



## **New growth enabling institutional investment**

AdAlta Limited (ASX:1AD)

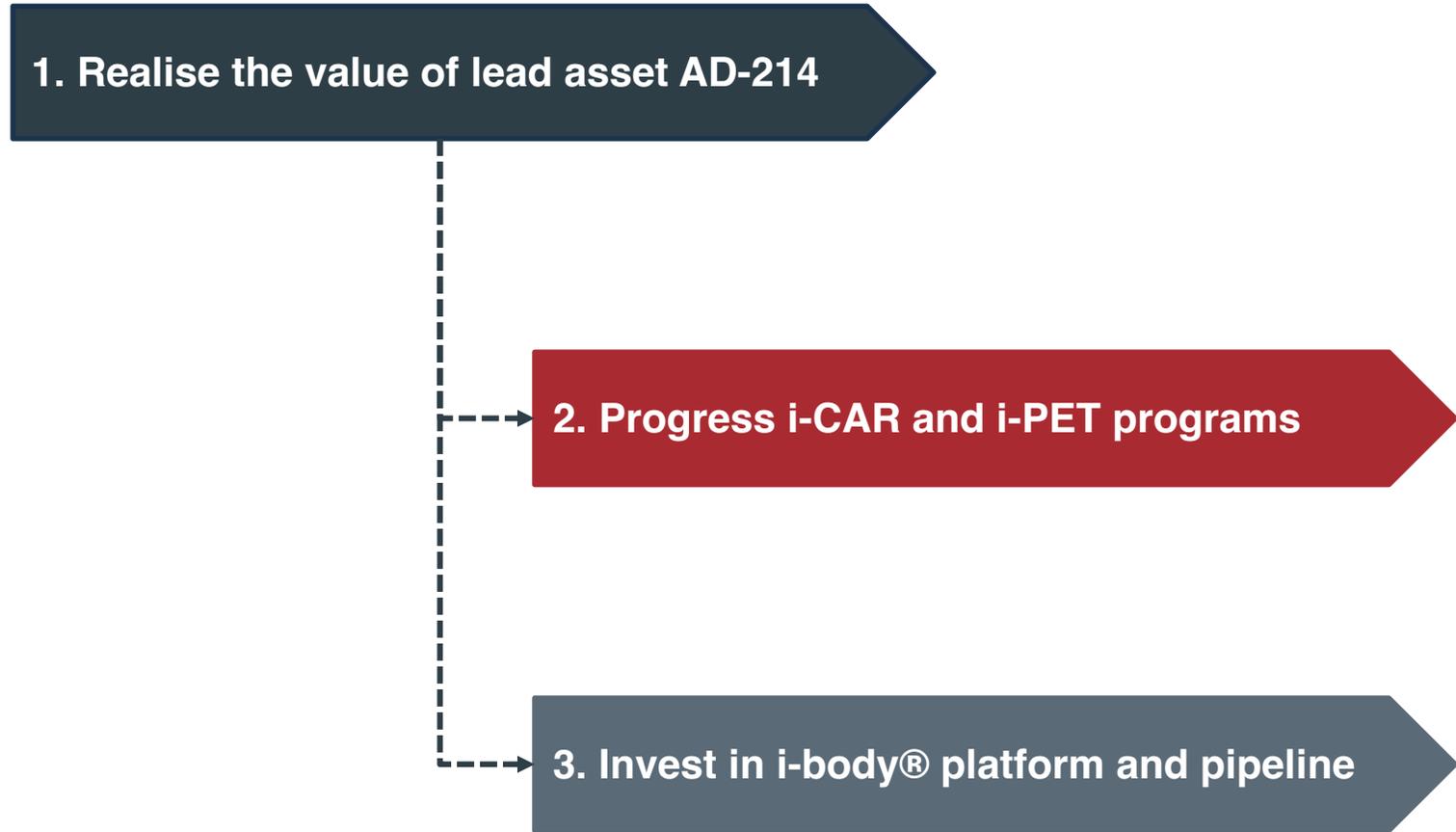
A modern targeting system for next generation drugs

Board discussion

1 May 2024



# AdAlta's core strategies each have opportunities for growth



## Current status

Partnering discussions advancing for:

- ❖ **Out-licensing; or**
- ❖ **Co-development/asset financing**

- ❖ 3 active i-CAR-T discovery programs (Carina Biotech)
- ❖ i-PET imaging discovery program (GE Healthcare)
- ❖ **2 new i-CAR discovery programs commencing**

Focus for direct investment narrowed to cellular immunotherapy via AdCella

- ❖ **MoU with SYNBV enables faster and more capital efficient progress**
- ❖ Platform available for sponsored research in other areas
- ❖ Platform renewal making limited progress

# AD-214 development plan



## Phase I extension study

- AD-214 well tolerated at target Phase II dose; PK/PD as predicted, consistent across doses; no evidence of negative ADA effects
- Results comprehensively address pharma company clinical questions received to date

## Phase II financing strategy

### Either co-development in asset specific entity ...

- AD-214 licensed to AdAlta subsidiary; new strategic or financial investors invest
- AdAlta leads Phase II
- AdAlta receives management fees, retains substantial equity ownership
- AdAlta benefits from value uplift of any Phase II success

### ... or out-licensing to larger biopharmaceutical company

- AD-214 licensed to global or regional company
- Partner responsible for funding, executing Phase II
- AdAlta receives upfront payment, development milestones and royalties on any future commercial sales
- AdAlta return is fixed now

## Product development strategy

### Target intravenous (IV) product profile

- IV in clinic
- Two weeks minimum between infusions
- Fastest, cheapest to clinical proof of concept
- Progress to Phase II

### Potential subcutaneous (SC) product profile

- Patient self administration at home (like diabetes, arthritis)
- Weekly or daily injections
- Enhanced market share, reduced COGS
- Develop formulation, progress to Phase I

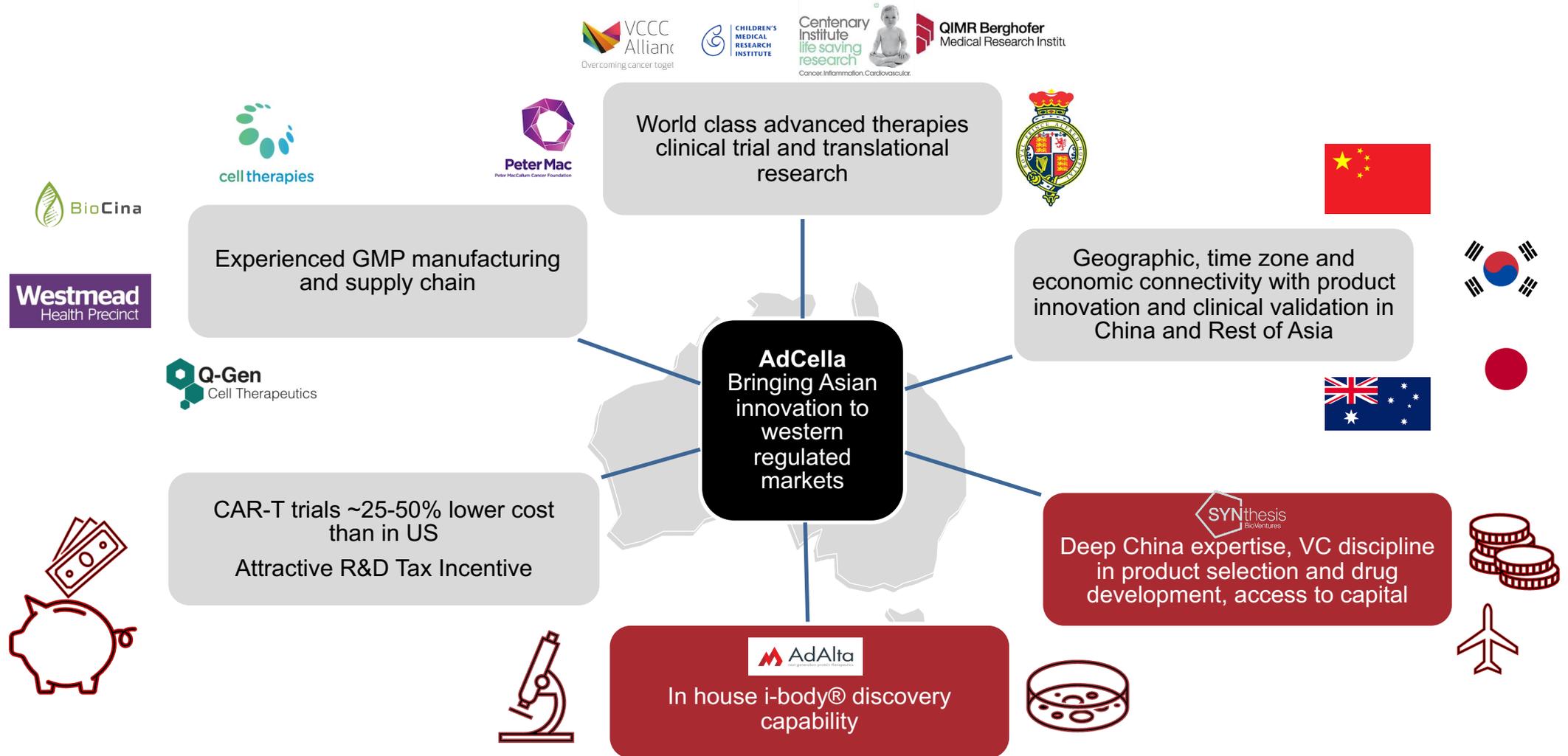
Phase I extension study data being shared with short list of partners to enable them to complete their evaluation of AD-214

Objective is a near term transaction

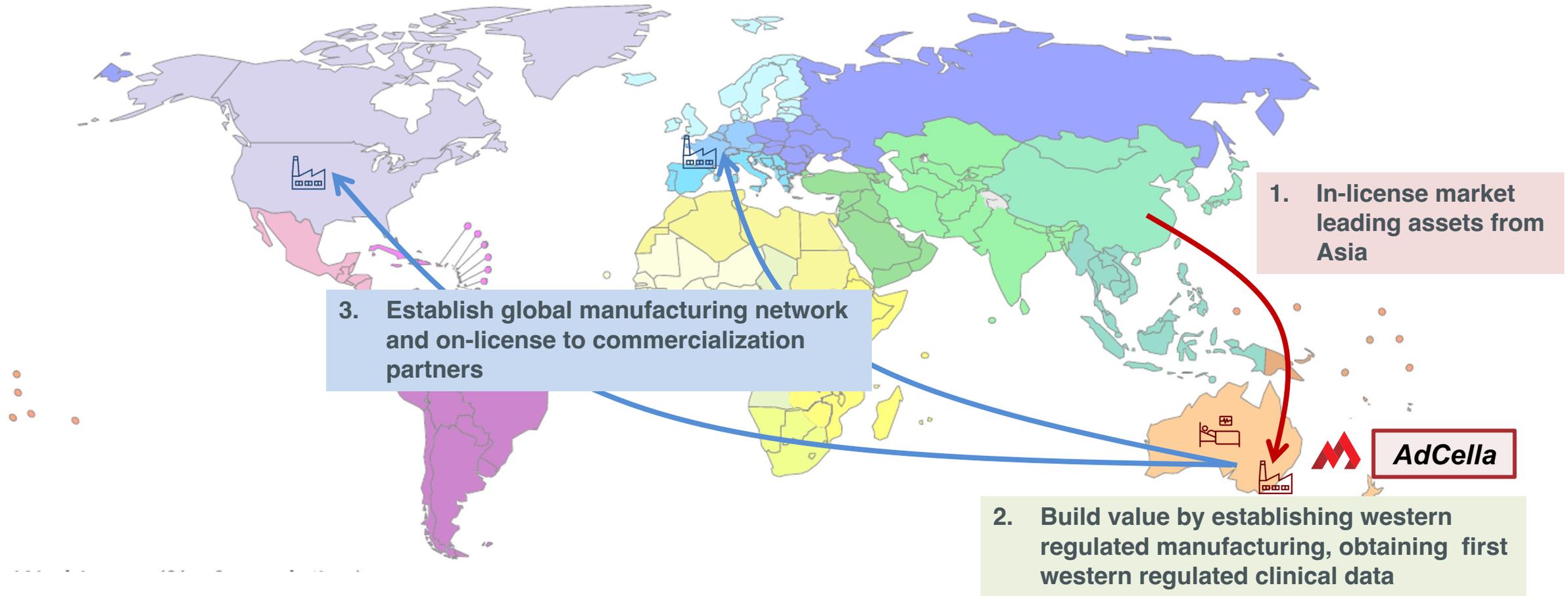
Choice of formulation to take through to Phase III

Based on relative success of each development

# AdCella: Connecting Asia innovation, Australian ecosystem and i-body technology to deliver next generation cellular immunotherapies



# AdCella business model



# New investment provides access to up to \$3.7 million additional funds



## ***New Life Sciences Capital LLC (NLSC)***

A US-based healthcare focused fund

## ***Meurs Group***

AdAlta's second largest (and one of its longest standing) shareholders

<b>A\$ million</b>	<b>First Investment</b>	<b>Second Investment</b>		<b>Third Investment</b>	<b>Total</b>
<b>NLSC</b>	\$0.8m	\$0.7m	\$0.7m	Up to \$0.8m	<b><i>Up to \$3m</i></b>
<b>Meurs Group</b>	\$0.4m	\$0.3m			<b><i>\$0.7m</i></b>
<b>Total</b>	<b><i>\$1.2m</i></b>	<b><i>\$1.0m</i></b>	<b><i>\$0.7m</i></b>	<b><i>Up to \$0.8m</i></b>	<b><i>Up to \$3.7m</i></b>
<b>When</b>	Immediately (May'24)	Within 6 months	Within 12 months	Within 12 months	
<b>Key conditions<sup>1</sup></b>	None (NLSC) Definitive agreements (Meurs)	At AdAlta's option (with NLSC's consent as to second \$0.7m)		By mutual agreement	

1. Other customary conditions apply to the second and subsequent investments as detailed in ASX release of 29 April 2024 (<https://investorhub.adalta.com.au/announcements/6310002>). These include continued compliance with the terms of investment agreements, solvency, minimum share price and market capitalization requirements and available placement capacity

# Benefits of new investment



## Funds support growth initiatives

- Accelerate progress of cellular immunotherapy collaboration with SYNthesis BioVentures
- Progress internal i-body® programs

## Certainty

- Can progress growth initiatives independently of availability of funds from ongoing partnering initiatives for AD-214

## Flexibility

- Only need to draw down funds needed
- Can repay investment rather than issue shares if cash is available

## Competitive terms

- Issue price determined by share price at time of issue, not share price today
- Floor price protection
- Pricing and fees compare favourably with discounted placements
- No options coverage



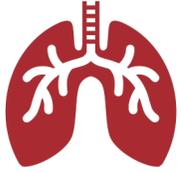
## Key investment terms – NLSC investment

- **AdAlta to issue Placement Shares** worth 109% of the 1<sup>st</sup> and 2<sup>nd</sup> investment amounts (100% of the 3<sup>rd</sup> investment)
  - Placement Shares to be issued over up to 36 months, if requested by NLSC
- **Purchase Price:** \$0.06 for the initial month and subsequently 90% of average of 5 daily VWAP prices selected by NLSC during the 20 trading days prior to the issuance, subject to a Floor Price of \$0.02<sup>1</sup>
- **AdAlta has right to repay in cash:**
  - 2/3 of First Investment (100% with NLSC consent) at face value within 120 days
  - Any subscription amount at the market value of shares that would have been issued<sup>1</sup>
- NLSC not obligated to provide the Second Investment if AdAlta's share price falls below a Base Price of \$0.015 and does not recover within 3 months of notice by NLSC
- At time of First Investment 3.8 million shares issued towards ultimate number of Placement Shares to be issued and 2.0 million in satisfaction of 2% fee

**Meurs investment on essentially the same terms except as to total investment and number of investments**

1. If Purchase Price formula would result in a Purchase Price less than \$0.02, AdAlta may forgo issuing shares and opt to repay the applicable subscription amount in cash (with a 12% premium) subject to NLSC's right to receive Placement Shares at the Floor Price

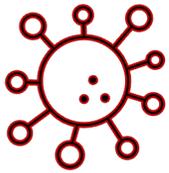
# AdAlta's foundations in place for growth



Lead asset AD-214 heading to Phase II (US\$4.3b IPF market plus other indications), substantially de-risked by Phase I extension study clinical readouts



AD-214 partnering window open with multiple options in play: active market with comparator valuations >US\$45m upfront with US\$0.3-1b milestones



AdCella: "east to west" cellular immunotherapy strategy leveraging regional and i-body® advantages in high value, high growth sector; enabled by SYNthesis BioVentures collaboration



Experienced team and network; differentiated discovery platform; established partnerships and pipeline



Strong and supportive institutional and large shareholder register, flexible financing



Attractive valuation relative to commercial potential of pipeline



**A modern targeting system for next generation drugs**

**AdAlta Ltd (ASX:1AD)  
Investor Presentation  
October 2023**

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