ASX Announcement

AdAlta Receives A$2.02m Research and Development Tax Incentive Refund

MELBOURNE, Australia 24th October 2018: AdAlta Limited (ASX: 1AD), the biotechnology company which is advancing its lead i-body candidate towards clinical development is pleased to announce the receipt of a Research and Development (R&D) Tax Incentive refund of A$2,020,175 for the 2017/2018 financial year.

The cash refund is based on A$4,644,080 of eligible R&D expenses invested in development of the Company's lead i-body AD-214.

AD-214 has shown promise in treating fibrosis, notably idiopathic pulmonary fibrosis (IPF) and other fibrotic diseases, for which current therapies have limited efficacy and where there is a high-unmet medical need.

The R&D Tax Incentive is a program jointly administered by the Australian Taxation Office and AusIndustry, under which companies can receive a 43.5 per cent refundable tax offset of expenditures on eligible research and development activities. The program is designed to support and encourage R&D activity in Australia.

AdAlta CEO Samantha Cobb said, "These non-dilutive Government schemes are critical in supporting valuable innovations to reach the market. The funds received under the R&D tax incentive will bolster AdAlta's cash reserves and assist us with moving AD-214 towards the clinic."

Further information can be found at: www.adalta.com.au

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