

3 November 2023

ASX Announcement

ADALTA ANNOUNCES PLACEMENT TO RAISE UP TO A\$1.23MILLION

Key highlights:

- **AdAlta launches placement to sophisticated and professional investors to raise up to A\$1.23million (before costs and subject to oversubscriptions)**
- **Proceeds to fund completion of analysis of Phase I extension clinical study of AD-214 and to progress ongoing partnering discussions**
- **Placement at A\$0.02 per share plus 1 quoted option (ASX:1ADOA) for every 2 new shares subscribed for, plus 1 further additional quoted option (ASX:1ADOA) for every 2 new shares subscribed for, subject to shareholder approval**

MELBOURNE Australia, 3 November 2023: AdAlta Limited (ASX:1AD), the clinical stage drug discovery company developing novel therapeutic products from its i-body® platform is pleased to announce the launch of a placement to sophisticated and professional investors (**Offer**) to raise up to A\$1.23million (before costs and subject to oversubscriptions).

About the Offer

The Offer is a placement, pursuant to a prospectus lodged with ASIC today, to sophisticated and professional investors to acquire new fully paid ordinary shares in the Company (**New Shares**) at an issue price of 2 cents (\$0.02) per New Share together with:

- (a) one (1) quoted option (ASX:1ADOA) (**New Option**) with an exercise price of \$0.03 per share and an expiry date of 29 May 2024 being offered for every 2 New Shares subscribed for under the Offer; and
- (b) one (1) additional New Option (**Additional New Option**) on the same terms for every 2 New Shares subscribed for under the Offer, if shareholders approve the issue of these Additional New Options at an extraordinary general meeting (**EGM**) of the Company that will be called for this purpose and which is anticipated to be held on or about 14 December 2023.

The persons who may participate in the Offer are sophisticated and professional investors individually identified by the Company who are offered the opportunity to participate.

If fully subscribed, the Offer will raise approximately \$1.23 million from the issue of 61.5 million New Shares together with the grant of approximately 30.75 million New Options to subscribers for the New Shares. The New Shares and New Options are being issued under the Company's available placement capacity under ASX Listing Rule 7.1 in respect of 17,466,489 New Shares and 30,750,000 New Options and Listing Rule 7.1A in respect of 44,033,511 New Shares. A further 30.75 million Additional New Options will be issued if approved by the Company's shareholders at the EGM.

Oversubscriptions

If the Offer is oversubscribed then the Company may, at its discretion, accept any such oversubscriptions subject to the Company receiving shareholder approval to issue any New Shares and New Options the subject of any oversubscriptions at the EGM.

In July 2023 AdAlta announced new *in vitro* results that supported the potential efficacy of the target AD-214 intravenous dose of 10 mg/kg every two weeks. Additional results announced in September 2023 identified the potential for a lower cost and more patient convenient subcutaneous dosing regimen. In October 2023, AdAlta announced initial safety findings from a Phase I extension study of AD-214 showing that the 10 mg/kg intravenous dose every two weeks was well tolerated, with no evidence of serious adverse events or dose limiting toxicity reported by investigators. Together these results have added significant value to AD-214 for potential partners, answered several key questions being asked during due diligence by these partners and materially reduced risk associated with choice of dosing for Phase II studies. Remaining results from the Phase I extension study will further support the due diligence programs of potential partners. This Offer builds on this significant progress enabling completion of final results analysis of the Phase I extension study and the further advancement of discussions for both out-licensing of, and co-investment in, AD-214, both of which could fully fund Phase II clinical studies.

CEO and Managing Director, Dr Tim Oldham commented, *“Partner interest in AD-214 continues to grow. During the last quarter we were able to progress several out-licensing conversations and were particularly pleased to receive several inbound enquiries about co-investment to further develop of AD-214. This interest reflects the continuing value add and risk reduction that our newest data is providing.”*

Use of Proceeds

The gross proceeds raised under the Offer will be applied to:

- completing the final analysis of the healthy volunteer cohort of the ongoing Phase I extension study of AD 214;
- progressing partnering and/or licensing discussions for the AD-214 product to help move AD 214 into Phase II studies and beyond;
- evaluating synergistic external technology and product collaboration and transaction opportunities to expand and accelerate AdAlta’s product pipeline; and
- to the extent any funds remain, funding general working capital.

Lead Manager

Peak Asset Management has acted as Lead Manager to the Offer, on the terms set out in the prospectus for the Offer announced to the market today and which is available at <https://adalta.com.au/>

As part of the terms of its engagement, the Company has agreed to issue a further 12 million New Options (ASX:1ADOA) to Peak Asset Management for assisting with the Offer, subject to the Offer raising a minimum of \$1.5 million (including oversubscriptions), and shareholder approval for the issue of those New Options to Peak Asset Management being obtained at the EGM. If the Offer is over-subscribed the Company has agreed to issue a further 5 million New Options (ASX:1ADOA) to Peak Asset Management, for every additional \$500,000 of over-subscriptions above \$1.5 million. In the absence of shareholder approval, the proportion of the fee payable in New Options will be payable in cash to the equivalent value of those options based on the last sale price of New Options on ASX at the close of trading on the date of the EGM.

Further information

Outlined below is an indicative timetable* of the Offer

EVENT	DATE
Offer opens	Friday 3 November 2023
Offer closes	Monday 6 November 2023 at 5:30pm (Melbourne time)
1AD announces to market results of Offer	Prior to market open Tuesday 7 November 2023
Trading halt lifted	Market open Tuesday 7 November 2023
Funds for subscriptions for New Shares due	Thursday 9 November 2023 at 5:30pm
Issue New Shares and New Options (other than the Additional New Options which are subject to Shareholder approval) subscribed for under the Offer and lodge an Appendix 2A with ASX applying for quotation of the New Shares and New Options	Monday 13 November 2023
Dispatch notice of Extraordinary General Meeting to approve issue of the Additional New Options (and any oversubscriptions accepted)	Tuesday 14 November 2023
Extraordinary General Meeting to approve issue of the Additional New Options (and any oversubscriptions of any New Shares and New Options accepted)	Thursday 14 December 2023
Issue Additional New Options and any New Shares and New Options the subject of oversubscriptions (subject to shareholder approval)	Monday 18 December 2023

** Note: These dates are indicative only and subject to change.*

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Before making any investment decision, investors should seek appropriate professional advice.

An Appendix 3B applying for quotation of the New Shares and New Options as required by the Corporations Act will follow this announcement.

Authorised for lodgment by:

Tim Oldham
CEO and Managing Director
November 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.

Not a shareholder, but want to keep across our progress? [Click here](#) to subscribe to our updates using the Stay in Touch form.

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 enabled protein and cell 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 is extending 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. Preparation for Phase II clinical studies is also underway. 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 preclinical 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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