AdAlta

next generation protein therapeutics

CEO report

Annual General Meeting

26 November 2019

Tim Oldham, CEO and Managing Director

AdAlta Limited (ASX:1AD)

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AdAlta overview

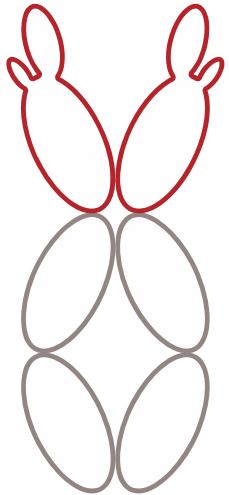
AdAlta Limited (ASX:1AD) is an Australian listed drug discovery and development company generating a promising new class of protein therapeutics, known as i-bodies, for treating a wide range of human diseases.

Introducing new CEO, Tim Oldham PhD

- Commenced 14 October 2019
- 20 years' executive leadership experience in Australia, Europe and Asia
- Senior pharma and biotech roles in strategic planning, business development (licensing, M&A), commercial and manufacturing operations and alliance management in pharma and biotech
- Experience in complex and novel therapy commercialization pathways: biosimilars, modified antibodies, cell and gene therapies
- ASX Board experienced
- PhD, Imperial College, London; BSc/LLB, ANU

AdAlta (1AD) investment summary

- **i-body platform for generating multiple products**
  - Novel structure provides new way to access important biological targets that can be difficult to access with conventional approaches
- **Lead internal program, AD-214, due to commence human Phase 1 clinical trial in early 2020**
  - Targeting fibrosis of the lungs (Idiopathic Pulmonary Fibrosis), a clinical indication with high unmet medical need and early transaction potential
  - USA FDA Orphan Drug Designation and strong pre-clinical data
- **Collaborations providing additional opportunities to leverage the i-body platform**
  - Recently secured licensing deal with global medical technology firm, GE Healthcare to develop i–bodies for diagnostic imaging
- **Experienced drug development team with track record of delivery**



AD-214

AdAlta business model and strategy to create value

i-body technology platform and library

1. In-house pipeline of drug candidates
Invest up to key value inflection point

Licence to pharma
Revenues: major upfronts + milestones & royalties

AD-214

Long loop that enables access to novel, challenging drug targets

2. Pharma and biotech partnerships
Partner-led target selection and development

Co-develop with pharma
Revenues: research fees & royalties

GE Healthcare

i-body drugs and diagnostics
New drug class
Potential in multiple disease indications

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AdAlta pipeline

i-body discovery engine

Partner	Product/ Indication	Target	Class of Target	Discovery	Preclinical	Manufact-uring	IND enabling studies	Phase I
AdAlta	**AD-214**: Idiopathic Pulmonary Fibrosis	CXCR4	GPCR					
AdAlta	**AD-214**: Other fibrotic indications	CXCR4	GPCR					
AdAlta	Not disclosed	MCP-1	Novel ligand pocket					
AdAlta	Not disclosed	TRPV4	Ion channel					
Excellerate BIOSCIENCE	Not disclosed	Not disclosed	GPCR					
GE Healthcare	Diagnostic agents	Granzyme B + others	Serine protease					

Binders obtained to 20 separate targets (10 are GPCRs and ion channels)

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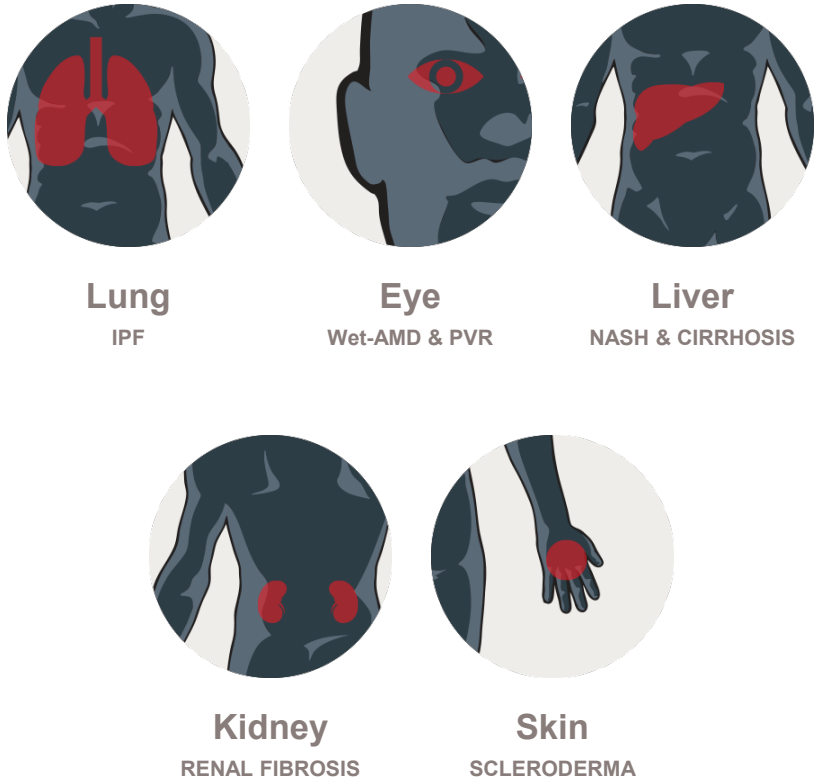
AD-214 has broad application in treating fibrosis

AdAlta data in animal models and human tissue studies suggests that AD-214 can improve fibrosis and inflammation across a range of fibrotic diseases

- **LUNG:** Idiopathic Pulmonary Fibrosis
- **EYE:** Wet-Age Related Macular Degeneration
- **LIVER:** NASH
- **SKIN:** Hypertrophic scar
- **KIDNEY:** Chronic kidney disease

Fibrotic diseases are recognised in almost every organ



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Market opportunity for IPF

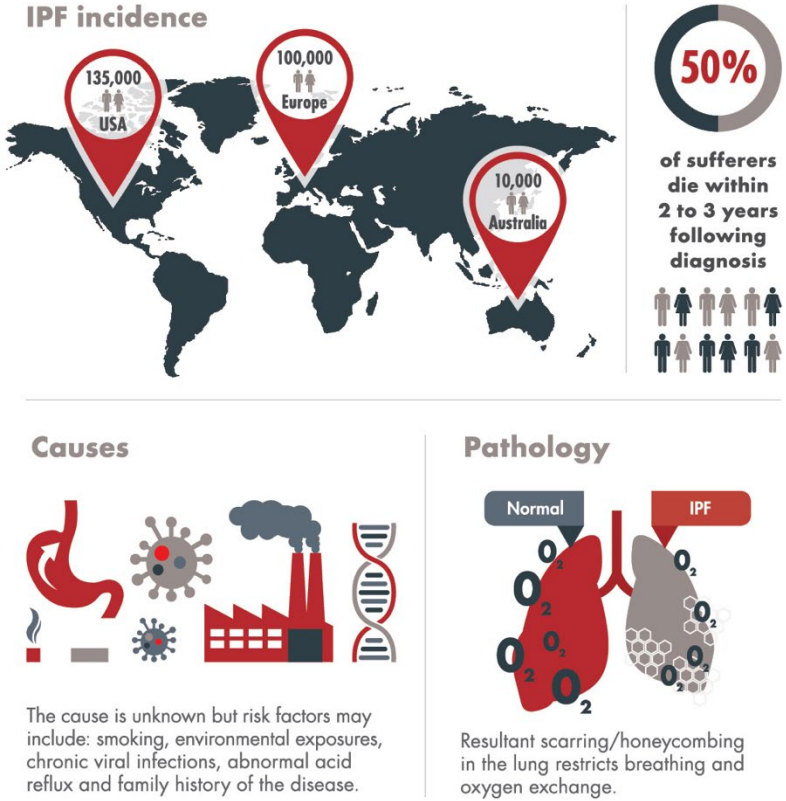
Idiopathic Pulmonary Fibrosis (IPF) is an irreversible, unpredictable and incurable disease

THE STATISTICS

People living with IPF
300,000

People die from IPF every year
40,000

Median length of survival after IPF diagnosis
3.8 years



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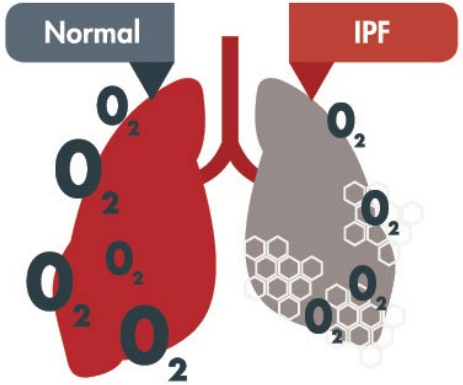
AdAlta's place in the IPF treatment landscape

- FDA approvals of pirfenidone and nintedanib in 2014 has led to greater confidence in the development of drugs for IPF
  - Neither are optimal therapies - the disease process is slowed, not reversed
- A number of products in development
  - Provide pathway for Phase II and III trials
- No IPF treatments under development targeting CXCR4
  - Existing approved CXCR4 small molecule antagonist Mozobil very different pharmacology to AD-214 and toxic when provided in chronic setting



High unmet medical need: there is a significant opportunity for multiple classes of drug to be clinically valuable and commercially successful for the management of IPF patients

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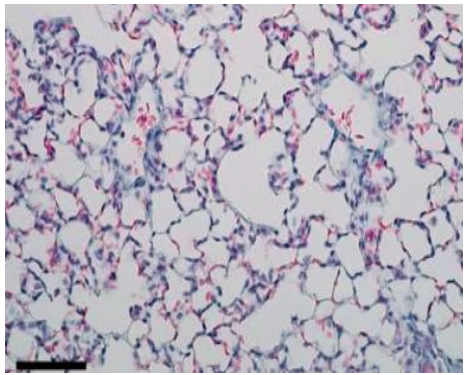
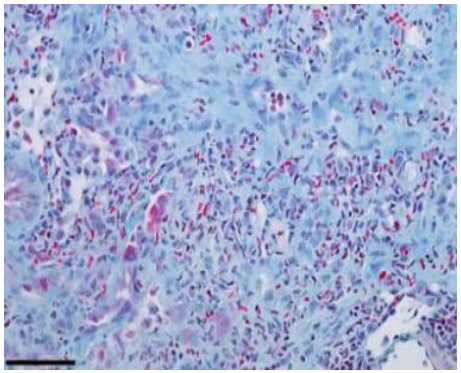
AD-214 novel treatment for fibrosis – lung

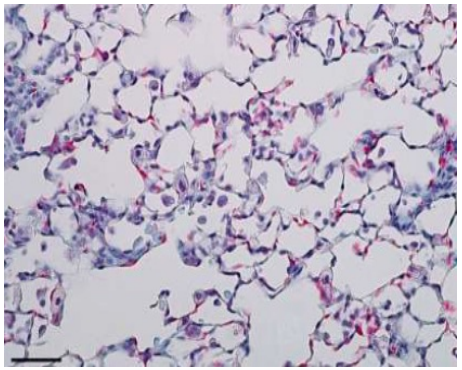
AdAlta's lead i-body has demonstrated* in vivo *activity (reduced collagen content, reduced inflammatory cell infiltration, improved tissue architecture) in a Bleomycin-induced mouse model of lung fibrosis



Normal lung tissue



IPF lung tissue
(lung disease mouse model)



IPF lung tissue + AdAlta anti-CXCR4 i-body dosed for 21 days
(lung disease mouse model)

Blue staining represents collagen, a hallmark of fibrosis

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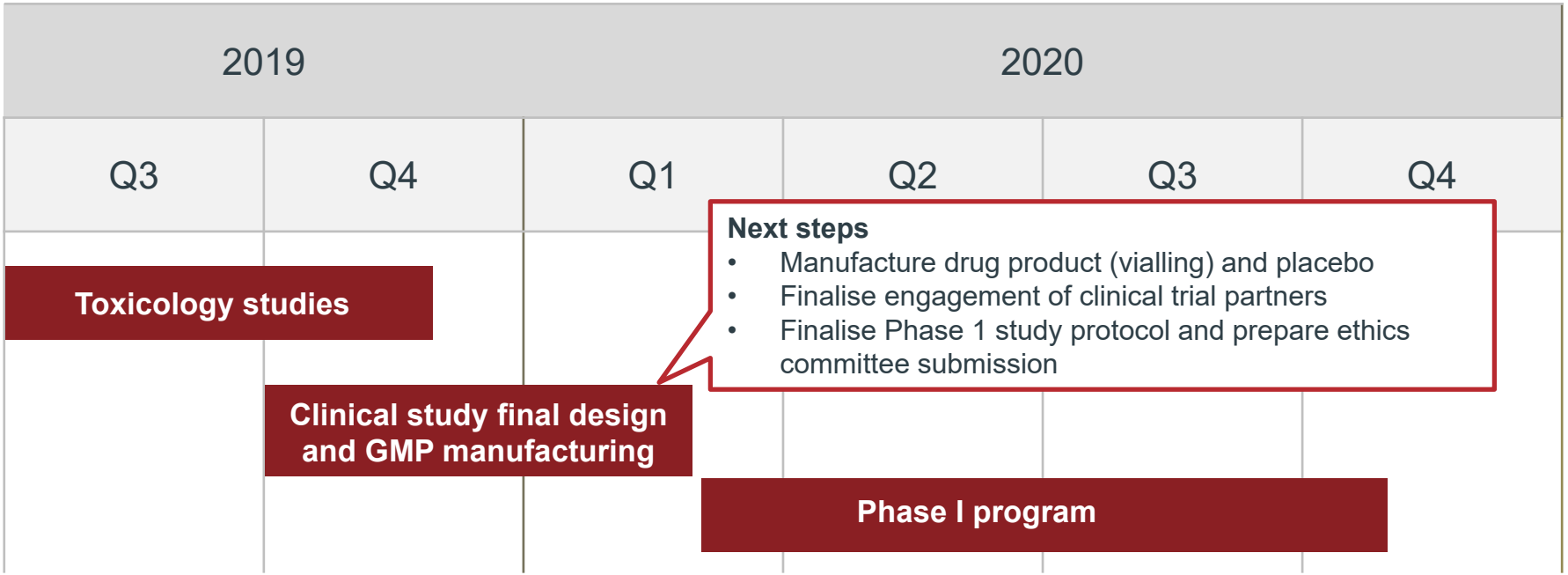
AD-214 safe in 4-week toxicology study

RECENT DATA

- 3 non-human primate studies completed
- Most recent: a Good Laboratory Practice (GLP) study to evaluate safety and toxicology prior to initial human studies
  - 10mg/kg, 30mg/kg and 100mg/kg multiple doses over four weeks plus recovery
  - AD-214 well tolerated with no deaths, no AD-214-related clinical signs, no changes in a panel of clinical observations, and only slight transient and completely reversible haematology changes

Tox study results were in line with expectations and in keeping with previous studies

AD-214 development: key milestones



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GE Healthcare licensing deal – i-body platform

Overview:

- Agreement with global medical technology and diagnostics firm, GE Healthcare
- AdAlta will screen its novel i-body library on a number of targets in order to identify i-bodies that GE can use as imaging agents, starting with Granzyme B

Summary of commercial terms:

- First payment of GBP100,000 now due following target selection
- GE Healthcare will pay AdAlta for research costs
- Further milestone payments and royalties expected if development successful

AdAlta aims to develop a range of therapeutic and diagnostic partnerships

Market benchmarks

Fibrosis lead AD-214	adheron THERAPEUTICS Sep-15 acquired by Roche $105m + $475m milestones phase I	bridgebio therapeutics Jul-19 license by Boehringer Ingelheim €45m + €1.1b phase I	Promedior **Nov-19 acquired by Roche $390m + $1b – Phase II** Aug-15 BMS option to buy $150m + $1.25b milestones
Micro-antibodies	arGEN-X April-16 license by Abbvie $40m upfront + $645m milestones & royalties	pieris Feb-18 collaboration with Seattle Genetics (3 targets) $30m upfront + $1.2b milestones & royalties	Ablynx Feb-18 acquired by Sanofi €3.9b
GPCRs	HEPTARES therapeutics Feb-15 acquired by Sosei $400m Phase Ib asset + 7 pre-clinical leads	receptos Jul-15 acquired by Celgene $7.8b Ph III, Ph II and GPCR platform	Ablynx April-16 license with Boehringer €8m + €125m milestones PhI GPCR nanobody

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Significant 2019 achievements

AD-214

✓ Successfully completed AD-214 cell-line and manufacturing process development; completed manufacturing of clinical AD-214 bulk drug substance

✓ Completed Phase I-enabling non-human primate toxicity (safety) studies (pharmacology data pending)

i-body platform partnerships

✓ Entered partnership with GE Healthcare to develop pre-clinical targets for diagnostic imaging – received first ever partnering revenue

Pipeline research

✓ Key data published in *mABs* peer reviewed scientific journal, i-body half-life customisation

✓ Entered partnership with Excellerate Biosciences to accelerate characterization of GPCR binders

Organisation

✓ Board skills expanded with appointment of Dr Ros Wilson

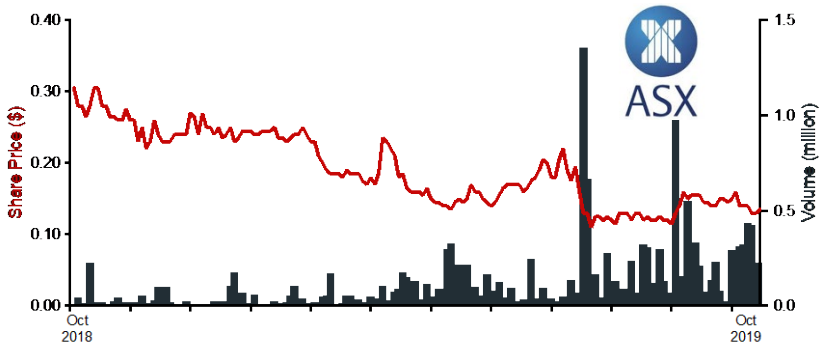
✓ Appointment of new CEO & Managing Director, Dr Tim Oldham

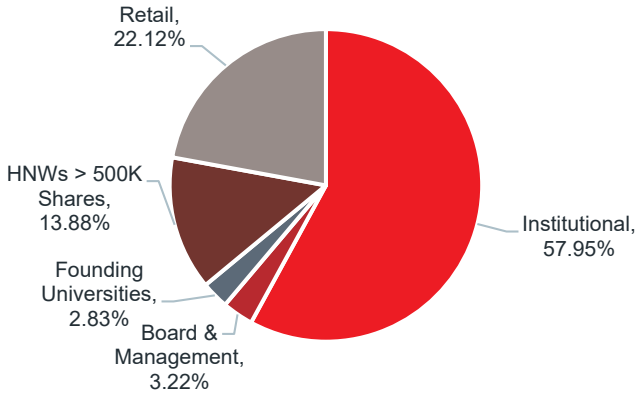
Financial position

Key financial details	
ASX code	1AD
Share price (25 November 2019)	AUD$0.12
Market capitalisation	AUD$22.18m
Ordinary Shares	164,302,007
Listed Options	23,348,803
Unlisted Options	2,605,007
Current cash (30 September 2019)	AUD$7.59m
Trading range (last 12 months)	AUD$0.11 to $0.30
Average daily volume	197,582

Major shareholders	%
Yuuwa Capital LP	32.90
Platinum Asset Management	8.64
Brispot Nominees Pty Ltd	4.65
Citycastle Pty Ltd	3.67
Meurs Holdings Pty Ltd	3.04
Other shareholders	47.09
Total	100%

Share price performance (last 12 months)





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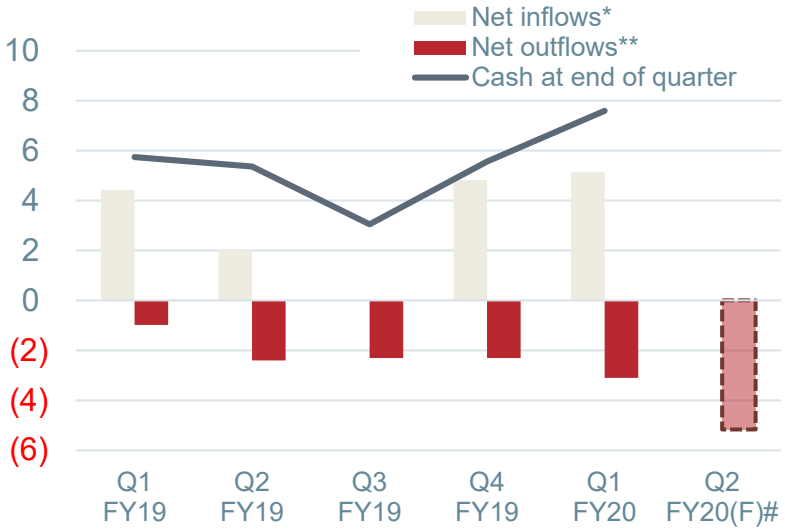
Financial results

AUD million

Financial year cash flows

Cash	FY18 (AUD million)	FY19 (AUD million)
Operating inflows	1.86	2.11
Operating outflows	5.79	7.93
Financing cash flows	0.01	9.24
Starting cash	6.22	2.31
Ending cash	2.31	5.56

Quarterly cash flows



Key drivers

- Capital raising Q1FY19 ($4.3m) and mid-2019 ($7.0m)
- R&D Tax refund Q2FY19 ($2.0m) and Q1FY20 ($3.5m)
- Outflows increasing due to external project costs associated with manufacturing process development, NHP toxicology study, GMP manufacturing

Outlook

- Q2FY20 is largest operating cash outflow of FY20
- Funded into Phase 1 clinical studies
- Cash balance plus cash management strategies fund the Company into Phase 1 clinical studies

* Net inflows include R&D Tax Incentive and proceeds of capital raising activity after capital raising costs; net outflows includes all operating expenses and purchases of capital equipment

\# Excludes inflows from licensing revenue (GE contract) and planned non-dilutive cash management initiatives

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First month reflections

Current CEO priorities

1. **Commence AD-214 clinical program**
2. **Deliver GE contract**
3. **Develop growth/expansion strategy**

AD-214

- Busy but achievable plan to reach clinic Q1 2020
- Manufacturing
  - Clinical material available
  - Expected process improvement opportunities exist
- Data for numerous indication expansion options

Platform

- Demonstrated ability to bind additional targets
  - Opens up additional product opportunities
- Opportunities to ”industrialise” discovery
  - Improves productivity, IP extension potential

Strategy

- Clear, confirmed opportunity to build a multi-product pipeline
- Major shareholders generally supportive of expanding development activity in an appropriately measured way
- Partnering: Company is “on the radar” of the industry based on inbound enquiries in first month

FY20 news flow

New milestones

- **H2 2019**
  - ✓ Partnership announcement – GE partnership September 2019
  - ✓ Publication of key i-body data in well recognised, peer reviewed scientific journal, mAbs
  - ✓ 4-week NHP toxicology study – completed October 2019 (plus GMP production of AD214 bulk for Phase I study)
  - – Publication of further key i-body/fibrosis data – *estimated February 2020*
  - – *Cash runway extension strategies*
- **H1 2020**
  - – *Additional pre-clinical PK/PD results*
  - – Update on i-body pipeline development and strategy
  - – **Phase I human clinical studies with AD-214 commence**
  - – *Initial single ascending dose component: dosing completed*

To include
- AD-214 clinical development strategy
- New priority targets for i-body discovery and development

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AdAlta Limited (ASX:1AD) Summary

- **Platform technology for multiple pipeline products and partnerships**
- **Lead asset AD-214**
  - Has significant pre-clinical validation demonstrating broad anti-fibrotic and anti-inflammatory effects as well as safety.
  - Initial focus on treating Idiopathic Pulmonary Fibrosis (IPF). Market history of early commercialisation transactions in fibrosis
  - Key manufacturing and toxicology milestones achieved
  - Set to be in clinic by Q1 2020
- **Additional expansion opportunities through partnering**
  - Recent licensing deal with global medical technology firm, GE Healthcare, to develop i-bodies for diagnostic imaging: first licensing revenue received
- **Experienced leadership to drive AD-214 development, partnerships and pipeline expansion**
- **Cash balance and cash management strategies sufficient to fund the Company into Phase 1 clinical studies for AD-214**

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