



## 2024 Algorae Pharmaceuticals Limited Annual General Meeting

### Notice and Proxy Form

Notice is hereby given that the Annual General Meeting (Meeting) of Shareholders of Algorae Pharmaceuticals Limited (1AI or the Company) will be held on Friday, 25 October 2024 commencing at 11:00 am (AEDT) at the offices of Thomson Geer at Level 23, Rialto South Tower, 525 Collins Street, Melbourne VIC 3000 Australia.

The Board has made the decision that it will hold a physical meeting.

In accordance with current legislation, the Company will not be dispatching physical copies of the Notice of Meeting unless a shareholder has previously requested a hard copy. Instead, a copy of the NoM is available at <https://algoraepharmaceuticals.com/announcements> as well as on the ASX announcement platform.

As you have not elected to receive notices by email, a copy of your proxy form is enclosed for your convenience.

Shareholders are encouraged to complete and return their Proxy Form by:

Internet: <https://investor.automic.com.au/#loginsah>  
Mail: Automic, GPO Box 5193 Sydney NSW 2001  
In Person: Automic, Level 5, 126 Phillip Street, Sydney, NSW 2000  
Email: [meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)  
Facsimile: +61 2 8583 3040

Your proxy voting instruction must be received by no later than 11:00am (AEDT) on Wednesday, 23 October 2024, being not less than 48 hours before the commencement of the Meeting.

**Any proxy voting instructions received after that time will not be valid for the Meeting.**

The Notice of Meeting is important and should be read in its entirety. If you are in doubt as to the course of action you should follow, you should consult your financial adviser, lawyer, accountant or other professional adviser. If you have any difficulties obtaining a copy of the Notice of Annual General Meeting, please contact the Company on +61 422 180 317.

For and on behalf of the Board

**Jennifer Voon**  
**Company Secretary**

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**Algorae Pharmaceuticals Limited**  
**ACN 104 028 042**

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**NOTICE OF ANNUAL GENERAL MEETING**

**DATE OF MEETING**

Friday, 25 October 2024

**TIME OF MEETING**

11:00 am (AEDT)

**VENUE**

Thomson Geer Melbourne  
Level 23, Rialto South Tower  
525 Collins St,  
Melbourne VIC 3000

Shareholders who have elected not to receive a printed copy of the Company's 2024 Annual Report may obtain a copy from the Company's website

[www.algoraepharma.com](http://www.algoraepharma.com) under "Investors /Announcements".

This Notice of Meeting and Explanatory Statement should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9463 2447.

**SHAREHOLDER INFORMATION**

**1300 343 593** (for callers in Australia)

**0800 487 012** (for callers in New Zealand)

**+61 3 9415 4024** (for callers outside Australia and New Zealand)

**Registered Office:**

Level 23, Rialto South Tower, 525 Collins St, Melbourne VIC 3000

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## **TIME AND PLACE OF MEETING AND HOW TO VOTE**

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### **VENUE**

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The Annual General Meeting of the Shareholders of Algorae Pharmaceuticals Limited which this Notice of Meeting relates to will be held:

**At 11:00 am (AEDT).**

**On Friday, 25 October 2024.**

**At Thomson Geer Melbourne, Level 23, Rialto South Tower, 525 Collins St, Melbourne VIC 3000.**

### **YOUR VOTE IS IMPORTANT**

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The business of the Annual General Meeting affects your shareholding and your vote is important.

### **VOTING IN PERSON**

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To vote in person, attend the Annual General Meeting on the date and at the place set out above.

### **VOTING BY PROXY**

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Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Shareholders and their proxies should be aware of the requirements under the Corporations Act, as they will apply to this meeting.

A member who is entitled to vote at the Meeting may appoint:

- a) one proxy if the member is only entitled to one vote; or
- b) one or two proxies if the member is entitled to more than one vote.

Where the member appoints two proxies, the appointment may specify the proportion or number of votes that each proxy may exercise. If the appointment does not specify a proportion or number, each proxy may exercise half of the votes, in which case any fraction of votes will be disregarded.

A proxy need not be a member of the Company.

If you require an additional proxy form, the Company will supply it on request.

The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by Algorae Pharmaceuticals Limited at least 48 hours before the time for holding the Meeting (i.e. by no later than 11:00am (AEDT) on Wednesday, 23 October 2024):

To vote by proxy, please complete and sign the proxy form enclosed and either:

- (a) By post: Algorae Pharmaceuticals Limited  
C/- Automic Group  
GPO Box 5193 Sydney NSW 2001;
- (b) In person: Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000;
- (c) By email: meetings@automic.com.au.

Please read all instructions carefully before completing the proxy form.

Proxies given by corporate shareholders must be executed in accordance with their constitutions, or under the hand of a duly authorised attorney.

A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Company's constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with that direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

If a Shareholder appoints the Chairman of the Meeting as the Shareholder's proxy and does not specify how the Chairman is to vote on an item of business, the Chairman will vote, as proxy for that Shareholder, in favour of the item on a poll.

### **Voting by corporate representatives**

Corporate Shareholders or proxies wishing to vote by corporate representative should obtain an appointment of corporate representative form from the Share Registry and complete and sign the form in accordance with the corporate Shareholder's constitution or by a duly authorised attorney.

The corporate representative form and the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) must be received by before the start or resumption of the meeting at which the representative is to vote, by post in the reply-paid envelope provided.

### **How the Chairman will vote undirected proxies**

If you return your Proxy Form but do not nominate a proxy, the Chairman will be your proxy and will vote on your behalf as you direct on the Proxy Form. If your nominated representative does not attend the meeting, then your proxy will revert to the Chairman and he will vote on your behalf as you direct on the Proxy Form.

If a proxy is not directed how to vote on an item of business or Resolution, the proxy (including, if applicable, the Chairman) may vote, or abstain from voting, as they think fit.

If you appoint the Chairman as your proxy (or if the Chairman is appointed by default) and do not direct the Chairman how to vote on a particular Resolution, the Chairman will vote your proxy in favour of that item of business, even if the Chairman has an interest in the outcome of that particular Resolution and votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.

### **Proxy forms received later than this time will be invalid.**

In accordance with section 249L of the Corporations Act, members are advised that:

- Each member has a right to appoint a proxy;
- The proxy need not be a member of the company; and
- A member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes each proxy may exercise, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

### **Proxy vote if appointment specifies way to vote**

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

### **Transfer of non-chair proxy to chair in certain circumstances**

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

### **Voting entitlement (snapshot date)**

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm (AEDT) on Wednesday, 23 October 2024.

### **Questions from Shareholders**

At the Meeting, the Chair will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report. A representative of PKF Brisbane Audit (**PKF**), as the auditor responsible for preparing the Auditor's report for the year ended 30 June 2024 will attend the Meeting.

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## NOTICE

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**Notice** is hereby given that the Annual General Meeting (**AGM**) of Algorae Pharmaceuticals Limited (**1AI** or the **Company**) will be held as follows:

Date: **Friday, 25 October 2024**

Time: **11:00am (AEDT)**

Venue: **Thomson Geer Melbourne, Level 23, Rialto South Tower, 525 Collins St, Melbourne VIC 3004**

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## AGENDA

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### ORDINARY BUSINESS

#### Consideration of Financial Report

To consider the Financial Report and the reports of the Directors and Auditor for the year ended 30 June 2024.

*Neither the Corporations Act 2001 nor the Company's Constitution requires a vote of shareholders on the reports or statements. However, shareholders will be given the opportunity to ask questions or make comments on the reports and statements at the meeting.*

#### Resolution 1      Adoption of the Remuneration Report

To consider and, if thought fit, pass the following **non-binding resolution**:

***"That** the Remuneration Report required by section 300A of the Corporations Act, as contained in the Directors' Report of the Company for the year ended 30 June 2024, be adopted, details of which are set out in the Explanatory Notes accompanying this notice of meeting."*

*This resolution is advisory only and does not bind the Company or the Directors.*

*- When reviewing the Company's remuneration policies, the Directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting.*

*- If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all Company's Directors (other than the Managing Director / CEO) must stand for re-election.*

**Voting Prohibition Statement:** A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:

- (i) does not specify the way the proxy is to vote on this Resolution; and
- (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Resolution 2      Approval of 10% Placement Facility**

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

*"That for the purpose of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of equity securities totalling up to 10% of the Company's share capital calculated in accordance with ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Notes accompanying this notice of meeting."*

**Resolution 3      Re-election of Mr David Hainsworth as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of clause 14.2 of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr David Hainsworth, a Director, retires by rotation, and being eligible, is re-elected as a Director of the Company, details of which are set out in the Explanatory Notes accompanying this notice of meeting."*

**Resolution 4      Appointment of Auditor**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for all purposes, PKF Brisbane Audit (PKF), having consented in writing to act in the capacity of auditor, be appointed as auditor of the Company with effect from the end of the Meeting."*

**Resolution 5      Approval of the issue of Performance Shares to Mr David Hainsworth**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve and agree to the issue of 20 million Performance Shares to Mr David Hainsworth, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mr David Hainsworth (or his nominee) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr David Hainsworth or those persons.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**Resolution 6      Approval of the issue of Performance Shares to Mr Bradley Dilkes**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Shareholders approve and agree to the issue of 20 million Performance Shares to Mr Brad Dilkes, on such terms as more particularly described in the explanatory memorandum which accompanies and forms part of this Notice of Meeting."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Mr Brad Dilkes (or his nominee) and any other person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of Mr Brad Dilkes or those persons.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on this Resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

**BY ORDER OF THE BOARD**

Jennifer Voon  
Company Secretary  
10 September 2024



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## EXPLANATORY NOTES

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The Explanatory Notes have been prepared for the shareholders of Algorae Pharmaceuticals Limited to provide information about the items of business to be considered at the Annual General Meeting of shareholders to be held on **Friday, 25 October 2024**.

With the exception of Resolutions 1 and 2 all other resolutions to be voted on are ordinary resolutions. An ordinary resolution requires a simple majority of votes cast by shareholders entitled to vote on the resolution in order for it to be carried.

If appropriate, and if time permits, the Chairman will discuss significant issues raised by shareholders prior to the meeting and will invite questions and comments from shareholders on these key issues and any other matters that shareholders would like to raise at the meeting.

In addition, a reasonable opportunity will be given to members present at the meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor.

If you would like to submit a written question to the auditors before the AGM on any of the foregoing matters, please send your question to the Company Secretary at [jennifer.voon@nexiaperth.com.au](mailto:jennifer.voon@nexiaperth.com.au) before 7:00pm (AEDT) on Wednesday, 23 October 2024.

If you have a more general issue or question that you would like discussed at the Meeting, please write to the Company Secretary, Jennifer Voon, at the above address.

### Resolution 1 - Adoption of the Remuneration Report

Consistent with section 250R of the Corporations Act, the Company submits to shareholders for consideration and adoption, by way of a non-binding resolution, its Remuneration Report for the year ended 30 June 2024.

The Remuneration Report is a distinct section of the annual Directors' Report which deals with the remuneration of Directors and executives (which includes senior management) of the Company. The Remuneration Report can be located in the Company's Annual Report. The Annual Report is available online at [www.algoraepharma.com](http://www.algoraepharma.com) under "Investors/Announcements".

The resolution is advisory only and does not bind the Company or its directors. However, the Board will consider the outcome of the vote and comments made by shareholders at the meeting on the remuneration report when reviewing the Company's remuneration policies. If 25% or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all the Company's directors (other than the Managing Director / CEO) must stand for re-election.

### Board Recommendation for Resolution 1

*The Chairman will vote all undirected proxies in **FAVOUR** of Resolution 1. If the Chairman of the meeting is appointed as your proxy and you have not directed the Chairman how to vote on resolution 1 by signing and returning the Proxy Form, the Shareholder is considered to have provided an express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.*

### Resolution 2 - Approval of 10% Placement Facility

ASX Listing Rule 7.1A provides that an eligible entity may seek shareholder approval by special resolution at its Annual General Meeting to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue over a period of 12 months after the Annual General Meeting (10% Placement Capacity). This is in addition to the existing 15% placement capacity permitted by ASX Listing Rule 7.1.

If Shareholders approve Resolution 2, the number of equity securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out below).

An eligible entity is one that, as at the date of the relevant Annual General Meeting:

- is not included in the S&P/ASX 300 Index; and
- has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

The Company is an eligible entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of less than \$300,000,000.

Any equity securities issued must be in the same class as an existing class of quoted equity securities. The Company currently has one class of quoted equity securities on issue, being Shares (ASX Code: 1AI).

The number of equity securities that the Company may issue under the approval sought by Resolution 2 will be calculated in accordance with the following formula as set out in ASX Listing Rule 7.1A:

**(A x D) – E**

Where:

**A** = the number of fully paid ordinary securities on issue at the commencement of the relevant period,

plus the number of fully paid ordinary securities issued in the relevant period under an exception in rule 7.2 other than exception 9, 16 or 17,

plus the number of fully paid ordinary securities issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:

- the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
- the issue of, or agreement to issue, the convertible securities was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,

plus the number of fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:

- the agreement was entered into before the commencement of the relevant period; or
- the agreement or issue was approved, or taken under these rules to have been approved, under rule 7.1 or rule 7.4,

plus the number of any other fully paid ordinary securities issued in the relevant period with approval under rule 7.1 or rule 7.4, Note: This may include fully paid ordinary securities issued in the relevant period under an agreement to issue securities within rule 7.2 exception 17 where the issue is subsequently approved under rule 7.1.

plus the number of partly paid ordinary securities that became fully paid in the relevant period,

less the number of fully paid ordinary securities cancelled in the relevant period.

**D** = 10%.

**E** = the number of equity securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.4.

Technical information required by ASX Listing Rule 7.1A

While the Company does not have any immediate plans to issue shares, purposes for which shares may be issued pursuant to Resolution 2 may include the raising of capital to facilitate further investment opportunities.

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to Resolution 2:

**Minimum Price:** Under the ASX Listing Rules, the minimum price at which the equity securities may be issued is 75% of the volume weighted average price of equity securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the equity securities are to be issued is agreed; or
- if the equity securities are not issued within 10 ASX trading days of the date in paragraph (i) above, the date on which the equity securities are issued.

**Risk of voting dilution:** Shareholders should be aware there is a risk of economic and voting dilution that may result from an issue of equity securities under the 10% Placement Capacity, including the risk that:

- the market price for equity securities in that class may be significantly lower on the issue date than on the date of the meeting where approval is being sought; and
- the equity securities may be issued at a price that is at a discount to the market price for those equity securities on the date of issue.

Any issue of equity securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any equity securities under the issue, unless the only equity securities issued under the 10% Placement Capacity are options and these options are not exercised.

If Resolution 2 is approved by Shareholders and the Company issues the maximum number of equity securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below, assuming that any options issued under the 10% Placement Capacity are exercised.

The table below shows the potential dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of the Shares and the current number of Shares on issue as at the date of this notice of Meeting.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula set out above) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.004	\$0.008	\$0.012
		50% decrease in Issue Price	Issue Price	50% increase in Issue Price
<b>Current Variable A</b>	<b>10% Voting Dilution (shares)</b>	168,739,473	168,739,473	168,739,473
1,687,394,731 Shares	<b>Funds raised</b>	\$674,958	\$1,349,916	\$2,024,874
<b>50% increase in current Variable A</b>	<b>10% Voting Dilution (shares)</b>	253,109,209	253,109,209	253,109,209
2,531,092,097 Shares	<b>Funds raised</b>	\$1,012,437	\$2,024,874	\$3,037,311
<b>100% increase in current Variable A</b>	<b>10% Voting Dilution (shares)</b>	337,478,946	337,478,946	337,478,946
3,374,789,462 Shares	<b>Funds raised</b>	\$1,349,916	\$2,699,832	\$4,049,747

The table has been prepared on the following assumptions:

- The Company issues the maximum number of shares available under ASX Listing Rule 7.1A;
- The table shows only the effect of shares issues under ASX Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under ASX Listing Rule 7.1;

- The current issue price is \$0.008, being the closing price of the shares on ASX on 9 September 2024.
- The current number of shares on issue is the Shares on issue as at 9 September 2024.

The table shows:

- two examples where variable “A” has increased, by 50% and 100%. Variable “A” is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- two examples of where the issue price of shares has decreased by 50% and increased by 50% as against the current market price.

If Shareholder approval is granted for Resolution 2, then that approval will expire on the earlier of:

- 25 October 2025, being 12 months from the date of the Meeting;
- the time and date of the next Annual General Meeting; or
- the date Shareholder approval is granted to a transaction under ASX Listing Rule 11.1.2 (proposed change to nature and scale of activities) or ASX Listing Rule 11.2 (change involving main undertaking).

The approval under ASX Listing Rule 7.1A will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 or 11.2.

**Purpose of Issue under 10% Placement Capacity:** The Company may issue equity securities under the 10% Placement Capacity for various purposes including to raise cash, in which case the Company intends to use funds raised for investment purposes in line with the Company’s investment policy outlined in the Company’s prospectus or to fund expenditure on existing assets or for general working capital.

**Allocation under the 10% Placement Capacity:** The allottees of the equity securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of equity securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- the purpose of the issue;
- alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- the effect of the issue of the equity securities on the control of the Company;
- the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- prevailing market conditions; and
- advice from corporate, financial and broking advisers (if applicable).

**Shareholder Approval:** The ability to issue equity securities equivalent to an additional 10% of the number of ordinary securities on issue under the 10% Placement Capacity is conditional upon and subject to the Company obtaining Shareholder approval by way of a Special Resolution at the AGM. Pursuant to Listing Rule 14.1A. If Shareholder approval is not obtained, no Shares will be issued in reliance on Listing Rule 7.1A.

**Previous Approval under ASX Listing Rule 7.1A:** The Company last obtained shareholder approval under ASX Listing Rule 7.1A. at the 2023 Annual General Meeting. The Company has not issued or agreed to issue Equity Securities under ASX Listing Rule 7.1A2 in the 12 months preceding the date of this Notice.

## Board Recommendation for Resolution 2

*The Board recommends that shareholders vote in **FAVOUR** of Resolution 2. The Chairman of the meeting will vote undirected proxies in **FAVOUR** of Resolution 2.*

### **Resolution 3 – Election of Mr David Hainsworth as a Director**

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. ASX Listing Rule 14.4 provides that a director must not continue to hold office without re-election past the third annual general meeting following the director's appointment, or 3 years, whichever is longer.

Pursuant to Clause 6.4 of the Constitution, Mr Hainsworth will retire and seeks re-election. Clause 6.2 provides that the Director who must retire is the Director who has held office the longest since their last re-election and Clause 6.3 provides that between or among 2 or more directors who became directors on the same day, the director or directors to retire are determined by lot unless they otherwise agree between or among themselves.

Mr Hainsworth was appointed as a Director on 30 October 2022 and was last elected by Shareholders at the 2022 Annual General Meeting held on 10 November 2022.

Shareholders are referred to the 2024 Annual Report where details of Mr Hainsworth may be obtained.

If Resolution 3 is passed Mr Hainsworth will be able to continue to serve on the Board of 1AI. If Resolution 3 is not passed, the Company will need to find a new Director.

### **Board Recommendation for Resolution 3**

*The Board (with Mr Hainsworth abstaining) recommends that shareholders vote in **FAVOUR** of Resolution 3. The Chairman of the meeting will vote undirected proxies in **FAVOUR** of Resolution 3.*

### **Resolution 4 – Appointment of Auditor**

As announced to ASX on 2 February 2024, the Company announced the appointment of PKF Brisbane Audit as auditor of the Company following the resignation of BDO Audit Pty Ltd pursuant to section 329(5) of the Corporations Act with the consent of ASIC.

The appointment of PKF Brisbane Audit by the Board pursuant to section 327C of the Corporations Act continues until the Annual General Meeting, at which time the appointment must be approved by Shareholders. The Company acknowledges that PKF Brisbane Audit has consented in writing to being appointed as the Company's auditor. In accordance with section 328B(1) of the Corporations Act, the Company has sought and obtained a nomination from a Shareholder for PKF Brisbane Audit to be appointed as the Company's auditor (a copy of which is enclosed as Annexure A).

If Resolution 4 is passed PKF Brisbane Audit will continue to act as auditor of the Company. If Resolution 4 is not passed the Board must appoint an auditor to fill the vacancy, with such appointment continuing until the next annual general meeting of the Company.

### **Board Recommendation for Resolution 4**

*The Board recommends that shareholders vote in **FAVOUR** of Resolution 4. The Chairman of the meeting will vote undirected proxies in **FAVOUR** of Resolution 4.*

### **Resolution 5 – Approval of the issue of Performance Shares to David Hainsworth**

The Company has agreed, subject to obtaining Shareholder approval, to issue 20 million Performance Shares to David Hainsworth, a Director, on the terms and conditions set out below.

The Performance Shares are to be issued to David Hainsworth as remuneration and in acknowledgement of the experience and drive he brings to the Company. The Performance Shares will only vest into freely transferrable Fully Paid Ordinary Shares upon the successful achievement of the Performance Milestones, which are outlined in the Terms of Performance Shares.

ASX Listing Rule 10.11 provides that an ASX listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue or agree to issue securities to a related party.

As a Director, David Hainsworth is a related party of the Company. Therefore, under ASX Listing Rule 10.11, Performance Shares may only be issued to him with the approval of Shareholders.

### **Reasons**

David Hainsworth is a Director and a valued member of the Algorae team. In order to incentivise David and to remunerate him for the contribution he makes and will continue to make to the Company, it is appropriate to offer him 20 million Performance Shares.

If Resolution 5 is not passed, no Performance Shares will be issued to David Hainsworth. In these circumstances, the Company will look to other ways to incentivise and reward David Hainsworth, which would likely involve an increase in the amount of cash paid to him.

### **Specific information required by ASX Listing Rule 10.13**

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

Number of securities issued: 20 million Performance Shares will be issued.

Fixed issue price per Performance Share: The Performance Shares will be issued for no cash consideration.

Date of issue: It is anticipated that, subject to Shareholder approval, the Performance Shares will be issued on or about 15 November 2024.

Recipients of issue: David Hainsworth, Director

Terms of securities: The terms of the Performance Shares are set out below.

Use of funds raised: As the Performance Shares are being issued for no cash consideration, no funds will be raised from the grant of the Performance Shares to David Hainsworth.

Voting: A voting exclusion statement is included in the Notice of Meeting.

### **Terms of Performance Shares**

The key terms of the Performance Shares to be granted to David Hainsworth are as follows:

#### **Market Capitalisation Growth: Performance Shares (Tranche A)**

- If the Company achieves a Market Capitalisation of \$50 million between 8 August 2024 and 26 October 2027, David Hainsworth will be issued 10 million fully paid ordinary shares (corresponding to the vesting of 10 million performance shares). Market Capitalisation is calculated as total shares multiplied by share price at any point in time.

#### **Two Clinical Trials - Clinical Research Development Milestone: Performance Shares (Tranche B)**

- If the Company receives human research ethics approvals to commence two clinical trials between 8 August 2024 and 26 October 2027, David Hainsworth will be issued 10 million fully paid ordinary shares (corresponding to the vesting of 10 million performance shares).

The Performance Shares to be issued to David Hainsworth are not able to be transferred or sold prior to vesting.

Any Performance Shares for which the relevant vesting condition has not been satisfied on or before 26 October 2027 will automatically lapse on 27 October 2027.

For any tranche of Performance Shares issued to David Hainsworth to vest, David Hainsworth must remain engaged by the Company as a director or executive at the time the relevant milestone is achieved. In the event that David Hainsworth ceases to be engaged by the Company as a director or executive, any unvested Performance Shares on issue at that time will automatically lapse.

### **Board Recommendation for Resolution 5**

*The board (with Mr Hainsworth abstaining) unanimously recommend that eligible Shareholders vote in favour of Resolution 5. The Chairman of the meeting will vote undirected proxies in **FAVOUR** of Resolution 5.*

#### **Resolution 6 – Approval of the issue of Performance Shares to Bradley Dilkes**

The Company has agreed, subject to obtaining Shareholder approval, to issue 20 million Performance Shares to Bradley Dilkes, a Director, on the terms and conditions set out below.

The Performance Shares are to be issued to Bradley Dilkes as remuneration and in acknowledgement of the experience and drive he brings to the Company. The Performance Shares will only vest into freely transferrable Fully Paid Ordinary Shares upon the successful achievement of the Performance Milestones, which are outlined in the Terms of Performance Shares.

ASX Listing Rule 10.11 provides that an ASX listed company must not, without the prior approval of shareholders or otherwise pursuant to limited exceptions, issue or agree to issue securities to a related party.

As a Director, Bradley Dilkes is a related party of the Company. Therefore, under ASX Listing Rule 10.11, Performance Shares may only be issued to him with the approval of Shareholders.

#### **Reasons**

Bradley Dilkes is a Director and a valued member of the Algorae team. In order to incentivise Bradley and to remunerate him for the contribution he makes and will continue to make to the Company, it is appropriate to offer him 20 million Performance Shares.

If Resolution 6 is not passed, no Performance Shares will be issued to Bradley Dilkes. In these circumstances, the Company will look to other ways to incentivise and reward Bradley Dilkes, which would likely involve an increase in the amount of cash paid to him.

#### **Specific information required by ASX Listing Rule 10.13**

In compliance with ASX Listing Rule 10.13, the Company provides the following information:

Number of securities issued: 20 million Performance Shares will be issued.

Fixed issue price per Performance Share: The Performance Shares will be issued for no cash consideration.

Date of issue: It is anticipated that, subject to Shareholder approval, the Performance Shares will be issued on or about 15 November 2024.

Recipients of issue: Bradley Dilkes, Director

Terms of securities: The terms of the Performance Shares are set out below.

Use of funds raised: As the Performance Shares are being issued for no cash consideration, no funds will be raised from the grant of the Performance Shares to Bradley Dilkes.

Voting: A voting exclusion statement is included in the Notice of Meeting.

#### **Terms of Performance Shares**

The key terms of the Performance Shares to be granted to Bradley Dilkes are as follows:

##### **Market Capitalisation Growth: Performance Shares (Tranche A)**

- If the Company achieves a Market Capitalisation of \$50 million between 8 August 2024 and 26 October 2027, David Hainsworth will be issued 10 million fully paid ordinary shares (corresponding to the vesting of 10 million performance shares). Market Capitalisation is calculated as total shares multiplied by share price at any point in time.

##### **Two Clinical Trials - Clinical Research Development Milestone: Performance Shares (Tranche B)**

- If the Company receives human research ethics approvals to commence two clinical trials between 8 August 2024 and 26 October 2027, Bradley Dilkes will be issued 10 million fully paid ordinary shares (corresponding to the vesting of 10 million performance shares).

The Performance Shares to be issued to Bradley Dilkes are not able to be transferred or sold prior to vesting.

Any Performance Shares for which the relevant vesting condition has not been satisfied on or before 26 October 2027 will automatically lapse on 27 October 2027.

For any tranche of Performance Shares issued to Bradley Dilkes to vest, Bradley Dilkes must remain engaged by the Company as a director or executive at the time the relevant milestone is achieved. In the event that Bradley Dilkes ceases to be engaged by the Company as a director or executive, any unvested Performance Shares on issue at that time will automatically lapse.

**Board Recommendation for Resolution 6**

*The board (with Mr Dilkes abstaining) unanimously recommend that eligible Shareholders vote in favour of Resolution 6. The Chairman of the meeting will vote undirected proxies in **FAVOUR** of Resolution 6.*



**ANNEXURE A – Nomination of Auditor**

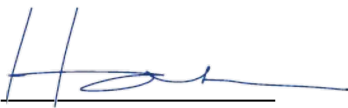
9 September 2024

The Directors

Algorae Pharmaceuticals Limited  
Level 23, 525 Collins Street  
MELBOURNE VIC 3000

I, David Hainsworth of Union Square Capital Pty Ltd <Endeavor A/C>, being a member of Algorae Pharmaceuticals Limited (Company), nominate PKF Brisbane Audit in accordance with section 328B(1) of the Corporations Act 2001 (Cth) (Act) to fill the office of auditor of the Company.

Please distribute copies of this notice of this nomination as required by section 328B(3) of the Act.

A handwritten signature in blue ink, appearing to read 'Hainsworth', written over a horizontal line.

David Hainsworth

9 September 2024  
Date

## GLOSSARY

**AEDT means** Australian Eastern Daylight Time as observed in Sydney, New South Wales.

**Annual Report means** the Annual Report to Shareholders for the period ended 30 June 2024 as lodged by the Company with ASX.

**ASX means** ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules or Listing Rules means** the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Board and 1AI Board means** the board of directors of 1AI.

**Company and 1AI means** Algorae Pharmaceuticals Limited (ACN 104 028 042)

**Constitution means** the Company's constitution.

**Corporations Act means** the Corporations Act 2001 (Cth).

**Director means** a Director of 1AI.

**Directors' Report means** the report of Directors as included in the Annual Report.

**Explanatory Notes means** the explanatory statement accompanying this Notice of Meeting.

**Fully Paid Ordinary Shares means** fully paid ordinary shares in the capital of the Company.

**KMP means** key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Meeting and Annual General Meeting means** the Shareholders meeting for which notice is given in the Notice to which these Explanatory Notes are attached.

**Ordinary Resolution means** a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Performance Shares means** the performance shares proposed to be issued to David Hainsworth and Bradley Dilkes on the terms outlined in the Explanatory Notes.

**Proxy Form means** the proxy form attached to this Notice of Meeting.

**Remuneration Report means** the remuneration report as set out in the Annual Report.

**Resolutions means** the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

**Shareholder means** a shareholder in 1AI.

**Special Resolution means** a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

# Proxy Voting Form

If you are attending the Meeting in person, please bring this with you for Securityholder registration.

Your proxy voting instruction must be received by **11.00am (AEDT) on Wednesday, 23 October 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
 GPO Box 5193  
 Sydney NSW 2001

#### IN PERSON:

Automic  
 Level 5, 126 Phillip Street  
 Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

##### WEBSITE:

<https://automicgroup.com.au/>

##### PHONE:

1300 288 664 (Within Australia)  
 +61 2 9698 5414 (Overseas)

