

AdAlta Limited
(ACN 120 332 925)

PROSPECTUS

This Prospectus is being issued for a pro rata, renounceable offer of two (2) New Shares for every three (3) Shares held by Eligible Shareholders at the Record Date at an issue price of 0.3 cents (\$0.003) per New Share to raise approximately \$1.29 million before issue costs.

Eligible Shareholders will also be issued one (1) New Option for every two (2) New Shares subscribed for under the offer on the terms set out in this Prospectus.

**Valid acceptances must be received by
5:00 pm (Melbourne time) on Wednesday 28 May 2025**

Important Notice

This document is important and should be read in its entirety. After reading this Prospectus, if you have any questions about the New Shares or New Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The New Shares and New Options offered under this Prospectus should be considered highly speculative.

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IMPORTANT INFORMATION

This Prospectus is dated 5 May 2025 and a copy was lodged with ASIC and given to ASX on that date.

Neither ASIC nor ASX take responsibility for the content of this Prospectus. Subject to the requirements of the Corporations Act and the Listing Rules, the Directors of the Company reserve the right to close the Offer earlier than the timetable set out in this Prospectus or vary any of the important dates set out in this Prospectus without prior notice, including extending the closing date of the Offer. No securities will be allotted or issued on the basis of this Prospectus after the expiry date of this Prospectus, which cannot be later than 13 months after the date of this Prospectus. The expiry date of this Prospectus is 5 June 2026.

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) together with options over continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. Section 713 allows the issue of a more concise prospectus in relation to an offer of continuously quoted securities. Accordingly this Prospectus does not include all information that would be included in a prospectus for an initial public offering.

This Prospectus should be read in its entirety. The risks associated with investing in the Company are significant and potential investors should carefully consider those risks and seek professional advice before deciding whether to invest. The risks associated with the Offer which the Company has identified are set out in section 5 of this Prospectus and should be read carefully. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

Important capitalised terms and phrases used in this Prospectus are defined in the glossary in Section 11. Unless otherwise stated, a monetary reference in this prospectus is a reference to Australian currency.

Disclaimers

Any forecast or any forward looking statement contained in this Prospectus may involve significant elements of subjective judgment and assumption as to future events which may or may not be correct, and there are usually differences between forecasts and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Nothing contained in this Prospectus is, or may be relied on as, a promise or representation as to the future. Neither the Company nor any other person warrants the future performance of the Company or any return on any investment made under this Prospectus, except as required by law and then, only to the extent so required.

No person has been authorised to give information or to make any representation in connection with the Offer or this Prospectus which is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied upon as having been authorised by the Company in connection with the Offer or this Prospectus.

The information in this Prospectus does not constitute a securities recommendation or financial product advice, and does not purport to constitute all the information that you may require to enable you to evaluate effectively and completely whether to take up your Entitlement or any New Options or New Shares under the Offer. In preparing this Prospectus, the Company has not taken into account the investment objectives, financial situation or particular needs of any particular person.

Accordingly, before acting on this Prospectus, you should assess whether a further investment in the Company would be appropriate in light of your own financial circumstances.

Except to the extent prohibited by law, the Company, its officers, employees and advisers disclaim all liability that may otherwise arise due to any of this information being inaccurate or incomplete.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website, www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer made under this Prospectus. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in New Options, New Shares or the Company.

Obtaining a copy of this Prospectus

Additional copies of this Prospectus are available from the registered office of the Company during normal business hours. A copy of the Prospectus can be downloaded from the website of the Company at www.adalta.com.au, or the website of ASX at www.asx.com.au. Any person accessing the electronic version of the Prospectus for the purposes of making an investment in the Company must be a resident of Australian or New Zealand and must only access the Prospectus from within Australia or New Zealand.

The Prospectus available on the Company's website does not include an Entitlement and Acceptance Form. Eligible Shareholders wishing to take up their Entitlement should either:

- complete the paper copy of the personalised Entitlement and Acceptance Form which accompanies a paper copy of this Prospectus; or
- complete the personalised Entitlement and Acceptance Form which has been provided to them individually by email at the electronic address which the Eligible Shareholder has notified the company; or
- make payment in accordance with the instructions on your personalised Entitlement and Acceptance Form, receipt of your payment will constitute acceptance in accordance with, and your agreement to, the terms of the Offer, including those set out in this Prospectus.

The Corporations Act prohibits any person passing onto another person the Entitlement and Acceptance Form unless it is attached to a copy of the Prospectus or it accompanies the complete and unaltered version of the Prospectus. Any person may obtain a copy of the Prospectus free of charge by contacting the Company (or downloading it from the Company's website).

International Shareholders

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Refer to Section 1.12 for treatment of International Shareholders. Applications for New Options and New Shares (including New Options and New Shares forming the Shortfall) offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or an Entitlement and Acceptance Form which accompanies this Prospectus.

Contact details

If you have any query or question about the Offer or this Prospectus, you may contact the company secretary, Cameron Jones, by telephone on +61 9092 0475 or by email at

cameron.jones@bio101.com, or the Company's share registrar, Automic Registry Services, as follows:

Telephone: 1300 288 664 (within Australia)

+61 2 9698 5414 (outside Australia)

between 8:30am and 7:00pm (Sydney time), Monday to Friday or email
corporate.actions@automicgroup.com.au

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INDICATIVE TIMETABLE*

EVENT	DATE
1AD announces to market proposed rights offer (and gives to ASX appendix 3B)	Thursday 1 May 2025 (before market opens)
Lodge transaction specific prospectus with ASIC and give to ASX together with an appendix 3B applying for quotation of New Shares and New Options to be issued under prospectus	Monday 5 May 2025 (before market opens)
Shares commence quotation on an 'ex' basis (' ex' date) Unless otherwise determined by ASX, rights are quoted on a 'deferred settlement basis' from market open	Wednesday 7 May 2025
Record date to participate in rights offer	Thursday 8 May 2025 at 7:00pm (Melbourne time) (at least 3 business days after the announcement of the rights offer and lodgment of prospectus)
Despatch offer documents to eligible shareholders and 1AD announces to market that this has occurred Deferred settlement trading in rights ends	Tuesday 13 May 2025 (no more than 3 business days after the record date to participate in rights offer)
Rights offer opens	Tuesday 13 May 2025
Rights trading ends at close of trading	Wednesday 21 May 2025
Securities commence quotation on a deferred settlement basis from market open	Thursday 22 May 2025
Rights offer closes	Wednesday 28 May 2025 at 5:00 pm (Melbourne time) (at least 7 business days after the announcement that the offer documents have been dispatched)
Notify ASX of any change to exercise price of existing Options due to proposed issue of New Shares under Offer	Wednesday 28 May 2025
1AD announces to market results of rights offer and notifies underwriter of shortfall	Thursday 29 May 2025
Issue New Shares and New Options taken up under the pro rata entitlement (together with any shortfall shares and underwritten shares) and lodge an Appendix 2A with ASX applying for quotation of the New Shares and New Options	Wednesday 4 June 2025
Deferred settlement trading ends	Wednesday 4 June 2025 on market close (provided Appendix 2A is given to ASX)

	before noon. If given after noon, deferred settlement trading ends on market close of next business day in which case normal trading will equally be delayed by 1 business day)
Normal trading of New Shares and New Options starts	Thursday 5 June 2025 on market open

** Note: These dates are indicative only and subject to change. The Company reserves the right, subject to the Corporations Act and the Listing Rules, to change any date including to extend the closing date of the Offer, to close the Offer early, to accept late acceptances either generally or in particular cases, or to withdraw or reduce the size of the Offer without notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares and New Options. If the Offer is withdrawn, application money will be returned without interest.*

CHAIRMAN'S LETTER

Dear Shareholder

On behalf of the Board of AdAlta Limited ACN 120 332 925 (**AdAlta** or the **Company**), I invite you to participate in the Company's renounceable pro-rata entitlement offer of 2 New Shares for every 3 Shares held at the Record Date of 7.00pm (AESDT) on Thursday 8 May 2025, at an Issue Price of 0.3 cents per New Share to raise up to approximately \$1.29 million (**Offer**).

AdAlta is well into a transformation journey. In the first half of 2024, AdAlta completed its second Phase I clinical trial for AD-214 and launched our "East to West" cellular immunotherapy strategy. In early 2025 we fully committed to the "East to West" strategy to drive growth in clinical stage assets, while recognising that there remains significant value to be unlocked by monetising our existing assets including AD-214.

Today we stand poised to capitalise on the work done over the past year. We have exclusive negotiation rights to three highly differentiated CAR-T cell therapies and successfully completing technical due diligence on all three assets last month was an important milestone. While the business model continues to be well received, the financing environment remains challenging and became more challenging during the quarter due to global financial market volatility. We have multiple ongoing and highly productive discussions with potential investors that we anticipate will enable us to secure the capital to support licensing our first CAR-T asset.

We are excited by, and committed to, the potential for near term transactions to transform our business and unlock value for shareholders. We have implemented significant and appropriate cost reduction measures and are undertaking this Offer to enable us to focus on executing transactions for AdCella while reviewing other strategic options for the business and its assets. The Board and CEO have suspended fees and salary (and as detailed elsewhere) are investing in the Offer.

The Offer is summarised as follows:

- (1) If fully subscribed, AdAlta aims to raise approximately \$1.29 million from the issue of up to 428,815,174 new ordinary shares.
- (2) Up to \$300,000 is being underwritten by Mahe Capital Pty Ltd (**Mahe Capital**) (as described in section 1.5 of this Prospectus). In exchange for this commitment, together with providing corporate advisory and brokerage services for the Offer, Mahe Capital will be issued 10 New Options for every dollar raised under the Offer, together with being paid:
 - (A) \$60,000; plus
 - (B) 1% of the total amount raised under the Offer; plus
 - (C) 5% of the underwriting commitment (being a fee of \$15,000); plus
 - (D) 5% of the issue price of any shortfall securities placed beyond the Underwritten Amount, and after all valid entitlement applications are filled or scaled back with Company agreement, including any additional amount that might be placed under the Company's listing rule 7.1 and 7.1A placement capacity (if applicable);
- (3) An entity associated with Dr Timothy Oldham, the CEO and managing director of the company, has also committed to underwrite a portion of the Offer such that Dr Oldham (and his related parties) will subscribe for a total of \$35,000 including both taking up his entitlement in full together with underwriting (as described in section 1.5 of this Prospectus). Dr Oldham will not receive any fees in respect of underwritten amounts.

Subscribers will also receive 1 New Option for every 2 New Shares subscribed for, on the terms set out in this Prospectus.

The funds from the Offer are important and will be used to advance existing business development transactions and evaluate other strategic options for the Company and its assets. More specifically, once all of the expenses associated with the Offer have been met, AdAlta intends to use the balance of the money raised to:

- (1) advance a first CAR-T product in-licensing transaction for its AdCella subsidiary;
- (2) advance business development transactions for AD-214 and WD-34; and
- (3) evaluate other strategic options for the Company and, to the extent any funds remain, fund general working capital.

Details of your entitlement

A personalised entitlement and acceptance form accompanies this Prospectus and, as an eligible shareholder, you are entitled under the terms of the Offer to use that form to subscribe for 2 new ordinary shares in AdAlta at a price of \$0.003 for every 3 fully paid ordinary shares in AdAlta that you hold at 7:00pm Melbourne time on Thursday 8 May 2025. You are also entitled to receive 1 new option for every 2 shares subscribed for, each with an exercise price of \$0.01. The options will be issued for no consideration and will be on the terms set out in this Prospectus. The price of \$0.003 per share represents a discount of 50% to the closing sale price on ASX of AdAlta ordinary shares on 30 April 2025 of \$0.006 (being the last day shares in the Company were traded prior to the date that this entitlement offer was announced on 1 May 2025).

Eligible shareholders who subscribe for their full entitlement will also have the opportunity to apply for additional shares (and options) in any shortfall at the same price of \$0.003 each. There is no guarantee of the number of shortfall shares (if any) that will be available to eligible shareholders and the allocation of those shortfall shares among applicants will be at the discretion of the board of directors of AdAlta in accordance with the policy described in section 1.3 of this Prospectus.

To participate in the Offer, you will need to make the required payment in accordance with the instructions provided in the entitlement and acceptance form so that it is received by AdAlta's share registrar by 5:00pm Melbourne time on Wednesday 28 May 2025. Further details of how you may accept the offer are also set out in section 9 of this Prospectus. To the extent that you do not take up your entitlement to participate in the Offer your percentage shareholding in AdAlta will be diluted.

Further information

The new ordinary shares to be issued under the Offer will be issued on a fully paid basis and will rank equally from the date of their issue with the existing fully paid ordinary shares in AdAlta.

AdAlta will apply for the new options to be issued under the Offer to be quoted on ASX, and accordingly, subject to that application being accepted by ASX, these new options will also be able to be traded from the date of their issue.

As noted above, CEO and Managing Director, Tim Oldham, has made a commitment to invest \$35,000 in total by taking up his entitlement and underwriting the balance via an underwriting agreement detailed in section 1.5 of this Prospectus. In addition to the underwriting commitments described in section 1.5 of this Prospectus, the following non-executive directors of AdAlta have indicated they intend to take up their entitlement in full:

- David Fuller;

- Paul MacLeman; and
- Iain Ross.

Further information about the Offer and your entitlement to participate in the offer is set out in this Prospectus, which you should read in its entirety before deciding whether to participate in the Offer.

As a Board, we appreciate the support of our existing Shareholders and are pleased to be able to provide existing Shareholders this opportunity to maintain or increase their investment in the Company.

We look forward to your participation in the Offer.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Paul MacLeman', with a stylized flourish at the end.

Dr. Paul MacLeman

Chair, AdAlta Limited

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1. DETAILS OF THE OFFER

This Section provides details of the Offer made under this Prospectus. Before deciding whether to apply for New Shares and New Options under this Prospectus, you should read this Prospectus in its entirety.

1.1 Offer

The Offer is a pro rata, non-renounceable offer of two (2) New Shares and one (1) New Option for every three (3) Shares held by Eligible Shareholders at the Record Date at an issue price of 0.3 cents (\$0.003) per New Share to raise approximately \$1.29 million, before issue costs.

Approximately:

- (a) 428.8 million New Shares in the Company; and
- (b) 214.4 million New Options,

are being offered under the Offer (increasing the share capital of the Company by approximately 66.7%, and potentially as much as 100% if all New Options are exercised). New Shares will rank equally with existing Shares. The terms and conditions of the New Shares are set out in Section 6, and the terms and conditions of the New Options are set out in Section 7. An Entitlement and Acceptance Form setting out Eligible Shareholders' Entitlements accompanies the hard copy of this Prospectus distributed to Eligible Shareholders.

Calculation of any Eligible Shareholder's fractional Entitlements will be rounded up to the nearest whole number. Holdings of an Eligible Shareholder on different registers (or sub-registers) will not be aggregated for the purpose of calculating Entitlements.

As the Offer is renounceable, an Eligible Shareholder's rights to subscribe for their Entitlement to New Shares and New Options under the Offer are able to be sold or transferred, however any part of an Entitlement that is not accepted by the Closing Date of the Offer will lapse. Eligible Shareholders who take up their Entitlement in full will not have their percentage shareholding in the Company diluted as a result of the Offer. Eligible Shareholders who do not take up their Entitlement in full may, as a result of this Offer, have their percentage shareholding in the Company diluted.

1.2 Eligibility of Shareholders for the Offer

The Offer is made only to those Shareholders whose registered address is in Australia or New Zealand as at 5.00 pm (AEST time) on the Record Date.

Shareholders whose registered address is not in Australia or New Zealand, or who become registered holders of Shares in the Company after the Record Date, are not eligible to participate in the Offer.

1.3 Shortfall

It is a term of the Offer that if not all of the Entitlement rights are taken up and there is consequently a Shortfall, those Eligible Shareholders who subscribe for their full Entitlement under the Offer will also have the opportunity to apply for additional New Shares and New Options in the Shortfall at the same price of \$0.003 each per New Share. Eligible Shareholders are invited to apply for additional New Shares and New Options in the Shortfall by completing the section of the personalised Entitlement and Acceptance Form which deals with the New Shares forming the Shortfall. Section 9.3 of this Prospectus provides further information regarding applications for

New Shares and New Options forming the Shortfall. Applications must be submitted prior to the Closing Date together with payment in full for the number of New Shares forming the Shortfall applied for (the New Options are issued for no consideration based on the number of New Shares applied for). Receipt of payment will constitute acceptance of the offer, with any amount received over Entitlement to be considered part of the Shortfall in accordance with, and your agreement to, the terms of the Offer, including those set out in this Prospectus.

Allocation of New Shares and New Options forming the Shortfall

Allocation of any New Shares and New Options forming the Shortfall will be at the discretion of Mahe Capital, following consultation with the Board of Directors of the Company. Mahe Capital proposes to allocate Shortfall in accordance with the following policy:

- (a) If the Company receives applications from Eligible Shareholders for New Shares and New Options forming the Shortfall that would not result in the Offer being oversubscribed then the Company will, subject to the other terms of this policy, allocate those New Shares and New Options forming the Shortfall to the Eligible Shareholders who applied for them.
- (b) If the Company receives applications for New Shares and New Options forming the Shortfall that would result in the Offer being oversubscribed then the Company will not accept such oversubscriptions and will reject or scale back applications in a manner that the Board determines will result in the Eligible Shareholders who applied for the New Shares and New Options forming the Shortfall being allocated the number of New Shares and New Options forming the Shortfall that best approximates a pro rata allocation of those New Shares and New Options by reference to their respective shareholding on the Record Date and over the prior 12 months, provided that any such allocation will be in the ultimate discretion of the Board of Directors of the Company (such that if an allocation to a particular shareholder would result in that person holding a relevant interest in 20% or more of the shares in the Company, that person may be scaled back further) and provided that no Eligible Shareholders are to be allocated more New Shares or New Options forming the Shortfall than they applied for.
- (c) New Shares and New Options forming the Shortfall will be issued at the same time as all other New Shares and New Options are issued under the Offer.
- (d) The Company will not allocate or issue New Shares or New Options forming the Shortfall where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for New Shares or New Options forming the Shortfall must consider whether the issue of those New Shares and New Options applied for would breach the Corporations Act or the Listing Rules having regard to their own circumstances.
- (e) Mahe Capital reserves the right, in consultation with the Company, that if there are still New Shares and New Options forming the Shortfall that have not been applied for to place them at their discretion (but at not less than the price under the Offer), following exhaustion of the underwriting commitment from Mahe Capital.

Return of surplus application money

Application money received but not applied towards subscriptions for New Shares and New Options forming the Shortfall will be refunded as soon as reasonably practicable following the allocation of those New Shares and New Options. No interest will be paid on application money held and returned.

No certainty regarding allocations

As a consequence of the arrangements described above, there can be no guarantee of the number of New Shares and New Options forming the Shortfall available to Eligible Shareholders. Eligible Shareholders and other applicants who apply for New Shares and New Options forming the Shortfall Offer will be bound to accept any lesser number of New Shares forming the Shortfall allocated to them in accordance with the allocation procedure described above.

1.4 Minimum Subscription

There is no minimum subscription requirement for the Offer. The minimum funds raised under the Offer will be the underwritten amount described in Section 1.5.

1.5 Underwriting

Mahe Capital Pty Ltd (**Mahe Capital**) has agreed to provide corporate advisory and brokerage services for the Offer, and to underwrite up to \$300,000.

Mahe Capital may appoint sub-underwriters to sub-underwrite the Offer. The appointment of any sub-underwriter and the allocation of any underwritten securities is at the sole discretion of Mahe Capital, and sub-underwriting agreements will be entered into with each sub-underwriter. Mahe Capital's fees are summarised below and further described in Section 8.

The material terms and conditions of the Underwriting Agreement between the Company and Mahe Capital are summarised in the table below:

Fees	<p>In exchange for its underwriting commitment, together with providing corporate advisory and brokerage services for the Offer, Mahe Capital will be issued 10 New Options for every dollar raised under the Offer, together with being paid:</p> <ul style="list-style-type: none">(a) \$60,000; plus(b) 1% of the total amount raised under the Offer; plus(c) 5% of the underwriting commitment (being a fee of \$15,000); plus(d) 5% of the issue price of any shortfall securities placed beyond the Underwritten Amount, and after all valid entitlement applications are filled or scaled back with Company agreement, including any additional amount that might be placed under the Company's listing rule 7.1 and 7.1A placement capacity (if applicable).
Termination Events (without notice)	<p>Mahe Capital may immediately terminate the Underwriting Agreement if any one or more of the following termination events occurs or has occurred:</p> <ul style="list-style-type: none">(e) (Indices fall): the S&P ASX 200 Index is at any time after 30 April 2025 7% or more below its respective level as at the close of business on 29 April 2025;(f) (Commodities): the price of COMEX gold or NYMEX WTI crude is at any time after 30 April 2025 7% or more below its respective level as at the close of business on 29 April 2025;(g) (Prospectus): the Company does not lodge the Prospectus on 5 May 2025 or the Prospectus or the Offer is withdrawn by the Company;

	<p>(h) (No Listing Approval): the Company fails to lodge an Appendix 3B and an Appendix 2A in relation to the New Shares and New Option with ASX by the times required by the Listing Rules, the Corporations Act or any other regulations;</p> <p>(i) (No Official Quotation): ASX has advised the Company that it will not or may not grant official quotation to the New Shares and New Options or admit the Company to trading on the ASX following completion of the Offer (including issue of the Shortfall Securities) on or prior to Thursday 29 May 2025 (or such later date agreed between the Company and Mahe Capital);</p> <p>(j) (Price): the volume weighted average price of Shares calculated over three days after the date of this Agreement falls below \$0.003;</p> <p>(k) (Supplementary prospectus):</p> <p>(1) Mahe Capital, having elected not to exercise its right to terminate its obligations under this Agreement as a result of an occurrence as described in clause (w) below, forms the view on reasonable grounds that a Supplementary Prospectus should be lodged with ASIC for any of the reasons referred to in Section 719 of the Corporations Act and the Company fails to lodge a Supplementary Prospectus in such form and content and within such time as the Underwriter may reasonably require; or</p> <p>(2) the Company lodges a Supplementary Prospectus without the prior written agreement of Mahe Capital;</p> <p>(l) (Non-compliance with disclosure requirements): it transpires that the Prospectus does not contain all the information that investors and their professional advisers would reasonably require to make an informed assessment of:</p> <p>(1) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and</p> <p>(2) the rights and liabilities attaching to the New Shares and New Options;</p> <p>(m) (Misleading Prospectus): it transpires that there is a statement in the Prospectus that is misleading or deceptive or likely to mislead or deceive, or that there is an omission from the Prospectus (having regard to the provisions of Sections 711, 713 and 716 of the Corporations Act) or if any statement in the Prospectus becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive;</p> <p>(n) (Misleading Announcement): it transpires that the Company has made a statement via the ASX that is misleading or</p>
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deceptive or likely to mislead or deceive or there is an omission or missing information that is price sensitive.

- (o) **(Restriction on issue)**: the Company is prevented from issuing the New Shares and New Options within the time required by the Underwriting Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- (p) **(Withdrawal of consent to Prospectus)**: any person (other than Mahe Capital) who has previously consented to the inclusion of its, his or her name in the Prospectus or to be named in the Prospectus, withdraws that consent;
- (q) **(ASIC application)**: an application is made by ASIC for an order under Section 1324B or any other provision of the Corporations Act in relation to the Prospectus, the Shortfall Notice Deadline Date (being Thursday 29 May 2025 or such later date agreed between the Company and Mahe Capital) has arrived, and that application has not been dismissed or withdrawn;
- (r) **(ASIC hearing)**: ASIC gives notice of its intention to hold a hearing under Section 739 of the Corporations Act in relation to the Prospectus to determine if it should make a stop order in relation to the Prospectus or ASIC makes an interim or final stop order in relation to the Prospectus under Section 739 of the Corporations Act;
- (s) **(Takeovers Panel)**: the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (t) **(Hostilities)**: there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after this Agreement has been signed involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- (u) **(Authorisation)**: any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to Mahe Capital acting reasonably;
- (v) **(Event of Insolvency)**: an Event of Insolvency occurs in respect of the Company or its subsidiaries (each a **Relevant Company**);

	<p>(w) (Indictable offence): a director or senior manager of a Relevant Company is charged with an indictable offence;</p> <p>(x) (Default): default or breach by the Company under the Underwriting Agreement of any terms, condition, covenant or undertaking;</p> <p>(y) (Incorrect or untrue representation): any representation, warranty or undertaking given by the Company is or becomes untrue or incorrect;</p> <p>(z) (Contravention of constitution or Act): a contravention by a Relevant Company of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;</p> <p>(aa) (Adverse change): an event occurs which gives rise to a Material Adverse Effect, being:</p> <p style="padding-left: 40px;">(1) a material adverse effect on the outcome of the Offer or on the subsequent market for the New Shares and New Options (including, without limitation, matters likely to have a material adverse effect on a decision of an investor to invest in New Shares and New Options); or</p> <p style="padding-left: 40px;">(2) a material adverse effect on the assets, condition, trading or financial position and performance, profits and losses, results, prospects, business or operations of the Company and its Subsidiaries either individually or taken as a whole,</p> <p style="padding-left: 40px;">or any adverse change or any development including a likely Material Adverse Effect after the date of this Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any Relevant Company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Mahe Capital's reasonable opinion, unlikely to be met in the projected time;</p> <p>(bb) (Error in Due Diligence Results): it transpires that any of the results of Mahe Capital's due diligence or any part of the verification material for the Prospectus was materially false, misleading or deceptive or that there was an omission from them;</p> <p>(cc) (Significant change): a "new circumstance" as referred to in Section 719(1) of the Corporations Act arises that is materially adverse from the point of view of an investor;</p> <p>(dd) (Public statements): without the prior approval of the Mahe Capital a public statement is made by the Company in relation to the Offer or the Prospectus other than a statement the Company is required to make in order to comply with its</p>
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	<p>disclosure obligations under the Listing Rules and/or the Corporations Act;</p> <p>(ee) (Misleading information): any information supplied at any time by the Company or any person on its behalf to the Mahe Capital in respect of any aspect of the Offer or the affairs of any Relevant Company is or becomes misleading or deceptive or likely to mislead or deceive;</p> <p>(ff) (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy that has not been publicly disclosed or proposed as at the date of this Agreement;</p> <p>(gg) (Prescribed Occurrence): a Prescribed Occurrence occurs, other than as disclosed in the Prospectus. A Prescribed Occurrence is defined in the Underwriting Agreement as including a reconstruction of the Company's share capital, a buy-back, the issue of convertible notes, the sale of all or substantially all of the Company's business or property, or an insolvency event;</p> <p>(hh) (Judgment against a Relevant Company): a judgment in an amount exceeding \$100,000.00 is obtained against a Relevant Company and is not set aside or satisfied within 7 days;</p> <p>(ii) (Litigation): litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Relevant Company, other than any claims foreshadowed in the Prospectus;</p> <p>(jj) (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Company before the date of issue of the New Shares and New Options without the prior written consent of the Mahe Capital, such consent not to be unreasonably withheld;</p> <p>(kk) (Change in shareholdings): there is a material change in the major or controlling shareholdings of a Relevant Company (other than as a result of the Offer or a matter disclosed in the Prospectus) or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a Relevant Company;</p> <p>(ll) (Force Majeure): a Force Majeure affecting the Company's business or any obligation under the Agreement lasting in excess of 7 days occurs;</p> <p>(mm) (Certain resolutions passed): a Relevant Company passes or takes any steps to pass a resolution under Section 254N,</p>
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	<p>Section 257A or Section 260B of the Corporations Act or a resolution to amend its constitution without the prior written consent of Mahe Capital;</p> <p>(nn) (Capital Structure): any Relevant Company alters its capital structure in any manner not contemplated by the Prospectus excluding the issue of any Shares upon the exercise of options issued in the Company, such options having been disclosed to the ASX as at the date of this Agreement;</p> <p>(oo) (Breach of Material Contracts): any of the Contracts is terminated or substantially modified. A 'Contract' means all material agreements of the Company as disclosed to ASX together with any other material agreements described in the Prospectus;</p> <p>(pp) (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of a Related Company; or</p> <p>(qq) (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.</p>
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As is customary with these types of arrangements, under the terms of the Underwriting Agreement with Mahe Capital:

- (a) subject to certain limited carve-outs, the Company has agreed to indemnify and hold harmless Mahe Capital, its affiliates, successors and related bodies corporate and each of their respective directors, officers, agents, employees, representatives and advisers from and against all losses directly or indirectly suffered or incurred in connection with, the Offer and the appointment of Mahe Capital pursuant to the Underwriting Agreement;
- (b) the Company and Mahe Capital have each given certain representations and warranties in connection with (amongst other things) this Offer;
- (c) Mahe Capital may (in certain circumstances, having regard to the materiality of the relevant event) terminate the underwriting arrangements in accordance with the Underwriting Agreement if one or more of the termination events (summarised in the table above) occurs.

It is important to note that Mahe Capital will be acting for, and providing services to, the Company in relation to the Offer and will not be acting for or providing services to Shareholders. Mahe Capital has been engaged solely as an independent contractor and is acting solely in a contractual relationship on an arm's length basis with the Company. The engagement of Mahe Capital by the Company does not, and is not intended to, create any agency or other relationship between Mahe Capital and Shareholders.

An entity associated with Dr Timothy Oldham, the CEO and managing director of the company, has also committed to underwrite a portion of the Offer such that Dr Oldham (and his related parties) will subscribe for a total of \$35,000 including both taking up his entitlement

in full together with underwriting. Dr Oldham will not receive any fees in respect of underwritten amounts.

1.6 Custodians and Nominees

The Offer is being made to all Eligible Shareholders. The Company is not required to determine whether or not any Eligible Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares.

Where any registered holder that qualifies as an Eligible Shareholder is acting as a nominee for a foreign person, that registered holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws.

Any person in the United States or any person that is, or is acting for the account or benefit of a U.S. person with a holding through a nominee may not participate in the Offer and the nominee must not take up any Entitlement or send any materials to the United States or to any person that is, or is acting for the account or benefit of, a U.S. Person.

1.7 Closing Date and Payment for New Shares

The Closing Date for the Offer is 5:00pm (AEST) on Wednesday 28 May 2025.

Eligible Shareholders may submit payments for New Shares applied for using BPAY® or by electronic funds transfer. Please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY® or by electronic funds transfer, you do not need to return your Entitlement and Acceptance Form.

1.8 Allotment of New Shares

New Shares will be allotted and issued as soon as practicable after the Closing Date of the Offer, in accordance with Listing Rules and indicative timetable as set out in page (iv) of this Prospectus. Holding statements for all New Shares allotted shall be dispatched as soon as practicable in accordance with the Listing Rules after the Closing Date.

Until the allotment and issue of the New Shares under this Prospectus, application monies will be held by the share registry, Automatic in trust in a separate bank account maintained for that purpose only.

1.9 Allotment of New Options

New Options will be allotted and issued at the same time as New Shares, in accordance with the indicative timetable as set out in page iv of this Prospectus. Holding statements for all New Options allotted shall be dispatched as soon as practicable after the Closing Date.

1.10 ASX Quotation

The Company will apply to ASX for the New Shares and the New Options to be granted Official Quotation within 7 days of the date of this Prospectus (prior to Monday 11 May 2025).

The ASX takes no responsibility for the contents of this Prospectus.

1.11 CHES System

The Company participates in the Clearing House Electronic Subregister System (**CHES**). ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532) (**ASTC**), a wholly owned

subsidiary of ASX, operates CHESS in accordance with the Listing Rules and ASX Settlement Operating Rules.

Under CHESS, Shareholders will not receive certificates for their New Shares but will receive a statement of their holdings indicating the allotment of their New Shares pursuant to their acceptance of the Offer made under this Prospectus.

No certificates will be issued for New Options. A holding statement indicating the allotment of their New Options pursuant to their acceptance of the Offer made under this Prospectus will instead be provided.

Shareholders who are broker-sponsored will receive a CHESS statement from ASTC.

Shareholders registered under the issuer sponsored subregister will receive a statement from Automatic Registry Services.

1.12 International Shareholders (other than New Zealand)

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Shareholders who do not have a registered address in Australia or New Zealand are not eligible to participate in the Offer. The laws of jurisdictions outside of Australia and New Zealand may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia or New Zealand should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company is of the view that it is unreasonable to extend the Offer to Shareholders with registered addresses outside Australia or New Zealand, having regard to:

- the small number of Shareholders with registered addresses outside Australia and New Zealand;
- the number and value of the New Shares which would be offered to ineligible Shareholders; and
- the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

In particular, this Prospectus does not constitute an offer for sale or issue of the New Shares or New Options or any right to a security into the United States or to U.S. persons. The New Shares and New Options have not been, and will not be, registered under the U.S. Securities Act and must not be offered or sold within the United States or to U.S. persons unless they are registered under the U.S. Securities Act or an exemption from the registration required of the U.S. Securities Act is available.

Eligible Shareholders holding Shares on behalf of persons who are resident outside Australia and New Zealand are responsible for ensuring that participation in the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form or payment by BPAY® will constitute a representation that there has been no breach of such regulations. Shareholders who are nominees are therefore advised to seek independent advice as how they should proceed. Where the Offer has been dispatched to a Shareholder domiciled outside Australia or New Zealand and where the country's securities code or legislation prohibits or restricts in any way the making of the offers contemplated by this Prospectus, the Prospectus is provided for information purposes only.

Each applicant for new shares warrants and represents that they:

- are an Australian or New Zealand citizen or resident in Australia or New Zealand;
- are located in Australia or New Zealand at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person; and
- will not offer or sell the New Shares in the United States or in any other jurisdiction outside Australia or New Zealand, or to a United States person, except in transactions exempt from registration under the US Securities Act 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which the New Shares are offered and sold.

1.13 New Zealand securities law requirements

The New Shares are not being offered or sold to the public within New Zealand other than to Eligible Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

Members of the public in New Zealand who are not existing shareholders of the Company on the Record Date are not entitled to apply for any shares pursuant to this Offer.

This offer statement has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not an investment statement or prospectus in accordance with New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus prepared in accordance with New Zealand law is required to contain.

1.14 Costs of participation

No brokerage, commissions or other transaction costs will be payable by Eligible Shareholders in respect of the application for, and allotment of, New Shares under this Prospectus.

1.15 Issue Expenses

The estimated expenses of the Offer, including the corporate adviser fees, professional fees, registry services and printing and postage are approximately \$150,000.

1.16 Application of Funds Raised

The purpose of the Offer is to raise funds for the purposes of:

- (a) advancing a first CAR-T product in-licensing transaction for the Company's AdCella subsidiary;
- (b) advancing business development transactions for AD-214 and WD-34; and
- (c) evaluating other strategic options for the Company and, to the extent any funds remain, funding general working capital.

Shareholders are strongly urged to read Sections 2 and 3 of this Prospectus carefully so as to better understand the purpose of the Offer, how the funds to be raised under the Offer will be applied, the key assumptions involved and the potential impact the new funding will have on the Company's future growth and enterprise value.

1.17 Discretions

Without limiting the other powers and discretions set out in this Prospectus, the Directors of the Company (or their delegate for this purpose) may implement the Offer in the manner they think fit and settle any difficulty, anomaly or dispute which may arise either generally or in a particular case in connection with, or by reason of, the operation of the Offer or a matter in this Prospectus, as they think fit, whether generally or in relation to any Shareholder or any Shares, and the determination of the Directors (or their delegate) is conclusive and binding on all relevant Shareholders and other persons to whom the determination relates.

1.18 Taxation

Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances. The Company cannot, and does not, offer any advice to shareholders relating to taxation implications.

1.19 Governing law

The Offer and the contracts arising due to acceptance of the Offer are governed by the law in force in Victoria, Australia.

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2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of the Offer

The Offer is being undertaken principally to provide funds in order to advance existing business development transactions and evaluate other strategic options for the Company and its assets:

- (a) advance a first CAR-T product in-licensing transaction for AdCella;
- (b) advance business development transactions for AD-214 and WD-34; and
- (c) evaluate other strategic options for the Company and, to the extent any funds remain, fund general working capital.

The proceeds of the Offer are planned to be used in accordance with the table set out below which shows the expected use of funds raised from the Offer, which will be principally applied over the next 6 months.*

Purpose	Maximum Offer and Placement funds to be applied (A\$million)
Advance a first CAR-T product in-licensing transaction for AdCella	\$0.50
Advance business development transactions for AD-214 and WD-34	\$0.25
Evaluation of other strategic options for the Company	\$0.25
Working capital	\$0.14
Costs related to Offer	\$0.15
TOTAL	\$1.29

* The Board reserves the right to alter this budget as a result of a change in circumstances or intervening events.

The above is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board may determine to alter the way funds are applied as it considers necessary and appropriate having regard to the circumstances at the time. There is no guarantee the offer will be fully subscribed.

2.2 Share Capital

If fully subscribed, the Offer will raise approximately \$1.29 million (before expenses of the Offer which are estimated to be \$0.15 million) and result in the issue of approximately 428.8 million New Shares, and a further 214.4 million New Options. This assumes that the total number of Shares

in the Company currently on issue does not change before the Record Date for the purposes of determining Entitlements under the Offer (e.g. due to the exercise of Options currently on issue).

2.3 Market Price of Existing Shares on ASX

The highest and lowest market sale price of the Company's Shares on the ASX, during the three months immediately preceding the lodgement of this Prospectus with ASIC and the respective dates of those sales are set out below:

Highest: \$0.018 on 3 February 2025

Lowest: \$0.0045 on 1 May 2025

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was 0.6 cents on 2 May 2025.

2.4 Existing Options and Performance Rights

The Company currently has on issue 28,316,255 unquoted Options, each entitling the holder to acquire one Share at various exercise prices with various expiry dates.

The terms of the Options do not permit their holders to participate in the Offer, except by exercise of the Options and thereby acquiring the underlying Shares in the Company before the Record Date for the Offer. This is unlikely as the exercise price of each Option is materially higher than the price at which Shares in the Company have been trading on ASX in recent times. However, the terms of the Options do provide for an adjustment in their exercise price according to the formula in rule 6.22.2 of the ASX Listing Rules. The exercise price adjustment takes effect upon issue of the New Shares offered under the Offer and is, in part, dependent on the difference between the price under the Offer and the volume weighted average closing price of the Company's Shares sold on ASX for the 5 trading days ending on the day before the 'ex date' for the Offer. Accordingly, that market price will be determined after the 'ex date' and if there is any change to the exercise price of any Options in consequence, the Company will notify ASX of the change in accordance with rule 3.11.2 of the ASX Listing Rules.

The Company also has 2,438,787 performance rights on issue, each entitling the holder (subject to various vesting conditions) to subscribe for 1 Share in the Company at no cost. The performance rights have various expiry dates and were issued under the terms of the Company's omnibus equity plan.

2.5 Effect of Offer on Control

If all Eligible Shareholders take up their full Entitlements, there would be no significant effect on the control of the Company, as the Offer is made pro-rata and in that case no rights would lapse or revert to the Shortfall as described at Section 1.3.

Based on publicly available information as at the date of this Prospectus, the following persons (together with their associates) have a relevant interest in 5% or more of the Shares on issue in the Company:

Substantial holder	No. of shares	%
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Sacavic Pty Ltd as trustee for the Morris Super Fund	99,441,722	15.46%
Meurs Group	91,813,360	14.27%
Platinum Investment Management Limited	80,200,000	12.47%

The potential effect that the issue of the New Shares and New Options under the Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors including the level of Shareholder participation in the Offer, which Shareholders participate, the extent of any Shortfall, which Shareholders apply and are issued Shares in any Shortfall and the extent to which Mahe Capital and other underwriters are required to meet their respective commitments to subscribe for Shortfall and underwrite the Offer.

For example, if all Eligible Shareholders take up their Entitlement the issue of the New Shares would not be expected to have any material effect or consequence on the control of the Company other than with respect to those Shareholders who do not reside in Australia or New Zealand.

However, if one or more Eligible Shareholders do not take up their Entitlements in full, and the Offer proceeds, there will be a dilutionary effect on those Shareholders' proportional shareholdings in the Company. Furthermore, other investors who participate to the maximum extent possible and/or underwrite could acquire a relevant interest in more than 20% of the issued voting Shares in the Company, which may have a material impact on the control of the company.

For example, if no Entitlements are taken up, and the entire Shortfall is subscribed for by Mahe Capital to the extent they have committed, their voting power in the Company would potentially increase to 13.45%. Similarly, if Sacavic Pty Ltd were to subscribe for their full entitlement and all of the shortfall, their voting power could increase to 38.86%. The potential changes are shown in the table below as follows:

The voting power in the Company of this person...	which is currently approximately...	would change to approximately...
Mahe Capital	0%	13.45%
Sacavic Pty Ltd	15.46%	38.86%

The above potential control outcomes are based on the substantial holder notifications received by the Company, and other relevant shareholdings in the Company that the Company has been able to ascertain from its register of members, and the firm underwriting commitments entered into with the Company or notified to the Company in writing, as at the date of this Prospectus.

However, the Company and Mahe Capital intend to exercise their discretion in placing any shortfall to ensure that no shareholder is issued New Shares that would result in that shareholder having a relevant interest in 20% or more of the Shares in the Company.

2.6 No arrangements for further issues of securities

The Company has no other arrangements in place as at the date of this prospectus that will likely result in the issue of additional securities after the record date for the Rights Offer in addition to the Shares and Options referred to in Sections 2.2 to 2.4 of this Prospectus.

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3. STATEMENT OF FINANCIAL POSITION AND PRO FORMA CAPITAL STRUCTURE

Set out overpage is a pro forma Statement of Financial Position for the Company after taking into account the effect of the Offer. This statement is based on the accounts contained in the annual financial report for the Company as at 31 December 2024, lodged with the ASX on 20 February 2025.

The pro forma Consolidated Statement of Financial Position illustrates the effect of the Offer based upon the following assumptions and qualifications:

- (a) there being no other material changes to the Company's Statement of Financial Position since 31 December 2024;
- (b) the Offer being fully subscribed resulting in the Company issuing an additional 428.8 New Shares and 214.4 million New Options raising a total of approximately \$1.29 million;
- (c) the costs of the Offer estimated as being \$0.15 million; and
- (d) the activities of the Company since 31 December 2024 not being recognised in the *pro forma* Statement of Financial Position.

Basis of preparation

The pro-forma Consolidated Statement of Financial Position has been prepared using historical financial information extracted from the Company's consolidated financial statements for the 6 months ended 31 December 2024 which were published on ASX on 20 February 2025.

This information is a summary only and does not contain the disclosures provided in annual financial report or half-yearly financial report in accordance with the Corporations Act.

Copies of the most recent annual report (for the year ended 30 June 2024) and half-yearly report (for the 6 months ended 31 December 2024) are available from the Company's announcements page on ASX, or on the Company's website (<https://adalta.com.au/>).

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024				
	31.12.2024 (reviewed)	Offer		Pro-forma Statement (unaudited)
Assets				
Current assets				
Cash and cash equivalents	1,627,036	1,136,446		2,763,482
Trade and other receivables and prepayments	469,789	-		469,789
Other current assets	30,764	-		30,764
Total current assets	2,127,589	1,136,446		3,264,035
Non-current assets				
Property, plant and equipment	67,636	-		67,636
Right-of-use asset	143,879	-		143,879
Total non-current assets	211,515	-		211,515
Total assets	2,339,104	1,136,446		3,475,550
Liabilities				
Current liabilities				
Trade and other payables	461,735	-		461,735
Lease Liabilities	129,277	-		129,277
Provisions	103,211	-		103,211
Total current liabilities	694,223	-		694,223
Current liabilities				
Lease Liabilities	23,239	-		23,239
Financial liabilities	1,475,895	-		1,475,895
Provisions	46,376	-		46,376
Total non-current liabilities	1,545,510	-		1,545,510
Total liabilities	2,239,733	-		2,239,733
Net assets	99,371	1,136,446		1,235,817
Equity				
Issued capital	47,999,255	1,136,446		49,135,701
Reserves	2,196,784	-		2,196,784
Accumulated losses	-50,096,668	-		-50,096,668
Total equity	99,371	1,136,446		1,235,817

4. COMPANY OVERVIEW AND UPDATE

4.1 Strategy

AdAlta is a clinical stage biotechnology business focused on the discovery and development of next generation cell and protein-based therapeutics. Current programs address the need for effective cellular immunotherapies for the treatment of solid cancers and the need for more effective therapies for fibrotic diseases such as Idiopathic Pulmonary Fibrosis.

Through its 'East to West' cellular immunotherapy strategy, the Company is integrating Asia's prowess in T cell therapy development with the efficiency and quality of Australia's clinical and manufacturing ecosystem to create a pathway connecting 'Eastern' innovation in cellular immunotherapies with 'Western' regulated markets and patients. AdAlta, through its subsidiary company AdCella Pty Ltd (**AdCella**), aims to in-license clinical stage T cell immunotherapies, establish manufacturing and complete initial US FDA compliant clinical trials in Australia and then on-license to larger biopharmaceutical companies, sharing the value created with the Company's in-licensing partners. This strategy is the key growth driver for the Company.

AdAlta has previously developed other assets using its proprietary i-body® technology for which it is now seeking partnerships intended to crystallise the value that previous R&D investment in these unique assets has created. AD-214, a phase II ready, first in class i-body-fusion protein, takes a whole new approach to fibrotic diseases of the lung and kidney, such as the degenerative and fatal Idiopathic Pulmonary Fibrosis (**IPF**). WD-34 is a discovery stage i-body® showing potential in the treatment and prevention of malaria and related diseases. AdAlta believes this is the first antibody-like molecule showing both high potency against malaria parasite invasion and activity against multiple strains of malaria.

4.2 'East to West' cellular immunotherapies - AdCella

Cellular immunotherapies are a new class of highly innovative therapeutics that involve engineering a patient's own immune cells in a laboratory to enable them to find and fight cancer and returning them to the patient. These highly specialised, precision medicine products are living drugs that offer potential cures for cancer in a single or limited number of doses.

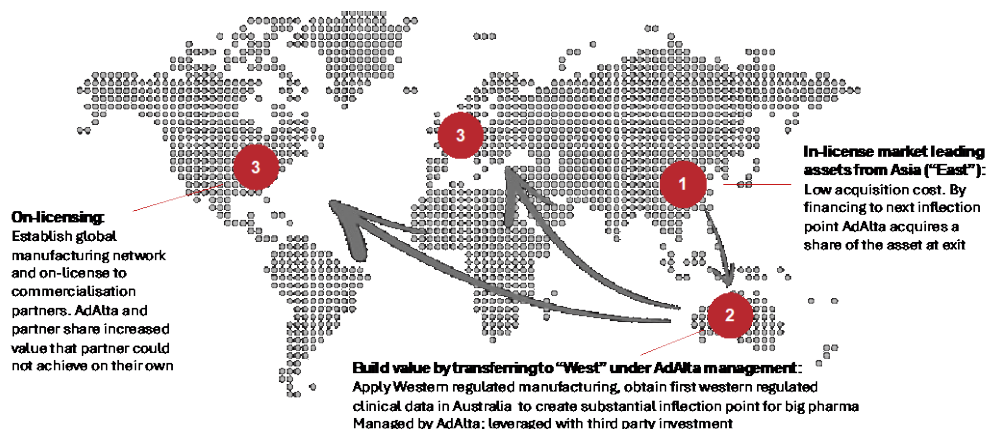
AdAlta's 'East to West' cellular immunotherapy strategy seeks to bring the transformative outcomes that cellular immunotherapies have brought to blood cancers to patients with solid tumors which represent 90% of all cancers. This much larger solid cancer market was opened during 2024 with the US Food & Drug Administration (**US FDA**) approval of the first T cell immunotherapies for solid cancers.

AdAlta, through its subsidiary company AdCella Pty Ltd ("AdCella"), aims to in-license clinical stage, highly differentiated T cell immunotherapies for solid cancers from the "East" (Asia) and provide a pathway for these groundbreaking products to access "Western" markets by establishing manufacturing and conducting first clinical trials under a USA FDA IND in Australia. AdCella's management of these products creates value for larger biopharmaceutical companies by "Westernising" and re-risking these innovative assets, generating confirmatory clinical data and eliminating transactional and execution complexity for Western partners. This value is shared with the Company's in-licensing partners enabling them to realise higher value than they could achieve on their own. AdCella acts as a force multiplier for Asian innovators. The business model is illustrated in Figure 1.

This strategy leverages the rich innovation in Asia in biotechnology generally and cellular therapies in particular. A significant percentage of global cellular immunotherapy developers, as well as a majority of all cellular immunotherapy clinical trials are located in Asia. Making this innovation available to Western patients remains challenging: large biopharma companies resist the

opportunity costs and complexity of transacting with Asia and want clinical data in more diverse populations, and many Asian companies lack the financial and operational skills to deliver this. AdCella's "East to West" strategy aims to provide a pathway across this gap, leveraging Australia's specific expertise in cell therapy manufacturing and clinical translation and utilizing AdAlta's clinical translation skills and a unique business model.

Figure 1: Valuation upside from becoming a force multiplier for Asian partners



Using a disciplined asset selection process, AdCella is identifying highly differentiated T cell immunotherapies designed to overcome the challenges of accessing and treating solid cancers and with potential to be significantly better than current best in class treatments. The solid cancer market is larger and less competitive than the blood cancer market. The "East to West" strategy is highly scalable, with the deep opportunity pipeline available providing a runway for AdCella to evolve into a powerhouse in cellular immunotherapy through replicating product licensing by becoming a force multiplier for Asian partners. Interest from international investors indicates that AdCella can own and manage these assets while leveraging significant third-party capital to finance value creation.

AdCella is now in exclusive negotiations and confirmatory due diligence to license three clinical stage CAR-T cell therapy assets. All three have demonstrated encouraging potential efficacy and manageable safety profiles in small clinical trials and all have potential indication expansion opportunities combined with strategies to lower cost of goods compared to conventional CAR-T products. More specifically the assets are:

- Term sheet 1: Armored CAR-T for lung, mesothelioma, ovarian, pancreatic and colorectal cancers, with clinical data from 33 patients showing efficacy substantially superior to current second line care and a rapid, non-viral vector manufacturing process.
- Term sheet 2: First-in-class CAR-T for advanced colorectal, lung and gastric cancers, with clinical data from 9 heavily pre-treated colorectal cancer patients including two cases of completely resolved malignant ascites, a safety "kill" switch and potential for multi-dosing without lymphodepletion.
- Term sheet 3: first-in-class CAR-T for gastric and gynecological cancers with clinical data from 18 patients suggesting superiority over current third line care.

If definitive agreements are entered into on the terms currently proposed, AdCella will most likely make upfront and milestone payments to partners of US\$2-6.5 million, such payments to include supply of viral vectors and other raw materials and in some cases payment for further clinical studies in Asia. AdCella will be responsible for completing technology transfer to a suitable contract manufacturing organization, securing a US FDA IND approval and conducting a Phase I clinical trial, most likely in Australia, to prepare each asset for Phase II studies (which could support

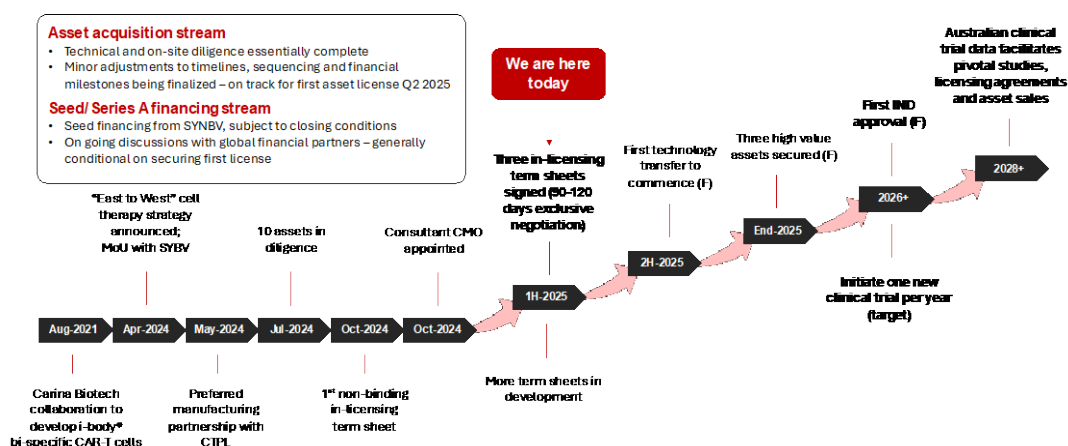
regulatory approval depending on the results and indication). AdCella aims to receive between 45-60% of the economic proceeds of a licensing transaction at the end of any Phase I study and will also aim to have the option to progress development itself or in co-operation with its partners.

AdCella believes that its technical due diligence is now substantially complete, including successful on-site due diligence in China that reviewed clinical sites, manufacturing processes, raw materials and manufacturing sites. Subject to the counterparties agreeing minor adjustments to development plans, timelines and financial terms to reflect the findings of due diligence, AdCella believes it remains on track to finalise transaction documents, subject to financing, for at least one asset in the June 2025 quarter. It has secured extensions of exclusivity periods to finalise these agreements and secure the necessary third-party financing. The Company’s aspirational targets are for three assets to be secured by the end of calendar year 2025, the first to commence technology transfer in the second half of 2025 and for one new asset to progress into clinical trials each year from calendar year 2026.

Each term sheet may or may not result in a definitive license agreement and terms may vary materially as a result of due diligence findings. Full details about each asset, including licensing terms, will be communicated when definitive agreements are executed.

Figure 2 summarises AdAlta’s progress to date and target deliverables in the near term.

Figure 2: “East to West” strategy – progress and potential



4.3 A whole new approach to fibrotic disease - AD-214

AdAlta’s AD-214 is a first in class, next generation protein therapeutic for the treatment of fibrotic diseases including lung fibrosis (specifically Idiopathic Pulmonary Fibrosis (IPF) and Interstitial Lung Disease (ILD)) and kidney fibrosis. The Company is focussed on securing third party partners or investors to finance progression of AD-214 into Phase II clinical studies in IPF or kidney fibrosis and development of a patient preferred subcutaneous format.

AD-214 uses AdAlta’s proprietary i-body® technology to targets the G-Protein Coupled Receptor (GPCR) known as CXCR4. AD-214 has been shown to be well tolerated in Phase I clinical studies, effective in multiple animal and laboratory models of lung fibrosis (for potential application in IPF, ILD) and kidney fibrosis (for potential application in FSGS, lupus nephritis, Alport Syndrome) and has patent and market exclusivity protection beyond 2036. The next phase of the development program will prioritise completing development of a market preferred subcutaneous formulation of AD-214 and generating clinical efficacy data in patients.

The Company is working with a range of strategic and financial investors with a view to out-licensing AD-214 to regional and global biopharmaceutical companies for both lung and kidney indications or financing Phase II trials in a potential spin-out company.

While these discussions are progressing more slowly than hoped, the Company notes that interest in fibrosis assets remains significant.

4.4 Transforming malaria prophylaxis and treatment – WD-34

Current therapies for malaria are limited by rapid development of resistance to small molecule drugs, cost and strain specific limitations for antibody drugs and limited efficacy of vaccines.

WD-34 is an i-body® discovered in collaboration with La Trobe University that, in what is believed to be a world first, targets a highly conserved region of a protein called AMA1 that is crucial for malaria parasites to invade human cells. WD-34 recognises AMA1 from multiple malaria (*Plasmodium*) species as well as *Babesia* and *Toxoplasma*. This pan-strain recognition combined with high potency inhibition of invasion suggests potential for a long acting, single dose prophylaxis for travellers and deployed personnel, seasonal prophylaxis for children in endemic malaria regions or a novel method of antigen generation for more effective vaccines.

AdAlta is currently applying for grant funding and fielding enquires from potential commercialisation partners to advance this product candidate.

4.5 Recent developments

On 6 February 2025, the Company announced that it has secured exclusive negotiation rights to three highly differentiated CAR-T cell therapies and would prioritise its East to West cellular immunotherapy strategy for growth.

Also on 6 February 2025, the Company announced that it would cease internal discovery research and development, exit its laboratories at La Trobe University. This also led to a 45% reduction in staff.

On 20 March 2025, the Company announced a Heads of Agreement with SYN BV under which SYN BV would invest \$0.5m initially and up to \$2m in a seed financing of AdCella and had the right to invest \$5.5m in a Series A round for AdCella. The investment was subject to finalising and approving customary enabling documents and compliance with certain regulatory requirements. The parties have not (as yet) been able to meet certain of the conditions required in the enabling documents related to co-investors in the seed round and as a result the seed financing was not received in April as expected. AdAlta and SYN BV continue to collaborate to meet those conditions.

On 30 April 2025, the Company announced in its March quarter report that it had substantially completed technical due diligence on all three CAR-T cell therapy assets and was on track to be able to finalise definitive licensing agreements for at least the first asset, subject to financing, in the June quarter of 2025.

Also on 30 April 2025, the Company announced further cash management initiatives to reduce fixed headcount and overhead costs while it worked to finalise the first CAR-T licensing transaction and financing and evaluated other strategic opportunities for its asset portfolio. Board fees have been suspended and the CEO is foregoing salary until the completion of a strategic transaction. The remaining staff will cease employment at the end of May 2025. Their expertise will be retained in the near term through consulting contracts. With the exception of CFO services, all retained services have been suspended or terminated so that all advisory services are provided only as needed and on a time spent basis.

4.6 Future milestones

The Company is currently focussed on advancing existing business development transactions and evaluating other strategic options for the Company and its assets. Near term milestones could include:

- AdCella 'East to West' cellular immunotherapies
 - The Company anticipates it could be in a position to execute at least one in-licensing transaction for AdCella during the June 2025 quarter
 - Closing of that transaction would be subject to complete seed and pre-Series A financing of AdCella. The Company is managing a robust pipeline of potential investors including Australian, Asian and international venture capital firms to align financing with the first asset.
 - Subject to financing, two further assets could potentially be licensed in the second half of 2025.
- AD-214 and WD-34. The Company continues maintain and renew a pipeline of active discussions with parties interested in licensing or co-investing in AD-214 and has received a first enquiry in relation to its WD-34 antimalarial asset. For competitive and practical reasons, AdAlta is unable to forecast when, or even if, other specific partnership agreements and the transactions that flow from them may close.
- Other opportunities. The Board is now also reviewing other in- and out-licensing and acquisition opportunities to create shareholder value.

5. RISK FACTORS

5.1 General

The Company's activities are subject to a number of risks which may impact future financial performance and the price at which New Shares may be sold. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, others are outside the Company's control and cannot be mitigated. Therefore, investors who acquire New Shares and New Options may be exposed to a number of risks. Broadly, these risks can be classified as risks that are general to investing in trading companies and risks specific to an investment in Shares and the Company's underlying business.

This Section sets out the identified major risks associated with investing in New Shares and New Options. This list is not exhaustive, and investors should read this Prospectus in its entirety before making an investment decision. Investors should also have regard to their own investment objectives and financial circumstances and should consider seeking appropriate independent investment advice before deciding whether to invest in the New Shares and New Options.

5.2 Risk factors specific to the Company

(a) *Business risks*

Prospective investors should consider the various risks and difficulties frequently encountered by companies early in their commercialisation, particularly companies that develop and sell biopharmaceuticals. These risks include AdAlta's ability to: (a) implement and execute its business strategy; (b) develop its products; (c) identify and secure capable commercialisation partners on profitable terms; (d) obtain regulatory and reimbursement approval for its products (itself or through partners); (e) establish cost competitive and reliable supply chains for its products; (f) manage expanding operations; and (g) respond effectively to competitive pressures and developments.

In particular, to generate a return on its investment in research and development of its products, the intention of the Company is to secure agreements with other biopharmaceutical companies to further develop and commercialise its products. There is no guarantee that AdAlta will be able to secure such agreements or the terms on which they may be secured in which case the Company may need to secure ongoing development financing from other sources and delay or halt development of certain product development programs.

(b) *Business development risks*

To execute its growth strategy, the Company needs to be able to successfully in-license suitable assets. While it has agreed term sheets for several assets, these are non-binding and subject to conditions. Each term sheet may or may not result in a definitive license agreement and terms may vary materially from term sheets as a result of due diligence findings. Definitive licensing agreements may contain conditions relating to financing, development project milestones and timelines that the Company may not be able to meet.

To realise the value of its existing assets, the Company needs to be able to successfully out-license its assets. There is no guarantee as to the timelines or financial terms of such transactions or even that any transaction will eventuate.

(c) *Costs and financing of development programs*

The development programs required to further develop the Company's assets and progress its strategy are not fully funded. The Company has limited financial resources and no continuous revenue generating products today. Therefore, it is dependent on being able to transact its assets and continue to raise capital to continue operations and develop its assets.

Once financed, the development programs rely on numerous work items. The costs of these items cannot be confirmed until each item is requested from the supplier and the work scope and pricing agreed. There is a risk that the work items in the proposed development program may cost more than that budgeted for, or may require more drug substance than that budgeted for (and as a result the Company may need to manufacture additional drug substance at significant cost and delay), or may require additional studies to meet regulatory or other requirements and as a result the Company may need to obtain additional funds to complete the programs.

No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

(d) Regulatory risks

AdAlta's products and intended products are subject to various laws and regulations including but not limited to regulatory approval and quality compliance. Data obtained from pre-clinical and clinical activities are susceptible to varying interpretations, which could delay, limit or prevent regulatory approval or clearance.

Before the Company can conduct the clinical studies necessary to develop its assets it must obtain necessary approvals from Human Research Ethics Committees and regulatory authorities. Before the Company or its commercialisation partners can undertake further clinical trials or market and sell its products, the products must be demonstrated to be safe and effective and of suitable quality and must obtain necessary approvals from regulatory authorities (for example, the Australian Therapeutic Goods Administration and the United States Food and Drug Administration). Such approval may take longer than anticipated, require additional trials to be undertaken or may not be provided at all.

As a result, the Company may require additional funding to secure the regulatory pathway. No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

There is no guarantee that compliance will be achieved to support the Company's commercialisation plans. Regular reviews by regulatory bodies are also a feature of the industry in which AdAlta, and its partners, contract service providers and suppliers, operates. Changes in laws and regulations (including interpretation and enforcement) could also adversely affect the Company's ability to meet compliance costs and to market, distribute and sell its biopharmaceutical products. It is not possible to predict the likelihood, nature or extent of changes in government regulation that may arise.

(e) Australian Government R&D incentives may change

The Company's development program includes anticipated receipt of tax refunds based on the Company's actual research and development spending. Certain loan facilities are secured against these receipts. If the status of the Company or its connected entities should change, or the Australian Federal Government changes its R&D Tax Incentive (RDTI) program in a manner which adversely affects the amount of funds available or the timing of receipt of such funds, there is a risk that the Company may need to obtain additional funds to complete the program.

No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

(f) Clinical trial risk

Moving from discovery to development and subsequent commercialisation typically involves multiple and progressively larger clinical trials. Such trials can be expensive, time consuming, may be delayed or may fail. Clinical trial success can be impacted by a number of factors including obtaining ethics approval, incomplete or slower than expected recruitment of patients, failure to meet trial end points, lack of product effectiveness during the trial, safety issues and modifications to trial protocols or changes to regulatory requirements for trials. Clinical trial protocols routinely provide discretion to the principal investigator and safety management committee to modify dose escalation schedules, cohort sizes or other factors in response to observations during the trial. These factors can impact the size, cost and duration of a clinical trial. There is no guarantee that any current or future trials will demonstrate that the Company's products are successful.

Failure or material delay at any point of the clinical trial process will reduce the Company's ability to commercialise its intellectual property and generate revenues.

(g) Risk of product development and manufacturing

The Company's products, including AD-214, have not yet been produced on a scale sufficient for large scale clinical trials, multiple simultaneous trials or commercial production. The development of formulations and packaging for the Company's products, including AD-214, are not yet complete. The manufacture of patient specific cellular immunotherapies such as CAR-T therapies pose particular cost and complexity challenges at all stages of development and commercialisation. If the Company is unable to manufacture products in sufficient quantities or in suitable formulations and presentations or at an appropriate cost level, it may not be able to conduct appropriate clinical tests to prove its product. Further, it may be unable to produce the products at a price point which is profitable or in a format sufficient convenient for patients and healthcare professionals to adopt in the context of commercial sales of the product. The Company's ability to implement its business plan and partner its assets would be significantly hindered such this failure and the Company may be unable to generate a profit, even if its drug development activity is successful.

(h) Risk in drug development

The Company has limited history in drug development. Accordingly, the Company cannot guarantee that the AD-214, WD-34 or cellular immunotherapy discovery, pre-clinical or clinical programs will result in the development of any products, or even if they do that the products will be approved or commercialised successfully. The Company's ability to

generate revenues or profits, may therefore be adversely affected by this lack of experience.

The development and commercialisation of pharmaceutical products is subject to the inherent risk of failure, including the possibility that products may:

- (1) be found to be unsafe or ineffective;
- (2) fail to demonstrate any material benefit or advancement in safety and/or efficacy of an existing product;
- (3) fail to receive necessary regulatory approvals;
- (4) be difficult or impossible to manufacture on the necessary scale;
- (5) be uneconomical to market or otherwise not commercially exploitable;
- (6) fail to be developed prior to the successful marketing of a similar product by competitors;
- (7) compete with products marketed by third parties that are superior; and
- (8) fail to achieve the support or acceptance of physicians, patients or the medical community.

(i) Intellectual property

The Company's success depends, in part, on its ability to obtain or license patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

The Company relies on its ability to develop and commercialise intellectual property. A failure to protect its intellectual property successfully may lead to a loss of opportunities and adversely impact on AdAlta's operating results and financial position.

Although the Company will seek to protect its intellectual property, there can be no assurance that these measures will be sufficient. The Company gives no guarantee that further development of its intellectual property will be successful, that development milestones will be achieved, or that the intellectual property will be developed into further products that are commercially exploitable.

There can be no assurance that any patents the Company may own or control or licence now and, in the future, will afford the Company a competitive advantage, commercially significant protection of the intellectual property, or that any of the projects that may arise from the intellectual property will have commercial application. Any challenge to the Company's intellectual property position would divert the limited resources of the Company away from its primary development program and may result in the Company requiring additional funds to complete that program. It may also result in the Company being unable to fully utilise its intellectual property portfolio or being required to in-licence certain intellectual property in order to be able to conduct its development program in a manner which will allow commercialisation of its products, and which may reduce the profits available from such activities.

There is always a risk of third parties claiming involvement in technological and medical discoveries. The granting of a patent does not guarantee that the rights of others are not

infringed or that a competitor will not develop competing intellectual property that circumvents such patents. The patent position of pharmaceutical companies can be highly uncertain and frequently involve complex legal and scientific evaluation. The breadth of claims allowed in pharmaceutical patents and their enforceability cannot be predicted.

(j) Reliance on key personnel

Due to the specialised nature of the Company's business and its size, its ability to commercialise its products and maintain its research program will depend in part on its ability to attract and retain suitably qualified management, scientists, research personnel and consultants. The Company also faces competition to employ and retain the services of such individuals. The Company has recently reduced its permanent, directly employed personnel and is therefore reliant on consultant and contracted expertise.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified scientific and management personnel or maintain its relationship with key scientific organisations and contractors.

The loss of key scientific and management personnel, and the associated corporate knowledge of those people could have a detrimental impact on the Company, and this may adversely affect the Company by impeding the achievement of its research, product development and commercialisation objectives.

(k) Competitive risk

There are a number of companies with drugs and cell therapies at various stages of development for the treatment of IPF, other fibrotic diseases and for solid cancers.

There are also a number of companies developing cellular immunotherapies similar to those the Company is developing and a number of companies competing to license technology and products originating in Asia and especially China.

The Company's potential competitors may include companies with substantially greater resources and access to more markets. Therefore, competitors may succeed in developing products that are safe, more effective or otherwise commercially superior than those being developed by AdAlta or which could render the Company's products obsolete and/or otherwise uncompetitive. The Company's ability to implement its business plan would be significantly hindered by this and the Company may be unable to generate revenues or profits, even if its drug development activity is successful.

(l) Currency risk

Expenditure in overseas jurisdictions is subject to the risk of fluctuations in foreign exchange. The Company's payment obligations to many of its third-party service providers, including its manufacturer and certain pre-clinical testing are expected to be in foreign currency. The Company intends to forward purchase foreign currency against known near term contractual obligations to aid in financial planning. If there are adverse currency fluctuations against the Australian dollar, there is a risk that the work items in any proposed development program may cost more than that budgeted for and as a result the Company may need to obtain additional funds to complete the program.

No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all),

preventing the Company from commercialising its intellectual property and generating revenues.

(m) Sufficiency of funding

AdAlta is currently not profitable and does not expect to become profitable until after achieving successful commercialisation of its products to allow sufficient sales revenue to fund on-going company operations. The Company will not have sufficient capital from the Offer to implement licensing agreements and fully commercialise any of its programs or strategies. Accordingly, the Company will either have to raise additional capital through further offers or rely on securing grants or commercial transactions to further its development programs.

The Company's ability to raise further capital (equity or debt) or secure grants or a commercial (including licensing) transaction within an acceptable time, or a sufficient amount and on terms acceptable to it will vary according to a number of factors, including the success of current projects, the result of research and development and other cyclical factors affecting the Company and financial and share markets generally. No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

(n) Product liability risk

The process of securing marketing approval of a new product is both costly and time consuming. The intention of the Company is to out-license product candidates prior to completion of clinical trials and obtaining of marketing authorisations from relevant regulatory authorities. The conduct of clinical trials will expose the Company to product liability risks and future sales of its products may, and if the Company decides to develop a product candidate and take it to market directly will, expose the Company to product liability risks which are inherent in the research and development, manufacturing, marketing and use of its products.

The Company intends to obtain and maintain adequate levels of insurance to cover product liability risks. Despite this, there can be no guarantee that adequate insurance coverage will be available at an acceptable cost (or in adequate amounts), if at all, or that product liability or other claims will not materially and adversely affect the operations and condition of the Company. A product liability claim may give rise to significant liabilities as well as damage the Company's reputation.

(o) Third party service provider risk

The Company will conduct much of its development and manufacturing activities through a series of contractual relationships with third parties. All contracts, including those entered into by the Company, carry a risk that the respective parties will not adequately or fully comply with their respective contractual rights and obligations, or that these contractual relationships may be terminated. This may adversely affect the Company by impeding the achievement of its research, product development and commercialisation objectives.

(p) Healthcare insurers and reimbursement

In many markets, treatment volumes are likely to be influenced by the availability and amounts of reimbursement of patients' medical expenses by third party payer organisations including government agencies, private health care insurers and other health care payers. There is no assurance that reimbursement of any products or services developed and commercialised by the Company will be available to patients at all or without substantial delay. Even if such reimbursement is provided, the approved reimbursement amounts may not be sufficient to enable the Company or its commercialisation partners to sell products on a profitable basis.

5.3 General Risks

A number of factors which are outside of the Company's control may significantly impact on the Company, its performance and the value of New Shares. These factors include:

(a) *Investment and Economic Risk*

Economic factors both in Australia and internationally beyond the control of the Company, such as interest rates, inflation, exchange rates, taxation, changes in government policy and legislation, may negatively impact on the operational performance of the Company.

The Company's revenues, expenses and cash flows could be negatively affected by any of these factors, which in turn may affect the value of New Shares and New Options.

No assurances can be made that the Company's performance will not be adversely affected by any such market fluctuations or factors. None of the Company or its Directors or any other person guarantees the performance of the Company or the market price at which its Shares trade. The New Shares and New Options issued under the Offer carry no guarantee in respect of profitability, dividends, or return of capital. The value of the New Shares will be subject to a range of factors beyond the control of the Company and its Directors including the demand and availability of Shares.

As at the date of this prospectus, the outstanding subscription amount under two investment agreements announced on 29 April 2024 for which fully paid ordinary shares (**Placement Shares**) in the Company are yet to issue is \$1.56 million. The Company will have the right (but not an obligation) to opt to repay the outstanding subscription amount by making a payment equal to the market value of the shares that would have otherwise been issued, instead of issuing shares to the investors. If the Company does not exercise that right, the Company will issue Placement Shares when requested by the investors, within thirty-six months of the date of the related subscriptions. The number of shares so issued by the Company will be determined by applying the Purchase Price, being the price equal to the average of the five daily volume-weighted average prices selected by the investors during the 20 consecutive trading days immediately prior to the date of the relevant investor's notice to issue Placement Shares less a 10% discount, to the applicable subscription amount, subject to the Floor Price of \$0.02. If the Purchase Price formula would result in a price that is less than the Floor Price, the Company may forego issuing shares and instead repay the applicable subscription amount in cash (with a 12% premium), subject to the investors' right to receive Placement Shares at the Floor Price in lieu of such cash repayment. See the Company's ASX announcement dated 29 April 2024 for a description of the terms of the investment agreements.

An investment in New Shares and New Options should be considered speculative.

(b) *Government policy*

The Company's capacity to conduct its operations, as well as industry profitability generally, can be affected by changes in government policy which may be beyond the control of the Company. These can also include introduction of trade protection mechanisms by governments without notice (such as tariffs). The Company intends to do business with entities based in China and the USA and notes the increased levels of tariff and non-tariff barriers and other trade and business restrictions presently being imposed on short notice by these and other countries.

(c) *Future capital needs and additional funding*

The future capital requirements of the Company will depend on many factors. There can be no guarantee that the Company will be able to raise additional capital to meet future funding requirements.

Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

(d) *Taxation risk*

Variations in the taxation laws of Australia and other countries in which the Company operates could impact the Company's financial performance. Interpretation of taxation law could also change, leading to a change in taxation treatment of investments or activities.

(e) *Changes in regulatory environment*

Changes to laws and regulations or accounting standards which apply to the Company from time to time could adversely impact the operating and financial performance and cash flows of the Company.

5.4 Other Risk Factors

Other risk factors include those normally found in conducting business including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the Company's business or trade.

Before any decision is made to subscribe for securities under the Offer, the above matters, and all other matters described in this document must be carefully considered. The New Shares and New Options to be allotted pursuant to this Prospectus should be regarded as speculative in nature and carry no guarantee with respect to the payment of dividends, return of capital or their market value.

The above list of risk factors should not be taken as exhaustive of the risks faced by the Company or the Shareholders. The above factors, and others not specifically referred to above, may in the future materially affect the Company's financial performance and the value of the New Shares and New Options.

6. RIGHTS AND LIABILITIES ATTACHING TO THE SECURITIES

6.1 Rights attaching to the New Shares

The rights attaching to ownership of the New Shares arise from a combination of:

- (a) the Constitution; and
- (b) in certain circumstances, the Corporations Act and the general law.

The following is a summary of the more significant rights attaching to the New Shares. This summary is not exhaustive, nor does it constitute a definitive statement of the rights and liabilities of the Shareholders.

Further details of the rights attaching to Shares are set out in the Constitution of the Company, a copy of which can be downloaded from the Company's website at <https://adalta.com.au/>.

6.2 Variation of rights

The rights attaching to the New Shares may only be varied by the consent in writing of the holders of three-quarters of the Shares, or with the sanction of a special resolution passed at a general meeting.

6.3 Voting rights

Subject to any rights or restrictions, at general meetings of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

6.4 General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

The Directors may convene a general meeting at their discretion.

6.5 Dividends

Shareholders will be entitled to a share of any dividends declared, distributed among members in proportion to the capital paid up, from the date of payment. No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

Shareholders may be paid interim dividends or bonuses at the discretion of the Directors. The Directors may set aside a sum out of the profits of the Company, as reserves, before recommending dividends of the profits.

6.6 Winding-up

If the Company is wound up, the liquidator may with the sanction of a special resolution, divide the assets of the Company amongst shareholders as the liquidator sees fit. If the assets available for distribution (following payment of the debts of the Company) are insufficient to repay the whole of the paid-up capital of shareholders, they will be distributed in such a way that the losses borne by shareholders are in proportion to the capital paid up.

6.7 Transfer of Shares

Shares can be transferred upon delivery of a proper instrument of transfer to the Company. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Except where the operating rules of an applicable clearing and settlement facility licensee provide otherwise, until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

Subject to the Corporations Act, the Listing Rules and the ASX Settlement Operating Rules, the Directors may in their absolute discretion ask ASX Settlement to apply a holding lock to prevent a transfer under the ASX Settlement Operating Rules, or refuse to register a paper-based transfer, of a Share in certain circumstances, including where:

- (a) the Company has a lien on the Shares the subject of the transfer;
- (b) the Company is served with a court order that restricts the relevant Member's capacity to transfer the Shares;
- (c) registration of the transfer may breach a law and ASX has agreed in writing to the application of a holding lock (which must not breach an ASX Settlement Operating Rule) or that the Company may refuse to register a transfer;
- (d) the Company's constitution or the Listing Rules permits them to do so;
- (e) if the transfer is paper based, a law related to stamp duty prohibits the Company from registering it;
- (f) if the transfer is paper-based, registration of the transfer will create a new holding which at the time the transfer is lodged is less than a marketable parcel; or
- (g) the Shareholder has agreed in writing to the application of a holding lock (which must not breach an ASX Settlement Operating Rule) or that the Company may refuse to register a paper-based transfer.

While the Shares are quoted on ASX their transfer may be effected through CHESS in accordance with the ASX Settlement Operating Rules.

6.8 Unmarketable parcels

The Company's Constitution provides for the sale of unmarketable parcels subject to any applicable laws and provided a notice is given to the minority Shareholders stating that the

Company intends to sell their relevant Shares unless a notice that the Shareholder wishes to retain its holding is received by a specified date.

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7. New Options

The terms of the New Options are as follows:

Proposed issue date	Wednesday 4 2025
Issue price	Nil. One (1) New Option will be issued for no consideration for every two (2) New Shares acquired under the Rights Offer.
Exercise price of options	\$0.01 upon exercise to acquire each Share
Expiry date of options	3 June 2028
Exercise period	<p>Each New Option is exercisable immediately on issue. The New Options may be exercised at any time before their expiry date, by delivering a duly completed form of notice of exercise together with a cheque (or such other form of payment as is acceptable to the Company) for the exercise price. The Company will issue 1 fully paid ordinary share for each New Option exercised.</p> <p>The exercise of each option is subject to compliance with the Corporations Act 2001 (Cth) (in particular, the requirements of Chapter 6 of the Corporations Act).</p>
Minimum number able to be exercised	New Options will only be able to be exercised in a minimum number of 200,000 options at a time (unless the holder holds less than that number, at which time the minimum number of options able to be exercised will be the number held).
Terms of shares issued	Any shares issued as a result of exercising a New Option will be issued on the same terms and rank in all respects on equal terms, with existing ordinary shares in the Company.
Quotation of Shares issued	Application for official quotation of shares allotted and issued as a result of the exercise of the New Options will be made within five (5) business days from the date of issue of the shares.
Option register	New Options will be registered in the name of the holder in an option register maintained by the Company's share registrar. The share registrar will issue holding statements that evidence the number of options held. No option certificates will be issued.
Reconstruction of capital	<p>If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company:</p> <ul style="list-style-type: none">• the number of options or the exercise price of the New Options or both will be adjusted as specified in ASX Listing Rule 7.22 as it applies at the time of the reorganisation; and• in all other respects the terms for the exercise of the options will remain unchanged.

Adjustment for pro rata share issues	If there is a pro rata issue of shares the exercise price of the New Options will be adjusted in accordance with the formula in ASX Listing Rule 6.22.
Adjustment for issue of bonus shares	If there is a bonus issue of shares, the number of shares issued upon exercise of a New Options will be adjusted in accordance with ASX Listing Rule 6.22.
New issues of shares	The New Options do not confer a right to participate in new issues of shares unless the New Options have been exercised on or before the record date for determining entitlements to the issue.
Notice of adjustments	The Company will give written notice to the option holder of any adjustment of the exercise price of the options and any increase or decrease in the number of options.
Dividend rights	While they remain unexercised, the New Options will not give a holder an entitlement to receive any dividends declared and paid by the Company on its shares.
Applicable law	Each option is issued subject to: <ul style="list-style-type: none"> • the Corporations Act; • the ASX Listing Rules; and • the Company's constitution.
Quotation of the New Options	The Company will apply to ASX for official quotation of the New Options.
Change of terms	The terms of a New Option may be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

8. ADDITIONAL INFORMATION RELEVANT TO THE OFFER

8.1 The Company is a Disclosing Entity

The Company is a disclosing entity for the purposes of the Corporations Act and, as such, is subject to regular reporting and disclosure requirements. As a listed company, the Company is required to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

The ASX maintains records of company announcements for all companies listed on the ASX. The Company's announcements may be viewed on the ASX's website at www.asx.com.au.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy of the document before the Closing Date:

- (a) the annual financial report of the Company for the year ended 30 June 2024, being the annual financial report most recently lodged by the Company with the ASIC; and
- (b) the financial report for the half-year ended 31 December 2025, being the financial report most recently lodged by the Company with the ASIC;
- (c) any continuous disclosure notices (that is, documents in which the ASX was notified of information relating to the Company) given by the Company after 20 February 2025, being the date of lodgement of the 31 December 2024 half yearly financial report and before lodgement of a copy of this Prospectus with the ASIC. These documents are:

21/02/2025	Application for quotation of securities – 1AD
21/02/2025	Cleansing Notice
04/03/2025	Company presentation – East-West Biopharma Summit
05/03/2025	R&D Tax Incentive advance received
13/03/2025	Investor presentation – Stocks on Track
17/03/2025	Application for quotation of securities – 1AD
17/03/2025	Cleansing Notice
20/03/2025	SYNBV invest up to \$2m in East to West subsidiary
26/03/2025	ASX Emerging Gems presentation
14/04/2025	Notification of cessation of securities – 1AD
14/04/2025	Notification regarding unquoted securities – 1AD
30/04/2025	Trading Halt
01/05/2025	Quarterly Appendix 4C and Activities Report
01/05/2025	Renounceable Rights Issue to Raise up to \$1.3 million
01/05/2025	Proposed issue of securities – 1AD
02/05/2025	Change of registered address

The Company may make further announcements to ASX from time to time. Copies of announcements are released by ASX on its website (www.asx.com.au), and will also be made available on the Company website (<https://adalta.com.au/>). Copies of announcements can also

be obtained from the Company on request. Prospective investors are advised to refer to ASX's website or the Company website for updated releases about events or matters affecting the Company.

The annual financial report, half-yearly financial report and the continuous disclosure notices referred to above have been identified for the purposes of section 713(4) of the Corporations Act and are not taken to form part of the content of this Prospectus.

The Company's Constitution and the consents referred to in Section 8.8 are also available for inspection for a period of 12 months after the date of this Prospectus during normal business hours at the Company's office at:

AdAlta Limited
Suite 201, 697 Bourke Road
Camberwell, Victoria 3124

8.2 Section 713 Prospectus

This Prospectus has been issued under the provisions of section 713 of the Corporations Act. Section 713 enables disclosing entities to issue prospectuses in relation to securities in a class of securities that has been quoted on the ASX at all times in the 12 month period preceding the date of the prospectus (or options over such securities). Copies of documents lodged at ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an office of ASIC.

The New Shares to be issued under this Prospectus are in a class of securities that has been continuously quoted on the ASX in the 12 month period preceding the date of this Prospectus.

As the New Shares form part of the same class as the Company's existing Shares, ASIC Corporations (Exposure Period) Instrument 2016/74 allows the Company to accept Entitlement and Acceptance Forms upon the lodgement of this Prospectus with ASIC.

The level of disclosure that applies to this Prospectus requires that it must contain all the information investors and their professional advisers would reasonably require to make an informed assessment of:

- (a) the effect of the Offer on the Company; and
- (b) the rights and liabilities attaching to the securities being offered.

The Prospectus must contain this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in the Prospectus. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospectus of the issuing company. Accordingly, this Prospectus does not contain the same level of disclosure as a prospectus of an unlisted company or an initial public offering prospectus.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that the Company has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the date of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company. Information that is already in the public domain has not been reported

in this Prospectus, other than that which is considered necessary to make the Prospectus complete.

8.3 The Board of Directors, Interests of Directors and Management

Details of the interests of each Director in securities of the Company immediately before lodgement of this Prospectus with ASIC are set out in the table below. The table does not take into account any securities the Directors may acquire under the Offer.

Relevant Interests of Directors (including indirect interests)

Director	Shares	Options	Performance rights
Paul MacLeman	472,970	3,055,000 unquoted options expiring 29 November 2025 each with an exercise price of \$0.0845 2,800,000 unquoted options expiring 22 November 2027 each with an exercise price of \$0.02	-
Tim Oldham	1,701,750	4,929,060 unquoted options expiring 26 November 2025 each with an exercise price of \$0.2479 1,200,000 unquoted options expiring 29 November 2025 each with an exercise price of \$0.0845 5,600,000 unquoted options expiring 22 November 2027 each with an exercise price of \$0.02 757,195 unquoted options expiring 20 November 2028 each with an exercise price of \$0.0183	1,396,999 performance rights expiring 4 December 2028 issued under the terms of the Company's omnibus equity plan following approval by shareholders at the 2024 AGM
David Fuller	294,936	1,200,000 unquoted options expiring 29 November 2025 each with an exercise price of \$0.0845 1,750,000 unquoted options expiring 22 November 2027 each with an exercise price of \$0.02	-
Michelle Burke	-	-	-
Iain Ross	2,880,000	-	-

8.4 Payments and Benefits to Directors

Except as set out in this Prospectus, no person has paid or agreed to pay any amount, or provided or agreed to provide any benefit to:

- (a) any Director in order to induce them to become, or to qualify as, a Director; or

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(b) any Director for services provided by him in connection with:

- (1) the formation or promotion of the Company, or
- (2) the Offer.

The remuneration paid or payable to each Director for the last two years (including cash and non-cash benefits) is set out in Section 8.5 below.

8.5 Remuneration of Directors and Executives

As Chief Executive Officer and Managing Director, Dr Tim Oldham is currently paid \$341,970 per annum plus statutory superannuation.

As a non-executive Director and Chair, Dr Paul MacLeman is currently paid \$75,000 per annum including statutory superannuation.

As a non-executive Director, Dr David Fuller is currently paid \$50,000 per annum.

As a non-executive Director, Ms Michelle Burke is currently paid \$50,000 per annum.

As a non-executive Director, Mr Iain Ross currently paid \$50,000 per annum.

The directors and CEO have agreed to temporarily suspend payment of their remuneration. The following table shows the annual remuneration paid to both executive and non-executive Directors for the last two financial years ended 30 June 2023 and 30 June 2024:

2023	Short-term benefits		Post-employment benefits	Total cash payments	Share-based payments	Total earned remuneration	Realised option value
	Cash salary and fees	Other ³	Super-annuation		Equity-settled		
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Dr Paul MacLeman	67,872	-	7,128	75,000	63,661	138,661	-
Ms Elizabeth McCall ¹	48,076	-	-	48,076	-	48,076	-
Dr Robert Peach	50,000	-	-	50,000	25,006	75,006	-
Dr David Fuller	50,000	-	-	50,000	25,006	75,006	-
<i>Executive Directors:</i>							
Dr Timothy Oldham ²	324,875	55,015	18,969	398,859	41,191	440,050	-
	540,823	55,015	26,097	621,935	154,864	776,799	-

¹ Liddy McCall was contracted under a service agreement with Yuuwa Capital LP. Fees are paid directly to Yuuwa Capital LP. Yuuwa Capital LP is a venture capital fund that is managed by its General Partner, Yuuwa Management LP/Yuuwa Capital Management Pty Ltd which is associated with James Williams and Liddy McCall. Alternate Directors do not receive a directors fee.

² \$6,323 required to be paid as statutory superannuation was paid as salary as opted out of superannuation contribution due to combined employers' concessional super contribution exceeding the cap for FY23.

³ Bonus accrued for in respect to achievement of short term incentives in the period ending 30 June 2023 of \$55,015.

2024	Short-term benefits		Post-employment benefits	Total cash payments	Share-based payments	Total earned remuneration	Realised option value
	Cash salary and fees	Other ¹	Super-annuation		Equity-settled		
	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Dr Paul MacLeman	67,565	-	7,435	75,000	29,918	104,918	-
Dr Robert Peach	50,000	-	-	50,000	15,340	65,340	-
Dr David Fuller	50,000	-	-	50,000	15,340	65,340	-
<i>Executive Directors:</i>							
Dr Timothy Oldham	330,200	29,058	27,399	386,657	36,590	423,247	-
	497,765	29,058	34,834	561,657	97,188	658,845	-

¹ Bonus accrued for in respect to achievement of short term incentives in the period ending 30 June 2024 of \$29,058. Bonus to be remunerated by the issuance of performance rights, noting the issue is subject to shareholder approval.

Further details of the remuneration of Directors is set out in the Remuneration Report set out in the Annual Report of the Company for the year ended 30 June 2024.

8.6 Interests of, and Issue of Payments and Benefits to, Underwriters, Advisors and Experts

Except as set out in this Prospectus, neither Mahe Capital nor any person named in this Prospectus as performing a function in a professional, advisory, expert or any other capacity in connection with the preparation and distribution of this Prospectus, promoters of the Company (together, **Prescribed Persons**) holds, or at any time in the past two years held, any interest in:

- (a) the formation or promotion of the Company;

- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer.

Except as set out in this Prospectus, no amounts have been paid or agreed to be paid to any Prescribed Person and no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with:

- (d) the formation or promotion of the Company; or
- (e) the Offer.

Piper Alderman will receive the sum of approximately \$35,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Offer.

Mahe Capital have acted both as corporate adviser for the Offer under this Prospectus and as underwriter, for which it will be issued 10 New Options for every dollar raised under the Offer, together with being paid:

- (f) \$60,000; plus
- (g) 1% of the total amount raised under the Offer; plus
- (h) 5% of the underwriting commitment (being a fee of \$15,000); plus
- (i) 5% of the issue price of any shortfall securities placed beyond the Underwritten Amount, and after all valid entitlement applications are filled or scaled back with Company agreement, including any additional amount that might be placed under the Company's listing rule 7.1 and 7.1A placement capacity (if applicable).

8.7 Litigation

As at the date of this Prospectus, the Company is not involved in any material legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.8 Consents

Piper Alderman has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's solicitors in relation to the Offer. No statement in this prospectus is made by Piper Alderman or is based on a statement made by Piper Alderman, and no responsibility for the contents of this prospectus or any notice or other document given by the Company to ASX or any other person in respect of the Offer, is taken by Piper Alderman.

Mahe Capital has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's corporate adviser and underwriter in relation to the Offer. Mahe Capital has not authorised or caused the issue of any part of this Prospectus. No statement in this prospectus is made by Mahe Capital or is based on a statement made by Mahe Capital, and no responsibility for the contents of this prospectus or any notice or other document given by the Company to ASX or any other person in respect of the Offer, is taken by Mahe Capital.

9. ACTION REQUIRED BY SHAREHOLDERS AND APPLICATIONS BY MEMBERS OF THE PUBLIC

9.1 What Existing Shareholders may do

The number of New Shares and New Options to which Eligible Shareholders are entitled under the Offer ('your Entitlement') is shown on the accompanying Entitlement and Acceptance Form.

As an Eligible Shareholder, you may:

- (a) take up your Entitlement in full and subscribe for all of the New Shares and New Options to which you are entitled;
- (b) take up your Entitlement in full and subscribe for all of the New Shares and New Options to which you are entitled and apply for New Shares and New Options forming the Shortfall (if there is one);
- (c) take up part of your Entitlement and allow the balance to lapse; or
- (d) do nothing and allow your Entitlement to lapse.

9.2 Taking up all or part of your Entitlement

If you wish to take up all or part of your Entitlement complete the accompanying Entitlement and Acceptance Form for New Shares and New Options in accordance with the instructions set out in the form (for all of the New Shares and New Options offered to you or such lesser number you wish to accept). Forward your completed Entitlement and Acceptance Form to reach the Company's Share Registrar, Automic Registry Services, no later than 5.00pm (AEST) on Wednesday 28 May 2025 at the address set out below:

AdAlta Limited
c/- Automic Registry Services
Suite 501, 477 Collins Street
Melbourne VIC 3000

BPAY® and electronic funds transfer options are available. In order to use BPAY® or electronic funds transfer, please follow the instructions set out on the Entitlement and Acceptance Form.

If you are accepting all or part of your Entitlement and payment is being made by BPAY® or electronic funds transfer, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm Melbourne time on Wednesday 28 May 2025.

9.3 Applying for Shortfall

If there is a Shortfall and you are an Eligible Shareholder and you wish to take up additional New Shares and New Options complete the additional New Shares and New Options section of the Entitlement and Acceptance Form in accordance with the instructions set out in the Entitlement and Acceptance Form. In order to apply for New Shares and New Options under the Shortfall you Forward your completed Entitlement and Acceptance Form (including electronic funds transfer instructions and authority) to reach the Company's Share Registrar, Automic Registry Services, no later than 5.00pm (AEST) on Wednesday 28 May 2025 at the address set out below:

AdAlta Limited
c/- Automic Registry Services
Suite 501, 477 Collins Street
Melbourne VIC 3000

BPAY® and electronic funds transfer options are available. In order to use BPAY® or electronic funds transfer, please follow the instructions set out on the Entitlement and Acceptance Form.

If you are accepting all or part of your Entitlement and payment is being made by BPAY® or electronic funds transfer, you are not required to return the Entitlement and Acceptance Form. Your BPAY® payment must be received by no later than 5.00pm Melbourne time on Wednesday 28 May 2025.

9.4 Consequences of doing nothing – Entitlement not taken up

You will receive no benefit if you do not take up your Entitlement. It is therefore important that you consider taking action either to take up your Entitlement in accordance with the above instructions and the instructions on the back of the Entitlement and Acceptance Form.

9.5 Applications and Payment

If your Entitlement and Acceptance Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company. The Company's decision as to whether to accept the application or how to construe, amend or complete it, shall be final, but no Applicant will be treated as having offered to purchase more New Shares than indicated by the amount of the cheque for application monies.

You are urged to lodge your Application as soon as possible. Entitlement and Acceptance Forms must not be circulated to prospective investors unless attached to a copy of this Prospectus.

Please do not forward cash, cheques or postal notes by mail. Receipts for payment will not be issued.

Eligible Shareholders may submit payments for New Shares applied for using BPAY® or electronic funds transfer. In order to use BPAY® or electronic funds transfer, please follow the instructions set out on the Entitlement and Acceptance Form. If you make payment by BPAY® or electronic funds transfer, you do not need to return your Entitlement and Acceptance Form.

9.6 Acceptance

Receipt of your payment will constitute acceptance in accordance with, and your agreement to, the terms of the Offer, including those set out in this Prospectus.

By lodging a completed Entitlement and Acceptance Form entitlement and acceptance form, the applicant is taken to have warranted to and for the benefit of the Company that it is able to participate in the Offer without breaching any applicable law or regulation. Each applicant should seek professional advice before doing so if there is any doubt about this.

9.7 Enquiries

If you have any query or question about the Offer, you may contact Cameron Jones, AdAlta's company secretary at cameron.jones@bio101.com or for any other registry related matters contact AdAlta's share registrar as follows:

Automic Registry Services

Telephone: [1300 288 664] (within Australia)
+61 2 9698 5414 (outside Australia)

between 8:30am and 7:00pm (Sydney time), Monday to Friday or email
corporate.actions@automicgroup.com.au

9.8 Personal Information and Privacy Act

Eligible Shareholders have already provided certain personal information to the Company and its share registrar. If Eligible Shareholders apply for New Shares and New Options, the Company and its share registrar may update that personal information or collect new information. Such information will be used to assess the Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

Your personal information may be used and disclosed to persons inspecting the registers, regulatory bodies, print service providers, mail houses retained for Company purposes and Company's share registrar.

If you do not provide the information requested in the Entitlement and Acceptance Form, the Company may not be able to process the Application or administer your holding of Shares appropriately.

Under the *Privacy Act 1998* (Cth), you may access, correct and update personal information held by, or on behalf of the Company or its share registrar by contacting the Company as follows:

AdAlta Limited
Attention: Company Secretary
Suite 201, 697 Burke Road
Camberwell, Victoria 3124
Ph: +61 3 9479 5159
Email: cameron.jones@bio101.com

10. DIRECTORS AUTHORISATION

The Directors of the Company have authorised the issue of this Prospectus on behalf of the Company.

This Prospectus has been signed by a Director for and on behalf of the Directors, in accordance with section 351 of the Corporations Act.



Dr. Paul MacLeman

Chairman

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11. GLOSSARY

In this Prospectus the following terms have the meanings ascribed to them below, unless the context otherwise requires.

TERM	DEFINITION
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporations Pty Ltd
ASX	Australian Securities Exchange Limited
Board	The board of Directors of AdAlta Limited
Business Day	A day that is not a Saturday, Sunday or public holiday or bank holiday in Melbourne
CAR-T	Chimeric Antigen Receptor-T cell, a type of engineered cellular immunotherapy
CHESS	Clearing House Electronic Subregister System
Closing Date	The date the Offer closes, being 5.00pm (AEST) on Wednesday 28 May 2025, unless extended by the Company
Company	AdAlta Limited ACN 120 332 925
Constitution	The constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
CXCR4	A G-protein-coupled chemokine receptor, primarily known for its role in cell migration and homing, particularly for hematopoietic stem cells in the bone marrow. It also plays a crucial role in immune cell trafficking, organogenesis, and is implicated in HIV entry, cancer metastasis and fibrosis
Directors	The directors of AdAlta Limited
Eligible Shareholder	A Shareholder entitled to participate in the Offer as described in Section 1.2
Entitlement	The entitlement of a Shareholder to participate in the Offer
Entitlement and Acceptance Form	The form described as such accompanying this Prospectus (for Eligible Shareholders only)
FDA or US FDA	United States Food and Drug Administration
GPCR	G-protein coupled receptor: a type of cell surface receptor that regulates a cell's response to external stimuli

TERM	DEFINITION
ILD	Interstitial Lung Disease, a group of related inflammatory and fibrotic lung diseases affecting the tissues of the lungs
International Shareholder	A holder of Shares having a registered address outside Australia or New Zealand
IPF	Idiopathic Pulmonary Fibrosis, a rare, progressive and fatal fibrotic lung disease
Issuer Sponsored Statement	Issued sponsored holding statement to be issued by CHESSE
Listing Rules	The official listing rules of the ASX
Lodgement Date	The date on which this Prospectus was lodged with ASIC, being 5 May 2025
Mahe Capital	Mahe Capital Pty Ltd ACN 634 087 684
New Options	Options offered under this Prospectus, the terms of which are set out in Section 7
New Shares	Shares offered under this Prospectus
Offer	The non-renounceable Offer of 2 New Shares for every 3 Shares held at the Record Date at a price of 0.3 cents (\$0.003) per New Share, with one additional New Option for every 2 New Shares subscribed for made in accordance with this Prospectus, further details of which are set out in Section 1 of this Prospectus. The Offer includes both the Entitlement and the Shortfall.
Official List	Has the meaning given to the term 'official list' in the Listing Rules
Official Quotation	Has the meaning given to the term 'quotation' in the Listing Rules
Options	Unquoted options issued by the Company
Prescribed Persons	Prescribed Persons has the meaning given to it in Section 8.6
Prospectus	This Prospectus dated 5 May 2025
Record Date	Thursday 8 May 2025
Section	A section under this Prospectus
Shareholder	A registered holder of Shares appearing on the Company's share register
Shares	Ordinary fully paid shares in the capital of the Company

TERM	DEFINITION
Share Registrar	Automic Registry Services
Shortfall	The difference between the total number of New Shares and New Options that could be issued under the Offer were all Entitlement rights taken up in full and the total number of New Shares and New Options to be issued in consequence of the Entitlement rights that are actually taken up
Statement of Financial Position	The statement on the financial position of the Company
TGA	Australian Therapeutic Goods Administration
U.S. Person	The meaning given in Regulation S under the US Securities Act
U.S. Securities Act	The United States Securities Act of 1933, as amended
WD-34	AdAlta's anti-malarial i-body® candidate

12. CORPORATE DIRECTORY

Registered Office

AdAlta Limited
Suite 201, 697 Burke Road
Camberwell VIC 3124

Website

www.adalta.com.au

Directors

Paul MacLeman (Chairman)
Tim Oldham (CEO & Managing Director)
David Fuller (Non-Executive Director)
Michelle Burke (Non-Executive Director)
Iain Ross (Non-Executive Director)

Company Secretary

Cameron Jones

ASX Code

Shares: 1AD

Corporate Adviser and Underwriter

Mahe Capital Pty Ltd
Level 8, 99 St Georges Terrace
Perth WA 6000

Principal Legal Adviser

Piper Alderman
23/459 Collins Street
Melbourne VIC 3000

Share Registrar

Automic Registry Services
Level 5, 126 Phillip Street
Sydney NSW 2000
Ph: 1300 288 664 (within Australia)
Ph: + 61 2 9698 5414 (outside Australia)
Email: corporate.actions@automicgroup.com.au
Website: <https://www.automicgroup.com.au/>