

ASX Announcement | 2 September 2024 AdAlta Limited (ASX:1AD)

Transaction progress, timing of 2nd institutional investment

AdAlta to receive \$1 million from existing investment facility as transactions advance

Highlights

- Multiple term sheets being negotiated in respect of AdSolis (AD-214) and AdCella (East to West cellular immunotherapies) strategies
- \$0.7 million proceeds of second investment by New Life Sciences Capital LLC to be received by 2 November
- \$0.3 million proceeds of second investment by Meurs Group to be received by 30 September

AdAlta Limited (ASX:1AD) (“AdAlta” or “the Company”) is pleased to confirm it is advancing negotiations of several term sheets in respect of transactions associated with its AdSolis (AD-214) and AdCella (East to West cellular immunotherapies) strategies and will receive second investments totaling \$1.0 million under the previously announced institutional investments by New Life Sciences Capital, LLC (“NLSC”) and the Meurs Group (together, “Investors”).

AdAlta CEO and Managing Director, Tim Oldham said: *"We are pleased with the progress being made towards transactions in both our AdCella and AdSolis business units, enabled by the support of New Life Sciences Capital and the Meurs Group. We look forward to updating shareholders on further progress over coming months that will unambiguously demonstrate the true value of our i-body® platform."*

AdAlta is in discussions with potential out-licensing partners and investors in its AdSolis subsidiary to advance AD-214, its first in class asset taking a new approach to fibrotic diseases such as Idiopathic Pulmonary Fibrosis, into Phase II clinical trials. AdAlta, with its partner SYNthesis BioVentures, is also evaluating several advanced cellular immunotherapy products from Asia for in-licensing to its AdCella subsidiary as part of its “East to West” cellular immunotherapy strategy. Several of these discussions have advanced to term sheet negotiation stage, following which final due diligence and contract negotiation can occur.

On 29 April 2024, AdAlta announced an institutional investment of up to \$3 million (the “NLSC Investment”) by NLSC and up to \$0.7 million (the “Meurs Investment”) by an entity associated with an existing shareholder, the Meurs Group. The investments comprised multiple tranches, each by way of pre-payment for fully paid ordinary shares (“Shares”) in the Company (“Placement Shares”). The first \$0.8 million of the NLSC Investment and the first \$0.7 million of the Meurs Investment were received in May 2024. The Company has the right, subject to certain conditions, to require NLSC to make a second investment of up to \$1.4 million (of which \$0.7 million requires further NLSC consent) for Placement Shares worth \$1.526 million and Meurs Group to make a second investment of up to \$0.3 million for Placement Shares worth \$0.327 million. Full details of the terms of the NLSC Investment and the Meurs Investment can be found in the Company’s ASX release of 29 April 2024.¹

¹ <https://investorhub.adalta.com.au/announcements/6310002>

The Company has now exercised its right to the second investments and will receive \$0.3 million from the Meurs Investment by 30 September 2024 and \$0.7 million from the NLSC Investment by 2 November 2024. Proceeds will be used to progress the AdSolis and AdCella transactions outlined above.

The Company utilised its existing and available placement capacity under Listing Rule 7.1 to request the second investments.

For a summary of this release and opportunity to engage in a virtual discussion see:

<https://investorhub.adalta.com.au/link/aP3ooP>

This ASX announcement has been authorised for release by the Board of AdAlta Limited (ASX:1AD).

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About AdAlta Limited

AdAlta Limited (ASX:1AD) 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-enabled protein and cell therapeutics with the potential to treat some of today's most challenging medical conditions.

The i-body[®] technology creates 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's strategy is to maximise the products developed using its next generation i-body[®] platform by discovering and developing selected i-body[®]-enabled product candidates useful in fibrosis, inflammation and cancer; and partnering with other biopharmaceutical companies to develop these and other product candidates in a range of indications and product formats

AdAlta's current lead i-body[®] enabled candidate is AD-214, which is taking a wholly new approach to treat lung fibrosis (IPF) and other fibrotic diseases. In accord with its business model, AdAlta is creating a private, unlisted subsidiary called AdSolis to advance AD-214 into Phase II clinical trials through licensing and/or third-party investment.

AdAlta believes that the i-body[®] technology is ideally suited for use in the creation of advanced cellular immunotherapies for cancer and that this field represents an opportunity to expand its clinical stage pipeline. It has entered a Memorandum of Understanding with SYNthesis BioVentures to investigate the formation of a jointly owned entity, to be called AdCella, that, once established, will provide innovative cellular immunotherapies originating in Asia with a pathway to western regulated markets via Australian clinical trials and further enhancement with AdAlta's i-body[®] technology.

The Company is also entering collaborative discovery partnerships to advance the development of its i-body[®] platform. It has a collaboration with Carina Biotech to codevelop 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 preclinical development.

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