AdAlta

next generation protein therapeutics

PATERSONS

For the offer of 32,000,000 Shares at a price of $0.25 per Share to raise $8,000,000
(before costs and expenses of the Offer)

The Directors may accept subscriptions of up to a further 8,000,000 Shares to raise a maximum of $10,000,000
(before costs and expenses of the Offer)

AdAlta Limited
ABN 92 120 332 925

PROSPECTUS

IMPORTANT INFORMATION

This Prospectus is issued by AdAlta Limited ACN 120 332 925.

Lodgement and listing

This Prospectus is dated 8 July 2016 and was lodged with ASIC on that date.

The Company will apply to ASX for admission of the Company to the Official List and for quotation of its Shares on ASX within seven days after the Prospectus Date.

Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

Expiry Date

No Shares will be issued on the basis of this Prospectus after the date which is 13 months after the Prospectus Date.

Note to Applicants

This document is important and should be read in its entirety.

You should read this entire Prospectus carefully before deciding whether to subscribe for Shares. In particular, you should consider the risk factors that could affect the performance of the Company or the value of an investment in the Company, some of which are outlined in Section 5.

The information contained in this Prospectus is not investment advice and does not take into account your investment objectives, financial situation, tax position or particular needs. Before deciding whether to subscribe for Shares, you should consider whether they are a suitable investment for you in light of your personal circumstances (including financial and taxation issues) and seek professional guidance.

No person named in this Prospectus guarantees the Company's performance or any return on investment made pursuant to this Prospectus.

Exposure Period

The Corporations Act prohibits the Company from processing applications in the seven day period after the Prospectus Date (Exposure Period). The Exposure Period may be extended by ASIC by up to a further seven days. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

During the Exposure Period, this Prospectus will be made generally available to Australian residents without the Application Form, by being posted on the Company's website www.adalta.com.au.

Obtaining a copy of this Prospectus

This Prospectus has been placed on the Company's website at www.adalta.com.au. Any person accessing the electronic version of this Prospectus must be an Australian resident and must only access the Prospectus from within Australia. If you access the electronic version of this Prospectus you should ensure that you download and read the entire Prospectus.

Any references to documents included on the Company's website are provided for convenience only, and none of the documents or other information on the website is incorporated by reference in this Prospectus.

During the Offer Period, a hard copy of this Prospectus will be available free of charge by contacting the Share Registry between 9:00am AEST and 5:00pm AEST on 1300 288 664 or +61 2 9698 5414.

Restrictions on distribution

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

The distribution of this Prospectus (including an electronic copy) outside Australia may be restricted by law. If you are a potential investor outside Australia and you come into possession of this Prospectus, you should observe such restrictions and should seek your own advice on such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Shares or to otherwise permit a public offering of the Shares in any jurisdiction other than in Australia.

In particular, this document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, Shares in the United States. Any Shares described in this document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, a US person except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Time references

A reference to time in this Prospectus is to Australian Eastern Standard Time (AEST) being the local time in Melbourne, Australia, unless otherwise stated.

Currency

All financial amounts in this Prospectus are expressed in Australian dollars, unless otherwise stated.

Disclaimer

Investors should not rely on any information about the Company which is not contained in this Prospectus in making a decision as to whether to acquire Shares under the Offer. No person is authorised to give any information, or to make any representation, in connection with the issue of Shares that is not contained in this Prospectus. Any information or representation that is not in this Prospectus may not be relied on as having been authorised by the Company, the Directors or any other person in connection with the issue of Shares.

Except as required by law, and only to the extent so required, no person warrants or guarantees the future performance of the Company or any return in relation to a decision made by an Applicant under this Prospectus.

The forward-looking statements in this Prospectus are based on the Company's current expectations, estimates, forecasts and projections about the Company's business and the industry in which the Company operates. They are, however, subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Directors that could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by the forward-looking statements in this Prospectus. This Prospectus details some important factors and risks that could cause the Company's actual results to differ from the forward-looking statements in the Prospectus in Section 5.

These forward-looking statements speak only as at the Prospectus Date. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events.

Privacy

The information about Applicants included on an Application Form is used for the purposes of processing the Application Form and to administer a Successful Applicant's holding of any of the Shares. By submitting an Application Form, each Applicant agrees that the Company may use the information provided by the Applicant on the form for the purposes set out in this privacy statement and may disclose it for those purposes to the Share Registry and the Company's related bodies corporate, agents and contractors and third party service providers, including mailing houses and professional advisers, and to ASX and other regulatory authorities.

The Corporations Act requires the Company to include information about each holder of Shares in the Company (including name, address and details of the security held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder. Information contained in the Company's register is also used to facilitate payments and corporate communications (including the Company's financial results, annual reports and other information that the Company wishes to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

Under the Privacy Act, you may request access to or correction of your personal information held by, or on behalf of, the Company or the Share Registry. A fee may be charged for access. You can request access to your personal information by telephoning between 9:00am AEST and 5:00pm AEST or writing to the Share Registry as follows:

Automic Registry Services
Telephone: 1300 288 664 or +61 2 9698 5414
Postal Address: PO Box 2226, Strawberry Hills, NSW, 2012.

The Company and the Share Registry may disclose your personal information for purposes related to your investment to their agents and service providers.

Photographs and diagrams

Photographs and diagrams in this Prospectus do not necessarily depict assets or equipment owned or used by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Definitions

Terms used in this Prospectus are defined in the Glossary in Section 12.

Questions

If you have any questions about how to apply for Shares, please call your broker. For any other questions about the Offer, please contact the Share Registry between 9:00am AEST and 5:00pm AEST on 1300 288 664 or +61 2 9698 5414 or by email to info@automic.com.au.

CHAIRMAN'S LETTER

Dear Investor

On behalf of the Board, it gives me great pleasure to offer you this opportunity to invest in AdAlta Limited.

AdAlta is developing a breakthrough class of novel biological drugs for the treatment of underserved chronic diseases. These proteins combine the stability and alternative routes of administration of a small molecule drug, with the safety and specificity of an antibody. Initially targeting fibrotic diseases, we believe the platform has applicability to a wide range of medical conditions.

The first application of AdAlta's lead drug candidate AD-114 is for the treatment of fibrosis of the lung (idiopathic pulmonary fibrosis or IPF), a rare, chronic and ultimately fatal disease.

The proceeds from the public offer will be used to take AD-114 into Phase 1 human clinical trials and to extend the technology into other diseases.

Through this Prospectus, the Company is inviting investors to subscribe for 32,000,000 Shares, at an Offer Price of $0.25 per Share, with subscriptions of up to a further 8,000,000 Shares to raise a maximum of $10,000,000 (before costs and expenses of the Offer).

This Prospectus contains detailed information about the Company's operations, financial performance, experienced management team and future plans. It also outlines AdAlta's business model and key dependencies relevant to the business model. I encourage you to read and understand the Prospectus, and seek independent professional advice as necessary, before making an investment decision.

In particular, the risks of investing in an early stage therapeutic company must be considered in full and the key risks for AdAlta identified by the Directors are set out in Section 5. Any investment in AdAlta should be considered speculative.

I look forward to welcoming you as a Shareholder.

Yours faithfully

Dr Paul MacLeman
Chairman
AdAlta Limited

CONTENTS

KEY OFFER INFORMATION

Important Dates	
Prospectus lodged with ASIC	**8 July 2016**
Offer open for Applications	**15 July 2016**
Offer closes for Applications **(Closing Date)**	**12 August 2016**
Expected issue and allotment of Shares	**17 August 2016**
Expected despatch of holding statements	**18 August 2016**
Expected date of quotation of Shares on ASX	**22 August 2016**

Note: The dates shown above are indicative only and may change without notice. The Company reserves the right to close the Offer early or to extend the Closing Date without notice. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Key Offer Statistics	Based on Minimum Subscription	Based on Maximum Subscriptions
Existing Shares on issue*	60,000,016	60,000,016
Total number of Shares available under the Offer	32,000,000	40,000,000
Offer Price per Share	$0.25	$0.25
Total number of Shares on issue on Completion	92,000,016	100,000,016
Gross proceeds from the Offer	$8,000,000	$10,000,000
Indicative market capitalisation based on the Offer Price	**$23,000,000**	**$25,000,000**

* This assumes conversion of existing Preference Shares and Convertible Notes which will occur immediately prior to Listing. Refer to Section 11.2 for further details regarding the capital structure of the Company.

How to invest

Applications for Shares can only be made by completing and lodging the Application Form attached to this Prospectus. Instructions on how to apply for Shares are set out in Section 6 and on the back of the Application Form.

1. INVESTMENT OVERVIEW

1.1 Business Overview

Topic	Summary	More Information
What is AdAlta?	AdAlta is a public company based in Melbourne, Australia. AdAlta is developing a novel technology platform that produces unique compounds known as i-bodies, that mimic the shape of shark antibodies and engineers their key stability features into human proteins, for therapeutic intervention in disease. i-bodies have a long binding loop that is a feature of shark antibodies which allows the protein to bind to other molecules and antigens that produce a therapeutic effect. The Company is focused on developing its lead i-body drug candidate, AD-114, for the treatment of idiopathic pulmonary (lung) fibrosis (IPF) and other fibrotic diseases, for which current therapies have limited efficacy where there is a high-unmet medical need. The lead drug candidate AD-114 has shown both anti-fibrotic activity as well as anti-inflammatory activity in pre-clinical studies, which are important for the treatment and prevention of IPF. AdAlta's lead drug candidate, AD-114, will be assessed in other fibrosis indications, with the next priority (after IPF) being fibrosis of the eye. In addition, the Company has developed proprietary libraries containing over 2 billion unique i-body protein compounds from which it aims to identify other drug candidates with the potential to address a number of therapeutic areas. AdAlta is led by an experienced Board and management team and is supported by experienced scientific advisors. Members of the AdAlta Board have a track record of developing products in the life science and healthcare industry and in the successful sale of Australian companies to US based acquirers. The AdAlta management team have been responsible for the development of the i-body platform, including the pre-clinical development of the lead i-body drug candidate. AdAlta's scientific advisors have significant expertise in developing multiple therapeutic drugs including drugs for respiratory diseases and their pre-clinical and clinical development.	**Section 2, Section 4.1 and Section 4.2**
Why is the Offer being conducted?	The primary purposes of the Offer are to raise capital to: • enable the Company to progress its lead drug candidate, AD-114 into Phase I human clinical trials; • expand the i-body therapeutic pipeline, business development and marketing of the i-body technology platform; and • provide general working capital and meet the costs of the Offer.	**Section 6.2**
How does AdAlta expect to fund its activities?	AdAlta expects to fund its activities from existing cash reserves, the proceeds of the Offer and through R&D tax incentive payments (dependent on continuation of the R&D tax incentive program by the Federal Government).	**Section 7**

What is the Company's strategy and focus?	On the basis of strong pre-clinical data, AdAlta is committed to developing its lead drug candidate, AD-114, for the treatment of fibrosis. AdAlta's strategy is to further develop and then license its lead candidate to a pharmaceutical or biotechnology company, potentially earning up-front, milestone payments and licensing revenues. AdAlta is also committed to developing other therapeutic candidates from its i-body technology platform. The i-body provides drug developers with a new class of therapeutics that combines the advantages of small molecules and antibodies. The i-body platform provides an opportunity for the expansion of the pipeline of i-body drug candidates in multiple therapeutic areas. AdAlta intends to implement this strategy through: • completing the required pre-clinical, manufacturing and Phase 1 human clinical trial of its lead i-body candidate, AD-114; • continuing research and development activities in other therapeutic areas with the i-body technology platform; and • partnering and licensing of the lead drug candidate, AD-114, the i-body technology platform and future drug candidates through business development activities.	**Section 2**
What is the focus of AdAlta's lead drug candidate?	AdAlta is focused on its lead drug candidate, AD-114, and on demonstrating its application in the treatment of fibrotic-related diseases. The first application of AD-114 is for the treatment of IPF, a rare and ultimately fatal disease in humans. AD-114 has demonstrated both anti-fibrotic and anti-inflammatory properties which are important for preventing fibrotic-related diseases and providing a treatment for IPF. The pre-clinical results of AD-114 are discussed in Section 2.4.	**Section 2.3 and Section 2.4**
What is the market opportunity for the lead candidate?	AD-114 potentially provides a first in class treatment for IPF, a disease with a high unmet medical need. There is currently no cure for IPF with most people living on average only three to five years after diagnosis of IPF. The two currently approved drugs for IPF have limited efficacy in individual patients, either having no effect or slowing down disease progression. Evaluate Pharma estimates that the worldwide sales of drugs for the treatment of IPF will be approximately US$4.2 billion by 2020. In the pharmaceutical sector there have been significant licensing and acquisition deals completed for anti-fibrotic drug candidates in Phase I clinical development. AdAlta's strategy is to license its lead candidate to a biotechnology or pharmaceutical company.	**Section 2.3, Section 2.8 and Section 3.1**
What is the market opportunity for i-body therapeutics?	AdAlta believes its i-body technology platform can be used for the generation and identification of novel therapeutics to many different disease targets. i-bodies offer a new and potentially more effective approach to the treatment of a wide range of human diseases. The long binding loop of the i-body, which is lacking in traditional antibodies, enables i-bodies to bind to a range of therapeutically-relevant targets, including those that are difficult to target with current antibody therapies, such as G-protein coupled receptors (GPCRs) and ion channels. While small molecules can have an increased risk of toxicity and off-target side effects due to their lack of specificity, the i-body with its high affinity and specificity and long binding loop can access GPCRs and ion channels without the off-target side effects.	**Section 2.2, Section 2.6 and Section 3**
How will the Company generate revenue?	AdAlta's strategy is to license its lead drug candidate, AD-114, on the completion of the planned clinical studies proposed in this Offer. AdAlta intends to 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. In addition, AdAlta intends to license and/or partner the i-body technology platform for drug discovery with pharmaceutical and biotechnology companies. These activities will have the objective of earning up front, milestone payments and licensing revenues for the Company.	**Section 2.8**

What is the Company's historical and Pro-Forma financial position?		**Section 7.6**

	29 February 2016 Reviewed $	Pro-forma Minimum Subscription $	Pro-forma Maximum Subscription $
Current Assets	908,503	8,851,361	10,729,361
Non-Current Assets	510	510	510
TOTAL ASSETS	**909,013**	**8,851,871**	**10,729,871**
Current Liabilities	114,130	114,130	114,130
Non-Current Liabilities	-	-	-
TOTAL LIABILITIES	**114,130**	**114,130**	**114,130**
NET ASSETS	**794,883**	**8,737,741**	**10,651,741**
TOTAL EQUITY	**794,883**	**8,737,741**	**10,615,741**

The information presented above is intended as a summary only and should be read in conjunction with the more detailed discussion in Section *7*.

What is the Company's intellectual property position?	AdAlta has a portfolio of granted patents and applications that protect the i-body technology platform and applications that protect its lead i-body drug candidate in key countries.	**Section 2.9 and Section 9**

1.2 Investment Highlights

Topic	Summary	More Information
Novel lead candidate with high unmet medical need	AdAlta has identified a lead drug candidate, AD-114, which it believes has application for the treatment of idiopathic pulmonary fibrosis (IPF) and other fibrosis-related diseases. There is currently no cure for IPF, with IPF drugs currently on the market either having no effect in individual patients or only slowing down disease progression. There is therefore a need for more effective treatments.	**Section 2.3 and Section 2.4**
Significant pre-clinical validation	AD-114 has successfully demonstrated both anti-fibrotic and anti-inflammatory effects in pre-clinical studies in multiple animal models. AdAlta has also tested AD-114 on human patient lung tissue samples – including normal lung tissues and tissue from patients with IPF disease and with various classifications of disease. These tests have demonstrated that AD-114 binds specifically to IPF patient tissue and also has an anti-fibrotic effect on the lung tissue of patients with IPF.	**Section 2.4**
Novel platform – drug discovery	AdAlta's i-body technology platform produces a novel class of human proteins that combines the advantages of conventional monoclonal antibodies with the desirable properties of small molecule drugs. The i-body has the unique features of (a) a long binding loop, which enables it to bind to difficult target classes and novel epitopes, and (b) a scaffold which is a human protein. These important features combine to differentiate the properties of AdAlta's i-body from traditional antibodies. AdAlta has developed proprietary libraries containing over 2 billion unique i-body protein compounds from which AdAlta intends to progress development of a number of drug candidates addressing a number of therapeutic areas.	**Section 2.2, Section 2.6 and Section 2.7**
Early commercialisation potential	AdAlta plans to partner the i-body platform with pharmaceutical and biotechnology companies. Through licensing of its lead drug candidate AD-114 and partnering of the i-body platform, AdAlta aims to generate upfront and future milestone payments and licensing revenue.	**Section 2.8**
Strong intellectual property portfolio	AdAlta has a portfolio of granted patents and applications that protect both the i-body technology platform and its lead i-body drug in key countries. Patent applications for additional i-body products identified by AdAlta will be filed at the appropriate time in their development.	**Section 2.9 and Section 9**

Highly experienced team with track record of developing drugs	AdAlta Board members have significant drug development expertise with a track record of developing products in the life science and healthcare industry, and successfully creating value through the sale of Australian companies to US-based acquirers. The AdAlta management team, together with its scientific advisors, has been responsible for the development of the i-body drug discovery platform and the identification and pre-clinical development of the lead drug candidate. AdAlta's scientific advisors have significant expertise in identifying and developing multiple therapeutic drugs, including those for respiratory diseases.	**Section 4.1 and Section 4.2**

1.3 Board of Directors

Topic	Summary	More Information
Who are the Directors of AdAlta?	**Paul MacLeman**, Non-Executive Chairman • Managing Director of ASX listed IDT Australia Ltd • Founded biologics companies • Experienced executive of ASX listed companies **Samantha Cobb**, Managing Director / CEO • Founding CEO of AdAlta Limited • Extensive experience in raising equity, contract and grant funding • 15 years of commercialisation and management experience **James Williams**, Non-Executive Director • Founder and investment director of Yuuwa Capital LP • Founder of iCeutica Inc and Dimerix Limited • Director of several Australian biotech and agritech companies • Multiple FDA, CE Mark and TGA approvals **Elizabeth McCall**, Non-Executive Director • Founder and investment Director of Yuuwa Capital LP • Founder of iCeutica Inc and Dimerix Limited • Director of several Australian biotech companies • Multiple regulatory approvals **John Chiplin**, Non-Executive Director • CEO of investment company NewStar Ventures • Managing Director of acquired antibody company, Arana Therapeutics	**Section 4.1**

1.4 Summary of Key Risks

Topic	Summary	More Information
Clinical trial risk in development of lead candidate	Drug development involves multiple clinical trials, which can be expensive, time consuming and may be delayed or fail. Clinical trial success can be impacted by a number of factors and there is no guarantee that any future trials will demonstrate the success of the Company's products. Failure or material delay at any point of the clinical trial process will reduce the Company's ability to commercialise its intellectual property and generate revenues.	**Section 5.2 a)**
Insufficient funding	AdAlta will not have sufficient capital from the Offer to progress through to marketing approval. The Company will either have to raise additional capital or rely on securing a commercial transaction to further its development programs. The Company's ability to raise further capital (equity or debt) or secure a commercial transaction within an acceptable time, or a sufficient amount, and on terms acceptable to it will vary according to a number of factors. No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised.	**Section 5.2 b)**
Risk of manufacturing	AdAlta's products have not yet been produced on a commercial scale. If AdAlta is unable to manufacture products in sufficient quantities or at an appropriate cost level, it may not be able to conduct appropriate clinical tests, which may adversely impact clinical trials. Further it may be unable to produce the products at a price point which is profitable in the context of commercial sales of the product. The Company's ability to implement its business plan would be significantly hindered by this failure and the Company may be unable to generate a profit, even if its drug development activity is successful.	**Section 5.2 c)**

Protection of intellectual property	The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Even if the Company succeeds in obtaining patent protection for its lead candidate, platform and subsequent products, its patents could be partially or wholly invalidated following challenges by third parties.	**Section 5.2 d)**
Costs of development program	The development program the Company proposes to undertake relies on numerous work items, the cost of which cannot be confirmed until the item is requested. There is a risk that the development program may cost more than budgeted and as a result the Company will need additional funds to complete its development program, which may be delayed or halted until such funds are raised.	**Section 5.2 e)**
Australian Government R&D incentives may change	Funding of the Company's development program includes the receipt of Australian Government R&D tax refunds. If the R&D tax incentive program or the status of the Company or its connected entities is changed in a manner which adversely affects the amount or timing of funds available, the Company may need additional funds to complete its development program, which may be delayed or halted until such funds are raised.	**Section 5.2 f)**
Regulator risk	Before the Company can market and sell its products, it must obtain necessary approvals from market regulators. Such approval may take longer than anticipated, require additional trials or may not be provided at all. As a result, the Company may need additional funds to clear the regulatory pathway and the Company's development program may be delayed or halted until such funds are raised.	**Section 5.2 g)**
Product liability risk	The process of securing marketing approval of a new product is cost and time consuming, and if the Company decides to develop its lead candidate and take it to market itself (rather than out-licensing it), the future sales of product will expose the Company to product liability risks which may not be able to be addressed by insurance. As a result, product liability claims may cause the Company to suffer significant liabilities as well as damage the Company's reputation.	**Section 5.2 h)**
Key personnel risk	Due to the specialised nature of the Company's business, its ability to commercialise its products and maintain its research program will depend in part on its ability to attract and retain suitably qualified management, scientists, research personnel and consultants. The Company also faces competition to employ and retain the services of such individuals. The loss of key scientific and management personnel and their associated corporate knowledge could have a detrimental impact on the Company and this may adversely affect the Company by impeding the achievement of its research, product development and commercialisation objectives.	**Section 5.2 i)**
Third party provider risk	The Company will conduct much of its development activities through contracts with third parties. All contracts, including those entered into by AdAlta, carry a risk that the respective parties will not adequately or fully comply with their respective contractual obligations, or that these contractual relationships may be terminated. This may adversely impact the Company by impeding the achievement of its research, product development and commercialisation objectives.	**Section 5.2 j)**
Currency risk	The Company's payment obligations to its manufacturer and for toxicology testing are expected to be in foreign currency. If there are adverse currency fluctuations against the Australian dollar, there is a risk that the relevant work items in the proposed development program may cost more than that budgeted for and as a result the Company may need to obtain additional funds to complete the program. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised.	**Section 5.2 k)**
Competition	There are a number of drugs being developed for the treatment of IPF as well as other novel biological antibody like platforms. The Company's potential competitors include companies with substantially greater resources and access to more markets. One or more competitors may introduce a new technology enabling it to gain a significant competitive advantage over the Company. This would hinder the Company's ability to implement its business plan successfully, even if its drug development activity is successful.	**Section 5.2 l)**

Healthcare insurers and reimbursement	The uptake of the Company's products will be influenced by the availability and amounts of reimbursement of patients' medical expenses by third party payer organisations. There is no assurance that reimbursement of any products or services developed and commercialised by the Company will be available to patients at all or without substantial delay. Even if such reimbursement is provided, the approved reimbursement amounts may not be sufficient to enable the Company to sell products developed on a profitable basis.	**Section 5.2 m)**
Limited history in drug development	The Company has limited history in drug development. Accordingly, AdAlta cannot guarantee that its programs will result in the development of any products, or even if it does that the products will be approved or commercialized successfully. The Company's ability to generate revenues or profits may therefore be adversely affected by this lack of experience.	**Section 5.2 n)**
Reputational risk	Reputational damage could arise due to a number of circumstances. Any reputation damage or negative publicity around AdAlta or its products could adversely impact AdAlta's business by preventing it from attracting and retaining high calibre professionals, reducing its attractiveness to licensing partners and adversely impacting on its ability to raise funds in the broader market.	**Section 5.2 o)**
Concentration of shareholding	Following completion of the Offer, the Company will have a major Shareholder, Yuuwa Capital LP, which will result in a position that could exert significant influence over the outcome of matters relating to AdAlta. The sale of Shares in the future by Yuuwa Capital LP could adversely affect the market price of the Shares. The concentration of ownership may affect the liquidity of Shares on ASX and contribute to a perception that the ownership structure is not conducive to a corporate control transaction.	**Section 5.2 p)**
Industry wide risks	There are a range of other industry wide risks, which may impact on the Company. These may include but are not limited to inherent risks in drug development, regulatory and infringement of intellectual property.	**Section 5.3**

1.5 Use of funds raised

Topic	Summary	More Information
What is the proposed use of proceeds of the Offer?	The Offer seeks to raise $8,000,000 (before costs of the Offer). The Directors may accept subscriptions of up to a further $2,000,000 to raise a maximum of $10,000,000 (before costs of the Offer). The table below sets out the proposed use of funds raised from the Offer. The amounts and timing of the actual expenditure may vary. The Company reserves the right to re-deploy capital to other uses.	**Section 6.1 and 6.3**

Use of Funds Raised	Minimum Subscription Amount $,000	Maximum Subscription Amount $,000
Lead fibrosis drug candidate		
Manufacturing	2,700	2,700
Toxicology studies	2,000	2,000
Clinical Studies	1,500	2,250
Indication expansion	250	250
Other i-body drug discovery and development	493	1,621
Corporate – Working capital[1]	500	500
Cost of the Offer	557	679
Total Expenditure	**8,000**	**10,000**

[1] The Company also expects to receive an Australian Commonwealth Research & Development (R&D) Tax Incentive, which provides eligible companies a 43.5 per cent refundable cash offset for eligible research and development expenditure by the Company.

Is there a minimum subscription?	The minimum subscription under the Offer is 32,000,000 Shares to raise $8,000,000. The Company will not issue or allot any Shares under the Offer unless the minimum subscription has been received. In the event the minimum subscription has not been raised within 4 months of the Prospectus Date, the Company will deal with Applications in accordance with the Corporations Act.	**Section 6.8**

1.6 Significant interests of key persons and other parties connected with AdAlta or the Offer

<table>
<tr><th>Topic</th><th>Summary</th><th>More Information</th></tr>
<tr><td>Who are the existing Securityholders and what will their interest in the Company be immediately following Completion?</td><td>
<table>
<tr><th rowspan="2">Shareholder</th><th colspan="2">Based on Minimum Subscription</th><th colspan="2">Based on Maximum Subscription being accepted</th></tr>
<tr><th>Shares</th><th>%</th><th>Shares</th><th>%</th></tr>
<tr><td>Yuuwa Capital LP[1]</td><td>54,059,848</td><td>58.76%</td><td>54,059,848</td><td>54.06%</td></tr>
<tr><td>Citycastle Pty Ltd</td><td>4,311,856</td><td>4.69%</td><td>4,311,856</td><td>4.31%</td></tr>
<tr><td>La Trobe University</td><td>3,041,330</td><td>3.31%</td><td>3,041,330</td><td>3.04%</td></tr>
<tr><td>Other</td><td>10,986,982</td><td>11.94%</td><td>10,986,982</td><td>10.99%</td></tr>
</table>
1. Yuuwa Capital LP holdings includes an additional cornerstone commitment to subscribe for 12,400,000 Shares under the Offer subject to the terms and conditions of this Prospectus.
</td><td>Section 11.3</td></tr>
<tr><td>What are the interests of Directors in the securities of the Company?</td><td>
The interest of each of the Directors in the securities of AdAlta immediately following Completion (assuming no Directors participate in the Offer) is set out in the table below:
<table>
<tr><th>Director</th><th>Shares*</th><th>Options under ESOP</th></tr>
<tr><td>Paul MacLeman[1]</td><td>73,273</td><td>366,363</td></tr>
<tr><td>Samantha Cobb</td><td>653,092</td><td>790,751</td></tr>
<tr><td>John Chiplin</td><td>561,756</td><td>249,127</td></tr>
<tr><td>James Williams[2]</td><td>54,059,848</td><td>-</td></tr>
<tr><td>Elizabeth McCall[2]</td><td>54,059,848</td><td>-</td></tr>
</table>
* Share numbers are post the Preference Share and Convertible Note conversion detailed in Section 11.2.
1. Paul MacLeman's interest in Shares is held directly through Dalroar Pty Ltd ATF MacLeman Investment Trust.
2. Interests are held indirectly through Yuuwa Capital LP, the general partner of which is Yuuwa Capital Management Pty Ltd, of which James Williams and Elizabeth McCall are directors and shareholders. These interests include 12,400,000 Shares that Yuuwa Capital has committed to subscribe for pursuant to the Offer.
Directors are entitled to remuneration and other benefits as described in Section 4.4
</td><td>Section 4.3 b)</td></tr>
<tr><td>Who are the existing substantial Securityholders of the Company?</td><td>
Yuuwa Capital LP is the only existing Securityholder that will have an interest in 5% or more of the issued Shares in the Company upon listing:
<table>
<tr><td>Percentage interest in Shares immediately following the Offer (Minimum Subscription) (%)</td><td>58.76</td></tr>
<tr><td>Percentage interest in Shares immediately following the Offer (Maximum Subscription) (%)</td><td>54.06</td></tr>
</table>
</td><td>Section 11.3</td></tr>
<tr><td>Will any Shares be subject to restrictions on disposal following Completion?</td><td>
As a condition of Listing, it is expected ASX will classify certain Shares of Existing Securityholders as restricted securities and will be required to be held in escrow for a period of 24 months from the date of Listing, except for Citycastle Pty Ltd, which will be subject to an escrow period of 12 months from Listing.
The ASX escrow arrangements are expected to result in 23,574,258 Shares, approximately 25.62% of the Shares immediately following Completion (assuming the Minimum Subscription is achieved pursuant to the Offer) being subject ASX imposed. Certain Directors also hold 543,761 Options which are expected to be subject to ASX imposed escrow.
In addition Yuuwa Capital LP, Citycastle Pty Ltd and La Trobe University have each entered into a voluntary escrow deed under which they have undertaken to the Company, amongst other things, not to dispose of any interest in or grant any security over any of their Shares, which are not subject to ASX imposed escrow, for a period of 6 months after Listing being 26,354,040 Shares, approximately 28.65% of the Shares immediately following Completion (assuming the Minimum Subscription is achieved) being subject to escrow.
</td><td>Section 11.5</td></tr>
</table>

1.7 Overview of the Offer

Topic	Summary	More Information
What is the Offer?	The Offer is an initial public offering of up to 32,000,000 Shares in AdAlta at an issue price of $0.25 each to raise up to $8,000,000 (before costs and expenses of the Offer). The Directors may accept subscriptions of up to a further 8,000,000 Shares to raise a maximum of $10,000,000 (before costs and expenses of the Offer). The Shares being offered will represent 35% of the total shares in AdAlta on issue following Listing (assuming the Minimum Subscription under the Offer is achieved). The Shares being offered will represent 40% of the total shares in AdAlta on issue following Listing (assuming the Maximum Subscription under the Offer is achieved).	**Section 6**
Who can apply for Shares under the Offer?	The Offer is open to Applicants resident in Australia. All Applicants under the Offer must have an eligible residential address or, in the case of a corporate applicant, registered office address, in Australia.	**Section 6.12**
Is the Offer underwritten?	The Offer is not underwritten, however the Company has secured a cornerstone commitment from Yuuwa Capital LP to subscribe $3,100,000 to the Offer subject to the terms and conditions of this Prospectus.	**Section 6.1**
Who is the Lead Manager?	Patersons Securities Limited has been appointed as the Lead Manager to the Offer.	**Section 10 a)**
Will the Shares be listed?	AdAlta will apply to ASX within seven days of the Prospectus Date, for its Listing and quotation of the Shares on the ASX (which is expected to be under the code "AAB"). Completion is conditional on ASX approving this Application. If ASX does not admit the Shares to quotation within three months of the Prospectus Date, Applications will be dealt with under the Corporations Act.	**Section 6.7**
How many Shares will be on issue after Listing?	The Company will have 92,000,016 Shares on issue (assuming the Minimum Subscription is achieved pursuant to the Offer). The Company will have 100,000,016 Shares on issue (assuming the Maximum Subscription is achieved pursuant to the Offer).	**Section 11.3**
What is the allocation policy?	The allocation of Shares under the Offer will be determined by the Lead Manager in consultation with AdAlta.	**Section 6.6**
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.	**Section 6.14**
What are the tax implications of investing in the Shares?	An overview of the tax treatment for Australian resident investors is included in Section 11.16. The tax consequences of any investment in Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	**Section 11.16**
How can I apply?	Applicants may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus in accordance with the instructions set out in the Application Form. Completed Application Forms and accompanying payment must be lodged before 5pm AEST on the Closing Date. **By mail to:** AdAlta Limited IPO c/- Automic Registry Services PO Box 2226 Strawberry Hills, NSW, 2012 **By hand delivery to:** AdAlta Limited IPO c/- Automic Registry Services Suite 310, Level 3, 50 Holt Street Surry Hills, NSW, 2010	**Section 6.5**

How to pay by cheque	The Application Amount may be provided by cheque(s) or bank draft(s). Cheque(s) or bank draft(s) must be: • in Australian currency; • drawn on an Australian branch of a financial institution; • crossed "Not Negotiable"; and • made payable to "AdAlta Limited IPO".	**Section 6.5**
How to pay by EFT	Applicants may pay their Application Amount by Electronic Funds Transfer (EFT). Applicants wishing to pay by EFT should contact the Share Registry, Automic Registry Services, for details on 1300 288 664 or +61 2 9698 5414 between 9:00am AEST and 5:00pm AEST or by email at info@automic.com.au.	**Section 6.5**
Is there a minimum Application of size under the Offer?	The minimum application under the Offer is 8,000 Shares and thereafter in multiples of 2,000 Shares. Payment for the Shares must be made in full at the issue prices of $0.25 per Share. The Lead Manager and AdAlta reserve the right to reject any Application or to allocate a lesser number of Shares than applied for. There is no maximum value of Shares that may be applied for under the Offer.	**Section 6.5 and Section 6.8**
When will the Shares be allotted?	Subject to ASX granting conditional approval for quotation on the ASX, the Shares to be issued pursuant to the Offer will be allotted as soon as practicable after the Closing Date.	**Section 6.6**
When will I receive confirmation that my Application has been successful?	It is expected that the initial holding statements will be dispatched by standard post on or about 18 August 2016.	**Section 6.9**
When can I sell my Shares on ASX?	It is expected that Shares will commence trading on the ASX on a normal settlement basis on 22 August 2016. It is the responsibility of each Applicant to confirm their holding before trading its Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.	**Section 6.10**
Can the Offer be withdrawn?	AdAlta reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer does not proceed, Application Monies will be refunded, without interest, as soon as practicable in accordance with the requirements of the Corporations Act.	**Section 6.11 and 6.15**
Where can I find out more information about this Prospectus or Offer?	All enquiries in relation to this Prospectus should be directed to the Share Registry, Automic Registry Services, on 1300 288 664 or +61 2 9698 5414 or by email at info@automic.com.au. If you are unclear on any matter in relation to this Prospectus or are uncertain as to whether AdAlta is a suitable investment for you, you should seek professional guidance from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest.	**Section 6.16**

2. COMPANY OVERVIEW

2.1 Introduction

AdAlta Limited intends to develop a first-in class treatment for idiopathic pulmonary fibrosis (IPF) and other fibrotic diseases. The Company is based in Melbourne, Australia.

AdAlta intends to undertake manufacturing scale up of its lead drug candidate AD-114, to commence clinical trials for the treatment of IPF and other human fibrotic diseases, for which current therapies are sub-optimal and there is a high unmet medical need.

The Company's proprietary technology platform generates a new class of protein therapeutics known as i-bodies, which the Company believes have the potential to be used as drugs to treat a range of diseases.

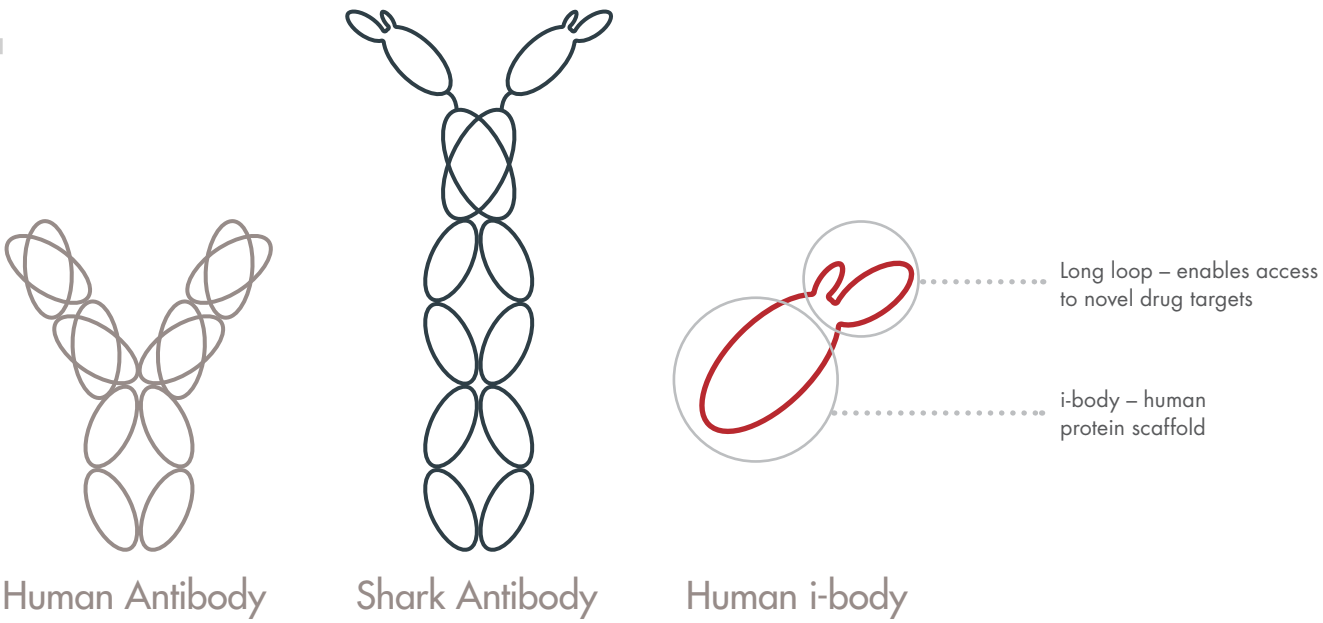
The Company also plans to continue further drug discovery research and development directed towards other drug targets and diseases using its i-body technology platform.

2.2 i-body drug discovery technology platform

AdAlta's i-body platform generates proteins that mimic the shape of shark antibodies and engineers their key stability features into human proteins to create unique compounds. The i-body has a long binding loop that is a feature of shark antibodies that is not present in human antibodies or other next generation antibodies. This long loop provides the ability to access unique regions of a target.

i-bodies have exceptional targeting and antigen binding properties, similar to a human monoclonal antibody. This allows binding to other molecules and/or antigens, including disease targets, to produce a therapeutic effect. Importantly, the i-body is a human protein, and AdAlta believes the body's immune system should not recognise it as foreign when administered as a therapeutic intervention.

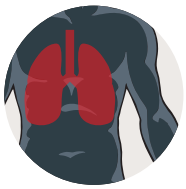
i-bodies offer a new and potentially more effective approach to the treatment of a wide range of human diseases.



2.3 Fibrosis overview

Fibrosis can occur in many tissues of the body as a result of inflammation or damage. As a result, collagen build up occurs which can result in scarring of vital organs such as the lung, liver, skin, eye heart and kidney leading to irreparable damage and eventual organ failure. It has been estimated that fibrosis can be attributed to 45% of all deaths in the developed world and this condition represents a large unmet clinical need.

There is no clinically satisfactory therapeutic approach to fibrosis. Further information on the fibrosis market and potential competitors is detailed in Section 3.



Lung Fibrosis (Idiopathic Pulmonary Fibrosis)

IPF is a chronic and ultimately fatal disease, where tissue deep in the lungs becomes scarred over time, resulting in a progressive decline in lung function and shortness of breath.

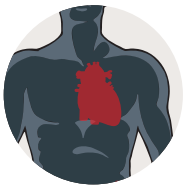
There is currently no cure for IPF with most people living an average 3 to 5 years after diagnosis. The rate at which the disease progresses is highly variable, with some patients remaining stable for several years while others may deteriorate rapidly, however 50% of sufferers die within 2 to 3 years after diagnosis.

Eye Fibrosis

Infection or inflammation of the eye results in impairment of visual function and can ultimately lead to fibrosis. Eye fibrosis diseases include diabetic retinopathy and age related macular degeneration (AMD).

Kidney Fibrosis

Kidney fibrosis may be caused when the kidneys stop working and eventually transplantation is required. Fibrosis may occur at any stage from the onset of chronic kidney disease (CKD) to end-stage renal disease (ESRD).



Heart Fibrosis

Cardiac fibrosis causes the thickening and loss of flexibility in the heart muscle, due to deposition of collagen, which eventually may lead to heart failure.

Liver Fibrosis

Liver fibrosis is a major global problem and is common with people who are overweight or obese or have diabetes. Major causes of liver fibrosis are chronic hepatitis B virus (HBV) and hepatitis C virus (HCV) infection along with the metabolic disorders non-alcoholic fatty liver disease (NAFLD) and non-alcoholic steatohepatitis (NASH).

Skin Fibrosis

Scarring is a result of an imbalance in the production of collagen in a healing wound. Scarring may continue to thicken for up to six months or may overgrow the site of the wound, even after the wound has healed.

2.4 Lead fibrosis therapeutic AD-114

The AD-114 drug candidate has demonstrated significant anti-fibrotic and anti-inflammatory activity demonstrated in human tissue and multiple animal models. Pre-clinical comparisons to existing drugs show that AD-114 operates through a different mechanism and is more effective.

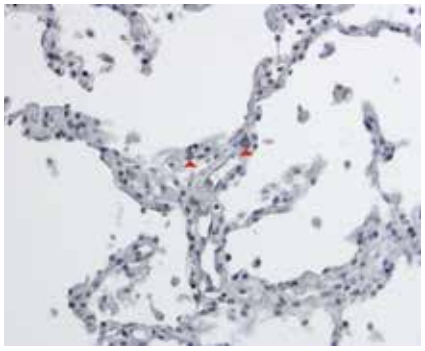
Pre-clinical studies have shown AD-114:

- **has specificity for diseased human tissue** with effects only shown on IPF tissue and no effects displayed on normal lung tissue nor any evidence of off target effects;
- **is more effective than existing IPF approved drugs** showing greater *in vitro* efficacy compared to the only approved therapies Nintedanib and Pirfenidone;
- **demonstrates both anti-fibrotic and anti-inflammatory effects** in multiple animal models; and
- **is a novel mechanism of action** for fibrosis making AD-114 a potential "first in class" therapy.

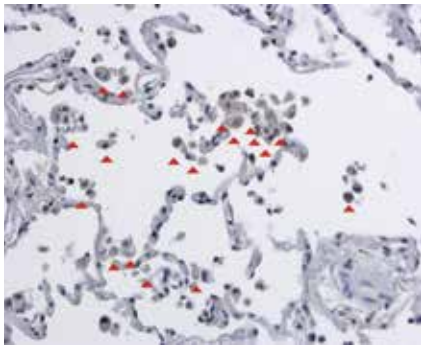
Specificity for diseased human tissue

AdAlta has shown that AD-114 specifically binds to diseased lung. Illustrated in Figure 1A, there is little binding of AD-114 versus binding of AD-114 to the diseased lung in Figure 1B.

Figure 1. Images of normal and fibrotic lung



A. Normal lung tissue



B. IPF diseased human lung tissue

The red arrows above indicate binding of AD-114 to IPF diseased human lung with limited binding to normal lung tissue. These studies confirm the significant binding of the i-body to diseased tissue.

More effective than existing IPF approved drugs

Two drugs, Pirfenidone and Nintedanib, have been approved in key jurisdictions including US, Europe and Australia for treatment of IPF. Both drugs have limited efficacy in individual patients, either having no effect or only slowing down the disease progression.

Using human IPF fibroblasts, specific cells involved in driving fibrosis, AdAlta compared AD-114 with Pirfenidone and Nintedanib, to evaluate their effect on the migration of fibroblasts. Studying migration of fibroblasts is important as it is the migration of these cells that cause fibrosis damage in the lung.

Table 1 summarises the outcomes of the study showing that AD-114 prevented the migration of fibroblasts from IPF patients but had no effect on migration with normal lung fibroblasts. The migration assay did not demonstrate any positive results for Pirfenidone. Studies showed AD-114 had a similar activity to Nintedanib with IPF tissue, however unlike Nintedanib, AD-114 did not affect migration of fibroblasts from normal tissue.

Table 1. Summary of fibroblast migration studies in human lung tissue

	Migration Assay Results	
Test Agent	**No effect on normal fibroblasts**	**Inhibition of IPF progressor fibroblasts**
i-body AD-114	✓	✓
Nintedanib (Boehringer)	×	✓
Pirfenidone (Roche)	✓	×

The AD-114 fibroblast studies in human IPF tissue were completed by Professor Cory Hogaboam, a Professor of Medicine at Cedars Sinai Medical Centre in the US. Professor Hogaboam is a world leader in the discovery of mechanisms driving lung diseases including pulmonary fibrosis and has worked with many pharmaceutical and biotechnology companies.

These studies confirm the specificity of the i-body in diseased tissue and also confirm AD-114 is more effective than existing IPF drugs.

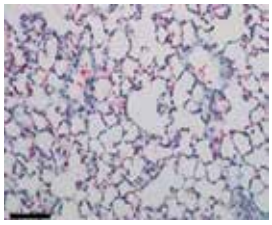
Demonstration in multiple animal models

Bleomycin mouse lung fibrosis model

AdAlta has completed AD-114 studies in the Bleomycin mouse model, a standard animal disease model used for the assessment of drug candidates for the treatment of pulmonary fibrosis. Migrating fibroblasts lead to collagen accumulating in the lung which causes the lung to stiffen and results in the progression of pulmonary fibrosis. In this mouse model lung tissue samples are evaluated for collagen content using the Masson Trichrome Stain (which stains blue) and images are analysed as per Figure 2.

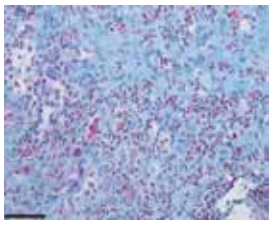
Figure 2. Results from Bleomycin IPF mouse study

(Study size = 8 per group and pictures are representative of each group)



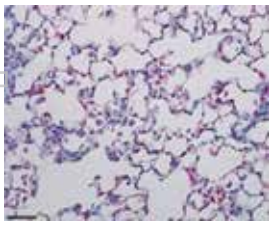
A. Normal lung tissue

This picture of a normal healthy lung has been stained to show collagen which appears in blue. Compared to Figure 2B there is little blue staining.



B. IPF diseased lung tissue

This picture shows the mouse lung after treatment with Bleomycin, a toxin that is used to simulate the effects of IPF in this model. The Bleomycin is administered at day 0 and at 21 days post administration the lung tissue collagen content is analysed. The Bleomycin treated mouse lung shows extensive collagen deposition (blue staining) typical of fibrosis.



C. IPF disease lung tissue treated with AD-114

This picture shows the lungs of a mouse given Bleomycin and then treated with AD-114 daily for 21 days. The lungs were observed to have a similar architecture to that of the normal lung. AD-114 decreased the total collagen content in the lungs demonstrating the anti-fibrotic effect of the i-body *in vivo*. It shows very little collagen staining similar to the normal lung tissue as in Figure 2A.

This data demonstrates that AD-114 has anti-fibrotic effects reducing collagen deposition in the lungs.

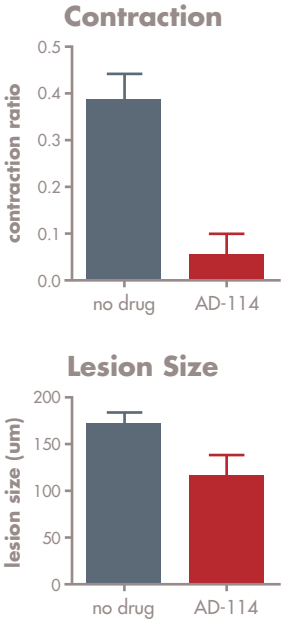
AdAlta evaluated other end-points in the Bleomycin mouse studies, including Ashcroft scale (a standardized quantification of pulmonary fibrosis in histological samples), body weights and fibrocyte entry to the lung, another type of cell that causes fibrosis-associated damage. AD-114 improved all outcomes.

Chorodial Neovascularization (CNC) mouse eye fibrosis model

In the Chorodial Neovascularization (CNV) fibrosis model of the eye, AdAlta has also shown that AD-114 has anti-fibrotic effects. In this model, laser treatment of the mouse eye induces growth of blood vessels and subsequent scarring and is associated with increased expression of a range of fibrosis-associated genes. In this model, a single intravitreal (IVT) injection of AD-114 reduced damage, as measured by both the contraction of the retina and the lesion size, caused by laser induced retinal scarring (see Figure 3). In addition AD-114 reduced gene expression of a number of fibrosis-related genes compared to the lasered eye with no AD-114 treatment.

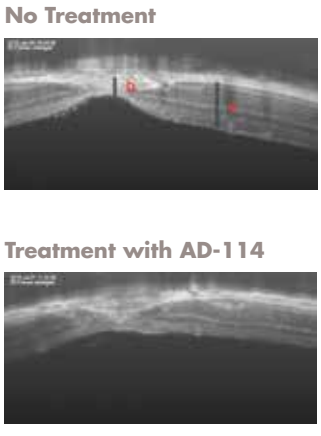
Figure 3. CNV fibrosis model of the eye

(Study size = 10 per group and charts A and B are averages of all samples, while the pictures are representative of each group)



A. Measurement of contraction and lesion of the retina

Single IVT injection of AD-114 to a lasered rodent eye reduced retinal contraction and reduced retinal lesion size.



B. Eye with CNV laser with and without AD-114 treatment

The top picture is representative of a CNV mouse eye retina after laser treatment. Point "b" marks where the laser lesion occurs in contrast to point "a" which is the normal retina. The bottom picture is representative of a CNV mouse eye retina after laser treatment and treatment with AD-114. The impact of the laser lesion is markedly reduced.

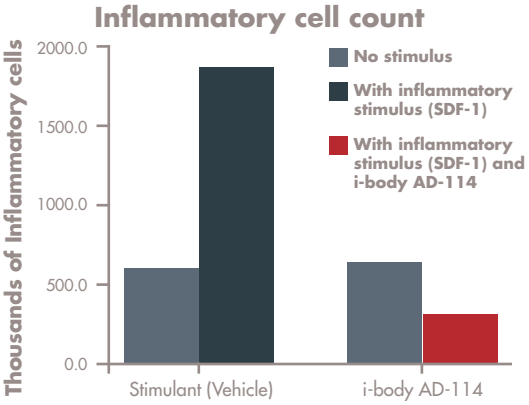
This data shows that AD-114 is anti-fibrotic and supports the further development of AD-114 as a potential novel anti-fibrotic agent in treating fibrosis of the eye.

Anti-inflammatory mouse model

AD-114 has also been evaluated for its anti-inflammatory activity. Anti-inflammatory activity is important for preventing fibrosis.

Figure 4 shows that AD-114 has a reduction in inflammatory cell count in a mouse model of inflammation.

Figure 4. Anti-Inflammatory Air Pouch Mouse Model



Source: Griffiths et al, Journal of Biological Chemistry, April 2016

In this model, an inflammatory stimulant known as SDF-1 is added to an air-pouch created on the back of a mouse. When the stimulant is added to the air-pouch, there is a dramatic increase in the amount of inflammatory cells counted in the air-pouch shown in the black column. When a single dose of AD-114 is injected into the mouse, AD-114 blocks migration of the inflammatory cells to the air-pouch, indicated in red. This study was completed with 5 mice per group.

Novel mechanism of action

Independent studies *(Moeller et al, American Journal of Respiratory and Critical Care Medicine, Vol 179, 2009)* have shown that chemokine receptor type 4 (CXCR4) positive cells (fibrocytes) are significantly elevated in stable IPF patients and an independent predictor of early mortality, where patients with more than 5% fibrocytes had on average 7.5 months to live compared to patients with less than 5% fibrocytes who had on average 27 months to live.

AD-114 has been shown to specifically bind to the G protein-coupled receptor, CXCR4. This data has been peer reviewed and published in the Journal of Biological Chemistry (April 2016).

CXCR4 is a novel disease target pathway in IPF and AD-114 would be a "first in class" drug for treatment for this "orphan disease" indication. Drugs are recognised by industry participants as "first in class" when, for example, they use a new and unique mechanism of action for treating a medical condition. Orphan diseases affect 200,000 or fewer Americans and often have few or no drug treatment options. Both classifications offer the potential to positively impact speed to approval, in that the majority of these drugs meet an unmet clinical need.

Dr Cory Hogaboam's (Professor of Medicine at Cedars Sinai Medical Centre in the US) analysis of AdAlta's AD-114 i-body has lead him to conclude:

"AdAlta's novel approach would be a first-in-class therapy for CXCR4 and AdAlta's data to date provides a compelling case for treating IPF.

Quite simply, I am very impressed with the specificity of AdAlta's anti-CXCR4 i-bodies in these assays. We had previously used CXCR4 antagonist Mozobil/AMD3100 and Pirfenidone, and saw little effect with these drugs on human IPF fibroblasts. In contrast, the AdAlta i-bodies were able to inhibit the activation of fibroblasts in in vitro assays from various patients with IPF.

Equally of note, the AdAlta i-bodies to CXCR4 appear to hit the sweet spot for a potential therapy for IPF, inhibiting fibroblast activation of IPF fibroblasts but importantly not normal fibroblasts unlike the existing drug Nintedanib which effects the migration of all fibroblasts regardless of source."

The Company has entered into a research contract with Cedars Sinai Medical Centre in relation to the evaluation of the lead i-body candidate AD-114 as described in Section 10(c).

2.5 AD-114 development program

AdAlta will focus on the clinical development of AD-114 demonstrating its safety and clinical efficacy. The development program is described below.

MANUFACTURING: AD-114 will be manufactured by a third party. AdAlta plans to produce the lead i-body drug candidate to provide materials for toxicology studies and for human clinical trials (see Section 6.3).

TOXICOLOGY: AD-114 will undergo a variety of standard toxicology studies in two animal models which are required before human clinical trials (see Section 6.3).

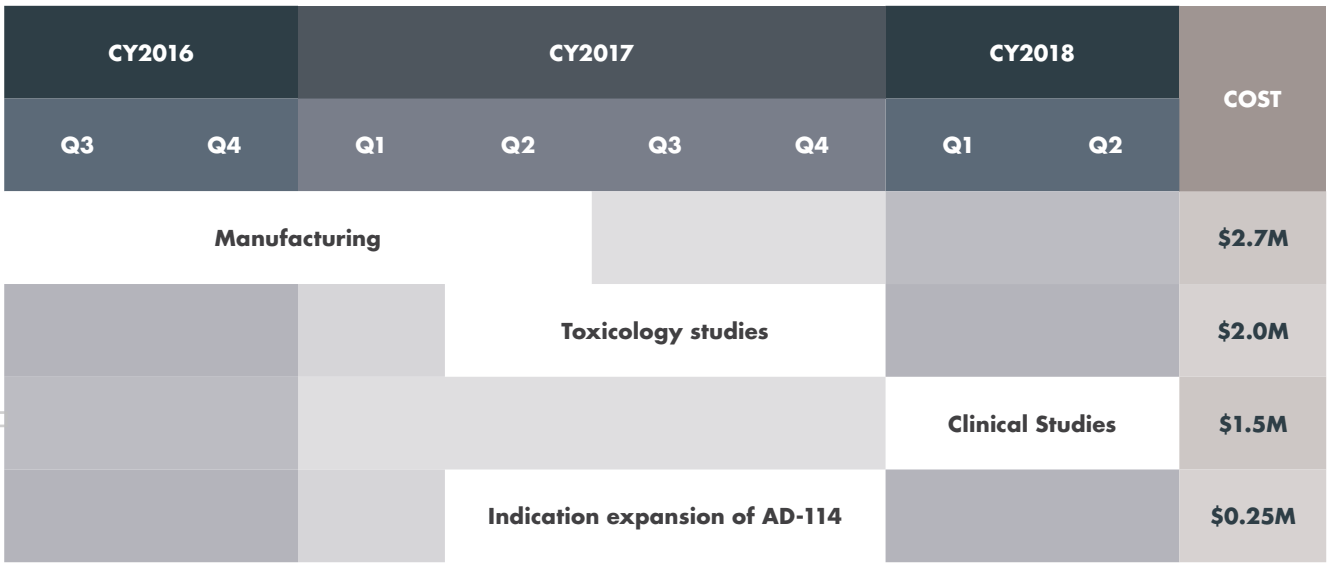
HUMAN SAFETY AND EFFICACY CLINCIAL STUDIES: Safety trials will comprise safety and dosage testing in human volunteers. Levels of AD-114 in the blood will be measured and any adverse effects will be noted. Preliminary efficacy studies will be completed on patients with IPF (see Section 6.3).

ORPHAN DESIGNATION & IND APPLICATION: AD-114 targets potential orphan indications associated with fibrosis, including IPF. Some major jurisdictions provide a regulatory pathway that is directed at encouraging or supporting development of drugs for orphan indications. This process can reduce clinical trial costs due to support in developing clinical trial protocols and/or reduced patient recruitment and shorter trial periods, grants to subsidise clinical trial costs and enhanced patent protection and marketing rights through expanded market exclusivity periods for drugs approved under these programs. AdAlta will apply for orphan drug designation in the US and European regions and then make an IND application with the required data.

AD-114 INDICATION EXPANSION: To date the Company has assessed AD-114 in models of lung and eye fibrosis. AdAlta will also assess AD-114 in other fibrosis indications in order to provide additional therapeutic areas to expand the Company's pipeline and support opportunities for engagement with mid- to large- size pharmaceutical companies for partnering and licensing of the lead candidate.

AdAlta has been awarded a $366,300 National Health and Medical Research (NHMRC) Development Grant from the Australian Government, in collaboration with The University of Melbourne, The Centre for Eye Research Australia, Monash University and La Trobe University to assess AD-114 for treatment in a number of fibrosis related eye diseases. This grant will support the pre-clinical development of the eye fibrosis indication. A successful outcome from this program will trigger the potential to progress development of AD-114 in a second important area of clinical need.

A summary of the key steps in the development of i-body lead drug fibrosis candidate AD-114, and related costs, are detailed below.



2.6 Key advantages of i-bodies

AdAlta believes i-bodies have advantages compared to existing antibodies and small molecule drugs.

i-bodies are about 10% the size of a typical human antibody, and unlike human antibodies, i-bodies are highly stable to proteases, high temperatures and low pH.

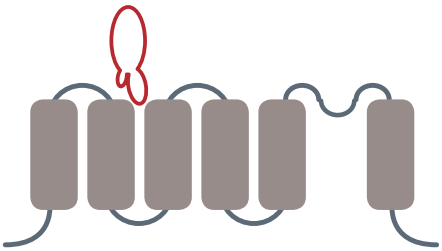
Their small size and exceptional stability means i-bodies can serve as building blocks to engineer therapeutics with tailored pharmacokinetic properties.

AdAlta can tailor i-body products in a variety of formats including mono-specific and bi-specifics as well as i-body drug conjugates (IDCs). This flexibility is beneficial for developing alternative therapeutic products.

The small physical size and stability provides advantages for tissue penetration as well as the ability to be administered by alternative routes e.g. oral, inhalation and topical.

Because the i-body is not a small molecule, it will not cross cell membranes. With the high specificity of an antibody, the i-body also minimizes the potential for off target side effects that can arise with small molecule drugs.

The long binding loop of the i-body enables them to recognise and bind to a diverse range of different therapeutically-relevant drug targets, including those that are difficult to access by current antibody therapies. These include clinically important targets such as G-protein coupled receptors (GPCRs) and ion channels. To date no antibody-based therapeutics targeting GPCRs or ion channels have been approved by the United States Food and Drug Administration (FDA) or by the European Medicines Agency (EMA). This potentially positions AdAlta for multiple first in class treatment opportunities.



GPCRs and ion channels have traditionally been targeted by small molecule drugs, with GPCRs targeted by 30-40% of all marketed drugs. Small molecules can have an increased risk of toxicity and off target side effects due to their lack of specificity. With their high affinity and specificity and long binding loop, the i-body can access GPCRs and ion channels without the off-target side effects common with small molecule drugs.

i-bodies can be manufactured in bacterial systems, a more cost effective and easier method than the types of human cell culture required for conventional monoclonal antibodies. In addition, AdAlta has preliminary data demonstrating that functional i-bodies can be manufactured using peptide synthesis, removing the need for bacterial manufacturing.

2.7 Other i-body drug discovery and development

i-bodies offer a new and potentially more effective approach for the treatment of a wide range of human diseases. AdAlta will use its proprietary i-body technology platform to expand its internal pipeline with novel i-body drug candidates.

The i-body has been developed into proprietary libraries containing over 2 billion unique i-body protein compounds. AdAlta has screened its i-body library against a number of drug targets in the fibrosis therapeutic area as well as inflammatory and cancer therapeutic areas. The Company has identified a number of potential lead candidates, which are focused on the treatment of fibrosis that could be further progressed.

AdAlta will also work with its leading scientific advisors to identify new drug targets that would benefit from the unique features of the i-body platform.

The Company will continue to focus on therapeutic areas and drug targets that capitalise on the competitive advantages of the i-body as compared to small molecules and human antibodies.

AdAlta also intends to investigate the potential for the i-body platform to be partnered or out-licensed to provide a drug discovery tool that will benefit other pharmaceutical and biotechnology companies.

2.8 Business objectives

AdAlta's strategy is to develop its lead i-body drug candidate, AD-114, to show safety and clinical efficacy in fibrosis. Demonstration of the lead i-body drug candidate in the clinic is also expected to increase interest in wider applications of the i-body platform and its unique features of safety and efficacy.

After this development activity, AdAlta intends to license the lead candidate to a pharmaceutical or biotechnology company to generate up-front milestone payments and licensing revenues. In the pharmaceutical sector there have been significant licensing and acquisition deals completed for anti-fibrotic drug candidates in Phase I clinical development.

The i-body platform provides an opportunity for the expansion of the pipeline of i-body drug candidates in multiple therapeutic areas.

The Company plans to maximize the benefits of its i-body platform and i-body libraries through partnerships, while retaining the ability to resource and focus on its own in-house discovery and development activities. Development of additional i-body drug candidates provides potential for additional revenue, including up-front, milestone payments and licensing payments.

2.9 Intellectual property

AdAlta's Directors are not aware of any other company in the world working on the i-body technology platform.

The Company has a portfolio of granted patents that protect the i-body technology platform in key jurisdictions a PCT patent application relating to a novel composition of matter to protect its lead i-body drug candidate AD-114.

AdAlta's intellectual property rights consist of its patent portfolio (outlined in Section 9).

The lead i-body drug candidate for the treatment of fibrosis is protected by patent application 2015900054 first filed 9 January 2015. The complete PCT patent application (PCT/AU2016/050005) was filed 9 January 2016.

The i-body platform is protected by a number of patents which were filed in 2004. Patents protecting the i-body platform have now been granted in Australia, USA, Switzerland, Italy, Germany, France, Great Britain, Denmark, Ireland, Canada and Japan. The Company has an additional application being examined in the USA.

Patent applications for additional i-body products identified by AdAlta will be filed at the appropriate time in their development.

3. MARKET OPPORTUNITY

3.1 Fibrosis market size

Fibrosis is a significant factor leading to death all over the world and it is estimated that fibrosis can be attributed to 45% of all deaths in the developed world.

AdAlta intends to initially target fibrosis in the lung and eye therapeutic segments of the fibrosis market. Additional information on these segments is set out below.

Fibrosis can affect key organs through the following different diseases. Based on published market reports. AdAlta believes each segment represents a multi-billion dollar market opportunity.

Lung Fibrosis: Sales of drugs for the treatment of idiopathic pulmonary fibrosis (IPF) are projected to be approximately US$4.2 billion by 2020.

Eye Fibrosis: Drugs for the treatment of diabetic retinopathy and wet-AMD which both cause eye fibrosis are estimated to be US$10 billion each by 2022 and 2023 respectively.

Liver Fibrosis: Sales of drugs for the treatment of fibrosis caused by nonalcoholic steatohepatitis (NASH) are estimated to be US$1.6 billion by 2020.

Heart Fibrosis: The cardiacmyopathy market, that results in heart fibrosis, is estimated to reach US$1.4 billion by 2023.

Kidney Fibrosis: Chronic kidney disease (CKD) leads to fibrosis and the overall CKD market is estimated to reach US$11.7 billion by 2022.

Skin Fibrosis: Anti-scarring drugs for hypertrophic scarring, burn related scarring, diabetic wounds are all fibrotic conditions of the skin with estimated US market size of US$12 billion.

Lung Fibrosis Opportunity

A specific form of lung fibrosis is Idiopathic pulmonary fibrosis (IPF), which is a chronic and ultimately fatal disease, as described in Section .

IPF is categorized as a rare disease, but still affects an estimated:

- 138,000 people in the United States (US), with about 48,000 new cases being diagnosed annually. In the US 50,000 people die each year from IPF; the same mortality rate as breast cancer;
- 110,000 people in Europe; and
- 5,000 people in Australia.

A significant number of major jurisdictions provide a regulatory pathway that is directed at encouraging or supporting development of drugs to address rare diseases. These policies can include support in developing clinical trial protocols to optimise the drugs clinical development in order to meet regulatory requirements and expanding market exclusivity periods for drugs approved under these programs. Drugs that target these rare diseases are sometimes referred to as 'orphan drugs'.

AdAlta's first clinical focus is to develop AD-114 as a therapy for patients that fall into the rare disease category. This is expected to enable AdAlta to work within the regulatory regimes that are directed at encouraging or supporting development of drugs to address rare diseases.

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

Eye Fibrosis Opportunity

AdAlta expects its subsequent clinical trials to be directed at demonstrating application of its therapy in the larger patient populations with other fibrotic disease, initially eye fibrosis disease where AdAlta already has both pre-clinical data and grant funding to support this program moving forward.

Infections or inflammation in the eye result in impairment of visual function and can ultimately lead to fibrosis. Complications from common eye diseases that can result in fibrosis occur in age related macular degeneration (AMD) and diabetic retinopathy.

AMD is the commonest cause of severe visual impairment in people over the age of 50 years in the developed world. It is estimated that in 2010, there were 1.023 million Australians and 2.07 million Americans with AMD and these figures are expected to double by 2050. In Australia, AMD is the most common cause of blindness contributing to 50% of all blindness.

Diabetic retinopathy is one of the most significant causes of visual loss and a principal cause of impaired vision in patients aged between 25 and 74 years of age in the US. According to the US National Institutes of Health National Eye Institute, it was estimated that there were 7.7 million Americans affected by diabetic retinopathy in 2010.

The numbers of people with these diseases is predicted to increase due to demographic ageing.

Market research estimates that the market size for AMD will be over US$10 billion by 2023 while the market size for diabetic retinopathy will be US$10 billion in 2022.

3.2 Competitors

Lung Fibrosis Competition

There are only two marketed drugs for IPF, which have approvals in the key jurisdictions of US, Europe and Australia for the treatment of IPF, namely Pirfenidone and Nintedanib.

Neither Pirfenidone nor Nintedanib is a cure for IPF, with both drugs slowing the decline in lung function in mild-to-moderate IPF, and patients continuing to deteriorate despite treatment. The adverse effects associated with the therapies include diarrhoea, liver function test abnormalities with Nintedanib and nausea and rash with Pirfenidone. Despite these limitations, due to the absence of alternatives, these drugs are the standard of care.

Pirfenidone was developed by Intermune and acquired by Roche in August 2014 while in Phase III clinical development in the US. With US market approval achieved in 2014, sales of Pirfenidone in 2015 were reported to be US$616M and by 2020 are estimated to be US$2.5 billion. Nintedanib, developed by Boehringer Ingelheim, was also approved in the US in 2014 and is expected to have sales of US$1.7 billion by 2020.

There remains an unmet medical need for improved treatments that halt the progression of IPF.

Candidate drugs in development are targeting various pathways. As of April 2016 there were no drugs reported to be in Phase III trials for IPF. Summary data for earlier stage candidate drugs are set out below based on publicly available information.

Phase I development candidates	
Various Teva Pharmaceutical Industries Ltd (NYSE:TEVA) candidates	Teva has acquired a number of drug candidates with multiple mechanisms of action that are now in Phase I clinical development for IPF including MMIO100 (acquired from Microdose Therapeutics as a pre-clinical asset in June 2013) and SD560 (acquired from Auspex Pharmaceuticals as part of a larger acquisition in May 2015).
Various F. Hoffmann-La Roche AG Candidates (SIX:ROG)	Besides Pirfenidone (acquired from Intermune as described above) Roche has one candidate in Phase I for the treatment of IPF, SDP051 which was recently acquired in the Adherion Therapeutics acquisition (September 2015).
Others in development	These companies are reported to have molecules targeting IPF in Phase I development: • IntelGenx Corp (INT0024) • Immuneworks (IW001) • Celgene Corporation (CC90001) • Pacific Therapeutics (PTL202) • GlaxoSmithKline plc (GSK3008348)

Phase II development candidates	
Fibrogen Inc (NASDAQ:FGEN)	Fibrogen has one product (FG3019) in multiple Phase II studies for treatment of IPF.
Various Bristol-Myers Squibb (NYSE: BMY) candidates	Bristol-Myers Squibb has a number of drug candidates with multiple mechanisms of action that are now in Phase II clinical development for IPF including PRM151 (acquired in August 2015 from Promedior Inc), TD139 (acquired from Galecto Biotech November 2014) and BMS986202 (acquired from Amira Pharmaceuticals in July 2011).
Various Biogen Inc (NASDAQ:BIIB) candidates	Biogen has one candidate in Phase II clinical development for IPF STX100 (acquired in March 2012 from Stromedix).
Others in development	Other companies with drugs in Phase II or the intention to commence Phase II studies include: • Kasiak Research Pvt Ltd • Galapagos NV (GLPG1690) • Afferent Pharmaceuticals Inc (AF219) • Sanofi S.A. (SAR156597) • ProMetic Life Sciences Inc (PB14050) • Therametrics AG (DasKloster 1001) • Kadmon Corporation (KD025)

Source: Compiled from Medtrack report dated April 2016 and company websites

AdAlta's AD-114 represents a unique pathway not currently addressed by approved drugs or those drug candidates in the clinic. AdAlta's drug would be a first in class treatment for IPF. Please refer to Section 2.5 for further details on the mechanism of action.

There is a need for novel treatments that address the unmet medical need not currently addressed by existing drugs.

3.3 Next generation antibody platform opportunity

Since the first antibody-based drug was approved in 1986, more than 50 antibodies have been approved to treat a variety of ailments in multi-billion dollar markets. In 2013, global sales revenue for all monoclonal antibody products was nearly US$75 billion. Based on the current rate of approvals, antibody drug sales are expected to be approximately US$125 billion per annum by 2020.

i-bodies offer a new and potentially more effective approach to the treatment of a wide range of human diseases, with advantages compared to existing antibodies including stability and a long binding loop as described further in Section 2.6.

3.4 Next generation antibody platform competitors

The long binding loop and the human protein scaffold are the two key advantages that differentiate the i-body from alternative single domain proteins, antibodies and other antibody-like scaffolds.

Alternative technologies that have similar features to the i-body, specifically with a long binding loop, are based on the single domain antibodies of sharks (Ossianix) or camels (Ablynx and ArGEN-X).

AdAlta believes its competitive advantage compared to Ossianix, Ablynx and ArGEN-X is that the i-body is a human protein. As a fully human protein, i-body therapeutics will have a lower inherent toxicity or risk of an immune response (immunogenicity). Further information on these competitor companies is detailed below.

Ossianix Inc is a privately held company focused on using the single domain antibody from the shark. Ossianix has a collaboration with H. Lundbeck A/S.

Ablynx NV, (EBR:ABLX) currently has five candidates in the clinic and currently has nine partnerships in place with pharmaceutical and biotechnology companies with its camelid based Nanobody technology. Ablynx has over 40 proprietary and partnered programmes in development in various therapeutic areas including inflammation, haematology, immuno-oncology and respiratory disease. Ablynx has collaborations with multiple pharmaceutical companies including AbbVie Inc, Boehringer Ingelheim GmbH, Eddingpharm Inc, Sanofi-Genzyme, Merck & Co, Inc., Merck KGaA, Novartis International AG, Novo Nordisk and Taisho Pharmaceuticals.

ArGEN-X BV, currently (EBR:ARGX) currently has four candidates in the clinic and four partnerships with pharmaceutical and biotechnology companies with its llama based technology. ArGEN-X has completed partnering deals with RuiYi, AbbVie Inc, Shire Plc, Bayer AG and Leo Pharma A/S.

As each of theses alternative technologies are of non-human origin, the possibility remains that these proteins may be seen as foreign in human patients and this may limit their use.

3.5 Targeting GPCRs opportunity

The long binding loop of the i-body, that is lacking in traditional antibodies, enables i-bodies to recognize and bind to a diverse range of different therapeutically-relevant targets including those that are difficult/intractable to access by current antibody therapies. This includes G-protein coupled receptors (GPCRs) and ion channels.

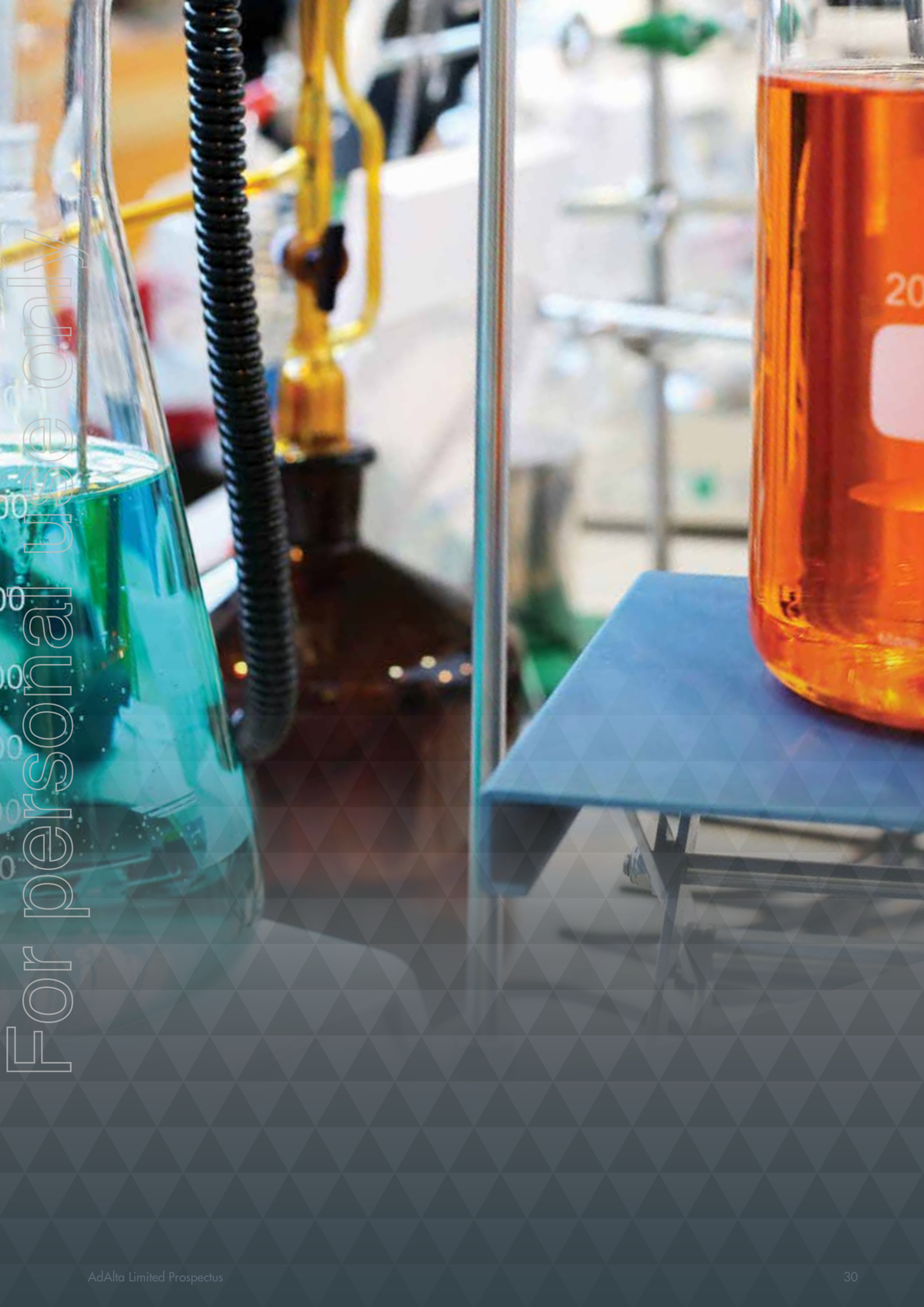
This capability has been demonstrated with our lead i-body drug candidate, AD-114.

3.6 GPCR competitors

Examples of GPCR drug discovery companies include Heptares Therapeutics and Receptos Inc who were both acquired in 2015.

Heptares Therapeutics, a wholly owned subsidiary of Sosei Group Corporation (TYO:4565) as of February 2015, uses structure-based drug discovery to identify drug candidates for a variety of GPCR targets. Heptares continues to operate as a separate entity and has multiple partners including Allergan, AstraZeneca, Morphosys, Pfizer, Kymab and Teva.

Receptos Inc, now a wholly owned company of Celgene Corporation (NASDAQ:CELG) as of July 2015, is developing a GPCR modulator that had commenced Phase III studies and had a number of other pre-clinical assets to GPCRs in development.



4. BOARD AND MANAGEMENT

4.1 Board of Directors and Company Secretary

The Directors bring to the Board relevant experience and skills, including industry and business knowledge, financial management and corporate governance experience as further described below.

Paul MacLeman, Independent Non-Executive Director and Chairman

Paul has wide ranging, hands on experience across the biotechnology sector, encompassing technical, commercial and financial areas. He has a career spanning veterinary practice, the pharmaceutical/biotechnology and investment banking sectors. Paul has experience in capital raising, business development, research management, technology commercialisation, staff development, and sales and marketing. He has also founded life sciences startups in the biologics area and worked in investment banking focusing on the analysis and financing of technology companies. Paul is currently Managing Director of ASX-listed pharmaceutical manufacturing company IDT Australia Ltd (ASX:IDT).

Samantha (Sam) Cobb, Managing Director/CEO

Sam is the founding CEO of AdAlta and has over fifteen years' experience in business development and commercialisation of early stage scientific technologies. Prior to AdAlta, Sam was the Business Development Director at the Co-operative Research Centre for Diagnostics. Sam has also worked for the biotech start up companies Sensologix Inc and Nephrogenix Pty Ltd and at the University of Queensland's technology commercialisation companies, Uniquest Pty Ltd and IMBcom Pty Ltd. Sam has a Bachelor of Science, a Masters of Intellectual Property Law and has completed the Australian Institute of Company Directors course.

James Williams, Non-Executive Director

James is a co-founder and Investment Director of Yuuwa Capital LP, a venture capital firm based in Western Australia. Prior to Yuuwa Capital, he was Managing Director of two medical device companies, ASX-listed Resonance Health Ltd and Argus Biomedical Pty Ltd, both of which secured regulatory approvals under his leadership. He conceived, co-founded and is a former Chief Technology Officer and director of iCeutica, Inc., a clinical stage nano drug reformulation company. James is the Executive Chairman of ASX-listed clinical stage drug discovery and development company Dimerix Limited (ASX:DXB) and director of various unlisted Yuuwa investee companies. He is also a director of Linear Clinical Research Ltd, a specialist early phase clinical trial unit and a member of the "Panel of Experts" for the University of Western Australia's Pathfinder Fund.

Elizabeth (Liddy) McCall, Non-Executive Director

Liddy is a co-founder and executive director of Yuuwa Capital LP. Liddy is also a director of various unlisted Yuuwa investee companies. Her experience includes a range of roles in drug development and medical device companies, including business development and finance. She was co-founder and director of iCeutica Inc. Liddy was also a co-founder of Dimerix Limited (now an ASX-listed clinical stage drug discovery and development company) and held various executive roles during its establishment and growth. Liddy was co-founder and director of Tessitura Pty Ltd, a consulting company providing services to the biotechnology industry. Previously, Liddy was an Associate Director in the Corporate Advisory Group of Macquarie Bank and prior to that worked as a lawyer with a leading Australian law firm.

John Chiplin, Independent Non-Executive Director

John has significant international experience in the life science and technology industries, from both an operational and investment perspective. Recent transactions in which John has been instrumental include Benitec BioPharma (US IPO), Medistem Inc. (acquired by Intrexon Corporation for US$26 million), former CEO of ASX-listed Arana Therapeutics (acquired by Cephalon Inc. for US$200 million), and Domantis (acquired by GSK for £230 million). Immediately prior to running Arana, John was head of the ITI Life Sciences investment fund in the UK, negotiating significant funding with Government Ministers. His own investment company, Newstar Ventures Ltd., has funded more than a dozen early stage companies in the past ten years. John currently serves on the boards of Batu Biologics, Benitec BioPharma (NASDAQ: BNTC), The Coma Research Institute, Cynata Therapeutics Limited (ASX: CYP), Prophecy Inc, Scancell Holdings plc (LSE: SCLP), and ScienceMedia Inc.

Ian Hobson, Company Secretary

Ian is an experienced chartered accountant and chartered secretary. Ian has had 30 years professional accounting, financial management, corporate governance, capital raising and transaction and due diligence experience drawn from exposure to a variety of industries. Ian has previously worked for large chartered accounting firms together with commercial experience in Australia, UK and Canada. Ian is a facilitator with the Australian Institute of Company Directors and presents the finance units for its Company Director Course.

4.2 Management team and scientific advisors

Sam Cobb as Managing Director and CEO is supported by the Company's senior management team and advisors below:

Michael (Mick) Foley PhD, Chief Scientific Advisor

Mick is the founding scientist of AdAlta and a key inventor of AdAlta's AD-114 lead drug candidate. Upon completion of his PhD he was awarded a Wellcome Training Fellowship and worked at the Walter and Eliza Hall Institute. In 1995 Mick was awarded an ARC Queen Elizabeth II Fellowship where he established the phage display of antibodies and peptide technology as a means of answering fundamental questions of immunity to infectious diseases. Mick is an internationally recognized leader in phage display, the technology used to screen the i-body library to identify new drug candidates. Mick has published over 70 scientific publications and has received funding from ARC, NHMRC and NIH (US). Mick is contracted to AdAlta via the La Trobe University contract (see Section 10 b) for additional information).

Brian Richardson PhD – Scientific Advisor

Brian was most recently a member of the leadership team and the Global Head of The Musculoskeletal Disease Therapeutic Area at The Novartis Institutes for Biomedical Research having previously held several other senior positions during a 42 year career in the pharmaceutical industry. Brian was also appointed Head of Preclinical Research in Switzerland and UK and played a key role in the merger of the Sandoz and Ciba Research organisations that ultimately resulted in the creation of The Novartis Institutes for Biomedical Research. Research conducted in Brian's laboratories has led to the discovery, development and introduction of several new therapies. He has published more than 60 original peer-reviewed research papers and contributed many book chapters in the fields of pathophysiology, endocrinology and receptor pharmacology.

David McGibney MD – Scientific Advisor

David is an experienced clinical and pharmaceutical development professional and has previously held senior R&D positions at Pfizer, including SVP and Head of European R&D and VP and Head of European Clinical Research and Regulatory Affairs. During his tenure at Pfizer, David was instrumental in the successful development and registration of thirteen medicines currently on the market. As a consultant to the pharmaceutical industry, he works closely with biotechnology companies, life science investors and non-profit healthcare organizations. He was a clinical and product development advisor to Heptares Therapeutics as well as to venture investors Imperial Innovations, Apposite Capital, Abingworth, MVM Life Science Partners, Syncona Partners and Radius Ventures.

John Westwick PhD – Scientific Advisor

John has extensive experience in drug discovery in the pharmaceutical industry and as a Professor of Pharmacology. With over 14 years at Novartis Institute for Biomedical Research, John was responsible for the build-up and leadership of all aspects of drug discovery and early development from target validation to the completion of proof of concepts in the respiratory area. During his period of leadership at Novartis Respiratory, John was responsible for five global drug product launches and an additional thirteen positive proof of concepts in respiratory disease, which include a number of compounds and monoclonal antibodies, which are now in phase III clinical trials. John is currently a visiting Professor at the NHLI, St Mary's Campus, Imperial College London. In addition he works with pharmaceutical and biotechnology companies in Europe as well as not for profit organisations.

4.3 Director disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

4.4 Directors' interests and remuneration

Set out below are the remuneration arrangements with Directors and details of the interests of the Directors in the Shares and other securities of the Company at Completion.

a) Managing Director remuneration

Sam Cobb is employed in the position of Managing Director/CEO of the Company

Following Completion, Sam Cobb's annual fixed gross salary will be $225,000 plus superannuation.

Sam Cobb is also eligible to earn a short term cash incentive of up to 30% of her annual salary subject to achieving key performance indicators as set by the Board from time to time.

Under the terms of Sam's employment contract, either party is entitled to terminate Sam's employment by giving 3 months' notice.

After termination of employment, the employment contract provides that Sam will be subject to non-compete within Australia for a period of 3 months and non-solicitation of employees and customers for a period of 6 months.

b) Non-Executive Director remuneration

Set out below are the remuneration arrangements with Non-Executive Directors at Completion.

Name	Position	Fees (inclusive of superannuation)
Paul MacLeman	Non-Executive Director and Chairman	$65,000
James Williams	Non-Executive Director	$45,000
Elizabeth McCall	Non-Executive Director	$45,000
John Chiplin	Non-Executive Director	$45,000

The Company has entered into consulting agreements with both Paul MacLeman (Non-Executive Director and Chairman) and John Chiplin as independent Directors of the Board. Under the terms of these consulting agreements, the agreement can be terminated by either party by giving one months' notice. Further, continuation of appointment is subject to re-election at a forthcoming AGM. The Directors fees for Paul MacLeman are paid to Dalroar Pty Ltd ATF MacLeman Investment Trust, which is his personal company.

Both Elizabeth McCall and James Williams are currently appointed as nominated Directors of Yuuwa Capital LP. Following Completion, their fees will be paid to Yuuwa Capital LP.

No additional fees are payable to Directors for their involvement in Board committees.

c) Employee Share Option Plan

Directors and management are entitled to participate in the Company's employee share option plan (see Section 11.9).

d) Directors' interests in securities

The Directors and their related entities have the following interests in the securities of the Company at Completion.

Name	Shares*	Options under ESOP
Paul MacLeman[1]	73,273	366,363
Samantha Cobb	653,092	790,751
John Chiplin	561,756	249,127
James Williams[2]	54,059,848	-
Elizabeth McCall[2]	54,059,848	-

1. Paul MacLeman's interest in Shares is held directly through Dalroar Pty Ltd ATF MacLeman Investment Trust.

2. James Williams' and Elizabeth McCall's interests are held indirectly through Yuuwa Capital LP, a venture capital firm managed by Yuuwa Capital Management Pty Ltd of which James Williams and Elizabeth McCall are directors and shareholders. These interests include 12,400,000 Shares that Yuuwa Capital has committed to subscribe for pursuant to the Offer. These shares will be subject to a combination of ASX imposed and voluntary escrow arrangements as outlined in section 11.5.

*Share numbers are post the Preference Share and Convertible Note conversion detailed in Section 11.2.

The Directors are entitled to participate in the Offer. Accordingly, the table above does not take into account any interests in Shares the Directors may acquire under the Offer.

e) Directors' indemnity, access and insurance

AdAlta has entered into a Deed of Access, Indemnity and Insurance with each Director. In summary, each Deed provides:

- certain indemnities to the Director against all liabilities incurred by the Director (including reasonable legal costs incurred by the Director) which may arise from their position as a Director or as a director of any company which is a related body corporate of AdAlta;
- that the Company will maintain directors' and officers' liability insurance for the benefit of the Director during the period which the Director holds office as a director of the Company and for a period of seven years after the Director ceases to hold office; and
- the Director a limited right of access to the Company's books during the period which the Director holds office as a director of the Company and for a period of seven years after the Director ceases to hold office.

AdAlta currently has directors' and officers' insurance in place.

4.5 Corporate Governance

The Board is committed to maximising Shareholder value and financial return and sustaining the growth and success of the AdAlta business and the Company's intellectual property. In conducting business with these objectives, the Board is tasked with ensuring that the Company is properly managed to protect and enhance Shareholder interests, and that the Company, its Directors, officers and employees fulfil their functions effectively and responsibly.

(a) Board

The Board is comprised of four Non-Executive Directors, including the Chairman, and the Managing Director. Detailed biographies of the Directors are provided in section .

Each Director has confirmed to the Company that he or she anticipates being available to perform his or her duties as a non-executive Director or executive Director as the case may be without constraint from other commitments.

(b) Independence of the Board

The Board considers that a director is an independent director where that director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally. When determining the independence of a director, the Company also takes into account the factors relevant to assessing the independence of a director listed in Recommendation 2.3 of the ASX Corporate Governance Principles and Recommendations.

The Board considers that each of Paul MacLeman and John Chiplin is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with, the independent exercise of their judgment and is able to fulfill the role of independent director.

The Board currently considers that Sam Cobb, Elizabeth McCall and James Williams are not independent. Sam is not independent because of her executive role with the Company as Managing Director. Elizabeth and James are not independent because they are also directors and shareholders of the general partner of a substantial shareholder of the Company, Yuuwa Capital LP.

(c) Company Secretary

The Company Secretary is responsible for ensuring that Board procedures and policies are followed and provides advice to the Board including on matters involving corporate governance and the ASX Listing Rules. All Directors have unfettered access to the advice and services of the Company Secretary.

(d) Board Charter

The responsibilities of the Board are set out in the Company's Board Charter, which has been prepared having regard to the ASX Corporate Governance Principles and Recommendation. A copy of the Company's Board Charter is available on the Company's website at www.adalta.com.au.

(e) Board Committees

The Board has established two standing committees to assist the Board in fulfilling its responsibilities.

Board committee	Key responsibilities	Initial composition
Audit and Risk Committee	Monitoring and advising the Board on the Company's risk management, audit and regulatory compliance policies and procedures.	James Williams (Chair), Paul MacLeman and John Chiplin
Remuneration and Nomination Committee	Establishing the policies and practices of the Company regarding the remuneration of Directors and senior management and reviewing all components of the remuneration framework. Advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual Directors.	John Chiplin (Chair), Paul MacLeman and Elizabeth McCall

Each of these committees has the responsibilities described in the committee charters adopted by the Company (which have been prepared having regard to the ASX Corporate Governance Principles and Recommendations). A copy of the charter for the above committees is available on the Company's website at www.adalta.com.au.

The Board may also establish other committees from time to time to assist in the discharge of its responsibilities.

(f) Policies

AdAlta has adopted various policies, taking into account the recommendations in the ASX Corporate Governance Principles and Recommendations. These policies are available on the Company's website at www.adalta.com.au and include:

Code of Conduct – A code of conduct that sets out the standards of conduct and behaviour the Company expects from its Directors, officers, employees and contractors;

Securities Trading Policy – This policy outlines when Directors and key management personnel may deal with the Company's securities at times when the market may not be fully informed as to the Company's progress, and explains how insider trading laws affect their dealings in the Company's securities;

Continuous Disclosure Policy – Once listed on ASX, the Company will need to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. This policy describes the procedures in place which are designed to ensure that the Company complies with its continuous disclosure obligations. The Managing Director / CEO and the Company Secretary have been appointed as the Company's disclosure officers responsible for implementing and administering the Company's Continuous Disclosure Policy. The Company is committed to providing timely and balanced disclosure to the market in accordance with its Continuous Disclosure Policy;

Shareholder Communications Policy – This policy describes how the Company will ensure effective communication with its Shareholders;

Risk Management Policy – This policy sets out the Company's process of risk management and internal compliance and control; and

Diversity Policy – This policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees.

(g) ASX Corporate Governance Principles and Recommendations

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations.

The following table briefly addresses the areas where the Company has departed from the recommendations contained in the ASX Corporate Governance Principles and Recommendations. The Board is of the view that with the exception of the departures set out below, it otherwise complies with all of recommendations in the ASX Corporate Governance Principles and Recommendations, as they apply to the Company.

	Recommendation	AdAlta's Current Practice
2.4	A majority of the board of a listed entity should be independent directors.	The Board does not have a majority of independent Directors due to the Company's small size and the early stage of its development. The Board believes that, the Board as a whole is not hindered in its ability to exercise independent view and judgement. The Board is mindful of the recommendation that a majority of the Board should be independent. Accordingly, in the coming year, the Board will re-examine its structure based on its skills matrix, with a view to appointing at least one additional independent director.
4.1	The board of a listed entity should have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	The Company has established an Audit and Risk Committee to oversee the management of financial and internal risks. The Audit and Risk Committee is governed by an Audit and Risk Committee Charter. The Committee consists of three Directors, James Williams, Paul MacLeman and John Chiplin. The majority of the Committee are independent Directors and all the members of Committee are non-executive directors. The Chairman of the Committee is James Williams who is not an independent Director. The Board believes that the members of the Committee as a whole are not hindered in their ability to exercise independent view and judgement. The Company will provide an update on its compliance with this recommendation, including the relevant qualifications and experience of the members of the Committee, the number of Committee meetings and Director attendances at these meetings, in its future annual reports.
7.1	The board of a listed entity should have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings.	The Company has adopted a Risk Management Policy which is designed to assist the Company to oversee and approve risk management strategy and policies, internal compliance and internal control. The Board has delegated responsibility for the day to day management of the Company's risk profile to the Audit and Risk Committee. The Audit and Risk Committee is governed by an Audit and Risk Committee Charter. The Committee consists of three Directors, James Williams, Paul MacLeman and John Chiplin. The majority of the Committee are independent Directors. The Chairman of the Committee, James Williams, is not an independent Director. The Board believes that the members of the Committee as a whole are not hindered in their ability to exercise independent view and judgement. The Board is responsible for the overall assessment of the effectiveness of risk management and internal compliance and control. The Company will provide an update on its compliance with this recommendation, including the number of Committee meetings and Director attendances at these meetings, in its future annual reports.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	The Company does not have an internal audit function due to the Company's current size and business circumstances. The Board reviews accounting documentation on a monthly basis. The Company will provide an update on its compliance with this recommendation in its future annual reports.

Further information about the Company's corporate governance practices is available on the Company's website at www.adalta.com.au.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Shares pursuant to this Prospectus.

There are a number of risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance of the Company and the value of the Shares. Some of these risks may be mitigated by the Company's internal controls and processes, but many are outside the control of the Company, the Directors and management.

There can be no assurance that the Company will achieve its stated objectives or that any forward-looking statements will eventuate.

Investors should have regard to their own investment objectives and financial circumstances, and should consider seeking professional guidance from their stockbroker, accountant, financial or other professional adviser before deciding whether to participate in the Offer.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. Some of the factors which investors should consider before they make a decision whether or not to apply for Shares include, but are not limited to, the risks in this Section.

5.2 Company specific risks

a) Clinical trial risk in development of the lead candidate

Moving from discovery to development and subsequent commercialisation typically involves multiple and progressively larger clinical trials. Such trials can be expensive, time consuming, may be delayed or may fail. Clinical trial success can be impacted by a number of factors including obtaining ethics approval, incomplete or slower than expected recruitment of patients, failure to meet trial end points, lack of product effectiveness during the trial, safety issues and modifications to trial protocols or changes to regulatory requirements for trials. There is no guarantee that any future trials will demonstrate that the Company's products are successful.

Failure or material delay at any point of the clinical trial process will reduce the Company's ability to commercialise its intellectual property and generate revenues.

b) Insufficient funding

AdAlta will not have sufficient capital from the Offer to progress through to marketing approval with its lead candidate and other programs using its platform technology. Accordingly the Company will either have to raise additional capital through further offers, or rely on securing a commercial transaction to further its development programs.

The Company's ability to raise further capital (equity or debt) or secure a commercial transaction within an acceptable time, or a sufficient amount and on terms acceptable to it will vary according to a number of factors, including the success of current projects, the result of research and development and other cyclical factors affecting the Company and financial and share markets generally. No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

c) Risk of manufacturing

AdAlta's products have not yet been produced on a pharmaceutical scale. If AdAlta is unable to manufacture products in sufficient quantities or at an appropriate cost level, it may not be able to conduct appropriate clinical tests to prove its product. Further, it may be unable to produce the products at a price point which is profitable in the context of commercial sales of the product. The Company's ability to implement its business plan would be significantly hindered by this failure and the Company may be unable to generate a profit, even if its drug development activity is successful.

d) Protection of intellectual property

The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. Although the Company will seek to protect its intellectual property, there can be no assurance that these measures will be sufficient.

The Company gives no guarantee that further development of its intellectual property will be successful, that development milestones will be achieved, or that the intellectual property will be developed into further products that are commercially exploitable.

The Company relies on its ability to develop and commercialise intellectual property. A failure to protect its intellectual property successfully may lead to a loss of opportunities and adversely impact on AdAlta's operating results and financial position.

There can be no assurance that any patents the Company may own or control or licence now and in the future will afford the Company a competitive advantage, commercially significant protection of the intellectual property, or that any of the projects that may arise from the intellectual property will have commercial application. Any challenge to the Company's intellectual property position would divert the limited resources of the Company away from its primary development program and may result in the Company requiring additional funds to complete that program. It may also result in the Company being unable to fully utilize its intellectual property portfolio or being required to in-licence certain intellectual property in order to be able to conduct its development program in a manner which will allow commercialization of its products, and which may reduce the profits available from such activities.

e) Costs of development program

The development program which the Company proposes to undertake with the funds raised under the Offer relies on numerous work items. The costs of these items cannot be confirmed until each item is requested from the supplier and the workscope and pricing agreed. There is a risk that the work items

in the proposed development program may cost more than that budgeted for and as a result the Company may need to obtain additional funds to complete the program.

No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

f) Australian Government R&D incentives may change

The Company's development program includes anticipated receipt of tax refunds based on the Company's actual research and development spending. If the status of the Company or its connected entities should change or the Australian Federal Government changes its R&D incentive program in a manner which adversely affects the amount of funds available or the timing of receipt of such funds, there is a risk that the Company may need to obtain additional funds to complete the program.

No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

g) Regulator risk

Data obtained from pre-clinical and clinical activities are susceptible to varying interpretations, which could delay, limit or prevent regulatory approval or clearance. Before the Company can market and sell its products, it must demonstrate that the products are safe and effective and must obtain necessary approvals from market regulators (for example, the Australian Therapeutic Goods Administration and the United States Food and Drug Administration). Such approval may take longer than anticipated, require additional trials to be undertaken or may not be provided at all.

As a result, the Company may require additional funding to clear the regulatory pathway. No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

h) Product liability risk

The process of securing marketing approval of a new product is both costly and time consuming. The intention of the Company is to out-license the lead candidate product at an early stage of development. However if the Company decides to develop the lead candidate and take it to market, the future sales of its products will expose the Company to product liability risks which are inherent in the research and development, manufacturing, marketing and use of its products.

The Company intends to obtain and maintain adequate levels of insurance to cover product liability risks. Despite this, there can be no guarantee that adequate insurance coverage will be available at an acceptable cost (or in adequate amounts), if at all, or that product liability or other claims will not materially and adversely affect the operations and condition of the Company. A product liability claim may give rise to significant liabilities as well as damage the Company's reputation.

i) Key personnel risk

Due to the specialised nature of the Company's business, its ability to commercialise its products and maintain its research program will depend in part on its ability to attract and retain suitably qualified management, scientists, research personnel and consultants. The Company also faces competition to employ and retain the services of such individuals.

There can be no assurance that the Company will be able to attract or retain sufficiently qualified scientific and management personnel, or maintain its relationship with key scientific organisations and contractors.

The loss of key scientific and management personnel, and the associated corporate knowledge of those people could have a detrimental impact on the Company and this may adversely affect the Company by impeding the achievement of its research, product development and commercialisation objectives.

j) Third party service provider risk

The Company will conduct much of its development activities through a series of contractual relationships with manufacturers and other third parties. All contracts, including those entered into by AdAlta carry a risk that the respective parties will not adequately or fully comply with their respective contractual rights and obligations, or that these contractual relationships may be terminated. This may adversely affect the Company by impeding the achievement of its research, product development and commercialisation objectives.

k) Currency risk

Expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange. The Company's payment obligations to its manufacturer and for toxicology testing are expected to be in foreign currency. If there are adverse currency fluctuations against the Australian dollar, there is a risk that the work items in the proposed development program may cost more than that budgeted for and as a result the Company may need to obtain additional funds to complete the program.

No assurance can be given that future funding will be available, or that it will be available on terms acceptable to the Company. As a result, the Company's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing the Company from commercialising its intellectual property and generating revenues.

l) Competition

There are a number of companies with drugs at various stages of development for the treatment of IPF and other fibrotic diseases.

There are also a number of companies developing biological platforms similar to those the Company is developing. The Company's potential competitors may include companies with substantially greater resources and access to more markets. Therefore, competitors may succeed in developing products that are safe, more effective

or otherwise commercially superior than those being developed by AdAlta or which could render the Company's products obsolete and/or otherwise uncompetitive. The Company's ability to implement its business plan would be significantly hindered by this and the Company may be unable to generate revenues or profits, even if its drug development activity is successful.

m) Healthcare insurers and reimbursement

In many markets, treatment volumes are likely to be influenced by the availability and amounts of reimbursement of patients' medical expenses by third party payer organisations including government agencies, private health care insurers and other health care payers. There is no assurance that reimbursement of any products or services developed and commercialised by the Company will be available to patients at all or without substantial delay. Even if such reimbursement is provided, the approved reimbursement amounts may not be sufficient to enable the Company to sell products on a profitable basis.

n) Limited history in drug development

The Company has limited history in drug development. Accordingly, AdAlta cannot guarantee that the i-body platform, its drug pipeline, pre-clinical or clinical programs will result in the development of any products, or even if it does that the products will be approved or commercialized successfully. The Company's ability to generate revenues or profits, may therefore be adversely affected by this lack of experience.

o) Reputational risk

The Company's reputation and brand and its products are important to the Company's standing in the pharmaceutical and biotechnology industries.

Reputational damage could arise due to a number of circumstances including:

- inadequate services or unsatisfactory clinical outcomes for patients;
- error, malpractice or negligence of AdAlta's employees; or
- error, malpractice or negligence of the licensed medical specialists performing the treatments.

Any reputation damage or negative publicity around AdAlta or its products could adversely impact AdAlta's business by preventing it from attracting and retaining high caliber professionals, reducing its attractiveness to licensing partners and adversely impacting on its ability to raise funds in the broader market, all of which would adversely affect the Company and impede the achievement of its commercialisation objectives.

p) Concentration of shareholding

Following completion of the Offer, the Company will have a major Shareholder, Yuuwa Capital LP that will hold between 58.76% and 54.06% of the Shares based on the Minimum Subscription and Maximum Subscription. Accordingly, the general partner of Yuuwa Capital LP will be in a position to exert significant influence over the outcome of matters relating to AdAlta, including the election of Directors and the consideration of material Board decisions.

The sale of Shares in the future by Yuuwa Capital could adversely affect the market price of the Shares. Also the concentration of ownership may affect the liquidity of the market for Shares on ASX and contribute to a perception that the ownership structure is not conducive to a corporate control transaction involving AdAlta in the short to medium term.

5.3 Industry specific risks

a) Inherent risks in drug development

The development and commercialisation of pharmaceutical products is subject to the inherent risk of failure, including the possibility that products may:

- be found to be unsafe or ineffective;
- fail to demonstrate any material benefit or advancement in safety and/or efficacy of an existing product;
- fail to receive necessary regulatory approvals;
- be difficult or impossible to manufacture on the necessary scale;
- be uneconomical to market or otherwise not commercially exploitable;
- fail to be developed prior to the successful marketing of a similar product by competitors;
- compete with products marketed by third parties that are superior; and
- fail to achieve the support or acceptance of physicians, patients or the medical community.

All of the above factors could adversely affect the Company and impede the achievement of its commercialisation objectives.

b) Regulatory changes

The Company operates in an industry which is subject to laws, regulatory restrictions and certain government directives, recommendations and guidelines relating to, amongst others, occupational health and safety, laboratory practice, use and handling of hazardous materials, prevention of illness and injury and environmental protection.

Any changes to the regulatory environment may increase the cost of compliance and may have an impact on the Company's profitability in the future.

c) Infringement of intellectual property

There is always a risk of third parties claiming involvement in technological and medical discoveries. Further, competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes for which there can be no guaranteed outcome. Some parties may be able to utilise their greater financial resources to sustain the costs of litigation or proceedings.

Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value in the outcomes of pharmaceutical research and development. The granting of a patent does not guarantee that the rights of others are not infringed or that a competitor will not develop competing intellectual property that circumvents such patents. The patent position of pharmaceutical companies can be highly uncertain and frequently involve complex legal and scientific evaluation. The breadth of claims allowed in pharmaceutical patents and their enforceability cannot be predicted.

5.4 General risk factors

a) Trading in Shares may not be liquid

The market price of the Shares can rise and fall and may be subject to varied and unpredictable influences on the share market. The trading price of the Shares at any given time may be higher or lower than the price paid under the Offer. Further, you may be unable to sell or realise your investment because the market for Shares may be illiquid.

Share market conditions are affected by many factors, including:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment towards equities or particular market sectors;
- political instability;
- short selling and other trading activities;
- the demand for, and supply of, capital; and
- force majeure events.

b) Australian International Financial Reporting Standards may change

The Company's financial reports are subject to compliance with Australian International Financial Reporting Standards (AIFRS) issued by the Australian Accounting Standards Board. The accounting treatment under AIFRS or changes to accounting standards, may materially adversely affect the financial performance and position reported in the Company's financial statements.

c) Taxation changes may negatively affect AdAlta

There is a risk of changes to tax laws and changes in the way tax laws are interpreted. Any changes to the current rates of taxes imposed on AdAlta are likely to affect returns to Shareholders.

In addition, an investment in Shares involves tax considerations which may differ for each Shareholder and may be subject to change. Each prospective Shareholder is encouraged to seek professional tax advice in connection with any investment in AdAlta.

6. DETAILS OF THE OFFER

6.1 Description of the Offer

This Prospectus relates to the initial public offering of up to 32,000,000 Shares in the Company at a price of $0.25 per Share to raise up to $8,000,000 (before costs and expenses). The Directors may accept subscriptions of up to a further 8,000,000 Shares to raise a maximum of $10,000,000 (before costs and expenses).

The Offer is not underwritten, however the Company has secured a cornerstone commitment from Yuuwa Capital LP of $3,100,000 to subscribe for 12,400,000 Shares, subject to the terms and conditions of this Prospectus.

The Offer is made on the terms, and is subject to the conditions, set out in this Prospectus.

6.2 Purpose of the Offer

The purpose of this Offer is to raise capital to:

a) enable the Company to progress the development of its lead candidate AD-114 for the treatment of fibrosis into the clinic to demonstrate safety and efficacy;

b) to expand the i-body pipeline of drug products;

c) expand the business development and marketing of the i-body platform; and

d) provide working capital and meet the expenses of the Offer.

6.3 Use of funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, following Listing as follows:

Proposed use of funds	Based on Minimum Subscription being raised Amount $,000	Based on Maximum Subscriptions being accepted Amount $,000
Lead fibrosis drug candidate		
Manufacturing	2,700	2,700
Toxicology studies	2,000	2,000
Clinical Studies	1,500	2,250
Indication expansion	250	250
Other i-body drug discovery and development	493	1,621
Corporate – Working capital[1]	500	500
Cost of the Offer	557	679
TOTAL USE OF FUNDS	**8,000**	**10,000**

[1.] The Company expects to receive The Australian Commonwealth Research & Development (R&D) Tax Incentive, which provides eligible companies 43.5 per cent refundable cash offset for eligible research and development expenditure by the Company.

The proposed timeframe during which the funds raised from the Offer will be used in the AD-114 development program are set out in Section 2.5.

6.4 When to apply for Shares

The Opening Date for the Offer is 8 July 2016 and the Closing Date for the Offer is 5.00pm AEST on 12 August 2016, or such other date as the Directors, in their absolute discretion may determine.

6.5 How to apply for Shares

Applications for Shares under the Offer must be made using the Application Form accompanying this Prospectus.

Applications for Shares must be for a minimum of 8,000 Shares and thereafter in multiples of 2,000 Shares. Payment for the Shares must be made in full at the issue price of $0.25 per Share.

There is no maximum value of Shares that may be applied for under the Offer.

The Offer is open to Applicants resident in Australia only. All Applicants under the Offer must have an eligible residential or, in the case of a corporate Applicant, registered office address in Australia.

Completed Application Forms and accompanying cheque payment must be lodged by 5pm AEST on the Closing Date.

By mail to:
AdAlta Limited IPO
c/- Automic Registry Services
PO Box 2226
Strawberry Hills, NSW, 2012

By hand delivery to:
AdAlta Limited IPO
c/- Automic Registry Services
Suite 310, Level 3, 50 Holt Street
Surry Hills, NSW, 2010

Cheques must be in Australian currency and drawn on an Australian branch of a financial institution. Cheques should be made payable to "AdAlta Limited IPO" and crossed "Not Negotiable."

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) or bank draft(s) is insufficient to pay for the Shares you have applied for in your Application Form, you may be taken to have applied for such lower number of Shares as your cleared Application Amount will pay for (and to have specified that number of Shares in your Application Form) or your Application may be rejected.

Applicants may pay their Application Amount by Electronic Funds Transfer (EFT). Applicants wishing to pay by EFT should contact the Share Registry, Automic Registry Services, for details on 1300 288 664 or +61 2 9698 5414 between 9:00am AEST and 5:00pm AEST or by email at info@automic.com.au.

6.6 Allotment of Shares

Subject to the Minimum Subscription for the Offer being raised and the Listing occurring, allotment of the Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

The Directors of AdAlta, in consultation with the Lead Manager, reserve the right to allot the Shares in full for any Application or to allot any lesser number or to decline any Application if they believe the Application does not comply with applicable laws or regulations.

To the extent that Applications received are in excess of the Maximum Subscription, the Applications will be scaled back at the absolute discretion of the Directors of AdAlta, in consultation with the Lead Manager.

If an Application Form is not completed correctly, or if the accompanying payment of the Application Monies is for the wrong amount, it may still be treated as a valid Application. The Directors' decision whether to treat the Application as valid and how to construe, amend or complete the Application Form is final. However, an Applicant will not be treated as having applied for more Shares than is indicated by the amount of Application Monies paid by the Applicant.

If you are not issued all of the Shares you apply for and deliver funds, you will receive a refund, as set out in Section 6.11.

6.7 ASX listing

The Company will apply to ASX for the Listing and for official quotation of the Shares offered under the Offer as soon as practicable following the lodgement of this Prospectus, and in any event within seven days after the date of lodgement of this Prospectus. ASX has reserved the code AAB.

On Listing, quotation of the Shares will commence as soon as practicable following the issue of Clearing House Electronic Sub-register System (CHESS) statements.

If ASX does not admit the Shares to quotation within three months of the Prospectus Date the Company will deal with Applications in accordance with the Corporations Act.

ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may quote the Shares should not be taken as an indication of the merits of the Company or the Shares offered for subscription.

From Listing, AdAlta will be required to comply with the ASX Listing Rules, subject to any waivers obtained by AdAlta from time to time.

6.8 Minimum subscription

The minimum subscription under the Offer is for 32,000,000 Shares to raise $8,000,000 (before costs and expenses). The Directors may accept subscriptions of up to a further 8,000,000 Shares to raise a maximum of $10,000,000 (before costs and expenses).

In the event the minimum subscription has not been raised within 4 months of the Prospectus Date, the Company will deal with Applications in accordance with the Corporations Act.

6.9 ASX Clearing House Electronic Sub-register system

AdAlta will apply to participate in the ASX's Clearing House Electronic Sub-register System (CHESS), in accordance with the ASX Listing Rules and the ASX Settlement Rules. CHESS is an automated transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

When the Shares become CHESS approved securities, holdings will be registered in one of two sub-registers, an electronic CHESS sub-register or an issuer sponsored sub-register. A CHESS participant, or a person sponsored by a CHESS participant, will have their Shares registered on the CHESS sub-register. All other Shares will be registered on the issuer sponsored sub-register.

Following allotment, Successful Applicants will be sent a holding statement that sets out the number of Shares that have been issued to them under the Offer. This holding statement will also provide details of a Holder Identification Number (HIN) or, where applicable, the Securityholder Reference Number (SRN) of issuer sponsored holders. Certificates will not be issued.

It is expected that the initial holding statements will be dispatched by standard post on or about 18 August 2016.

6.10 Commencement of Trading

It is the responsibility of Applicants to determine their allocation prior to trading in Shares. Applicants trading in Shares prior to receiving a holding statement do so at their own risk.

AdAlta, the Share Registry, and the Lead Manager disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their holding statement, whether on the basis of a confirmation of allocation provided by any of them, by a broker or otherwise.

The Shares are expected to commence trading on ASX on a normal settlement basis on or about 22 August 2016.

6.11 Refunds

Application Monies will be refunded (in full or in part, as applicable) in Australian dollars where an Application is rejected, an Application is subject to a scale-back or if the Offer is withdrawn or cancelled.

No interest will be paid on any refunded amounts. The Company, irrespective of whether the allotment of the Shares takes place, will retain any interest earned on the Application Monies.

Refund cheques will be sent as soon as practicable following the close or termination of the Offer.

6.12 Overseas Applicants

No action has been taken to register or qualify the Prospectus or otherwise to permit a public offering of the Shares in any jurisdiction outside of Australia.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Persons who come into possession of this Prospectus who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities law.

In particular, the Prospectus has not been and will not be registered under the US Securities Act of 1933, as amended, (US Securities Act) or the laws of any State of the United States and may not be offered or sold within the United States or to, or for the account or benefit of a US Person except in a transaction exempt from the registration requirements of the Securities Act or applicable US State securities laws.

6.13 Tax Implications

An overview of the general tax treatment for Australian resident investors is included in Section 11.16.

The Directors are unable to provide advice as to the taxation implications of the Offer or an investment in the Shares in relation to an individual investor and, as such, investors are encouraged to seek their own professional advice before making an investment in the Shares.

6.14 No brokerage or duties

No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

6.15 Discretion to withdraw Offer

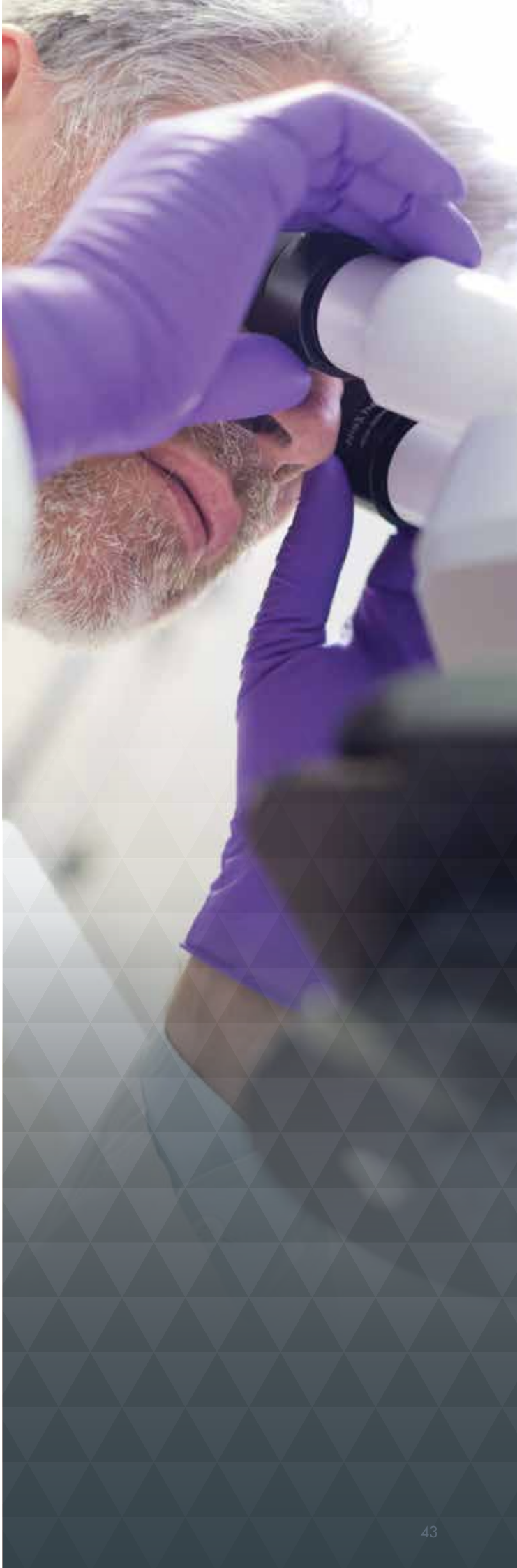
The Directors reserve the right not to proceed with the Offer at any time before the issue of Shares to Successful Applicants. If the Offer does not proceed, Application Monies will be refunded as set out in Section 6.11.

6.16 Enquiries

This Prospectus and information about the Offer is available in electronic form at www.adalta.com.au.

All enquiries in relation to this Prospectus should be directed to your broker, or the Lead Manager by telephone on +61 3 9242 4000 from 9:00am to 5:00pm AEST, Monday to Friday, or the Share Registry by email at info@automic.com.au during the Offer Period.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional advice from your stockbroker, solicitor, accountant or other independent professional adviser before deciding whether to invest.



7. FINANCIAL INFORMATION

7.1 Introduction

This financial information section summarises the Company's selected financial data derived from the audited financial statements for the years ended 30 June 2014 (FY2014), 30 June 2015 (FY2015) and from reviewed financial statements for the period ended 29 February 2016.

The financial information has been prepared in Australian Dollars and in accordance with Australian Accounting Standards (including Australian Accounting Interpretations), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act.

The information set out in this Section 7 and the Company's selected financial information should be read together with:

- the risk factors described in Section 5;
- the use of funds described in Section 3;
- the Independent Accountant's Report on the historical and pro forma financial information set out in Section 8; and
- the other information contained in this Prospectus.

In addition, investors should be aware that past performance is not an indication of future performance.

7.2 Audited financial statements

The historical financial information has been extracted from the financial report of AdAlta for FY2014, FY2015 and reviewed financial statements for the period ended 29 February 2016, which were audited by Butler Settineri (Audit) Pty Ltd in accordance with Australian Auditing Standards with respect to FY2014 and FY2015 and reviewed by Butler Settineri (Audit) Pty Ltd for 29 February 2016.

The financial information is presented in an abbreviated form in so far as it does not include all of the disclosure requirements of Australian Accounting Standards applicable to special purpose financial reports prepared in accordance with the Corporations Act.

7.3 Historical statement of profit or loss and other comprehensive income

The table below sets out the summary of the Company's historical statement of profit and loss and other comprehensive income for FY2014, FY2015 and the year to 29 February 2016.

Table 2: Historical statement of profit or loss and other comprehensive income

	FY2014 Audited $	FY2015 Audited $	29 February 2016 Reviewed $
Revenue	744,736	827,928	884,601
Less: Expenses			
Cost of Services	1,564,842	1,712,080	693,757
Depreciation expense	1,115	723	456
Employee benefit expense	211,715	203,007	164,350
Travel expenses	60,114	47,728	44,597
Board fees	53,333	52,032	33,335
Patent and legal costs	45,306	83,837	63,293
Other expenses	57,143	108,842	(42,481)
Loss before income tax	(1,248,832)	(1,380,321)	(157,668)
Income tax expense	-	-	-
Net loss	(1,248,832)	(1,380,321)	(157,668)

7.4 Historical statement of cash flows

The table below sets out the summary of the Company's historical statement of cash flows for FY2014, FY2015 and the year to 29 February 2016.

Table 3: Historical statement of cash flow

	FY2014 Audited $	FY2015 Audited $	29 February 2016 Reviewed $
Cash flow from operating activities			
Receipt from customers	136,877	23,158	-
Payments to suppliers and employees	(2,020,784)	(2,224,366)	(1,154,848)
R&D tax incentive	575,192	805,942	878,394
Interest received	18,667	12,828	6,207
Net cash from in operating activities	(1,290,048)	(1,382,438)	(270,247)
Cash flow from investing activities			
Payment for plant and equipment	(2,296)	-	-
Insurance claim proceeds	1,649	-	-
Net cash from investing activities	(647)	-	-
Cash flow from financing activities			
Proceeds from share issue	1,097,992	-	54
Proceeds from Convertible Note	-	1,035,000	1,125,000
Net cash provided by financing activities	**1,097,992**	**1,035,000**	**1,125,054**
Net (decrease) in cash held	**(192,703)**	**(347,438)**	**854,807**
Cash at beginning of the financial year	**575,005**	**382,302**	**34,864**
Cash at end of financial year	**382,302**	**34,864**	**889,671**

7.5 Historical statement of financial position

The table below sets out the historical statement of financial position for FY2014, FY2015 and as at 29 February 2016.

Table 4: Historical statement of financial position

	FY2014 Audited $	FY2015 Audited $	29 February 2016 Reviewed $
Current Assets			
Cash and cash equivalents	382,302	34,864	889,671
Trade and other receivables	75,772	52,847	18,831
Total Current Assets	458,074	87,711	908,502
Non-Current Assets			
Plant and equipment	1,689	966	510
Total Non-Current Assets	1,689	966	510
TOTAL ASSETS	**459,763**	**88,677**	**909,012**
Current Liabilities			
Trade and other payables	264,339	232,649	82,580
Provisions	22,608	28,532	31,550
Total Current Liabilities	286,947	261,181	114,130
Non-Current Liabilities			
Provisions	-	-	-
Total Non-Current Liabilities	**-**	**-**	**-**
TOTAL LIABILITIES	**286,947**	**261,181**	**114,130**
NET (LIABILITIES)/ASSETS	**172,816**	**(172,504)**	**794,882**
EQUITY			
Share capital	5,490,277	5,490,277	5,490,331
Share based payment reserve	3,908	3,908	3,908
Convertible Note	-	1,035,000	2,160,000
Accumulated losses	(5,321,369)	(6,701,689)	(6,859,357)
TOTAL (DEFICIENCY)/EQUITY	**172,816**	**(172,504)**	**794,882**

7.6 Pro-forma statement of financial position

Set out below is the historical audited Statement of Financial Position as at 29 February 2016 and the Pro-Forma Statement of Financial Position to illustrate the effects of the Offer and assumes completion of the Pro-Forma transactions set out in Section 6.1 as if they have occurred on 29 February 2016.

Table 5: Pro forma statement of financial position

	29 February 2016 Reviewed	Pro-forma Minimum	Pro-forma Subscription
	$	$	$
Current Assets			
Cash and cash equivalents*	889,672	8,832,530	10,710,530
Trade and other receivables	18,831	18,831	18,831
Total Current Assets	908,503	8,851,361	10,729,361
Non-Current Assets			
Plant and equipment	510	510	510
Total Non-Current Assets	510	510	510
TOTAL ASSETS	**909,013**	**8,851,871**	**10,729,871**
Current Liabilities			
Trade and other payables	82,580	82,580	82,580
Provisions	31,550	31,550	31,550
Total Current Liabilities	114,130	114,130	114,130
Non-Current Liabilities			
Provisions	-	-	-
Total Non-Current Liabilities	**-**	**-**	**-**
TOTAL LIABILITIES	**114,130**	**114,130**	**114,130**
NET (LIABILITIES)/ASSETS	**794,883**	**8,737,741**	**10,615,741**
EQUITY			
Share capital**	5,490,331	15,796,331	17,676,331
Share based payment reserve	3,908	3,908	3,908
Convertible Note**	2,160,000	-	-
Accumulated losses	(6,859,356)	(7,062,498)	(7,064,498)
TOTAL (DEFICIENCY)/EQUITY	**794,883**	**8,737,741**	**10,615,741**

* The current cash and cash equivalent as of the 29 February 2016 does not include the final drawdown of 500,000 Convertible Notes for $500,000. This transaction was completed in April 2016 and is included in the Pro-forma figures.

** Both Share capital and Convertible Note holdings for the 29 February 2016 figures are based on prior to the conversion of all Preference Shares and Convertible Notes as described in Section 11.2. The Pro-forma figures include all conversions.

7.7 Notes to the Financial Information

a) Revenue recognition

The Company recognises revenue as follows:

Contract research income is recognised in accordance with the terms of the relevant contract which may be based on the achievement of specific milestones.

Grant income is recognised when invoiced under the terms of the relevant grant.

The R&D tax incentive is recognised on receipt.

Interest income is recognised on receipt.

b) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks, and money market investments readily convertible to cash within 2 working days, net of outstanding overdrafts.

c) Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation.

All assets are depreciated over their useful lives to the Company.

d) Dividend Policy

The ability of the Company to pay dividends in the future is dependent on many factors, including the outcome of AdAlta's commercialisation activities. Many of the factors that will affect the Company's ability to pay dividends, and the timing of those dividends, will be outside the control of AdAlta and its Directors. The Directors cannot give any assurance regarding the payment of dividends in the future.

8. INVESTIGATING ACCOUNTANT'S REPORT

6 July 2016

The Directors
AdAlta Ltd
15/2 Park Drive
BUNDOORA VIC 3083

Dear Sirs

Independent Accountant's Report for AdAlta Limited

Introduction

We have prepared this Independent Accountant's Report ("Report") at the request of the directors of AdAlta Limited ("AdAlta" or "Company") for inclusion in a Prospectus relating to the proposed issue by the company of a minimum of 32,000,000 shares and a maximum of 40,000,000 shares at an issue price of $0.25 each to raise a minimum of $8,000,000 and up to $10,000,000 before the costs of the issue (the "Prospectus").

Expressions defined in the Prospectus have the same meaning in this report.

Basis of Preparation

This report has been prepared to provide investors with information on the Historical and Pro-forma Financial Information as detailed in the scope below. The Historical and Pro-forma Financial Information is presented in an abbreviated form in this report and does not include all of the disclosures required by Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

This report does not address any rights attached to the Shares to be issued in accordance with the Prospectus, nor the risks associated with the investment, and have been prepared based on the Offer being achieved. We have not been requested to consider the prospects for the Company, the shares on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, have not done so. Accordingly, we take no responsibility for these matters or for any matter or omission in the Prospectus, other than responsibility for this report.

Scope

You have requested us to prepare an Independent Accountant's Report covering the reviewed Historical Statement of Financial Position as at 29 February 2016 and the Pro-forma Statement of Financial Position as at that date adjusted for the effects of the Offer and material events occurring subsequent to 29 February 2016.

Scope of review of Historical and Pro forma Financial Information

The Reviewed Historical and Reviewed Pro-forma Financial Information set out in this report has been extracted from the audited historical financial statements of the company as at 30 June 2014, 30 June 2015 and the reviewed financial statements as at 29 February 2016 (Section 7).

The Directors are responsible for the preparation and presentation of the Historical and Pro forma Financial Information, including determination of the pro forma adjustments. The Pro-forma Statement of Financial Position incorporates:

- The cash and cash equivalent as at the 29 February 2016 does not include the final drawdown of 500,000 Convertible Notes for $500,000. This transaction was completed in April 2016 and is included in the Pro-forma figures.

Pro forma Minimum

a. If the Minimum Subscription is achieved, the Company will issue 32,000,000 new shares at 25 cents each to participating shareholders.

b. The Minimum Subscription Offer will result in the following:

   An increase in cash of $8,000,000 before capital raising costs, with a corresponding increase in share capital.

   Capital raising costs resulting in a reduction in cash of $557,142, comprising a reduction of $354,000 in share capital and an increase in accumulated losses of $203,142.

Pro forma Maximum Subscription

c. If the offer is subscribed to the Maximum Subscription, the Company will issue 40,000,000 new shares at 25 cents each to participating shareholders.

d. The Maximum Subscription will result in the following:

   An increase in cash of $10,000,000 before capital raising costs, with a corresponding increase in share capital.

   Capital raising costs resulting in a reduction in cash of $679,142, comprising a reduction of $474,000 in share capital and an increase in accumulated losses of $205,142.

We have conducted our review of the Historical and Pro forma Financial Information in accordance with Australian Auditing and Assurance Standard ASRE 2405 "Review of Historical Financial Information Other than a Financial Report".

We made such enquiries and performed such procedures as we in our professional judgement considered reasonable in the circumstances including:

- Enquiry of Directors, management and others;
- Review of the assumptions used to compile the pro-forma Statement of Financial Position;
- Review of available financial information; and
- Review of work papers, accounting records and other documents.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement on historical information

Based on our review of the Reviewed Historical Financial Information as at 29 February 2016, nothing has come to our attention which causes us to believe that the Historical Financial Information, as set out in this report:

a) Does not fairly represent the Historical Statement of Financial Position at 29 February 2016;

b) Does not fairly represent the Historical Statement of Profit and Loss and other comprehensive income for the eight months ended 29 February 2016;

c) Has been prepared in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) prescribed in Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Statement on pro forma information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Pro forma Financial Information, as set out in this report:

a) Does not fairly represent the Pro-forma Statement of Financial Position adjusted for the effects of the Offer and material events occurring subsequent to 29 February 2016;

b) Has been prepared in accordance with the measurement and recognition requirements (but not all of the disclosure requirements) prescribed in Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Subsequent events

Apart from the matter dealt with in this report, and having regard to the scope of our report, to the best of our knowledge and belief no material transactions or events outside of the ordinary business of the Company have come to our attention that would require comment on, or adjustment to the information referred to in our report or that would cause such information to be misleading or deceptive.

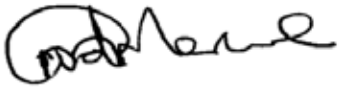
Independence

Butler Settineri (Audit) Pty Ltd and I do not have any interest in the outcome of this issue other than in its capacity as Independent Accountant for which normal professional fees will be received. Butler Settineri (Audit) Pty Ltd and I do not hold nor have interest in the ordinary shares of the Company.

Butler Settineri (Audit) Pty Ltd and I were not involved in the preparation of any other part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Butler Settineri (Audit) Pty Ltd and I consent to the inclusion of this report in the Prospectus in the form and consent in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



MARIUS VAN DER MERWE CA
Director

9. INTELLECTUAL PROPERTY REPORT

Our Ref: CM583874

AdAlta Limited

Intellectual Property Report

FB RICE

The IP Navigators

July 2016

Contents

1. Introduction

This report has been prepared for inclusion in a Prospectus required for lodgment at the Australian Securities and Investments Commission (ASIC) for the purpose of raising funds through the issue of securities and to seek listing on the Australian Stock Exchange Limited.

2. The Patent Portfolio

The status summary of the patents and patent applications provided in this report is correct to the best of our knowledge at the date of this report.

2.1 Patent Family 1: Binding moieties based on shark IgNAR domains

Inventor(s): Stewart NUTTALL, Victor STRELTSOV, Katherine Merne GRIFFITHS, Jennifer Ann CARMICHAEL, Peter HUDSON, Robert Alexander IRVING, Joseph Noozhumutry VARGHESE, Miles Mackay BARRACLOUGH, David Peter SIMMONS, Kylie Anne HENDERSON
Provisional No: 60/575,845
Earliest Priority Date: 2 June 2004
International Application PCT/AU2005/000789 (WO2005118629)
International Application Filing Date: 2 June 2005
Contact: Jenny Petering

Country	Official Number	FBRICE Ref	Date Filed	Status	Renewal Date
Claims directed to I-SET or V-SET domains					
AU	2008229687 (divisional of 2005250055)	507407	29/09/2008	Registered	02/06/2017 (CPA)
AU	2009201692 (divisional of 2008229687)	508003	28/04/2009	Registered	02/06/2017 (CPA)
AU	2012258331 (divisional of 2009201692)	512751	22/11/2012	Accepted	02/06/2017 (CPA)
CA	2567655	504893	02/06/2005	Accepted	02/06/2017 (CPA)
CH	2330121	509960CH	02/06/2005	Registered	02/06/2017 (CPA)
DE	2330121	509960DE	02/06/2005	Registered	02/06/2017 (CPA)
DK	2330121	509960DK	02/06/2005	Registered	02/06/2017 (CPA)
EP	2330121 (divisional of 1751181)	509960	02/06/2005	Registered	-
FR	2330121	509960FR	02/06/2005	Registered	02/06/2017 (CPA)
GB	2330121	509960GB	02/06/2005	Registered	02/06/2017 (CPA)
IE	2330121	509960IE	02/06/2005	Registered	02/06/2017 (CPA)
IT	2330121	509960IT	02/06/2005	Registered	02/06/2017 (CPA)
JP	2011-130413 (divisional of 2007-513617)	510729	02/06/2005	Registered	17/10/2017 (CPA)
US	7977071	504896	02/06/2005	Registered	12/01/2017 (CPA)
US	15/044731 (continuation of 13/157205)	519982	07/03/2016	Under Examination	-
Claims directed to IgNAR domains					
AU	2005250055	504892	02/06/2005	Registered	02/06/2017 (CPA)
CH	1751181	504894CH	02/06/2005	Registered	02/06/2017 (CPA)
DE	602005035 654.1	504894DE	02/06/2005	Registered	02/06/2017 (CPA)
DK	1751181	504894DK	02/06/2005	Registered	02/06/2017 (CPA)
EP	1751181	504894	02/06/2005	Registered	-

Country	Official Number	FBRICE Ref	Date Filed	Status	Renewal Date
FR	1751181	504894FR	02/06/2005	Registered	02/06/2017 (CPA)
GB	1751181	504894GB	02/06/2005	Registered	02/06/2017 (CPA)
IE	1751181	504894IE	02/06/2005	Registered	02/06/2017 (CPA)
IT	1751181	504894IT	02/06/2005	Registered	02/06/2017 (CPA)

The invention relates to domains from members of the immunoglobulin superfamily (I-SET and V-SETs) that have been modified to include structural features derived from IgNARs which result in improved or desirable characteristics such as solubility or binding affinity for a particular target. For example, the invention covers soluble and stable I-SET domains which have been modified to bind to target proteins of interest. The modified I-SET domain forms the "i-body".

The invention also relates to the three dimensional structure of immunoglobulin new antigen receptors (IgNARs) from fish and uses thereof. In particular, the invention relates to IgNAR variable domains that have been modified so that they bind to target proteins of interest.

This invention can be applied to the generation of a broad range of novel binding proteins, of diagnostic or therapeutic utility.

Broad patents have been granted in Australia, Japan, Europe, and the United States.

As far as we have been able to ascertain, where applicable all renewal fees have been paid up to date and AdAlta will have a right to renew these on an annual basis until expiry of the patents.

The registered owner is currently recorded as AdAlta Pty Ltd for all patents in this family. This will be amended to AdAlta Limited in due course.

2.2 International (PCT) patent application

A PCT patent application entitled "CXCR4 binding molecules" was filed in January 2016 (PCT/AU2016/050005). This PCT application is entitled to an earliest priority date of 9 January 2015. The contents of this PCT application remains confidential until publication.

3. Proprietorship

Typically, a patent for an invention may only be granted to the inventor(s) or to a person who has entitlement to the invention by way of assignment, employment contract or other means.

We are not aware of any issues regarding the ownership or entitlement of AdAlta Limited with respect to the patents or patent applications listed in Section 2.

4. Patent protection

A patent is a monopoly right granted by the relevant national patent office on behalf of the government of a country in return for publication and full disclosure of an invention. The monopoly right enables a patent owner to prevent third parties from exploiting the invention without its consent. The owner of a patent typically has exclusive rights to manufacture, import, use, keep, sell, offer for sale or otherwise exploit the products or processes protected by the patent in the countries where patent protection has been obtained. A third party infringes the patent if it exploits the invention without consent.

Patents can be licensed by the owner of a patent to third parties. An exclusive licensee has an exclusive right to exploit an invention. Under an exclusive licence, the patent owner cannot exploit the licensed patent in a particular country where the patent owner has granted an exclusive licence to another party in that country.

Patents have a limited term, usually 20 years, subject to the payment of renewal fees, after which the patented invention is available for others to use without restriction. In many countries, including Australia, Europe and the USA, extensions to the period of patent protection may be obtained for pharmaceutical and veterinary products when delays are involved in obtaining regulatory approval for pharmaceutical and veterinary products covered by the patent.

5. Requirements for patentability

The main requirements for patentability are that the invention must be new and inventive. In order to be new or "*novel*", the invention must be different from that which was known as at the priority date, and the invention cannot previously have been made available to the public. The date of filing the first application in one country, which we will refer to as the home application, is known as the "*priority date*". To be "*inventive*" or "*non-obvious*", an invention needs to be a significant development over what was previously known, i.e. before the priority date.

In some countries, such as Europe and Japan, methods of medical treatment or diagnosis of conditions affecting a human or animal body are not considered to be patentable. Compounds and compositions which are made for treating particular medical conditions, or for use in such methods, may, however, be patentable if they meet the other requirements of patentability. In the USA and Australia, methods of medical treatment are considered to be patentable subject matter.

6. Procedure for obtaining patent protection in a range of countries

In most cases, patents are granted on a country-by-country-basis.

An international convention enables foreign patent applications to be filed within twelve months of the filing of the first home application for an invention, and enables a foreign application to claim the priority date of the home patent application as that foreign patent application's filing date.

Foreign patent applications can be filed directly in the country or region of interest, or through an international system referred to as the Patent Co-operation Treaty (PCT). The PCT system has been adopted by approximately 120 countries, including all of the countries which are of commercial interest to AdAlta Limited. The effect of filing an international application is generally the same as filing individual patent applications in all of the countries designated in the international patent application. Within prescribed time limits, it is necessary to file national phase applications in all of the countries in which patent protection is to be sought. This may include some or all of the countries designated in the international application.

Usually before patents are granted in any jurisdiction, the patents are examined by the National or Regional Patent Office for novelty and inventive step. In some jurisdictions the examination is more rigorous than in others. The USA and Europe have fairly rigorous standards of examination. As a consequence, the granting of patents in the USA and Europe is sometimes used as a yardstick to assess the likelihood of obtaining patents in other countries.

7. Validity of patent applications and patents

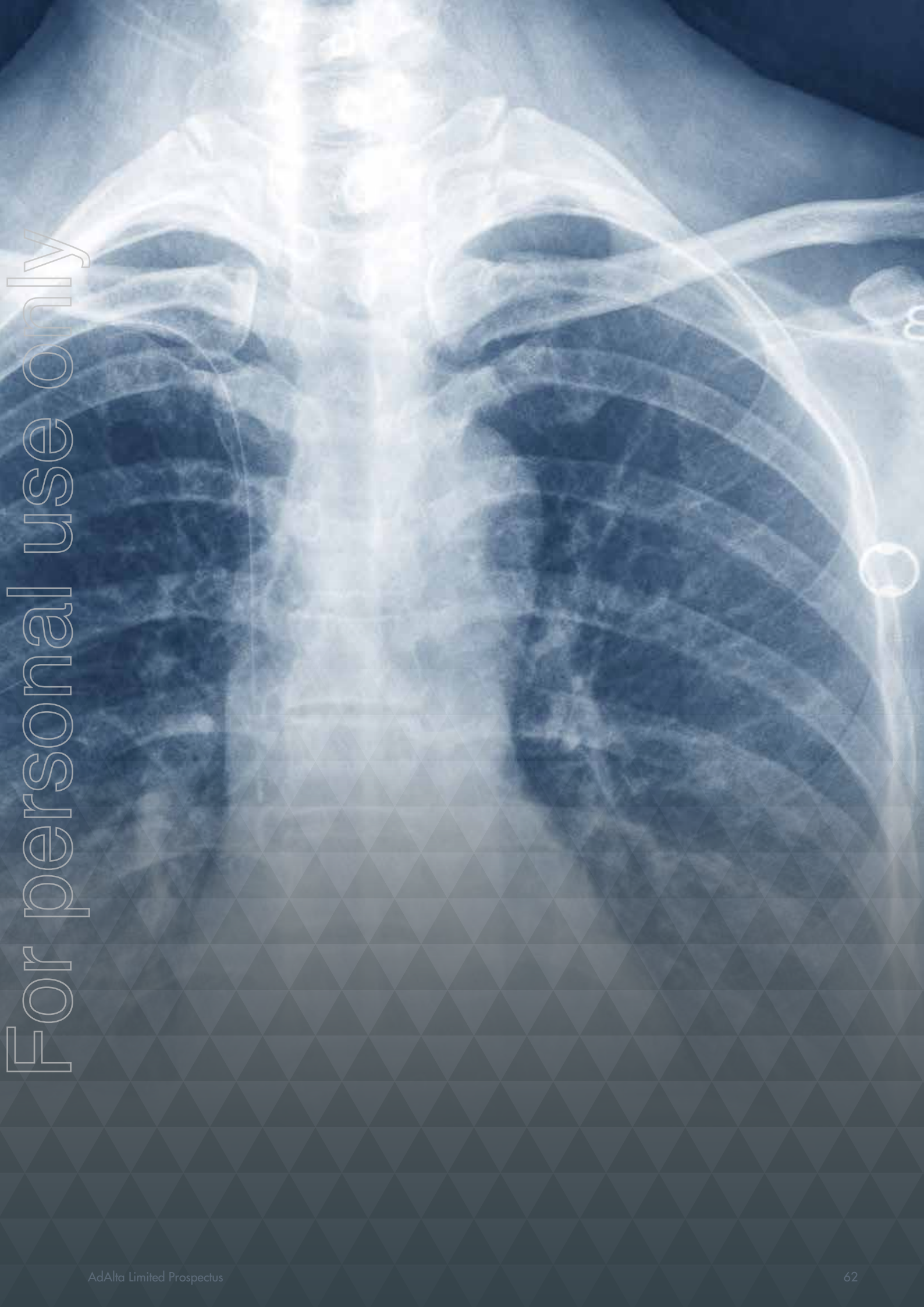
FB Rice was involved in the drafting and prosecution of the patents provided in this report. The scope of this report does not extend to the provision of an opinion on the validity of the patents over prior art documents.

With regards to the provisional applications it cannot be assumed that these applications or any applications stemming from them will proceed to grant, or that the claims of these cases will remain in their present form. Typically, Patent Offices conduct an examination of the novelty and inventive step of an invention as claimed in light of searches of the prior art (existing patent and scientific literature). It may be necessary to amend the specification and/or the claims in order to overcome an Examiner's objection. Such amendment may restrict the scope of the claims.

In addition, it is not possible to guarantee that any of the granted patents, or any patents granted on any of the provisional applications, will be valid and enforceable in a given country, or that the scope of the claims in any granted patent will be the same as the scope of the claims in the application as originally filed.

8. Potential limitation of patent protection

After a patent is allowed it is possible in most countries for third parties to challenge the validity of the patent. A successful challenge to the validity of the patent can result in the patent being revoked or narrowed in scope. Such action may take place in proceedings before a Patent Office or a Court.



10. MATERIAL CONTRACTS

The Directors consider that certain contracts are significant or material to AdAlta, or are of such a nature that an investor may wish to have particulars of them when making an assessment on whether to subscribe for Shares under this Prospectus (**Material Contracts**).

The main provisions of the Material Contracts are summarised below.

a) Agreement with Lead Manager

AdAlta entered a mandate agreement with Patersons Securities Limited (Lead Manager) on 2 March 2016 under which it engaged the Lead Manager to undertake a range of services including management of the Offer.

For the services the Company must pay the Lead Manager a fee of 6% of the total amount raised under the Offer, excluding any amount invested by Yuuwa Capital LP. The Company is also required to pay a success fee of $60,000 to the Lead Manager on Completion.

The Company has agreed to reimburse the Lead Manager for reasonable out of pocket expenses incurred in the conduct of its engagement.

Subject to certain exclusions, the Company has agreed to indemnify the Lead Manager and affiliated parties in connection with the Offer.

The mandate may be terminated with or without cause by the Company at any time before the Lead Manager has extended any "firm commitment" offer to an investor to participate in the Offer in certain circumstances including un-remedied breach with 10 days' notice or, immediately if the Offer has not been completed by 31 August 2016. The Lead Manager may terminate the mandate at any time on the occurrence of certain events including, if ASX gives notice that the Shares will not be admitted on the Official List.

In the event that AdAlta terminates the mandate without cause or the Lead Manager terminates the mandate for cause, the Lead Manager will be entitled to receive the success fee of $60,000 and any reasonable expenses as the termination fee.

b) Agreement with La Trobe University

The Company has entered into a contract with La Trobe University, which allows the Company to access the services of Associate Professor Michael Foley, Chief Scientific Advisor of AdAlta and his laboratory and team on ordinary arms' length commercial terms. Those services will typically involve screening of the i-body library on various drug targets, protein expression and purification and *in-vitro* laboratory studies of the identified i-bodies.

The contract with La Trobe enables AdAlta to fund the salaries of certain employees. The contract with La Trobe continues until 30 June 2017 and is renewed on an annual basis along with relevant employee contracts. Either party may terminate the contract with 90 days' notice for no cause, immediately if an insolvency event occurs or with 30 days' notice for un-remedied breach.

The contract with La Trobe requires AdAlta to pay a quarterly consultancy fee of $8,950 plus 20% of the salaries of the relevant employees to provide access to Associate Professor Michael Foley's laboratory and required facilities as reasonably required. Purchased laboratory consumables are reimbursed to the University at the end of each quarter.

La Trobe also provides the AdAlta registered office for no additional fee.

c) Agreement with Cedars Sinai Medical Centre for research in relation to the lead drug candidate AD-114

The Company has entered into a research contract with the Cedars Sinai Medical Centre (Cedars) on 28 April 2015 to complete both the *in vitro* and *in vivo* evaluation of the lead i-body AD-114 drug candidate in the laboratory of Professor of Medicine, Dr Cory Hogaboam.

All rights and title to the data generated under the agreement vest exclusively with AdAlta except that Cedars is granted a non-exclusive, fully paid up licence to use such data for its own internal educational and research purposes. In the event Cedars conceives or reduces to practice an invention in relation to the AdAlta technology, AdAlta will be granted an exclusive fully paid up sublicensable license to Cedars' interest in the invention, for such time that AdAlta holds intellectual property rights over the underlying technology.

Under the agreement, AdAlta agrees to indemnify Cedars and its representatives from any third party claims made against Cedars and its representatives to the extent they arise from Cedars' use of any of AdAlta's confidential information or research materials.

The agreement will expire at the conclusion of the research, but in no event later than the 28 April 2020 unless extended in writing by the parties.

The agreement may be terminated by either party for unremedied breach with 30 days' notice. If the research is terminated prior to its completion, AdAlta is to reimburse Cedars for all costs incurred by Cedars in the conduct of the research up to the date of termination.

d) Agreement in relation to the NHMRC Development Grant

AdAlta has been awarded a National Health and Medical Research (NHMRC) Development Grant, from the Australian Government, in collaboration with The University of Melbourne, The Centre for Eye Research Australia, Monash University and La Trobe University to assess the i-body AD-114 drug candidate for treatment in a number of fibrosis related eye diseases.

All project intellectual property including any improvements, in relation to AD-114, is owned by AdAlta. AdAlta grants each other party to the agreement a royalty-free, non-exclusive, non-transferrable licence to use its intellectual property in relation to AD-114 to the extent necessary to carry out the project. Any new intellectual property created or arising as a direct result of the project will be owned solely by the party, or jointly by the parties, that contributed to its development or creation.

The University of Melbourne may terminate the agreement if the NHMRC ceases to provide funding for the project or with 30 days' notice for unremedied breach by any other party to the agreement. The agreement may also be terminated by the parties mutual written agreement or if the project is wholly terminated.

11. ADDITIONAL INFORMATION

11.1 Company Information

AdAlta was incorporated in Victoria, Australia as a proprietary company limited by shares on 22 June 2006 and was converted into a public company limited by shares on 27 February 2016.

11.2 Capital structure

As of the Prospectus Date, the Company has no subsidiaries or interests in other entities.

The Company has 12,418,223 Ordinary Shares, 2,999,998 Preference Shares, 2,660,000 Convertible Notes and 2,144,423 Options under the ESOP on issue as at the Prospectus Date.

Prior to Listing, the Company undertook a share split of all Ordinary Shares and Options on a 1 for 5.8618 basis (Share Split).

Upon ASX conditionally confirming that it will admit the Company to the Official List:

- all Preference Shares will automatically convert into Ordinary Shares. The conversion ratio for each Preference Share will be adjusted as provided in the relevant subscription agreement and for the Share Split. Accordingly, 2,999,998 Preference Shares will convert to 21,594,477 Ordinary Shares; and
- all Convertible Notes (which have all been issued at a price of $1.00) will convert to 25,987,316 Ordinary Shares (based on the terms of the relevant Convertible Note deed and the effect of the Share Split).

Upon this occurring, the Company will have 60,000,016 Shares and 2,144,423 Options on issue.

The Options on issue, were issued under the Company's ESOP (as described in Section 11.9) and have the following expiry dates:

Expiry Date	Number of Options
27 September 2016*	252,057
1 July 2018*	145,976
21 September 2018*	20,569
1 November 2018*	381,018
1 July 2019*	291,953
1 November 2019*	818,378
1 November 2020**	234,472
TOTAL	**2,144,423**

50% of 1,909,951 Options (designated with *) have an exercise price of $0.0002 if exercised within 3 months of vesting, and with the exercise price of the remaining 50% of those Options being $0.09 if exercised within 12 months of vesting. Otherwise the exercise price of those Options is $0.17.

The remaining 234,472 Options (designated with **) have an exercise price of $0.17 per Option.

11.3 Shareholders

The expected ownership of Shares at Completion are shown in the table below:

Table 6: Expected shareholdings at Completion[1]

Shareholder	Based on Minimum Subscription		Based on Maximum Subscription being accepted	
	Shares	%	Shares	%
Yuuwa Capital LP[2]	54,059,848	58.76%	54,059,848	54.06%
Citycastle Pty Ltd	4,311,856	4.69%	4,311,856	4.31%
La Trobe University	3,041,330	3.31%	3,041,330	3.04%
Other existing Securityholders	10,986,982	11.94%	10,986,982	10.99%
New Shares to be issued under the Offer	19,600,000	21.30%	27,600,000	27.60%
Total	**92,000,016**	**100%**	**100,000,016**	**100%**

1. Expected shareholdings at Completion are calculated based on the conversion of all Preference Shares and Convertible Notes as described in Section 11.2. The expected shareholdings do not include the exercise of any Options on issue under the ESOP.

2. This includes 12,400,000 Shares Yuuwa Capital LP has committed to subscribe for under the Offer.

The above table assumes Yuuwa Capital LP is the only existing Securityholder that will subscribe for additional Shares under the Offer. If any other existing Securityholders were to subscribe for additional Shares, the existing Securityholder's percentage shareholding in the Company will be higher than as set out above.

With the exception of Yuuwa Capital LP none of the existing Securityholders are expected to hold or have voting power of 5% or more of the Shares on Completion.

11.4 Rights attaching to Shares

A shareholding in AdAlta is held subject to its Constitution. Shares to be issued under this Prospectus will rank equally with Existing Shares. The Constitution may be inspected at the registered office during ordinary business hours by prior appointment. It will also be released to ASX on Listing.

The following is a summary of the principal rights of Shareholders. It is not intended to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders, which can involve complex questions of law arising from an interaction of the Constitution, ASX Listing Rules and statutory and common law requirements. Applicants who wish to obtain a definitive assessment of the rights and liabilities that attach to Shares in any specific circumstance should seek their own advice.

a) Issue of Shares

The power to issue Shares and other securities in the capital of AdAlta lies with the Board, subject to the restrictions contained otherwise in the Constitution, the ASX Listing Rules and the Corporations Act.

b) Voting

Every Shareholder who is present in person or by proxy, representative or attorney and entitled to vote, has one vote for each Share held.

c) Dividends

Dividends are payable upon the determination of the Directors, who may fix the amount, time for payment and method of payment of dividends.

d) Transfer of Shares

Subject to the Constitution, Corporations Act, ASX Listing Rules and ASX Settlement Rules, Shares are freely transferable. Except as otherwise provided for in the ASX Listing Rules or the ASX Settlement Rules, the Directors may in certain circumstances refuse to register any transfer of Shares, or request ASTC or the share registry to apply a holding lock to prevent a transfer of Shares.

e) Meetings and notice

Each Shareholder is entitled to receive notice of, and to attend, general meetings of AdAlta and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the ASX Listing Rules.

f) Rights on winding up

All Shares rank equally in the event of a winding up, subject to any amount remaining unpaid on any Shares. Once all the liabilities of AdAlta are met, the liquidator may, with the sanction of a special resolution of the members, divide amongst the members all or any of AdAlta's assets and for that purpose determine how the liquidator will carry out the division between the different classes of members.

g) Variation of rights

The rights attached to Shares may be varied or cancelled by a special resolution passed at a general meeting of the holders of Shares or with the written consent of three quarters of the holders of Shares.

h) Unmarketable parcels

If a Shareholder holds a number of Shares that is less than a marketable parcel (as defined in the ASX Listing Rules), AdAlta has the power to sell or dispose of such Shares unless otherwise instructed by the Shareholder. The net proceeds from the sale will be paid to the Shareholder.

11.5 Restricted Shares and escrow arrangements

ASX has made an in principle decision that certain Shares and Options held by Directors and certain Shares existing Securityholders as at the Prospectus Date, will be subject to mandatory escrow arrangements under the ASX Listing Rules for a period of 24 months from the date of Listing, except for Citycastle Pty Ltd, which will be subject to an escrow period of 12 months from Listing.

The table below details the Securityholders and the Shares which are expected to be subject to ASX imposed escrow requirements and the relevant shareholding percentage based on the Minimum Subscription or Maximum Subscription being raised.

Shareholder	Number of Shares to be escrowed	Percentage of Shares escrowed based on Minimum Subscription being raised	Percentage of Shares escrowed based on Maximum Subscription being raised
Yuuwa Capital LP	22,082,027*	24.00%	22.08%
Citycastle Pty Ltd	576,967*	0.63%	0.58%
Directors**	915,264*	0.99%	0.92%
Total	**23,574,258**	**25.62%**	**23.57%**

* subject to final determination by ASX

** including related parties of Directors, except for Yuuwa Capital LP. Certain Directors also hold 543,761 Options which are expected to be subject to mandatory ASX escrow.

In addition Yuuwa Capital LP, Citycastle Pty Ltd and La Trobe University have each entered into a voluntary escrow deed under which they have undertaken to the Company, amongst other things, not to dispose of any interest in or grant any security over any of their remaining Shares for a period of 6 months after Listing subject to the customary exceptions.

The table below details the Securityholders who have entered into voluntary escrow deeds and their escrowed Shares on Completion and the relevant shareholding percentage based on the Minimum Subscription or Maximum Subscription being raised.

Shareholder	Number of Shares to be escrowed	Percentage of Shares escrowed based on Minimum Subscription being raised	Percentage of Shares escrowed based on Maximum Subscription being raised
Yuuwa Capital LP	19,577,821*	21.28%	19.58%
Citycastle Pty Ltd	3,734,889**	4.06%	3.73%
La Trobe University	3,041,330	3.31%	3.04%
Total	**26,354,040**	**28.65%**	**28.65%**

*or such number of Shares held by Yuuwa Capital LP on Completion which are not subject to mandatory ASX escrow, except for the 12,400,000 new Shares to be acquired under the Offer.

** or such number of Shares held by Citycastle Pty Ltd which are not subject to mandatory ASX escrow.

11.6 Historical Statement of Financial Position and Pro Forma Statement of Financial Position

The Company's Historical Statement of Financial Position is set out in Section 7.5 and Pro Forma Statement of Financial Position following Completion, is set out in Section 7.6.

11.7 Control implications of the Offer

On Completion Yuuwa Capital LP will hold 58.76% (based on Minimum Subscription) and 54.06% (based on Maximum Subscription) and therefore can control the Company through the exercise of its voting rights.

11.8 Potential effect of the fundraising on the future of the Company

The Directors believe that on Completion, the Company will have sufficient funds available from the proceeds of the Offer and its operations to fulfill the purposes of the Offer and meet the Company's stated business objectives.

11.9 Employee Share Option Plan

The Company currently has in place an Employee Share Option Plan (ESOP) to assist in the reward, retention and motivation of certain Directors, consultants and senior management of the Company **(Participants)**.

The Company may grant Options to eligible participants under the ESOP. As at the Prospectus Date, the Company has 2,144,423 Options on issue under the ESOP, which expire on the dates set out in the table in Section 11.2. The Company must not grant any Options if at the date of the proposed grant the total number of Shares relating to unexercised and unexpired Options exceeds 5% of the total number of Shares on issue in the Company.

Each Option entitles the holder to subscribe for one fully paid Share in the Company upon the exercise of each Option.

In accordance with the rules of the ESOP, the Board will determine in its sole and absolute discretion the terms and conditions of Options which are granted under the ESOP including, but not limited to, the following:

- which individuals will be invited to participate in the ESOP;
- the number of Options to be granted to each Participant;
- the exercise price of each Option granted to Participants;
- the expiry date of the Options granted to Participants; and
- the terms on which the Options will vest and become exercisable, including any vesting conditions or performance hurdles which must be met.

If Shares are quoted on ASX at the time the Options are exercised, the Company will apply to the ASX for quotation of the Shares issued on exercise of the Options within 10 Business Days of the allotment of those Shares.

In the event of any reorganisation on or prior to the Expiry Date, the rights of the holder of the Options will be changed to the extent necessary to comply with the applicable ASX Listing Rules.

Shares allotted on exercise of Options will rank equally in all respects with all other issued Shares from the date of allotment and will be held subject to the Constitution.

The ESOP will operate subject to the ASX Listing Rules.

11.10 Consents

Written consents to the issue of this Prospectus have been given and, at the Prospectus Date, had not been withdrawn by the following parties:

Patersons Securities Limited

Patersons Securities Limited has given, and at the time of lodgement of this Prospectus, has not withdrawn its consent to be named as Lead Manager to the Offer under this Prospectus, in the form and context in which it is named.

Patersons Securities Limited was not involved in the preparation of any part of this Prospectus and did not authorise or cause the issue of this Prospectus. Patersons Securities Limited makes no express or implied representation or warranty in relation to the AdAlta Limited Prospectus or the offer and does not make any statement in this Prospectus, nor is any statement in it based on any statement made by Patersons Securities Limited. To the maximum extent permitted by law, Patersons Securities Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Prospectus other than the reference to its name.

Hive Legal Pty Ltd

Hive Legal Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian legal adviser (other than in relation to patent and taxation matters) to the Company in relation to the Offer in the form and context in which it is named.

Butler Settineri (Audit) Pty Ltd

Butler Settineri (Audit) Pty Ltd has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Australian financial and taxation adviser to the Company in relation to the Offer and to the inclusion of the Investigating Accountant's Report and the taxation statement in Section 11.16 in the form and context in which it is named and which those reports and statement are included.

FB Rice

FB Rice has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as patent attorney to the Company and to the inclusion of the Intellectual Property Report in the form and context in which it is named and which that report is included.

Automic Registry Services

Automic Registry Services has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, its written consent to be named in this Prospectus as Share Registry in relation to the Offer in the form and context in which it is named.

Dr Cory Hogaboam

Dr Cory Hogaboam has given, and has not withdrawn prior to the lodgement of this Prospectus with ASIC, his written consent to be named in this Prospectus and to the inclusion of certain statements attributed to him in the form and context in which he is named and those statetments are included.

11.11 Interests of experts

Other than as set out below or elsewhere in this Prospectus, no

- Director;
- person named in the Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus; or
- promoter of the Company;

holds at the Prospectus Date, or has held in the two years before the Prospectus Date, an interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Offer; or
- the Offer;

and no amount (whether in cash, Shares or otherwise), has been paid or agreed to be paid, nor has any benefit been given or agreed to be given to:

- any such persons for services in connection with the formation or promotion of the Company or the Offer;
- or to any Director to induce them to become, or qualify as, a Director of the Company.

Patersons Securities Limited has acted as Lead Manager to the Offer. The Company has paid, or agreed to pay, the Lead Manager the fees described in Section 11.12 for these services.

Hive Legal Pty Ltd has acted as Australian legal adviser (other than in respect of patent and taxation matters) to the Company in relation to the Offer. The Company has paid, or agreed to pay, Hive Legal $65,000 (excluding GST) for these services.

Butler Settineri (Audit) Pty Ltd has acted as Australian financial and taxation adviser to the Company in relation to the Offer and has prepared the Investigating Accountant's Report and the taxation statement in Section 11.16. The Company has paid, or agreed to pay, Butler Settineri $12,500 (excluding GST) for these services.

FB Rice has acted as Patent Attorney to the Company in relation to the Offer and has prepared the Intellectual Property Report. The Company has paid FB Rice $1,450 (excluding GST) for these services.

Automic Registry Services has acted as Share Registry to the Company in relation to the Offer. The Company has paid, or agreed to pay, Automic Registry Services $1,000 (excluding GST) for those services.

Dr Cory Hogaboam provides services to the Company under the Cedars Sinai Medical Centre contract referred to in Section 10c). Dr Hogaboam is an employee of Cedars Sinai Medical Centre but does not receive any direct benefit from that contract.

11.12 Cost of the Offer

If the Offer proceeds, the total estimated costs of the Offer, including legal fees incurred, registration fees, fees for other advisors, prospectus design, printing and advertising expenses and other miscellaneous expenses will be approximately $557,142 if the Minimum Subscription are raised under the Offer. The costs of the Offer will be approximately $679,142 if the Maximum Subscription is accepted under the Offer. These costs are detailed in the table below.

	Cost of the Offer Minimum Subscription	Cost of the Offer Maximum Subscription
Patersons Securities	$354,000	$474,000
ASX Listing Fee	$78,000	$80,000
Hive Legal Pty Ltd	$65,000	$65,000
Other	$60,142	$60,142
TOTAL	**$557,142**	**$679,142**

11.13 ASX confirmations and waivers

ASX has provided preliminary confirmation that the Company will be admitted to the Official List under the 'assets test' in ASX Listing Rule 1.2.

ASX has granted the Company in principle advice that ASX would be likely to grant the Company a waiver from listing rule 1.1 condition 11 to the extent necessary to permit the Company to have 2,144,423 unquoted Options on issue with exercise prices of less than $0.20 each.

ASX has made an in principle decision that certain Shares and Options held (or to be held) by Directors and certain existing Securityholders as at the date of this Prospectus as set out in Section 11.5, will be subject to mandatory escrow arrangements under the ASX Listing Rules for a period of 12 or 24 months from the date of Listing.

The Company will seek confirmation of ASX's in principle advice on Listing.

11.14 Insurance

The Company has a range of insurance policies in place to manage the risks of its day-to-day business activities. These policies include Business Insurance, Management Liability Insurance, General Property Insurance, R&D Insurance and Worksafe Insurance.

11.15 Legal Proceedings

So far as the Directors are aware, at the Prospectus Date, there is no litigation of a material nature, existing or threatened, which may significantly affect the Company or its activities.

11.16 Taxation Considerations

The comments below provide a general outline of Australian tax issues for Australian tax resident Shareholders that hold Shares on capital account for Australian income tax purposes. Broadly, a Shareholder will hold Shares on capital account where the Shares are acquired as part of a long term investment strategy with a view to deriving future dividend returns. Those Shareholders who acquired their Shares in other circumstances such as speculative investment or as part of a share trading business may hold their Shares on revenue account and may have tax outcomes which differ from those set out in this Section 11.16. As such, the comments below do not apply to Shareholders that hold the Shares on revenue account or as trading stock, or to non-Australian tax resident Shareholders. They also do not apply to Shareholders that are banks or insurance companies.

The comments below are based on the Income Tax Assessment Act 1936 (Cth), the Income Tax Assessment Act 1997 (Cth), the A New Tax System (Goods and Services Tax) Act 1999 (Cth), relevant stamp duty legislation, applicable case law and published Australian Taxation Office and state/territory revenue authority rulings, determinations and statements of administrative practice at the Prospectus Date. The tax consequences discussed below may alter if there is a change to the tax law after the Prospectus Date. They do not take into account the tax law of countries other than Australia.

The comments are general in nature and are not intended to be an authoritative or complete statement of the tax law applicable to the particular circumstances of every Shareholder. Therefore, they should not be relied upon as tax advice. Shareholders are advised to seek independent professional advice regarding the Australian and, if applicable, foreign tax consequences arising in respect of holding and disposing of their Shares, taking into account their specific circumstances.

a) Income tax treatment of dividends received by Australian tax resident Shareholders

Dividends distributed by the Company to a Shareholder will constitute assessable income of an Australian tax resident Shareholder. Shareholders should include the dividend received, and an additional amount equal to any franking credit attached to that dividend, in their assessable income.

Where the franking credit is included in the Shareholder's assessable income, the Shareholder will generally be entitled to a corresponding tax offset against tax payable by the Shareholder. To be eligible for the franking credit and tax offset, a Shareholder must satisfy:

- the "holding period" rule, which requires that a Shareholder hold the Shares "at risk" for a specified period of not less than 45 days (not including the date of acquisition and the date of disposal); and
- if necessary, the "related payments" rule, which prescribes a different testing period where the Shareholder made, or is under an obligation to make, a related payment in respect of any dividend. The related payment rule requires the Shareholder to have held the Shares at risk for a continuous period of at least 45 days (not including the date of acquisition and the date of disposal) during the period commencing on the 45th day before, and ending on the 45th day after, the Shares become ex-dividend. Shareholders should seek professional advice to determine if these requirements, as they apply to them, have been satisfied.

The holding period rule (but not the related payments rule) will not apply to a Shareholder who is an individual whose tax offset entitlement (for all franked distributions received in the income year) does not exceed $5,000 for the income year in which the franked dividend is received.

Where a Shareholder is an individual or a complying superannuation entity, the Shareholder will generally be entitled to a refund to the extent that the franking credits attached to that Shareholder's dividends exceed that Shareholder's income tax liability for the income year in which the dividend is received.

Where a Shareholder is a company, the Shareholder will generally be entitled to convert any excess of the franking credit attached to the Shareholder's dividends over the Shareholder's tax liability for the income year into carry forward tax losses. Shareholders that are companies should seek specific advice regarding the tax consequences of dividends received in respect of the Shares and the calculation of carry forward tax losses arising from excess tax offsets.

Special rules apply to Shareholders that are trustees (other than trustees of complying superannuation entities) or partnerships. These Shareholders should seek specific advice regarding the tax consequences of dividends received in respect of the Shares.

Where the Shareholder is a corporate Shareholder, franked dividends received by the Shareholder will generally give rise to a franking credit in the Shareholder's franking account (subject to the Shareholder satisfying the rules outlined above for claiming a tax offset).

b) Capital gains tax (CGT) implications for Australian tax resident Shareholders

Where a Shareholder holds their Shares on capital account, the disposal of the Shares will be taxed under the CGT rules.

For CGT purposes, the Shareholder will make a capital gain where the capital proceeds (generally the cash proceeds from the sale where the Shares are sold on market) received for their Shares exceeds the CGT cost base of their Shares. Similarly, the Shareholder will make a capital loss where the capital proceeds received for their Shares are less than the reduced cost base of their Shares. Broadly, the cost base and reduced cost base of the Shares would usually be equal to the amount paid to acquire the Shares plus certain other costs associated with holding the Shares, such as incidental costs of acquisition and disposal. (The cost base and reduced cost base of the Shares may be different if a CGT roll-over applied to the acquisition of the Shares.)

Generally, all gross capital gains and losses made by a Shareholder for an income year, plus any net capital losses carried forward from an earlier year, will need to be aggregated to determine whether the Shareholder has made a net capital gain or a net capital loss for the year. A net capital gain is included in the Shareholder's assessable income whereas a net capital loss is carried forward and may be available to set off against capital gains of later years (subject to the satisfaction of the loss recoupment rules for companies).

If a Shareholder is an individual, complying superannuation entity or trust, and has held the Shares for at least 12 months or more before disposal of the Shares, the Shareholders will be prima facie be entitled to a CGT discount (after applying current and carried forward losses) for any capital gain made on disposal of the Shares. Capital gains may be discounted by half in the case of individuals and trusts, and by one third in the case of complying superannuation entities. Shareholders that are companies are generally not entitled to a CGT discount.

Where the Shares are held on trust by the trustee of a trust and the Shares have been held for at least 12 months or more before disposal, the CGT discount may flow through to the beneficiaries of that trust if those beneficiaries are not companies. Shareholders that are trustees should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for discounted capital gains.

c) Tax File Numbers (TFNs)

A Shareholder is not required to quote their TFN to the Company. However, if a Shareholder's TFN or exemption details are not provided, Australian tax may be required to be deducted by the Company from certain distributions (other than fully franked dividends) at the maximum marginal tax rate plus the Medicare levy.

A Shareholder that holds Shares as part of an enterprise may quote their Australian Business Number instead of their TFN.

d) GST implications

No GST should be payable by Shareholders in respect of the acquisition or disposal of their Shares. The extent to which each Shareholder is entitled to recover any GST incurred on costs relating to the acquisition or disposal of Shares will depend on the individual circumstances of each Shareholder.

No GST should be payable by Shareholders on receiving dividends distributed by the Company.

e) Stamp duty

No Australian stamp duty should be payable by Shareholders in respect of their acquisition or disposal of their Shares. Shareholders should obtain their own independent advice depending on their individual circumstances.

11.17 Governing Law

This Prospectus and the contracts that arise from the acceptance of Applications and bids are governed by the laws applicable in Victoria, Australia and each Applicant or bidder submits to the exclusive jurisdiction of the courts of Victoria, Australia.

11.18 Authorisation

Each Director has authorised and consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent before its lodgement with ASIC.

This Prospectus is signed by Paul MacLeman, a Director of the Company, under section 351 of the Corporations Act.

Signed for and on behalf of the Company by:

Dated: 8 July 2016

Dr Paul MacLeman
Non-Executive Chairman
AdAlta Limited

12. GLOSSARY

In this Prospectus, unless the context otherwise requires:

$ or AU$	Australian dollars
AEST	Australian Eastern Standard Time
Applicant(s)	a person(s) who submits a valid Application
Application	an application to subscribe for Shares under this Prospectus
Application Amount	the amount accompanying an Application Form
Application Form	the application form attached to or accompanying this Prospectus (including the electronic form, by which an Applicant may apply for Shares
Application Monies	aggregate amount of money accompanying an Application Form submitted by an Applicant
ASIC	Australian Securities and Investments Commission
ASTC	ASX Settlement and Transfer Corporation Limited ACN 008 504 532
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires
ASX Corporate Governance Principles and Recommendations	the Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council as at the Prospectus Date
ASX Listing Rules	the official listing rules of the ASX, as amended from time to time
ASX Settlement Rules	the operating rules of the settlement facility provided by ASTC
Board or Board of Directors	the board of Directors of the Company
Business Day	has the meaning given in the ASX Listing Rules
Chairman	the chairman of the Board
Closing Date	the date by which Applications must be lodged for the Offer, being 12 August 2016, as set out in the Prospectus
CNV	Chorodial Neovascularization fibrosis model of the eye as described in more detail in Section
Company or AdAlta	AdAlta Limited ACN 120 332 925
Completion	the completion of the Offer, being the date on which Shares are issued to successful Applicants in accordance with the terms of the Offer.
Constitution	the constitution of the Company
Convertible Note	a convertible note in the capital of the Company
Corporations Act	the *Corporations Act 2001* (Cth)
CXCR4	the chemokine receptor C-X-C chemokine receptor type 4 also known as fusin or CD184 (cluster of differentiation 184) as described in more detail in Section
Director	a director of the Company
ESOP	the Company's Employee Share Option Plan
Existing Shares	the issued Shares immediately prior to the allotment of Shares under the Offer.
Exposure Period	the period of 7 days (or 14 days if extended by ASIC) after the Prospectus Date during which the Company may not accept Applications
FDA	the US Food and Drug Administration
GPCR	G-protein coupled receptor
GST	goods and services tax
HREC	Human Research Ethics Committee
IND	Investigational New Drug

IPF	Idiopathic Pulmonary Fibrosis
IP	intellectual property, or intellectual property rights as the context requires
IPO	Initial Public Offering
Lead Manager	Patersons Securities Limited, AFSL No. 239 052
Listing or Listed	the admission of the Shares to quotation on the ASX in accordance with ASX Listing Rules
Listing Date	the date Listing occurs
Maximum Subscription	the issue of 40,000,000 new Shares at $0.25 per Share to raise $10,000,000
Minimum Subscription	the issue of 32,000,000 new Shares at $0.25 per Share to raise $8,000,000
Non Executive Director	a Director who is not a member of management
Offer	The offer of up to 40,000,000 new Shares to be issued by the Company at the Offer Price on the terms set out in this Prospectus
Offer Period	The period during which investors may subscribe for Shares under the Offer.
Offer Price	$0.25 per Share
Official List	the official list of entities that ASX has admitted and not removed from quotation
Option	an option issued under the ESOP
Preference Share	a preference share in the capital of the Company
Prospectus	this document and any replacement or supplementary prospectus in relation to this document.
Prospectus Date	the date on which a copy of this Prospectus was lodged with ASIC, being 8 July 2016.
Section	a section of this Prospectus
Securityholders	the holders of Shares, Preference Shares (that will be converted into Shares immediately prior to Listing) and Convertible Notes (that will be converted into Shares immediately prior to Listing) as at the Prospectus Date
Share or Ordinary Share	a fully paid ordinary share in the capital of the Company
Share Registry	Automic Pty Ltd trading as Automic Registry Services ABN 27 152 260 814 or any other share registry that the Company appoints to maintain the register of Shares
Shareholder	a holder of Shares
Successful Applicants	an applicant who is (or will be) allotted Shares under the Offer
TGA	Therapeutic Goods Administration
US or United States	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia
US Person	has the meaning given to it under Regulation S of the US Securities Act.
Yuuwa Capital LP	Yuuwa Capital LP ABN 31 901 277 412

APPLICATION FORM

Broker Reference – Stamp Only

ADALTA LIMITED – ABN 92 120 332 925

This is an Application Form to apply for Shares in AdAlta Limited (ABN 92 120 332 925) **(Company)** on the terms set out in the Prospectus dated 8 July 2016. Defined terms used in this Application Form have the same meaning as in the Prospectus. You may apply for a minimum of 8,000 Shares and multiples of 2,000 Shares thereafter. This Application Form and your cheque or bank draft must be received by the Closing Date for the Offer, expected to be 12 August 2016.

This Application Form is important. If you are in doubt as to how to deal with this Application Form, please contact your stockbroker or professional adviser. You should read the entire Prospectus carefully before completing this Application Form.

This Application Form must not be distributed to another person (whether in paper or electronic form) unless included in, or accompanied by a complete and unaltered copy of the Prospectus (whether in paper or electronic form). The Company will send you a free paper copy of the Prospectus and Application Form if requested during the Offer Period.

PLEASE FOLLOW THE INSTRUCTIONS TO COMPLETE THIS APPLICATION FORM (SEE REVERSE) AND PRINT CLEARLY IN CAPITAL LETTERS USING BLACK OR BLUE PEN.

For personal use only

1 Number of Shares you are applying for

, , ,

2 Total amount payable (multiply box 1 by $0.25 per share)

A$, , , .

Applications must be for a minimum of 8,000 Shares and thereafter in multiples of 2,000 Shares.

3 Write the name(s) you wish to register the shares in (see reverse for instructions)

Name of Applicant 1

Name of Applicant 2 or <Account Designation>

Name of Applicant 3 or <Account Designation>

4 Write your postal address here – to be registered against your holding

Number/Street

Suburb/Town **State** **Postcode**

5 CHESS Participants only – Holder Identification Number (HIN)

X

Note: *if the name and address details in sections 3 & 4 above do not match exactly with your registration details held at CHESS, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.*

6 TFN/ABN/Exemption Code

Applicant 1 **Applicant #2** **Applicant #3**

If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

7 PLEASE INSERT CHEQUE DETAILS

Cheque or bank draft to be made payable to **"AdAlta Limited IPO" and crossed "Not Negotiable"**. *Please also enter cheque details below.*

Cheque Number ***BSB*** – ***Account Number***

8 CONTACT DETAILS

Please advise your contact details between 9:00am AEST and 5:00pm AEST should we need to speak to you about your application.

Telephone Number **Contact Name (PRINT)**

( )

Email Address

INSTRUCTIONS FOR COMPLETION OF THIS APPLICATION FORM

YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THIS APPLICATION FORM

Please complete all relevant sections of this Application Form using BLOCK LETTERS. The below instructions are cross-referenced to each section of the Application Form.

1	Insert the number of Shares you wish to apply for in section 1. Your application must be for a minimum of 8,000 Shares and in multiples of 2,000 Shares thereafter.	**5**	If you are sponsored by a stockbroker or other participant and you wish to have your allocation directed into your HIN, please complete the details in section 5.
2	Enter into section 2 the total amount payable. Multiply the number of Shares applied for by $0.25 – the application price per Share.	**6**	If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details in section 6. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application Form.
3	Write your Full Name. Initials are not acceptable for first names.	**7**	Cheques must be drawn on an Australian branch of a Financial Institution in Australian currency, made payable to 'AdAlta Limited IPO' and crossed "Not Negotiable". Should you prefer to make payment by EFT, please contact the share registry on 1300 288 664 or +61 2 9698 5414 or by email at info@automic.com.au.
4	Enter your postal address for all written correspondence. Only one address can be recorded against a holding. With the exception of annual reports, all communications to you from the Company will be mailed to the person(s) and address shown.	**8**	Please enter contact details where we may reach you between the hours of 9:00am AEST and 5:00pm AEST should we need to speak to you about your application. As permitted under the Corporations Act, AdAlta Limited will only be forwarding printed annual reports to shareholders electing to receive one. Our company annual report and company information will be available at www.adalta.com.au. You may elect to receive all communications despatched by AdAlta Limited electronically (where legally permissible) such as a notice of meeting, proxy form and annual report via email.

By lodging the Application Form, the Applicant(s) agree(s) that this Application for Shares in AdAlta Limited is upon and subject to the terms of the Prospectus and the Applicant(s), agrees to take any number of Shares that may be issued to the Applicant(s) pursuant to the Prospectus and to be bound by the Constitution of AdAlta Limited and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form.

The Prospectus sets out important information relating to the collection, use and disclosure of all personal information that you provide to the Company. Please ensure that you have read the Privacy Section in the Important Information Section of the Prospectus carefully before submitting this Application Form.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Trusts	**Mr John Richard Sample** <Sample Family A/C>	John Sample Family Trust
Superannuation Funds	**Mr John Sample & Mrs Anne Sample** <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	**Mr John Sample & Mr Richard Sample** <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	**Mr John Sample** < Food Help Club A/C>	Food Help Club
Deceased Estates	**Mr John Sample** <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

HOW TO LODGE YOUR APPLICATION FORM

Mail or deliver your completed Application Form with your cheque to the following address.

Mailing Address
AdAlta Limited
C/- Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012

Hand Delivery (Please do not use this address for mailing purposes)
AdAlta Limited
C/- Automic Registry Services
Suite 310, Level 3, 50 Holt Street
Surry Hills NSW 2010

AdAlta
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Privacy Clause: Automic Pty Ltd (ACN 152 260 814) trading as Automic Registry Services (Automic) advises that Chapter 2C of the *Corporation Act 2001* requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. Primarily, your personal information is used in order to provide a service to you. We may also disclose the information that is related to the primary purpose and it is reasonable for you to expect the information to be disclosed. You have a right to access your personal information, subject to certain exceptions allowed by law and we ask that you provide your request for access in writing (for security reasons). Our privacy policy is available on our website – www.automic.com.au

CORPORATE DIRECTORY

Registered Office

AdAlta Limited
15/2, Park Drive
Bundoora VIC 3083

Corporate Website

www.adalta.com.au

Directors

Paul MacLeman
(Non-Executive Chairman)

Samantha Cobb
(Managing Director)

James Williams
(Non-Executive Director)

Elizabeth McCall
(Non-Executive Director)

John Chiplin
(Non-Executive Director)

Company Secretary

Ian Hobson

Share Registry

Automic Registry Services
Suite 310, Level 3, 50 Holt Street
Surry Hills NSW 2010
www.automic.com.au

Lead Manager

Patersons Securities Limited AFSL No. 239 052
Level 15, 333 Collins Street
Melbourne VIC 3000
www.psl.com.au

Auditor and Independent Accountant

Butler Settineri Pty Ltd
Unit 16, First Floor
100 Railway Road
Subiaco WA 6008
www.butlersettineri.com.au

Patent Attorney

FB Rice
Level 14, 90 Collins Street
Melbourne VIC 3000
www.fbrice.com.au

Lawyers to the Offer

Hive Legal Pty Ltd
Level 4, 50 Market Street
Melbourne VIC 3000
www.hivelegal.com.au