AdAlta
next generation protein therapeutics

ASX Announcement

AdAlta secures key manufacturing agreements for AD-214

MELBOURNE Australia, 5 June 2018, AdAlta Limited (ASX: 1AD), the biotechnology company advancing its lead i-body candidate toward clinical development, is pleased to announce that it has secured agreements critical to the development of its lead therapeutic program, AD-214. Selexis SA has been appointed for cell line development. KBI Biopharma, Inc. has been appointed for process development, analytical development, formulation development, and clinical manufacturing services.

The appointments of Selexis and KBI follow the announcement on 18 April 2018 that AdAlta would take forward an improved version of its lead therapeutic program for the treatment of Idiopathic Pulmonary Disease (IPF). This new version, AD-214, is expected to deliver significantly improved half-life (duration of time the drug remains in the body), enhanced activity, and be applicable across a broader range of fibrotic disease areas making it more attractive to patients and pharmaceutical partners.

AD-214 is an Fc-fusion protein that contains two i-body molecules that bind with high affinity to the human target CXCR4. At the back end of AD-214 is the Fc fragment, or tail region, of a traditional monoclonal antibody that will extend the drug's half-life. As AD-214 is made using Fc-fusion technology, it requires an alternate manufacturing process to the original drug, AD-114.

"Selexis and KBI Biopharma have extensive experience and expertise in the development of manufacturing processes for marketed and late clinical stage biological compounds," said AdAlta's Chief Operating Officer Dallas Hartman. "We evaluated 12 proposals as part of the manufacturing tender process and liked the fact that Selexis and KBI have a strong track record of working together in an integrated manner to develop Fc-fusion protein-based drugs. We're excited to get started with the manufacturing process and ensure AD-214 makes swift progress to the clinic."

"Now that we have signed manufacturing contracts, Selexis will immediately start cell line development and we expect to have materials for the four-week non-human primate toxicology study in the second half of 2019 and be in the clinic in the first quarter of 2020," said AdAlta's Chief Executive Officer, Sam Cobb.

Timelines are detailed in the updated Company presentation accompanying this announcement.

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Notes to Editors

About AdAlta

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

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

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

AdAlta is developing its lead i-body candidate, AD-214, for the treatment of idiopathic pulmonary fibrosis (IPF) and other human fibrotic diseases, for which current therapies are sub-optimal and there is a high-unmet medical need.

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

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

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About KBI Biopharma, Inc.

KBI Biopharma is a biopharmaceutical contract development & manufacturing organization driven to accelerate the development of innovative discoveries into life-changing biological products and expand global access of medicines to patients in need.

From early-stage biotech to academic/non-profit organizations to many of the world's largest pharmaceutical companies, KBI has served 250+ clients globally to accelerate and optimize their drug development programs.

KBI's extensive track record of successful programs is a result of its unique approach: applying the insight gained from our advanced biophysical and analytical protein characterization techniques towards the development of robust and scalable processes. KBI delivers accelerated and integrated process development and cGMP manufacturing

programs for a wide range of recombinant protein Active Pharmaceutical Ingredients (API) and cell therapies for our clients.

KBI was founded in 1996 and operates facilities in Durham and Research Triangle Park (NC), Boulder (CO), The Woodlands (TX), and San Diego (CA).

www.kbibiopharma.com

About Selexis SA

Selexis SA is a pioneering life sciences company and a global leader in mammalian (suspension-adapted CHO-K1) cell line generation, providing unparalleled proprietary technology and the highly-specialized expertise that is necessary to translate scientific innovation into life-saving medicines for patients. Selexis' *SUREtechnology* Platform™ facilitates the rapid, stable, and cost-effective production of virtually any recombinant protein and provides seamless integration of the bioproduction continuum, spanning discovery to commercialization.

With more than 100 partners worldwide, more than 100 drug products in clinical development and three commercial products utilizing Selexis-generated cell lines, the Company has a history of empowering scientists and biopharmaceutical companies around the world to realize the full potential of their research. More information is available at www.selexis.com.

About the KBI BioPharma and Selexis expedited and integrated approach towards cell line and process development

Selexis and KBI Biopharma have joined forces to offer integrated development leading to cGMP manufacture of recombinant proteins in an expedited timeframe.

Cell line development activities at Selexis and process development activities at KBI are performed in parallel and in a highly coordinated and efficient manner. KBI has successfully performed development and cGMP manufacturing with more than twenty Selexis cell lines.

The integrated development workflow takes advantage of Selexis' CHO-M system with its high expression and associated media and feeds, KBI's well-established platform approach towards upstream and downstream process development for a wide variety of antibody related proteins (e.g. antibodies, Fc- proteins, bispecifics, and related proteins), KBI's technical expertise and broad experience in upstream and downstream development for a wide variety of recombinant proteins (e.g. (glycoproteins, enzymes, bispecifics with unique scaffolds, etc.), as well as KBI's industry leading analytical and formulation technical expertise.