ASX ANNOUNCEMENT

ASX: 1AI | 30 October 2026

SEPTEMBER 2026 QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Key Highlights

- **NSW Health supply contract:** Following a competitive tender, AlgoraeRx was appointed one of several suppliers under a NSW Health public hospital supply contract, for an initial term of three years with two optional one-year extensions (3+1+1 years). First supply under purchase orders is expected in the December 2026 quarter.

- **Commercial and regulatory execution:** AlgoraeRx advanced its commercial pipeline through regulatory and launch readiness activities, with five product registrations currently under TGA review. Its Licence & Supply network now extends to five manufacturing partners and a portfolio of more than 20 products.

- **Second independent AI validation:** The Company reported positive results from a second independent preclinical validation of AlgoraeOS v2 ("AOS2") with the Victorian Centre for Functional Genomics ("VCFG") at the Peter MacCallum Cancer Centre ("Peter Mac"), with AOS2 identifying, relative to its predictions, approximately a 2.5-fold higher proportion of confirmed synergistic combinations than the AOS1 model.

- **Phenomics Australia grant:** Awarded a $49,109 Phenomics Australia Pipeline Accelerator grant to co-fund experimental validation of the multi-anchor program with the VCFG.

- **Third Peter Mac program (post quarter end):** Agreement with the VCFG at Peter Mac to screen 40 high-priority AOS2 multi-anchor drug combinations across four cancer cell lines, with completion expected within six months.

- **Umedica agreements (post quarter end):** AlgoraeRx executed a binding Licence & Supply Agreement ("LSA") and a separate, non-binding Memorandum of Understanding with Umedica Laboratories Pvt. Limited for the Australian market. The LSA product's dossier has been submitted to the TGA.

- **Board strengthened:** Mr Troy Valentine, Chairman of Incannex Healthcare Inc. (Nasdaq: IXHL), was appointed a Non-Executive Director.

- **Financial position:** Cash of $3.15 million at 30 September 2026. The $3.0 million ScotPac facility remains fully undrawn, taking total available funding to $6.15 million.

AI-enabled pharmaceutical company **Algorae Pharmaceuticals Ltd (ASX: 1AI)** ("Algorae" or "the Company") is pleased to update shareholders on its activities for the quarter ended 30 September 2026.

Quarter in review

Algorae progressed both pillars of its business during the quarter: its commercial pharmaceutical operations and its AI drug-discovery platform. On the commercial front, AlgoraeRx was appointed a supplier under a NSW Health public hospital supply contract following a competitive tender, establishing it as an approved supplier to NSW public hospitals, one of Australia's largest healthcare procurement networks. Continued portfolio expansion and regulatory execution further progressed AlgoraeRx's commercialisation strategy, with more than 20 products now covered under Licence & Supply Agreements. Multiple products advanced through key regulatory milestones, including TGA submissions and ongoing evaluations, with more than five registrations currently under review.

On the research and development front, the Company reported positive results from its second independent preclinical validation program with the VCFG at Peter Mac, with AOS2 identifying a higher proportion of confirmed synergistic combinations than the preliminary AOS1 model. The Company was also awarded a $49,109 Phenomics Australia Pipeline Accelerator grant to co-fund validation of its multi-anchor program.

At a corporate level, the Company continued its program of Board renewal with the appointment of Mr Troy Valentine as a Non-Executive Director.

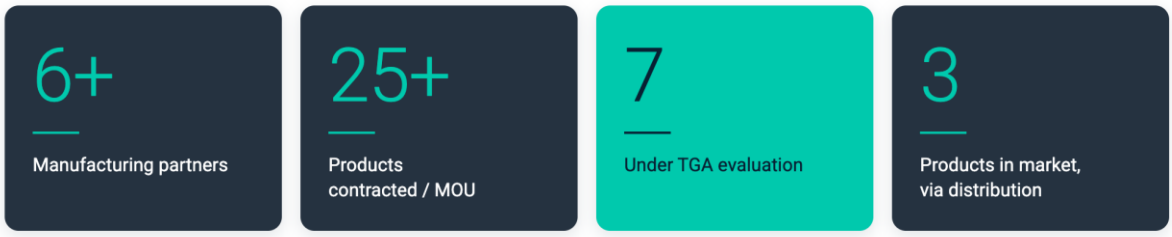
Commercial pharmaceutical business

During the quarter, AlgoraeRx, a wholly owned commercial subsidiary of the Company, secured its appointment as a supplier to NSW public hospitals and continued to build its supply portfolio ahead of first supply under the NSW Health arrangement.

NSW Health public hospital supply contract
As announced on 1 July 2026 and clarified on 2 July 2026, AlgoraeRx was appointed, following a competitive tender, as one of several suppliers under a non-exclusive NSW Health standing offer arrangement for an awarded pharmaceutical product. The counterparty is Health Administration Corporation, with procurement administered by HealthShare NSW, and the arrangement has an initial term of three years with two optional one-year extensions (3+1+1 years). Eligible Customers, such as local health districts and public hospitals, may place purchase orders at prices set out in an agreed schedule, with first supply expected in the December 2026 quarter. The product identity, pricing and volumes are commercial-in-confidence. As there are no minimum volume or spend requirements, the Company cannot quantify the financial impact of the award and does not expect it, of itself, to have a material impact on revenue in the current calendar year; nonetheless, the Company regards it as an important step on its pathway to revenue.

A diversified commercial platform
During the quarter, AlgoraeRx continued to strengthen its commercial platform, progressing opportunities from product identification and licensing through to regulatory submission and launch preparation. The company worked with a growing network of manufacturing partners across oncology, cardiovascular, metabolic and specialty medicines, supporting a diversified pipeline of products at various stages of commercialisation. Multiple products are currently under TGA review, with additional opportunities progressing through dossier evaluation and regulatory planning. AlgoraeRx remains focused on executing its strategy of transforming commercial agreements into marketed pharmaceutical products for Australian patients.

AlgoraeRx at a glance, as at the date of this report.



Artificial intelligence and R&D activities

Second Peter Mac validation program: positive results
As announced on 3 July 2026, the Company reported positive preclinical results from its second independent validation program, undertaken by the VCFG at Peter Mac under the supervision of Professor Kaylene Simpson and the Company's Chief Scientific Officer, Dr James McKenna. Twenty-four drugs selected by AOS2 for predicted synergy with CBD were assessed across four cancer cell lines representing glioblastoma, melanoma, chronic myelogenous leukaemia and rhabdomyosarcoma, generating approximately 10,000 data points analysed against four recognised models of drug interaction (HSA, Bliss, ZIP and Loewe).

Using previously defined internal thresholds, AOS2 identified, relative to its predictions, approximately a 2.5-fold higher proportion of confirmed synergistic combinations than the preliminary AOS1 model. Several potential synergistic combinations identified across both programs can now be considered for further preclinical assessment and intellectual property review.

Multi-anchor AOS2 program
Building on the AOS2 results, the Company is initiating a further in vitro validation program, in partnership with the VCFG, on a subset of the more than 6,000 multi-cell-line combinations identified in the multi-anchor program announced on 18 May 2026. The program is supported by a competitive grant of $49,109 awarded under the Phenomics Australia – Therapeutic Innovation Australia Pipeline Accelerator scheme. The scheme attracted 28 applications, of which 13 were selected for funding, and the award reduces the total cost to the Company of accessing these services.

Subsequent to quarter end, the Company entered into an agreement with the VCFG for this program, with 40 high-priority drug combination candidates selected for screening (refer Key events subsequent to quarter end).

Corporate

Board renewal
As announced on 15 July 2026, the Company appointed Mr Troy Valentine as a Non-Executive Director, effective 14 July 2026. Mr Valentine has served as Chairman of Incannex Healthcare Inc. (Nasdaq: IXHL) since November 2023, having chaired Incannex Australia from December 2017. His appointment will be subject to shareholder election at the Company's Annual General Meeting on 5 November 2026.

Mrs Geraldine Holland and Ms Catherine Earlie were appointed as Joint Company Secretaries on 1 July 2026, following Ms Jennifer Voon stepping down as Company Secretary effective 30 June 2026.

Annual Report and Annual General Meeting
On 31 August 2026, the Company released its Appendix 4E and Annual Report for the year ended 30 June 2026, together with its Corporate Governance Statement and Appendix 4G.

The Company's Annual General Meeting is scheduled to be held at 11:00am (AEDT) on Thursday, 5 November 2026.

Financial overview

Algorae closed the quarter with cash and cash equivalents of $3.15 million at 30 September 2026, compared with $3.94 million at 30 June 2026. The movement primarily reflected $787,456 in net cash used in operating activities.

Operating payments comprised staff costs of $274,760, product manufacturing and operating costs of $249,460 (regulatory and registration activities and inventory purchase orders ahead of anticipated commercial supply), administration and corporate costs of $186,796, and research and development of $133,246 (AlgoraeOS platform and validation programs). The Company received $28,815 from customers and $27,991 in interest.

At quarter end, the Company's $3.0 million receivables-based working capital facility with ScotPac Business Finance remained fully undrawn, providing total available funding of $6.15 million. The revolving facility incurs interest only when drawn and supports inventory and commercial scaling across Australia and New Zealand.

Payments to related parties and their associates during the quarter (Appendix 4C, item 6.1) totalled $109,365, comprising directors' salaries and fees for services provided in the ordinary course of business on normal commercial terms.

The Company remains eligible for the R&D Tax Incentive (refer Key events subsequent to quarter end for receipt of the FY26 refund) and continues to explore non-dilutive funding opportunities to complement operating cash flows. Management remains focused on disciplined capital allocation, with expenditure directed toward inventory, registrations and development programs supporting the Company's transition to revenue.

Key events subsequent to quarter end

Third Peter Mac validation program: AOS2 multi-anchor
As announced on 16 October 2026, the Company entered into an agreement with the VCFG at Peter Mac for a third program to independently validate predictions generated by the AOS2 multi-anchor program. Having regard to commercial and intellectual property considerations, 40 high-priority drug combination candidates were selected from the multi-anchor prediction set announced on 18 May 2026, which evaluated over 9 million potential drug–drug–cell line combinations across 18 anchor drugs and identified more than 6,000 multi-cell-line combinations. The VCFG will screen the candidates across four cancer cell lines representing glioblastoma, non-small cell lung cancer, colorectal cancer and bladder cancer, with the full dataset expected within six months.

The program is co-funded by the Phenomics Australia grant awarded during the quarter (refer Multi-anchor AOS2 program above). Priority candidates from the first two Peter Mac programs have been shortlisted, and discussions are under way to advance their development through in vitro assays and in vivo animal models.

Umedica MOU and Licence & Supply Agreement

As announced on 19 October 2026, AlgoraeRx executed a binding Licence & Supply Agreement ("LSA") and a separate, non-binding Memorandum of Understanding ("MOU") with Umedica Laboratories Pvt. Limited ("Umedica") for the Australian market. Under the LSA, Umedica licenses its dossier and know-how and will supply the product, which AlgoraeRx will register and commercialise under its own brand; the product's dossier has been submitted to the TGA and the financial terms are commercial-in-confidence. Under the MOU, AlgoraeRx is appointed Umedica's exclusive importer, distributor and commercial partner in Australia across eight molecules, with exclusivity limited to Umedica-branded products and definitive agreements to be negotiated in due course.

An updated Company presentation has been released to the ASX today in conjunction with this activities report.

This announcement has been authorised for release by the Board of Directors.

ENDS.

Corporate and Media Enquiries

Mr David Hainsworth

Executive Chairman

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About Algorae Pharmaceuticals

Algorae Pharmaceuticals Ltd (ASX: 1AI) is an AI-enabled pharmaceutical company with a dual focus on drug-combination discovery and pharmaceutical commercialisation. The Company's proprietary AI platform, AlgoraeOS, applies artificial intelligence to identify synergistic drug combinations and inform preclinical experimental design.

In parallel, Algorae operates a commercialisation business, AlgoraeRx, which sources, licenses and supplies generic and specialty medicines in Australia and New Zealand through manufacturing partners and established distribution channels. Algorae collaborates with research institutions and industry partners to translate AI-predicted therapies and expand patient access to high-quality medicines.

For more information visit www.algoraepharma.com or follow @algoraepharma on X or LinkedIn.

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 requirements of the TGA, FDA or other health authorities 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	**Quarter ended ("current quarter")**
14 104 028 042	30 September 2026

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	28,815	28,815
1.2	Payments for		
	(a) research and development	(133,246)	(133,246)
	(b) product manufacturing and operating costs	(249,460)	(249,460)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(274,760)	(274,760)
	(f) administration and corporate costs	(186,796)	(186,796)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	27,991	27,991
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(787,456)**	**(787,456)**

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	3,937,323	3,937,323
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(787,456)	(787,456)
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	(508)	(508)
4.6	**Cash and cash equivalents at end of period**	**3,149,359**	**3,149,359**

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	2,399,359	3,187,323
5.2	Call deposits	750,000	750,000
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)**	**3,149,359**	**3,937,323**

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	109,365
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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.

Directors' salary and fee.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A**	**Amount drawn at quarter end $A**
7.1	Loan facilities	3,000,000	
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	3,000,000

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.

The Company' subsidiary, AlgoraeRx Pty Ltd ("AlgoraeRx"), has $3.0 million receivable-based working capital facility with ScotPac Business Finance for an initial term of 24 months. The commencement date is 20 January 2026. This facility is revolving and self-liquidating, enabling the Company to draw down and repay fund flexibly as required, with interest applying only to amounts drawn. The interest rate is BBSY + 6.70%. The facility is secured against AlgoraeRx's trade receivable and supported by a parent guarantee.

8.	**Estimated cash available for future operating activities**	**$A**
8.1	Net cash from / (used in) operating activities (item 1.9)	(787,456)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,149,359
8.3	Unused finance facilities available at quarter end (item 7.5)	3,000,000
8.4	Total available funding (item 8.2 + item 8.3)	6,149,359
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	7.8

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.

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:

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.

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: 30 October 2026

Authorised by: Board of Directors
(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.