Fact sheet

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www.adalta.com.au

AdAlta
next generation protein therapeutics

An emerging leader in a new class of protein therapeutics

AdAlta is a globally-focused drug discovery and development company commercialising a promising new class of protein therapeutics, known as i-bodies, for disease intervention.

The Company's lead candidate (AD-114) is being developed for the treatment of fibrotic diseases in humans.

The compound has successfully demonstrated efficacy and mode of action in a number of pre-clinical animal studies.

The technology developed and owned by AdAlta allows for the expansion of a broad portfolio of therapeutic i-bodies.

i-bodies are small proteins with the specificity and safety of antibodies and the advantages of small molecule drugs.

Commercialisation and long-term growth strategy

- Complete the first clinical trial with the lead i-body candidate including the required manufacturing;
- Progress research and development activities in other therapeutic areas with the i-body platform; and
- Partner and license the lead fibrosis candidate and i-body platform through business development activities.

Our current therapeutic market focus: unmet needs of fibrosis

AdAlta's current focus is to apply our technology towards developing a treatment for fibrosis related diseases.

In the first instance, AdAlta is developing the lead candidate for the treatment of idiopathic pulmonary/lung fibrosis commonly known as IPF.

Evaluate Pharma estimates that the worldwide sales of drugs for IPF will be approximately $4.2 billion by 2020.

There is currently no cure for IPF with most people living only 3 to 5 years after diagnosis and the two approved drugs provide limited efficacy. AdAlta's lead candidate has the potential to provide a novel treatment for IPF, a disease of high unmet medical need.

With significant licensing and acquisitions completed for anti-fibrotics in Phase I development, AdAlta will look to license its lead candidate on the completion of clinical studies as contemplated by the capital raise.

i-body advantages and effectiveness

The i-body has competitive advantages when targeting G Protein-Coupled Receptors (GPCRs) and ion channels, two important drug targets that have historically been difficult to address using an antibody approach. With its long binding loop, the i-body provides an opportunity to provide highly specific and selective therapeutics to novel epitopes within these classes of drug targets.

Extensive pre-clinical studies with AdAlta's lead i-body drug candidate AD-114 have demonstrated positive in *vitro* and in *vivo* data in relation to lung fibrosis. AD-114 demonstrates both anti-fibrotic and anti-inflammatory activity in the lung.

Expanding applications for the i-body platform

AdAlta's i-body technology platform can be used for the identification of novel therapeutics to other disease targets.

The i-body has been developed into proprietary libraries containing over 2 billion i-body protein compounds. The novel i-body library can be rapidly screened in the lab against disease targets.

AdAlta will use its proprietary i-body technology platform to further generate and develop its own internal pipeline of novel i-body drug candidates, presenting additional future licensing opportunities.

Global market interest in fibrosis treatments

Date	Company	Target	Acquired by	Deal value (US$)	Deal commentary
Sep - 15	Adheron Therapeutics	SDP051	Roche	$105M upfront, plus $475M in milestones	SDP-51 at end of Phase I for IPF
Aug - 15	Promedior	PRM-151	BMS	$150m upfront + $1.25B	Phase II IPF and myelofibrosis
Nov - 14	Galecto Biotech AB	TD139	BMS	$444M	Option to acquire at end of clinical POC (no later than 60 days following Ph 1b for IPF completion)
Aug - 14	Intermune	Esbriet / Pirfenidone	Roche	$8.3B	Approval in Europe / Japan, phase III in the US
Jun - 13	MicroDose Therapeutx	MMI0100	Teva Pharmaceuticals	$40M upfront $125M milestones	MMI0100 was in pre-clinical development
Mar - 12	Stromedix	STX100	Biogen Idec	$75M upfront $487.5M milestones	End of phase I for IPF
Jul - 11	Amira / BMS	BMS-986020	BMS	$325M upfront $150M milestones	End of phase I for IPF

Proposed transaction

AdAlta is currently seeking to raise AU$12 million to fund clinical proof of concept studies with its lead fibrosis compound (AD-114). This funding will allow AdAlta to develop the lead to a point that will be ready for licensing to a major pharmaceutical company. Funding will also be used to expand the i-body pipeline.

Funds will support development of AD-114 into a Phase I / II-ready asset

	Minimum Subscription ($000)	Maximum Over Subscription ($000)
Lead fibrosis drug AD-114: lung disease		
Manufacturing	5,300	5,300
Toxicology studies	2,200	2,200
Clinical studies	1,500	2,250
Indication expansion of AD-114	900	900
Other i-body drug development	810	1,940
Corporate – working capital[1]	500	500
Cost of the Offer	790	910
TOTAL EXPENDITURE (AU$)	**12,000**	**14,000**

1. The Company also expects to receive The Australian Commonwealth Research & Development (R&D) Tax Incentive

Capital structure

Shareholder	Minimum Subscription $12M		Over Subscription $14M	
Yuuwa Capital LP	41,659,848	38.5%	41,659,848	35.9%
All other Shareholders	18,340,168	17.0%	18,340,168	15.8%
Total Existing Shareholders	**60,000,016**	**55.5%**	**60,000,016**	**51.7%**
IPO Shares – Yuuwa Capital LP	12,400,000	11.5%	12,400,000	10.7%
IPO – new investors	35,600,000	33.0%	43,600,000	37.6%
TOTAL SHARES	**108,000,016**	**100%**	**116,000,016**	**100%**

Board and Management

AdAlta is led by an experienced Board and management team and supported by a world class scientific advisory board. The AdAlta team has been responsible for the development of the i-body platform, the identification and pre-clinical development of the lead i-body candidate and has a successful track record of developing and commercialising drugs in multiple therapeutic areas.

Board of Directors

Paul MacLeman
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Sam Cobb
Managing Director

John Chiplin
Director

James Williams
Director

Liddy McCall
Director

Scientific Advisory Board

Mick Foley
Chief Scientific Officer

David McGibney
Clinical

Brian Richardson
Drug discovery

John Westwick
Respiratory drug development

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