

9 March 2022

ASX Announcement

A\$1.6MILLION SECOND TRANCHE R&D CASH FLOW LOAN RECEIVED

MELBOURNE Australia, 9 March 2022: AdAlta Limited (ASX:1AD) the clinical stage biotechnology company developing novel therapeutic products from its i-body platform, advises it has received a further A\$1.6million under the Victorian Government's R&D Cash Flow Loan Initiative (Initiative).

The Company previously announced (20 September 2021) execution of a A\$4.0 million non-dilutive funding facility (Facility) with Treasury Corporation of Victoria (TCV) as part of the Initiative. AdAlta has met the Facility requirements to receive the full A\$1.6million second tranche of funds, bringing the funds secured under the Facility to the maximum amount of A\$4.0million.

The Initiative is administered by Invest Victoria. It is designed to support innovative Victorian small to medium enterprises (SMEs) who are investing in research and development activity to develop the products, services and technologies vital to the State's future economy. Interest on Facility advances is variable at the "TCV 11am" loan interest rate (currently 0.265%). Repayment of the Facility is timed to coincide with receipt of AdAlta's FY2023 R&D Tax Incentive (RDTI) rebate, expected by 31 October 2023, but may be repaid earlier. The Facility is secured by the FY2022 and FY2023 RDTI refunds.

The funds will further extend the Company's cash runway and be used to further progress development of an inhaled form of lead product AD-214 for use in clinical trials in idiopathic pulmonary fibrosis patients, and for discovery of i-bodies against targets in AdAlta's internal pipeline and under its collaboration with Carina Biotech.

Authorised for lodgement by:

Tim Oldham

CEO and Managing Director

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Notes to Editors

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 protein 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 has completed 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.

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

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>

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