ASX ANNOUNCEMENT

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Highlights

- Independent preclinical validation of AlgoraeOS v2 ("AOS2") completed at the Victorian Centre for Functional Genomics at the Peter MacCallum Cancer Centre, led by Professor Kaylene Simpson and Chief Scientific Officer, Dr James McKenna.
- 24 drugs predicted by AOS2 were tested in combination with CBD across four cancer cell models, generating approximately 10,000 data points.
- AOS2 demonstrated improved accuracy compared to AOS1 by identifying a higher proportion of confirmed synergistic combinations relative to predicted outcomes.
- The results provide independent validation that the enhancements made to AlgoraeOS can be translated into improved predictive power, thus supporting its use in future discovery and optimisation programs.
- Algorae will consider further investigation into the most promising combinations and pursue intellectual property rights where applicable.
- Building on the development of AlgoraeOS2, Algorae will initiate validation of its multi-anchor program (announced 18th May 2026) which is co-funded by a $49,109 Phenomics Australia Pipeline Accelerator voucher awarded to the Company.

AI-enabled pharmaceutical company **Algorae Pharmaceuticals Ltd (ASX: 1AI)** ("Algorae" or "the Company") is pleased to report positive preclinical results from an independent validation of its AlgoraeOS v2 ("AOS2") drug-combination prediction platform.

This second validation study was undertaken by the **Victorian Centre for Functional Genomics ("VCFG")** at the **Peter MacCallum Cancer Centre ("PMCC")**, under the supervision of Professor Kaylene Simpson and Dr James McKenna.

As announced 30 March 2026, Algorae partnered with the VCFG at the PMCC to independently validate the predictions generated by AlgoraeOS v2 ("AOS2"). The AOS2 prediction set comprised CBD in combination with more than 3,000 approved and investigational drugs, evaluated across 170 cell lines. Under the agreement, VCFG performed compound synergy interaction screens using its high-throughput technologies and synergy assessment methodologies.

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Summary of the validation program

AlgoraeOS v2 was used to select 24 drugs predicted to show synergy when combined with CBD. These combinations were then assessed using in vitro assays across four established cancer cell lines (T98G, A2058, K-562 and RD).

- In total, the program performed 96 assessments of CBD–drug–cell line combinations covered by AOS2 predictions. Predictions were defined as either "synergistic" or "non-synergistic" based on internally defined thresholds of synergy and uncertainty.

- Using high-throughput microscopy and chemiluminescent viability assays to measure cell proliferation, the study produced approximately 10,000 data points, including replicates and controls.

- Each combination was analysed using four recognised models of drug interaction: Highest Single Agent (HSA), Bliss independence, Zero Interaction Potency (ZIP) and Loewe additivity, to provide a comprehensive and conservative assessment of whether the drugs worked synergistically.

Key findings

The AOS2 validation program delivered the following key observations:

- **AOS2 showed improved predictive power compared to AOS1**

  Using previously defined internal thresholds, AOS2 demonstrated improved predictive power compared to the preliminary AOS1 model by identifying approximately a 2.5-fold higher proportion of confirmed synergistic combinations relative to predictions.

- **Uncertainty metrics**

  A key improvement of AOS2 was the addition of uncertainty metrics for each model prediction. In this study these metrics provided an additional layer to improve predictive capacity and assess model accuracy.

- **Synergy models**

  As observed in the initial validation program three of the four synergy models were closely aligned supporting the consistency and robustness of synergy predictions as well as the repeatability of our validation program.

- **Predictions linked to real-world synergy with potential drug combinations identified**

  Across both in vitro validation programs, several potential synergistic drug combinations have been identified. These combinations can now be considered for further preclinical in vitro or in vivo assessment, alongside an intellectual property review to assess protection opportunities for the most promising candidates.

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Collectively, these results confirm that the enhancements made to the preliminary AOS1 model have improved predictive accuracy. They further underline the capability of the AlgoraeOS platform to prioritise drug combinations that are more likely to show true biological synergy.

Chief Scientific Officer, **Dr James McKenna** commented:

"This validation program marks another important milestone in the testing and refinement of the AlgoraeOS platform. Conducted in collaboration with the VCFG, the program has enabled us to compare the enhanced AOS2 model against the preliminary version, providing valuable insight into the strength of the updated model, while identifying additional promising drug combinations for further assessment. We look forward to continuing the development of AlgoraeOS using a broader range of approved and investigational anchor drugs."

Implications and next steps

The Company views the iterative validation of the AlgoraeOS platform as an important technical de-risking milestone. The data confirm that:

- Continued development of the AlgoraeOS platform has further improved model predictive capability, demonstrating that AOS2 can identify, in silico, combinations from more than 3,000 candidate drugs with an increased likelihood of showing synergy under laboratory validation.

- The introduction of uncertainty metrics for model predictions is a useful tool to triage potential candidate combinations and provide an additional layer of understanding to model predictive accuracy.

With this validation program complete, Algorae can now focus on further development of the potential combinations identified from both programs.

To continue the ongoing development and understanding of the AlgoraeOS platform, the Company is initiating a multi-anchor combination pipeline. As reported on the 18th of May 2026 Algorae has extended its program to an additional 18 anchor drugs, broadening Algorae's pipeline of AI-predicted combination opportunities. Evaluating over 9 million potential drug–drug–cell line combinations, AlgoraeOS identified over 6,000 combinations indicating potential synergy.

To evaluate these combinations, which use anchors from approved and investigational drugs with diverse mechanisms of action, Algorae will initiate a further in vitro validation program with a small subset of these candidates.

This program will be supported by a competitive voucher of $49,109 awarded to the Company under the Phenomics Australia – Therapeutic Innovation Australia Pipeline Accelerator 2025-26 Round 2 scheme, to support experimental work in partnership with the VCFG.

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.

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

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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 Securities 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.

Forward-looking Statements

This document may contain forward-looking statements relating to Algorae Pharmaceuticals Ltd (ASX: 1AI) ("Algorae" or the "Company") and its business, financial position and strategy. Forward-looking statements can generally be identified by the use of words such as "anticipate", "believe", "expect", "estimate", "intend", "plan", "project", "forecast", "target", "aim", "potential", "may", "will", "could", "should", "seek", "on track", or similar expressions, or by discussions of strategy, plans, objectives, future events or intentions.

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