

March 2025 Quarterly Activities Report and Appendix 4C

Highlights:

- AlgoraeOS delivers 24 novel oncology-focused drug targets; research collaboration imminent.
- Development of AlgoraeOS Version 2.0 well advanced with key AI enhancements.
- Appointment of Chief Commercial Officer strengthens go-to-market execution capability.

Melbourne, Australia – 29 April 2025: Algorae Pharmaceuticals Ltd (ASX Code: 1AI) ('Algorae' or 'the Company') is pleased to lodge its Quarterly Activities Report and Appendix 4C for the period ended 31 March 2025.

During the quarter, Algorae continued advancing its proprietary AI drug discovery platform, the Algorae Operating System ('AlgoraeOS'). Since launch in September 2024, AlgoraeOS has identified 24 novel drug targets, primarily focused on high-impact oncology indications such as breast cancer, leukemia and glioblastoma (refer ASX announcement: 21 November 2024). The Company is finalising a formal agreement with a leading Australian research institution to commence preclinical validation studies of these targets—a key milestone in demonstrating the platform's predictive and translational strength.

Development of AlgoraeOS Version 2.0 progressed rapidly throughout the quarter, with expanded data integration and advanced machine learning enhancements under development. These improvements are expected to increase the platform's predictive precision and support broader application across multiple disease classes, including the generation of novel, patentable fixed-dose combination therapies.

In parallel, Algorae achieved major progress within its therapeutic pipeline. The Company has previously reported positive pre-clinical data for AI-116, a combination drug candidate for dementia. In vitro studies showed AI-116 significantly outperformed first line treatment Donepezil, improving neuronal cell viability by 20.1% versus 2.1% in amyloid β models and by 53% versus 17% under glutamate toxicity (refer ASX announcement: 31 July 2024). A Patent Cooperation Treaty ('PCT') application has been filed, and clinical trial planning is underway.

Separately, AI-168, the Company's candidate for cardiovascular diseases, demonstrated statistically significant cardioprotective effects, exceeding the efficacy of beta blockers in multiple cell models (refer ASX announcement: 29 November 2024). These promising results supported the refinement of the compound's formulation and filing of a global PCT application. Ongoing work in collaboration with Monash University will evaluate AI-168's in vivo efficacy, targeting a global beta blocker market estimated at US\$6.2 billion annually.

Corporate Developments

On 3 April 2025, Mr. Vishal Shah was appointed as Chief Commercial Officer ('CCO'), bringing over 20 years of experience across pharmaceuticals, biotechnology and healthcare distribution. Mr. Shah

previously held senior leadership roles at HPS Pharmacies (EBOS Group Ltd, ASX: EBO) and Baxter Healthcare (NYSE: BAX), and his commercial expertise is expected to play a pivotal role as the Company prepares for commercial functions and partnering.

Dr. Sarah Siggins, appointed to the Scientific Advisory Board in late 2024, continues to provide strategic scientific and commercial guidance. With senior experience at Johnson & Johnson and Bristol-Myers Squibb, Dr. Siggins has contributed to R&D planning, regulatory strategy and early-stage commercialisation plans across Algorae's platform and therapeutic programs.

Financial Overview

As of 31 March 2025, Algorae reported a cash balance of \$2.59 million, following receipt of a \$428,454 R&D Tax Incentive ('RDTI') rebate during the quarter. This non-dilutive funding represents 43.5% of eligible Australian R&D expenditure (refer ASX announcement: 31 March 2025). Net operating cash inflow was \$179,815. \$147,703 was spent on R&D and payments to directors and related parties totalled \$67,499, consistent with governance obligations.

The Company remains well-capitalised to execute on its near-term R&D and commercial milestones.

This announcement has been approved by the Board of Directors.

End

For more information, please visit www.algoraepharma.com

Corporate and Media Enquiries

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About Algorae Pharmaceuticals

Algorae Pharmaceuticals (ASX: 1AI) is an AI-enabled pharmaceutical development company focused on discovering and developing novel treatments for unmet medical needs. The Company's proprietary AI platform, AlgoraeOS, uses machine learning and deep neural networks to identify synergistic drug combinations with the potential to transform patient outcomes. Algorae collaborates with leading research institutions and pharmaceutical partners to accelerate the translation of AI-predicted therapies into the clinic.

Forward-looking Statements

This document may contain certain forward-looking statements, relating to Algorae's business, which can be identified by the use of forward-looking terminology such as "promising," "probable", "plans," "anticipated," "will," "project," "believe," "forecast," "expected," "estimated," "targeting," "aiming," "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions, or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of product candidates. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy the FDA's and other health authorities' requirements regarding any one or more product candidates, nor can there be any assurance that such product candidates will be approved by any health authorities for sale in any market or that they will reach any particular level of sales. In particular, management's expectations regarding the approval and commercialisation of the product candidates could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, product candidates, financial results and business prospects. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, or expected. Algorae is providing this information and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Algorae Pharmaceuticals Limited

ABN

14 104 028 042

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows	Current quarter \$A	Year to date (12 months) \$A
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(147,703)	(428,993)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(7,755)	(50,765)
(d) leased assets	-	-
(e) staff costs	(67,499)	(165,832)
(f) administration and corporate costs	(92,485)	(435,987)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	66,803	132,377
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	428,454	428,454
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	179,815	(520,746)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,407,045	3,108,365
4.2	Net cash from / (used in) operating activities (item 1.9 above)	179,815	(520,746)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A	Year to date (12 months) \$A
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(219)	(978)
4.6	Cash and cash equivalents at end of period	2,586,641	2,586,641

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A	Previous quarter \$A
5.1	Bank balances	486,641	307,045
5.2	Call deposits	2,100,000	2,100,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,586,641	2,407,045

6.	Payments to related parties of the entity and their associates	Current quarter \$A
6.1	Aggregate amount of payments to related parties and their associates included in item 1	67,499
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>Payments of directors fee.</p>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A	Amount drawn at quarter end \$A
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A
8.1	Net cash from / (used in) operating activities (item 1.9)	179,815
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,586,641
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,586,641
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	NA
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:		
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:		
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer:		
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2025.....

Authorised by: By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.