AdAlta

next generation protein therapeutics

AdAlta Investor Presentation

May 2019

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AdAlta (1AD) investment summary

- AdAlta Limited (ASX:1AD) is an Australian listed drug discovery and development company generating a promising new class of protein therapeutics, known as i-bodies, for treating a wide range of human diseases

- **Investment highlights**
  - AD-214 targeting fibrosis of the lungs (Idiopathic Pulmonary Fibrosis), with USA FDA Orphan Drug Designation and strong pre-clinical data, a clinical indication with high unmet medical need and early transaction potential
  - i-body platform for generating multiple products and collaborations. Targeting 1-2 partnering deals with upfront payments (and future royalties and milestones) within the next 12 months
  - Experienced drug development team with track record of delivery
  - Strong institutional and investor support

- **Company is raising AUD$7m**
  - AUD$5m two tranche placement and AUD$2m rights issue at AUD$0.15 with a 16.9% discount to 15 day VWAP
  - Attaching free one option for every two share subscribed at an exercise price of AUD$0.25

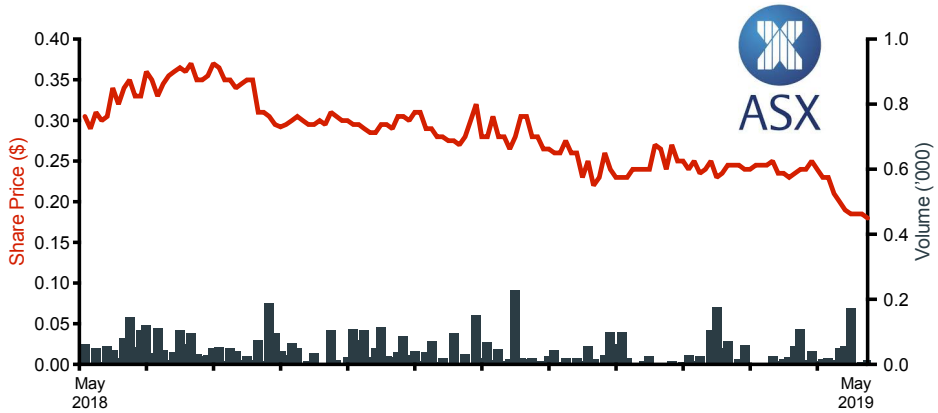
- **Cash balance post raise expected to be sufficient to fund the Company through pre-clinical and Phase 1 clinical studies for AD-214 and multiple value inflection points**

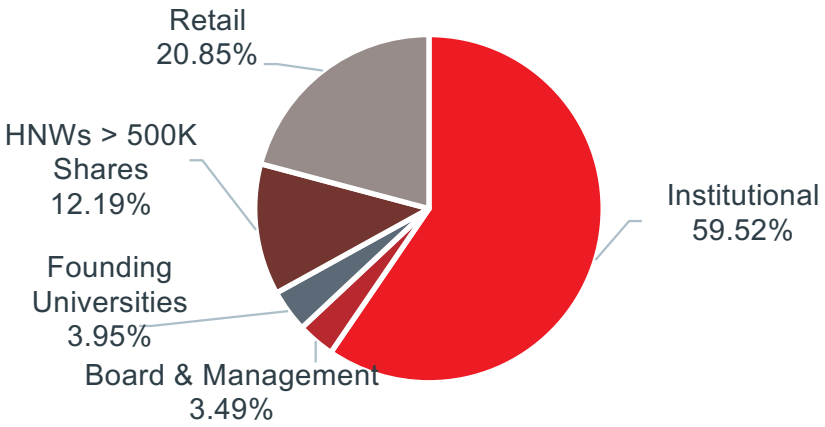
Financial position

Key financial details	
ASX code	1AD
Share price (21 May 2019)	AUD$0.185
Market capitalisation	AUD$21.76m
Shares on issue	117,604,523
Options on issue	4,355,007
Current cash (31 March 2019)	AUD$3.05m
Trading range (last 12 months)	AUD$0.165 to $0.40
Average daily volume	34,126

Major shareholders	%
Yuuwa Capital LP	45.97
Platinum Asset Management	9.77
Citycastle Pty Ltd	4.56
National Nominees Limited	3.79
Meurs Holdings Pty Ltd	2.83
Other shareholders	33.08
Total	100%

Share price performance (last 12 months)





AdAlta

Management in place delivering on milestones

Sam Cobb
Founding CEO and Managing Director

Sam is the founding CEO of AdAlta and has over fifteen years' experience in business development and commercialisation of early stage scientific technologies. Extensive experience in raising equity, contract and grant funding. 15 years of commercialisation and management experience.

Mick Foley, PhD
Chief Scientific Officer

Founding scientist of AdAlta and a key inventor of lead i-body candidate, AD-214. Recognized expert in phage display. NIH, NHMRC, ARC, Gates funding and over 70 scientific publications.

Dallas Hartman, PhD
Chief Operating Officer

Prior to joining AdAlta, Dallas was Vice President of Product Development at the NASDAQ listed biotechnology company Nexvet. Undertook postdoctoral research at the University of Texas Southwestern and the University of Melbourne where his work was supported by fellowships from the Howard Hughes Medical Institute. Over 14 years experience at CSL with analytical focus on biologics.

Board with track record

Sam Cobb: Founding CEO and Director

Founding CEO of AdAlta and extensive experience in raising equity, contract and grant funding

15 years of commercialisation and management experience

Dr Paul MacLeman: Chairman

Chairman of Livac and a Non-Executive Director of Sypharma Pty Limited

Founded biologics companies, experienced ASX-listed executive

Dr Robert Peach: Independent Director

Founder and CSO of Receptos Inc, acquired by Celgene Corporation in 2015 for US$7.8bn

Deep experience in research and drug development

Dr John Chiplin: Independent Director

CEO of investment company, NewStar Ventures

Managing Director of acquired antibody company Arana Therapeutics (acquired by Cephalon Inc. for US$200 million)

Liddy McCall: Director

Founder and Investment Director of Yuuwa Capital

15 years biotech experience; founder of iCeutica Inc (acquired 2011)

Associate Director M&A Macquarie Bank

Dr James Williams: Director

Founder and investment Director of Yuuwa Capital

Founder, Director and prior CEO of several Australian biotechs achieving multiple FDA, CE Mark and TGA approvals

World class Scientific Advisory Board

Internationally recognised with proven track record of drug development

Dr Mick Foley, AdAlta CSO

Expert in phage display

NIH, NHMRC, ARC, Gates funding and over 70 scientific publications

John Westwick, pulmonary drug discovery and development

Over 14 years experience at Novartis, head of respiratory drug discovery

Five product launches and 13 positive proof of concepts in respiratory, including a number of antibodies which are now in phase III.

Brian Richardson, drug discovery and development expert

Ex-Sandoz and Novartis (40+ years), including Head of Pre-clinical Research

Over 60 original peer reviewed research papers

Steve Felstead, clinical advisor

Ex-Pfizer (25 years), including Head of Clinical Research, Pharmatherapeutics Division

Developed Zithromax, Vfend, Celsentri, Viagra

Market opportunity for IPF

Idiopathic Pulmonary Fibrosis (IPF) is an irreversible, unpredictable and incurable disease

THE STATISTICS

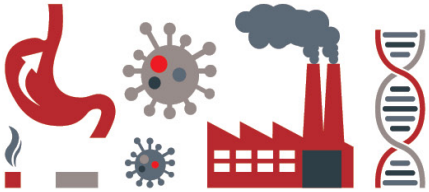
People living with IPF
300,000

People die from IPF every year
40,000

Median length of survival after IPF diagnosis
3.8 years

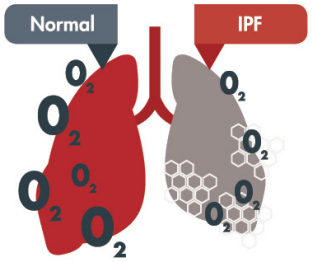
IPF incidence

Causes



The cause is unknown but risk factors may include: smoking, environmental exposures, chronic viral infections, abnormal acid reflux and family history of the disease.

Pathology



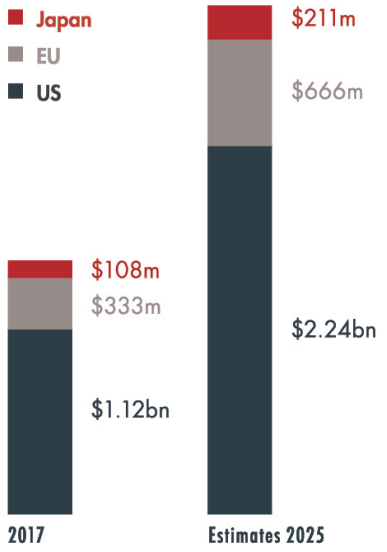
Resultant scarring/honeycombing in the lung restricts breathing and oxygen exchange.

Current IPF treatments

Pirfenidone — Roche

Nintedanib — Boehringer Ingelheim

IPF Therapy Sales (US$)



Source: GlobalData 2018

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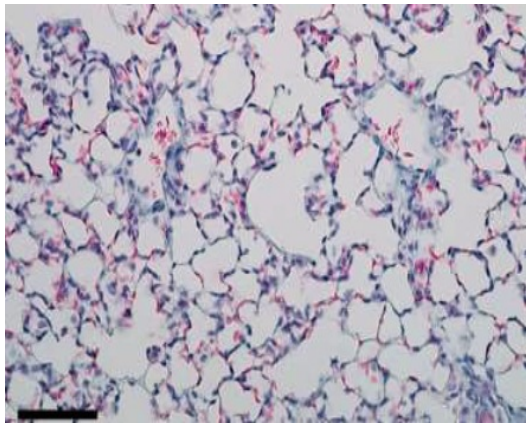
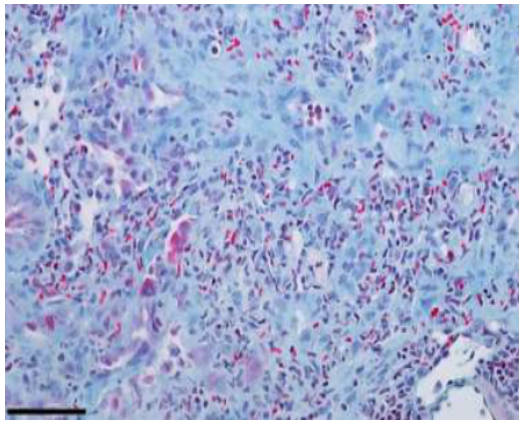
AD-214 novel treatment for fibrosis

AdAlta's lead i-body has demonstrated in vivo activity in the Bleomycin mouse model

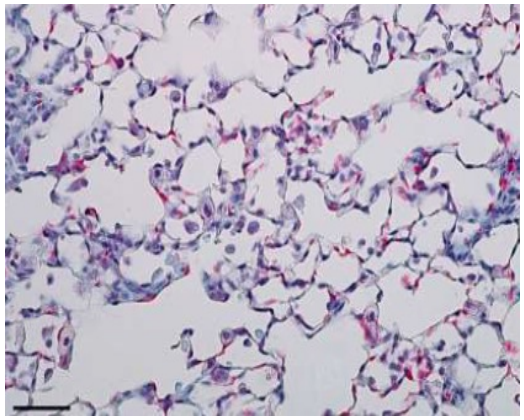
AdAlta's i-body reduces collagen content and inflammatory cell infiltration and demonstrates a similar architecture to that of the normal lung



Normal lung tissue



IPF lung tissue
(lung disease mouse model)



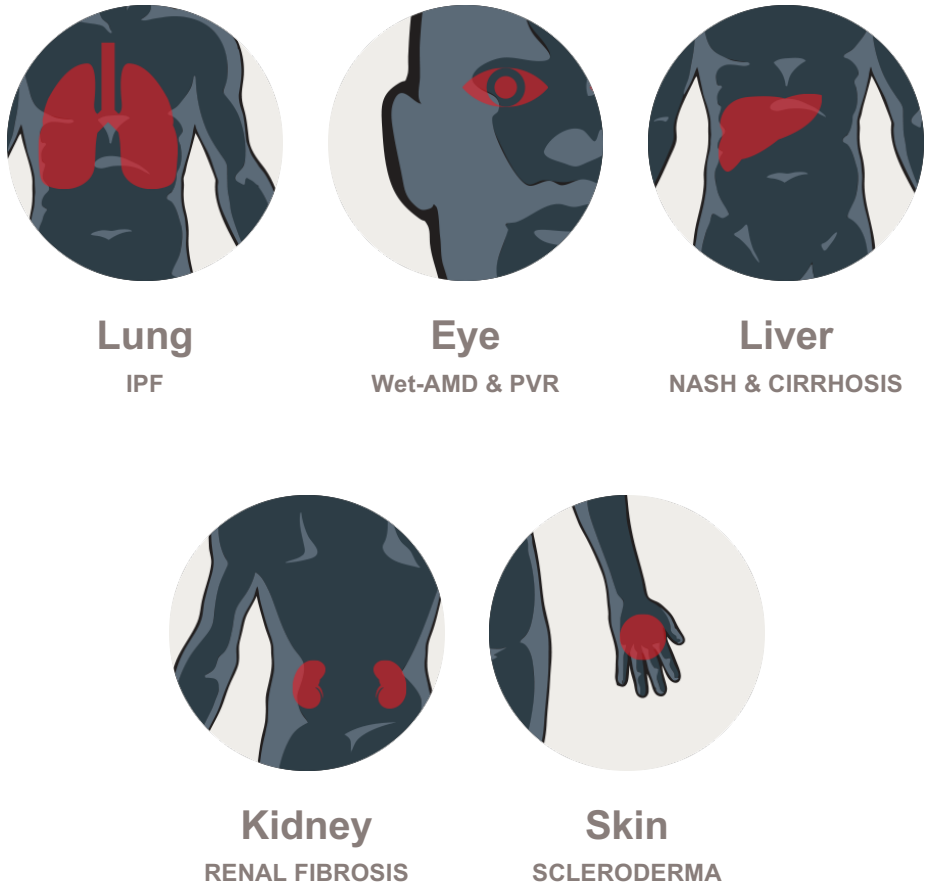
IPF lung tissue + AdAlta anti-CXCR4 i-body dosed for 21 days
(lung disease mouse model)

AD-214 has broad application in treating fibrosis

AdAlta data suggests that AD-214 can improve fibrosis across a range of fibrotic diseases

- **LUNG:** Idiopathic Pulmonary Fibrosis
- **EYE:** Wet-Age Related Macular Degeneration
- **LIVER:** NASH
- **SKIN:** Hypertrophic scar
- **KIDNEY:** Chronic kidney disease

AdAlta has demonstrated broad anti-fibrotic and anti-inflammatory effects in several animal models of disease and with human tissues with its lead i-body candidate.



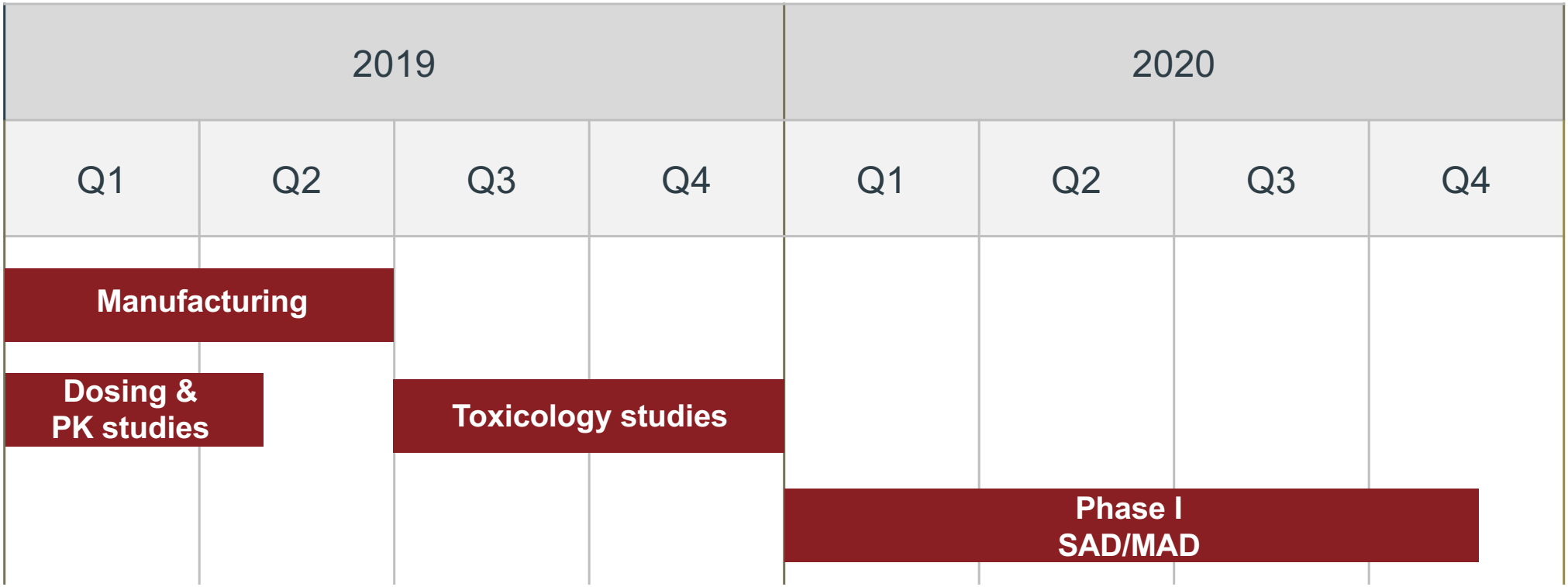
Global market interest in fibrosis treatments

Fibrosis assets acquired at an early stage – typically based on Phase I results

Date	Company	Target	Acquired by	Deal value (US$)	Deal commentary
Sep-18	Samumed	SM04646	United Therapeutics	$10m upfront, plus $340m milestones	Undergoing Phase I, USA rights only
Sep-15	Adheron Therapeutics	SDP051	Roche	$105m upfront, plus $475m in milestones	SDP-51 at end of Phase I for IPF
Aug-15	Promedior	PRM-151	BMS	$150m upfront + $1.25B	Phase II IPF and myelofibrosis
Nov-14	Galecto Biotech AB	TD139	BMS	$444m	Option to acquire at end of clinical POC (no later than 60 days following Ph 1b for IPF completion)
Aug-14	Intermune	Esbriet / Pirfenidone	Roche	$8.3b	Approval in Europe / Japan, phase III in the US
Jun-13	MicroDose Therapeutx	MMI0100	Teva Pharmaceuticals	$40m upfront $125m milestones	MMI0100 was in pre-clinical development
Mar-12	Stromedix	STX100	Biogen Idec	$75m upfront $487.5m milestones	End of phase I for IPF
Jul-11	Amira / BMS	BMS-986020	BMS	$325m upfront $150m milestones	End of phase I for IPF

Source: GlobalData (all IPF deals since 2011)

AD-214 development: key milestones



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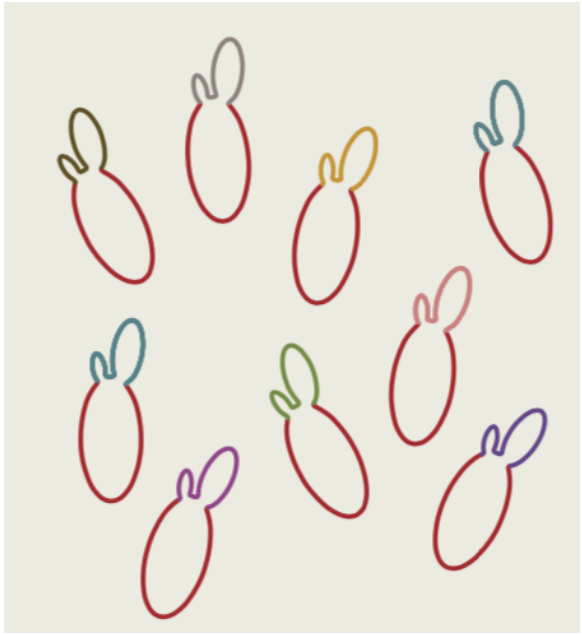
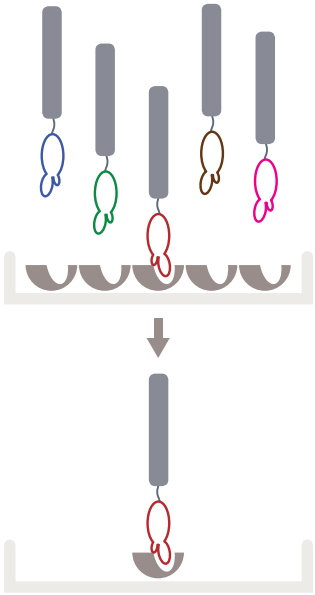
i-body platform

Diverse library of 20 billion long loop human proteins



Screening expertise in multiple formats



Identification and characteristion to lead candidate

AdAlta business model – strategy to create value

Targeting at least 1-2 partnership agreements with upfront payments (and future milestones and royalties) within the next 12 months

Long loop that enables access to novel drug targets

i-body technology platform and library

Pharma & biotech partnerships

Revenues: Upfronts, FTEs, milestones & royalties

In-house pipeline of drug candidates

Invest up to key value inflection point

Licence to pharma

Revenues: major upfronts + milestones & royalties

i-bodies: new drug class

Potential in multiple disease indications

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AdAlta pipeline

i-body discovery engine

		Target	Class of Target	Discovery	Preclinical	Manufacturing	IND enabling studies	Phase I
AD-214	Idiopathic Pulmonary Fibrosis	CXCR4	GPCR					
	Other fibrotic indications	CXCR4	GPCR					
Shark antibody discovery		MCP-1	Novel ligand pocket					
i-body discovery		TRPV4	Ion Channel					
AdAlta next generation protein therapeutics / Excellerate BIOSCIENCE		Target X	GPCR					
External Partnerships		Target X	TBC					

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Market benchmarks

PRODUCT

adheron THERAPEUTICS

Sep-15 acquired by Roche
US$105m + US$475m
milestones phase I asset

Promedior

Aug-15 acquired by BMS
US$150m + US$1.25b
milestones phase IIa asset

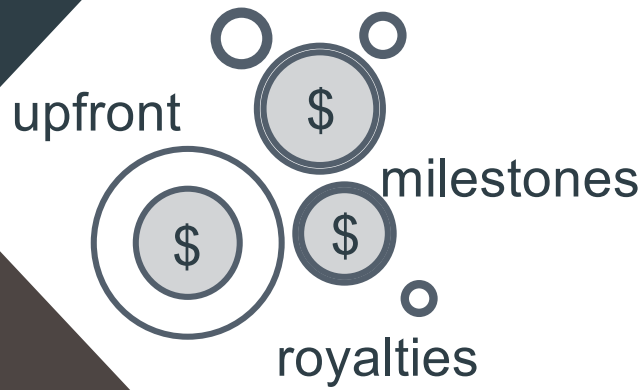
PLATFORM

pieris PHARMACEUTICALS

May -17 with AZ
US$58m upfront + US$2.1b
milestones & royalties

Ablynx

July-17 with Sanofi
€31m upfront + €2.4b
milestones & royalties



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2018: significant achievements

- ✓ Orphan Drug Designation (US FDA) of AdAlta i-body for treatment of IPF
- ✓ Completion of additional pre-clinical animal models in diseases of the lung, kidney, skin; strengthening broad anti-fibrotic data package of anti-CXCR4 i-body
- ✓ Publication of key data in *Scientific Reports* (a *Nature* publication)
- ✓ Completion of several non-human primate studies demonstrating safety of CXCR4 i-body but also safety of platform
- ✓ Key AU patent granted covering AD-214
- ✓ Successfully completed AD-214 cell-line development process

SCIENTIFIC REPORTS

OPEN

Anti-fibrotic Effects of CXCR4-Targeting i-body AD-114 in Preclinical Models of Pulmonary Fibrosis

Received: 8 November 2017
Accepted: 24 January 2018
Published online: 16 February 2018

K. Griffiths[1,2], D. M. Habiel[3], J. Jaffar[4], U. Binder[5], W. G. Darby[1,2], C. G. Hosking[1,2], A. Skerra[5], G. P. Westall[4], C. M. Hogaboam[3] & M. Foley[1,2]

AdAlta

Expected news flow

- **H1 2019:**
  - Complete manufacturing including materials for tox program
  - Update on i-body pipeline development
  - Publish i-body ½ life and eye fibrosis data
  - **Preliminary non-human primate data with AD-214**
- **H2 2019**
  - **4 week NHP toxicology study**
  - **Partnership announcement with upfronts (and future milestone and royalty payments)**
  - Regulatory discussions with US FDA
- **H1 2020:**
  - **Phase I human clinical studies with AD-214**

Capital Raise

May 2019

Capital Raising Summary

- AdAlta is conducting a A$7m capital raising that will assist in funding the Company's pre-clinical and clinical programs over the next 18 months:
  - AD-214 pre-clinical studies in fibrosis and safety in non-human primates
  - **AD-214 Phase I trial**
  - Expansion of i-body pipeline and partnering transactions delivering upfronts (and future milestones and royalties)
  - General working capital
- Offer price of A$0.15 per share represents a 16.9% discount to 15 day VWAP

Capital raising structure

- A$5m two tranche placement to sophisticated and professional investors in Australia and eligible institutions in Hong Kong
- A$2m with 1 for 8.8 Entitlement Offer to existing eligible shareholders with registered addresses in Australia and New Zealand at the record date
- Participants will also receive 1 free option for every 2 Placement or Entitlement Offer shares issued
  - Options with a June 2021 expiry (2 year term) and a strike price of A$0.25
- Share issued under the Placement will not be eligible to participate in the Entitlement Offer

Timetable (indicative)

Trading halt	Tuesday 21 May
Offer announced, lodge Entitlement Offer Prospectus with ASX and company resumes trading	Thursday 23 May
Ex date for Entitlement Offer	Monday 27 May
Record date for Entitlement Offer	Tuesday 28 May
Settlement of New Shares issued under Placement Tranche 1	Tuesday 28 May
Allotment of New Shares issued under Placement Tranche 1	Wednesday 29 May
Entitlement Offer Closes	~Wednesday 12 June
Shareholder meeting to approve Tranche 2	~ Thursday 27 June
Settlement of New Shares issued under Placement Tranche 2	~Monday 1 July
Allotment of New Shares issued under Placement Tranche 2	~ Tuesday 2 July

Use of proceeds AU$7m

Use of proceeds	AU$m
Manufacturing (GMP only)	$3.4
GLP Toxicology studies	$0.6
Phase 1 studies	$3.0
Pipeline Build	$1.7
Working Capital	$3.8
Capital Raising Costs	$0.5
R&D TAX REFUND	**$6.0**
TOTAL FUNDS RAISED	**$7.0**

KEY ASSUMPTIONS

**Includes R&D Tax refund of ~$6.0m

Additional funds would be used to scale pipeline build

Excludes any payments from partnerships and existing cash balance

AdAlta Limited (ASX:1AD) Summary

- AD-214 has significant pre-clinical validation demonstrating broad anti-fibrotic and anti-inflammatory effects as well as safety. Manufacturing on track with AD-214 set to be in clinic by Q1 2020
- Initial focus on treating Idiopathic Pulmonary Fibrosis (IPF) and other fibrotic diseases - high unmet clinical need. Market has history of early commercialisation transactions in fibrosis
- Platform technology for pipeline expansion and partnerships
- Targeting of 1-2 partnership transactions with upfront payments (and future milestone and royalty payments) within the next 12 months
- **Cash balance post raise expected to be sufficient to fund the Company through pre-clinical and Phase 1 clinical studies for AD-214 and multiple value inflection points**

Experienced management and Board to drive AD-214 development and secure technology platform partnerships / product licensing deals

AdAlta

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