

ASX Release

21 February 2022

AROVELLA THERAPEUTICS LIMITED SHARE PURCHASE PLAN CLOSES EARLY AND OVERSUBSCRIBED

- **Share Purchase Plan inundated with shareholder demand with over \$2.5 million in subscriptions already received.**
- **Offer increased to \$2 million and close early and subscriptions already received will be subject to a scale-back.**
- **Funds to be used to fund manufacturing of components for the CAR19-iNKT cell therapy, to perform preclinical studies for DKK1-CAR-iNKT, as well as for general working capital purposes.**

MELBOURNE, AUSTRALIA 21 February 2022: As announced on January 24 2022, Arovella Therapeutics Ltd (ASX: ALA) is conducting an offer of new shares (“SPP Shares”) by way of an underwritten Share Purchase Plan to raise a target amount of \$1.5 million from existing shareholders with a registered address in Australia and New Zealand (as at 7pm Sydney time) on 21 January 2022, and who are not in the United States or acting for the account or benefit of a person in the United States (“SPP”) (“Eligible Shareholders”).

The Company is pleased to advise that it has been quickly inundated with subscriptions for the Company’s SPP.

The Company advises that it has already received subscriptions in excess of the \$2.5 million available under the SPP offer and, as a result, the Company has decided to increase the capacity of the SPP to \$2 million and it will close the SPP with immediate effect. Subscriptions already received will be subject to a scale-back. As such, the Company advises that any applications received after today (21 February 2022) will not be accepted under the SPP.

Given that valid applications received prior to the close of the SPP exceed \$2.5 million, the Company advises that it will scale back valid applications equally on a pro rata basis in accordance with the terms of the SPP offer. Excess application monies will be returned to successful applicants, and any applications received from today will be returned in full to applicants.

The funds raised under the SPP and from the recently completed \$4.5 million placement (announced on 24 January 2022) (Placement) will be used to fund manufacturing of components for the CAR19-iNKT cell therapy, to perform preclinical studies for DKK1-CAR-iNKT, as well as for general working capital purposes.

Arovella’s Managing Director, Mr Michael Baker, said he was delighted with the overwhelming response to the SPP from shareholders, with the additional funds raised further strengthening the Company’s balance sheet as it advanced its activities.

“We undertook the SPP to give existing shareholders the opportunity to purchase shares on the same terms as our successful \$4.5 million placement completed in January to sophisticated and professional investors. We have been inundated by shareholder applications and, in light of the applications exceeding \$2.5 million, we have made the decision to increase the SPP capacity and close early.

I would like to take this opportunity to thank existing shareholders for their outstanding support, which is a strong endorsement of the Company’s strategy and our plans. With a strong balance sheet, the Company is in an outstanding position to generate shareholder value.”

The Company expects that new shares under the SPP to be allotted and issued on Wednesday 16 March 2022

Following the early closure of the SPP, the Company provides an amended SPP timetable:

Record Date	7:00pm, Friday 21 January 2022
Announcement of SPP	24 January 2022
Despatch Share Purchase Plan Booklet to shareholders and release Offer Letter on ASX	5 August 2020
SPP Opening Date	24 January 2022
SPP Closing Date	21 February 2022
Issue of New Shares under SPP, Lodge Appendix 2A	16 March 2022
Quotation on ASX of New Shares under SPP	17 March 2022

This timetable is indicative only and subject to change. The commencement of trading and quotation of New Shares under the SPP is subject to confirmation from ASX. Subject to the requirements of the Corporations Act, the ASX Listing Rules and other applicable rules, Arovella reserves the right to amend this timetable at any time, either generally or in particular cases, without notice. All times are AEST.

ASX: ALA

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NOTES TO EDITORS:

About Arovella Therapeutics Ltd

Arovella Therapeutics Ltd (ASX: ALA) is a biotechnology company focused on developing therapies to treat human disease. Arovella's two focus areas are oncology and conditions that impact the central nervous system. Arovella is developing its invariant natural killer T (iNKT) cell therapy platform from Imperial College London to treat blood cancers. Arovella is also developing its DKK1-peptide targeting technology licenced from MD Anderson to be used in conjunction with its iNKT cell therapy platform. The Company is developing low-risk oral sprays to reformulate existing pharmaceuticals. The potential benefits of administering drugs through the oral mucosa (i.e. cheeks, tongue, gums and palate) include ease of use, lower dosage, reduced side effects and faster response time. Arovella's product pipeline includes an oral spray for the platelet-lowering drug anagrelide to treat metastatic disease in the background of high platelets, and ZolpiMist™, a first-in-class oral spray of zolpidem tartrate to treat short-term insomnia. ZolpiMist is approved by the FDA, TGA and the Ministry of Health (Chile) and is marketed in the USA. Arovella has rights to the product outside of the US and Canada. Other products in development include oral sprays to treat migraine headaches, motion sickness, and drug-resistant epilepsy.

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 actions of third parties and financial terms. These factors and assumptions are based upon currently available information and the forward-looking statements contained herein speak only as 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; 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.