

19 August 2020

ASX Announcement

DESPATCH OF RIGHTS OFFER DOCUMENTS

MELBOURNE Australia, 19 August 2020: AdAlta Limited (ASX:1AD), the clinical stage biopharmaceutical company discovering and developing novel protein therapeutics from its i-body platform is pleased to announce that the Offer Document and personalised Entitlement Acceptance Form for the non-renounceable pro rata rights offer (Rights Offer) announced to ASX on 11 August 2020 has been despatched. A copy of the Offer Document can be found on the Company's website at www.adalta.com.au.

Notifications have been sent to Ineligible Foreign Shareholders pursuant to ASX Listing Rule 7.7.1(b). A copy of this notification is attached.

For all enquiries concerning the Rights Offer, please contact the Company's share registry, Automic Group, on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AEST).

Authorised for lodgement by:

Tim Oldham
CEO and Managing Director
August 2020

Notes to Editors
About AdAlta

AdAlta Limited is a clinical stage biopharmaceutical discovery and 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.

AdAlta is conducting Phase 1 clinical studies for its lead i-body candidate, AD-214. AD-214 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.

The Company is also entering collaborative agreements to advance the development of its i-body platform. It has an agreement with GE Healthcare for diagnostic imaging agents against several drug targets, including Granzyme B.

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 collaborating 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:

Investors

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19 August 2020

Dear Shareholder

Ineligible Shareholders - Adalta Limited Rights Issue Offer

On 11 August 2020, Adalta Limited (**Company**) announced that it is undertaking a non-renounceable pro-rata entitlement offer of 1 New Share (**New Share**) for every 4 Shares held at the Record Date of 7.00pm (AEST) on 14 August 2020, at an Issue Price of \$0.10 per New Share to raise approximately \$4.1 million (before costs) (**Offer**), on the basis that no more than approximately 41 million New Shares will be issued pursuant to the Offer.

The Offer is being made without a prospectus or other disclosure document in accordance with section 708AA of the Corporations Act. A copy of the above announcements, with further details of the Offer, is available on the Company's website <https://adalta.com.au/investors/asx-announcements/> and also on the ASX Announcement Platform. A copy of the Rights Issue Offer Document has been lodged with the ASX and is available for viewing on the ASX website and the Company's website.

As permitted by law, the Company has decided that it is unreasonable to make the Offer to any Shareholder with a registered address outside Australia or New Zealand as at the Record Date (namely 14 August 2020), having regard to:

- (a) the number of Shareholders with addresses in such other countries as a proportion of total Shareholders in the Company;
- (b) the number and value of the Shares those Shareholders would be offered under the Offer; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, the Offer will not be made to shareholders resident in the jurisdiction in which your shareholding is registered.

This letter is to inform you that under the terms of the Offer, you are an ineligible shareholder and therefore not eligible to subscribe for New Shares and no entitlements will be issued to you. This letter is not an offer to issue New Shares or entitlements to you, nor an invitation for you to apply for New Shares.

If you have any questions, please call the Company's share registry, Automic Group, on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AEST).

For other questions, you should contact your stockbroker, accountant, taxation advisor, financial advisor or other professional advisor.

Yours faithfully



Cameron Jones
Company Secretary

Important Information

This letter is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any securities in the Company in any jurisdiction. This letter does not constitute financial product advice and does not and will not form part of any contract for the acquisition of shares in the Company.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been made or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act, as amended (the "**Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold to, persons in the United States or persons who are acting for the account or benefit of persons in the United States unless they are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws.

Certain statements made in this letter are forward-looking statements. These forward-looking statements are not historical facts but rather are based on the Company's current expectations, estimates and projections about the industry in which the Company operates, and beliefs and assumptions. Words such as "anticipates", "expects", "intends", "plans", "believes", "seeks", "estimates", and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of the Company, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. The Company cautions shareholders and prospective shareholders not to place undue reliance on these forward-looking statements, which reflect the view of the Company only as of the date of this letter. The forward-looking statements made in this letter relate only to events as of the date on which the statements are made. The Company will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this letter except as required by law or by any appropriate regulatory authority.