ASX Announcement | 23 July 2025
**AdAlta Limited (ASX:1AD)**

# QUARTERLY ACTIVITIES REPORT – JUNE QUARTER 2025

"East-to-West" strategy advanced with pipeline prioritisation and new funding

**Key highlights**

- Two "East to West" cellular immunotherapy CAR-T products prioritised to advance to licensing contract
- Entitlement Offer raised target $1.3 million to advance partnering initiatives
- Additional cash management initiatives implemented

**AdAlta Limited (ASX:1AD) ("AdAlta"** or **"the Company")**, developer of next generation cell and protein therapeutic products, announces its Appendix 4C cash flow report for the quarter ended 30 June 2025 (Q4 FY25), along with the following financial and operational update. The Company is focussed on executing existing transaction opportunities for its "East to West" cellular immunotherapy strategy and evaluating strategic options for other assets of the business including AD-214.

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

*"The June 2025 quarter continued to generate significant positive momentum despite the ongoing external environment challenges. Potential investors in our "East to West" cellular immunotherapy business continue to be very positive about our business plan and team. Their feedback has been invaluable as we finalise development planning and marketing tactics and adds further rigour to our asset selection process. We are grateful for the existing and new investors who supported our fully subscribed Entitlement Offer. This raise, combined with expense reduction across the rest of our business, has given us the opportunity to progress the two most attractive "East to West" cellular therapy prospects to definitive agreements."*

**Summary**

Development planning was completed on three highly differentiated CAR-T products for solid cancers for which AdAlta has exclusive negotiation rights under term sheets executed in February. The results of this planning, combined with market feedback from investors led to the prioritisation of two assets. Discussions in relation to the third asset were terminated. Active investor outreach continues in parallel with negotiation of definitive partnering agreements.

Out-licensing and third-party financing opportunities for AD-214, AdAlta's first in class anti-fibrotic drug candidate, and AdAlta's first in class anti-malarial i-body®, WD-34, continued to advance with new in-bound enquiries for AD-214 received at the BIO25 International Convention in Boston in June. A comprehensive overview of the preclinical research supporting clinical development of AD-214 was published in the peer reviewed journal, mAbs.

An Entitlement Offer was conducted during the quarter, raising the target $1.3 million before costs from existing and new shareholders. Proceeds will be used to progress existing transaction opportunities for the "East to West" cellular immunotherapy strategy and evaluate strategic options for other assets of the business including AD-214.

Cash management initiatives included further staff reductions, suspension of Board and Managing Director fees and salaries and sale of laboratory equipment no longer required. Non-executive director, Iain Ross resigned during the quarter.

The Company's cash balance as at the end of June 2025 was $1.31 million (compared to the cash position at 31 March 2025 of $0.83 million).

## A. Operational updates

### 1. "East to West" cellular immunotherapies

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

The merits of our strategy continue to be externally validated. A report by Jeffries published in July stated that "China biotechs are reshaping the US biopharma landscape"[1] and a Bloomberg report published in the Australian Financial Review described the leap in the quantity and quality of innovation in Chinese biotech as "tectonic", citing cell therapies in particular, while noting that "Chinese biotechs with ambition to sell their drugs overseas must prove that the treatment benefits can be replicated in non-Chinese patients".[2]

AdAlta will be a force multiplier for Asian innovators by providing a pathway for clinic ready assets to access Western-regulated markets. By licensing or acquiring global (outside Asia) commercialisation rights to these products in return for conducting initial clinical trials for Western-regulated markets in Australia, AdAlta could add significant value to these assets for both itself as well as its licensing partners.

In February 2025, the AdAlta group signed three term sheets securing 90-120 day exclusive negotiation rights with two Chinese companies and one US company in respect of CAR-T cell therapy products developed in China for solid cancers. Development planning was completed during the quarter and an extensive investor engagement program advanced. The development planning findings combined with the market feedback from investors led to the decision to prioritise the two most differentiated and highly engineered products for licensing. Extensions of time to negotiate definitive agreements have been secured and discussions in relation to the third asset have ceased. This progress demonstrates the rigour of AdAlta's asset selection process.

Definitive transaction documents are now in negotiation for both products, with finalisation of at least one, subject to financing, now targeted for the September quarter (previous forecasts were based on only one product progressing at this stage). The two prioritised products are:

- A first in class armored (against tumour immune suppression) CAR-T for lung, mesothelioma, ovarian, pancreatic and colorectal cancers, with clinical data from 32 patients showing efficacy substantially superior to current second line care and a rapid, non-viral vector manufacturing process; and
- A first-in-class (novel target) CAR-T for advanced colorectal, lung and gastric cancers, with clinical data from 9 heavily pre-treated colorectal cancer patients including two cases of completely resolved malignant ascites, a safety "kill" switch and potential for multi-dosing without lymphodepletion.

The details of the asset financing structure also continue to be adapted as a direct result of investor feedback and the external financing market. In particular, the Company noted that the number of licensing transactions and other exits being achieved by China biotechs has resulted in significantly more capital flowing from China oriented cross-border venture capital funds and into the Hong Kong and Shanghai stock exchange biotech companies than in other parts of the world (see for example the Jeffries report referred to above).

### 2. Monetising i-body® enabled assets

AdAlta's most advanced internally developed product, AD-214, is a first in class, next generation antibody therapeutic for the treatment of fibrotic diseases including lung fibrosis (specifically Idiopathic Pulmonary

[1] https://www.fiercebiotech.com/biotech/china-biotechs-reshaping-us-biopharma-outlicensing-deals-rise-11-jefferies-report
[2] Australian Financial Review, 15 July 2025, page 16

Fibrosis (IPF) and Interstitial Lung Disease (ILD)) and kidney fibrosis. The Company is focussed on securing third party partners or investors to finance progression of AD-214 into Phase II clinical studies in IPF or kidney fibrosis and development of a patient preferred subcutaneous format.

During the quarter, the Company continued to engage in discussions with parties interested in licensing AD-214 or co-investing in its further development for lung and/or kidney fibrosis. The pipeline of interested parties includes new in-bound enquiries received at the BIO25 International Convention in Boston in June. These activities were supported by publication of the pre-clinical and translational studies supporting the clinical development of AD-214 in the peer reviewed journal, mAbs. The publication, titled "*Development and characterization of AD-214, an anti-CXCR4 i-body-Fc fusion for the treatment of idiopathic pulmonary fibrosis*" was authored by current and former AdAlta scientists Jason Lynch, Louise Organ, Khamis Tomusange, Lukasz Kowalczyk, Dallas Hartman Angus Tester, Chris Hosking and Mick Foley.[3]

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

### 3. Near-term objectives

Given the current cash resources available to the Company, the Board's primary focus is working towards executing at least one in-licensing transaction for "East to West" strategy during the September 2025 quarter (with completion subject to initial asset financing). For competitive and practical reasons, AdAlta is unable to forecast when, or even if, other specific partnership agreements and the transactions that flow from them may close.

## B. Corporate and organization updates

### 1. Capital raising

On 1 May 2025, the Company announced an Entitlement Offer to raise $1.3 million before costs. On 13 June 2025, the Company announced that the target financing was achieved. In total of 428,093,729 shares, at an issue price of 0.3c per share, and 226,951,398 attaching and lead manager options with an exercise price of 1c and a three-year term (expiring 3 June 2028), were issued to existing and new shareholders.

### 2. Cash management initiatives

The Company has also embarked on other initiatives to reduce fixed and overhead costs. Board fees have been suspended and the CEO is foregoing salary until the completion of a strategic transaction. The remaining staff ceased employment at the end of May 2025. Their expertise will be retained in the near term through consulting contracts. Except for CFO services, all retained services have been suspended or terminated so that all advisory services are provided only as needed and time spent basis. $0.1 million was received in May 2025 as proceeds from sale of excess laboratory equipment.

### 3. Organisation updates

Non-executive director, Iain Ross, resigned from the Board on 30 June 2025 due to the potential for conflicts of interest to emerge between AdAlta and another company he serves as a Director.

## C. Financial position

Q3 FY25 saw net operating cash outflows of $757,748, a 37% decrease over the prior quarter. Staff costs decreased 29% over the prior quarter reflecting reductions in staffing levels in February and June and inclusive of all associated final salary payments. R&D costs increased as a result of one time cellular immunotherapy development planning costs. Overall non-staff costs (R&D and administration) reduced by 40% over the prior quarter.

[3] https://doi.org/10.1080/19420862.2025.2505090

Cash inflows included $109,615 proceeds from sale of laboratory equipment and $1,284,281 proceeds of the Entitlement Offer before costs of $185,714.

The cash balance at the end of the June 2025 quarter was $1.31 million ($0.83 million at the end of the previous quarter).

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of the Appendix 4C were $92,138, which include Director Fees plus the salary (including superannuation) for the CEO and Managing Director. The CEO's net salary for May and June 2025 was reinvested in the Entitlement Offer.

**D. Summary**

AdAlta's Q4 FY25 reporting period has seen the Company further advance its "East to West" cellular immunotherapy strategy and raise additional capital. With the cash reserves now available to it and the cash management initiatives that have been implemented, the Company is focussed on executing its "East to West" strategy, with upside potential from transactions of its i-body® enabled assets.

For an opportunity to view a video summary and engage in a virtual discussion of this report see: https://investorhub.adalta.com.au/link/PnYDZr

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

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**For more information**

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# Appendix 4C

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

| **Name of entity** | |
|---|---|
| ADALTA LIMITED | |
| **ABN** | **Quarter ended ("current quarter")** |
| 92 120 332 925 | 30 June 2025 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (12 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) research and development | (224) | (847) |
| | (b) product manufacturing and operating costs | - | - |
| | (c) advertising and marketing | - | - |
| | (d) leased assets | - | - |
| | (e) staff costs | (275) | (1,431) |
| | (f) administration and corporate costs | (259) | (2,271) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 2 | 20 |
| 1.5 | Interest and other costs of finance paid | (3) | (54) |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | - | 1,775 |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(759)** | **(2,808)** |

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

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| | (f) other non-current assets | - | - |
| 2.2 | Proceeds from disposal of: | - | - |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | 110 | 110 |
| | (d) investments | - | - |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **110** | **110** |

| | | | |
|---|---|---|---|
| **3.** | **Cash flows from financing activities** | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 1,284 | 1,284 |
| 3.2 | Proceeds from issue of convertible debt securities | - | 876 |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | (186) | (186) |
| 3.5 | Proceeds from borrowings | - | 425 |
| 3.6 | Repayment of borrowings | - | (1,400) |
| 3.7 | Transaction costs related to loans and borrowings | - | (1) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other – (provide details if material) | | |
| | - Security deposit | 31 | - |
| | - Rental payments under AASB16 (interest expense of lease included in item 1.5 interest expense under AASB16) | - | (127) |
| **3.10** | **Net cash from / (used in) financing activities** | **1,129** | **871** |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (12 months) $A'000 |
|---|---|---|---|
| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
| 4.1 | Cash and cash equivalents at beginning of period | 826 | 3,133 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (759) | (2,808) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 110 | 110 |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 1,129 | 871 |
| 4.5 | Effect of movement in exchange rates on cash held | - | - |
| **4.6** | **Cash and cash equivalents at end of period** | **1,306** | **1,306** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 141 | 201 |
| 5.2 | Call deposits | 1,165 | 625 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **1,306** | **826** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 92 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

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

The amount at 6.1 includes Director fees and CEO and Managing Director salary (including superannuation). The CEO and Managing Director invested May and June net salary in the Entitlement Offer conducted during the quarter.

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | 447 | 447 |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | 58 | 58 |
| 7.4 | **Total financing facilities** | **505** | **505** |

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

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

$447k Loan facility in place as at 30 June 2025 is a non-dilutive funding facility with Radium Capital.

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

| | **Terms** |
|---|---|
| Facility amount as at date of ASX announcement | $424,600 |
| Repayment | By 30 November 2025* |
| Interest rate | 15.00% pa |
| Security | FY25 R&D Refund |

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

Other - Hunter Premium Financing of the Company's annual insurance premiums (eabling premiums to be paid monthly) at Flat Rate of 5.22% of $58k as at 30 June 2025.

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (Item 1.9) | (759) |
| 8.2 | Cash and cash equivalents at quarter end (Item 4.6) | 1,305 |
| 8.3 | Unused finance facilities available at quarter end (Item 7.5) | - |
| 8.4 | Total available funding (Item 8.2 + Item 8.3) | 1,305 |
| 8.5 | **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)** | **1.7** |

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

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

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

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

- The Company ceased internal R&D activities in February 2025 resulting in a 45% reduction in direct employees and the exit of laboratory lease at La Trobe University. The full benefit of this change was realised in and from the June 2025 quarter
- All remaining staff (excluding CEO) ceased employment during the quarter. In addition, Board fees have been suspended, and the CEO is foregoing salary until the completion of a strategic transaction. The full benefit of these changes will be realised in the September 2025 quarter.
- With the exception of CFO services, all retained services have been suspended or terminated. All advisory services are now provided only as needed and on a time spent basis.
- Technical due diligence on "East to West" cell therapy expenses is now complete, though some of these one-time costs remain to be paid in the September 2025 quarter.

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

Answer: The Company engaged Mahe Capital Pty Ltd as Lead Manager of the Entitlement Offer conducted during the June 2025 quarter.

The Company has engaged Arrowhead Business and Investment Decisions, New York on a success fee basis to assist with capital raising for the Company's AdCella subsidiary that is executing its "East to West" cellular immunotherapy strategy and in transacting AD-214.

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

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

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

Answer: The Company expects operating outflows to materially reduce as a result of the cash management initiatives outlined above. The Company does not need to, and will not incur R&D costs unless and until it achieves success in ongoing initiatives to finance its "East to West" cellular immunotherapies strategy via its AdCella subsidiary and/or transact its i-body® enabled assets including AD-214.

## Compliance statement

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

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

23 July 2025

Date: .....

The Board

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

**Notes**

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

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

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

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

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