

28 April 2023

ASX Announcement

ADALTA ANNOUNCES RIGHTS OFFER TO FUND EARLY RETURN TO CLINIC AND GROWTH

Key highlights:

- **AdAlta launches Rights Offer to raise up to A\$3.15 million (before costs)**
- **Proceeds to fund early return to clinic for lead asset AD-214 and progress ongoing partnering discussions**
- **Non-renounceable Rights Offer of 2 shares at A\$0.025 per share for every 5 shares held at the Record Date plus 1 option for every 2 new shares subscribed for. Options have an exercise price of \$0.03 and an expiry date of 29 May 2024**
- **Commitments in place for A\$2.49 million of target amount**
- **Existing cash reserves fund existing in-house and collaboration discovery programs**
- **Investor call and webinar Wednesday 3 May 2023 at 10.30am AEST.**

MELBOURNE Australia, 28 April 2023: AdAlta Limited (ASX:1AD), the clinical stage drug discovery company developing novel therapeutic products from its i-body platform, is pleased to announce the launch of a non-renounceable rights offer (**Offer**) to approximately A\$3.15 million (before costs). The Offer is a non-renounceable pro rata rights offer to AdAlta shareholders in Australia and New Zealand (**Eligible Shareholders**) to acquire two (2) new ordinary shares (**New Shares**) at an issue price of 2.5 cents (\$0.025) per New Share for every five (5) shares held by Eligible Shareholders at 7:00 pm (Melbourne time) on Wednesday 3 May 2023 together with one (1) option (**New Option**) for every 2 New Shares subscribed for, and each New Option will entitle the holder to subscribe for one (1) additional ordinary share at an exercise price of 3 cents (\$0.03) per share with an expiry date of 29 May 2024.

The Company has received commitments to the Offer or any Shortfall for A\$2.49 million of the target amount.

This Offer builds on significant progress towards achieving development milestones and generating partnering interest for lead asset, AD-214 by enabling an early return to clinical studies through a Phase I extension study. This creates value for partners and enhances licensing transaction potential by extending the safety profile of multiple doses of AD-214 and confirms trends in pharmacokinetics, receptor occupancy and adverse events that will support dose selection for Phase II.

CEO and Managing Director, Dr Tim Oldham commented, *"We are pleased with the growing partner interest in AD-214 as exemplified by more companies executing confidentiality agreements and asking deeper and more sophisticated questions. We are delighted to announce that we will bring AD-214 back to the clinic early. We will be making use of existing drug product inventory to cost effectively generate new data to build additional value and support potential partnerships."*

Use of Proceeds

The gross proceeds raised under the Offer will be applied to:

- commence a multidose Phase I extension clinical study of the AD-214 product to strengthen AdAlta's partnering position by demonstrating safety at higher doses (and so reducing dose escalation requirements at the start of Phase II) and confirming trends seen in the earlier study;
- progress partnering discussions for the AD-214 product;
- continue evaluation of synergistic external technology and product collaboration and transaction opportunities to expand and accelerate AdAlta's product pipeline; and
- fund general working capital.

AdAlta Chair, Dr Paul MacLeman commented: *"We are grateful of the depth of support that major shareholders have shown for AdAlta in the lead up to the Offer, and are pleased to launch the Offer with a strong level of funding committed. This funding will enable AdAlta to return AD-214 to the clinic swiftly to help progress the Company towards transactions and transformational new therapies for fibrosis and cancer patients."*

About the Offer

The Offer is a non-renounceable pro rata rights offer to AdAlta shareholders in Australia and New Zealand (**Eligible Shareholders**) to acquire two (2) new ordinary shares (**New Shares**) at an issue price of 2.5 cents (\$0.025) per New Share for every five (5) shares held by Eligible Shareholders at 7:00 pm (Melbourne time) on Wednesday 2023 together with one (1) option (**New Option**) for every 2 New Shares subscribed for, and each New Option will entitle the holder to subscribe for one (1) additional ordinary share at an exercise price of 3 cents (\$0.03) per share with an expiry date of 29 May 2024.

The following directors of AdAlta have indicated they intend to take up their entitlements as follows:

- i. Timothy Oldham, CEO and Managing Director, via a controlled entity, intends to take up his entitlement in full and has underwritten additional commitments in the Shortfall up to a total commitment of \$15,000. Dr Oldham will not receive any fees in respect of underwritten amounts.
- ii. David Fuller, Non-executive Director, intends to take up his entitlement in full.

Substantial shareholder Platinum Investment Management Limited solely in its capacity as responsible entity for the Platinum International Health Care Fund intends to take up its entitlement in full and has made additional commitments in the Shortfall up to a total of \$0.97 million subject to their total shareholding not exceeding 19.9% of issued capital.

The Company's corporate advisor for the Offer, Peak Asset Management, has committed to subscribe for up to \$1.5 million of any excess Shortfall, following subscriptions by all other Shareholders and the entity controlled by Dr Timothy Oldham.

If fully subscribed, the Offer will result in the issue of 126,150,371 new ordinary shares together with approximately 63,075,186 New Options granted to subscribers for the New Shares as well as a further 15,000,000 options to be issued to the corporate advisor for the Rights Offer on the same terms as the New Options.

Rights Offer Indicative* Timetable	Date
Record Date for Offer	Wednesday, 3 May 2023
Offer opens	Monday, 8 May 2023
Offer closes	5pm, Monday, 22 May 2023
Allotment & issue of New Shares under Offer	Monday, 29 May 2023
Trading (T+2) of New Shares expected to commence	Tuesday, 30 May 2023

*Dates/ times are indicative and subject to change.

Further information

Full details of the Offer and how Eligible Shareholders may access the Prospectus and their personalised entitlement and access form can be found in the letter to Eligible Shareholders which will be released to the ASX and distributed to Eligible Shareholders on Monday, 8 May 2023. Paper copies of the Prospectus and personalised entitlement and access form will not be sent to Shareholders unless specifically requested. Eligible Shareholders will receive a document with a QR code that links to their copy of the Prospectus.

Further information on the Rights Offer can also be found on the AdAlta website using this link. <https://adalta.com.au/documents/>

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Before making any investment decision, investors should seek appropriate professional advice.

An Appendix 2A applying for quotation of the New Shares and New Options will follow this announcement.

Investor call and webcast

AdAlta's CEO and Managing Director (Dr Tim Oldham) will host a webcast on **Wednesday 3 May at 10:30am (AEDT)**, providing the opportunity to hear from and engage with management.

To participate in the live webcast, shareholders, investors and interested parties are invited to click on the link below to register.

https://us02web.zoom.us/webinar/register/WN_qF1JttCrS-SQVUbSts-9EA

A slide presentation will be used during the webcast and lodged with the ASX prior to the start time. A copy of the webcast will be made available following the event.

Authorised for lodgement by:

Tim Oldham
CEO and Managing Director
April 2023

Notes to Editors

About AdAlta

AdAlta Limited is a clinical stage drug development company headquartered in Melbourne, Australia. The Company is using its proprietary i-body technology platform to solve challenging drug targeting problems and generate a promising new class of single domain antibody protein therapeutics with the potential to treat some of today's most challenging medical conditions.

The i-body technology mimics the shape and stability of a unique and versatile antigen binding domain that was discovered initially in sharks and then developed as a human protein. The result is a range of unique proteins capable of interacting with high selectivity, specificity and affinity with previously difficult to access targets such as G-protein coupled receptors (GPCRs) that are implicated in many serious diseases. i-bodies are the first fully human single domain antibody scaffold and the first based on the shark motif to reach clinical trials.

AdAlta has completed Phase I clinical studies for its lead i-body candidate, AD-214, that is being developed for the treatment of Idiopathic Pulmonary Fibrosis (IPF) and other human fibrotic diseases for which current therapies are sub-optimal and there is a high unmet medical need. AdAlta has a second target in discovery research, also in the field of fibrosis and inflammation.

The Company is also entering collaborative partnerships to advance the development of its i-body platform. It has a collaboration with Carina Biotech to co-develop precision engineered, i-body enabled CAR-T cell therapies (i-CAR-T) to bring new hope to patients with cancer. It has an agreement with GE Healthcare to co-develop i-bodies as diagnostic imaging agents (i-PET imaging) against Granzyme B, a biomarker of response to immuno-oncology drugs, a program now in pre-clinical development.

AdAlta's strategy is to maximise the products developed using its next generation i-body platform by internally discovering and developing selected i-body enabled product candidates against GPCRs implicated in fibrosis, inflammation and cancer and partnering with other biopharmaceutical companies to develop product candidates against other classes of receptor, in other indications, and in other product formats.

Further information can be found at: <https://adalta.com.au>

For more information, please contact:

Investors

Tim Oldham, CEO & Managing Director
Tel: +61 403 446 665
E: t.oldham@adalta.com.au

Media

IR Department
Tel: +61 411 117 774
E: jane.lowe@irdepartment.com.au