

28 April 2023

Dear shareholder,

Notice to ineligible foreign shareholders regarding non-renounceable rights offer

As you may be aware, AdAlta Ltd (**AdAlta**) announced to ASX Limited (**ASX**) on the date of this letter 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 two (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.

If not all of the rights are taken up and there is consequently a shortfall (i.e. the difference between the total number of New Shares and New Options that could be issued under the Offer if all rights were to be taken up in full and the total number of New Shares and New Options to be issued in consequence of the rights that are actually taken up), those Eligible Shareholders who subscribe for their full entitlement will also have the opportunity to apply for additional New Shares and New Options (in the same ratio) in the shortfall at the same price of 2.5 cents (\$0.025) per share.

If following the Offer not all the rights have been taken up, including under the above shortfall, the directors reserve the right to issue such shares at their discretion to any person at an issue price not less than the price that the securities were offered to shareholders under the Offer.

There are currently 315,375,927 fully paid ordinary shares in AdAlta on issue (all of which are quoted on ASX) and 14,984,060 unquoted options over ordinary shares. Assuming the Offer is fully subscribed and there is no other change to the issued share capital, approximately 126,150,371 new fully paid ordinary shares will be issued together with up to approximately 63,075,186 New Options granted to subscribers for the New Shares as well as a further 15 million options to be issued to the lead manager of the Offer on the same terms as the New Options (subject to rounding of fractional entitlements) raising up to approximately \$3.15 million, before costs. As a result, AdAlta's total number of issued shares will increase to 441,526,298 fully paid ordinary shares (subject to rounding of entitlements) all of which will be quoted on ASX. Once issued, the new shares issued under the Offer will rank equally with all other fully paid ordinary shares then on issue.

The following directors of AdAlta have indicated they intend to take up their entitlement in full:

- Timothy Oldham, CEO and Managing Director, via a controlled entity, intends to take up his entitlement in full and has underwritten additional commitments in the Shortfall up to a total commitment of \$15,000. Dr Oldham will not receive any fees in respect of underwritten amounts.
- David Fuller, Non-executive Director, intends to take up his entitlement in full.

A Prospectus in relation to the Offer has been given to ASX and is available to view on the ASX website and AdAlta's website at <https://adalta.com.au/documents/>.

The Offer is currently scheduled to close at 5:00 pm (Melbourne time) on Monday 22 May 2023.

AdAlta has decided that it is unreasonable to make offers under this Offer to shareholders with registered addresses outside Australia and New Zealand (**ineligible foreign shareholders**). It has made this decision having regard to the small number of ineligible foreign shareholders, the small number and value of the new shares ineligible foreign shareholders would be offered and the cost of complying with the legal and regulatory requirements in the relevant overseas jurisdictions. Accordingly, you are not eligible to participate in the Offer.

If you have any query or question about the Offer, please contact Cameron Jones, AdAlta's company secretary at cameron.jones@bio101.com or ir@adalta.com.au for any other registry related matters contact AdAlta's share registrar as follows:

Automic Registry Services

Email: hello@automicgroup.com.au

Address: Level 5/126 Phillip St, Sydney NSW 2000

Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international) between 8:30 am and 5:00 pm (Melbourne time) Monday to Friday.

Yours faithfully



Cameron Jones

Company secretary