

2 July 2021

ASX Announcement

SHARE ISSUE AND OPERATIONS UPDATE

Key points:

- 3,725 shares issued pursuant to exercise of listed options
- Progressing towards securing second co-development collaboration
- MotionHall appointed to support business development activity
- Results of pre-clinical development studies of radio-labelled AD-214 due in July

MELBOURNE Australia, 2 July 2021: AdAlta Limited (ASX:1AD) the clinical stage biotechnology company developing novel therapeutic products from its i-body platform advises that it has issued shares in the Company pursuant to the exercise of options and provides an operations update associated with this issuance.

Share issue

AdAlta has today completed the issue of 3,725 fully paid ordinary shares in the capital of the Company pursuant to the exercise of listed options (ASX:1ADO) at an exercise price of \$0.2485 per share to raise a total of \$925.66. All remaining unexercised options in this class of options expired on 30 June 2021. The Appendix 2A for the issue of these shares has been lodged with the ASX and accompanying this notice is the cleansing notice applicable to that share issue. The Appendix 3H pertaining to the cessation of the options has also been lodged with the ASX.

Business development

AdAlta notes that its corporate overview presentation lodged with the ASX on 3 June 2021 (“Corporate Overview”) stated that it aims to enter a new co-development or collaboration agreement (in addition to its collaboration with GE Healthcare) in mid-2021. The Company has a robust business development pipeline and is advancing negotiations to achieve this milestone but has not yet agreed definitive transaction documents with any other party.

The Corporate Overview also references a first possible partnering window for lead asset AD-214 towards the end of 2021. AdAlta has appointed MotionHall Inc (San Francisco, USA) to provide machine learning enabled business development support (partner analysis and prioritisation, comparator deal analysis, competitive pipeline analysis and partner outreach), and is in discussions with advisers in Asia to secure local language transaction support for regional partnering opportunities.

AD-214 development

Lead asset, AD-214, is being developed as a potential first in class therapeutic for fibrotic diseases. As announced on 19 April 2021, AdAlta has commenced the multi-dose portion of the Phase I clinical trial of AD-214 in healthy volunteers. The safety management committee overseeing the trial continue to support continuation and dose escalation.

As announced on 1 July 2021, AdAlta has secured resupply of clinical AD-214 drug substance for future clinical trials, providing timeline certainty for AdAlta and potential partners as to possible commencement dates for such trials.

The Corporate Overview indicated that the next milestone for AD-214 would be the mid-2021 receipt of pre-clinical development results in respect of a radio-labelled version of AD-214 for PET imaging in subsequent clinical studies. These experiments have been completed by third party collaborators and the Company is anticipating receiving final reports and interpretation from collaborators during July 2021.

Authorised for lodgement by:

Tim Oldham
CEO and Managing Director
July 2021

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 is conducting Phase I clinical studies for its lead i-body candidate, AD-214. AD-214 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.

The Company is also entering collaborative partnerships to advance the development of its i-body platform. It has an agreement with GE Healthcare to co-develop i-bodies as diagnostic imaging agents against Granzyme B, a biomarker of response to immunology 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>

For more information, please contact:

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2 July 2021

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Dear Melissa

AdAlta Limited (ASX:1AD) – Cleansing Notice under section 708A(5)(e) of the Corporations Act 2001 (Cth)

AdAlta Limited advises that it has today completed the issue of 3,725 fully paid ordinary shares in the capital of the Company (“Shares”) upon the exercise of 3,725 listed options (ASX:1ADO) to purchase Shares at an exercise price of \$0.2485 per Share (“Issued Shares”) to raise a total of \$925.66. The Options were exercised prior to their expiry date of 30 June 2021 (that was previously announced on 7 June 2021 and 11 June 2021).

In accordance with section 708A(5)(e) of the *Corporations Act 2001* (Cth) (“Corporations Act”) the Company advises that:

- (a) the Issued Shares were issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under 708A(5)(e) of the Corporations Act;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - (ii) section 674 of the Corporations Act; and
- (d) as at the date of this notice, there is no “excluded information” within the meaning of sections 708A(7) and 708A(8) of the Corporations Act.

Yours sincerely,



Cameron Jones
Company Secretary
AdAlta Limited