

18 October 2023

ASX Announcement

R&D TAX REFUND RECEIVED AND R&D LOAN REPAYMENT TERMS EXTENDED

MELBOURNE Australia, 18 October 2023: AdAlta Limited (ASX:1AD), the clinical stage drug discovery company developing novel protein and cell therapeutic products from its i-body platform, is pleased to announce the receipt of its FY2023 Research and Development Tax Incentive (RDTI) refund of \$2,350,940.

The RDTI is an Australian Government program providing important support for biotechnology and other sectors under which companies receive cash refunds for eligible expenditure on research and development. AdAlta Limited received the refund for 43.5% of eligible expenditure.

The Company is current finalising an extension of the A\$4.0million Treasury Corporation of Victoria (TCV) loan facility (Facility) extended to AdAlta as part of the Victorian Government’s R&D Cash Flow Loan Initiative.

CEO and Managing Director, Dr Tim Oldham, commented:

“We are grateful for the support of Victorian Government via the R&D Cash Flow Loan Initiative. It has substantially reduced the requirement to raise equity capital over the past two years and this amendment ensures we continue to use our accrued RDTI refund to fund this Facility.”

The table below outlines the original terms and the amended terms of the Facility as agreed in-principle by AdAlta Limited and Invest Victoria. The amendment is subject only to final Invest Victoria approval and execution of the formal extension agreement by AdAlta Limited and TCV.

	Original terms	Endorsed Amended Terms
Facility amount as at date of announcement	\$4,000,000	\$4,000,000
Repayment	100% by 31 October 2023. Timed to coincide with receipt of FY2023 RDTI	50% by 31 October 2023 15% by 31 January 2024 35% by 30 April 2024
Interest rate	TCV 11am loan interest rate (currently 4.265%)	TCV 11am loan interest rate (currently 4.265%)*
Security	FY2022 and FY2023 RDTI refund	FY24 RDTI refund

* Any overdue instalment payments may also attract an additional 2% interest.

The Company will make the initial repayment using part of the FY2023 RDTI refund. The Company anticipates being able to use readily available RDTI financing facilities and its accruing FY2024 RDTI refund (substantially from the ongoing Phase I extension clinical trial) to support the amended Facility repayments in January and April 2024.

Authorised for lodgement by:

Tim Oldham
CEO and Managing Director
October 2023

About AdAlta

AdAlta Limited is a clinical stage drug development company headquartered in Melbourne, Australia. The Company is using its proprietary i-body technology platform to solve challenging drug targeting problems and generate a promising new class of single domain antibody enabled protein and cell therapeutics with the potential to treat some of today's most challenging medical conditions.

The i-body technology mimics the shape and stability of a unique and versatile antigen binding domain that was discovered initially in sharks and then developed as a human protein. The result is a range of unique proteins capable of interacting with high selectivity, specificity and affinity with previously difficult to access targets such as G-protein coupled receptors (GPCRs) that are implicated in many serious diseases. i-bodies are the first fully human single domain antibody scaffold and the first based on the shark motif to reach clinical trials.

AdAlta is extending Phase I clinical studies for its lead i-body candidate, AD-214, that is being developed 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. Preparation for Phase II clinical studies is also underway. AdAlta has a second target in discovery research, also in the field of fibrosis and inflammation.

The Company is also entering collaborative partnerships to advance the development of its i-body platform. It has a collaboration with Carina Biotech to co-develop precision engineered, i-body enabled CAR-T cell therapies (i-CAR-T) to bring new hope to patients with cancer. It has an agreement with GE Healthcare to co-develop i-bodies as diagnostic imaging agents (i-PET imaging) against Granzyme B, a biomarker of response to immuno-oncology drugs, a program now in preclinical development.

AdAlta's strategy is to maximise the products developed using its next generation i-body platform by internally discovering and developing selected i-body enabled product candidates against GPCRs implicated in fibrosis, inflammation and cancer and partnering with other biopharmaceutical companies to develop product candidates against other classes of receptor, in other indications, and in other product formats.

Further information can be found at: <https://adalta.com.au>

For more information, please contact:

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