

15 December 2021

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 20 December 2021 (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 8 Shares held as at the Record Date at a price of \$0.073 per new share (**Entitlement Offer** or **Offer**) for the issue of approximately 30.7 million (**New Shares**) to raise approximately \$2.24 million. The Company is also undertaking a placement of approximately 51.4 million New Shares to institutional investors at the same price (\$0.073 each) as the Offer to raise approximately \$3.75 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 15 December 2021. The Offer Document is expected to be available on the ASX website (www.asx.com.au) and lodged with ASX on 23 December 2021. Details of how Shareholders may access their personalised Entitlement and Access Form can be found in the letter to Shareholders which is intended to be released to the ASX and distributed to Eligible Shareholders on Thursday, 23 December 2021. Paper copies of the Offer Booklet and personalised Entitlement and Access Form will not be sent to Shareholders.

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 Wednesday, 15 December 2021
"Ex date" for the Offer	Friday, 17 December 2021.
Record Date	Monday, 20 December 2021
Issue of Placement Shares. Trading of Placement Shares commences T+2 from issue date	Tuesday, 21 December 2021
Opening Date of Rights Issue Offer.	Thursday, 23 December 2021
Despatch of letter advising Shareholders of electronic access to the Offer Booklet and Entitlement & Acceptance Form to Eligible Shareholders	
Closing Date for acceptances under the Rights Issue Offer.	5.00pm, Monday, 31 January 2022
Issue Date of New Shares under the Offer	Monday, 7 February 2022
Trading (T+2) of New Shares expected to commence	Tuesday, 8 February 2022