

15 December 2021

ASX Announcement

ADALTA SECURES COMMITMENTS FOR A\$3.75 MILLION THROUGH AN INSTITUTIONAL PLACEMENT

Key highlights:

- **AdAlta has secured commitments to raise A\$3.75m via an institutional placement supported by multiple institutional investors**
- **AdAlta to initiate an Entitlement Offer for eligible shareholders of AdAlta on the same terms to raise up to a further A\$2.2m**
- **Funds raised together with existing cash reserves support progressing key development milestones in 2022 for both lead program AD-214 and partnered programs**

MELBOURNE Australia, 15 December 2021: AdAlta Limited (ASX:1AD), the clinical stage biotechnology company developing novel therapeutic products from its i-body platform is pleased to announce that it has received commitments for A\$3.75 million (before costs) via a placement of new ordinary shares in AdAlta (New Shares) to institutional and sophisticated investors (Placement).

The Placement will involve the issue of New Shares to institutional and sophisticated investors at an issue price of A\$0.073 per New Share, representing a discount of 10.4% to the volume weighted average price (VWAP) over the 15 days up to and including 9 December 2021 and a 9.9% discount to the last closing price.

The Placement will comprise the issue of 51,369,863 New Shares and will be issued within the Company's available placement capacity under ASX Listing Rules 7.1 in respect of 26,851,906 New Shares and Listing Rule 7.1A in respect of 24,517,957 New Shares and does not require shareholder approval. Settlement of the Placement is expected to occur on Monday, 20 December 2021.

Proceeds from the Placement will be applied to:

- Developing inhaled and improved intravenous formulations of the AD-214 asset for Phase 2 clinical trials in Idiopathic Pulmonary Fibrosis (IPF) and Interstitial Lung Disease (ILD) patients including conducting additional product development, pre-clinical and toxicology studies.
- Discovering i-bodies against three new targets including 1-2 wholly owned programs addressing G-protein coupled receptor targets and 1-2 programs addressing CAR-T targets agreed under AdAlta's collaboration with Carina Biotech.
- Advancing i-body platform capabilities to enable new external collaborations and continuing to address the most challenging drug targets in the biopharmaceutical industry.
- General corporate costs and working capital, including activities to secure additional i-body platform collaborations and to potentially out-license AD-214.

AdAlta Chair, Dr Paul MacLeman commented: *"We are pleased to have received support from existing and new institutional and sophisticated investors in the Placement. This funding reinforces AdAlta's existing cash reserves as we proceed towards key*

development milestones planned for AD-214 and our partnered programs during the first half of 2022.”

Lodge Corporate Pty Ltd acted as lead manager and bookrunner to the Placement. The Placement was not underwritten.

The Company will also initiate a non-renounceable entitlement offer at the same price as the Placement of \$0.073 per share (Entitlement Offer or Offer) for existing shareholders in the Company with a registered address in Australia and New Zealand or who would otherwise qualify as an exempt investor in their local jurisdiction and where registration of the Offer is not required (Eligible Shareholders) as at 5.00pm (Sydney, Australia time) on Monday, 20 December 2021 (Record Date).

The Offer will enable existing Eligible Shareholders to acquire one New Share for every 8 shares held at the Record Date. Directors Paul MacLeman, David Fuller, Tim Oldham and Robert Peach have indicated that they will seek to take up their entitlements under the Offer in full. If fully taken up, the Offer would raise up to \$2.2 million before costs with the issue of up to 30,705,617 new Shares. The indicative dates for the Offer appear in the timetable below.

The Offer will include a Top-Up Facility enabling Eligible Shareholders (other than Directors) to apply for Additional Shares (shares not subscribed for by other Eligible Shareholders under the Offer) and a Shortfall Facility, enabling the Directors the discretion to place any shares not taken up by Eligible Shareholders under the Offer for a period of three months from the close of the Offer at a price no less than the Offer price. New Shares will issue under the Placement after the Offer Record Date, so subscribers under the Placement will not be able to participate in the Offer with respect to any of their Shares issued under the Placement.

Full details of the Offer and how Eligible Shareholders may access the Offer Booklet and 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 unless specifically requested.

| Entitlement Offer Indicative Timetable | Date |
|--|------------------------------|
| Record Date for Entitlement Offer | Monday, 20 December 2021 |
| Issue of New Shares under Placement | Tuesday, 21 December 2021 |
| Dispatch of Shareholder Offer access letter. Entitlement Offer opens | Thursday, 23 December 2021 |
| Entitlement Offer closes | 5pm, Monday, 31 January 2022 |
| Allotment & issue of New Shares under Entitlement Offer | Monday, 7 February 2022 |
| Trading (T+2) of New Shares expected to commence | Tuesday, 8 February 2022 |

*. Dates / times are indicative and subject to change.

All new shares issued under the Placement and Entitlement Offer will rank equally with existing AdAlta ordinary shares on issue.

This Announcement is accompanied by an ASX Appendix 3B for the Placement and for the Entitlement Offer, an additional update on Company cash position and corporate presentation, and a cleansing statement for the Offer.

Authorised for lodgement by:

Tim Oldham
CEO and Managing Director
15 December 2021

Notes

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.

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

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.

Disclaimer: This announcement and attachments may contain certain forward-looking statements that are based on subjective estimates and assumptions and relate to circumstances and events that have not taken place and may not take place. Such forward

looking statements involve known and unknown risks, uncertainties, and other factors (such as significant business, economic and competitive uncertainties and contingencies, and regulatory and clinical development risks and uncertainties) which may cause the actual results or the performance of AdAlta Limited to be materially different from the results or performance expressed or implied by such forward looking statements. Past performance is not a reliable indicator of future performance. There can be no assurance that any forward-looking statements will be realised. AdAlta Limited does not make any representation or give any warranty as to the likelihood of achievement or reasonableness of any forward-looking statements.

Further information can be found at: <https://adalta.com.au>

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