3 May 2023

ASX Announcement

ADALTA INVESTOR PRESENTATION: RIGHTS OFFER WEBINAR

MELBOURNE Australia, 3 May 2023: AdAlta Limited (ASX:1AD), the clinical stage drug discovery company developing novel therapeutic products from its i-body platform, announced the launch of a non-renounceable rights offer (**Offer**) to approximately A$3.15 million (before costs) on 28 April 2023 to enable lead asset AD-214 to return to clinical studies earlier than previously anticipated and progress several partnering initiatives.

AdAlta's CEO and Managing Director (Dr Tim Oldham) will host a webcast today, **Wednesday 3 May at 10:30am (AEDT)** to discuss the Offer and the benefits to partners of the planned clinical study.

To participate in the live webcast, shareholders, investors and interested parties are invited to click on the link below to register.

https://us02web.zoom.us/webinar/register/WN_qF1JttCrS-SQVUbSts-9EA

A slide presentation that will be used during the webcast is attached. A copy of the webcast will be made available following the event.

The Offer is a non-renounceable pro rata rights offer to AdAlta shareholders in Australia and New Zealand (**Eligible Shareholders**) to acquire two (2) new ordinary shares (**New Shares**) at an issue price of 2.5 cents ($0.025) per New Share for every five (5) shares held by Eligible Shareholders at 7:00 pm (Melbourne time) on Wednesday 2023 together with one (1) option (**New Option**) for every 2 New Shares subscribed for, and each New Option will entitle the holder to subscribe for one (1) additional ordinary share at an exercise price of 3 cents ($0.03) per share with an expiry date of 12 months from the date of issue.

The Company has received commitments to the Offer or any Shortfall for A$2.49 million of the target amount.

Full details of the Offer and how Eligible Shareholders may access the Prospectus and their personalised entitlement and access form can be found in the letter to Eligible Shareholders which will be released to the ASX and distributed to Eligible Shareholders on Monday, 8 May 2023. Paper copies of the Prospectus and personalised entitlement and access form will not be sent to Shareholders unless specifically requested. Eligible Shareholders will receive a document with a QR code that links to their copy of the Prospectus.

Further information on the Offer can also be found on the AdAlta website: https://adalta.com.au/documents/.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Before making any investment decision, investors should seek appropriate professional advice.

Authorised for lodgement by:

Tim Oldham
CEO and Managing Director
May 2023

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 has completed Phase I clinical studies for its lead i-body candidate, AD-214, that 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. AdAlta has a second target in discovery research, also in the field of fibrosis and inflammation.

The Company is also entering collaborative partnerships to advance the development of its i-body platform. It has a collaboration with Carina Biotech to co-develop precision engineered, i-body enabled CAR-T cell therapies (i-CAR-T) to bring new hope to patients with cancer. It has an agreement with GE Healthcare to co-develop i-bodies as diagnostic imaging agents (i-PET imaging) against Granzyme B, a biomarker of response to immuno-oncology drugs, a program now in pre-clinical 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:

Investors

Tim Oldham, CEO & Managing Director
Tel: +61 403 446 665
E: t.oldham@adalta.com.au

Media

IR Department
Tel: +61 411 117 774
E: jane.lowe@irdepartment.com.au

AdAlta
next generation protein therapeutics

Next generation protein and cell therapies: going where antibodies cannot

Tim Oldham PhD, CEO and Managing Director, AdAlta (ASX:1AD)

Investor presentation, 3 May 2023

AdAlta business and focus

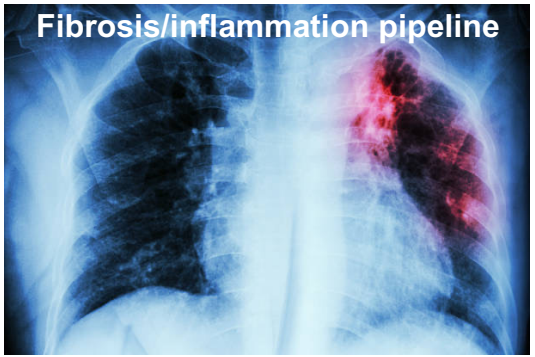
Purpose: to go where antibodies cannot

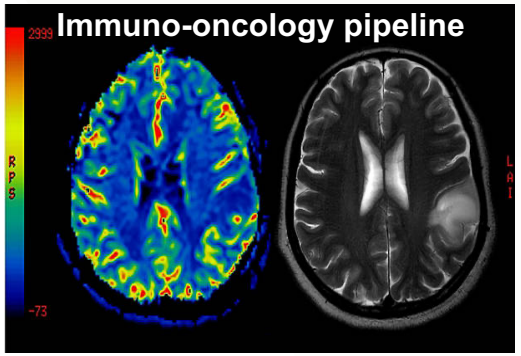
High-value therapeutic product pipeline in areas where traditional antibodies are ineffective

Discovery business

i-body™ platform
+
In-house discovery team
=
Multiple high value product candidates

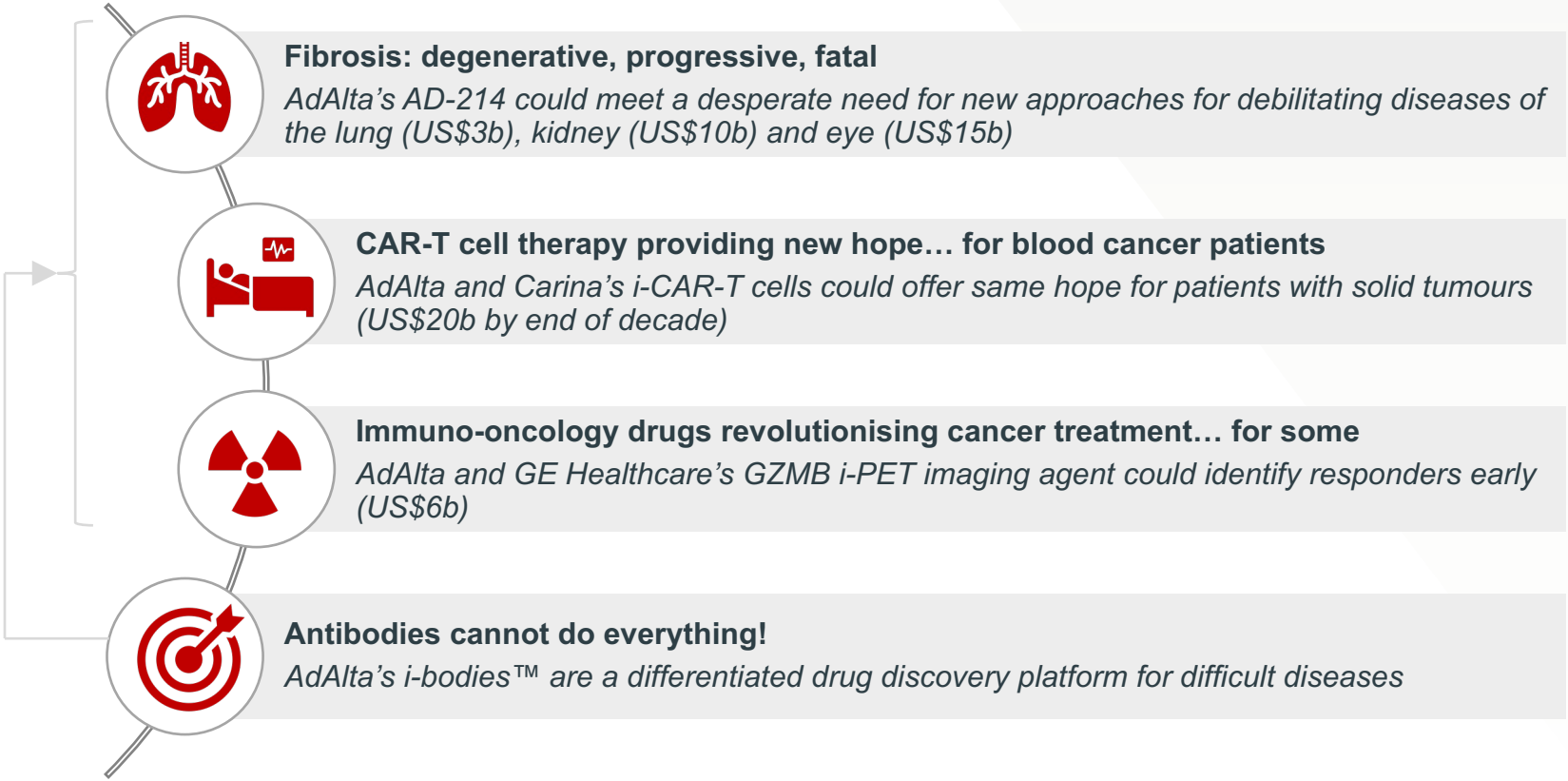
Product development business





Experienced pre-clinical and clinical leaders
+
In-house protein engineering
+
Cost effective Australian location
=
Candidates progressed through development milestones then out-licensed

AdAlta's customer value proposition: high value therapeutics addressing difficult targets for challenging diseases



Fibrosis: degenerative, progressive, fatal

AdAlta's AD-214 could meet a desperate need for new approaches for debilitating diseases of the lung (US$3b), kidney (US$10b) and eye (US$15b)

CAR-T cell therapy providing new hope… for blood cancer patients

AdAlta and Carina's i-CAR-T cells could offer same hope for patients with solid tumours (US$20b by end of decade)

Immuno-oncology drugs revolutionising cancer treatment… for some

AdAlta and GE Healthcare's GZMB i-PET imaging agent could identify responders early (US$6b)

Antibodies cannot do everything!

AdAlta's i-bodies™ are a differentiated drug discovery platform for difficult diseases

May 2023 Rights Offer details*

The Offer

To raise (before exercise of any options) approximately **A$3.15m**

For every **five** (**5**) shares held by Eligible Shareholders on the Record Date

- **Two (2)** New Shares at an issue price of **$0.025**
- **One (1)** New Option with exercise price of **$0.03** and expiry date of 29 May 2024

Represents (before value of options)

- **3.8%** discount to closing price on 27 April
- **7.1%** discount to 15-day VWAP to 27 April

Commitments including for shortfall to subscribe for up to **$2.49m**

- Platinum Asset Management#
- Peak Asset Management

Use of funds	Allocation of Offer funds (A$ million)
Recommence clinical development of AD-214	1.36
Continue existing partnering discussions for AD-214	0.41
Evaluation of synergistic technology, product collaborations	0.52
Working capital	0.58
Costs of Offer	0.28
TOTAL	**3.15**

Some of the fine print**	
Eligible shareholders	Residents of Australia, NZ
Record date	7:00pm AEST 3 May 2023
Offer opens	8 May 2023
Offer closes	5:00pm AEST 22 May 2023
New Shares and New Options issued	29 May 2023

* ASX Release 28 Apr 2023: https://1ad.live.irmau.com/irm/pdf/b3c99f12-52bd-4f9c-a914-92e06fc47575/Rights-Offer-to-fund-early-return-to-clinic-and-growth.pdf
** For full details please see prospectus lodged with ASX and available on the Company website at https://adalta.com.au/documents/
# Specifically Platinum Investment Management Limited in its capacity as responsible entity for the Platinum International Healthcare Fund

AD-214 program

The need: Idiopathic Pulmonary Fibrosis (IPF)

Scarring of the lungs irreversibly reduces lung function

>300,000 people living with IPF; 40,000 people die every year

3.8 years median survival

Two current therapies sell for $4.7b per year …

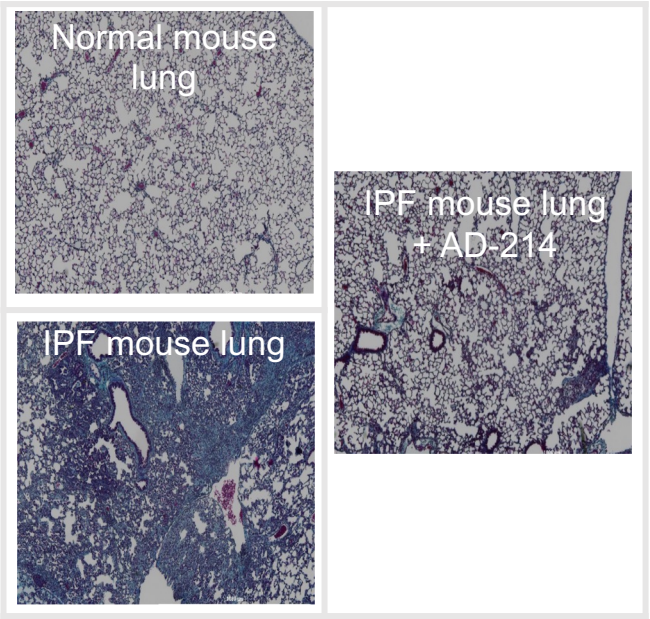
… despite limited effectiveness, serious side effects

Many other fibrosis market opportunities
- Almost every organ: eye, kidney, heart
- "Long COVID" is a developing issue – further increasing the need for better anti-fibrotic drugs[1]
- Re-emergence of silicosis

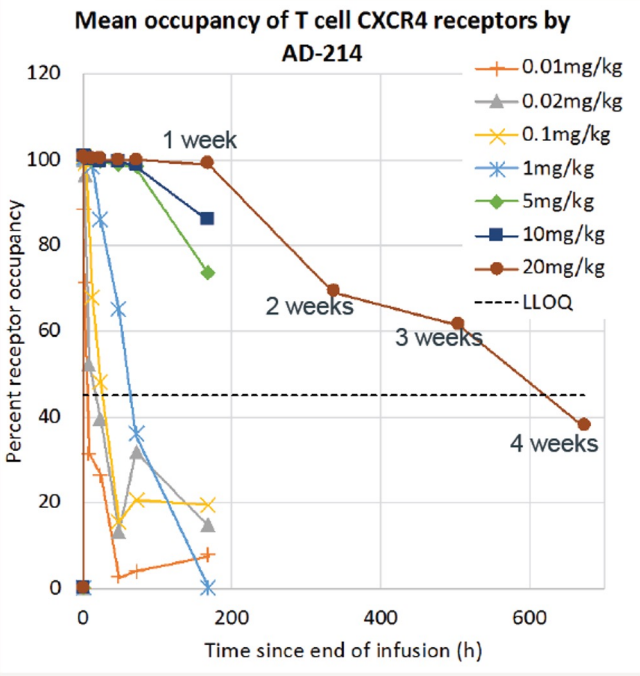
[1] PM George, et al, "Pulmonary fibrosis and COVID-19: the potential role for antifibrotic therapy", Lancet published online May 15, 2020.

AD-214: efficacy validated in IPF mouse model; safety and target engagement in Phase I

AD-214 inhibited development of lung fibrosis in a mouse model at a wide range of doses and dose intervals[1]



AD-214 was well tolerated in Phase I clinical trials and demonstrated high and durable receptor occupancy[2]



[1] Murigenics_20210208. (Fibrosis induced by bleomycin at day 0; treatment commenced day 8; images from 10 mg/kg AD-214 every 4 days; statistical significance assessed using ANOVA and post-hoc Dunnett's test; ns (not significant) = p >0.05, * = p<0.05, ** = p < 0.01 relative to 21-day bleomycin vehicle; negative control is an i-body that does not bind specifically to CXCR4; error bars are standard error of the mean); test substances administered IV except pirfenidone and nintedanib orally

[2] Clinical Study Report: Protocol ID: ADA-AD-214-1A : Version 1 Dated 07 October 2022

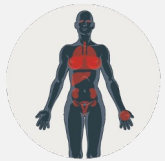
Active partnering discussions ongoing while AdAlta prepares AD-214 for Phase II

Compelling preclinical data in hand or emerging showing AD-214 improves outcomes in four key indications

Lung
IPF/ILD
>US$3b
82 fibrosis trials in or entering clinic

Kidney
Lupus nephritis, FSGS
>US$10b
6 fibrosis trials in or entering clinic

Eye
Wet-AMD, PVR
>US$15b
2 fibrosis trials in or entering clinic



Cancer
23 different cancers, I/O
>US$1b ea
22 trials of CXCR4 agents in or entering clinic

Next steps

Planning and preparing for Phase II IV clinical trials (lung or kidney fibrosis)

- ***Phase I extension study H2 2023 (new)***
- Preclinical studies linking receptor occupancy and efficacy and extending indications at low cost
- Manufacturing, toxicology study slots booked to enable Phase II

Partnering discussions accelerating (more sophisticated questions, data room access); strong value proposition

- First-in-class molecule
- Up to four indications (US$ billion markets), multiple formulations
- Phase II ready (IV)

Non-dilutive financing strategy

- Partnering, other non-dilutive options in play
- Investing to address partner FAQs
- Working well with vendors to maintain speed AND flexibility

Sources: GlobalData; www.clinicaltrials.gov (accessed 7 and 17 October 2022)

Phase I extension study rationale

Planned Phase I extension study cost-effectively generates new data to support partnering AD-214 and maintain momentum to Phase II clinical studies

AD-214 multidose Phase I extension clinical study

- Evaluating safety, PK and PD of multiple 10 mg/kg doses
- Similar design to prior Phase I study
- Utilises existing AD-214 inventory

Establishes safety of AD-214 at likely maximum dose to be used in Phase II studies

✓ *Shorter dose escalation stage, reduced cost in Phase II study*

Further explores PK, PD and safety trends observed in Phase I

✓ *Strengthens safety profile*

✓ *Better informs dosing levels and schedule for Phase II*

Enhances partnering process

✓ *Additional data to address known and potential questions*

✓ *Maintains product development momentum*

Pharma companies continue to see value in fibrosis assets: IPF examples

Date	Licensor/target	Licensee/acquirer	Transaction Terms	Clinical Phase
Aug-22	KINIKSA	Genentech A Member of the Roche Group	US$80m Upfront US$620m Milestones	2
Nov-21	BLADE THERAPEUTICS	BIOTECH ACQUISITION COMPANY	US$254m Upfront	2 (Ready)
Nov-21	OncoArendi Therapeutics	Galápagos	€320m Milestones	2 (Ready)
Sep-21	Syndax	Incyte	US$152m Upfront US$602m Milestones	2 (Ready)
Nov-19	Promedior	Roche	US$390m Upfront US$1b Milestones	2
Feb-21	泰德制药 TIDE PHARMACEUTICAL	GRAVITON BIOSCIENCE CORPORATION	US$517.5m Milestones	1
Jul-19	bridgebio	Boehringer Ingelheim	€45m Upfront €1.1b Milestones	1
Oct-22	DJS antibodies	abbvie	US$255m Upfront Contingent Milestones	Pre-clinical (+ platform)

Source: Company press releases

AdAlta
next generation protein therapeutics

Co-developed immuno-oncology discovery programs: i-CAR-cell therapies

The need: multifunctional CAR-cell therapies

Therapy involves re-engineering patient's own immune cells so they "see" cancer as a pathogen

6 FDA-approved CAR-T therapies since 2017 … but so far only for blood cancers

>$US2.6 billion earned in 2022[3]

Creating the same hope for the 90% of patients with solid tumours requires new CAR cell therapies with multiple functions

$US20.3 billion[1] CAR-T market forecast for 2028

Solid tumours to account for >50% of CAR-T revenues by 2030[2]

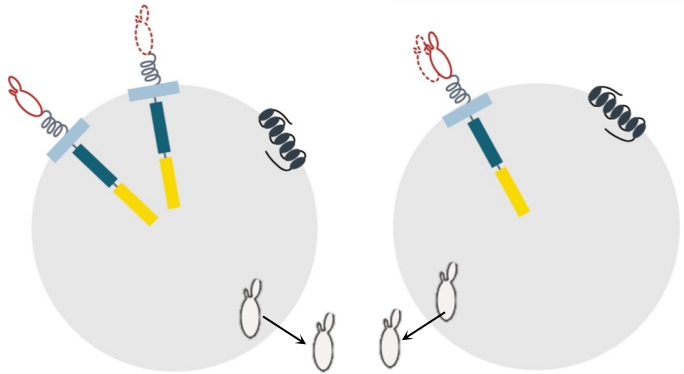
1. Grandview Research, "T-cell Therapy Market Size, Share & Trends Analysis" Feb 2021
2. Polaris Market Research, "CAR-T Cell Therapy Market Share, Size Trends, Industry Analysis Report", June 2021
3. Company websites and financial filings

i-bodies enable optimized CAR constructs (i-CARs)

FEATURE	BENEFIT
Small Size	Increased CAR gene cassette/vector capacity, efficient multi-functional CAR cell creation
Long CDR3 binding domain	Access to unique tumor antigens/epitopes and TME modulating proteins in cancer tissue
Tunable binding	Control of immune synapse (length + strength)
Robust conformation	Natural stability delivers robust CAR binding domain and stable secreted molecules

SUPERIOR i-CAR PRODUCTS

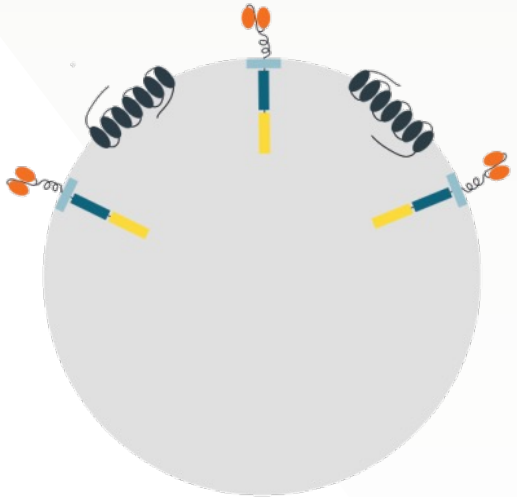
- CARs against novel tumor antigens
- Dual and bi-specific CARs for enhanced specificity, reduced tumor escape and logic gated CARs
- Secreted antibodies to modulate TME



i-CAR-T assets: Carina co-development collaboration status

AdAlta and Carina are combining i-bodies and a world class CAR-T platform to create i-CAR-Ts that could offer improved precision, performance and persistence

- ✓ i-body enabled CAR-T (i-CAR-T) cells have successfully demonstrated *in vitro* cancer cell line killing (lysis)[1]
- ✓ Target A: 9 A-i-CAR-T cells screened *in vitro* against cancer cell lines, 3 to progress to more extensive *in vitro* screens and *in vivo* proof of concept H1 2023
- ✓ Next two targets (targets B and C) to commence i-body discovery in Q2 2023



Significant industry interest (from potential additional partners) in using i-bodies for targeting CAR cells

1. ASX release 29 November 2021

i-CAR-T: Valuable cell therapy partnering potential at pre-clinical proof of concept

Date	Licensee	Licensor	No. of assets	Upfront payment (US$m)	Deal Value (US$m)	Upfront/target (US$m)	Deal value/target (US$m)
Jun-22	Bristol Myers Squibb	immatics	2	60	1460	30	730
Jul-20	SANOFI	Kiadis pharma	1	20	988	20	988
Feb-20	GSK	immatics	2	50	600	25	300
Nov-19	Allogene	Notch THERAPEUTICS	1	10	304	10	304
Oct-18	Roche	SQZBIOTECH	1	45	1702	45	1702
Median value				**45**	**988**	**25**	**730**

Source: GlobalData, company press releases, AdAlta analysis

AdAlta
next generation protein therapeutics

Co-developed immuno-oncology discovery programs: i-PET imaging

The need: Immuno-oncology (I/O) imaging

Immuno-oncology (I/O) drug market is worth US$95 billion[1] …

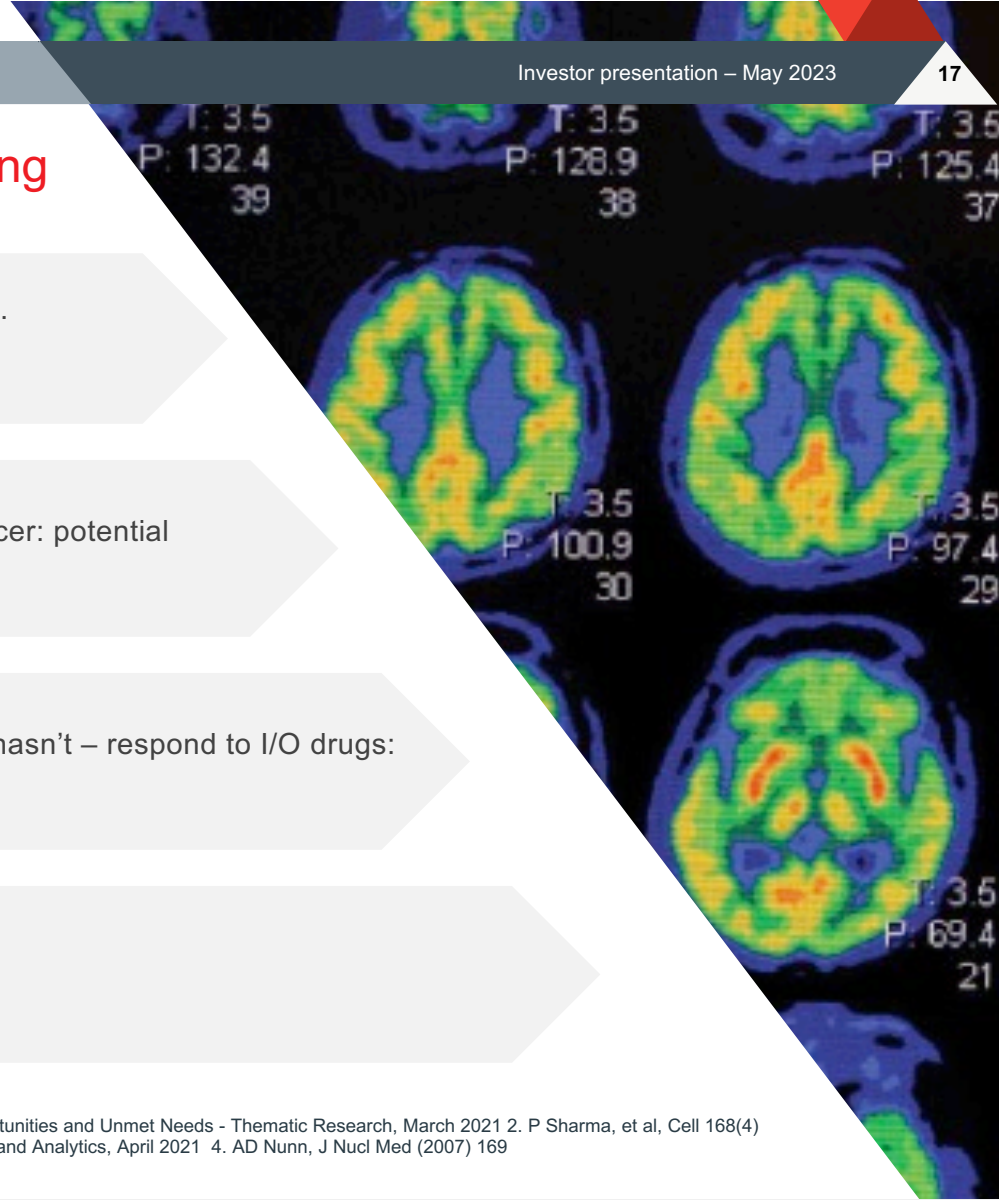
… but only 20-40% of patients respond[2] to therapy

Granzyme B (GZMB) is produced by immune cells to kill cancer: potential biomarker of I/O drug activation of the immune system

PET imaging GZMB could help identify early who has – and hasn't – respond to I/O drugs: enabling timely switch to alternative strategies

The PET imaging agent market is valued at US$6.4billion[3]

Largest products >US$400m[4]



1. 2026 forecast by ResearchandMarkets.com, Immuno-Oncology - Market Analysis, Trends, Opportunities and Unmet Needs - Thematic Research, March 2021 2. P Sharma, et al, Cell 168(4) 707 (2017) 3. 2027 forecast by Global Industry Analysts, Imaging Agents: Global Market Trajectory and Analytics, April 2021 4. AD Nunn, J Nucl Med (2007) 169

GZMB i-PET imaging asset: GE Healthcare co-development collaboration status

AdAlta and GE are co-developing a GZMB i-body PET imaging (i-PET) asset to evaluate the effectiveness of immuno-oncology drugs

AdAlta next generation protein therapeutics
GE Healthcare

- ✓ Panel of GZMB specific i-bodies identified
- ✓ Pre-clinical proof of concept studies and i-body optimization continuing
- ✓ Manufacturing development underway
- \- Further updates as commercially relevant milestones are achieved

Market feedback confirms value and importance of this target

AdAlta
next generation protein therapeutics

Powerful discovery platform: i-bodies

i-bodies allow for high affinity, high specificity binding to targets that are intractable for traditional antibodies

Small Molecules

Avoid off-target issues of small molecules

Antibodies

~10% the size of human antibodies

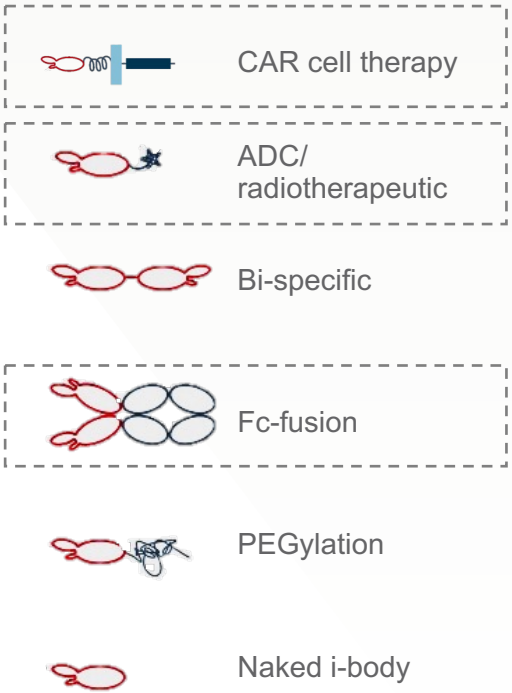
Enables access to novel targets and efficient payload delivery

i-bodies™

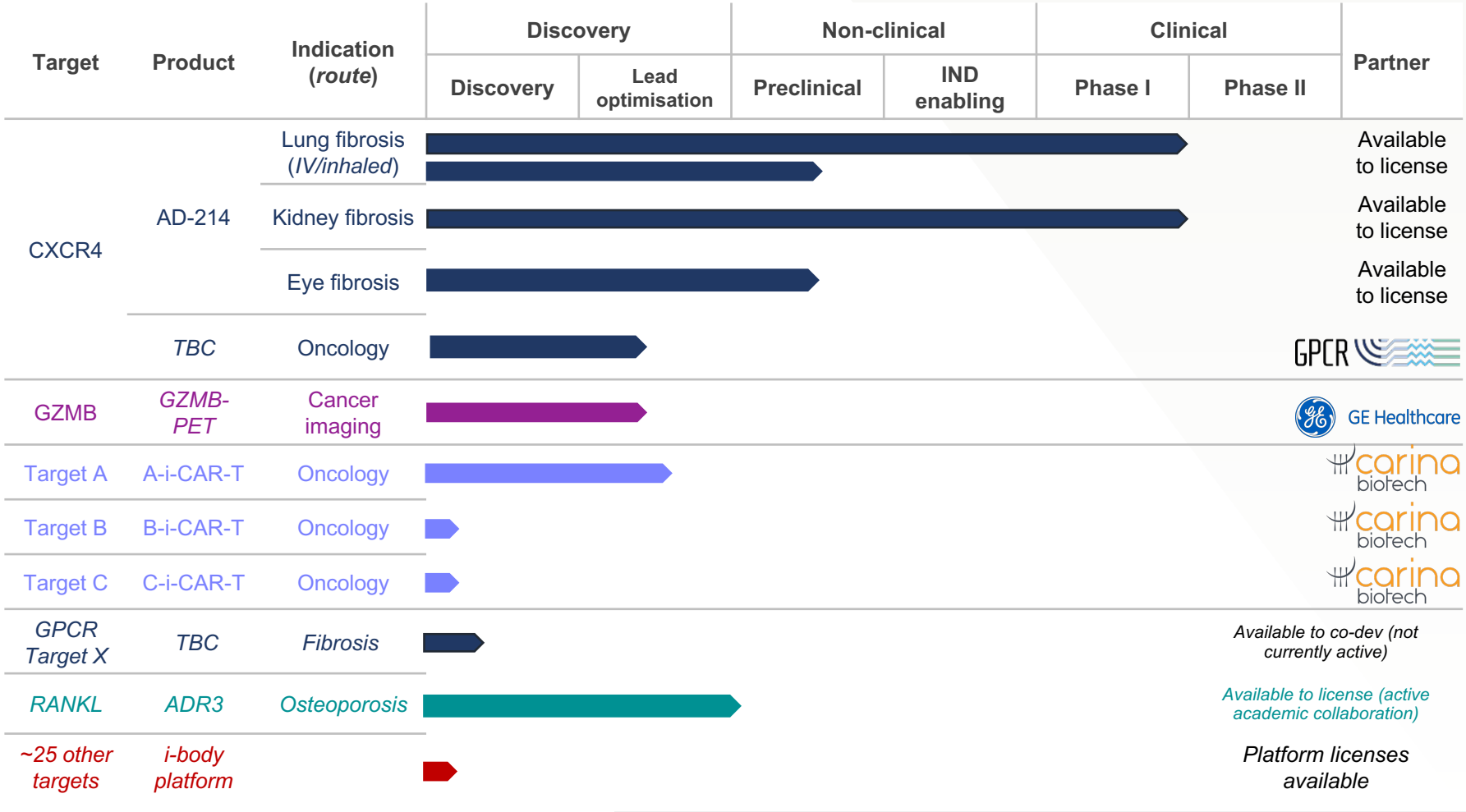
Unique binding capabilities drive unique pharmacology

Flexible, modular formats

Current pipeline focus



AdAlta's pipeline … so far



AdAlta
next generation protein therapeutics

The investment opportunity

Strategy and upcoming CY2023 milestones to create and crystallise value

Strategy	Milestone	Impact
Realise value of AD-214	• Preclinical data (Q1-H2 23)	*Ongoing, strengthens partnering package at low cost*
	• HREC approval, 1st patient Phase I extension (Q3 23) • Headline results Phase I extension (Q4 23)	*Generates new data for partnering, shortens Phase II study*
	• Progress existing partnering discussions (through 2023)	*Potential first major ROI (return on investment)*
Extend i-CAR programs	• A-i-CAR-T *in vivo* efficacy studies (H2 23)	*Preclinical PoC; opportunity for early ROI*
	• Commence discovery on Carina A, B targets (Q2 23)	*Carina pipeline expansion – future value*
	• Progress co-development discussions (through 2023)	*Potential non-dilutive financing for future programs*
i-PET progress	• Lead candidate preclinical efficacy (timing not forecast)	*Visibility to product potential, time to royalties*
Invest in i-body™ platform	• i-body2.0 and research excellence program	*Maintain competitive advantage*
	• Evaluate synergistic technology, product transactions	*Expand clinical stage pipeline, accelerate growth, leverage costs and capabilities*

Corporate snapshot

Key financial details (28 Apr 2023)

HQ and operations	Melbourne, Australia
Market capitalisation	**A$12.91m**
Share price (12 month closing range)	A$0.026 ($0.026 - 0.069)
12 month return	(62)%
Ordinary Shares (daily volume)	315,375,927 (150,307)
Unlisted Options	14,984,060
Cash (31 Mar 2023)	**A$5.56m***

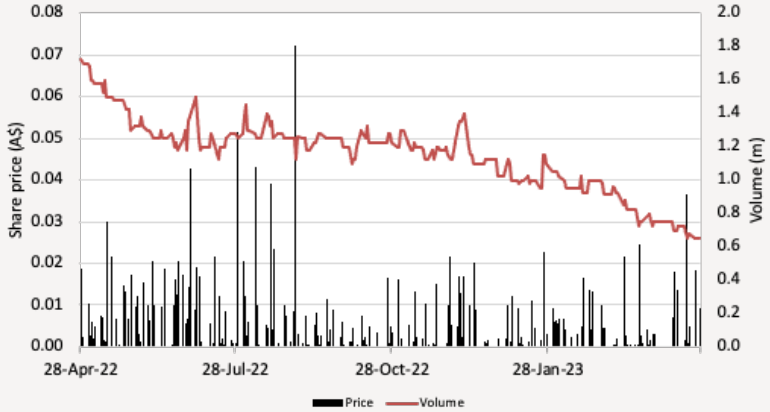
Largest shareholders (28 Apr 2023)

	%
Meurs Group	17.1
Platinum International Healthcare Fund	15.6
FMI Pty Ltd atf Commonwealth of Australia	8.6
Sacavic Pty Ltd	3.7
Radiata Super Pty Ltd	3.5
HB Biotechnology Ltd	3.5
Other (1,415 total holders)	*48.0*
Total	**100%**

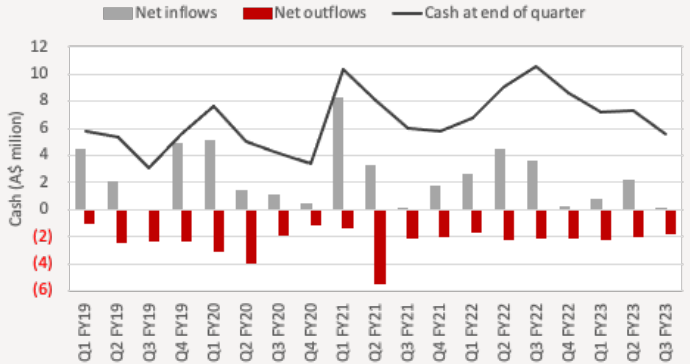
Analyst Coverage

Lodge Partners

Share price performance (ASX:1AD) (last 12 months)



Quarterly cash flows (A$ million)



* Excludes proceeds and impact of A$3.15m rights offer announced 28 April 2023; $4m loan facility with Victorian Government is secured by, and payable on receipt of, FY23 R&D Tax Incentive rebate

Experienced, in-house team to execute from discovery through product development

BOARD

Paul MacLeman
CHAIR

Tim Oldham, PhD
CEO & MANAGING DIRECTOR

Robert Peach PhD
INDEPENDENT DIRECTOR

Dr. David Fuller
INDEPENDENT DIRECTOR

EXECUTIVE

Patrick James, PhD
DIRECTOR, PLATFORM AND PRODUCT DISCOVERY

Angus Tester, PhD
SENIOR MANAGER, PROJECTS AND PROGRAMS

Janette Dixon, DBA
HEAD OF BUSINESS DEVELOPMENT

Darryn Bampton
DIRECTOR, CLINICAL AND REGULATORY OPERATIONS

Michael Rasmussen
CONSULTANT MEDICAL EXPERT

Joseph Tyler
CONSULTANT CMC EXPERT

SCIENTIFIC ADVISORY BOARD

Mick Foley, PhD
FOUNDING CHIEF SCIENTIST

Brian Richardson
DRUG DISCOVERY & DEVELOPMENT EXPERT

Steve Felstead
CLINICAL DEVELOPMENT

John Westwick
PULMONARY DRUG DISCOVERY & DEVELOPMENT

IN-HOUSE DISCOVERY & DEVELOPMENT TEAM

8 PhD Staff + La Trobe Uni location
Skills in protein chemistry, i-body discovery, product development, pre-clinical development

Investment proposition

i-body platform to create value

Delivering high value therapeutic candidates and products beyond the reach of traditional antibodies

Fibrosis/inflammation
AD-214: Phase II and partnering

>$4.7b market potential in first indication[1]
Multiple indication expansion opportunities

Immuno-oncology
2 co-development collaborations (4 programs)

✓ Carina Biotech: $20b CAR-T market[2]

✓ GE Healthcare: $6b PET market[3]

Demonstrated product development and partnering expertise

In-house team and technology
Australian location advantage

Substantial growth opportunities

Organic and inorganic
Top shareholders supportive of expansion
Potential of partnering to contribute cash

Steady news flow
Transaction potential provides upside
Attractive current valuation

1. GlobalData, Idiopathic Pulmonary Fibrosis Competitive Landscape, April 2023; kidney and eye fibrosis markets are larger 2. 2028 forecast by Grandview Research, "T-cell Therapy Market Size, Share & Trends Analysis" Feb 2021 3. 2027 forecast by Global Industry Analysts, Imaging Agents: Global Market Trajectory and Analytics, April 2021

AdAlta
next generation protein therapeutics

Contact:

Tim Oldham, CEO and Managing Director
enquiries@adalta.com.au
www.adalta.com.au