

ASX / Media Release

GE Healthcare licensing deal

MELBOURNE Australia, 26th September, 2019: AdAlta Limited (ASX:1AD), refers to its market announcement of 16 September 2019 and provides further background regarding AdAlta's development strategy.

AdAlta is focused on securing a number of third party licensing deals for its i-body platform technology (which may include diagnostic or therapeutic applications of its platform). The collaboration agreement with GE Healthcare is based on research to be undertaken with the goal potentially to identify a pre-clinical target for PET diagnostic applications. AdAlta has invoiced its first payment of GBP100,000 to GE Healthcare which is due following target selection.

The initial proof of concept research program with GE Healthcare is anticipated to be of a duration of up to 11-14 months. GE Healthcare will pay AdAlta for the research costs which will vary based on the project outcomes.

There is no guarantee that this initial proof of concept research collaboration with GE Healthcare will result in GE Healthcare electing to pursue further development of a potential target.

GE Healthcare has an option to continue the program and fund it into subsequent phases until commercialisation if successful. Where GE Healthcare exercises the option to continue the program, there are potential milestones (at typical industry rates) and ultimately, if a commercial product is derived from that further development, AdAlta could receive potential royalties (again at typical industry rates). However with such potential proof of concept preclinical targets there are significant research and development risks.

GE Healthcare may make a commercial decision not to continue a program and it can be terminated with 60 days notice. AdAlta retains rights to pursue all therapeutic applications and also rights to any programs not continued by GE Healthcare.

AdAlta will continue to keep the market informed of the research activities with GE Healthcare.

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Notes to Editors

About AdAlta Limited

AdAlta Limited is an Australian based drug development company headquartered in Melbourne. The Company is preparing for its phase 1 clinical studies for its lead compound AD-214. The clinical program is expected to commence early 2020 following the release of the current toxicity study data.

AdAlta's lead i-body candidate, AD-214 is 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 is also in collaborative partnerships to advance the development of its i-body pipeline announcing an agreement with UK-based research organisation, Excellerate Bioscience on an undisclosed target of commercial interest.

AdAlta has a proprietary technology platform to generate i-bodies, a new class of protein therapeutics, with applications as therapeutic drugs to treat disease.

Our technology mimics the shape and stability of a crucial antigen-binding domain, that was discovered initially in sharks and then developed as a human protein. The result is a range of unique compounds, for use in treating serious diseases.

The Company also plans to continue further drug discovery and development directed towards other drug targets and diseases.

Further information can be found at: www.adalta.com.au.

For more information, please contact:

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