AdAlta
next generation protein therapeutics

11 August 2020

Dear Optionholder,

Non-Renounceable Rights Issue Offer

Adalta Limited ACN 120 332 925 (the **Company**) is undertaking a non-renounceable pro-rata rights offer to the Company's shareholders (the **Offer**). The Offer is open to all eligible shareholders of the Company who are on the share register as at 5.00pm AEDT on 14 August 2020 (the **Record Date**) and who have a registered address in Australia or New Zealand.

Under the terms of the Offer, each eligible shareholder will have the right to subscribe for New Shares in the Company on the basis of 1 ordinary share in the capital of the Company (**Share**) for every 4 Shares held as at the Record Date at a price of $0.10 per new share (**Rights Issue Offer**) for the issue of approximately 41 million (**New Shares**) to raise approximately $4.1 million. The Company is also undertaking a placement of approximately 40 million New Shares to institutional investors at the same price ($0.10 each) as the Rights Issue Offer to raise approximately $4 million (**Placement**).

You are the holder of options to purchase Shares in the Company. The Rights Issue Offer is only available to holders of Shares in the Company, and not with respect to Shares that underly any options that have not been exercised. The purpose of this letter is to advise you that you are not entitled to participate in the Rights Issue (with respect to any Shares that underly your options) without first exercising some or all of your options. The exercise of your options needs to be completed, and the shares to be issued consequent upon that exercise registered in your name, before the Record Date.

If you decide to exercise some or all of your options before the Record Date, the Shares that issue upon that exercise of those options will be included in your shareholding as at the Record Date. Your aggregate holding of Shares at the Record Date determines the extent of your entitlement to participate in the Rights Issue Offer.

The anticipated timetable for the Offer is as set out below. The timetable is indicative only and subject to change. Subject to the *Corporations Act 2001* and the ASX Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date. The Directors also reserve the right not to proceed with the Offer (or any part of it) at any time prior to allotment. In that event, any application money received will be returned without interest.

The particulars of the Offer are contained in the announcement made on 11 August 2020. The Offer Document is expected to be available on the ASX website (www.asx.com.au) and lodged with ASX on 19 August 2020. The Offer Document and the Entitlement and Acceptance Form are expected to be sent to all Eligible Shareholders on the same day, 19 August 2020.

Please ensure you read the Offer Document in its entirety and refer to the Company's ASX announcements before considering whether to participate in the Offer. If in any doubt you should consult your professional advisor.

For further information on your Entitlement please contact the Company’s share registry, Automic Group, on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AEST).

Yours faithfully

Cameron Jones
Company Secretary

Indicative Timetable

Event	**Date**
Announcement of commitments for Placement and announcement of proposed non-renounceable Rights Issue Offer.	Prior to commencement of trading on Tuesday, 11 August, 2020
"Ex date" for the Offer	Thursday, 13 August, 2020.
Record Date	7.00pm Friday, 14 August 2020
Issue and quotation of the Placement Shares.	Tuesday, 18 August 2020
Opening Date of Rights Issue Offer.	Wednesday, 19 August 2020
Despatch of the Rights Issue personalised entitlement and acceptance Form to Eligible Shareholders.	
Closing Date for acceptances under the Rights Issue Offer.	5.00pm, Wednesday, 2 September 2020
Issue Date of New Shares under the Offer	Tuesday, 8 September 2020
Trading (T+2) of New Shares expected to commence	Wednesday, 9 September 2020