Update on NTCELL Project for Parkinson's disease

Melbourne, Australia, 14 February 2024: Algorae Pharmaceuticals Limited ('Algorae' or the 'Company') (ASX code: 1AI) is pleased to provide the following update on the NTCELL development program for Parkinson's disease ('PD').

The Company continues its scientific review of the NTCELL development program and, following advice from the scientific advisory board and internal scientific staff, has identified several ways in which the protocol for the third clinical trial may be improved. In particular, the Company is investigating the utility of a therapeutic approach that combines deep brain stimulation ('DBS') and NTCELL implanted therapy.

DBS is a surgical procedure used to treat certain aspects of Parkinson's Disease, including tremors. An impulse generator battery delivers electrical current stimulation through an electrode implanted into specific regions of the brain. Algorae is investigating the combination of DBS and NTCELL to both minimise surgery events and potentially improve the therapeutic outcome of either therapy alone. This avenue of research enquiry has the potential to assist the Company in generating additional intellectual property to expand upon the original NTCELL patent regarding cell encapsulation. Furthermore, it presents an opportunity for the Company to investigate research and development partnerships with large organisations that provide DBS.

As Algorae continues its review of the NTCELL development program, and new avenues of research enquiry are undertaken, the Company has resolved to terminate its agreement with NZeno Limited ('NZeno') with immediate effect. Doing so significantly reduces Algorae's monthly expenditures while the Company continues its internal review process and does not require porcine tissue. Algorae and NZeno have resolved to enter new discussions for the provision of choroid plexus tissue on a good faith basis in the future, considering the status of both businesses at that time. Algorae thanks NZeno for its dedicated contribution to the project to date.

The Company will provide further updates on the scientific review of the NTCELL program in due course. Furthermore, Algorae expects to provide updates to ASX on its other projects in the short term, those being: drug candidate AI-116 for Dementia, AI-168 for cardiovascular disease, and the AlgoraeOS artificial intelligence-enabled drug discovery and development platform.

This announcement has been approved by the Board of Directors of Algorae Pharmaceuticals Limited.

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For more information, please visit www.algoraepharma.com

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1

About Algorae Pharmaceuticals

Algorae is a pharmaceutical development company focussed on addressing unmet medical needs through the discovery and development of novel treatments. The Company has assembled a proficient R&D team and established collaborations with reputable academic institutions to advance its drug candidates. Algorae's promising therapeutic pipeline includes AI-116 for dementia, AI-168 for cardiovascular disease and NTCELL for Parkinson's disease.

Algorae intends to expand its therapeutic pipeline using a proprietary artificial intelligence (AI) drug discovery and development platform. Known as Algorae Operating system (AlgoraeOS), the AI platform leverages extensive scientific databases from various disciplines within an advanced system at the intersection of AI and pharmaceutical research.

By employing machine learning, deep learning, and neural networks, the aim of AlgoraeOS is to uncover synergistic drug combinations that lead to the development of novel and effective treatments for medical conditions, aligning with Algorae's commitment to addressing unmet medical needs. Algorae Pharmaceuticals is listed and publicly traded on the Australian Stock Exchange (ASX: 1AI), providing investors with an opportunity to participate in the Company's growth.

Forward-looking Statements

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2