

25 May 2023

ASX Announcement

ADALTA RAISES A\$1.28M IN RIGHTS OFFER TO FUND EARLY RETURN TO CLINIC AND TRANSACTIONS

Key highlights:

- Existing shareholders take up \$1.28 million Offer entitlements and additional acceptances
- Commitments in hand for balance of A\$3.15 million Offer target
- Proceeds to fund early return to clinic for lead asset AD-214 and progress partnering transactions

MELBOURNE Australia, 25 May 2023: AdAlta Limited (ASX:1AD), the clinical stage drug discovery company developing novel therapeutic products from its i-body platform, advises that its previously announced (28 April 2023) non-renounceable rights offer (**Offer**) has raised A\$1.28 million before costs, with commitments in hand to achieve the balance of the A\$3.15 million target.

AdAlta Chair, Dr Paul MacLeman commented on the announcement, saying:

"We are sincerely grateful to all those shareholders that participated in the Offer.

The funds raised will be used to take our lead fibrosis product, AD-214 back into the clinic via a Phase 1 extension study. The data from this study will be used to further inform Phase II study design and progress ongoing partnering discussions, strengthening AD-214's commercial value. This funding also allows us to evaluate strategic collaboration and transaction opportunities, which can expand our product pipeline to produce transformational new therapies for fibrosis and cancer patients."

On 28 April 2023, AdAlta announced an Offer for **Eligible Shareholders** to acquire two (2) New Shares at an issue price of 2.5 cents (\$0.025) per New Share for every five (5) shares held at 7:00 pm (Melbourne time) on Wednesday 3 May 2023 together with one (1) option (New Option) for every 2 New Shares subscribed for. 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 29 May 2024. If fully subscribed, the Offer would raise \$3.15 million before costs.

The Company has received strong support from Eligible Shareholders, with valid applications for 40,919,773 New Shares as part of their pro rata entitlement under the Offer, together with valid applications for 10,383,846 additional New Shares. All applications for additional New Shares will be granted in full, raising A\$1.28million from the Offer. The New Shares (and 25,651,824 accompanying New Options) are expected to be issued on Monday 29 May 2023.

As outlined in the Offer Prospectus, pre-commitments to the Offer and Shortfall of up to \$2.49 million were received from Director Dr Timothy Oldham, substantial shareholder Platinum Investment Management (acting solely in its capacity as responsible entity for the Platinum International Healthcare Fund) (**Platinum Asset Management**) and the Company's corporate advisor for the Offer, Peak Asset Management.

Platinum Asset Management has taken up its entitlement under the Offer in full, and consistent with the terms of its pre-commitment, will subscribe for up to \$0.48 million of the Shortfall subject to its total shareholding not exceeding 19.9% of issued capital.

The Company's corporate advisor for the Offer, Peak Asset Management, has committed to subscribe for up to \$1.5 million of any excess Shortfall, following subscriptions by all other Shareholders.

The Company is therefore on track to achieve its target of \$3.15 million before costs.

The allotment and issue of New Shares and New Options taken up by Eligible Shareholders is expected to take place on Monday 29 May 2023. Trading in these shares and options is expected to commence on normal settlement terms on Tuesday 30 May 2023 and the New Shares will rank equally with existing shares on issue. Shareholder approval is not required for the issue of any of these shares.

The results of the Offer are summarised below:

	Number of Shares	Number of Options	Funds raised before costs
On issue prior to the Rights Offer	315,375,927	14,984,060	-
Rights Offer taken up (including additional Shares)	51,303,619	25,651,824	\$1,282,591
Shortfall commitment	74,846,752	37,423,362	\$1,871,169
Total after Rights Offer and shortfall commitment	441,526,298	78,059,246	\$3,153,760

Authorised for lodgement by:

Tim Oldham
CEO and Managing Director
May 2023

Shareholders: please update your communication preferences

We encourage shareholders to update their share registry preferences to receive all communications electronically. Doing so helps us communicate with you in a time-efficient manner on important matters, while minimising our mail costs and environmental impact.

Simply [click here](#) or scan the QR code and follow the instructions.

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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:

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