

ASX Announcement

***Scientific Reports* publishes paper on AD-114 and fibrosis**

MELBOURNE Australia, 19 February 2018, AdAlta Limited (ASX: 1AD), the biotechnology Company advancing its lead i-body candidate towards clinical development, is pleased to announce that a paper on the Company's lead program, AD-114 has been published by the prestigious peer-reviewed journal, *Scientific Reports* from the publishers of Nature.

Idiopathic Pulmonary Fibrosis (IPF), also known as fibrosis of the lungs, is the orphan disease area for which AdAlta is developing a new therapeutic with its lead program, AD-114. The paper demonstrates the ability of AD-114 to selectively target and bind to the chemokine receptor CXCR4, which is expressed at higher levels in patients with IPF. CXCR4 is believed to play a role in the recruitment of fibrotic cells to the lung, which is thought to contribute to the progression of IPF.

The research also demonstrates that AD-114 slows the migration of diseased fibroblasts, but has no effect on healthy cells, and that it reduces the over-production of collagen, a protein that is known to contribute to the disease pathology of IPF.

The paper, entitled *Anti-fibrotic effects of CXCR4-Targeting i-body AD-114 in Preclinical Models of Pulmonary Fibrosis*, was co-authored by Dr David Habel and Prof Cory Hogaboam of Cedars-Sinai; Assoc Prof Mick Foley; Willian Darby; Dr Kate Griffiths and Dr Chris Hosking of La Trobe University; Dr Jade Jaffar and Assoc Prof /physician Glenn Westall of Monash University and Alfred Health, and Dr Uli Binder and Prof Arne Skerra of XL-Protein, Germany.

AdAlta's Chief Executive Officer Sam Cobb said, "*Scientific Reports* is a well-known and respected journal, so we're delighted that the journal has published this important research. IPF remains an area of critically unmet medical need and we're very focused on driving forward this potential new treatment for patients. Our data add to the small but solid and growing body of literature showing that CXCR4 is an important alternative target for treating IPF and other fibrotic diseases. Our data clearly demonstrate the therapeutic potential of the i-body in the case of IPF and show strong promise as a future therapeutic option."

The paper is attached and is available on the AdAlta website www.adalta.com.au.

About AdAlta

AdAlta Limited is an Australian based drug development company headquartered in Melbourne. The Company is focused on using its proprietary technology platform to generate i-bodies, a new class of protein therapeutics, with applications as therapeutic drugs to treat disease.

I-bodies are a promising, novel class of drugs that offer a new and more effective approach to treating a wide range of human diseases. They are identified and developed using our proprietary technology platform.

We have pioneered a technology that mimics the shape and stability of a crucial antigen-binding domain, that was discovered initially in sharks and then developed as a human protein. The result is a range of unique compounds, now known as i-bodies, for use in treating serious diseases.

AdAlta is developing its lead i-body candidate, AD-114, 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 also plans to continue further drug discovery and development directed towards other drug targets and diseases with its i-body technology platform.

Further information can be found at: www.adalta.com.au.

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