

11 August 2020

Melissa Kostopoulos
Adviser, Listings Compliance (Melbourne)
ASX Compliance Pty Ltd
Level 4, Rialto North Tower
525 Collins Street
Melbourne VIC 3000

Dear Melissa

AdAlta Limited (ASX: 1AD) - Cleansing Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

AdAlta Limited (ACN 120 332 925) (AdAlta or **Company**) announced today that it will be undertaking a non-renounceable rights issue Offer of one (1) New Share for every four (4) Shares held at Record Date of 14 August 2020 (Offer).

The Offer will be conducted pursuant to an offer booklet which complies with the requirements of section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84), which will be lodged with ASX and dispatched to eligible shareholders on Wednesday 19 August 2020.

For the purpose of section 708AA(2)(f) of the Corporations Act, the Company advises:

1. The Company will offer the New Shares for issue without disclosure to investors under Part 6D.2 of the Corporations Act.
2. The Company is providing this notice under section 708AA(2)(f) of the Corporations Act.
3. As at the date of this notice, the Company has complied with:
 - a. The provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - b. Section 674 of the Corporations Act.
4. As at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act; and
5. The potential effect of the Offer on the control of the Company is as follows:
 - a. If all Eligible Shareholders take up their Entitlements under the Offer, then the Offer will have no significant effect on the control of the Company.
 - b. Should the Company's major Shareholders subscribe for their full Entitlement, there will not be any material impact on the control of the Company following the issue of Shares under the Offer.

- c. If some Eligible Shareholders do not take up all of their Entitlements under the Offer, then the interests of those Eligible Shareholders will be diluted.
- d. The proportional interests of Ineligible Foreign Shareholders will be diluted because those Ineligible Foreign Shareholders are not entitled to participate in the Offer.
- e. Shareholders that apply for Additional Shares under the Top-Up Facility may increase their interests beyond their Entitlement. This would result in the dilution of holdings of those who did not accept their Entitlements in full.
- f. If no Eligible Shareholders other than the Directors take up their Entitlements under the Offer and the Company issues the Shortfall under the Offer through placement to new investors, this may potentially result in a new investor having a substantial interest in the Company.

This notice has been authorised for release to ASX by Timothy Oldham, CEO and Managing Director of the Company.

Yours sincerely



Cameron Jones
Company Secretary
AdAlta Limited