

15 December 2021

Melissa Kostopoulos  
Adviser, Listings Compliance (Melbourne)  
ASX Compliance Pty Ltd  
Level 4, Rialto North Tower  
525 Collins Street  
Melbourne VIC 3000

Dear Melissa

**AdAlta Limited (ASX: 1AD) - Cleansing Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)**

AdAlta Limited (ACN 120 332 925) (**AdAlta** or **Company**) announced today that it will be undertaking a non-renounceable rights issue Offer of one (1) New Share for every eight (8) Shares held by shareholders with a registered address in Australia or New Zealand (or who would otherwise qualify as an exempt investor in their local jurisdiction and where registration of the Offer is not required) (**Eligible Shareholders**) at Record Date of 20 December 2021, for the issue of up to approximately 30.7 million New Shares at \$0.073 per Share to raise up to approximately \$2.24 million (before costs) (**Offer**). The Offer is not underwritten.

The Offer will be conducted pursuant to an offer booklet which complies with the requirements of section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), which will be lodged with ASX, and available online for download by Shareholders, on Thursday 23 December 2021.

For the purpose of section 708AA(2)(f) of the Corporations Act, the Company advises:

1. The Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
2. The Company is providing this notice under section 708AA(2)(f) of the Corporations Act.
3. As at the date of this notice, the Company has complied with:
  - a. The provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - b. Section 674 of the Corporations Act.
4. As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7) of the Corporations Act; and

5. The potential effect of the Offer on the control of the Company and the consequences of that effect, will depend on a number of factors, including investor and existing shareholders' demand. is as follows:
- If all Eligible Shareholders take up all their Entitlements under the Offer, then the Offer will have no significant effect on the control of the Company.
  - Should the Company's major Shareholders subscribe for their full Entitlement, there will not be any material impact on the control of the Company following the issue of Shares under the Offer.
  - To the extent that Eligible Shareholders do not take up all of their Entitlements under the Offer, then the percentage holdings of those Eligible Shareholders will be diluted by those who subscribe for new Shares under the Offer.
  - The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Offer.
  - Shareholders that apply for Additional Shares under the Top-Up Facility may increase their interests beyond their percentage Entitlement. This would result in the dilution of holdings of those who did not accept their Entitlements in full.
  - If no Eligible Shareholders (other than the Directors, to the extent disclosed in the Company's announcement today) take up their Entitlements under the Offer and the Company issues the Shortfall under the Offer through placement to new investors, this may potentially result in a new investor having a substantial interest in the Company.

Assuming a 100% take up of the Offer, the potential effect of the Offer on the control of the Company is as follows:

| <b>Issued Shares</b>                                                                                    | <b>Shares</b>      |
|---------------------------------------------------------------------------------------------------------|--------------------|
| Total issued capital of the Company as at the Record Date                                               | 245,644,943        |
| Number of Shares offered under the Offer (assuming maximum number of Shares are issued under the Offer) | 30,705,617         |
| Number of Shares proposed to be issued under the Placement announced today                              | 51,369,863         |
| <b>Total Issued Capital of the Company at completion of the Offer*</b>                                  | <b>327,720,423</b> |

\* includes Shares proposed to be issued under the Placement also announced today.

Further details about the Offer are expected to be announced on 23 December 2021, when the Offer is expected to open.

This notice has been authorised for release to ASX by Timothy Oldham, CEO and Managing Director of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Cameron Jones', written in a cursive style.

Cameron Jones  
Company Secretary  
AdAlta Limited