For personal use only

ASX ANNOUNCEMENT

ASX: 1AI | 17 November 2025

Loyalty Option Highlights

- **Loyalty Option Offer**: Eligible shareholders to receive offer of one (1) Loyalty Option for every five (5) shares held on the Record Date at an issue price of $0.001 per Loyalty Option, exercisable at $0.014 and expiring 1 December 2029.
- **Shareholder Reward & Capital Flexibility**: Offer recognises ongoing shareholder support while enhancing future funding flexibility through potential exercise proceeds.

AI-enabled pharmaceutical company **Algorae Pharmaceuticals Ltd (ASX: 1AI)** ("**Algorae**" or "the **Company**") is pleased to announce, in recognition of the ongoing support and engagement of its shareholders, a non-renounceable, pro-rata entitlement offer of one (1) new option for every five (5) shares held by eligible shareholders ("**Loyalty Options**"), at an issue price of $0.001 per new option, to raise approximately $337,679 (before costs) ("**Loyalty Options Offer**").

Purpose

The Company is undertaking the Loyalty Options Offer to recognise continuing shareholder support and provide an additional opportunity to participate in Algorae's future growth as it advances its dual-track strategy of AI-driven innovation and pharmaceutical commercialisation.

In connection with the Loyalty Options Offer, the Company has today lodged with ASIC a prospectus under which the Offer is made ("**Prospectus**").

Details of Loyalty Options Offer

Under the Loyalty Options Offer, eligible shareholders will be entitled to subscribe for one (1) Loyalty Option for every five (5) fully paid ordinary shares held at 7:00 pm (AEDT) on Tuesday, 27 November 2025 ("**Record Date**") at an issue price of $0.001 per Loyalty Option.

Each Loyalty Option will have an exercise price of $0.014 and expire on 1 December 2029. On exercise, one fully paid ordinary share in Algorae will be issued for each Loyalty Option. The Loyalty Options will not be quoted on ASX and are not transferable. Accordingly, there will be no market for the Loyalty Options.

The Loyalty Options Offer is made to eligible shareholders of the Company, being those persons who:

- are registered as a holder of shares in the Company as at the Record Date, being 7:00 pm (AEDT) on Tuesday, 27 November 2025;

For personal use only

- have a registered address on the Company share register in Australia or New Zealand, or are, in the opinion of the Company, otherwise eligible to receive an offer of Loyalty Options under the Loyalty Options Offer; and

- are not in the United States and are not acting for the account or benefit of a person in the United States,

("**Eligible Shareholders**").

Assuming no existing options or performance rights are exercised or convert into shares before the Record Date, up to 337,678,946 Loyalty Options may be issued under the Loyalty Options Offer (subject to rounding of fractional entitlements). Fractional entitlements will be rounded down to the nearest whole number.

Applications for Loyalty Options under the Loyalty Options Offer may only be made by completing the personalised Entitlement and Acceptance Form which will accompany the Prospectus to be sent to Eligible Shareholders on 2 December 2025. The Loyalty Options Offer will close on 15 December 2025 at 5.00pm (AEDT).

Shortfall

The shortfall offer will be subject to the shortfall (if any) that exists depending on the level of take up of entitlements by Eligible Shareholders. The allocation of Loyalty Options under the shortfall offer will be conducted by the Company's board of directors in consultation with the Company's corporate adviser.

Director participation

As at the date of the prospectus, Company directors David Hainsworth and Bradley Latham have committed to participate in the Loyalty Options Offer.

No underwriting

The Loyalty Options Offer is not underwritten.

Indicative Timetable

Event	Date
Announcement Announcement of Loyalty Options Offer	Monday, 17 November 2025
Lodgement Prospectus lodged with ASIC Prospectus and Appendix 3B lodged with ASX	Monday, 17 November 2025
Ex-date Ex-date (date from which Shares begin trading without the right to participate in the Loyalty Options Offer)	Wednesday, 26 November 2025
Record Date Record Date (to identify Shareholders entitled to participate in the Loyalty Options Offer)	7.00pm (AEDT) on Thursday, 27 November 2025
Despatch of Prospectus and Application Forms Prospectus and Application Forms sent to Eligible Shareholders	Tuesday, 2 December 2025

For personal use only

Opening Date Loyalty Options Offer opens (Opening Date)	Tuesday, 2 December 2025
Extension Date Last day to extend the Closing Date	Before 12.00pm (AEDT) on Wednesday, 10 December 2025
Closing Date Loyalty Options Offer closes (Closing Date)	5.00pm (AEDT) on Monday, 15 December 2025
Announcement of results Announcement of Loyalty Options Offer and Shortfall Offer results	Friday, 19 December 2025
Issue of Options under Loyalty Options Offer and Shortfall Offer and despatch of new holding statements Options issued under the Loyalty Options Offer; Shortfall Offer and lodgement of Appendix 3G	Before 12.00pm (AEDT) on Monday, 22 December 2025

Dates and times are indicative only and subject to change. All times refer to AEDT (Melbourne time). The Company reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws, to vary these dates without prior notice.

Additional information

Further details of the Loyalty Options Offer, including the effect of the offer on the Company, are set out in the Prospectus also provided to ASX today. The Prospectus contains important information including key risks with respect to the Loyalty Options Offer. This announcement should be read together with the disclosures made in the Prospectus.

If you require advice about your participation in the Loyalty Options Offer, consult your stockbroker, accountant or other independent professional adviser.

Authorised for release by the Board of Directors of Algorae Pharmaceuticals Ltd

END.

Corporate and Media Enquiries

Mr David Hainsworth

Executive Chairman

E: investors@algoraepharma.com

About Algorae Pharmaceuticals

Algorae Pharmaceuticals (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 machine learning and deep neural networks to identify synergistic drug combinations and guide dose selection for preclinical development. In parallel, Algorae operates a commercialisation business, AlgoraeRx, that sources, licenses and supplies generic and specialty medicines in Australia and New Zealand through partnered manufacturers and established distribution channels. Algorae collaborates with leading research institutions and industry partners to translate AI-predicted therapies and to expand patient access to high-quality medicines.

Algorae is listed and publicly traded on the Australian Stock Exchange (ASX: 1AI), providing investors an opportunity to participate in the Company's growth.

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

For personal use only

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.

Algorae Pharmaceuticals Limited [ABN: 14 104 028 042]
Level 23, Rialto South Tower,
525 Collins St, Melbourne VIC 3000