

ASX Release

7 June 2023

AROVELLA COMPLETES \$4M PLACEMENT & LAUNCHES \$1M SPP**Highlights:**

- **Firm commitments received for A\$4.1 million Placement to new and existing institutional and sophisticated investors at A\$0.045 per share.**
- **Share Purchase Plan for existing eligible shareholders, targeted to raise approximately A\$1 million at a Placement offer price of A\$0.045 per share.**
- **The capital raised will be used to fund the development of ALA-101 towards clinical trials and to enhance Arovella's iNKT cell pipeline.**

MELBOURNE, AUSTRALIA 7 June 2023: Arovella Therapeutics Ltd (ASX: ALA) (**Arovella** or the **Company**), a biotechnology company focused on developing its invariant Natural Killer T (iNKT) cell therapy platform, is pleased to announce that it has received firm commitments from institutional and sophisticated investors, to raise approximately A\$4.1m (before costs) under a placement of 91,111,111 new fully paid ordinary shares in the Company (**Shares**) at a price of A\$0.045 per share (Placement). The pricing of the Placement represents a 10% discount to the last traded market price and a 12.4% discount to the volume weighted average price (VWAP) of Arovella Shares traded on ASX over the five days up to and including 2 June 2023.

The Placement received strong support from institutional and sophisticated investors.

Following completion of the Placement, Arovella will offer existing shareholders the opportunity to participate in a non-underwritten Share Purchase Plan (SPP) to raise a further A\$1 million (before costs). The issue price of the new Shares under the SPP will be the same as the price of the Shares issued under the Placement, being A\$0.045 per Share.

Funds raised under the Placement and SPP will be used to progress Arovella's lead product, ALA-101, towards a Phase 1 clinical trial for patients with CD19-positive Non-Hodgkin's lymphoma. It will also be used to strengthen Arovella's iNKT cell therapy pipeline and provide general working capital.

Over the coming 18 months, Arovella expects to achieve several critical milestones, including:

- Reporting initial animal data on ALA-101 in combination with Imugene's onCARlytics (H2 CY23);
- Optimising and scaling-up its CAR-iNKT manufacturing process suitable for phase I clinical trials, including completing cGMP manufacture of its lentiviral vector (H2 CY23);
- Completing Investigational New Drug (IND)-enabling non-clinical safety and efficacy studies (H1 CY24);
- Manufacturing clinical batches for phase I clinical trials (H1 CY24);
- Securing an Investigational New Drug (IND) application with the FDA and/or regulatory filing with TGA to conduct a phase I clinical trial in Non-Hodgkin's lymphoma (H2 CY24); and
- Commencing a phase I clinical trial in Non-Hodgkin's lymphoma (H2 CY24)

Arovella's Chairman, Dr Tom Duthy, said: "Arovella is working in one of the most important cancer therapeutic areas, cell therapies. The company is well-positioned to be a leader in the iNKT cell space, which shows great promise for the generation of an off-the-shelf product. We are delighted with the

support from investors in the Placement, which provides us with funding to accelerate the development of our lead product, ALA-101 toward clinical trials.”

Arovella Managing Director and CEO Michael Baker said: “It has been a challenging period for the sector so to have the level of support that we received is outstanding. This is an exciting time for Arovella. The company has repositioned itself and we can now focus on driving ALA-101 into clinic. We look forward to building on our success and creating value for all our shareholders.”

Placement

Under the terms of the Placement, the Company has secured firm commitments for, and proposes to issue, a total of 91,111,111 Shares to Placement subscribers at a price of A\$0.045 per Share.

The offer price under the Placement represents:

- a 10% discount to the last closing price of Shares traded on the ASX on Friday 2 June 2023, being A\$0.05; and
- and a 12.4% discount to the volume weighted average price (**VWAP**) of Shares traded on the ASX over the 5 days up to and including 2 June 2023.

The new Shares under the Placement will be issued under Arovella’s existing placement capacities pursuant to ASX Listing Rules 7.1 and 7.1A. Specifically, the Company will issue 15,592,342 Shares under the Company’s Listing Rule 7.1 capacity, and 75,518,769 Shares under its Listing Rule 7.1A capacity.

Settlement of the Placement is expected to occur on Tuesday, 13 June 2023, with allotment to occur on Wednesday, 14 June 2023.

The new Shares issued under the Placement will rank equally with the Company’s existing fully paid ordinary shares. The Company will apply for quotation of the Placement Shares on ASX.

Blue Ocean Equities acted as Lead Manager with Baker Young as Co-Lead Manager for the Placement.

Share Purchase Plan

Following completion of the Placement, Arovella will offer existing eligible shareholders the opportunity to participate in a non-underwritten SPP, to raise approximately A\$1 million.

Under the SPP, eligible Arovella shareholders, being shareholders with a registered address in Australia and New Zealand on the Company’s share register as at 7:00pm (AEST) on Tuesday, 6 June 2023, and who are not in the United States or acting on account or benefit of a person in the United States will have the opportunity to apply for up to A\$30,000 of new Shares per eligible shareholder.

The issue price of the new Shares under the SPP will be same as the price of Shares issued under the Placement, being A\$0.045 per Share. The SPP will provide eligible shareholders with the opportunity to increase their shareholdings in the Company, without incurring brokerage fees or other transaction costs.

The SPP offer will open on Thursday, 15 June 2023, and close on Thursday, 29 June 2023.

ASX: ALA

Arovella Therapeutics Limited
ACN 090 987 250



Full details of the SPP will be set out in an SPP offer booklet, which is expected to be released to the ASX and dispatched to eligible shareholders on Thursday, 15 June 2023. The SPP will be subject to the terms set out in the SPP offer booklet.

The SPP aims to raise approximately A\$1 million, being 22,222,222 New Shares. Arovella may accept applications (in whole or in part) that result in the SPP raising more or less than the targeted amount of A\$1 million in its absolute discretion (subject to the ASX Listing Rules). Applications may be subject to scale-back.

Key Dates for Placement and SPP

Event	Time and Date (AEST)
Trading halt	Monday, 5 June 2023
Placement bookbuild	Monday, 5 June 2023
Record Date for SPP	7.00pm, Tuesday, 6 June 2023
Announcement of Placement outcome and SPP; trading halt lifted	Wednesday, 7 June 2023
Settlement of Placement	Tuesday, 13 June 2023
Allotment and normal trading of Shares issued under the Placement	Wednesday, 14 June 2023
Dispatch of the SPP offer booklet; SPP offer opens	Thursday, 15 June 2023
Closing date of SPP	5.00pm, Thursday, 29 June 2023
Announcement of results of SPP (including scale back, if any)	Tuesday, 4 July 2023
Allotment of Shares under the SPP	Wednesday, 6 July 2023
Normal trading of SPP shares and dispatch of holding statements	Thursday, 6 July 2023

Note: The timetable above is indicative only and subject to variation. The Company reserves the right to alter the timetable as its absolute discretion and without notice, subject to the ASX Listing Rules and Corporations Act 2001 (Cth).

This announcement has been authorised for release by the Company's Board of Directors.

For and on behalf of the Board and for further information, please contact:

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NOTES TO EDITORS:**About Arovella Therapeutics Ltd**

Arovella Therapeutics Ltd (ASX: ALA) is a biotechnology company focused on developing its invariant natural killer T (iNKT) cell therapy platform from Imperial College London to treat blood cancers and solid tumours. Arovella is also expanding its DKK1-peptide targeting technology licenced from MD Anderson and used in conjunction with its iNKT cell therapy platform. Arovella's lead product is ALA-101. ALA-101 consists of CAR19-iNKT cells that have been modified to produce a Chimeric Antigen Receptor (CAR) that targets CD19. CD19 is an antigen found on the surface of numerous cancer types. iNKT cells also contain an invariant T cell receptor (iTTCR) that targets α -GalCer bound CD1d, another antigen found on the surface of several cancer types. ALA-101 is being developed as an allogeneic cell therapy, which means it can be given from a healthy donor to a patient.

Glossary: **iNKT cell** – invariant Natural Killer T cells; **CAR** – Chimeric Antigen Receptor that can be introduced into immune cells to target cancer cells; **TCR** – T cell receptors are a group of proteins found on immune cells that recognise fragments of antigens as peptides bound to MHC complexes; **B-cell lymphoma** – A type of cancer that forms in B cells (a type of immune system cell); **CD1d** – Cluster of differentiation 1, which is expressed on some immune cells and cancer cells; **α GalCer** – alpha-galactosylceramide is a specific ligand for human and mouse natural killer T cells. It is a synthetic glycolipid.

The Company is also commercialising ZolpiMist™ to treat short-term insomnia.

For more information, visit www.arovella.com

IMPORTANT NOTICES**Forward looking statements**

This announcement contains certain statements which may constitute forward-looking statements or information ("forward-looking statements"), including statements regarding negotiations with third parties and regulatory approvals. These forward-looking statements are based on certain key expectations and assumptions, including assumptions regarding the actions of third parties and financial terms. These factors and assumptions are based upon currently available information, and the forward-looking statements herein speak only of the date hereof. Although the expectations and assumptions reflected in the forward-looking statements are reasonable in the view of the Company's directors and management, reliance should not be placed on such statements as there is no assurance that they will prove correct. This is because forward-looking statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward-looking statements. These risks include but are not limited to: uncertainties and other factors that are beyond the control of the Company; global economic conditions; the risk associated with foreign currencies; and risk associated with securities market volatility. The Company assumes no obligation to update any forward-looking statements or to update the reasons why actual results could differ from those reflected in the forward-looking statements, except as required by Australian securities laws and ASX Listing Rules.

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Shares to be offered and sold under the Placement or SPP have not been, and will not be, registered under the U.S. Securities Act of 1933 (the “**U.S. Securities Act**”) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares under the Placement or SPP may not be offered or sold, directly or indirectly, to any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws. New Shares issued under the Placement or SPP described in this announcement may not be offered or sold, directly or indirectly, to any person in the United States or any person that is acting for the account or benefit of a person in the United States.