

Annual General Meeting: Chairman Address to Shareholders

Melbourne, Australia, 02 November 2023: Algorae Pharmaceuticals Limited ('Algorae' or 'the Company') (ASX code: 1AI) is pleased to attach the address of the Chairman, at the Annual General Meeting being held today.

Good afternoon.

On behalf of the board, I am pleased to speak to you at our AGM for the 2023 financial year.

One year ago, shareholders supported our proactive step to facilitate a significant board restructuring aimed at expanding the horizons of the Company. At the time, we outlined our intention to increase overall research and development activity, including expenditure on new projects to diversify the Company's development pipeline.

We commenced with a measured assessment of the Company's corporate position and found significant challenges to address. The Company has been reorganised and recapitalised during the year and, as part of that process, we identified and removed in excess of \$700,000 in recurring annual corporate expenses whilst simultaneously expanding the Company's capabilities. Our operations are streamlined and the improved cash flow and stability has enabled Algorae to implement various exciting new growth opportunities for our shareholders, with many more being assessed.

Recently, we commenced development of our artificial intelligence ('AI') drug discovery platform in partnership with the AI Institute at UNSW and funding from CSIRO. AlgoraeOS will build upon an AI model already trained and developed by data specialists within UNSW, expanding on critical foundational architecture that is required to leverage the power of these technologies within the context of drug discovery.

UNSW is a global top 20 university with a significant pool of talent in the field of artificial intelligence. We believe that we have recruited the best credentialed team and facilities available in Australia to commence development of AlgoraeOS, and fully expect it to be a globally competitive AI biopharmaceutical predictive platform to match the sophistication of its international contemporaries.

The development of AlgoraeOS is led by Associate Professor Fatemeh Vafae, who achieved her PhD in Artificial Intelligence from the School of Computer Science at the University of Illinois at Chicago, USA. She is a renowned scientist in computational biomedicine with over a decade of experience in AI-integrated translational medicine and drug discovery through close partnerships with industry and governmental stakeholders. She holds two multidisciplinary postdoctoral fellowships on computational biomedicine at the University of Toronto and the University of Sydney.

The first commercial version of AlgoraeOS will be operational within 6 to 9 months from now and will have predictive capabilities over all pharmaceutical drugs and therapeutic molecules of interest. The predictive capabilities of this platform will be immediately available to optimise Algorae's existing pipeline of projects and generate new therapeutic targets. Setting AlgoraeOS apart from its global competitors, our platform will have an innate specialisation in cannabinoid and cannabinoid combination drug targets, because cannabinoid pharmaceuticals remain a field of untapped potential, as evidenced by major M&A activity in that sector in recent times.

In June, we announced AI-116, a combination drug candidate using cannabidiol (CBD) and an off-patent pharmaceutical ingredient which we conceptualise to be a treatment for Dementia, including Alzheimer's disease. I'm pleased to report that pre-clinical studies for AI-116 have commenced at La Trobe University in Melbourne under Principal Investigator, Professor Garrie Arumugam. Professor Arumugam is professor of physiology at La Trobe

University and holds a Doctor of Philosophy in Pharmacology. His career work has been published extensively and his involvement in this project speaks to the significance of the opportunity.

Also in June, we commissioned a scientific review of the NTCELL project under the expert guidance of Dr Belinda Di Bartolo, who was appointed to advance the project in 2021. We are pleased by the pace of this extensive review and look forward to providing further updates to shareholders once all aspects are complete.

In addition to our other projects, Algorae is in advanced discussions with a major Australian university over pre-clinical studies over another drug candidate relevant to cardiovascular diseases, an area of under met medical need deserving of innovative solutions. We look forward to providing shareholders with further updates as we continue to grow our pipeline of projects and undertake our R&D programs in collaboration with global experts.

From a corporate perspective, we'd like to reiterate that Algorae is well funded with approximately \$4M in cash, not including a material cash R&D tax rebate we expect to receive during the current December quarter. Additionally, all R&D plans are structured within highly capital efficient environments, enabling us to leverage our strong cash position.

We believe the scale of the opportunity in front of us is significant.

Mr David Hainsworth, Chairman.

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

End

For more information, please visit www.algoraepharma.com

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About Algorae Pharmaceuticals

Algorae is a pharmaceutical development company focused on discovering and developing novel treatments for medical conditions with under met medical needs. Algorae has a highly proficient internal scientific team and academic collaborations with esteemed universities that assist the Company to achieve its goals. Existing drug candidates include NTCELL for Parkinson's disease and the AI-116 combination drug candidate for dementia. Algorae intends to increasingly use artificial intelligence to assist in its scientific and commercial endeavours, including by using AI to generate drug targets. The Company is listed and publicly traded on the Australian Stock Exchange (ASX: 1AI) and in the United States (OTCQB: LVCLY).

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.