AdAlta
next generation protein therapeutics

ASX ANNOUNCEMENT

Updated AdAlta Investor Presentation

MELBOURNE Australia, 3 May, 2017: AdAlta Limited (ASX:1AD), the biotechnology Company advancing its lead i-body candidate towards clinical development today announced an updated investor presentation that Chief Executive Officer Sam Cobb will present at the Canary Networks Stocks to Watch Roadshow and various investor meetings.

The updated AdAlta Investor presentation will comprise a Company update including progression of lead compound, AD-114, towards the clinic for idiopathic pulmonary fibrosis (refer to recently released Idiopathic Pulmonary Fibrosis document for a disease overview).

The Stocks to Watch Roadshow provides the opportunity for investors and industry leaders to hear live presentations from some of Australia's most exciting small-cap companies. The roadshow is held in Melbourne on Wednesday May 3 and in Sydney on Thursday May 4.

A copy of the presentation will be released to the ASX and is also available on the Company's website.

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Notes to Editors

About AdAlta

AdAlta Limited is an Australian based drug development company headquartered in Melbourne. The Company is focused on using its proprietary technology platform to generate i-bodies, a new class of protein therapeutics, with applications as therapeutic drugs to treat disease.

I-bodies are a promising, novel class of drugs that offer a new and more effective approach to treating a wide range of human diseases. They are identified and developed using our proprietary technology platform.

We have pioneered a technology that mimics the shape and stability of a crucial antigen-binding domain, that was discovered initially in sharks and then developed as a human protein. The result is a range of unique compounds, now known as i-bodies, for use in treating serious diseases.

AdAlta is developing its lead i-body candidate, AD-114, 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 also plans to continue further drug discovery and development directed towards other drug targets and diseases with its i-body technology platform.

Further information can be found at: www.adalta.com.au.

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next generation protein therapeutics

i-bodies – a new class of protein therapeutics to treat human disease

May 2017

Sam Cobb, CEO and Managing Director

AdAlta Limited (ASX:1AD)

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This presentation is not an offer or invitation for subscription or purchase of or a recommendation of securities. It does not take into account the investment objectives, financial situation and particular needs of the investor. Before making any investment in AdAlta, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment advisor if necessary.

This presentation may contain forward-looking statements regarding the potential of the Company's projects and interests and the development and therapeutic potential of the company's research and development. Any statement describing a goal, expectation, intention or belief of the company is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, particularly those inherent in the process of discovering, developing and commercialising drugs that are safe and effective for use as human therapeutics and the financing of such activities. There is no guarantee that the Company's research and development projects and interests (where applicable) will receive regulatory approvals or prove to be commercially successful in the future. Actual results of further research could differ from those projected or detailed in this presentation. As a result, you are cautioned not to rely on forward-looking statements. Consideration should be given to these and other risks concerning research and development programs referred to in this presentation.

Corporate and investment summary

- A drug discovery and development company using its powerful technology platform to generate a promising new class of protein therapeutics, known as i-bodies, for treating a wide range of human diseases.
- **Investment highlights**
  - Initial focus on treating fibrosis – high unmet medical need
  - Advanced lead fibrosis drug candidate AD-114 with significant pre-clinical validation
  - Fully funded for phase 1 development of lead fibrosis drug and i-body pipeline
  - Orphan drug designation USA FDA
  - Early commercialisation potential
  - Experienced team with strong track record of drug development and ability to deliver

Capital structure	
ASX code	1AD
Shares on issue*	101,110,890
Share price (1 May)	AU$0.27
Market capitalisation	AU$27.3m
Current cash	AU$7.47m
Trading Range	AU$0.31 to $0.165

* 24.1m shares escrowed for 24 months from listing

Major Shareholders	%
Yuuwa Capital LP	53.5
Platinum Asset Management	7.91
Citycastle Pty Ltd	5.25
La Trobe University	3.01
Robin Beaumont	1.87
Other shareholders	28.46
Total	100%

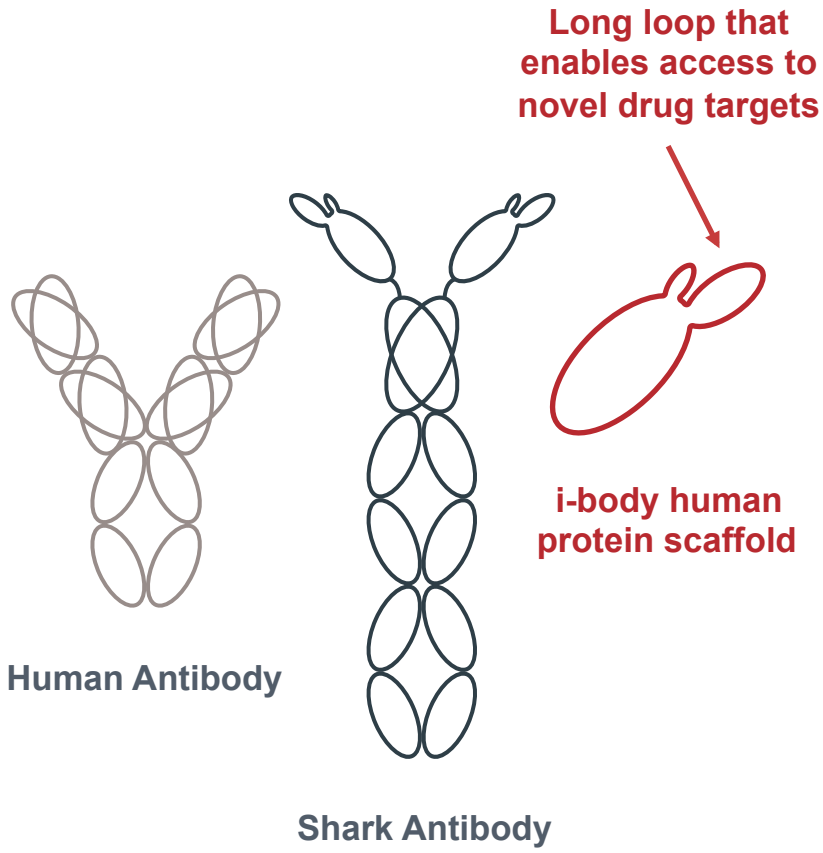
i-body technology

AdAlta is developing a new technology platform that produces unique proteins known as i-bodies, that mimics the shape and stability of a crucial antigen-binding domain, that was discovered initially in sharks and then developed as a human protein.

An i-body is a unique human protein that combines the advantages of small molecules (for stability) and antibodies (with a high affinity and specificity for treating certain illnesses) in one powerful treatment.

Advantages of i-bodies

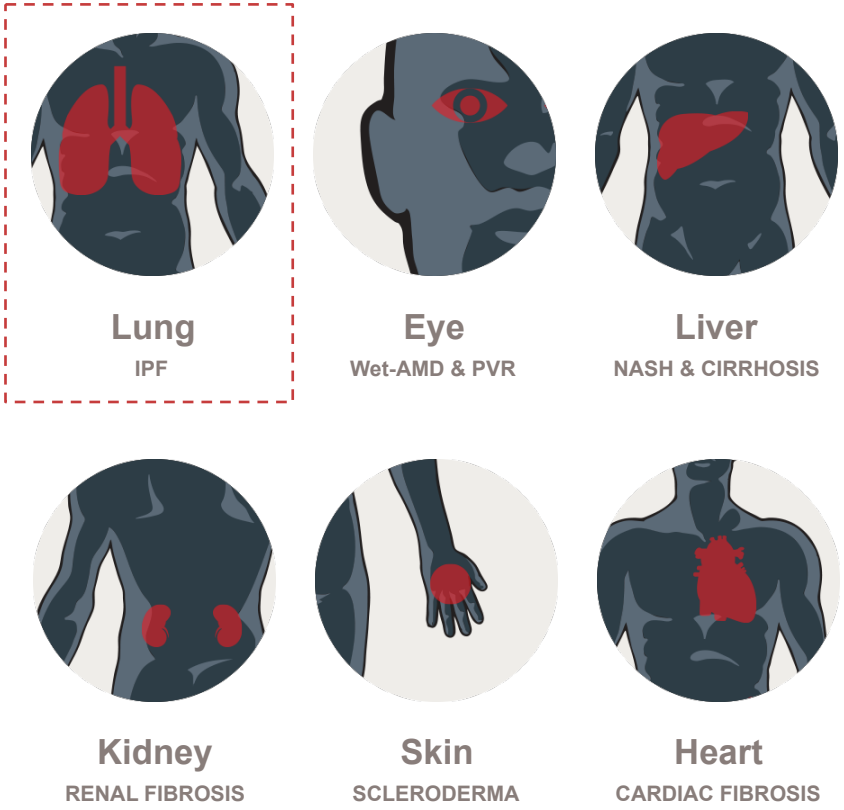
- High target specificity and high affinity for their target
- Small proteins; 10% the size of a typical human antibody
- Highly stable to proteases, high temperatures and low pH
- Long loop that can bind to a diverse range of therapeutically relevant targets including those that are difficult for current antibody therapies
- **Human protein** – reduced risk of immune response



Fibrosis: unmet medical need with multiple indications

- Developing i-bodies as improved therapies for the treatment of fibrosis
  - a condition that is prevalent in 45-50% of all diseases
- Fibrosis can occur in many tissues of the body as a result of inflammation or damage
  - it can result in scarring of vital organs causing irreparable damage and eventual organ failure
- AdAlta's initial focus is on lung fibrosis

Collectively fibrosis represents a large unmet clinical need



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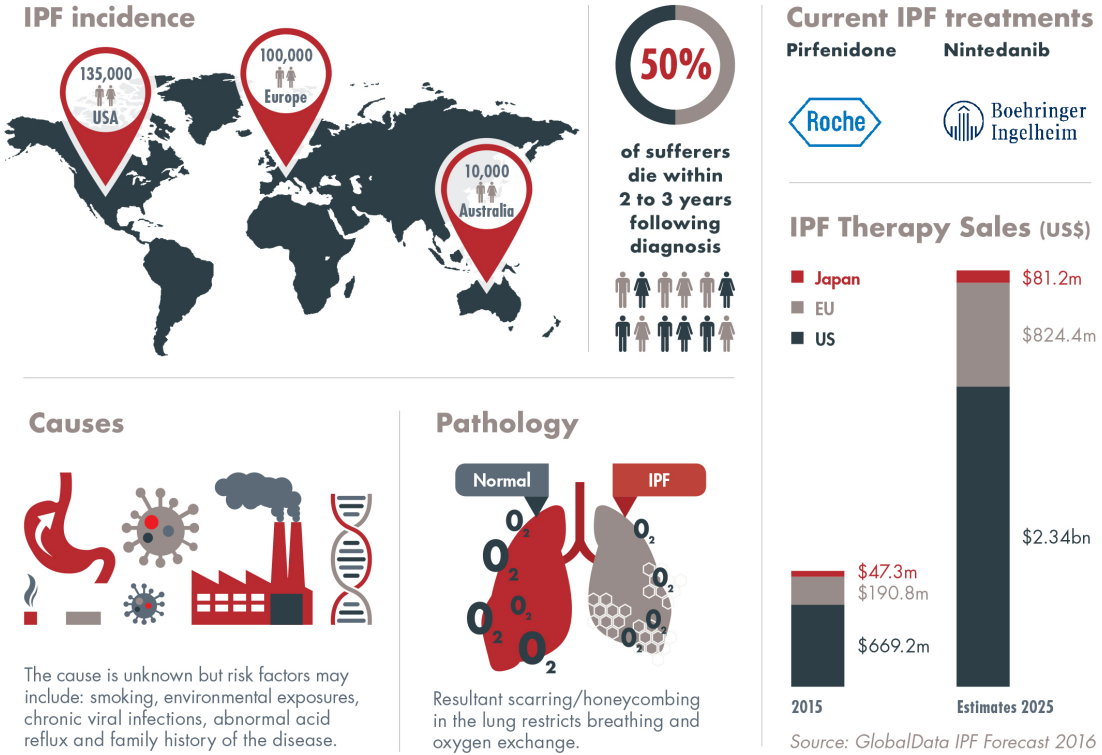
AD-114 lead program in Idiopathic Pulmonary Fibrosis (IPF)



- **AD-114 is lead i-body candidate in pre-clinical development**
  - Demonstrates both anti-fibrotic and anti-inflammatory activity in the lung
  - Important for arresting and modifying the disease and tackling the treatment of idiopathic pulmonary fibrosis (IPF); this is the first indication

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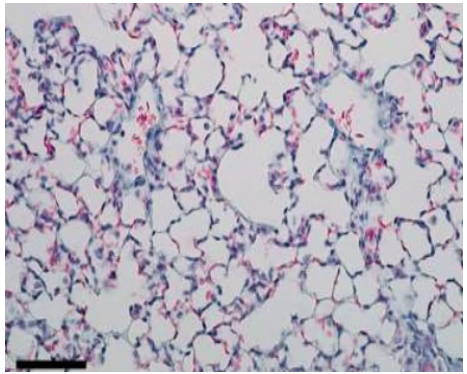
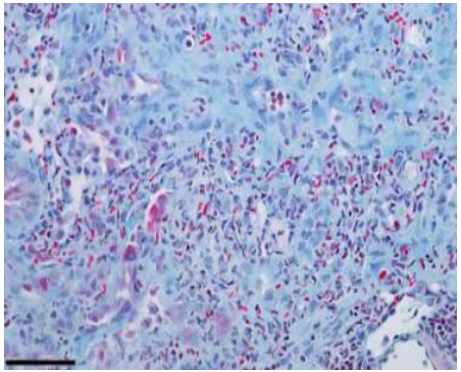
AD-114 prevents lung fibrosis in disease models

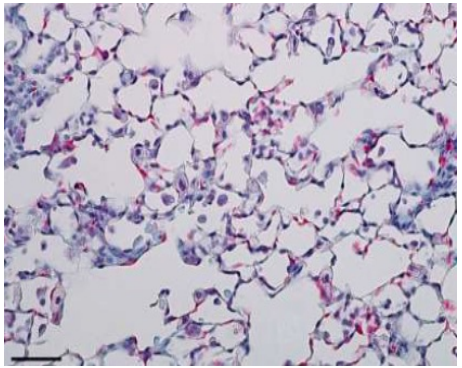
Extensive pre-clinical AD-114 studies have demonstrated positive *in vitro* (in the lab) and *in vivo* (in animals) data



Normal lung tissue



IPF lung tissue
(lung disease mouse model)



IPF lung tissue + AD-114 dosed for 21 days
(lung disease mouse model)

AD-114 reduces collagen content and inflammatory cell infiltration and demonstrates a similar architecture to that of the normal lung in the Bleomycin mouse model

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AD-114 key advantages compared to existing IPF treatments

Human tissue *In vitro* activity	No effect on normal tissue	Effect on diseased / IPF tissue
i-body AD-114	✔	✔
Nintedanib (Boehringer)	✗	✔
Pirfenidone (Roche)	✔	✗
Other CXCR4 drug (Sanofi)	✔	✗

Novel mechanism of action for fibrosis treatment enabling a "first in class" therapy

- AD-114 has greater *in vitro* efficacy compared to the only approved therapies Nintedanib and Pirfenidone for IPF treatment
  - Existing IPF treatments have limited efficacy; either no effect or slow down disease progression i.e. no cure
- Novel mechanism of action compared to other drugs targeting the GPCR chemokine receptor CXCR4
- Very specific for diseased tissue and no effects on normal tissue
- AD-114 has both anti-fibrotic and anti-inflammatory effects
- Orphan drug status US FDA, allows for R&D tax credits, new drug application fee waivers and a seven year period of market exclusivity

Global market interest in fibrosis treatments

Recent transactions confirm that big pharma are actively acquiring fibrosis assets at an early stage – typically based on Phase I results

Date	Company	Target	Acquired by	Deal value (US$)	Deal commentary
Sep-15	Adheron Therapeutics	SDP051	Roche	$105M upfront, plus $475M in milestones	SDP-51 at end of Phase I for IPF
Aug-15	Promedior	PRM-151	BMS	$150m upfront + $1.25B	Phase II IPF and myelofibrosis
Nov-14	Galecto Biotech AB	TD139	BMS	$444M	Option to acquire at end of clinical POC (no later than 60 days following Ph 1b for IPF completion)
Aug-14	Intermune	Esbriet / Pirfenidone	Roche	$8.3B	Approval in Europe / Japan, phase III in the US
Jun-13	MicroDose Therapeutx	MMI0100	Teva Pharmaceuticals	$40M upfront $125M milestones	MMI0100 was in pre-clinical development
Mar-12	Stromedix	STX100	Biogen Idec	$75M upfront $487.5M milestones	End of phase I for IPF
Jul-11	Amira / BMS	BMS-986020	BMS	$325M upfront $150M milestones	End of phase I for IPF

Source: Medtrack Pharma Intelligence, Informa (all IPF deals since 2011)

AD-114 broad application for treatment of fibrosis

Eye

Wet-AMD & PVR

Liver

NASH & CIRRHOSIS

Wet-AMD

- AMD is the leading cause of blindness in people over the age of 50 years in the developed world, >1m in AU and 2m in USA
- Despite anti-VEGF therapy (US$8 billion sales 2016), 30% of people don't respond and 50% of people loose vision after 3 years of treatment
- **AD-114 is able to significantly reduce fibrosis, leakage, lesion size and fibrosis gene expression in a mouse model of wet-AMD**

NASH

- About 3-5% of adults in the USA have NASH
- Sales of drugs for the treatment of fibrosis caused by NASH are estimated to be USA $1.6 billion by 2020
- **AD-114 significantly reduces hepatocellular ballooning and possess hepato-protective and anti-NASH effects in a mouse model of NASH**

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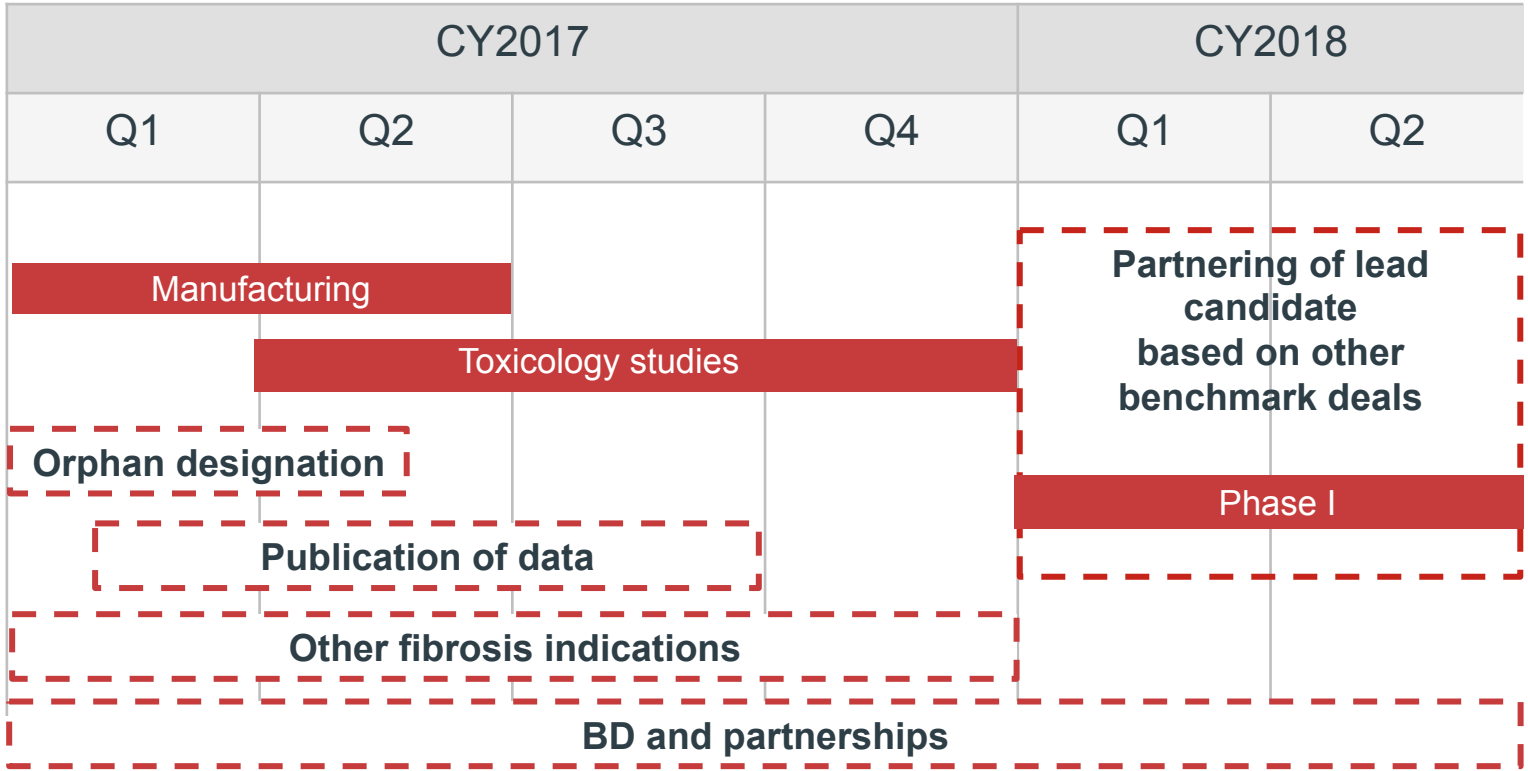
AD-114 development: key milestones



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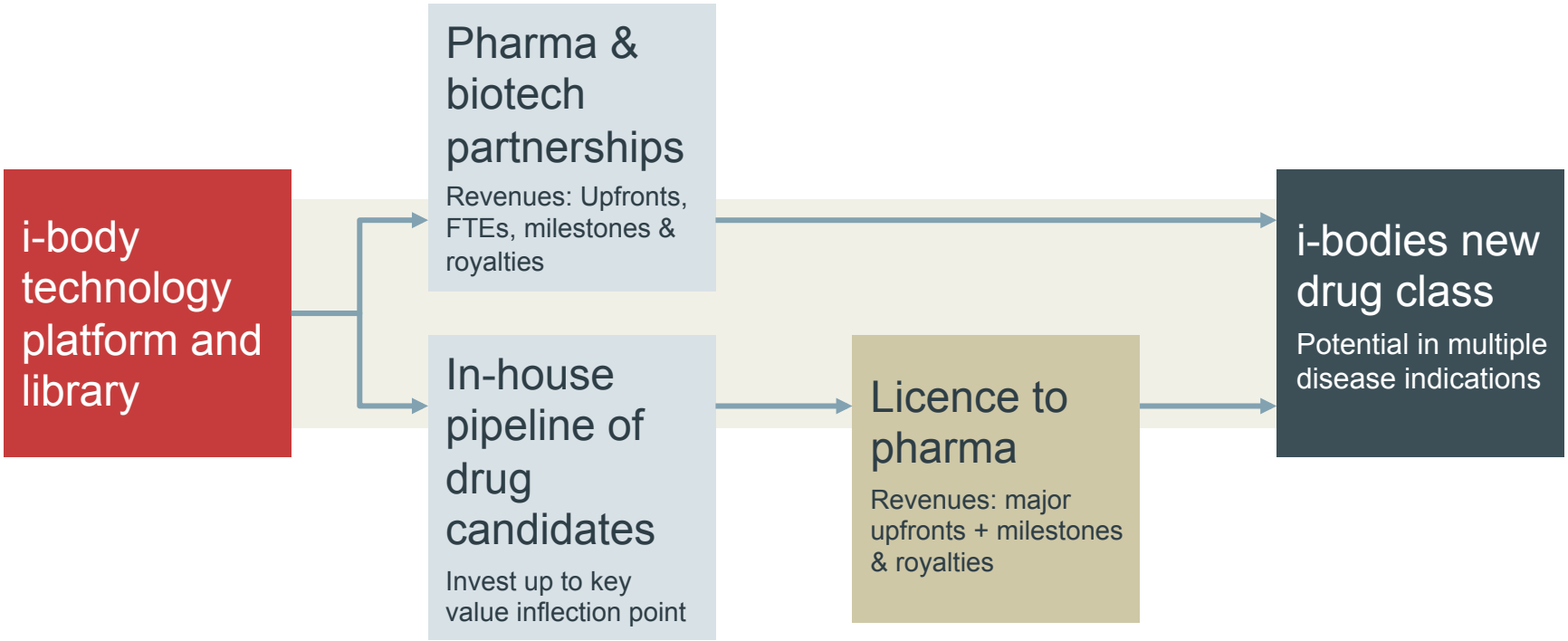
Recent achievements and near term milestones

Q3 & Q4 2016	✓	Commence manufacturing of material for toxicology testing with FujiFilm Diosynth Biotechnologies
	✓	Additional AD-114 IPF fibrosis data
	✓	Completion of evaluation of AD-114 with IPF clinicians Alfred Hospital
	✓	Completion of AD-114 NASH animal study
H1 2017	✓	Orphan Drug Designation (US FDA)
	✓	Hypertrophic scarring animal results for AD-114
	▶	Manufactured material for toxicology testing available
H2 2017	▶	Eye fibrosis additional data, funded by NHMRC development grant
	▶	Completion of other pre-clinical study animal models of AD-114
	▶	AD-114 toxicology results

AdAlta business model – strategy to create value



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Market benchmarks

Fibrosis lead AD-114	adheron THERAPEUTICS Sep-15 acquired by Roche $105m + $475m milestones phase I asset	Promedior Aug-15 acquired by BMS $150m + $1.25b milestones phase IIa asset	Galecto Biotech AB Nov-14 acquired by BMS $444m phase I asset
Next gen antibodies	arGEN-X April-16 with Abbvie $40m upfront + $645m milestones & royalties	pieris PHARMACEUTICALS Dec -15 with Roche $6.4m upfront + $410m milestones & royalties	Ablynx Nov-15 with Novo-Nordisk €9m upfront + €182m milestones & royalties)
GPCRs	HEPTARES therapeutics Acquired Feb-15 by Sosei $400m Phase Ib asset + 7 pre-clinical leads	receptos Acquired by Celgene July-15 $8b Ph III, Ph II and GPCR platform	Ablynx April-16 with Boehringer €8m payment for Ph1 GPCR nanobody (€125m milestones & royalties)

Management and Board in place to deliver strategy

Sam Cobb: Founding CEO and Director

Extensive experience in raising equity, contract and grant funding

15 years of commercialisation and management experience

Dr Paul MacLeman: Chairman

Managing Director of a ASX listed IDT Australia Ltd

Founded biologics companies, experienced ASX listed executive

Dr Robert Peach

Founder and CSO of Receptos Inc, acquired by Celgene Corporation in 2015 for US$7.8bn

Deep experience in research and drug development

Dr John Chiplin: Independent Director

CEO of investment Company NewStar Ventures

Managing Director of acquired antibody company Arana Therapeutics

Liddy McCall & Dr James Williams: Yuuwa Capital Directors

Founders and investment Directors of Yuuwa Capital

Founders of iCeutica Inc (acquired 2011) and Dimerix Limited

Directors of several Australian biotech and Agritech companies

Multiple FDA, CE Mark and TGA approvals

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Scientific Advisory Board

Internationally recognised with proven track record of drug development

Dr Mick Foley, AdAlta CSO

Expert in phage display

NIH, NHMRC, ARC, Gates funding and over 70 scientific publications

Brian Richardson: drug discovery and development expert

Ex-Sandoz and Novartis (40+ years), including Head of Pre-clinical Research

Over 60 original peer reviewed research papers

Steve Felstead: clinical advisor

Ex-Pfizer (25 years), including Head of Clinical Research, Pharmatherapeutics Division

Developed Zithromax, Vfend, Celsentri, Viagra

John Westwick: pulmonary drug discovery and development

Over 14 years experience at Novartis, head of respiratory drug discovery

Five product launches and 13 positive proof of concepts in respiratory, including a number of antibodies which are now in phase III.

David McGibney: pre-clinical and clinical advisor

20 years with Pfizer, including Head of European R&D

Ex Pfizer Ltd board member

Developed Viagra, and 10+ blockbuster drugs

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AdAlta investment summary

- Powerful proprietary technology platform to develop a pipeline of i-bodies for the treatment of a wide range of human diseases
- Initial focus on treating Idiopathic Pulmonary Fibrosis and other fibrotic diseases - high unmet clinical need
- Advanced lead candidate with significant pre-clinical validation of AD-114 demonstrating anti-fibrotic and anti-inflammatory effects
- Early commercialisation opportunity
- Experienced management and Board to drive AD-114 development and secure technology platform partnerships and product licensing deals
- IPO August 2016 raised $10M to meet major milestones: Phase I clinical trials of AD-114 in lung fibrosis and development of i-body pipeline