

7 November 2023

ASX Announcement

OVERSUBSCRIBED PLACEMENT RAISES A\$1.65 MILLION TO PROGRESS CLINICAL TRIAL, PARTNERING FROM INSTITUTIONAL AND SOPHISTICATED INVESTORS

Key highlights:

- Commitments accepted to raise A\$1.65m via oversubscribed Placement Offer
- Offer strongly supported by major shareholders and life sciences focused institutional investor
- Proceeds to fund completion of Phase I extension clinical study of AD-214 and to progress ongoing partnering discussions
- As a result of oversubscriptions, \$0.45m will be subject to shareholder approval at an EGM to be held on or about 14 December 2023
- Raise led by leading boutique advisory firm Peak Asset Management

MELBOURNE Australia, 7 November 2023: AdAlta Limited (ASX:1AD), the clinical stage drug discovery company developing novel therapeutic products from its i-body® platform is pleased to announce that it accepted commitments for A\$1.65 million (before costs) via a placement (**Placement**) of new fully paid ordinary shares in AdAlta (**New Shares**) and quoted options (**New Options**) to institutional and sophisticated investors (**Offer**) as outlined in the Prospectus lodged with ASIC and announced on 3 November 2023. The Offer was oversubscribed and has been subject to scale back in accordance with the Prospectus. Accepted commitments exceeded Offer target by 34%.

AdAlta Chair, Dr Paul MacLeman commented: *"We are pleased to once again receive strong support from existing and new institutional and sophisticated investors. We were able to accept the majority of oversubscriptions and will seek shareholder approval for the subscriptions of our two largest shareholders at a coming EGM. This funding provides AdAlta with the capital needed to obtain the strongest result from our ongoing AD-214 Phase I extension study, that will in turn help materially progress partnering discussions for this asset."*

\$1.20 million has been raised using the Company's existing placement capacity available under Listing Rules 7.1 and 7.1A. A further \$0.45 million in oversubscriptions will be subject to shareholders approving the issue of the New Shares and New Options at an extraordinary general meeting (**EGM**), currently expected to be held on or about 14 December 2023.

The Offer involves the issue of New Shares and New Options to institutional and sophisticated investors at an issue price of 2 cents (\$0.02) per New Share representing a discount of 16.6% to the volume weighted average price (VWAP) over the 15 days up to and including 2 November 2023 and a 13.0% discount to the last closing price on 2 November 2023 together with:

- a) one (1) quoted option (ASX:1ADOA) (New Option) with an exercise price of \$0.03 per share and an expiry date of 29 May 2024 being offered for every 2 New Shares subscribed for under the Offer; and
- b) one (1) additional New Option (**Additional New Option**) on the same terms for every 2 New Shares subscribed for under the Offer, if shareholders approve the issue of these Additional New Options at the EGM.

Prior to the EGM and subject to receipt of funds, 60,000,000 New Shares and 30,000,000 New Options will be issued under the Company's available placement capacity under ASX Listing Rule 7.1 in respect of 15,966,489 New Shares and 30,000,000 New Options and Listing Rule 7.1A in respect of 44,033,511 New Shares.

If approved by the Company's shareholders at the EGM, and subject to receipt of funds, the Company will also issue:

- 30 million Additional New Options; together with
- 22.5 million New Shares and 22.5 million New Options (the subject of oversubscriptions);
- 0.5 million New Shares and 0.5 million New Options to CEO and Managing Director Tim Oldham on the same terms as the Offer; and
- 12 million New Options to Lead Manager, Peak Asset Management.

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

- completing the final analysis of the healthy volunteer cohort of the ongoing Phase I extension study of AD-214;
- progressing partnering and/or licensing discussions for the AD-214 product to help move AD-214 into Phase II studies and beyond;
- evaluating synergistic external technology and product collaboration and transaction opportunities to expand and accelerate AdAlta's product pipeline; and
- to the extent any funds remain, funding general working capital.

Leading boutique corporate advisory firm, Peak Asset Management, has acted as Lead Manager to the Offer. The Offer was not underwritten.

All New Shares and New Options issued under the Offer will rank equally in all respects with the existing issued securities in that class.

Further information

Outlined below is an indicative timetable* to complete the Offer

EVENT	DATE
Funds for subscriptions for New Shares due	Thursday 9 November 2023 at 5:30pm
Issue New Shares and New Options (other than the Additional New Options which are subject to Shareholder approval) subscribed for under the Offer and lodge an Appendix 2A with ASX applying for quotation of the New Shares and New Options	Monday 13 November 2023
Dispatch notice of Extraordinary General Meeting to approve issue of the Additional New Options (and oversubscriptions of New Shares and New Options accepted)	Tuesday 14 November 2023
Extraordinary General Meeting to approve issue of the Additional New Options (and any oversubscriptions of any New Shares and New Options accepted)	Thursday 14 December 2023
Issue Additional New Options and any New Shares and New Options the subject of oversubscriptions (subject to shareholder approval)	Monday 18 December 2023

** Note: These dates are indicative only and subject to change.*

Authorised for lodgment by:

Tim Oldham
CEO and Managing Director

Shareholders: please update your communication preferences

We encourage shareholders to update their share registry preferences to receive all communications electronically. Doing so helps us communicate with you in a time-efficient manner on important matters, while minimising our mail costs and environmental impact.



Simply [click here](#) or scan the QR code and follow the instructions.

Not a shareholder, but want to keep across our progress? [Click here](#) to subscribe to our updates using the Stay in Touch form.

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 enabled protein and cell 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 is extending 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. Preparation for Phase II clinical studies is also underway. 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 preclinical 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>

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