**27 March 2020**

**ASX Announcement**

# Board changes and R&D Tax Incentive advance received

## Highlights:

- **Operating principles established and cash conservation initiatives implemented to support response to COVID-19 operating environment**
- **$805,118 R&D Tax Incentive advance received**
- **Rosalind Wilson and James Williams retire from Board, Board fees reduced**

**MELBOURNE Australia, 27 March 2020:** AdAlta Limited (ASX: 1AD), the biotechnology company whose i-body platform enables the development of therapeutics to treat diseases such as Idiopathic Pulmonary Fibrosis that challenge other technologies, has established principles to guide its response to the COVID-19 operating environment. It also announces changes to its Board composition and remuneration, and receipt of a second advance of funds under the Radium R&D Tax Incentive advance facility (announced 20 December 2019).

AdAlta's operating plan during this period of uncertainty is based on:

- Protecting our staff
- Being responsible members of the community, helping to minimise and slow transmission by practising social distancing
- Maintaining business continuity to the extent possible in line with the other principles and government policy
- Building an operating plan with flexibility under multiple COVID-19 impact scenarios to ensure that existing cash (A$5.03m as at 31 December 2019) can continue to be used to progress lead asset AD-214 to Phase I clinical trials, generate value-building data and preserve know-how

The Company has now received a second advance of A$805,118 under the Radium Capital facility. This amount is an advance against 80% of the accrued R&D Tax Incentive (RDTI) rebate for the December 2019 quarter.

Dr James Williams retires from the Board and will become an Alternate Director to Liddy McCall. Dr Rosalind Wilson retires from the Board to enable her to devote greater time to other executive responsibilities. The Board has determined not to replace either role at this time, given AdAlta's current size and the skillset held across its advisors and remaining Board members.

To contribute to cash extension, payment of Non-Executive Director fees has been suspended until further notice. Board Chair, Paul MacLeman will continue to receive Chair fees (representing 50% of his total fees).

Mr MacLeman thanked both departing directors, commenting: “James has served on the Board since 2010, when Yuuwa Capital made its first investment in AdAlta. We are grateful for his longstanding effort and support of the Company, and that we will still be able to access his experience and networks while he acts as an alternate director to Liddy McCall. Ros Wilson has provided significant and important clinical expertise as AdAlta prepares its lead candidate AD-214 for initial human clinical trials. In December 2019, we engaged Dr Kevin Lynch, formerly Vice President, Clinical Development and Medical Affairs, Asia Pacific at Celgene, as Consultant Medical Expert and clinical lead for our Phase I program. When combined with the expertise of our Scientific Advisory Board, this appointment enables us to progress without replacing Ros’s expertise on the Board.”

Authorised for lodgement by:

**Tim Oldham**
**CEO and Managing Director**
**March 2020**

**Notes to Editors**
**About AdAlta**

AdAlta Limited is an Australian-based drug development company headquartered in Melbourne. The Company is using its proprietary technology platform to generate a promising new class of single domain antibody protein therapeutics, known as i-bodies, that have the potential to treat some of today’s most challenging medical conditions. The technology 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, capable of uniquely interacting with previously difficult to access targets such as G-protein coupled receptors (GPCRs) that are implicated in many serious diseases.

AdAlta is currently preparing for its Phase 1 clinical studies for its lead i-body candidate, AD-214. The clinical program is expected to commence in mid-2020 following finalisation of clinical trial design. AD-214 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 in collaborative partnerships to advance the development of its i-body platform. It has an agreement with GE Healthcare for diagnostic imaging agents against several drug targets, including Granzyme B.

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: www.adalta.com.au

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