

ASX Release

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AROVELLA TO CLOSE ITS PERTH OROMIST R&D FACILITY AND FOCUS ON ITS iNKT CELL THERAPY PLATFORM**Highlights:**

- **Strategic review underlines value in iNKT cell platform**
- **Decision to exit future OroMist based products drives annual cost saving of ~\$1.5m**
- **Perth based R&D facility to close by Q1 2023**

MELBOURNE, AUSTRALIA 26 October 2022: Arovella Therapeutics Ltd (ASX: ALA), announces that following a strategic review of its development pipeline, it will close its Perth-based research and development facility (Facility). The Company will focus its resources on its invariant Natural Killer T (iNKT) cell platform and cease expenditure on the OroMist platform.

The Company will focus entirely on the development of its iNKT cell therapy platform, which has significant potential to generate allogeneic cell therapies that target both blood cancers and solid tumours. The Company's belief in its platform was underlined in the recent announcement that it will collaborate with Imugene to combine Arovella's iNKT cell platform and Imugene's onCARlytics platform, to test against solid tumours. The combination of two specialised platforms can potentially create a "one, two punch" to solid tumours and brain metastases.

Arovella's CEO and MD, Dr Michael Baker, commented "The strategic review and resulting focus on our iNKT platform sets out a clear agenda for the future growth of Arovella. It will enable all staff and resources to be focused on bringing a potential off-the-shelf cell therapy to market that can target both blood cancers and solid tumours. I want to thank everyone at the Perth facility whose dedication and expertise made the commercialisation of our insomnia drug, ZolpiMist, possible."

The closure of the Facility will incur one-off restructuring costs not expected to exceed \$300k in FY2023 but thereafter an estimated cost saving of \$1.5m per annum based on historical costs.

As a result of the Company's decision to close the Facility, the Company is currently undertaking a review of its contractual arrangements relating to its ZolpiMist product. Arovella will continue to keep shareholders apprised of updates in this regard, in accordance with its continuous disclosure obligations.

Release authorised by the Managing Director and Chief Executive Officer of Arovella Therapeutics Limited.

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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 diseases. Arovella is 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. The Company is also commercialising ZolpiMist™, a first-in-class oral spray of zolpidem tartrate to treat short-term insomnia. ZolpiMist is approved by the FDA and the TGA and is marketed in the USA. Arovella has rights to the product outside of the US and Canada.

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.