ASX Announcement | 28 October 2025

AdAlta Limited (ASX:1AD)

QUARTERLY ACTIVITIES REPORT – SEPTEMBER QUARTER 2025

"East-to-West" strategy advanced; balance sheet strengthened

Key highlights

- First "East to West" cellular immunotherapy CAR-T product now in advanced stages of licensing contract negotiation; private financing advanced
- Two "at market" placements raised $1.6 million before costs (post period end)
- Remaining balance of New Life Sciences Capital ("**NLSC**") investment repaid in cash; final Meurs Group Investment Agreement being settled in shares; no further shares to be issued under either NLSC or Meurs Group Investment Agreements

AdAlta Limited (ASX:1AD) ("AdAlta" or **"the Company")**, developer of next generation protein and cell therapeutic products, announces its Appendix 4C cash flow report for the quarter ended 30 September 2025 (Q1 FY26), along with the following financial and operational update. The Company is focussed on executing existing transaction opportunities for its "East to West" cellular immunotherapy strategy and evaluating strategic options for other assets of the business including AD-214 and has materially strengthened its balance sheet.

Reflecting on the quarter, AdAlta's CEO and Managing Director, Dr Tim Oldham commented:

"We are well positioned to achieve our transactional objectives for our "East to West" cellular immunotherapy business in the final quarter of 2025. We have significantly advanced contract discussions for our first product and broadened the scope of potential collaboration in respect of our second asset. A growing pipeline of global private investors is evaluating the opportunity.

The potential of our "East to West" strategy was further validated post period end when we were approached by new sophisticated and professional investors with whom we were able to facilitate placements "at market" of up to $1.6 million before costs. This enabled us to repay the remaining balance of the NLSC investment, and, as announced today, the final balance of the Meurs Group investment is being settled in shares. Subject to shareholder approvals of the placements, we will have a stronger balance sheet, strengthened licensing and investor negotiating position and the potential to increased AdAlta's share of our "East to West" business. We are grateful for this new support at attractive pricing, and for the support and strategic flexibility provided by NLSC and long standing shareholder the Meurs Group at a critical time in 2024."

Summary

Execution of the Company's "East to West" cellular immunotherapy strategy continued to make solid progress during the quarter. Negotiation of a definitive licensing agreement for the first CAR-T cell product are now at an advanced stage. The Company is now evaluating a multi-asset collaboration in respect of a second collaboration. The pipeline of international private investors evaluating the opportunity to finance the strategy through the Company's AdCella subsidiary continues to grow.

Post period end, the Company was approached by new sophisticated and professional investors seeking to support the "East to West" strategy. Placements at market pricing were facilitated on the same terms as the Q4 FY25 Entitlement Offer, raising up $1.6 million before costs (subject to shareholder approval in respect of $1.15 million). The remaining balance of the NLSC investment was repaid in cash, rather than issuing shares. The balance of the investment agreement with long term shareholder, the Meurs Group, is being settled in shares, after which no further shares remain to be issued under these agreements.

The Company's cash balance as at the end of September 2025 was $0.55 million (compared to the cash position on 30 June 2025 of $1.31 million). Additional inflows are anticipated to strengthen the Company's balance sheet during the December quarter as proceeds from the October placements (subject to shareholder approval at the November Annual General Meeting (AGM) in part) and the R&D Tax Incentive rebate in respect of the FY25 financial year (net of repayment of the RDTI advance loan facility with Radium capital) become available.

A. Operational updates

1. "East to West" cellular immunotherapies

AdAlta announced its "East to West" cellular immunotherapy strategy in April 2024 (see ASX announcement dated 8 April 2024). Cellular immunotherapies (living drugs based on engineered human cells) are a rapidly growing market that is transforming outcomes in haematological (blood) cancers. During 2024, the US Food & Drug Administration (US FDA) approved the first T cell immunotherapies for solid cancers, opening up this much larger market. Asia, and China in particular, is leading innovation in this field with around 40% of all companies and 60% of all cellular immunotherapy clinical trials found in Asia. Australia has specific and globally recognised expertise in cellular immunotherapy manufacturing and clinical trials.

AdAlta will be a force multiplier for Asian innovators by providing a pathway for clinic ready products to access Western-regulated markets. By licensing or acquiring global (outside Asia) commercialisation rights to these products in return for conducting initial clinical trials for Western-regulated markets in Australia, AdAlta could add significant value to these assets for both itself as well as its licensing partners. AdAlta currently intends to execute the "East to West" strategy through a private, partially owned subsidiary, AdCella, to maximise access to both private and public capital sources.

A definitive licensing agreement is now in advanced negotiation for the first CAR-T product, with the potential for finalisation during the December quarter. Negotiations in respect of a second product have expanded to incorporate the potential of a multi-product collaboration and as a result are moving more slowly. The two prioritised products are:

- A first in class armored (against tumour immune suppression) CAR-T for lung, mesothelioma, ovarian, pancreatic and colorectal cancers, with clinical data from 32 patients showing efficacy substantially superior to current second line care and a rapid, non-viral vector manufacturing process; and
- A first-in-class (novel target) 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.

The attractiveness of the AdCella business model was further validated when an additional product was added to the Company's watch list for potential future collaboration and an enquiry was received in respect of a multi-product collaboration with a Chinese company for a portfolio of non-cell therapy oncology assets.

The pipeline of private investors evaluating the opportunity to finance AdCella continues to grow. These discussions are encouraging and enabling AdCella to increase its focus on manufacturing process development and automation to deliver both clinical and scale manufacturing proof of concept at the end of Phase 1 clinical trials with the potential to significantly improve the exit valuation of each asset. The recent placements in AdAlta, if approved by shareholders, may also enable AdAlta to increase its ownership of AdCella.

2. Monetising i-body® enabled assets

AdAlta's most advanced internally developed product, AD-214, is a first in class, next generation antibody 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. The majority of recent enquiries have focussed on application of AD-214 in kidney fibrosis, a reflection of the growing focus on diabetes and metabolic diseases and the kidney damage these cause.

Of particular note was the US FDA approval of Boehringer Ingelheim's Jascayd for IPF on 7 October 2025. This is the first new therapeutic option for IPF patients in over a decade. While this is a significant achievement, there is still no cure for IPF. Despite the historically available therapies as well as this new option, there remains a high unmet medical need. The opportunity for additional new products such as AD-214 targeting new modes of action and with potential to modify disease outcomes remains significant.

Opportunities to secure non-dilutive funding to advance AdAlta's first in class anti-malarial i-body®, WD-34, continued. La Trobe University and another interested party are working with AdAlta to finance additional pre-clinical proof of concept studies for WD-34, an i-body® discovered with La Trobe University in 2023 as the first antibody-like molecule to inhibit multiple strains of malaria at multiple life-cycle stages. The potential for a single dose, long-acting prophylaxis for malaria would transform deployed personnel and traveller care as well as seasonal treatment for children.

3. Near-term objectives

The Board's primary focus is working towards executing at least one in-licensing transaction for AdCella during the current quarter (with completion subject to initial financing of AdCella). 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.

The Company has also evaluated several proposals to acquire non-cell therapy assets from third parties. To date none have proven superior or complementary to the focus on the "East to West" strategy and monetising existing i-body® enabled assets.

B. Corporate and organization updates

1. Post period end capital raising

Post the end of the quarter, the Company has raised up to $1.6 million in new funds "at market" (subject to shareholder approval in part) and completed its obligations under previously announced investment agreements with NLSC and Meurs Group.

On 13 October 2025, the Company announced a private placement to raise up to $0.5 million before costs. Under the placement, shares issue at 0.3c per share ($0.003), a 20% premium to closing price on 10 October, plus one Attaching Option for every two shares issued on the same terms as the June 2025 fully subscribed Entitlement Offer. 153,657,204 Subscription Shares (raising approximately $460,972) were issued on 20 October 2025 under the Company's available capacity under Listing Rule 7.1A. The remaining 13,009,463 Subscription Shares and the 83,333,334 Attaching Options will be issued, subject to shareholder approval, after the Company's forthcoming Annual General Meeting on 26 November, 2025. There were no material costs of the placement and no broker fees were payable.

On 20 October 2025, the Company announced it had received firm commitments to raise up to $1.1 million before costs, also on the same terms as the June 2025 Entitlement Offer. Under the placement, shares issue at 0.3c per share ($0.003), equal to closing price on 17 October, plus one Attaching Option for every two shares issued on the same terms as the recent fully subscribed Entitlement Offer. The Company will seek shareholder approval at the forthcoming Annual General Meeting to issue approximately 366,666,667 new fully paid ordinary shares and 183,333,333 Attaching Options. The placement was facilitated by 62 Capital Pty Ltd and shareholders will also be asked to approve the issue of additional shares and Attaching Options as payment of the 6% Lead Manager fee.

The proceeds of these placements will be used to advance "East to West" cellular immunotherapy transactions; advance other transaction opportunities in parallel; extend or expand intellectual property associated with its existing i-body-enabled assets; general working capital; and may enable AdAlta to contribute funds to increase its share of the "East to West" opportunity.

On 24 October 2025, the Company announced that it had used $405,132 of these new funds to exercise its right to repay the remaining balance of the subscription amount under the NLSC Investment Agreement announced in April 2024. No further shares are required to be issued under the NLSC Investment Agreement. Also on 24 October 2025, the Company received a Settlement Notice from long term

shareholder, the Meurs Group, in respect of the remaining $363,000 balance of the subscription amount under the Meurs Group Investment Agreement announced in April 2024. The issue of approximately 201,666,666 shares on approximately 28 October will mean that no further shares are required to be issued under the Meurs Group Investment Agreement. These two investment agreements provided important sources of finance at critical times for the Company. Final settlement of the subscription amounts means AdAlta is now better positioned to raise private capital to help execute the "East to West" strategy.

2. Cash management initiatives

The Company has previously announced initiatives to reduce fixed and overhead costs. Cash operating costs for the September 2025 quarter were $531,374, down 26% on the June 2025 quarter of $718,033 (after excluding the effects of one-time costs associated with maintaining AD-214 intellectual property and development planning costs for cellular immunotherapy assets).

C. Financial position

Q1 FY26 saw net operating cash outflows of $754,854, comparable with operating outflows from the prior quarter. Reductions in salaries and wages were offset by one-time costs associated with maintaining AD-214 intellectual property and development planning costs for cellular immunotherapy assets incurred in the prior quarter and paid in Q1FY26.

The cash balance at the end of the June 2025 quarter was $0.55 million (versus $1.31 million at the end of the previous quarter). The Company anticipates operating costs will continue to decline during Q2 FY26 and until strategic transactions are executed. Additional inflows are anticipated to strengthen the Company's balance sheet during Q2FY26 as proceeds from the October placements (subject to shareholder approval at the November Annual General Meeting (AGM) in part) and the R&D Tax Incentive rebate in respect of the FY25 financial year (net of repayment of the RDTI advance loan facility with Radium capital) become available.

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C were $7,483, which was superannuation for the CEO and Managing Director in relation to FY25.

D. Summary

AdAlta's Q1 FY26 reporting period has seen the Company further advance its "East to West" cellular immunotherapy strategy and, post period end, raise additional capital and settle the final subscription amounts under the NLSC and Meurs Group Investment Agreements. This strengthened balance sheet and transaction momentum place the Company in a strong position to achieve its near term "East to West" strategy goals.

For an opportunity to engage in a virtual discussion of this report see:
https://investorhub.adalta.com.au/link/epJZBP

This ASX announcement has been authorised for release by the Board of AdAlta Limited (ASX:1AD).

For further information, please contact:

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For more information

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

ADALTA LIMITED

ABN	**Quarter ended ("current quarter")**
92 120 332 925	30 September 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(339)	(339)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(74)	(74)
	(f) administration and corporate costs	(340)	(340)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	(3)	(3)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(755)**	**(755)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – (provide details if material) - Security deposit - Rental payments under AASB16 (interest expense of lease included in item 1.5 interest expense under AASB16)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,306	1,306
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(755)	(755)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**551**	**551**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	55	141
5.2	Call deposits	496	1,165
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**551**	**1,306**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	7
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount at 6.1 includes CEO and Managing Director superannuation accrued in the June 2025 quarter, paid in the September 2025 quarter.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	464	464
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**464**	**464**

7.5	**Unused financing facilities available at quarter end**	**-**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

$464k Loan facility in place as at 30 September 2025 is a non-dilutive funding facility with Radium Capital.

The table below outlines the terms of the Facility as announced to ASX on 5 March 2025 by AdAlta Limited. Full repayment of the facility is to be upon receipt of AdAlta's Research and Development Tax Incentive (RDTI) rebate in respect of FY2025.

	Terms
Facility amount as at date of ASX announcement	$464,131
Repayment	By 30 November 2025*
Interest rate	15.00%
Security	FY25 R&D Refund

*To be repaid upon receipt of RDTI rebate in respect of FY2025 year

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(755)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	551
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	551
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	**0.7**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

The Company anticipates further reductions in operating cash outflows in future quarters until strategic transactions and financing events associated with it "East to West" cellular immunotherapy strategy or i-body® enabled assets. The Company implemented a number of cash management initiatives that were outlined in the March and June 2025 quarterly activities report.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes.

As announced on 13 October 2025 the company raised up to $500,000 ($460,972 received and $39,028 is subject to shareholder approval).

On 20 October 2025, the company announced an at market placement to raise up to an additional $1.1million subject to shareholder approval.

The Company's CEO and Board are solely focussed on direct outreach to potential investors and partners to finance its "East to West" strategy and transact its i-body® enabled assets.

The Company anticipates receiving its R&D Tax Incentive rebate for the period ending 30 June 2025 during the December 2025 quarter. (The rebate is anticipated to be in excess of the amount to be repaid under the R&D advance loan facility with Radium Capital which is equal to 80% of the accrued R&D refund for period 1 July 2024 to 31 January 2025.)

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, for the reasons outlined above.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

28 October 2025

Date: .....

The Board

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.