ASX Release

26 March 2024

AROVELLA FUNDED TO PHASE 1 DATA: COMPLETES $12.5M PLACEMENT

Highlights:

- **Firm commitments received for $12.5 million Placement to new and existing institutional and sophisticated investors at A$0.10 per share.**
- **Solid support from global institutional investors, including a specialist healthcare/biotechnology fund.**
- **The capital raised will be used to take ALA-101 into Phase 1 clinical trials and generate data in patients with CD19+ blood cancers.**
- **Capital also provides for the continued development of Arovella's solid tumour products.**

MELBOURNE, AUSTRALIA 26 March 2024: 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 $12.5 million (before costs) under a placement of 125 million new fully paid ordinary shares in the Company (**Shares**) at A$0.10 per Share (**Placement**), with an attaching 1-for-1 Option with an exercise price of $0.15 (a 50% premium to the Placement price) and an exercise period of three years. The pricing of the Placement represents a 23.1% discount to the last traded market price.

The Placement received strong support from domestic and international institutional and sophisticated investors.

Funds raised under the Placement will be used to progress Arovella's lead product, ALA-101, into a Phase 1 clinical trial and generate preliminary data from patients dosed with ALA-101. The Phase 1 clinical trial is for patients with CD19-positive non-Hodgkin's lymphoma. 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.

Over the coming 12 months, Arovella expects to achieve several critical milestones, including:

- Completing scale-up of its CAR-iNKT manufacturing process for ALA-101 and manufacturing ALA-101 for clinical trials;
- Completing Investigational New Drug (IND)-enabling non-clinical safety and efficacy studies;
- Securing regulatory approval to conduct a Phase 1 clinical trial in non-Hodgkin's lymphoma;
- Commencing a Phase 1 clinical trial in Non-Hodgkin's lymphoma; and
- Obtaining data from initial CD19+ lymphoma and leukemia patients dosed with ALA-101.

Arovella's Chairman, Dr Thomas Duthy, said: "This is a pivotal time for Arovella, which continues to be a global pioneer in developing CAR-iNKT cell therapeutics. The level of support for the Placement from well-known, global institutional investors highlights the potential of our highly differentiated cell therapy platform and our significant progress to date. It provides us with the capital to execute our goals, notably to assess the clinical benefit of our proprietary CAR-iNKT cells in cancer patients."

Arovella Managing Director and CEO Dr Michael Baker said: "We have continued to scour the globe and cement our position in the iNKT cell space by acquiring IP that bolsters our iNKT cell pipeline and sets us apart in the sector. I am thrilled with the level of support that we have received from several investors, and we are tremendously excited to take ALA-101 into the clinic and assess its impact on patients with CD19+ blood cancers. This is an exciting time for Arovella, and we look forward to building on our success and creating value for all our shareholders."

Placement

Under the Placement, the Company will issue 125,000,000 Shares to Placement subscribers at $0.10 per Share. Participants will receive 1-for-1 attaching Option for every Share subscribed. The Options will have a three-year exercise period and an exercise price of $0.15 (50% above the issue price of the Placement). The issue of Options will be subject to shareholder approval, which will be voted on at an upcoming extraordinary general meeting (**EGM**), expected to be held in mid-May 2024.

The offer price under the Placement represents a 23.1% discount to the last closing price of Shares traded on the ASX on Thursday, 21 March 2024, being A$0.13.

The 125,000,000 new Shares under the Placement 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 Wednesday 3 April, with allotment to occur on Thursday 4 April 2024.

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.

MST and Blue Ocean Equities acted as Joint Lead Managers to the Placement.

Key Dates for Placement

Event	**Time and Date (AEST)**
Trading halt	Friday, 22 March 2024
Placement bookbuild	Friday, 22 March 2024
Announcement of Placement outcome; trading halt lifted	Tuesday, 26 March 2024
Settlement of Placement	Wednesday 3 April 2024
Allotment and normal trading of Shares issued under the Placement	Thursday, 4 April 2024
Expected date of EGM to approve New Options	mid-May 2024

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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