ASX Announcement | 25 May 2026

AdAlta Limited (ASX:1AD)

Prospectus for offer of options under Placement

Melbourne, Australia: AdAlta Limited (ASX:1AD) ("AdAlta" or **"the Company"),** developer of next generation cellular immunotherapies for solid cancers, has today lodged the attached prospectus with ASIC ("**Prospectus**") in respect of ASX:1ADO listed options ("**New Options**") to be offered in connection with the placement previously announced on 4 May 2026 ("**Placement**").

The Offer is made only to sophisticated and professional investors who have been selected by the Company and who have participated in the Placement, and 62 Capital in connection with acting as lead manager for the Placement (in lieu of being paid their fees in cash). An Application Form accompanies the copy of this Prospectus distributed to those eligible sophisticated and professional investors.

This is not a pro rata entitlement offer and not all Shareholders may participate in the Offer.

On 4 May 2026, the Company announced details of the Placement offered to select sophisticated and professional investors at an issue price of 0.4 cents ($0.004) per New Share, which resulted in the Company receiving firm commitments to raise approximately up to $2.5 million before issue costs. The Company also offered participants the opportunity to apply under this Prospectus for one (1) attaching New Option for every three (3) New Shares subscribed for under the Placement. Additionally, 62 Capital is entitled to receive 168,750,000 New Options in connection with acting as lead manager for the Placement, issued on the same terms as all New Options set out in this Prospectus, further details of which are set out in section 1.10.

The Offer is an offer of those New Options to be issued under this Prospectus, the issue of which is subject to Shareholder approval (which may or may not be obtained). The Company will hold an extraordinary general meeting on 15 June 2026 to seek approval from Shareholders to issue all the New Options in connection with the Offer, amongst other matters relating to the Placement and the Offer.

Further details can be found in the attached Prospectus.

To view a summary, and engage in discussion about this announcement visit AdAlta's InvestorHub here: https://investorhub.adalta.com.au/link/PKv38r

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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About BZDS1901

BZDS1901 is a novel, first in class, CAR-T cell therapy designed to treat mesothelioma (a rare but rapidly fatal cancer usually linked to asbestos exposure) and with possible application in more than ten other cancers. CAR-T cell therapies are living drugs manufactured from a patient's own immune cells that are engineered to be able to find and kill cancer. They offer the potential to provide durable cancer control or cure from a single treatment.

Patients diagnosed with mesothelioma today are typically treated with surgery if possible and then initial or first line drug treatments are chemotherapy or immunotherapy. Once a patient has relapsed after initial therapy, second line treatment options are even more limited and outcomes are much poorer. Current treatments typically deliver: [1,2]

- Tumour shrinkage (Overall Response) in only 40-44% of first line patients and 11-29% of second and subsequent line patients
- Complete tumour clearance (Complete Response) is rare and seen in less than 3% of first line patients and almost never in second line patients
- Median survival (at which point 50% of patients will have died) often only 14-18 months first line and 8-10 months second line, with tumours beginning to grow again typically after only half that time.

By contrast, BZDS1901 clinical studies in relapsed or advanced mesothelioma patients (second line and later) in China have reported:

- Up to 50% Overall Response rate (tumour shrinkage)
- Up to 20% Complete Response rate (complete tumour clearance)
- Median overall survival has not yet been reached in the current study cohort, however an earlier generation of BZDS1901 achieved more than 25 months median survival

These early results suggest BZDS1901 may offer an exciting potential new treatment option for patients with few alternatives.

About AdAlta

AdAlta (ASX: 1AD) is a clinical stage biotechnology business addressing the need for effective cellular immunotherapies for the treatment of solid cancers.

Through its 'East to West' 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 in-licenses products from Asian originators and invests to establish US FDA regulated manufacturing and conduct Phase I clinical studies with potential to position each product for on-licensing to larger biopharmaceutical companies for potential registrational studies and commercialization.

AdAlta implements a disciplined approach to asset selection focused on highly differentiated T cell therapy products supported by clinical data in solid cancers. The company adopts a capital efficient business model delivering a rapid return on investment in each project that is replicable and provides opportunities to scale across multiple products.

Solid tumours account for 90% of cancers yet remain underserved by current cellular immunotherapies. AdAlta aims to dominate this high-growth segment. The cellular immunotherapy market is projected to grow at a compound annual growth rate of 34% to reach US$20.3 billion by 2028.

AdAlta's first in class fusion protein, AD-214, takes a whole new approach to fibrotic diseases of the lung and kidney, such as the degenerative and fatal Idiopathic Pulmonary Fibrosis. Following demonstration of efficacy in multiple animal models of disease and two successful Phase I clinical studies, AD-214 is available for partnering.

To learn more, please visit: www.adalta.com.au

For more information

Join our InvestorHub

Follow us on LinkedIn

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[1] CHECKMATE-743 study (nivolumab + ipilimumab against chemotherapy): S Peters et al, Annals of Oncology, 2022 (33) 488; https://doi.org/10.1016/j.annonc.2022.01.074

[2] See for example CONFIRM study (nivolumab against placebo): DA Fennell et al, Lancet Oncol 2021 (22) 1530

AdAlta Limited
(ACN 120 332 925)

PROSPECTUS

This Prospectus is being issued to invite selected sophisticated and professional investors who participated in the Placement announced to ASX on 4 May 2026 (**Participants**), together with the lead manager to the Placement to apply for New Options. The Company is offering Participants the opportunity to subscribe for one (1) New Option for every three (3) New Shares subscribed for under the Placement, on the terms set out in this Prospectus.

Valid applications must be received by
5:30 pm (Melbourne time) on 2 June 2026

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 Options being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser. The New Options offered under this Prospectus should be considered highly speculative.

TABLE OF CONTENTS

IMPORTANT INFORMATION

This Prospectus is dated 25 May 2026 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 indicative 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 25 June 2027.

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 options over continuously quoted securities (as defined in the Corporations Act) 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 or options over 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 of this Prospectus. 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 apply for any New Options 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 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 https://investorhub.adalta.com.au/activity-updates, 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 have been invited by the Company to make such an investment and have been provided with an Application Form.

The Prospectus available on the Company's website does not include an Application Form. Offers made under this Prospectus will only be made to sophisticated and professional investors (as defined in the Corporations Act) individually identified by the Company, and whose copy of this Prospectus contains or attaches a personalised Application Form. Accordingly, existing Shareholders may not be invited to be offered New Options under this Prospectus, and this Prospectus should not be considered an offer to any person not specifically invited to participate in the Offer by the Company.

The Corporations Act prohibits any person passing onto another person an Application 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).

Applications for New Options offered pursuant to this Prospectus can only be submitted via an Application Form which accompanies this Prospectus.

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 1.8 of this Prospectus for further information for International Shareholders.

Contact details

If you have any query or question about the Offer or this Prospectus, you may contact the company secretary, Cameron Jones, by email at cameron.jones@bio101.com.

INDICATIVE TIMETABLE*

EVENT	DATE
1AD lodges transaction specific prospectus with ASIC and gives a copy to ASX together with an Appendix 3B which also includes an application for quotation of New Options to be issued under prospectus	Monday 25 May 2026
Offer opens	Tuesday 26 May 2026
Offer closes (**Closing Date**)	Tuesday 2 June 2026 at 5:30pm (Melbourne time)
1AD announces to market results of Offer	Thursday 4 June 2026
Extraordinary General Meeting (described in section 1.15 below) to approve issue of the New Options, amongst other related matters	Monday 15 June 2026
Issue New Options (subject to Shareholder approval) and lodge an Appendix 2A with ASX applying for quotation of these securities	Tuesday 16 June 2026

** 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 applications 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 Options. If the Offer is withdrawn, application money will be returned without interest.*

CHAIRMAN'S LETTER

Dear investors,

On behalf of the Board of AdAlta Limited ACN 120 332 925 (**AdAlta** or the **Company**), I am pleased to invite selected sophisticated and professional investors with the opportunity to subscribe for quoted options (ticker code ASX:1ADO) (**New Options**) in connection with the placement (**Placement**) of fully paid ordinary shares in AdAlta (**New Shares**), the details of which were announced to ASX on 4 May 2026, which resulted in the Company receiving commitments to subscribe for up to $2.5 million worth of New Shares before issue costs. The Company is offering 1 attaching New Option for every 3 New Shares subscribed for under the Placement on the terms set out in this Prospectus (**Offer**), together with additional New Options being offered to 62 Capital in exchange for acting as lead manager to the Placement. The Offer will only be available to those same sophisticated and professional investors individually selected by the Company and 62 Capital who participated in the Placement. The Company is proposing to issue up to approximately 377,083,334 New Options in total.

The Company will hold an extraordinary general meeting (**EGM**) on 15 June 2026 to seek approval from Shareholders to issue the New Options in connection with the Offer, amongst other related matters.

Once all of the expenses associated with the Placement and the Offer have been met, AdAlta intends to use the balance of the funds raised from the Placement (and any funds raised from the subsequent exercise of the New Options) to:

- advance the development of BZDS1901 through regulatory, IND-enabling pre-clinical and manufacturing optimisation milestones; and
- to the extent any funds remain, fund general working capital.

Details of your personalised offer

If you have been selected by the Company to participate in this Offer, then a personalised Application Form will be provided to you with a copy of this Prospectus. You are then entitled under the terms of the Offer to use that Application Form to subscribe for New Options in AdAlta for no consideration on the basis that you have subscribed for New Shares under the Placement at a price of $0.004 per New Share. If you participate in the Offer you will be entitled to receive 1 New Option for every 3 New Shares subscribed for under the Placement, with each New Option giving you the right to acquire one fully paid ordinary share in the Company at an exercise price of $0.01 per Share and an expiry date of 3 June 2028 (subject to Shareholder approval at the Company's EGM on 15 June 2026). The exercise price of the New Options of $0.01 represents a premium of 150% to the closing sale price on ASX of AdAlta's fully paid ordinary shares on 22 May 2026 of $0.004 (being the last day shares in the Company were traded prior to the date of this Prospectus).

To allow the Company to manage its placement capacity afforded to it under Listing Rules 7.1 and 7.1A, all your New Options subscribed for under this Prospectus will only be issued if the Company obtains Shareholder approval at the EGM on 15 June 2026. If Shareholder approval is not obtained, then the New Options will not be issued.

To subscribe for New Options under the Offer, you will need to deliver your completed Application Form so that it is received by 5:30 pm Melbourne time on 2 June 2026. Further details of how you may accept the Offer are also set out in section 9 of this Prospectus.

Further information

The New Options to be issued under the Offer are in the same class as the quoted options that were

issued by AdAlta on 4 June 2025 with an expiry date of 3 June 2028 and with ticker code ASX:1ADO.

Further information about the Offer and the rights attaching to the New Options is set out in this Prospectus.

As a Board, we encourage you to carefully consider this investment opportunity.

Yours faithfully

Dr. Paul MacLeman

Chair, AdAlta Limited

1. DETAILS OF THE OFFER

This section provides details of the Offer made under this Prospectus. You should read this Prospectus in its entirety before deciding whether to subscribe for New Options under this Prospectus.

1.1 Offer

On 4 May 2026, the Company announced details of the Placement offered to select sophisticated and professional investors at an issue price of 0.4 cents ($0.004) per New Share, which resulted in the Company receiving firm commitments to raise approximately up to $2.5 million before issue costs. The Company also offered participants the opportunity to apply under this Prospectus for one (1) attaching New Option for every three (3) New Shares subscribed for under the Placement. Additionally, 62 Capital is entitled to subscribe for 168,750,000 New Options in connection with acting as lead manager for the Placement, issued on the same terms as all New Options set out in this Prospectus, further details of which are set out in section 1.10.

The Offer is an offer of those New Options to be issued under this Prospectus, the issue of which is subject to Shareholder approval (which may or may not be obtained). The Company will hold an extraordinary general meeting on 15 June 2026 to seek approval from Shareholders to issue all the New Options in connection with the Offer, amongst other matters relating to the Placement and the Offer.

If all those participants in the Placement took up their entitlement to the New Options under the Offer in full, this would result in the Company having to issue approximately 208,333,334 New Options.[1]

If all New Options are exercised, it may result in an increase to the share capital of the Company by approximately 7.8%. New Options will rank equally with existing quoted options (ASX:1ADO) on issue. The terms and conditions of the New Options are set out in section 6 of this Prospectus.

An Application Form accompanies this Prospectus distributed to those sophisticated and professional investors selected by the Company and 62 Capital.

1.2 Eligibility

The Offer is made only to sophisticated and professional investors who have been selected by the Company who have participated in the Placement, and 62 Capital in connection with acting as lead manager for the Placement (partly in lieu of being paid their fees in cash). This is **not** a pro rata entitlement offer and not all Shareholders may participate in the Offer.

1.3 No Minimum Subscription

There is no minimum application requirement for the Offer.

1.4 Closing Date

The Closing Date for the Offer is 5:30pm (AEST) on 2 June 2026 (subject to any extension by the Company in its absolute discretion).

[1] Note: This number does not include any New Options to be potentially issued to 62 Capital Pty Ltd. See sections 1.10 and 8.7 of this Prospectus for further details.

1.5 Allotment of New Options

All New Options will only be allotted and issued if Shareholder approval for their issue is obtained at the EGM, on the basis of 1 New Option for every 3 New Shares subscribed for under the Placement, in accordance with the indicative timetable as set out in page (iii) of this Prospectus. The EGM is currently set to be held on 15 June 2026.

Accordingly, there is no guarantee that the New Options subscribed for will be issued at all.

Holding statements for all New Options allotted shall be dispatched as soon as practicable after the date of their issue.

1.6 ASX Quotation

The Company will apply to ASX for the New Options to be granted Official Quotation within 7 days of the date of this Prospectus (prior to 1 June 2026).

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

1.7 CHESS System

The Company participates in the Clearing House Electronic Subregister System (**CHESS**). 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.

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

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

Participants registered under the issuer sponsored subregister will receive a holding statement from the Company's share registrar.

1.8 International Shareholders

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. The laws of jurisdictions outside of Australia may restrict the distribution of this Prospectus. Anyone who comes into possession of this Prospectus outside Australia should seek advice on and observe any such restrictions. A failure to comply with those restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus does not constitute an offer for sale or issue of the New Options or any right to a security into the United States or U.S. persons. The 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.

Prospective investors who are resident outside Australia are responsible for ensuring that participation in the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will constitute a representation that there has been no breach of such regulations. Prospective investors who are nominees are therefore advised to seek independent advice as how they should proceed. Where the Offer has been made and this Prospectus has been dispatched to a person domiciled outside Australia 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 subscriber for New Options warrants and represents that they:

- are 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 Options in the United States or in any other jurisdiction outside Australia, 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 Options are offered and sold.

1.9 Costs of participation

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

1.10 Issue Expenses

The estimated expenses of the Placement and the Offer, including the lead manager fees owed to 62 Capital (being 6% of the gross funds raised under the Placement (i.e. up to $150,000)) , professional fees and registry services are up to approximately $175,000.

62 Capital has agreed to be issued 37,500,000 New Shares in lieu of its fees being paid in cash, on the same terms as the Placement (which also entitles 62 Capital to subscribe for 1 New Option for every 3 New Shares issued, being 12,500,000 New Options).

The issue of the New Shares and New Options to 62 Capital is subject to Shareholder approval being received at the Company's EGM on 15 June 2026. Further details of the fees to be paid to corporate and professional advisors are set out in section 8.6 of this Prospectus.

Additionally, the Company has agreed to issue a further up to 156,250,000 New Options to 62 Capital at an issue price of $0.000001 per New Option, the issue of which is subject to Shareholder approval being received at the Company's EGM on 15 June 2026.

In the absence of such Shareholder approvals for the issue of the New Shares and New Options to 62 Capital, the proportion of the lead manager fee payable to 62 Capital in New Options will be payable in cash..

These expenses do **not** include the expenses associated with calling the EGM to be held on 15 June 2026.

1.11 Application of Funds Raised

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

(a) advancing the development of BZDS1901 through regulatory, IND-enabling pre-clinical and manufacturing optimisation milestones; and

(b) paying the costs of the Offer, and to the extent any funds remain, funding general working capital.

Investors 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.

1.12 Discretions

Without limiting the other powers and discretions set out in this Prospectus, the Directors (or their delegate(s) 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 prospective investor, Shareholder or any Shares or Options, and the determination of the Directors (or their delegate(s)) is conclusive and binding on all relevant persons to whom the determination relates.

1.13 Taxation

Investors 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 investors relating to taxation implications.

1.14 Governing law

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

1.15 EGM

Relevantly, the Company intends to hold an EGM on 15 June 2026 to obtain Shareholder approval for, amongst other matters:

(a) the issue of all New Options (on the basis of 1 New Option for every 3 New Shares subscribed for under the Placement) subscribed for by prospective investors under the Offer in accordance with Listing Rule 7.1 (as issue of those New Options is conditional upon such Shareholder approval being obtained), amounting to 208,333,334 New Options; and

(b) the issue of 37,500,000 New Shares and 168,750,000 New Options to 62 Capital as described in sections 1.10 and 8.6 of this Prospectus.

Details of the precise resolutions that will need to be considered by Shareholders at that EGM is set out in the notice of meeting and explanatory memorandum of the EGM announced to the ASX on 15 May 2026.

2. PURPOSE AND EFFECT OF THE OFFER

2.1 Purpose of the Offer

The Offer is being undertaken to supplement the Placement, which was undertaken to raise funds in order to:

(a) fund the development of BZDS1901 through regulatory, IND-enabling pre-clinical and manufacturing optimisation milestones; and

(b) pay the costs of the Offer and, to the extent funds are still available, fund general working capital.

The table below shows the expected use of funds raised from the Placement (excluding any proceeds from the exercise of the New Options), which will be principally applied over the next 9 months.*

Purpose	Maximum Offer funds to be applied (A$)
US FDA engagement in respect of BZDS1901	A$0.16 million
BZDS1901 technology transfer and process optimisation	A$0.48 million
Payment for China clinical (IIT) trials and BZDS1901 raw materials	A$1.44 million
Pre-clinical IND-enabling studies	A$0.15 million
Offer costs and general working capital	A$0.27 million[2]
TOTAL	**A$2.5 million**

***** *The Board reserves the right to alter this budget and its timing as a result of a change in circumstances or intervening events. Budget does not include additional activities and expenditure to be funded from the Company's R&D Tax Incentive rebates in respect of the FY26 financial year.*

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 and business needs at the time. Any surplus funds are expected to be used for general working capital purposes.

[2] This figure does not include additional costs that may be incurred if Shareholder approval for the issue of those New Options is not obtained at the EGM. See sections 1.10 and 8.6 of this Prospectus for more details.

2.2 Share Capital

The Company currently has on issue 2,655,981,781 fully paid ordinary shares (including the 106,312,738 shares issued as part of the Placement on 18 May 2026). This assumes that the total number of Shares in the Company currently on issue does not change before the Closing Date (e.g. due to the exercise of Options currently on issue), and that Shareholder approval is obtained for the issue of the relevant number of New Shares in excess of the Company's current placement capacity under Listing Rules 7.1 and 7.1A and all the New Options.

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 (3) months immediately preceding the lodgement of this Prospectus with ASIC and the respective dates of those sales are set out below:

Highest: 0.6 cents on 29 April 2026

Lowest: 0.35 cents on 8 April 2026

The last market sale price prior to the date of lodgement of this Prospectus with ASIC was 0.004 cents on 22 May 2026.

2.4 Existing Options

The Company currently has on issue:

- 706,818,065 quoted Options, each entitling the holder to acquire one (1) fully paid ordinary share in the Company at an exercise price of $0.01 with an expiry date of 3 June 2028 with ticker code ASX:1ADO; and
- 13,794,695 unquoted Options, each entitling the holder to acquire one Share at various exercise prices with various expiry dates.

2.5 Performance rights

The Company currently has no performance rights on issue.

2.6 Effect of Offer on Control

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	%
Meurs Group	293,480,026	11.05%
Mr Sufian Ahmad	222,799,988	8.39%
SACAVIC Pty Ltd	174,858,388	6.58%
Mr David Pevcic	168,095,264	6.33%

The potential effect that the issue of the 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 number of sophisticated and professional investors who subscribe for New Options under the

Offer, and whether they are or are not existing Shareholders, and whether or not those New Options are exercised.

However, because the New Options being offered to selected sophisticated and professional investors under the Offer are not being made to existing Shareholders pro-rata, and are not being made with prior Shareholder approval, then the Corporations Act prohibits any person from acquiring a relevant interest in more than 20% of the issued voting Shares in the Company as a result of their participation in the Offer or exercise of any New Options received under the Offer.

2.7 Arrangements for further issues of securities

In addition to the Shares and Options referred to in sections 2.2 to 2.4 of this Prospectus, the Company has arrangements in place as at the date of this Prospectus that will likely result in the issue of the following additional securities after the Closing Date for the Offer:

Party to be issued securities	Reason for issue	Number and type of securities to be issued
62 Capital	As part of remuneration for assisting with the Offer, 62 Capital is entitled to a fee of 6% of the gross amount raised which it has agreed to accept in New Shares with attaching New Options on a 1:3 basis, plus an additional 156,250,000 New Options issued at $0.000001 per New Option, with each issue being subject to Shareholder approval	37,500,000 New Shares and 168,750,000 New Options

3. STATEMENT OF FINANCIAL POSITION AND PRO FORMA CAPITAL STRUCTURE

Set out below is a pro forma Statement of Financial Position for the Company after taking into account the effect of the Placement and the Offer (assuming all Shareholder approvals being sought at the EGM are received). This statement is based on the reviewed accounts of the Company as at 31 December 2025, lodged with the ASX on 20 February 2026.

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

(a) the pro forma Consolidated Statement of Financial Position includes the effect of cash flow movements disclosed in the Company's Appendix 4C for the quarter ending 31 March 2026 as announced to the ASX on 30 April 2026;

(b) there being no other material changes to the Company's Statement of Financial Position since 31 December 2025, except for changes to the cash flow as referred to in paragraph (a) above;

(c) Shareholders approving at the EGM the ratification of 106,312,738 New Shares and further issue of up to an additional 518,687,262 New Shares the subject of the Placement and up to an additional 208,333,334 New Options to subscribers under the Offer and also 37,500,000 New Shares 12,500,000 New Options to be issued to 62 Capital in lieu of cash for lead manager fees, together with a further 156,250,000 New Options subscribed for by 62 Capital, but no New Options being exercised; and

(d) the activities of the Company since 31 December 2025 not being recognised in the pro forma Statement of Financial Position, other than changes to the cash flow as referred to in paragraph (a) above.

Basis of preparation

The pro-forma Consolidated Statement of Financial Position has been prepared using historical financial information extracted from the Company's audited consolidated financial statements for the half year ended 31 December 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.

A copy of the most recent annual report (for the year ended 30 June 2025) and half year report (for the half year ended 31 December 2025) is available from the Company's announcements page on ASX, or on the Company's website (https://investorhub.adalta.com.au/announcements).

PRO-FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025	31.12.2025 (reviewed)	March 2026 QTR CASHFLOW	Offer	Pro-forma Statement (unaudited)
Assets				
Current assets				
Cash and cash equivalents	1,583,394	(755,325)	2,500,000	**3,328,069**
Trade and other receivables and prepayments	265,499	-	-	**265,499**
Total current assets	1,848,893	(755,325)	2,500,000	**3,593,568**
Non-current assets				
Property, plant and equipment	-	-	-	**-**
Right-of-use asset	-	-	-	**-**
Total non-current assets	-	-	-	**-**
Total assets	1,848,893	(755,325)	2,500,000	**3,593,568**
Liabilities				
Current liabilities				
Trade and other payables	1,962,414	-	-	**1,962,414**
Provisions	105,135	-	-	**105,135**
Total current liabilities	2,067,549	-	-	**2,067,549**
Non-Current liabilities				
Financial liabilities	-	-	-	**-**
Provisions	-	-	-	**-**
Total non-current liabilities	-	-	-	**-**
Total liabilities	2,067,549	-	-	**2,067,549**
Net assets	(218,656)	(755,325)	2,500,000	**1,526,019**
Equity				
Issued capital	51,974,224	1,171,000	2,500,000	**55,645,224**
Reserves	2,266,766	-	-	**2,266,766**
Accumulated losses	(54,459,646)	(1,926,325)	-	**(56,385,971)**
Total equity	(218,656)	(755,325)	2,500,000	**1,526,019**

4. COMPANY STRATEGY

4.1 Our purpose

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 and malaria.

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.[3]

AdAlta sources clinically validated cellular immunotherapies developed in Asia (approximately 40% of all companies[4] and 60% of all clinical trials[5] are located in Asia), and co-develops these assets through Western (US FDA) regulatory pathways using Australian clinical trial and manufacturing infrastructure. The model is designed to:

- reduce early-stage discovery risk;
- shorten development timelines;

[3] https://www.fda.gov/vaccines-blood-biologics/approved-blood-products/amtagvi; https://www.fda.gov/vaccines-blood-biologics/aucatzyl

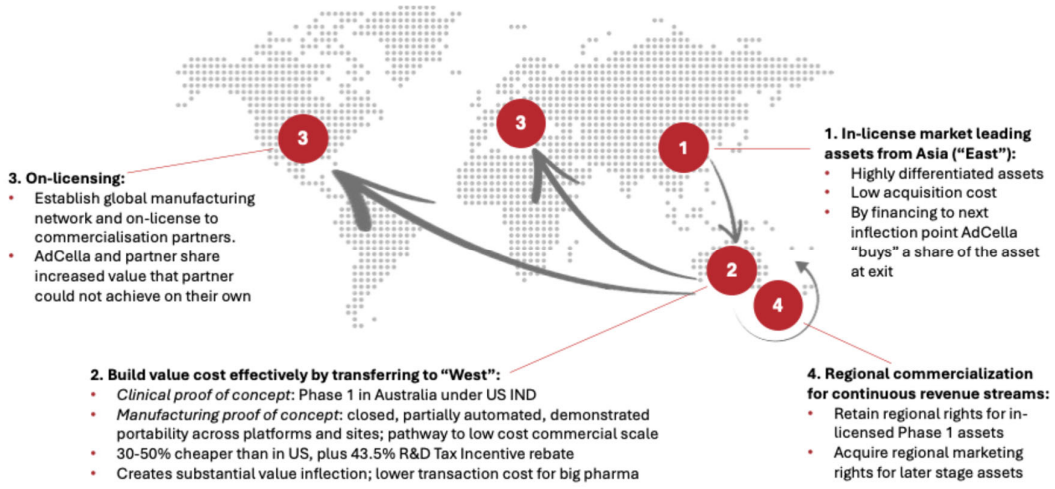
[4] *Alliance for Regenerative Medicine, Developer Data Report Q3 2023 and H1 2025.*

[5] *GlobalData, Pharma Intelligence Centre, Clinical Trials Database (accessed 5 April 2024).*

- materially lower development capital intensity; and
- improve probability of successful commercialisation and strategic transaction outcomes.

AdAlta acts as a force multiplier, creating value for larger biopharmaceutical companies by 'Westernising' these innovative assets and generating confirmatory clinical data, with this value shared with in-licensing partners. This platform-based structure enables AdAlta to scale a multi-asset pipeline using public and private sources of capital, preserving capital efficiency and minimising balance sheet risk. The business model is illustrated in Figure 1.

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



The first product being developed under the 'East to West' strategy is BZDS1901, a clinical-stage, first-in-class armoured CAR-T therapy targeting mesothelin (**MSLN**), a protein linked to mesothelioma and more than ten other cancers. AdAlta has entered a co-development agreement with Shanghai Cell Therapy Group (**SHcell**) to bring BZDS1901 to markets outside China.[6]

Patients with advanced mesothelioma (infamously associated with asbestos exposure) currently have limited options, with existing second-line treatments (treatments after initial therapy has failed to control tumours) typically delivering: [7]

- Tumour shrinkage in only 11–29% of patients
- Complete tumour clearance being rare
- Median survival of 8–10 months

Early results reported to ASX on 2 January 2026, 1 April 2026 and 29 April 2026, suggest BZDS1901 could potentially represent a significant new treatment option in a large unmet market. The global market for mesothelioma-related drugs alone is forecast to reach $12.2 billion by 2034,[8]

[6] See ASX Release 2 January 2026.

[7] See for example CONFIRM study (nivolumab against placebo): DA Fennell et al, Lancet Oncol 2021 (22) 1530.

[8] https://www.biospace.com/malignant-mesothelioma-market-size-to-reach-usd-12-2-billion-by-2034-impelled-by-increasing-popularity-of-gene-therapy.

with the addressable market for BZDS1901 in advanced mesothelioma estimated at US$4.2 billion,[9] before possible expansion to other cancers.

AdAlta will receive 60% of proceeds from any commercialisation event (licensing transaction) following Phase 1 completion.

Unlike conventional drugs, CAR-T therapies are manufactured individually from each patient's own cells. Manufacturing quality, speed, cost and consistency are therefore central to clinical and commercial success and heavily scrutinised in CAR-T transactions. For regulatory and logistical reasons, BZDS1901 cannot be manufactured in China for patients anywhere else in the world.

BZSD1901 was selected by AdAlta because it already utilises a short (2-day compared with around 9 days for many traditional CAR-T products) and low cost manufacturing technology. AdAlta has now executed the first Work Order with its manufacturing partner, Cell Therapies Pty Ltd (**CTPL**), to bring the BZDS1901 process to Australia and optimise it in accordance with an already completed technology feasibility assessment. CTPL are capable of becoming AdAlta's global manufacturing reference site for BZDS1901.

Successfully transferring and optimising BZDS1901 manufacturing in Australia is significant because it:

- supports planned Australian clinical trials;
- demonstrates the process can be replicated outside China;
- provides confidence in global scalability;
- reduces future supply chain and regulatory risk; and
- increases attractiveness to larger pharmaceutical partners evaluating licensing or acquisition opportunities.

Establishing a validated and optimised Australian process can therefore create substantial strategic value beyond enabling Western clinical data alone.

Looking ahead, it is equally important that AdAlta have access to next generation scale manufacturing and automation platform technology. AdAlta has executed a Memorandum of Understanding (**MoU**) with CTPL and Oribiotech which provides access to the IRO® automated platform, which aims to deliver:[10]

- 10–50x higher throughput in the same footprint.
- Shorter manufacturing times and higher success rates.
- 30–50% potential cost savings.
- Digital tools and expertise for rapid process optimization and easy technology transfer.

This supports AdAlta's strategy to build scalable next-generation cell therapy capability.

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[9] Assumes addressable market 90% of relapsed/refractory incidence population is MSLN positive (Servais et al 2021 Human Cancer Bio); and conservative price of US$250,000 per dose (compares with typical prices in South Korea US$270k; Japan US$300k; EU US$350k; Australia US$400k; US US$370-450k per literature sources for CD19 and BCMA CAR-T products).

[10] Ori data: https://oribiotech.com/iro and https://oribiotech.com/data. Target performance metrics also based on internal Ori data.

4.3 i-body® enabled assets

AD-214 – fibrotic diseases: AD-214 is a first in class, next generation protein therapeutic for fibrotic diseases including lung fibrosis (for example IPF) and kidney fibrosis. Using AdAlta's proprietary i-body® technology to target the receptor CXCR4, AD-214 has been shown to be well tolerated in Phase 1 clinical studies and effective in multiple animal models of disease, with patent protection beyond 2036.

The Company is working to out-license AD-214 to regional and global biopharmaceutical companies for both lung and kidney indications to finance Phase 2 trials. The majority of recent enquiries have focused on kidney fibrosis applications, reflecting the growing focus on diabetes and metabolic diseases. Interest in fibrosis assets remains significant, with several new enquiries received during the period.

Of particular note, the US FDA approved Boehringer Ingelheim's Jascayd for IPF in October 2025, the first new therapeutic option for IPF patients in over a decade, and Progressive Pulmonary Fibrosis in December 2025.[11] Despite this new option, there is still no cure for IPF and the opportunity for additional new products such as AD-214 targeting new modes of action remains significant.

WD-34 – malaria: WD-34 is an i-body® discovered with La Trobe University that targets a highly conserved region of the AMA1 protein crucial for malaria parasite invasion. WD-34 recognises AMA1 from multiple malaria species as well as Babesia and Toxoplasma parasites. This pan-strain recognition combined with high potency inhibition suggests potential for a long acting, single dose prophylaxis for travellers and deployed personnel, seasonal prophylaxis for children in endemic regions or a novel method of antigen generation for vaccines.

Several interested parties are working with AdAlta to finance additional candidate optimisation and pre-clinical proof of concept studies for WD-34 and several grant applications are progressing.

4.4 Recent developments

- Entered a Development and Collaboration Agreement with SHcell in respect of BZDS1901 (announced 2 January 2026)
- Raised $1.2 million in a private placement (announced 13 January 2026)
- Appointed BZDS1901 Clinical Advisory Board (announced 26 February and 4 March 2026)
- Granted composition of matter patent over AD-214 in Canada, completing patent protection of AD-214 in all target markets
- Paid first milestone to SHcell and held first Joint Development Committee meeting, identifying opportunities to accelerate manufacturing transfer to Australia (announced 21 January and 27 March 2026 respectively)
- Reported additional clinical data for BZDS1901, establishing 50% overall response rate and 20% Complete Response Rate at highest doses tested to date (announced 1 April 2026)
- Entered automated cell therapy manufacturing MoU with Oribiotech and CTPL (announced 21 April 2026)

[11] https://www.fda.gov/drugs/news-events-human-drugs/fda-approves-drug-treat-idiopathic-pulmonary-fibrosis and https://www.fda.gov/drugs/news-events-human-drugs/fda-approves-drug-treat-chronic-progressive-lung-disease.

- Executed first manufacturing and technology transfer work order with CTPL to begin transferring BZDS1901 to Australia (announced 29 April 2026)
- Received commitments to raise $2.5 million in a private placement (announced 4 May 2026)
- Engaged DarkHorse Consulting to guide regulatory engagement with US FDA (announced 22 May 2026)

4.5 Future milestones

The Company is currently focussed on advancing BZDS1901 towards clinical trials in Australia and evaluating additional 'East to West' assets to expand the Company's pipeline while seeking to monetise existing i-body® enabled assets. Near term milestones could include:

Milestone/activity	When	Significance
BZDS1901		
➢ US FDA regulatory advice (pre-IND meeting)	H1 FY27	Confirms and de-risks remaining manufacturing and preclinical activities required prior to Phase 1
➢ Manufacturing technology transfer and optimisation	Begin Q1 FY27	Confirms reliable and cost effective "just-in-time" process for making each patient specific dose of BZDS1901; increases attractiveness to larger pharmaceutical partners
➢ Ongoing clinical results from China IIT study	~ Quarterly	Establishes how long BZDS1901 controls tumors and resulting survival benefit; critical indicator of potential for partners
➢ Preclinical IND-enabling studies	Begin H1 FY27	Ensure complete FDA IND (Investigational New Drug) submission to approve Phase 1 trial; supports marketing to partners
Other assets		
❖ Screening additional "East to West" assets	Ongoing	Evaluating opportunities to expand pipeline with additional assets that can be advanced to inflection points rapidly and at low cost; particularly leveraging recent OriBiotech collaboration
❖ WD-34 (malaria) and AD-214 (fibrosis) out-licensing	Ongoing	Monetises previously developed IP

The Company notes that where a statement was made from a book, journal or comparable publication cited in this section, the relevant author has not provided their consent for the statement to be included in this Prospectus.

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 Options 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 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 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 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:

(1) implement and execute its business strategy;

(2) develop its products;

(3) identify and secure capable commercialisation partners on profitable terms;

(4) obtain regulatory and reimbursement approval for its products (itself or through partners);

(5) establish cost competitive and reliable supply chains for its products;

(6) manage expanding operations; and

(7) 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. Each term sheet executed in respect of such assets 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. Accordingly, 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 or may be 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.

The Company notes that the Commonwealth Government budget presented to parliament on 12 May 2026 proposed significant changes to the RDTI program. These are subject to additional consultation and enabling legislation however if enacted as presented the Company estimates that the quantum benefits received via the RDTI program may materially reduce and the timing of receipt of such benefits may be materially delayed.

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 BZDS1901 and 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 BZDS1901 and 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 sufficiently 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, BZDS1901 or other 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.

The Company may be dependent on third parties to protect and defend intellectual property associated with in-licensed or out-licensed products and there can be no guarantee that such third parties will have sufficient resources or be successful in protecting and defending such intellectual property.

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, malaria 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 Options and the underlying 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 its securities including the securities offered under this Prospectus.

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 securities issued under the Offer carry no guarantee in respect of profitability, dividends, or return of capital. The value of the securities will be subject to a range of factors beyond the control of the Company and its Directors including the demand for and availability of the securities.

An investment in the Company's securities, including those issued under this Prospectus, 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 Risk of Shareholder approval not being obtained

All New Options applied for under the Offer will only be allotted and issued if Shareholder approval for their issue is obtained at the EGM, currently set to be held on 15 June 2026.

Accordingly, there is no guarantee that the New Options applied for will be issued at all.

If the Company is unable to issue New Options to 62 Capital in lieu of its fees (as described in sections 1.10 and 8.6 of this Prospectus) due to Shareholder approval not being obtained, then the Company will be liable to pay 62 Capital's fees for acting as lead manager and broker to the Placement. Such a liability is estimated at $150,000.

5.5 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 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 to 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 Options.

6. TERMS OF THE NEW OPTIONS

The terms of the New Options are as follows:

Issue date	Within 1 month of approval at the EGM
ASX code	1ADO
Issue price	One (1) New Option *may* be issued for no consideration for every three (3) New Shares acquired under the Placement if Shareholder approval for that issue is obtained at the EGM. A further 12,500,000 New Options will be issued to 62 Capital on the same basis (being 1 New Option for each New Share issued to 62 Capital in lieu of fees for acting as lead manager), with another 156,250,000 New Options issued to 62 Capital at a subscription price of $0.000001 per New Option.
Exercise price of options	$0.01 upon exercise to acquire each Share.
Expiry date of options	3 June 2028
Exercise period	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. The exercise of each option is subject to compliance with Chapter 6 of the Corporations Act.
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. See also section 7 below.
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	If there is a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company:

	• 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 New Option is issued subject to: • the Corporations Act; • the ASX Listing Rules; and • the Constitution.
Quotation of the New Options	The Company will apply to ASX for official quotation of the New Options, as they are in the same class as those already quoted with ASX code 1ADO.
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.

7. RIGHTS AND LIABILITIES ATTACHING TO SHARES ON EXERCISE OF A NEW OPTION

7.1 Rights attaching to Shares on exercise of a New Option

The rights attaching to ownership of 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 Shares that are issued by the Company on exercise of a New Option. 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 downloaded from the Company's website at https://adalta.com.au/investors/corporate-governance/.

7.2 Variation of rights

The rights attaching to the 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 by Shareholders at a general meeting of the Company.

7.3 Voting rights

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

(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, or in respect of which that Shareholder 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).

7.4 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.

7.5 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.

7.6 Winding-up

If the Company is wound up, the liquidator may with the sanction of a special resolution of Shareholders, divide the assets of the Company amongst Shareholders as the liquidator sees fit. If the assets 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.

7.7 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 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 Shareholder'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 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 the ASX their transfer may be effected through CHESS in accordance with the ASX Settlement Operating Rules.

7.8 Unmarketable parcels

The 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 an exemption notice is received by a specified date.

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.

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 2025, being the annual financial report most recently lodged by the Company with ASIC;

(b) the half yearly financial report of the Company for the 6 months ended 31 December 2025, being the half yearly financial report most recently lodged by the Company with ASIC; and

(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 2026, being the date of lodgement of the 31 December 2025 half yearly financial report and before lodgement of a copy of this Prospectus with ASIC. These documents are:

21/01/2026	AdCella milestones and regulatory progress
30/01/2026	Quarterly Appendix 4C and Activities Report
20/03/2026	New AD-214 patent granted
27/03/2026	AdCella and SHcell hold first Joint Development Committee meeting
01/04/2026	BZDS1901 clinical update
02/04/2026	Notification of cessation of securities
02/04/2026	Appendix 3Z – Director interest change
17/04/2026	Board change
17/04/2026	Appendix 3Z – Director interest change
21/04/2026	Automated cell therapy manufacturing MoU
30/04/2026	Quarterly Appendix 4C and Activities Report (March 2026 quarter)
30/04/2026	Trading Halt
04/05/2026	$2.5m placement
04/05/2026	Appendix 3B – Proposed issue of securities
04/05/2026	Appendix 3B – Proposed issue of securities
07/05/2026	Investor webinar – new hope for mesothelioma patients

11/05/2026	Webinar presentation – new hope for mesothelioma patients
15/05/2026	Notice of EGM & Proxy Form
18/05/2026	Appendix 2A – Application for quotation of securities
18/05/2026	Cleansing Notice
25/05/2026	Regulatory advisors appointed for BZDS1901

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 year 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 Constitution and the consents referred to in section 8.9 of this Prospectus 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 1.01, 117 Camberwell Road
Hawthorn East, Victoria 3123

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 quoted 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 Options to be issued under this Prospectus are both:

(a) continuously quoted securities of the Company in a class of securities that has been continuously quoted on the ASX in the 12-month period preceding the date of this Prospectus; and

(b) options to be issued Shares, which are continuously quoted securities of the Company.

As the New Options are options to be issued Shares in the same class as the Company's existing Shares, ASIC Corporations (Exposure Period) Instrument 2026/90 allows the Company to accept Application 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) if the securities the subject of the Offer are options - the rights and liabilities attaching to:

(1) the options themselves being offered; and

(2) the underlying securities.

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 Directors will not acquire any additional securities under the Offer.

Relevant Interests of Directors (including indirect interests)

Director	Shares	Options	Performance rights
Paul MacLeman	544,042	35,356 quoted Options (ASX:1ADO) expiring 3 June 2028 each with an exercise price of $0.01 2,800,000 unquoted options expiring 22 November 2027 each with an exercise price of $0.0187	-
Tim Oldham	17,265,415	5,833,333 quoted Options (ASX:1ADO) expiring 3 June 2028 each with an exercise price of $0.01 5,600,000 unquoted options expiring 27 November 2027 each with an exercise price of $0.0187 757,195 unquoted options expiring 20 November 2028 each with an exercise price of $0.017	-
Fadi Diab	-	-	-
Michelle Burke	-	-	-

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

(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, Ms Michelle Burke is currently paid $50,000 per annum.

As a non-executive Director, Mr Fadi Diab is currently paid $50,000 per annum.

The following tables shows the annual remuneration paid to both executive and non-executive Directors for the last two financial years ended 30 June 2024 and 30 June 2025 (noting that Director and CEO fees and salaries were suspended for part of FY26):

	Short-term benefits		Post-employment benefits	Total cash payments	Share-based payments	Total earned remuneration		
	Cash salary and fees	Other	Super-annuation		Equity-settled		% remuneration paid in	
							Cash	Equity
2025	$		$	$	$	$	%	%
Non-Executive Directors:								
Dr Paul MacLeman[1]	69,198	-	5,802	75,000	15,273	90,272	83	17
Dr Robert Peach[3]	19,747	-	-	19,747	9,545	29,292	67	33
Dr David Fuller[1]	50,000	-	-	50,000	9,545	59,545	84	16
Ms Michelle Burke[1,2]	28,807	-	1,875	30,682	-	30,682	100	-
Mr Iain Ross[1,2,4]	30,682	-	-	30,682	-	30,682	100	-
Executive Directors								
Dr Timothy Oldham	341,970	-	29,932	371,902	34,333	406,235	92	8
	540,404	-	37,609	578,013	68,696	646,708		

[1] As announced on 30 April 2025, Board fees were suspended. A total of $56,250 in Non-Executive Director fees are included in the reported totals, comprising:
Paul MacLeman: $18,750
Iain Ross: $12,500
David Fuller: $12,500
Michelle Burke: $12,500
These amounts remain unpaid and are deferred until the completion of a strategic transaction.
[2] Appointed 20 November 2024.
[3] Resigned 20 November 2024.
[4] Resigned 30 June 2025.
[5] As announced on 30 April 2025, CEO salary was suspended. A total of $56,995 representing May and June 2025 CEO salary is included in the reported totals. This was paid on the condition (subsequently fulfilled) that the net salary amount after tax was reinvested in the Renounceable Rights Offer.

	Short-term benefits		Post-employment benefits	Total cash payments	Share-based payments	Total earned remuneration		
	Cash salary and fees	Other[1]	Super-annuation		Equity-settled		% remuneration paid in	
							Cash	Equity
2024	$		$	$	$	$	%	%
Non-Executive Directors:								
Dr Paul MacLeman	69,198	-	7,435	75,000	29,918	104,918	71	29
Dr Robert Peach	19,747	-	-	19,747	15,340	65,340	77	23
Dr David Fuller	50,000	-	-	50,000	15,340	65,340	77	23
Executive Directors								
Dr Timothy Oldham	330,200	29,058	27,399	386,657	36,590	423,247	91	9
	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 was remunerated by the issuance of performance rights following shareholder approval at the 2024 Annual General Meeting.

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 2025. Dr David Fuller retired as a director on 17 April 2026 and Mr Fadi Diab was appointed as a director on 18 March 2026 and is entitled to an annual fee of A$50,000.

8.6 Interests of, and Issue of Payments and Benefits to, Advisors and Experts in conjunction with the Offer

Except as set out in this Prospectus, neither 62 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:

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

(b) the Offer.

Piper Alderman will receive the sum of approximately $25,000 (excluding GST and disbursements) from the Company for the provision of legal services to the Company in connection with the Offer. This amount does not include any fees relating to advice in respect of the EGM to take place following the close of the Offer.

62 Capital has acted as lead manager for the Placement and the Offer under this Prospectus, for which it will receive fees pursuant to its mandate consisting of:

(a) a capital raising fee calculated as 6% of gross funds received pursuant to the Offer - assuming the target amount of $2.5 million is raised, this will amount to a capital raising fee of $150,000, to be paid, subject to Shareholder approval at the EGM, by the issue of 37,500,000 New Shares and 12,500,000 New Options; and

(b) subject to Shareholder approval at the EGM, the option to subscribe for 156,250,000 New Options with an issue price of $0.000001.

8.7 Prior payments to and interests of 62 Capital in conjunction with the promotion of the Company

62 Capital previously acted as lead manager to the Company in connection with two (2) recent placements announced to ASX on:

(a) 20 October 2025; and

(b) 13 January 2026.

For its services in connection with the October 2025 placement, 62 Capital was issued up to 22,000,000 Shares and 11,000,000 Options, the issue of which was approved by Shareholders at the Company's annual general meeting on 26 November 2025. The fee for 62 Capital in respect of the October 2025 placement was 6% of the gross funds received.

For its services in connection with the 13 January 2026 placement, 62 Capital was issued 14,400,000 Shares and 82,200,000 Options. The fee for 62 Capital in respect of the January 2026 placement that was paid in Shares was 6% of the gross funds received.

8.8 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.

8.9 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.

62 Capital has given and as at the date of this Prospectus has not withdrawn its consent to be named as the Company's lead manager in relation to the Offer. 62 Capital has not authorised or caused the issue of any part of this Prospectus. No statement in this Prospectus is made by 62 Capital or is based on a statement made by 62 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 62 Capital.

9. ACTION REQUIRED BY PROSPECTIVE INVESTORS

9.1 What prospective investors may do

If you have been invited by the Company to participate in this Offer, and have been provided with a copy of this Prospectus together with a personalised Application Form, you may:

(a) subscribe for New Options using the Application Form; or

(b) do nothing and allow the Offer to lapse.

9.2 Applying for New Options

If you wish to apply for New Options, please complete the Application Form in accordance with the instructions set out in the Application Form. In order to apply for New Options your completed Application Form (including electronic funds transfer instructions and authority) must be received by no later than 5:30pm (AEST) on 2 June 2026 as instructed on your Application Form or as otherwise directed by the Company.

Provided that the Company has received cleared funds in respect of the issue of New Shares to you under the Placement, you do not need to make any further payments in applying for the New Options.

9.3 Applications

If your Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted by the Company.

You are urged to lodge your Application as soon as possible. Application 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.

9.4 Acceptance

Receipt of your Application Form and/or 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 Application Form, the applicant is taken to have warranted to and for the benefit of the Company that it is a sophisticated or professional investor 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.

9.5 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.

9.6 Personal Information and Privacy Act

Shareholders have already provided certain personal information to the Company and its share registrar. If prospective investors apply for New Options, the Company and its share registrar may update that personal information or collect new information if the applicant is not a current Shareholder. Such information will be used to assess the application, service your needs as a

current or future 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 Application Form, the Company may not be able to process the application or administer your holding of New Options appropriately.

Under the *Privacy Act 1988* (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 1.01, 117 Camberwell Road
Hawthorn East, Victoria 3123
Ph: +61 3 9479 5159

10. DIRECTORS AUTHORISATION

The Directors 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

11. GLOSSARY

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

TERM	DEFINITION
62 Capital	62 Capital Pty Ltd ACN 677 075 704
AD-214	The i-body®-enabled protein therapeutic being developed by AdAlta for fibrotic diseases of the lungs and kidneys
AdCella	AdCella Pty Ltd ACN 677 398 239, a wholly-owned subsidiary of the Company
Application Form	The application form described as such accompanying this Prospectus (for prospective sophisticated and professional investors invited by the Company to make applications only)
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporation Pty Limited
ASX	Australian Securities Exchange Limited ABN 98 008 624 691 or the financial market operated by ASX Limited ABN 98 008 624 691, as the context requires
Board	The board of Directors
Business Day	A day that is not a Saturday, Sunday or public holiday or bank holiday in Melbourne
BZDS1901	The armored MSLN CAR-T cell therapy being developed by the Company under a Development and Collaboration Agreement with SHcell announced on 2 January 2026
CHESS	Clearing House Electronic Subregister System
Closing Date	The date the Offer closes, being 5:30pm (AEST) on 2 June 2026, unless extended by the Company
Company	AdAlta Limited ACN 120 332 925
Constitution	The constitution of the Company
Corporations Act	*Corporations Act 2001* (Cth)
Directors	The directors of the Company

TERM	DEFINITION
EGM	The proposed extraordinary general meeting of the Company to vote on the matters outlined in section 1.15 of this Prospectus
International Shareholder	A holder of Shares having a registered address outside Australia
Listing Rules	The official listing rules of the ASX
MSLN or mesothelin	Mesothelin is a protein that is highly expressed on mesothelioma and in many other cancers. BZDS1901 is specifically designed to target MSLN and to kill cancer cells expressing this protein
New Options	Options offered under this Prospectus, the terms of which are set out in section 6 of this Prospectus
New Shares	Shares offered under the Placement
Offer	The offer to sophisticated and professional investors selected by the Company to apply for one (1) New Option for every three (3) New Shares subscribed for under the Placement, together with the offer to the lead manager for the Placement to subscribe for New Options, made in accordance with this Prospectus
Official Quotation	Has the meaning given to the term 'quotation' in the Listing Rules
Options	All existing options issued by the Company, including unquoted options and quoted options with ticker code ASX:1ADO
Placement	The placement to select sophisticated and professional investors which raised approximately up to $2.5 million before issue costs at 4 cents ($0.004) per fully paid ordinary share, details of which were announced to the ASX on 4 May 2026.
Prescribed Persons	Prescribed Persons has the meaning given to it in section 8.6 of this Prospectus
Prospectus	This prospectus dated 25 May 2026
Shareholder	A registered holder of Shares appearing on the Company's share register
Shares	Fully paid ordinary shares in the Company
Statement of Financial Position	The statement on the financial position of the Company
U.S. Person	The meaning given in Regulation S under the US Securities Act

TERM	DEFINITION
U.S. Securities Act	The United States Securities Act of 1933, as amended

12. CORPORATE DIRECTORY

Registered Office
AdAlta Limited
Suite 1.01, 117 Camberwell Road
Hawthorn East, Victoria 3123

Website
www.adalta.com.au

Directors
Paul MacLeman (Chairman)
Tim Oldham (CEO & Managing Director)
Michelle Burke (Non-Executive Director)
Fadi Diab (Non-Executive Director)

Company Secretary
Cameron Jones

ASX Code
Shares: 1AD
Options: 1ADO

Legal Adviser
Piper Alderman
23/459 Collins Street
Melbourne VIC 3000

Lead Manager
62 Capital Pty Ltd
Level 50
08 St Georges Terrace
Perth WA 6000