AdAlta

ANNUAL REPORT

FOR THE YEAR ENDED
30 JUNE 2026

ADALTA LIMITED AND CONTROLLED ENTITIES
ABN 92 120 332 925

AdAlta Limited and controlled entities
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30 June 2026

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AdAlta Limited and controlled entities
Corporate directory
30 June 2026

Directors	Dr Paul MacLeman Dr Timothy Oldham Ms Michelle Burke Mr Fadi Diab (Appointed 18 March 2026) Dr David Fuller (Resigned 17 April 2026)
Company secretary	Mr Cameron Jones
Registered office	Level 1, Suite 1, 117 Camberwell Road Hawthorn East, VIC 3123 Australia
Auditor	Dry Kirkness (Audit) Pty Ltd Ground Floor, 50 Colin Street West Perth, Western Australia 6005
Share Registry	Automic Registry Services Level 5 126 Phillip Street Sydney, NSW 2000 Tel: 1300 288 664
Stock exchange listing	AdAlta Limited shares are listed on the Australian Securities Exchange.
ASX Code	1AD and listed options under ASX:1ADO
Website	www.adalta.com.au

The Directors of AdAlta Limited ("AdAlta" or "the Group") submit herewith the Annual Report of the Group for the financial year ended 30 June 2026. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

Information about the Directors

The names and particulars of the Directors of the Group during or since the end of the financial year are:

Dr Paul MacLeman
MBA, BVSc, Grad Dip Tech, Grad Cert Eng, FAICD, MATT

Chairman, joined the board 16 April 2015. Paul has over 35 years experience across all phases of the life sciences sector, with a career spanning veterinary practice, pharmaceutical development and manufacturing, biotechnology, diagnostics and capital markets, focused on the development, scale-up and commercialisation of complex therapeutic products.He has held CEO and senior executive roles in GMP manufacturing organisations including IDT Australia, where he led the operation of Australia's only high-containment API and sterile manufacturing facility, supporting cytotoxic and highly potent pharmaceutical production, contract manufacturing and clinical trial supply. Across multiple roles, he has been directly involved in the design, commissioning and operation of GMP facilities spanning biologics, vaccines and complex protein-based therapeutics. Paul has served as Chairman, Managing Director or CEO of multiple publicly listed and venture-backed life sciences companies across the ASX, NASDAQ, TSX and CSE, leading numerous IPOs and secondary capital raisings. He has extensive experience in technology commercialisation, cross-border transactions and intellectual property strategy. He brings particular expertise in bridging scientific development with capital allocation under conditions of technical and regulatory uncertainty, including the acquisition and development of novel antiviral assets targeting Ebola and Marburg haemorrhagic fevers, delivering significant shareholder value through clinical and regulatory progression. Paul currently serves as Chair of AdAlta Limited (ASX:1AD) and has held board roles across pharmaceutical, biologics, diagnostics and medical technology companies. In addition to his commercial roles, Paul has contributed extensively to Australian pharmaceutical manufacturing policy and workforce development, including as Chair of the Pharmaceutical Manufacturing Industry Reference Committee and advisor to the Manufacturing Jobs & Skills Council, with a focus on building sovereign capability in advanced therapeutics manufacturing. He holds a Bachelor of Veterinary Science from the University of Sydney, an MBA from Macquarie Graduate School of Management, and is a Graduate of the Australian Institute of Company Directors.

Dr Timothy Oldham
BSc(Hons), LLB (Hons), PhD

Managing Director and CEO, joined the Board on 8 October 2019. Tim has more than 20 years of life sciences business development, alliance management, portfolio and product development, and commercialisation experience in Europe, Asia and Australia, with a particular focus on biologics, cell and gene therapies and pharmaceutical products. Immediately prior to joining AdAlta, as Executive Leader of Tijan Ventures, Tim provided strategic and operational advice to growing life sciences companies developing biologics, cell and gene therapies and immunotherapies. He had previously served as CEO and Managing Director of Cell Therapies Pty Ltd, a leading contract manufacturer and distributor of cellular therapies in Asia Pacific, President of Asia Pacific for Hospira, Inc., and a variety of senior management roles with Mayne Pharma Ltd prior to its acquisition by Hospira. He currently serves as a Non-executive Director at Acrux Ltd (ASX:ACR, topical and transdermal drug delivery) and Non-executive Chair at Skin2Neuron Pty Ltd (regenerative cell therapies for Alzheimer's Disease).

Ms Michelle Burke
BSc(Hons), GAICD

Michelle joined the Board on 20 November 2024. Michelle has more than 25 years experience in the life sciences sector, with a breadth of knowledge across pharma and biotech industries, from early stage development through to late stage commercialisation, across pre-IPO, private commercial, industry groups and multinational organisations. Her executive career as a commercial leader spanned more than two decades, including at Bristol-Myers Squibb and SmithKline Beecham. With focus on pre-launch, market access and payor negotiations, she has delivered market access, reimbursement and stakeholder leadership for products across multiple therapeutic areas, including oncology, haematology, immunology, virology, cardiovascular and metabolic conditions. She also led the New Zealand commercial business, launching key products in that market, and was business development lead for Australia and New Zealand.

Michelle is currently the industry nominee to the Pharmaceutical Benefits Advisory Committee, an independent statutory body that makes medicines decisions for inclusion to the Pharmaceutical Benefits Scheme (PBS). She is also Chair and non-executive director at Cell Therapies Pty Ltd (a leading contract development and manufacturer (CDMO) in cell and gene therapies). Other roles include non-executive director at Olivia Newton-John Cancer Research Institute, Senseye Australia Pty Ltd, as well as being past Chair of AusBiotech Ltd, the peak industry association for the life sciences sector. Michelle also serves as an advisor for Proto Axiom Pty Ltd and provides expertise to other advisory boards.

Mr Fadi Diab
(Appointed 18 March 2026)

Fadi joined the Board on 18 March 2026. Fadi is a seasoned corporate executive with over 10 years experience in large financial institutions. He has led a number of large-scale technology transformation programs that have received national industry recognition and awards, and has managed large operational teams responsible for processing billions of dollars in payments.

In addition to his executive career, Fadi currently serves as a Non-Executive Director of Balkan Mining and Minerals Limited (ASX: BMM), AdAlta Limited (ASX: 1AD) and Simble Solutions Limited (ASX: SIS). He previously served as a Non-Executive Director of Lithium Universe Limited (ASX: LU7). His board experience spans corporate governance, strategy, capital markets, mergers and acquisitions, and the oversight of ASX-listed companies across the mining, biotechnology and technology sectors.

Fadi holds a Bachelor of Business in Human Resource Management and Industrial Relations from the University of Western Sydney and a Master of Business Management from the University of Technology Sydney.

Dr David Fuller
MBBS, BPharm(Hons)

Non-Executive Director, appointed 22 July 2020, resigned 17 April 2026.

The above-named Directors held office during the whole of the financial year and since the end of the financial year, unless otherwise indicated.

The above-named Directors held office during the whole of the financial year and since the end of the financial year, unless otherwise indicated.

Company Secretary

The name and particulars of the Company Secretary of the Group during or since the end of the financial year are:

Cameron Jones B.Bus, CA,GIA(Cert)	Cameron is a finance executive and Chartered Accountant with experience as CFO and Company Secretary of ASX Listed and Venture Capital healthcare companies. Cameron has supported companies through IPOs, capital raising and M&A transactions. Cameron is the Managing Director of Bio101, a financial services firm providing transaction advisory, CFO, accounting, tax and company secretarial services specialising in the healthcare and life science sectors.

Directors' shareholdings as at the date of this report

The following table sets out each Director's relevant interest in shares, debentures and rights or options in shares or debentures of the Group as at the date of this report:

Directors	Fully paid ordinary shares (Number)	Unlisted Options (Number)	Listed Options (Number)[1]
Dr Paul MacLeman	544,042	2,800,000	35,536
Dr Timothy Oldham	17,265,415	6,357,195	5,833,333
Ms Michelle Burke	-	-	-
Mr Fadi Diab	-	-	-

[1]Listed Options terms trade under ASX code 1ADO, have exercise price of 1.0 cent and expire 3 June 2028.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Shares under option as at the date of this report

Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
1,300,000	Ordinary	$0.0397	27 February 2027
50,000	Ordinary	$0.0200	25 August 2027
11,025,000	Ordinary	$0.0200	22 November 2027
662,500	Ordinary	$0.0200	26 February 2028
757,195	Ordinary	$0.0183	20 November 2028
1,083,901,398	Ordinary	$0.0100	3 June 2028

The holders of these options do not have the right to participate in any share issue of the Group without first exercising the options in accordance with the terms of any such share issue.

Performance Rights under option as at the date of this report

Number of performance rights	Class of shares	Expiry date of options
1,041,788	Ordinary	6 December 2028

Indemnity and insurance of officers and auditors

During the financial year, the Group paid a premium in respect of a contract that insures the Directors of the Group (as named above), the company secretary and all executive officers of the Group and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Group or of any related body corporate against a liability incurred as such an officer or auditor.

Meetings of Directors

The number of meetings of the Group's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee[1]		Audit and Risk Committee[1]	
	Attended	Held	Attended	Held	Attended	Held
Dr Timothy Oldham	10	10	2	2	1	1
Dr Paul MacLeman	10	10	2	2	1	1
Ms Michelle Burke	10	10	2	2	1	1
Mr Fadi Diab	2	2	-	-	-	-
Dr David Fuller	8	8	2	2	1	1

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

[1]All non-executive directors are invited to attend all committee meetings regardless of committee membership. Only committee members are entitled to vote on resolutions of the committees.

Proceedings on behalf of the Group

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

Operating and financial review

1. Summary of principal activities and purpose

AdAlta Ltd (ASX:1AD) (AdAlta or the Company) is a clinical stage biotechnology business. Its principal activity is the development of **next generation cellular immunotherapies for the treatment of solid cancers**, together with the commercialisation of protein therapeutics previously discovered using the Company's proprietary i-body® platform.

Through its **'East to West' strategy**, AdAlta integrates Asia's prowess in T cell therapy development with the efficiency and quality of Australia's clinical and manufacturing ecosystem, creating a pathway that connects 'Eastern' innovation in cellular immunotherapies with 'Western' regulated markets and patients. AdAlta in-licenses clinically de-risked products from Asian originators and invests to establish US FDA regulated manufacturing and to conduct early clinical studies, with the aim of positioning each product for on-licensing to larger biopharmaceutical companies for registrational studies and commercialisation.

AdAlta applies a **disciplined approach to asset selection**, focused on highly differentiated T cell therapy products already supported by human clinical data in solid cancers. The business model is deliberately capital efficient, is designed to deliver a return on investment in each project within three to four years, and is replicable and scalable across multiple products. Solid tumours account for approximately 90% of all cancers yet remain underserved by current cellular immunotherapies. The global cellular immunotherapy market is projected to grow at a compound annual growth rate of 34% to reach US$20.3 billion by 2028.

AdAlta has previously created value by discovering and developing novel protein based therapeutics using its i-body® platform to address drug targets that have been intractable to other methods. The most significant of these are **AD-214**, a Phase 2 ready, first in class i-body fusion protein taking a whole new approach to fibrotic diseases of the lung and kidney such as the degenerative and fatal Idiopathic Pulmonary Fibrosis (IPF); and **WD-34**, a discovery stage i-body® that AdAlta believes is the first antibody-like molecule showing both high potency against malaria parasite invasion and activity against multiple strains of malaria. Both assets are available for partnering.

AdAlta aims to convert the value it creates into revenue by out-licensing its product candidates to larger biopharmaceutical and biotechnology companies in return for upfront payments, development and commercialisation milestone payments, royalties and, in some cases, equity. In the case of its cellular immunotherapy programs, this value is shared with the Company's in-licensing partners, enabling those partners to realise more than they could achieve alone.

The primary focus of the FY2026 year was to **convert AdAlta's 'East to West' strategy from concept into execution** – securing the Company's first cellular immunotherapy asset, establishing Australian manufacturing and US regulatory pathways for it, building the pipeline behind it, and continuing to pursue partnering outcomes for AD-214 and WD-34.

2. Key FY2026 results

"East to West" cellular immunotherapy strategy launched and first asset secured:

- Entered a **Development and Collaboration Agreement with Shanghai Cell Therapy Group Co Ltd (SHcell)** in respect of EW-001 (formerly BZDS1901), a first in class, anti-PD1 armoured mesothelin (MSLN) CAR-T therapy for advanced mesothelioma with potential in more than ten other cancers (January 2026).
- Completed the **initial financial commitment** under that agreement through two milestone payments totalling US$2.0 million, securing AdAlta's rights to develop EW-001 for **all markets outside Greater China** and unlocking additional clinical data and the proprietary materials required to manufacture EW-001 in Australia.
- Reported **new clinical data** from investigator-initiated studies in China showing up to a **50% overall response rate** and a **20% complete response rate** at the highest current generation EW-001 doses tested – complete tumour clearance is almost never achieved in advanced mesothelioma.
- Signed the **first manufacturing work order with Cell Therapies Pty Ltd (CTPL)** and commenced technology transfer of EW-001 to Australia, and entered a Memorandum of Understanding with CTPL and Oribiotech to access the IRO® automated manufacturing platform.
- Appointed an **EW-001 Clinical Advisory Board** drawn from Australia's leading CAR-T centres and engaged DarkHorse Consulting to guide engagement with the **US FDA**.

i-body® enabled assets and R&D:

- Continued to progress partnering and financing discussions for **AD-214**, with enquiries increasingly focused on **kidney fibrosis** applications.
- Completed AD-214 patent coverage across all target markets with the **grant of a Canadian composition of matter patent**.
- Advanced grant applications and third-party funding options for **WD-34**, including the possible creation of a dedicated spin-out company.

Financing and organisation:
- Raised approximately **A$5.3 million** (before costs) across three placements during the year.
- Strengthened decision making through **artificial intelligence**, including EMU, AdAlta's in-house agent built on Anthropic's Claude, which screens and scores in-licensing opportunities.

3. Company strategy

AdAlta is a clinical stage biotechnology business focused on the 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 for 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 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 2 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. 'East to West' cellular immunotherapies - AdCella

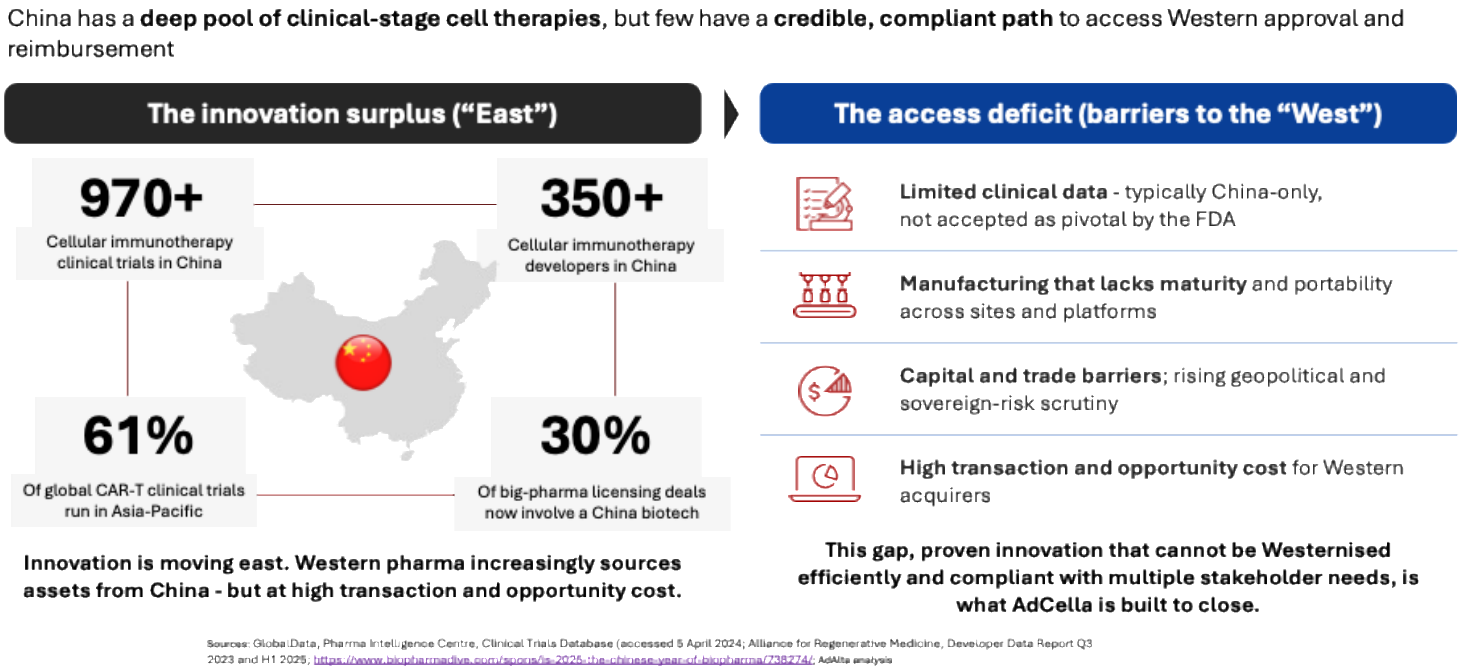
Cellular immunotherapies are a new class of highly innovative therapeutics that involve engineering a patient's own immune cells in a laboratory so that they can find and fight cancer, and then returning them to the patient. These highly specialised, precision medicine products are **living drugs** that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

AdAlta sources clinically validated cellular immunotherapies developed in Asia – approximately 40% of all cellular immunotherapy developers and 60% of all cellular immunotherapy clinical trials 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;
- materially lower development capital intensity; and
- improve the probability of successful commercialisation and strategic transaction outcomes.

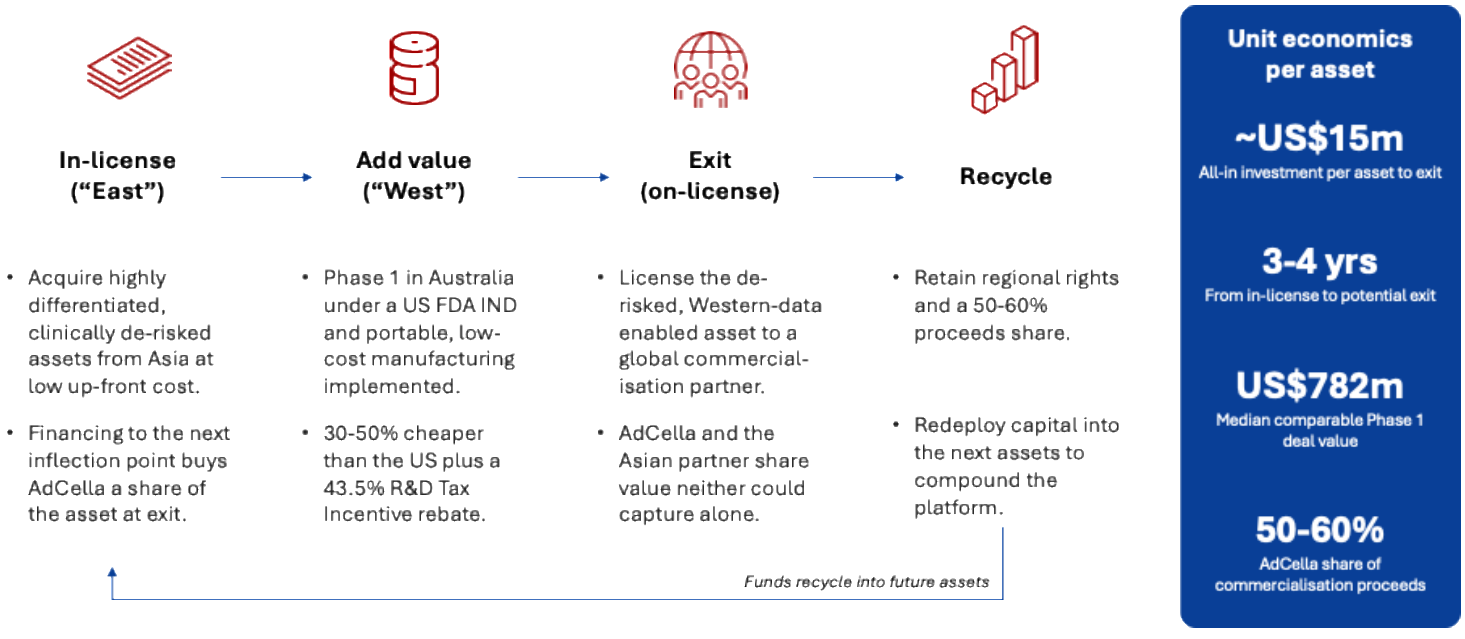
The opportunity AdAlta is addressing is straightforward: Asia, and China in particular, has produced a deep pool of clinical stage cell therapies, but few of these have a credible, compliant path to Western approval and reimbursement. Large biopharmaceutical companies want the innovation but resist the transaction cost, data acceptance and supply chain questions that come with it. This gap is illustrated in Figure 1.

Figure 1: An innovation surplus in the "East" that cannot easily reach patients in the "West"



AdAlta acts as a **force multiplier** for Asian innovators, creating value for larger biopharmaceutical companies by 'Westernising' these innovative assets and generating confirmatory clinical data, with that value shared with its in-licensing partners. Capital is recycled from each exit into the next asset, and the platform structure enables AdAlta to scale a multi-asset pipeline using both public and private sources of capital, preserving capital efficiency and minimising balance sheet risk. The business model is illustrated in Figure 2.

Figure 2: The 'East to West' business model – in-license, add value, exit, recycle



EW-001 (formerly BZDS1901) – the first asset

The first product being developed under the 'East to West' strategy is **EW-001**, a clinical stage, first in class **armoured CAR-T therapy targeting mesothelin (MSLN)**, a protein found on mesothelioma and more than ten other cancers. In January 2026 AdAlta entered a Development and Collaboration Agreement with Shanghai Cell Therapy Group Co Ltd (SHcell) to bring the product, then known as BZDS1901, to markets outside Greater China. AdAlta has adopted the internal project code EW-001 to describe the version of the product manufactured by the Company, ensuring clarity in communications with regulators.

EW-001 is the **first MSLN CAR-T product designed to secrete PD1-blocking molecules**, which overcome the tumour's ability to suppress the activity of both the infused CAR-T cells and the patient's own T cells. Its binding is deliberately tuned to activate only where MSLN is densely expressed, helping protect healthy tissue.

Patients with advanced mesothelioma – a rapidly fatal cancer infamously associated with asbestos exposure – have very limited options today. Existing second line treatments (used after initial therapy has failed to control tumours) typically deliver tumour shrinkage in only 11–29% of patients, complete tumour clearance only rarely, and median survival of 8–10 months.

By contrast, across 36 patients treated in three investigator-initiated trials in China, EW-001 has reported **up to a 50% overall response rate** (tumour shrinkage) and **up to a 20% complete response rate** (complete tumour clearance) at the higher doses tested. Median overall survival has not yet been reached in the current cohort, and an earlier generation of the product achieved median overall survival of more than 25 months. Complete responses are the strongest early predictor of durable, potentially curative outcomes and are the results that most change the conversation with patients, regulators and prospective partners. These results are summarised in Figures 3 and 4.

Figure 3: Best change in tumour size in advanced mesothelioma patients treated with current generation of EW-001 in China

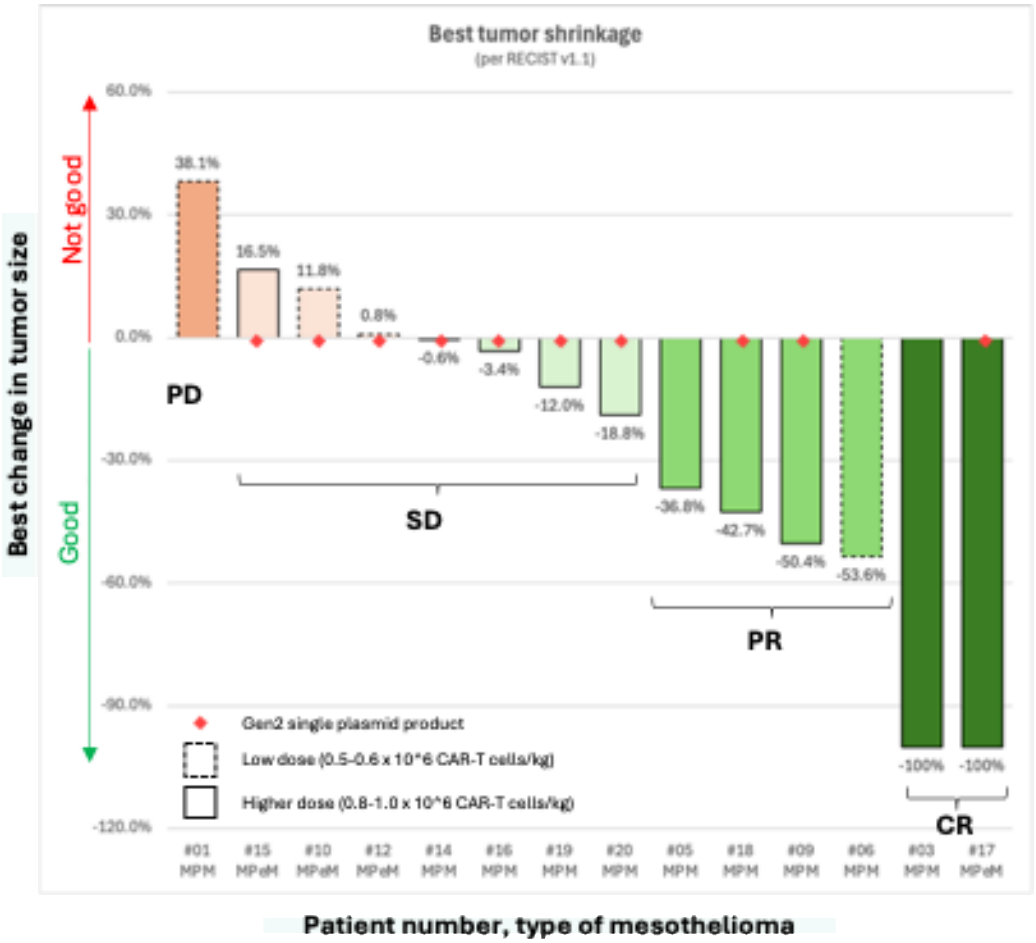
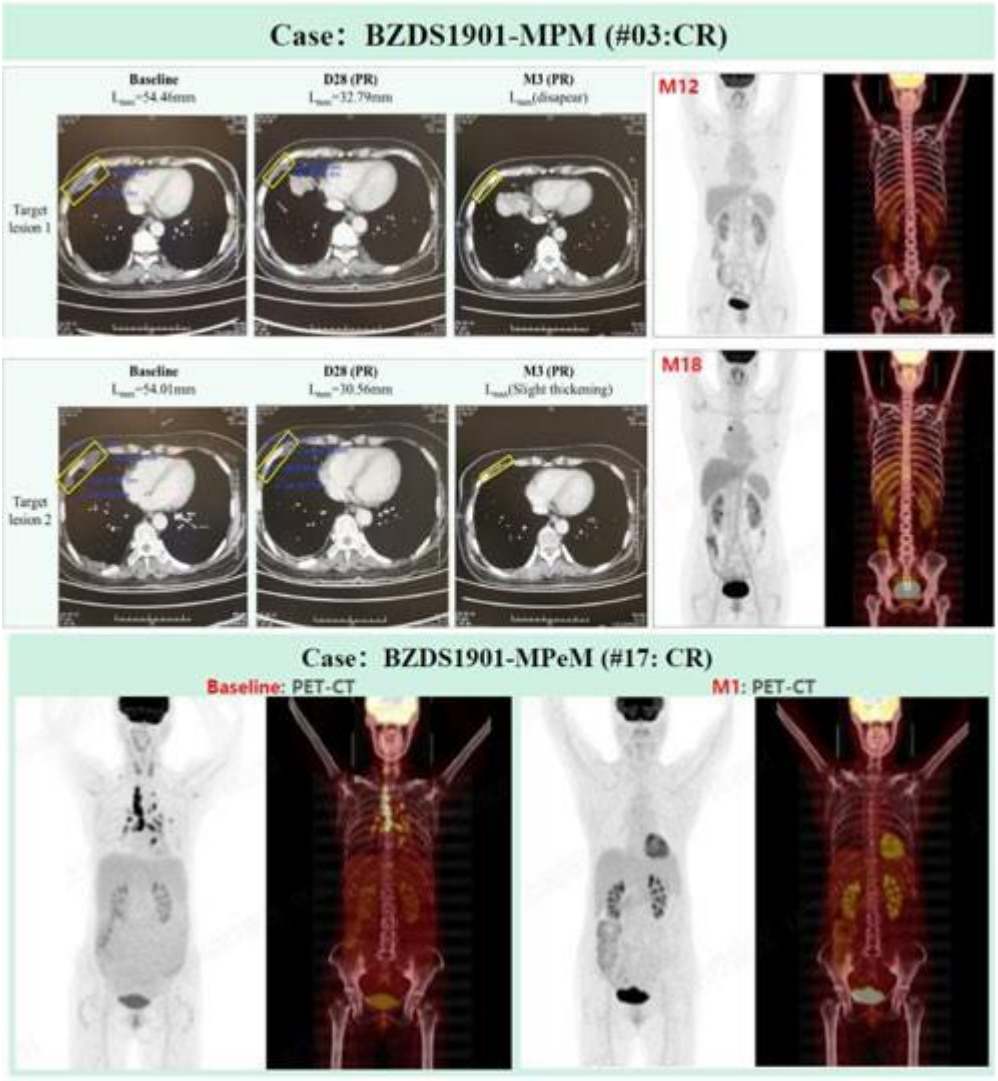


Figure 4: Imaging of two patients achieving complete tumour clearance following EW-001 treatment (labelled BZDS1901, SHcell's product code).
Patient #03 shows gradual disappearance of tumours at three months after treatment (compare yellow boxes between baseline (pre-treatment) and month 3 M3) using CT imaging. PET-CT imaging shows continued absence of tumours at 12 and 18 months
Patient #17 shows complete elimination of multiple tumour lesions in the lung cavity at one month (1) after treatment by PET-CT imaging



These early results suggest EW-001 could represent a significant new treatment option in a large unmet market. The global market for mesothelioma-related drugs alone is forecast to reach US$12.2 billion by 2034, with the addressable market for EW-001 in advanced mesothelioma estimated at **US$4.2 billion**, before any expansion into other MSLN-positive cancers. **AdAlta will receive 60% of the proceeds of any commercialisation event following completion of Phase 1.**

Manufacturing – a critical value driver

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 are heavily scrutinised in CAR-T transactions. For regulatory and logistical reasons, EW-001 cannot be manufactured in China for patients elsewhere in the world.

EW-001 was selected in part because it already uses a **short (under two day, compared with around nine days for many traditional CAR-T products) and low cost manufacturing process that does not require expensive viral vectors**. During the year AdAlta executed its first Work Order with its manufacturing partner, Cell Therapies Pty Ltd (CTPL), and commenced transfer and optimisation of that process in Australia, following a completed technology feasibility assessment. CTPL is capable of becoming AdAlta's global manufacturing reference site for EW-001.

Successfully transferring and optimising EW-001 manufacturing in Australia matters 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.

Looking further ahead, AdAlta has executed a Memorandum of Understanding with CTPL and Oribiotech providing access to the **IRO® automated manufacturing platform**, which targets 10–50 times higher throughput in the same footprint, shorter manufacturing times and higher success rates, potential cost savings of 30–50%, and digital tools that make technology transfer faster and easier. Together these initiatives support a pathway to a commercial cost of goods below US$50,000 per patient dose, which protects margin, broadens patient access and directly lifts the value of any future licensing transaction.

Regulatory pathway

AdAlta engaged DarkHorse Consulting, a specialist cell and gene therapy regulatory and product development adviser, and is preparing for a **pre-IND meeting with the US FDA** anticipated in the second half of calendar 2026. Early alignment with the FDA is a key step towards Australian and US clinical studies and an important driver of EW-001's future value. An EW-001 Clinical Advisory Board comprising senior clinicians from Australia's leading CAR-T centres has been appointed to guide clinical development.

Scaling the platform

With EW-001 proving the model, the strategy is designed to be **repeatable**. AdAlta screens every candidate against a defined set of selection criteria – solid cancer indications only, engineered T cell products, first or best in class potential, existing human clinical proof of concept, and a closed, scalable, low cost manufacturing process or a clear pathway to one. Additional candidates are currently in due diligence, and the Company's aspiration is to progress **one new asset into the clinic each year**.

AdAlta is also progressing **private asset/subsidiary level financing** for the cellular immunotherapy portfolio, enabling access to a broader pool of international investors. Financing at the asset level is intended to fund development of EW-001 through to its Australian Phase 1 readout and to secure further assets, while limiting dilution at the listed parent level.

AdAlta is applying **artificial intelligence at both ends of this model**. EMU, an in-house agent built on Anthropic's Claude, produces fully referenced preliminary due diligence and scores candidate assets against the Company's selection criteria, allowing AdAlta to screen many more opportunities than its size would ordinarily permit. Following year end, AdAlta entered a strategic collaboration with Oktopi, gaining access to an AI-enabled platform purpose-built to peer review development - plans and sharpen the many expert decisions involved in developing a new medicine. Where EMU helps AdAlta choose the right products, Oktopi helps it plan and pressure-test their development – with AdAlta's experts retaining control of every decision.

5. i-body® enabled assets

AD-214 – a whole new approach to fibrotic disease

AD-214 is a **first in class, next generation protein therapeutic** for fibrotic diseases including lung fibrosis (specifically IPF and Interstitial Lung Disease) and kidney fibrosis. Using AdAlta's proprietary i-body® technology to target the G-protein coupled receptor CXCR4, AD-214 has been shown to be well tolerated in Phase 1 clinical studies and effective in multiple animal and laboratory models of lung and kidney fibrosis, 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, or to finance Phase 2 trials through a potential spin-out. The majority of recent enquiries have focused on **kidney fibrosis** applications, reflecting the growing industry focus on diabetes and metabolic disease. Interest in fibrosis assets remains significant, with several new enquiries received during the year and several active due diligence programs being supported.

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 for Progressive Pulmonary Fibrosis in December 2025. Despite this new option there is still **no cure for IPF**, and the opportunity for additional products such as AD-214 that target new modes of action remains significant.

WD-34 – transforming malaria prophylaxis and treatment

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

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

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

6. Future milestones

The Company is currently focused on advancing EW-001 towards clinical trials in Australia, evaluating additional 'East to West' assets to expand the pipeline, and monetising its existing i-body® enabled assets. Near term milestone objectives include:

Expected timing	Milestone	Why it matters to shareholders
Second half calendar 2026	First Australian manufacturing runs of EW-001 at CTPL	Demonstrates EW-001 can be reliably manufactured outside China; reduces supply and regulatory risk and increases attractiveness to partners
Second half calendar 2026	US FDA pre-IND meeting	Confirms and de-risks the remaining manufacturing and pre-clinical work required before Phase 1
Calendar 2026 to 2027	One to two further assets secured under option or licence	Evidences the repeatability of the sourcing engine and builds a multi-asset portfolio
Calendar 2026 to 2027	Extended clinical data read-outs from investigator-initiated studies in China	Refines durability, survival and dosing – the indicators prospective partners watch most closely
Calendar 2027	Deployment of the IRO® automated platform at CTPL	A reproducible, automated process for the whole pipeline that reduces cost of goods, technology transfer time and cost, and lifts partner appeal
Second half calendar 2027	First patient dosed in an Australian Phase 1 study of EW-001	Begins generation of FDA-grade Western clinical data – the principal value inflection point
Not able to be forecast	Partnering, licensing or spin-out transactions for AD-214 and WD-34	Crystallises value from prior R&D investment. For competitive and practical reasons AdAlta is unable to forecast when, or whether, specific agreements may be concluded

7. Intellectual property

Robust intellectual property protection is important for maximisation of the commercial potential of AdAlta's assets.

Under the **Development and Collaboration Agreement with SHcell** in respect of EW-001 (formerly BZDS1901), AdAlta holds exclusive or non-exclusive licences to **seven patent families**. These cover composition of matter for CAR and armouring moiety sequences and related platform technologies, and secure AdAlta's rights to develop and commercialise EW-001 in all markets outside Greater China.

AD-214 is protected by patents granted in Australia, the USA, Europe, China, Japan, India, Singapore and, following a grant during the year, **Canada – completing protection across all of AdAlta's target markets**, including the eight largest pharmaceutical markets in the world and the largest biosimilar manufacturing locations. These patents expire on 8 January 2036. New patent applications have been filed in relation to methods of treatment that, if granted, would offer additional protection to 2043.

Patent applications have also been lodged in relation to AdAlta's AMA1 (malaria) binding i-bodies.

Financial results

The loss for the consolidated entity after providing for income tax amounted to $4,683,849 (30 June 2025: $4,502,268).

The year ended 30 June 2026 operating results included the following:

	Consolidated 2026 $	Consolidated 2025 $
R&D tax incentive	404,245	677,010
Research and development expenses (external)	(3,212,006)	(1,336,015)
Research and development expenses (employee benefit expense)	(124,443)	(859,885)
Corporate administration expenses	(1,018,439)	(2,118,916)
Share based payment expenses	(34,622)	(75,010)
Corporate administration expenses (employee benefit expense)	(136,669)	(444,425)

In the year ended 30 June 2026, the company made payment of $2.858 million ($2.0 million USD) to SHCell Therapy Group Co Ltd in respect of license payment for EW-001 (BZDS1901), this is included in Research and development expenses (external).

Financial liquidity and capital resources

The Group began the year with $1.31 million cash at bank.

During the year the Group received the Research and Development Tax Incentive (RDTI) cash refund of $0.93 million for the 2024/2025 financial year and repaid in full the outstanding $0.45 million balance of the Radium Capital R&D Tax Incentive Loan Advance Facility. During the year the group raised $5.3 million ($0.8 million issued post 30 June 2026) and repaid $0.41 million in relation to convertible debt securities.

The Group ended the year with $1.28 million cash at bank on 30 June 2026.

Corporate updates

AdAlta had two permanent employees at the end of the reporting period. In addition, it has access to a range of subject matter experts on hourly rate consulting engagements, including a Consultant Chief Medical Officer and specialist cell and gene therapy regulatory, clinical and manufacturing advisers. This structure allows the Company to access deep expertise while keeping fixed overheads low.

Board changes

Mr Fadi Diab joined the Board as a Non-executive Director on 18 March 2026. Dr David Fuller retired as a Non-executive Director on 17 April 2026. At 30 June 2026 the Board comprised three Non-executive Directors and the Chief Executive Officer and Managing Director.

Capital raises

The Company completed three placements during the year, raising approximately **A$5.3 million** in total before costs:

- October 2025: A$1.6 million from placements to sophisticated and professional investors at A$0.003 per share, a 20% premium to the then market price, with one free attaching option (ASX:1ADO) for every two shares issued, exercisable at A$0.01 and expiring 3 June 2028.
- January 2026: A$1.2 million from a placement to sophisticated and professional investors at A$0.005 per share, with one free attaching option (ASX:1ADO) for every two shares issued, exercisable at A$0.01 and expiring 3 June 2028.
- May and June 2026: A$2.5 million from a placement to sophisticated and professional investors at A$0.004 per share, with one free attaching option (ASX:1ADO) for every three shares issued, exercisable at A$0.01 and expiring 3 June 2028. A$0.8 million of this placement was approved by shareholders at a general meeting held on 15 June 2026 and EGM approved shares were issued on 2 July 2026.

62 Capital Pty Ltd acted as lead manager for the January 2026 and May 2026 placements. Funds raised have been applied to the SHcell milestone payments, Australian manufacturing and US FDA engagement for EW-001, progressing additional transaction opportunities, strengthening intellectual property and working capital.

Events after the reporting period

The following matters have arisen since 30 June 2026:

On 2 July 2026, the Group issued 236,250,012 ordinary shares at $0.04 per share and 235,000,001 options (ASX:1ADO)

In July 2026 AdAlta entered a strategic collaboration with Oktopi, gaining access to an AI-enabled research and development platform that supports and peer reviews expert development decisions, complementing AdAlta's in-house EMU screening agent.

In August 2026, the Group announced further results of ongoing IIT studies of EW-001 in China, including that the two complete responders had passed their one year and two year assessments respectively with no evidence of cancer returning and that all five patients on study in March were still alive and in follow up.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the consolidated entity. The strategic goals and objectives of the Company and set out in the Operating and Financial Review above.

Environment, social and governance statement

AdAlta recognises that good ESG practices protect the social and environmental assets that underpin the Company's success. While a formal ESG governance model is being developed, the Company's CEO is responsible for ensuring the Board has oversight of arising ESG matters.

Environmental

The Company's operations are not subject to significant environmental regulation under Australian Commonwealth or State law. Following the closure of its in-house laboratories, AdAlta now operates as a **virtual company**: it holds no laboratory or manufacturing facilities of its own and its direct environmental footprint is limited to a small office presence and business travel. Laboratory, manufacturing and clinical activities are conducted by contracted third parties, and AdAlta requires those parties to hold and comply with the permits, procedures and standards applicable to occupational health and safety and to the storage, handling and disposal of solid, liquid and hazardous materials and waste in their respective jurisdictions.

Social

Pre-clinical and clinical trials: The Company conducts *in vivo* pre-clinical and clinical studies in compliance with Australian and relevant international regulatory and ethical guidelines and requirements. AdAlta applies the same principles to pre-clinical and clinical studies conducted in China as it does in Australia, and satisfies itself through due diligence, contractual standards and on-site inspection that the studies it relies on meet those expectations. By strictly adhering to these guidelines, AdAlta seeks to protect clinical trial participant safety and minimise negative impacts on animal welfare. The Company also rigorously evaluates each pre-clinical and clinical trial to ensure that it is designed to provide actionable data that cannot be obtained any other way and which minimises the number of study subjects.

Diversity, inclusion and employee engagement: AdAlta proactively supports Science, Technology, Engineering and Mathematics (STEM) education by regularly sponsoring internships or supporting internship units of study. These have led to the subsequent employment of interns in some instances.

The Company employed two full time staff members at 30 June 2026, both of whom are male. Its non-executive Board comprises three Non-executive Directors, one of whom is female and one of whom is located internationally. Given the Company's very small size, these proportions can move materially with a single appointment. AdAlta remains committed to achieving gender, ethnic and background diversity as succession opportunities arise, consistent with objective, merit-based performance assessment, and draws on a deliberately diverse network of consultants and advisers across Australia, Asia, Europe and the United States.

Scientific and clinical community and patient engagement: During FY2026 AdAlta appointed a **Clinical Advisory Board** for EW-001, comprising senior clinicians and researchers from Australia's leading CAR-T and solid cancer centres. This brings

the Company into close and ongoing engagement with the clinicians who treat the patients its products are intended to help, and supports the development of Australian clinical capability in cellular immunotherapy.

Governance

The Company's Corporate Governance Statement and Policies can be found on its website at: adalta.com.au/investors/corporate-governance

AdAlta is committed to the highest standard of honesty and integrity in all its interactions, including interactions with health care professionals.

The Company's commitment to the highest ethical standards includes strict compliance with applicable anti-bribery and corruption laws in Australia and overseas. This commitment is reflected in the Company's Anti-Bribery, Corruption and Fraud Policy, which is published on the Company's website.

As the Company increases its reliance on in-licensed intellectual property and research results generated in international markets, it is developing new governance principles to manage both the ethical conduct and integrity of such studies and the complex and rapidly evolving international trade environment.

The Board also actively manages the opportunities and risks associated with artificial intelligence. AdAlta uses AI tools to screen in-licensing opportunities and to support and peer review development decisions, which materially extends the reach of a small team. The Board has satisfied itself that these tools are used in a manner that keeps human experts accountable for every decision, protects the confidentiality of the Company's and its partners' information, manages the risk of inaccurate or unverifiable output, and is subject to appropriate oversight as the technology and its regulation continue to evolve.

Business Risks

General

The Company's activities are subject to a number of risks which may impact future financial performance and the price at which securities 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 securities 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 securities of the Company. This list is not exhaustive. 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 securities of the Company.

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 anycurrent 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 EW-001 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 EW-001 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, EW-001 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:

- be found to be unsafe or ineffective;
- fail to demonstrate any material benefit or advancement in safety and/or efficacy of an existing product;
- fail to receive necessary regulatory approvals;
- be difficult or impossible to manufacture on the necessary scale;
- be uneconomical to market or otherwise not commercially exploitable;
- fail to be developed prior to the successful marketing of a similar product by competitors;
- compete with products marketed by third parties that are superior; and
- 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 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.

The Group 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 Group . A product liability claim may give rise to significant liabilities as well as damage the Group'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.

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 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.

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 securities of the Company trade. The securities issued carry no guarantee in respect of profitability, dividends, or return of capital. The value of the securities of the Company 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 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.

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.

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

Remuneration report (audited)

This remuneration report, which forms part of the Directors' report, sets out information about the remuneration of AdAlta Limited's key management personnel for the financial year ended 30 June 2026 in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

The prescribed details for each person covered by this report are detailed below under the following headings:

- key management personnel
- remuneration policy
- relationship between the remuneration policy and Group performance
- details of remuneration
- additional disclosures relating to key management personnel

Key management personnel

The Directors and other key management personnel of the Group during the financial year were:

Non-Executive Directors	Position
Dr Paul MacLeman	Non-Executive Chairman
Dr David Fuller[1]	Non-Executive Director
Ms Michelle Burke	Non-Executive Director
Mr Fadi Diab[2]	Non-Executive Director

Executive Directors	Position
Dr Timothy Oldham	Chief Executive Officer and Managing Director

[1] Resigned 17 April 2026
[2] Appointed 18 March 2026

The named persons held their current position for the whole of the financial year and since the end of the financial year unless otherwise indicated.

Remuneration policy

The Remuneration and Nominations Committee is currently responsible for determining and reviewing compensation arrangements for key management personnel. All recommendations of the Remuneration and Nominations Committee require Board approval for adoption. The Group has a Remuneration Committee, which consists of Michelle Burke (Chair of Remuneration Committee), Paul MacLeman and Fadi Diab. David Fuller was a member until he resigned. The remuneration policy, which is set out below, is designed to promote superior performance and long-term commitment to the Group.

Non-Executive Director remuneration

Non-Executive Directors are remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or salary sacrifice into equity. Non-Executive Directors are also eligible to receive equity grants as a component of fees under share and option schemes generally made in accordance with thresholds and on terms set in plans approved by shareholders.

Shareholders' approval must be obtained in relation to the overall limit set for the Non-Executive Directors' fees. The maximum aggregate remuneration approved by shareholders for Non-Executive Directors is $350,000 per annum. The Directors set the individual Non-Executive Director fees within the limit approved by shareholders. Non-executive Directors are not provided with retirement benefits.

Executive Director and Executive remuneration

Executive Directors and Executives receive a base remuneration, which is at market rates, and may be entitled to performance based remuneration, which is determined on an annual basis. Overall remuneration policies are subject to the discretion of the Board and can be changed to reflect competitive and business conditions where it is in the interests of the Group and shareholders to do so. Executive remuneration and other terms of employment are reviewed annually by the Board having regard to performance, relevant comparative information and expert advice.

The Board's remuneration policy reflects its obligation to align executive remuneration with shareholders' interests and to retain appropriately qualified executive talent for the benefit of the Group. The main principles are:

(a) remuneration reflects the competitive market in which the Group operates;
(b) individual remuneration should be linked to performance criteria if appropriate; and
(c) executives should be rewarded for both financial and non-financial performance.

The total remuneration of executives consists of the following:

(a) Salary – executives receive a fixed sum payable monthly in cash plus superannuation at 12% of salary in FY2026 on salary up to the statutory maximum superannuation contribution base;
(b) Cash at risk component (short term incentive) – executives may receive a variable cash sum up to a maximum percentage of salary that is payable annually at the end of each financial year on the basis of performance against goals set at the beginning of each financial year (as assessed by the Board);
(c) Equity component (long term incentive) – executives may participate, at the discretion of the board, in share and option schemes generally made in accordance with thresholds and on terms set in plans approved by shareholders and otherwise at the discretion of the Board. In exceptional circumstances the Board may, subject to any necessary shareholder approval, issue shares and options to executives outside of approved schemes. Long term incentive awards are typically time limited and are made on a case by case basis having regard to the overall number, value and remaining term of unexpired incentive securities held by the executive, benchmarking and performance; and
(d) Other benefits – executives may, if deemed appropriate by the Board, be provided with a fully expensed mobile phone and other forms of remuneration.

The Board has not formally engaged the services of a remuneration consultant to provide recommendations when setting the remuneration received by Directors or other key management personnel during the financial year.

Relationship between the remuneration policy and Group performance

The Board considers that at this time, evaluation of the Group's financial performance using generally accepted measures such as profitability, total shareholder return or per Group comparison are not relevant due to the early stage of development of the Group's assets as outlined in the Directors' report. Remuneration is structured to align short term incentives with the achievement of operational objectives that meaningfully progress the development of the Group's assets each year and to align long term incentives with increasing shareholder value as a result of developing and increasing those assets over the mid-term.

Details of remuneration

Remuneration is reported as Earned Remuneration and Realised Remuneration.

Earned Remuneration is the accounting value of remuneration awarded in a period as recorded in the financial statements of the Group. This includes cash payments during the period plus the value of long term incentives awarded and expensed during the period which have an accounting value that may not be immediately realisable by the recipient, for example because options have an exercise price that is equal to or below the current share price.

Realised Remuneration value is the value of remuneration realised or becoming realisable by the recipient during the period. This includes cash payments during the period plus the value of long term incentive payments from the current or any prior period that have become immediately realisable by the recipient during the period. This will include, for example, the value of shares issued on the exercise of options less the exercise price (as measured at the time of exercise).

Key terms of employment contracts

Arrangements with Directors:

Position	Annual Salary
Non-Executive Chair	$75,000
Non-Executive Directors	$50,000

The Group has entered into consulting agreements with all Directors. These agreements can be terminated by either party by giving one month's notice. Further, continuation of appointment is subject to re-election at a forthcoming AGM.

No additional fees are payable to Directors for their involvement in Board committees.

On appointment to the Board, all Non-Executive Directors are required to sign a letter of appointment with the Group. The letter of appointment summarises the Board policies and terms, including compensation relevant to the office or Director.

Non-Executive Directors
Director fees for Michelle Burke and Paul Macleman were suspended from October 2025 to 30 April 2026. Fees accrued in respect of service periods from July to September 2025 and May to June 2026. Director fee arrangements recommenced on 1 May 2026. During FY26, Michelle Burke and Paul Macleman received remuneration equivalent to five months of director fees.

Director fees for Fadi Diab were suspended from 18 March 2026 (date of appointment) to 30 April 2026. Fees accrued in respect of service periods from July to September 2025 and May to June 2026. During FY26, Fadi Diab received remuneration equivalent to two months of director fees.

Director fees for David Fuller were suspended from October 2025 to 17 April 2026 (date of resignation). Fees accrued only in respect of service periods from July to September 2025. During FY26, David Fuller received remuneration equivalent to three months of director fees.

CEO and Managing Director

The CEO and Managing Director's remuneration was suspended from November 2025 to 30 April 2026. Remuneration recommenced on 1 May 2026. During FY26, the CEO and Managing Director received remuneration equivalent to six months of remuneration. Annual leave and long service leave continued to accrue throughout the suspension period in accordance with the terms of employment.

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits	Post-employment benefits	Total cash payments	Share-based payments	Total earned	% remuneration paid in Cash	% remuneration paid in Equity
	Cash salary and fees	Super-annuation		Equity-settled	remuneration		
2026	$	$	$	$	$	%	%
Non-Executive Directors:							
Dr Paul MacLeman[1]	25,893	5,357	31,250	3,383	34,633	90	10
Ms Michelle Burke[1]	17,262	3,571	20,833	-	20,833	100	-
Mr Fadi Diab[2]	8,333	-	-	-	8,333	100	-
Dr David Fuller[3]	12,500	-	12,500	2,114	14,614	86	14
Executive Directors							
Dr Timothy Oldham[4]	177,825	13,679	191,504	10,468	201,972	95	5
	241,813	22,607	256,087	15,965	280,385		

[1] Director fees for Michelle Burke and Paul Macleman were suspended from October 2025 to 30 April 2026. Fees accrued in respect of service periods from July to September 2025 and May to June 2026. Director fee arrangements recommenced on 1 May 2026. During FY26, Michelle Burke and Paul Macleman received remuneration equivalent to five months of director fees.
[2] Director fees for Fadi Diab were suspended from 18 March 2026 (date of appointment) to 30 April 2026. During FY26, Fadi Diab received remuneration equivalent to two months of director fees.
[3] Director fees for David Fuller were suspended from October 2025 to 17 April 2026 (date of resignation). Fees accrued only in respect of service periods from July to September 2025. During FY26, David Fuller received remuneration equivalent to three months of director fees.
[4]The CEO and Managing Director's remuneration was suspended from November 2025 to 30 April 2026. Remuneration recommenced on 1 May 2026. During FY26, the CEO and Managing Director received remuneration equivalent to six months of remuneration. Annual leave continued to accrue throughout the suspension period in accordance with the terms of employment.

There were no options granted as compensation during the current financial year.

2025	Short-term benefits Cash salary and fees $	Post-employment benefits Super-annuation $	Total cash payments $	Share-based payments Equity-settled $	Total earned remuneration $	% remuneration paid in Cash %	% remuneration paid in Equity %
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[4]	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.

Additional disclosures relating to key management personnel

Fully paid ordinary shares of AdAlta Limited

2026	Balance at 1 July Number	Balance held on appointment Number	Additions Number	Balance held on resignation Number	Balance at 30 June Number
Dr. Timothy Oldham[1]	13,368,416	-	3,896,999	-	17,265,415
Dr Paul MacLeman	544,042	-	-	-	544,042
Ms Michelle Burke	-	-	-	-	-
Mr Fadi Diab[2]	-	-	-	-	-
Dr David Fuller[3]	491,650	-	-	(491,650)	-

[1] 1,396,999 shares acquired via exercise of performance rights and 2,500,000 as an on market purchase
[2] Appointed 18 March 2026
[3] Resigned 17 April 2026

2025	Balance at 1 July Number	Balance held on appointment Number	Additions Number	Balance held on resignation Number	Balance at 30 June Number
Dr. Timothy Oldham	1,601,750	-	11,766,666	-	13,368,416
Dr Paul MacLeman	472,970	-	71,072	-	544,042
Dr Robert Peach[2]	1,453,126	-	-	(1,453,126)	-
Dr David Fuller	294,936	-	196,714	-	491,650
Ms Michelle Burke[1]	-	-	-	-	-
Mr Iain Ross[1,3]	-	2,880,000	1,920,000	(4,800,000)	-

[1] Appointed 20 November 2024.
[2] Resigned 20 November 2024.
[3] Resigned 30 June 2025.

Share Options of AdAlta Limited

2026	Balance at 1 July Number	Granted as compensa-tion Number	Cancelled/ Expired Number	Balance on Resignation	Balance at 30 June Number	Vested and exercisable Number	Options vested during year Number
Dr Timothy Oldham	18,319,588	-	(6,129,060)	-	12,190,528	11,811,940	3,178,598
Dr Paul MacLeman	5,890,536	-	(3,055,000)	-	2,835,536	2,835,536	1,400,000
Ms Michelle Burke	-	-	-	-	-	-	-
Mr Fadi Diab [1]	-	-	-	-	-	-	-
Dr David Fuller [2]	3,048,312	-	(1,200,000)	(1,848,312)	-	-	875,000

[1] Appointed 18 March 2026
[2] Resigned 17 April 2026

2025	Balance at 1 July Number	Granted as compensa-tion Number	Cancelled/ Expired Number	Net other change[4] Number	Balance on Resignation	Balance at 30 June Number	Vested and exercisable Number	Options vested during year Number
Dr Timothy Oldham	11,729,060	757,195	-	5,833,333	-	18,319,588	12,462,393	8,633,333
Dr Paul MacLeman	5,855,000	-	-	35,536	-	5,890,536	4,490,536	1,435,536
Dr Robert Peach[2]	2,950,000	-	-	-	(2,950,000)	-	-	875,000
Dr David Fuller	2,950,000	-	-	98,312	-	3,048,312	2,173,312	973,312
Ms Michelle Burke[1]	-	-	-	-	-	-	-	-
Mr Iain Ross [1,3]	-	-	-	960,000	(960,000)	-	-	-

[1] Appointed 20 November 2024.
[2] Resigned 20 November 2024.
[3] Resigned 30 June 2025.
[4]Options issued as a result of participation in Renounceable Rights Issue undertaken during the period.

There were no options granted as compensation during the current financial year.

Performance Rights of AdAlta Limited

2026	Balance at 1 July Number	Balance held on appointment Number	Balance held on resignation Number	Exercised Number	Balance at 30 June Number
Dr. Timothy Oldham	1,396,999	-	-	(1,396,999)	-
Dr Paul MacLeman	-	-	-	-	-
Ms Michelle Burke	-	-	-	-	-
Mr Fadi Diab[1]	-	-	-	-	-
Dr David Fuller[2]	-	-	-	-	-

[1] Appointed 18 March 2026
[2] Resigned 17 April 2026

2025	Balance at 1 July Number	Balance held on appointment Number	Balance held on resignation Number	Additions Number[4]	Balance at 30 June Number
Dr. Timothy Oldham[4]	-	-	-	1,396,999	1,396,999
Dr Paul MacLeman	-	-	-	-	-
Dr Robert Peach [2]	-	-	-	-	-
Dr David Fuller	-	-	-	-	-
Ms Michelle Burke [1]	-	-	-	-	-
Mr Iain Ross[1,3]	-	-	-	-	-

[1] Appointed 20 November 2024.
[2] Resigned 20 November 2024.
[3] Resigned 30 June 2025.
[4] Approved by Shareholders at 2024 AGM as STI Performance Rights.

Voting and comments made at the Group's 2025 Annual General Meeting (AGM).

At the Group's 2025 Annual General Meeting (AGM), a resolution to adopt the 2025 Remuneration Report was put to the vote and greater than 98% of the votes cast were cast in favour of the resolution.

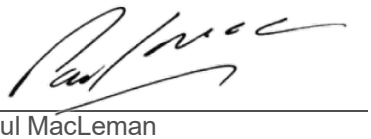
No comments were made at the AGM by shareholders in relation to the Remuneration Report.

This Directors' report, incorporating the remuneration report, is signed in accordance with a resolution made pursuant to s.298(2) of the *Corporations Act 2001.*

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Paul MacLeman
Chairman

21 August 2026
Melbourne

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of AdAlta Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of AdAlta Limited and the entities it controlled during the year.

DRY KIRKNESS (AUDIT) PTY LTD

LUCY GARDNER
Principal

Perth
Date: 21 August 2026

AdAlta Limited and controlled entities
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Revenue and other income			
Interest received		73,987	18,644
Other revenue	3	404,245	677,010
Total revenue and other income		478,232	695,654
Expenses			
Research and development expenses (external)		(3,212,006)	(1,336,015)
Research and development expenses (Employee benefit expense)		(124,443)	(859,885)
Corporate and administration (external)		(1,018,439)	(2,118,916)
Corporate and admin (Employee benefit expense)		(136,669)	(444,425)
Patent and legal costs		(274,668)	(219,514)
Finance costs		(290,943)	(62,348)
Share based payment expenses	14	(34,622)	(75,010)
Depreciation and amortisation expense		-	(85,231)
Net foreign exchange (loss) / gain		(70,291)	3,422
Total expenses		(5,162,081)	(5,197,922)
Loss before income tax expense		(4,683,849)	(4,502,268)
Income tax expense	4	-	-
Loss after income tax expense for the year attributable to the owners of AdAlta Limited and controlled entities		(4,683,849)	(4,502,268)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of AdAlta Limited and controlled entities		(4,683,849)	(4,502,268)
		Cents	**Cents**
Basic earnings per share	5	(0.23)	(0.69)
Diluted earnings per share	5	(0.23)	(0.69)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

AdAlta Limited and controlled entities
Statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Assets			
Current assets			
Cash and cash equivalents	6	1,284,300	1,305,594
Trade and other receivables	7	437,255	835,969
Total current assets		1,721,555	2,141,563
Total assets		1,721,555	2,141,563
Liabilities			
Current liabilities			
Trade and other payables	8	404,782	821,668
Borrowings	9	-	446,785
Provisions	10	126,600	68,276
Other current liabilities	11	820,000	-
Total current liabilities		1,351,382	1,336,729
Non-current liabilities			
Provisions	10	-	27,184
Financial liabilities	12	-	1,375,894
Total non-current liabilities		-	1,403,078
Total liabilities		1,351,382	2,739,807
Net assets/(liabilities)		370,173	(598,244)
Equity			
Issued capital	13	54,629,067	49,197,823
Reserves	14	2,447,460	2,226,438
Accumulated losses		(56,706,354)	(52,022,505)
Total equity/(deficiency)		370,173	(598,244)

The above statement of financial position should be read in conjunction with the accompanying notes

AdAlta Limited and controlled entities
Statement of changes in equity
For the year ended 30 June 2026

Consolidated	Issued capital $	Reserves $	Retained profits $	Total deficiency in equity $
Balance at 1 July 2024	47,399,255	2,151,428	(47,520,237)	2,030,446
Loss after income tax expense for the year	-	-	(4,502,268)	(4,502,268)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(4,502,268)	(4,502,268)
Transactions with owners in their capacity as owners:				
Share-based payments	-	75,010	-	75,010
Issue of ordinary shares via conversion of financial liabilities	700,000	-	-	700,000
Issue of ordinary shares	1,284,282	-	-	1,284,282
Share issue costs	(185,714)	-	-	(185,714)
Balance at 30 June 2025	49,197,823	2,226,438	(52,022,505)	(598,244)

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2025	49,197,823	2,226,438	(52,022,505)	(598,244)
Loss after income tax expense for the year	-	-	(4,683,849)	(4,683,849)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(4,683,849)	(4,683,849)
Transactions with owners in their capacity as owners:				
Share-based payments	-	34,622	-	34,622
Issue of ordinary shares via conversion of financial liabilities	1,201,000	-	-	1,201,000
Issue of ordinary shares	4,511,840	-	-	4,511,840
Share issue costs	(281,596)	186,400	-	(95,196)
Balance at 30 June 2026	54,629,067	2,447,460	(56,706,354)	370,173

The above statement of changes in equity should be read in conjunction with the accompanying notes

AdAlta Limited and controlled entities
Statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Cash flows from operating activities			
Payments to suppliers and employees		(5,384,088)	(4,729,707)
R & D tax incentive		933,568	1,774,530
Interest received		10,441	18,644
Net cash used in operating activities	19	(4,440,079)	(2,936,533)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	109,615
Net cash from investing activities		-	109,615
Cash flows from financing activities			
Proceeds from issue of shares		4,511,840	1,284,282
Proceeds from shares requiring approval		820,000	-
Payment of share issue costs		(81,937)	(185,714)
Proceeds from issue of financial liabilities		-	875,895
Repayment of borrowings		(424,600)	(1,400,000)
Proceeds from borrowings		-	424,600
Payments related to financial liabilities		(406,518)	-
Net cash from financing activities		4,418,785	999,063
Net decrease in cash and cash equivalents		(21,294)	(1,827,855)
Cash and cash equivalents at the beginning of the financial year		1,305,594	3,133,449
Cash and cash equivalents at the end of the financial year	6	1,284,300	1,305,594

The above statement of cash flows should be read in conjunction with the accompanying notes

1. General information

The financial statements cover AdAlta Limited and controlled entities as a Consolidated Entity consisting of AdAlta Limited and the entities it controlled at the end of, or during, the financial year. The financial statements are presented in Australian dollars, which is AdAlta Limited and controlled entities' functional and presentation currency.

AdAlta Limited and controlled entities is a listed public Group limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1, Suite 1, 117 Camberwell Road
Hawthorn East, VIC 3123
Australia

A description of the nature of the group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 21 August 2026. The Directors have the power to amend and reissue the financial statements.

2. Material accounting policy information

The accounting policies that are material to the group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Material accounting policy information relating to the preparation of the financial statements and presented below are consistent with prior reporting periods unless otherwise stated.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 23.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of AdAlta Limited ('company' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. AdAlta Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' and / or “Group”.

Going concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred losses of $4,683,849 (2025: $4,502,268) and the Group had net cash outflows from operating activities of $4,440,079 (2025: $2,936,533). As at balance date, the Group had net current assets of $370,173 (2025: $804,834).

Although the above are indicative of a material uncertainty relevant to the going concern consideration, the directors consider that the Group can pay its debts as and when they fall due at the date of this report. In actively considering and managing the Group’s cashflow forecast, the directors consider that:

2. Material accounting policy information (continued)

- The Group can scale down its operations sufficiently (and narrow the scope of its planned project activities) as required;
- The Group has a track record of raising capital as an ASX listed Group;
- The Group is in active discussions to license/partner its technology (in the ordinary course of executing its business plan); and
- The Group does not have any long term leases
- The Group has historically been successful in receiving Research & Development tax incentive refunds from the ATO.

In the unlikely event that the activities referred to above result in a negative outcome, then the going concern basis of accounting may not be appropriate with the result that the group may have to realise its assets and extinguish its liabilities other than in the normal course of business and in amounts different to that stated within the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the group not be able to continue as a going concern.

Research and Development Tax Incentive

The Research and Development Tax Incentive is accounted for in accordance with AASB 120 Government Grants on an accruals basis when the following recognition criteria have been met:
(a) the entity reasonably expects it will comply with the conditions attaching to the grant; and
(b) the grant will be received.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Fair value measurement

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Financial Liability - Investment Agreement

The institutional investment (Investment Agreements) are treated as hybrid financial instruments and separated into the host liability and embedded derivative components based on the terms of the agreement. On issuance of the share subscription agreements, the host liability component is initially recognised at the residual value by deducting the fair value of the derivative liability from the amount of financial liabilities. The embedded derivative component is initially recognised at fair value. The host debt is carried at amortised cost using the effective interest method until extinguished on conversion or redemption.

Where borrowings feature share conversion clauses that entitle the investor to a variable number of shares, be this through an entitlement to settle interest through the conversion clause or through the terms specified in the conversion clause itself, an embedded derivative is separated from the underlying borrowing host contract only when the conversion clause is activated upon a movement in a market price at initial recognition. Thereafter the embedded derivative is revalued at each subsequent reporting date with changes taken to the profit or loss. The underlying host contract following initial recognition is recognised at amortised cost applying the effective interest rate method.

2. Material accounting policy information (continued)

Embedded Derivative
An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a similar way to a standalone derivative.

The embedded derivative is separate from the host contract and accounted for as a derivative if the economic characteristics and risks of the embedded derivative are not closely related to economic characteristics and risks of the host contract. The embedded derivative is measured at fair value with changes in value being recorded in profit and loss.

Employee benefits

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Comparative figures
When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Critical accounting estimates and judgements
The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates:
(i) Environmental Issues
Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the Directors understanding thereof. At the current stage of the Group's development and its current environmental impact the Directors believe such treatment is reasonable and appropriate.

(ii) Taxation
Balances disclosed in the financial statements and the notes hereto, related to taxation are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the Group as they pertain to current income tax legislation and the Directors understanding thereof. No adjustment has been made for pending or future tax legislation. The current income tax position represents that Directors' best estimate, pending an assessment by the Australian Taxation Office.

New Accounting Standards and Interpretations not yet mandatory or early adopted
The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.
Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. Other revenue

	Consolidated 2026 $	Consolidated 2025 $
R&D tax incentive	404,245	677,010

The Group made an Overseas Finding application in FY26 and FY25. The estimated R&D tax refund at 30 June does not include any overseas expenditure in relation to the overseas finding made during the year. In the event that the overseas finding is successful, the R&D refund will increase accordingly.
The FY2026 income includes $182k in relation to the FY2025 R&D tax incentive refund which was received in FY2026.

4. Income tax expense

	Consolidated 2026 $	Consolidated 2025 $
Income tax expense		
Current tax	-	-
Deferred tax	-	-
Aggregate income tax expense	-	-
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(4,683,849)	(4,502,268)
Tax at the statutory tax rate of 30% (25% for FY25)	(1,405,155)	(1,125,567)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income		
Non deductible expenses	162,719	433,617
Non assessable income	(121,274)	(169,253)
Temporary differences	31,435	(68,290)
Benefits of tax losses not brought into account	1,332,274	929,493
Income tax expense	-	-

The Group has revenue losses of approximately $23,772,458 for which no deferred tax asset has been recognised.

The Group has no franking credits currently available for future offset.

5. Loss per share

	Consolidated 2026 $	Consolidated 2025 $
Loss after income tax attributable to the owners of AdAlta Limited and controlled entities	(4,683,849)	(4,502,268)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	2,047,680,311	653,076,978
Weighted average number of ordinary shares used in calculating diluted earnings per share[1]	2,047,680,311	653,076,978
	Cents	**Cents**
Basic earnings per share	(0.23)	(0.69)
Diluted earnings per share	(0.23)	(0.69)

5. Loss per share (continued)

[1]The group had 13,794,695 unlisted options and 848,901,397 listed options on issue as at 30 June 2026 (2025:25,828,755 unlisted options and 226,951,398 listed options) and 1,041,788 performance rights on issue as at 30 June 2026 (2025: 2,438,787) that are not considered to be dilutive due to the exercise price exceeding the current market price of the underlying ordinary shares.

6. Cash and cash equivalents

	Consolidated 2026 $	Consolidated 2025 $
Cheque accounts	211,745	141,231
Cash reserve accounts	1,072,555	1,164,363
	1,284,300	1,305,594

7. Trade and other receivables

	Consolidated 2026 $	Consolidated 2025 $
Goods and services tax	52,018	42,772
Prepaid expenses	163,659	116,187
R&D tax incentive	221,578	677,010
	437,255	835,969

8. Trade and other payables

	Consolidated 2026 $	Consolidated 2025 $
Trade payables	312,091	641,765
Accrued expenses	54,998	134,603
PAYG payable	37,693	37,817
Superannuation payable	-	7,483
	404,782	821,668

9. Borrowings

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Loan – R&D Advance	-	446,785

9. Borrowings (continued)

The balance as at 30 June 2025, is in relation to the loan facility entered into on 5 March 2025 was with Innovation Structured Finance Co., LLC serviced via Radium Capital and was an advance on 80% of the Company's estimated R&D tax Incentive (RDTI) for the financial year ending 30 June 2025. The interest rate for the loan facility was 16% per annum. The facility was fully repaid in December 2025.

10. Provisions

Current provisions

	Consolidated 2026 $	Consolidated 2025 $
Annual leave	88,159	68,276
Long-service leave	38,441	-
	126,600	68,276

Non-current provisions

	Consolidated 2026 $	Consolidated 2025 $
Long service leave	-	27,184

11. Other current liabilities

	Consolidated 2026 $	Consolidated 2025 $
Shares requiring approval	795,000	-
Funds held to be refunded	25,000	-
	820,000	-

12. Financial liabilities

	Consolidated 2026 $	Consolidated 2025 $
Institutional Investment Agreement - debt component	-	1,320,831
Institutional Investment Agreement - embedded derivative component	-	55,063
	-	1,375,894

On 29 April 2024 the Group entered into an institutional investment via the Investment Agreements with New Life Sciences Capital, LLC ("NLSC") and the Meurs Group (Meurs Investment) for up to $3.7 million, a total of $1.2 million was received in May 2024, being the initial investment. During September 2024 $300k and in November 2024 $576k were received being the second tranche. Both tranches of the investment were recognised as a financial liability with a debt and embedded derivative component. Additionally, during the 2025 year $700k was converted to ordinary shares.

12. Financial liabilities (continued)

The Group had the right (but not an obligation) to opt to repay the subscription amount of each investment by making a payment to NLSC equal to the market value of the shares that would have otherwise been issued, instead of issuing shares to NLSC. If the Group did not exercise that right, the Group will issue Placement Shares when requested by NLSC, within 36 months of the date of the first tranche. The number of shares so issued by the Group will be determined by applying the Purchase Price (as set out below) to the subscription amount, but subject to the Floor Price (as set out below).

The Purchase Price of the Placement Shares was equal to $0.06 initially, representing a premium of approximately 93.5% to the closing price of the Group's shares on 26 April 2024. Subject to the Floor Price described below, after the initial month, the Purchase Price was reset to the average of the five daily volume-weighted average prices selected by NLSC during the 20 consecutive trading days immediately prior to the date of NLSC's notice to issue Placement Shares, less a 10% discount. The Purchase Price was, nevertheless, be the subject of the Floor Price of $0.02. If the Purchase Price formula resulted in a price that is less than the Floor Price, the Group may forego issuing shares and instead opt to repay the applicable subscription amount in cash (with a 12% premium), subject to NLSC's right to receive Placement Shares at the Floor Price in lieu of such cash repayment. For the benefit of the Group, the Purchase Price will not be the subject of a cap.

As at 30 June 2025, in accordance with Investment Agreements, a total of $1,562,725 was available to be converted ($1,199,725 NLSC and $363,000 Meurs Investment). During the period ending 30 June 2026 a total of $1,201,000 was converted to ordinary shares and $406,518 was repaid.

13. Issued capital

	Consolidated			
	2026 Shares	2025 Shares	2026 $	2025 $
Ordinary shares - fully paid	2,975,919,019	1,071,316,488	54,629,067	49,197,823

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. Incremental costs directly attributable to the issue of the new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

	2026 Shares	2025 Shares	2026 $	2025 $
Balance at beginning of the reporting period	1,071,316,488	595,623,520	49,197,823	47,399,255
Shares issued to brokers in lieu of fees	36,400,000	-	-	-
Issued on conversion of financial liability	667,222,224	46,945,647	1,201,000	700,000
Issued on exercise of performance rights	1,396,998	653,592	-	-
Issue of ordinary shares	1,199,583,309	428,093,729	4,511,840	1,284,282
Capital raising costs	-	-	(281,596)	(185,714)
	2,975,919,019	1,071,316,488	54,629,067	49,197,823

14. Reserves

	Consolidated	
	2026 $	2025 $
Share-based payments reserve	2,447,460	2,226,438

14. Reserves (continued)

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services. No options and performance rights were issued during the period as a part of remuneration.

	2026 $	2025 $
At beginning of reporting period	2,226,438	2,151,428
Options and Performance Rights issued to Directors and Employees	34,622	75,010
Securities issued to other parties as part of compensation	186,400	-
At end of reporting period	2,447,460	2,226,438

Expiry Date	Exercise Price	Balance at start of year Number	Granted in year Number	Exercised Number	Expired / cancelled Number	Balance at end of year Number
26/11/2025	$0.2479	492,906	-	-	(492,906)	-
26/11/2025	$0.2479	1,478,718	-	-	(1,478,718)	-
26/11/2025	$0.2479	1,478,718	-	-	(1,478,718)	-
26/11/2025	$0.2482	1,478,718	-	-	(1,478,718)	-
29/11/2025	$0.0845	6,655,000	-	-	(6,655,000)	-
28/02/2026	$0.0757	350,000	-	-	(350,000)	-
27/02/2027	$0.0397	1,400,000	-	-	(100,000)	1,300,000
25/08/2027	$0.0200	50,000	-	-	-	50,000
22/11/2027	$0.0200	11,025,000	-	-	-	11,025,000
26/02/2028	$0.0200	662,500	-	-	-	662,500
20/11/2028	$0.0183	757,195	-	-	-	757,195
03/06/2028	$0.0100	226,951,398	621,949,999	-	-	848,901,397
		252,780,153	621,949,999	-	(12,034,060)	862,696,092

[1]The options expiring 3 June 2028 includes 82,200,000 listed options provided to 62Capital Pty Ltd in connection with it acting as the Lead Manager to the placement announced to ASX on 13 January 2026.

Weighted average exercise price at 30 June 2026 $0.0102 (30 June 2025: $0.0172).

For the options granted as compensation to employees during the current financial year, as these are listed options the listed price per the ASX has been used to determine the fair value at the grant date.

15. Related party transactions

Related parties
The Group's main related parties are as follows:

Non-Executive Directors	**Position**
Dr Paul MacLeman	Non-Executive Chair
Ms Michelle Burke	Non-Executive Director
Mr Fadi Diab	Non-Executive Director
Executive Directors	
Dr Timothy Oldham	Chief Executive Officer and Managing Director

15. Related party transactions (continued)

Transactions with related parties
Aside from the amounts previously disclosed in the Remuneration Report, there were no other transactions with related parties during the current and previous financial year. The aggregate compensation made to Directors and other Key Management Personnel of the Group is set out below:

	Consolidated 2026 $	Consolidated 2025 $
Short-term benefits (Including performance bonuses)	241,813	540,404
Post-employment benefits	22,607	37,609
Share based payments	15,965	68,696
	280,385	646,709

16. Contingent liabilities and contingent assets

The Directors are not aware of any matters or circumstances which may give rise to a contingent liability or asset.

17. Commitments

Capital commitments
The Group has no capital commitments.

Other commitments
The Group has no other commitments.

18. Financial risk management

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

Term, conditions and accounting policies
The Group's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the reporting date, are as follows:

18. Financial risk management (continued)

Recognised Financial Instruments	Statement of Financial Position Notes	Accounting Policies	Terms and Conditions
i) Financial assets			
Cheque account	6	Carried at face value.	The cheque account is at call with an interest rate of 0.00% (2025: 0.00%).
Cash reserve	6	Carried at face value.	The cash reserve account is at call with an interest rate of 1.15% (2025: 1.21%).
R & D tax incentive	7	Recognised on an accrual basis.	The incentive is claimed annually under an Australia Taxation Office mechanism which designed to promote research and development.
Trade receivables	7	Recognised on an accrual basis.	Normal invoice terms are 14-60 days.
Goods & services tax paid	7	Recognised on an accrual basis.	Business activity statements are lodged on a quarterly basis.
ii) Financial liabilities			
Trade and other creditors	8	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the group.	The majority of costs are invoiced on a quarterly basis and hence liabilities accrue for up to 90 days. Trade liabilities are normally settled on 14-30 day terms.
Borrowings	9	Carried at face value.	2026: No borrowings held as at 30 June 2026 2025: The Loan is a Secured Loan, with a variable interest rate. The Security is the R&D Tax Incentive refund for the financial year ending 30 June 2025 (Rate as at 30 June 2025 of 15%)
Financial liabilities	12	Carried at face value.	The institutional investment is recognised based on an external valuation.
iii) Equity			
Ordinary shares	13	Ordinary share capital is recognised at the fair value of the consideration received by the group.	Details of the shares issued and the terms and conditions of the options outstanding over ordinary shares at balance date are set out in note 13.

Carrying value

The carrying value of financial assets and liabilities approximates their fair value.

Financial risk management

The Group's activities expose it to a variety of financial risks; market risk (fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

i) Market risk

The Group is not exposed to either equity securities price risk or commodity price risk.

The Group has an exposure to foreign currency risk because several contracts relating to cost of services are denominated in foreign currencies. When the service agreement is signed the Group seeks to lock-in a foreign exchange rate to minimise the risks associated with fluctuating currency markets.

ii) Credit risk

The maximum credit risk is total current assets of which the vast majority is either in the form of cash or amounts receivable from the Australian Taxation Office in the form of the Research and Development tax incentive and GST refundable.

18. Financial risk management (continued)

iii) Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and short-term assets to enable the Group to settle its liabilities.

The contractual undiscounted cash flows of the Group's borrowing commitments is set out in the table below. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

Contractual maturities	less than 1 year	>1 year 5 years	>5 years	Total	Carrying amount
Loan - R&D advance - 2026	-	-	-	-	-
Loan - R&D advance - 2025	446,785	-	-	446,785	446,785

iv) Interest Rate Risk
As at the reporting date the Group had the following variable rate bank accounts and borrowings:

	Weighted average %	Balance $	Fixed interest rate exposure $	Variable interest rate exposure $
Cash and cash Equivalents - 2026	1.04%	1,284,300	1,072,555	211,745
Cash and cash Equivalents - 2025	1.21%	1,305,594	1,164,363	141,231
Borrowings - 2025	2.82%	446,785	-	446,785

v) Cash flow and fair value interest rate risk
The Group maintains a current cheque account balance sufficient to meet day to day expenses with the balance of cash held in accounts designed to maximise interest income.

vi) Foreign exchange risk
The Group has contracts denominated in foreign currencies, predominantly in US dollars , Euros and Great Britain Pounds and may enter into forward exchange contracts where appropriate in light of anticipated future purchases and sales, conditions in foreign markets, commitments with suppliers and customers and past experience and in accordance with Board-approved limits.

19. Reconciliation of loss after income tax to net cash used in operating activities (continued)

Reconciliation of cash flow from operations with profit after income tax

	Consolidated 2026 $	Consolidated 2025 $
Loss after income tax expense for the year	(4,683,849)	(4,502,268)
Adjustments for:		
Depreciation and amortisation	-	85,231
Net loss on disposal of plant and equipment and termination of lease	-	53,354
Share-based payments	34,622	72,757
Interest expense and borrowing costs	195,346	32,927
Change in operating assets and liabilities:		
(Increase) / decrease in receivables	398,714	1,115,216
(Increase) / decrease in current assets	-	16,388
Increase / (decrease) in payables	(416,909)	270,676
Increase / (decrease) in provisions	31,997	(80,814)
Net cash used in operating activities	(4,440,079)	(2,936,533)

20. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Dry Kirkness (Audit) Pty Ltd, the auditor of the group:

	Consolidated 2026 $	Consolidated 2025 $
Audit services - Dry Kirkness (Audit) Pty Ltd		
Audit and review of the financial statements	32,675	30,000

22. Events after the reporting period

The following matters have arisen since 30 June 2026:

On 2 July 2026, the Group issued 236,250,012 ordinary shares at $0.04 per share and 235,000,001 options (ASX:1ADO)

In July 2026 AdAlta entered a strategic collaboration with Oktopi, gaining access to an AI-enabled research and development platform that supports and peer reviews expert development decisions, complementing AdAlta's in-house EMU screening agent.

In August 2026, the Group announced further results of ongoing IIT studies of EW-001 in China, including that the two complete responders had passed their one year and two year assessments respectively with no evidence of cancer returning and that all five patients on study in March were still alive and in follow up.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

23. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $	2025 $
Loss after income tax	(1,402,742)	(4,502,268)
Total comprehensive income	(1,402,742)	(4,502,268)

Statement of financial position

	Parent	
	2026 $	2025 $
Total current assets	3,434,653	2,141,563
Total assets	4,900,954	2,141,563
Total current liabilities	1,249,690	1,336,729
Total liabilities	1,249,690	2,739,807
Equity		
Issued capital	54,629,067	49,197,823
Share-based payments reserve	2,447,460	2,226,438
Accumulated losses	(53,425,263)	(52,022,505)
Total equity/(deficiency)	3,651,264	(598,244)

There are no joint venture arrangements in place and no contingent liabilities or commitments at year end.

AdAlta Limited and controlled entities
Consolidated entity disclosure statement
As at 30 June 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
AdAlta Limited	Body Corporate	Australia	-	Australia
AdSolis Pty Ltd	Body Corporate	Australia	100.00%	Australia
AdCella Pty Ltd	Body Corporate	Australia	100.00%	Australia

Basis of preparation
This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency
Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

Australian tax residency
The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency
Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Partnerships and Trusts
None of the entities noted above were trustees of trusts within the year.

AdAlta Limited and controlled entities
Directors' declaration
30 June 2026

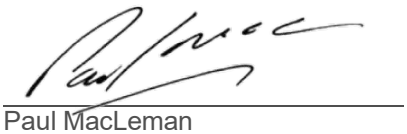
In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the group will be able to pay its debts as and when they become due and payable.
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Paul MacLeman
Chairman

21 August 2026
Melbourne

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADALTA LIMITED

Report on the audit of the annual financial report

Opinion

We have audited the financial report of AdAlta Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of AdAlta Limited, is in accordance with the Corporations Act 2001, including:

i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended;

ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We have conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical requirements in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the Group incurred a loss after tax of $4,683,849 (2025: $4,502,268) and had net cash outflows from operating activities of $4,440,079 (2025: $2,936,533) for the year ended 30 June 2026. As at 30 June 2026, the Group had net current assets of $370,173 (2025: $804,834). The Group's cash flow forecast for the period ending September 2027, indicates a cash surplus of $545,522. Notwithstanding this forecast positive cash position, the Group has incurred recurring losses and operating cash outflows and remains dependent on forecast capital raisings and R&D income to fund its planned activities. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Equity and Capital Structure *Refer notes 13 and 14* During the year, the Group successfully issued fully paid ordinary shares as well as various share based payments.	Our audit procedures included : - an examination of each issue of fully paid ordinary shares during the year; - an examination of the movements in the share based payment reserve; - assessing the recognition of share-based payments made during the year; - reconciling the various components of issued capital to share registry reports; and - assessing the adequacy of the related disclosures within the financial report.
Research and Development Tax Incentive *Refer notes 3 and 7* Management make key assumptions, judgements and estimates in determining the R&D Tax Incentive receivable for the year as disclosed in notes 3 and 7 . Management have used the services of an expert to prepare the calculation of the Group's eligible R&D expenditure for inclusion in its submission to the ATO.	Our audit procedures included: - an evaluation of the assumptions, methodologies and conclusions used by management's expert in preparing the R&D Tax Incentive Rebate application; and - assessing the adequacy of the related disclosures within the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the financial report

The directors of the Group are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001; and
b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and
c) for such internal control as the directors determine is necessary to enable the preparation of:
    i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
    ii) the consolidated entity disclosure statement that is true and correct and is free from misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included on pages 21 to 28 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of AdAlta Limited, for the year ended 30 June 2026, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DRY KIRKNESS (AUDIT) PTY LTD

LUCY GARDNER
Principal

Perth
Date: 21 August 2026

The shareholder information set out below was applicable as at 23 July 2026.

(a) Distribution of equitable securities

(i) Quoted Options, exercisable at $0.01 expiring on 3 June 2028

Options	# of holders	# of units	% Issued share
1 to 1,000	2	599	-
1,001 to 5,000	26	78,822	0.03%
5,001 to 10,000	17	130,373	0.06%
10,001 to 100,000	88	4,050,013	1.89%
100,001 and over	186	1,079,641,591	98.02%
	319	1,083,901,398	100%

The number of option holding less than a marketable parcel of options are 98.

(ii) Ordinary Shares

Ordinary Shares	# of holders	# of units	% Issued share
1 to 1,000	51	6,326	0.00%
1,001 to 5,000	99	334,559	0.01%
5,001 to 10,000	164	1,269,563	0.04%
10,001 to 100,000	511	23,107,630	0.72%
100,001 and over	82	3,187,450,953	99.23%
	1,65	3,212,169,031	100.00%

The number of shareholders holding less than a marketable parcel of shares are 860.

(b) Voting rights

(i) Quoted Options, exercisable at $0.01 expiring on 3 June 2028

No voting rights. The names of the twenty largest holders of quoted options are:

Position	Holder name	Holding	% IC
1	SUFIAN AHMAD	302,783,329	27.93%
2	MS CHUNYAN NIU	73,750,001	6.80%
3	KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C>	56,666,667	5.23%
4	MR BILAL AHMAD	41,500,000	3.83%
5	MR BIN LIU	39,166,666	3.61%
6	SACAVIC PTY LTD <MORRIS SUPER FUND A/C>	33,333,333	3.08%
7	DR MICHEL ELKHOURY	31,166,666	2.88%
8	MR DAVID DOMINIC PEVCIC	20,833,334	1.92%
9	MRS IFRAH NISHAT	20,833,333	1.92%
10	KG VENTURE HOLDINGS PTY LTD <KG VENTURE HOLDINGS A/C>	19,583,333	1.81%
11	AGHA FAMILY INVESTMENTS PTY LTD <AGHA FAMILY A/C>	16,666,667	1.54%
12	MR DEAN BRETT BLANKFIELD	14,166,667	1.31%
13	MRS SHAISTA ZAFFAR	13,950,000	1.29%
14	Kevin Cairns	12,000,000	1.11%
14	MRS GWEN MURRAY PFLEGER <PFLEGER FAMILY A/C>	12,000,000	1.11%
15	SCINTILLA STRATEGIC INVESTMENTS LIMITED	10,600,000	0.98%
16	VAGABOND VENTURES PTY LTD <VAGABOND INVESTMENTS A/C>	10,000,000	0.92%
17	LIBERT PTY LTD <N & L MULLER S/F A/C>	9,166,667	0.85%
18	DAVE DEVLIN SUPER FUND PTY LTD <DAVID DEVLIN SUPER FUND A/C>	8,500,000	0.78%
19	SACAVIC PTY LTD <SACAVIC A/C>	8,333,334	0.77%
20	MR JOSHUA GORDON	8,333,333	0.77%
20	RIMOYNE PTY LTD	8,333,333	0.77%
	Total	**771,666,663**	**71.19%**
	Total issued capital - selected security class(es)	**1,083,901,398**	**100.00%**

(ii) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. The names of the twenty largest holders of quoted ordinary shares are:

Position	Holder name	Holding	% IC
1	MEURS GROUP	293,480,026	9.14%
2	SUFIAN AHMAD	287,133,321	8.94%
3	MR DAVID DOMINIC PEVCIC	230,595,264	7.18%
4	SACAVIC PTY LTD <SACAVIC A/C>	191,108,388	5.95%
5	MS CHUNYAN NIU	181,969,001	5.67%
6	KOBALA INVESTMENTS PTY LTD <FERNANDO EDWARD FAMILY A/C>	124,000,000	3.86%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	79,574,880	2.48%
8	SCINTILLA STRATEGIC INVESTMENTS LIMITED	75,000,000	2.33%
9	MR BIN LIU	65,000,000	2.02%
10	MRS IFRAH NISHAT	62,500,000	1.95%
11	DR MICHEL ELKHOURY	62,161,295	1.94%
12	MR BILAL AHMAD	52,333,333	1.63%
13	MR DEAN BRETT BLANKFIELD	49,166,667	1.53%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	39,453,727	1.23%
15	LIBERT PTY LTD <N & L MULLER S/F A/C>	39,166,667	1.22%
16	MRS SHAISTA ZAFFAR	37,516,667	1.17%
17	MR JOSHUA GORDON	31,894,921	0.99%
18	CTH GOVT - DEPT SCI IND	27,029,924	0.84%
19	PONCE PTY LTD <WEXFORD ARMS A/C>	25,000,000	0.78%
19	MRS GWEN MURRAY PFLEGER <PFLEGER FAMILY A/C>	25,000,000	0.78%
19	MR MUHAMMAD SALMAN & MRS SAJIDA AKRAM & MISS FATIMA SALMAN <KULOWALL FAMILY S/F A/C>	25,000,000	0.78%
20	AGHA FAMILY INVESTMENTS PTY LTD <AGHA FAMILY A/C>	23,333,333	0.73%
	Total	**2,027,417,414**	**63.12%**
	Total issued capital - selected security class(es)	**3,212,169,031**	**100.00%**

(c) Substantial shareholders

(i) Ordinary Shares

The names of substantial shareholders in accordance with section 671B of the Corporations Act 2001 are:

Position	Shareholder	Holding	% IC
1	MEURS GROUP	293,480,026	9.14%
2	SUFIAN AHMAD	287,133,321	8.94%
3	MR DAVID DOMINIC PEVCIC	230,595,264	7.18%
4	SACAVIC PTY LTD <SACAVIC A/C>	191,108,388	5.95%
5	MS CHUNYAN NIU	181,969,001	5.67%

[1]Number of shares held per last reported substantial interest notice holding notice.

(d) Unquoted securities

Details of substantial holders:

Number	Number of holders		Holders of more than 5%
14,836,483	37	Options expiring various dates and various prices	Tim Oldham 42.85% (6,357,195) Mr Paul Macleman 18.87% (2,800,000) Mr David Fuller 11.80% (1,750,000) Mr Angus Tester 7.08% (1,051,140) Robert Peach 5.90% (875,000)