

AdAlta and XL-protein execute commercial license agreement

FREISING Germany, 13 November, 2017: XL-protein GmbH is pleased to announce the signing of a commercial agreement with AdAlta Limited (ASX:1AD), the biotechnology company advancing its lead i-body candidate towards clinical development, granting exclusive rights to deploy PASylation® technology for extended activity of AdAlta's fibrosis therapy, AD-114, in the human body.

XL-protein and the Australian based AdAlta announced an initial agreement on 7 November 2016, at which time AdAlta was granted a research and evaluation license to apply the PASylation technology to its lead anti-fibrotic i-body candidate, AD-114. The agreement announced today is for a commercial license, enabling AdAlta to use XL-protein's PASylation technology in a commercial setting.

In the period between announcements, AdAlta and XL-protein have successfully developed and evaluated AD-114 in combination with PASylation technology. PASylated AD-114 has demonstrated an extended circulating half-life in the non-human primate studies completed to date and, as a result, increased the therapeutic effect of AD-114. PASylated AD-114 will enable less frequent administration of AD-114 in the clinic, thus making it ideal for treating chronic indications such as Idiopathic Pulmonary Fibrosis (IPF).

AdAlta CEO, Sam Cobb commented, "Addition of the PASylation technology has significantly extended the half-life of our promising anti-fibrotic candidate, AD-114. For patients of chronic diseases, such as IPF, therapies that can be administered less frequently tend to improve patient compliance and quality of life.

Signing a commercial agreement with XL-protein signals our continued progression towards the clinic – we remain on track to commence the first in-human Phase 1 trial for AD-114 in the second half of 2018. This agreement also ensures all commercial infrastructure is in place to support a successful partnering discussion and enable AdAlta to out-license AD-114 to a pharmaceutical partner".

"PASylation is the emerging platinum standard for plasma-half extension of therapeutic proteins and peptides. We believe that PASylation technology offers a simpler manufacturing process and superior pharmacological properties of the i-body," commented Claus Schalper, CEO of XL-protein.

We are excited to work with AdAlta to demonstrate the potential of our PASylation technology to develop a new therapeutic option for the treatment of Idiopathic Pulmonary Fibrosis."

Financial terms of the agreement have not been disclosed.

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-114, 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

About XL-protein

XL-protein is a German biotech company commercializing its ground-breaking PASylation[®] technology, which enables the design of biopharmaceuticals with extended plasma half-life and enhanced action.

Based on a strong proprietary technology position, XL-protein focuses at the preclinical as well as clinical development of PASylated proteins in diverse disease areas. XL-protein is engaged in a growing number of partnerships with international pharmaceutical and biotech companies at various levels.

For more information, please visit www.xl-protein.com

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