre-funded warrants were sold in the offering. Titan Partners Group acted as the managing underwriter for the offering. In connection with the offering, the Company paid Titan Partners Group an underwriting discount of approximately $3 million and a non-accountable expense allowance of $500,000. We also paid Spartan Capital Partners, LLC an investment banking fee of $500,000. We paid an aggregate total of approximately $350,000 in other expenses, including expense reimbursement to Titan Partners Group, legal and accounting fees, transfer agent fees and printing costs.

Consistent with the Company's described use of proceeds in its registration statement, to date the Company has spent approximately $2.27 million of its net proceeds to begin our efforts toward our commercialization and launch of ZUNVEYL formerly known as ALPHA-1062 in Alzheimer's disease; approximately $1 million for continued commercial CMC activities (chemistry, manufacturing, and controls); and approximately $2.57 million for working capital and general corporate purposes. As of March 31, 2025, the Company has approximately $40.3 million of the net proceeds remaining in the bank.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURE.

Not applicable.

ITEM 5. OTHER INFORMATION.

(a) None.

(b) None.

(c) During the quarter ended March 31, 2025, none of our directors or officers adopted, modified, or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 6. EXHIBITS.

The following exhibits are filed as part of this report:

Exhibit Number	Description
3.1	Notice of Articles, previously filed as Exhibit 3.1 to the Company's Form S-1 filed with the SEC on June 14, 2024 and incorporated herein by reference (File No. 333-280196)
3.2	Articles, previously filed as Exhibit 3.1 to the Company's Form 8-K filed with the SEC on October 3, 2024 and incorporated herein by reference (File No. 333-280196)
4.1	Specimen common share certificate, previously filed as Exhibit 4.1 to the Company's Form S-1 filed with the SEC on June 14, 2024 and incorporated herein by reference (File No. 333-280196)
42	Escrow Agreement by and between the Company, Computershare Investor Services Inc. and certain stockholders of the Company dated March 18, 2021, previously filed as Exhibit 4.2 to the Company's Form S-1 filed with the SEC on June 14, 2024 and incorporated herein by reference (File No. 333-280196)
4.3	Form of Warrant issued September 24, 2024, previously filed as Exhibit 10.3 to the Company's Form 8-K filed with the SEC on September 25, 2024 and incorporated herein by reference (File No. 333-280196)
4.4	Form of Convertible Note issued September 24, 2024, previously filed as Exhibit 10.2 to the Company's Form 8-K filed with the SEC on September 25, 2024 and incorporated herein by reference (File No. 333-280196)
4.5	Form of Pre-Funded Warrant, previously filed as Exhibit 4.5 to the Company's Form S-1/A filed with the SEC on October 25, 2024 and incorporated herein by reference (File No. 333-280196)
4.6	Form of Underwriters Warrant, previously filed as Exhibit 4.6 to the Company's Form S-1/A filed with the SEC on October 25, 2024 and incorporated herein by reference (File No. 333-280196)
31.1*	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
31.2*	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as amended
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS(1)	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH(1)	XBRL Taxonomy Extension – Schema
101.CAL(1)	XBRL Taxonomy Extension – Calculations
101.DEF(1)	XBRL Taxonomy Extension – Definitions
101.LAB(1)	XBRL Taxonomy Extension – Labels
101.PRE(1)	XBRL Taxonomy Extension – Presentations
104	Cover Page Interactive Data File—the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

* Filed herewith

(1) Submitted electronically herewith. Attached as Exhibit 101 to this report are the following formatted in XBRL (Extensible Business Reporting Language): (i) Condensed Consolidated Statements of Income (Loss) for the three months ended March 31, 2025 and 2024, (ii) Condensed Consolidated Balance Sheets at March 31, 2025 and December 31, 2024, (iii) Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2025 and 2024, and (iv) Notes to Condensed Consolidated Financial Statements.

SIGNATURES

Pursuant to the requirements of the *Securities Exchange Act of 1934*, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ALPHA COGNITION INC.
(Registrant)

Dated: May 15, 2025

By: /s/ *Michael McFadden*
Michael McFadden,
Chief Executive Officer

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Michael McFadden, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alpha Cognition Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Reserved];

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2025

/s/ Michael McFadden

Michael McFadden
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Henry Du, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Alpha Cognition Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) [Reserved];

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 15, 2025

/s/ Henry Du
Henry Du
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Alpha Cognition Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2025, as filed with the United States Securities and Exchange Commission on the date hereof (the "Report"), I, Michael McFadden, Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2025

/s/ Michael McFadden
Michael McFadden
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Alpha Cognition Inc. (the "Company") on Form 10-Q for the quarterly period ended March 31, 2025, as filed with the United States Securities and Exchange Commission on the date hereof (the "Report"), I, Henry Du, Interim Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 15, 2025

/s/ Henry Du
Henry Du
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)