ASX ANNOUNCEMENT

ASX: 1AI | 30 April 2026

MARCH 2026 QUARTERLY ACTIVITIES REPORT & APPENDIX 4C

Reporting Highlights

- **Financial Position**: Cash reserves of approx. $5.47 million at 31 March 2026, up from $1.83 million at 31 December 2025, reflecting net financing inflows of approximately $3.98 million from option exercises and equity issuances. The Company's $3.0 million receivables-based working capital facility with ScotPac remains fully undrawn.

- **Commercial Momentum**: Cadila Pharmaceuticals Licence & Supply Agreement executed in February 2026, with TGA registration planning and documentation now underway for two generic medicines targeting cardiovascular and metabolic disorders in Australia and New Zealand.

- **Post-Quarter Commercial Expansion**: Subsequent to quarter end, Algorae entered into an exclusive commercial and licensing agreement with Zydus Lifesciences Ltd for a portfolio of 10 injectable, oral and specialty pharmaceutical products across the ANZ markets, subject to applicable TGA and regulatory approvals.

- **Second Peter Mac Validation Program**: Commenced a second independent preclinical validation program with the Victorian Centre for Functional Genomics at Peter MacCallum Cancer Centre, with 24 high-priority drug combination candidates selected from the AOS2 prediction set to be screened across four cancer cell lines.

- **Commercial Team Strengthened**: Mr Waleed Elsayed appointed as Head of Sales, bringing more than 20 years' experience in hospital markets, national account management and commercial execution across ANZ, with commencement expected in Q2 2026; Mr David Gulland commenced as Chief Operating Officer of AlgoraeRx effective 23 March 2026.

- **Board Renewal**: Mr David Gulland appointed as Non-Executive Director effective 10 March 2026, bringing deep wholesale pharmaceutical and pharmacy services expertise; long-serving Non-Executive Director Mr Bradley Latham retired from the Board and will continue to support the Company as a consultant.

AI-enabled pharmaceutical development company **Algorae Pharmaceuticals Ltd (ASX: 1AI)** ("Algorae" or "the Company") is pleased to provide shareholders with an update on activities for the quarter ended 31 March 2026, reflecting continued progress across its dual-track strategy of AI-enabled drug discovery and pharmaceutical commercialisation.

Quarter in Review

During the quarter, Algorae made significant progress across both pillars of its business. On the commercial front, the definitive Licence & Supply Agreement with **Cadila Pharmaceuticals** was executed in February 2026, with the Company moving immediately into TGA registration planning for two products targeting cardiovascular and metabolic disorders.

The commercial leadership team was further strengthened during the quarter, with **Mr David Gulland** commencing as Chief Operating Officer of AlgoraeRx effective 23 March 2026, and **Mr Waleed Elsayed** appointed as Head of Sales with commencement expected in Q2 2026.

During March 2026, members of the Algorae commercial team travelled to Ahmedabad, India to advance the Company's manufacturing partner relationships and progress the product pipeline. The visit included meetings with existing manufacturing partners and productive engagement with a number of prospective partners, consistent with the Company's strategy to build a diversified, multi-partner commercial platform across the ANZ market.

R&D activity progressed with the commencement of a second independent preclinical validation program with the Victorian Centre for Functional Genomics at **Peter MacCallum Cancer Centre**. Twenty-four high-priority candidates drawn from the AOS2 prediction set were selected for screening across four cancer cell lines. This program is expected to generate key data within six months and represents an important step in bridging the gap between in silico prediction and biological validation.

Subsequent to quarter end, the Company entered into an exclusive commercial and licensing agreement with **Zydus Lifesciences Ltd** for a portfolio of 10 injectable, oral and specialty pharmaceutical products across Australia and New Zealand.

Commercial Pharmaceutical Business

During the quarter, Algorae continued to advance its commercial pharmaceutical strategy through its wholly owned subsidiary, AlgoraeRx Pty Ltd.

A key milestone was reached with the execution of the definitive Licence & Supply Agreement ("LSA") with **Cadila Pharmaceuticals Limited**, announced on 9 February 2026. Under the LSA, Cadila will be responsible for product development and manufacture, while Algorae will hold Therapeutic Goods Administration ("TGA") sponsorship, manage regulatory submissions and oversee market access and commercialisation activities across Australia and New Zealand.

The two products target cardiovascular and metabolic disorders, complementing the Company's oncology-focused portfolio and broadening its pipeline across additional high-volume therapeutic areas. TGA registration planning and documentation has commenced,

and the Company will update shareholders on submission timing, anticipated launch windows and expected revenue contribution as the program advances.

These developments build on the commercial foundation established through the exclusive licensing agreement with **Sakar Healthcare Limited** for five generic oncology medicines, and the distribution agreement with **Dr. Reddy's Laboratories Ltd** for the supply of Capecitabine 500mg tablets, the first shipment of which was received in January 2026.

Subsequent to quarter end, Algorae entered into an exclusive commercial and licensing agreement with **Zydus Lifesciences Ltd** (NSE: ZYDUSLIFE; BSE: 532321), announced on 28 April 2026, for a portfolio of 10 injectable, oral and specialty pharmaceutical products across Australia and New Zealand, subject to applicable TGA and regulatory approvals.

Collectively, the Sakar, Dr. Reddy's, Cadila and Zydus agreements establish a multi-partner, multi-therapy commercial platform spanning oncology, cardiovascular, metabolic and specialty medicine categories. AlgoraeRx is now supported by a diversified and rapidly growing product portfolio targeting hospitals, pharmacies and institutional channels across Australia and New Zealand.

Artificial Intelligence and R&D Activities

During the quarter, Algorae commenced a second independent preclinical validation program with the **Victorian Centre for Functional Genomics** ("VCFG") at **Peter MacCallum Cancer Centre**, building on the first Peter Mac collaboration and representing a significant step in the independent validation of predictions generated by the Company's proprietary AI platform, **AlgoraeOS v2** ("AOS2").

The 24 candidates selected for this program were drawn from a preliminary examination of the AOS2 prediction set completed in December 2025, which identified 90 potential candidates using pre-specified prioritisation thresholds balancing predicted synergy magnitude, uncertainty reduction and biological generalisability. Following review of commercial and intellectual property considerations, 24 high-priority drug combination candidates were selected for this second round of preclinical validation.

Under the agreement, VCFG will perform compound synergy interaction screens using its high-throughput technologies across four distinct cancer cell lines: glioblastoma, rhabdomyosarcoma, melanoma and chronic myelogenous leukaemia. Data analysis will be completed within three weeks of each screen run, with the full dataset expected within six months of commencement, and key decision points integrated into the study to ensure data quality and guide further testing.

Positive outcomes may support the internal advancement of selected candidates towards clinical studies, out-licensing or partnership opportunities, and expansion of the AI-driven discovery pipeline into additional therapeutic areas.

The AOS2 prediction set comprises CBD in combination with more than 3,000 approved and investigational drugs, evaluated across 170 cell lines, representing more than 500,000 potential CBD-drug-cell line combinations in aggregate. AOS2 has outperformed representative state-of-the-art models, including those from Google DeepMind, demonstrating stronger calibration across biologically diverse, clinically relevant synergy regions.

No material updates are available this quarter on the Company's named drug candidate programs. The AI-116 fixed-dose combination for dementia and the AI-168 cardiovascular fixed-dose combination, being developed in partnership with the Victorian Heart Institute at

Monash University, continue to be assessed for the most appropriate development pathway, with shareholder updates to follow as these programs advance.

Corporate Developments

Board and Leadership Changes

On 10 March 2026, Algorae announced the appointment of **Mr David Gulland** as Non-Executive Director, effective from that date. Mr Gulland is an experienced pharmaceutical executive with more than two decades spanning wholesale pharmaceuticals, private healthcare funding and pharmacy services. He joins Algorae from HPS Pharmacies, a division of EBOS Group Ltd (ASX: EBO), Australasia's second-largest pharmaceutical wholesaler and distributor.

As General Manager of HPS Pharmacies, a national enterprise servicing hospitals and institutional healthcare centres across Australia, Mr Gulland led enterprise-wide initiatives in digital transformation and supply chain optimisation. He holds a Master of Pharmacy and a Diploma in Business Management.

In light of Mr Gulland's concurrent appointment as Chief Operating Officer of AlgoraeRx Pty Ltd, effective 23 March 2026, the Board undertook an independence assessment and determined the appointment should be classified as non-independent. Appropriate conflict-of-interest management arrangements have been implemented consistent with the Company's governance framework.

Long-serving Non-Executive Director Mr Bradley Latham retired from the Board effective 10 March 2026, having supported the Company through an important period of strategic development. The Board acknowledges Mr Latham's significant contribution and is pleased that he has agreed to continue advising the Company in a consulting capacity.

On 20 March 2026, the Company announced the appointment of **Mr Waleed Elsayed** as Head of Sales of AlgoraeRx. Mr Elsayed brings more than 20 years of experience across pharmaceuticals, medical devices and healthcare services, with deep expertise in hospital markets, national account management and commercial execution across Australia. Most recently, he served as Head of Hospital Sales at Sandoz Australia, following several senior commercial roles within that organisation. Prior to Sandoz, Mr Elsayed spent more than 14 years at Baxter International Inc. (NYSE: BAX), where he held senior leadership positions including National Business Development Manager and National Sales Specialty Manager (ANZ). He is expected to commence his role in Q2 2026.

Financial Overview

Algorae closed the quarter with cash reserves of approximately $5.47 million at 31 March 2026, up from $1.83 million at 31 December 2025. The increase reflects net cash inflows from financing activities of approximately $3.98 million, comprising gross proceeds of approximately $2.87 million from the exercise of options and approximately $1.18 million from the issue of equity securities, net of transaction costs of $75,724.

Net cash used in operating activities for the quarter was $389,797, reflecting continued investment in the second Peter Mac validation program, ongoing TGA registration planning and documentation associated with the Cadila LSA, and commercial setup and onboarding costs connected with the appointment of senior personnel during the period.

The Company's $3.0 million receivables-based working capital facility with ScotPac Business Finance, established in January 2026, remains fully undrawn. The facility is revolving and self-liquidating, with interest applying only to amounts drawn, and is available to support AlgoraeRx's commercial scaling and inventory funding requirements as supply opportunities are executed across Australia and New Zealand.

Payments to directors and related parties during the quarter amounted to $86,600, reflecting directors' salaries and fees in accordance with the Company's governance framework and Appendix 4C reporting obligations.

The Company maintains eligibility for R&D tax incentives under the RDTI scheme and continues to explore non-dilutive funding opportunities to complement operating cash flows as its commercial platform develops.

Algorae enters the June 2026 quarter with a strengthened balance sheet, four commercial agreements, and a rapidly growing product portfolio. With commercial, regulatory and R&D milestones anticipated in the period ahead, the Board looks forward to a quarter of continued progress and meaningful news flow for shareholders.

This announcement has been approved by the Board of Directors.

END.

Corporate and Media Enquiries

Mr David Hainsworth

Executive Chairman

E: inquiries@algoraepharma.com

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 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	**Quarter ended ("current quarter")**
14 104 028 042	31 March 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	-	-
1.2	Payments for		
	(a) research and development	(56,041)	(366,276)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(11,314)	(11,314)
	(d) leased assets	-	-
	(e) staff costs	(147,023)	(481,421)
	(f) administration and corporate costs	(188,627)	(581,561)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	13,208	49,558
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	384,467
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(389,797)**	**(1,006,547)**

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)	1,183,896	1,382,910
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2,873,667	2,878,059
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(75,724)	(96,542)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(27,000)	(27,000)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	24,150	24,150
3.10	**Net cash from / (used in) financing activities**	**3,978,989**	**4,161,577**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,883,174	2,319,222
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(389,797)	(1,006,547)
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)	3,978,989	4,161,577
4.5	Effect of movement in exchange rates on cash held	(478)	(2,364)
4.6	**Cash and cash equivalents at end of period**	**5,471,888**	**5,471,888**

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	4,721,888	1,133,174
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)**	**5,471,888**	**1,833,174**

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	86,600
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)	(389,797)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,471,888
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)	8,471,888
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	21.7

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 April 2026.....

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.