ASX Release

26 February 2025

AROVELLA FULLY FUNDED TO COMPLETE PHASE 1 ENROLMENT AND GENERATE CLINICAL DATA WITH $15M PLACEMENT

Highlights:

- **Firm commitments received for a new placement of approximately $15 million at $0.125 per share**
- **Post completion of the placement, the Company will hold approximately $26.8 million in cash and cash equivalents (before Offer costs)[1]**
- **The capital raised allows Arovella to complete enrolment and report initial safety and efficacy data for the phase 1 clinical trial for ALA-101 in patients with CD19-positive blood cancers**
- **In addition, placement proceeds will support the continued development of Arovella's solid tumour programs and pipeline expansion**
- **The placement announced on 10 January 2025 has been withdrawn following a private investor defaulting on its binding subscription obligation**

MELBOURNE, AUSTRALIA 26 February 2025: Arovella Therapeutics Limited (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 $15 million (before costs) under a new placement of fully paid ordinary shares in the Company (**Shares**) to institutional and sophisticated investors (**Placement**, or the **Offer**). This new Placement is being conducted in place of the previous placement announced by the Company on 10 January 2025 (**January Placement**). The January Placement has been withdrawn by the Company, following the default by an Australian-based private investor to settle on its $15 million binding subscription obligation. Arovella is seeking remedy under the subscription agreement.

Under the Offer, for every three (3) new Shares issued under the Placement (**New Shares**), placement investors will receive one (1) attaching option exercisable at A$0.15 and expiring on 24 May 2027 (**Attaching Options**). The Company will apply to ASX for quotation of the Attaching Options.

Post the Offer, Arovella will have a pro-forma cash balance (before Offer costs) of approximately $25.9 million[1].

Funds raised under the Offer will allow Arovella to complete enrolment and report initial safety and efficacy data for the planned phase 1, first-in-human clinical trial for Arovella's lead product, ALA-101. The phase 1 clinical trial is for patients with CD19-positive non-Hodgkin's lymphoma and leukemia. Funds raised under the placement will also be used to strengthen Arovella's iNKT cell therapy pipeline and advance Arovella's solid tumour products, and for general working capital purposes.

Arovella Managing Director and CEO Dr Michael Baker said: "Despite the challenges faced finalising the previous placement announced in January, it is excellent to have the continued faith of those that demonstrated their prior support. This is an excellent outcome and we are committed to our development plans to take ALA-101

[1] Based on cash position as at 31 December 2024 of $11.8 million

into the clinic and assess its impact on patients with CD19+ blood cancers. The Company is well positioned, and the $15 million placement provides funding to generate preliminary safety and efficacy data in human clinical trials which is a pivotal driver of value. We are excited to continue with our development plans and look forward to building on our success and creating value for our shareholders."

Over the remainder of CY2025, Arovella expects to achieve several critical milestones, including:

- Securing IND approval through the US FDA to conduct a phase 1 clinical trial in CD19-positive non-Hodgkin's lymphoma and leukemia;
- Commencing a phase 1 clinical trial;
- Obtaining clinical data from initial patients dosed with ALA-101; and
- Securing proof-of-concept data for its solid tumour programs directed toward gastric and/or pancreatic cancer.

Withdrawal of January Placement

Arovella announced a $20.0 million placement in January 2025, comprising a $15.0 million investment from an Australian-based private investor, and $5.0 million from other institutional investors. The Australian-based private investor failed to settle on the subscription, in breach of its obligations under a binding subscription agreement with Arovella. Arovella is seeking remedy under this agreement.

Following the default, Arovella has withdrawn the January Placement, and refunded application monies received from the other January Placement investors.

The Offer

Under the Placement, the Company will issue approximately 120 million new fully paid ordinary shares (**New Shares**) at $0.125 per New Share, raising approximately $15 million (before costs).

Under the Offer, Placement investors will receive one (1) Attaching Option for every three (3) New Shares issued under the Placement, exercisable at A$0.15 and expiring on 24 May 2027.

The issue price of $0.125 per New Share under the Offer represents a 33.1% discount to the volume weighted average price of Arovella Shares over the 30 days up to and including 5 February 2025 (being the last day that Arovella Shares were traded prior to the date of this announcement), of $0.1869.

The securities under the Placement (approximately 120 million New Shares and 40 million Attaching Options) will be issued under Arovella's existing placement capacity pursuant to ASX Listing Rule 7.1.

Settlement of the Placement is expected to occur on Tuesday, 4 March 2025, with allotment to occur on Wednesday, 5 March 2025.

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 New Shares on ASX. The Company will also apply to the ASX for quotation of the Attaching Options.

Ord Minnett Limited and Taylor Collison Limited acted as joint lead managers to the Placement.

Prospectus

The Company will offer and issue the New Shares under the Placement without disclosure to exempt investors under Chapter 6D of the Corporations Act.

The Company will offer the Attaching Options under a prospectus to be lodged with ASIC on Wednesday, 26 February 2025 (**Placement Prospectus**). The Placement Prospectus will, amongst other things, facilitate secondary trading of New Shares issued under the Placement and upon exercise of the Attaching Options, so that the holders of those Shares, if they choose to, may sell those Shares within the twelve months following their issue, without the further issue of a prospectus.

Listing of May Options

The Company currently has on issue 115,897,550 options, which were issued as attaching options to the $12.5 million placement completed by the Company in April 2024 (**May Options**). The May Options are in the same class, and carry the same terms (exercise price of $0.15, expiry 24 May 2027), as the Attaching Options. Subject to quotation conditions being met and lodgment of a prospectus to facilitate secondary trading of those May Options, the Company intends to apply for quotation of those May Options.

Key Dates

Event	**Date (2025)**
Announcement of completion of Placement; voluntary suspension lifted, and Arovella shares recommence trading on ASX	Wednesday, 26 February
Lodgement of Placement Prospectus with ASIC and ASX	Wednesday, 26 February
Lodgement of Appendix 3B for New Shares and Attaching Options	Wednesday, 26 February
Settlement of Placement	Tuesday, 4 March
Issue of, and lodgement of Appendix 2A for, New Shares and Attaching Options under the Placement	Wednesday, 5 March

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.

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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'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. Arovella is also expanding into solid tumour treatment through its CLDN18.2-targeting technology licensed from Sparx Group. iNKT cells also contain an invariant T cell receptor (iTCR) 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; **aGalCer** – alpha-galactosylceramide is a specific ligand for human and mouse natural killer T cells. It is a synthetic glycolipid.

For more information, visit www.arovella.com

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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