Algorae Engages HL Pharma to Warehouse Cannabinoid Compounds for Research Programs and Development of AlgoraeOS AI Platform

Melbourne, Australia, 28 December 2023: Algorae Pharmaceuticals Limited ('Algorae' or the 'Company') (ASX code: 1AI) today announces that it has executed an agreement with HL Pharma to import and warehouse company-owned cannabinoids and other compounds for distribution to its research partners as required.

The first products to be ordered comprise a range of under-studied alternative cannabinoids (not CBD or THC) for research in a range of medical indications either alone or in combination with other pharmaceutical compounds. The additional cannabinoids will be integrated into existing programs being undertaken by our research partners.

Algorae has partnered with La Trobe University ('La Trobe') and Monash University ('Monash') to undertake an extensive range of pre-clinical studies to further assess the Company's cannabinoid-based combination drug candidates, known as AI-116 and AI-168. These candidates target dementia and cardiovascular disease respectively and are being compared to existing commercial therapeutics to establish a preliminary basis for economic potential. Results from these studies will be released to ASX progressively over the course of 2024 as the programs progress.

The under-studied alternative cannabinoids will also be used to enhance the predictive capabilities of Algorae's artificial intelligence ('AI') platform. Named AlgoraeOS, the AI platform will have predictive capabilities over all pharmaceutical drugs and therapeutic molecules of interest, however, it will be differentiated from other AI powered pharmaceutical platforms by encompassing specialisation in cannabinoid and cannabinoid combination drug targets.

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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About Algorae Pharmaceuticals

Algorae is a pharmaceutical development company focused on discovering and developing novel treatments for conditions with unmet 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

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include NTCELL for Parkinson's disease, the AI-116 combination drug candidate for dementia and AI-168 for cardiovascular disease. Multiple other drug candidates are under investigation. Algorae will 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.

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