

22 May 2023

Via ASX Online

ASX Market Announcements Office
ASX Limited
Level 4
20 Bridge Street
Sydney NSW 2000

Notice of change of exercise price of options under rule 3.11.2 of ASX Listing Rules

AdAlta Limited (ASX:1AD) (**AdAlta**) has made a non-renounceable pro rata rights offer (**Offer**) to AdAlta shareholders in Australia and New Zealand (**Eligible Shareholders**) to acquire two (2) new ordinary shares (**New Shares**) at an issue price of 2.5 cents (\$0.025) per New Share for every five (5) shares held by Eligible Shareholders 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, and 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.

Excluding the New Options to be issued under the Offer, there are currently 14,984,060 options on issue, each of which entitles the holder to subscribe for one (1) ordinary share in AdAlta. None of these options on issue are quoted on the ASX.

The terms of the options provide for an adjustment in their exercise price according to a formula based on the formula in rule 6.22.2 of the ASX Listing Rules. The exercise price adjustment takes effect upon issue of the New Shares under the Offer and is, in part, dependent on the difference between the price under the Offer and the volume weighted average closing price of AdAlta's ordinary shares for the 5 trading days ending on the day before the 'ex entitlement date' for the Offer. The 'ex entitlement date' was 2 May 2023 and the volume weighted average closing price of AdAlta's ordinary shares for the relevant 5 trading days was \$0.026. Therefore, in consequence of, and upon issue of the shares offered under, the Offer, the exercise price of options on issue will reduce by \$0.0003 per option as outlined below:

| Number of options | Expiry date | Current exercise price | Adjusted exercise price |
|--------------------------|--------------------|-------------------------------|--------------------------------|
| 4,929,060 | 26/11/2025 | \$0.2482 | \$0.2479 |
| 600,000 | 15/03/2025 | \$0.1747 | \$0.1744 |
| 6,655,000 | 29/11/2025 | \$0.0848 | \$0.0845 |
| 1,000,000 | 28/02/2026 | \$0.076 | \$0.0757 |
| 1,800,000 | 27/02/2027 | \$0.04 | \$0.0397 |

Authorised for lodgement by:

Tim Oldham
CEO and Managing Director
May 2023

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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