

ASX RELEASE

19 January 2023

AROVELLA COMPLETES \$1.65M PLACEMENT

- **Firm commitments received for \$1.5 million Placement to new and existing institutional and sophisticated investors at \$0.020 per share.**
- **Commitments from the board and management for an additional \$155,000 in the Placement**
- **The capital raised will be used to fund Arovella's cell therapy programs, including advancing the manufacturing of its lead invariant Natural Killer T (iNKT) Cell Therapy therapeutic, ALA-101. in preparation for first-in-human clinical trials.**

MELBOURNE, AUSTRALIA 19 January 2023: Arovella Therapeutics Limited (**Arovella** or the **Company**) (ASX: ALA), a biotechnology company focused on developing its invariant Natural Killer T (**iNKT**) cell therapy platform, is pleased to announce the successful completion of a placement of fully paid ordinary shares (**Shares**) to institutional and sophisticated investors at an issue price of 2 cents per Share, to raise A\$1.655 million (**Placement**). The issue price of the Placement represents a 9.3% discount to the volume weighted average price (**VWAP**) of Shares traded on ASX over the 15-day period ending 16 January 2023.

Funds raised under the Placement will be used to progress manufacturing of the Company's lead iNKT cell therapy product, ALA-101, in preparation for first-in-human clinical trials and to advance its DKK1-peptide targeting monoclonal antibody, which expands Arovella's pipeline to target multiple myeloma and potentially solid tumour cancers. The Placement received strong support from institutional and sophisticated investors, including specialist life sciences institutional investor, Merchant Group.

Arovella's efforts over the last 18 months in completing the transition of the Company to a Cell Therapy company are now being realised and the Company expects to release several key data readouts to the market over the remainder of this financial year. These include:

- In vitro (test tube) data showing the activity of ALA-101 in combination with Imugene's onCARlytics product against solid tumour cells;
- In vivo data showing the activity of ALA-101 in combination with Imugene's onCARlytics product against solid tumours in mice;
- Validation of DKK1 as a novel cancer target for Arovella's ALA-104 program; and
- In vivo data showing the activity of ALA-104 against multiple myeloma

Arovella's Chairperson Dr. Liz Stoner said: "The last eighteen months have been a real test for the biotech sector. Despite this, Arovella continues to grow stronger in terms of its products and the team. We are delighted at the level of support we have received for this Placement. We look forward to developing our products through clinical trials and, ultimately, taking them to market."

Arovella Managing Director and CEO Michael Baker said: "It is terrific to receive such strong support from our long-term investors in this capital raising, and we look forward to delivering value to all our shareholders. We have had a transformative eighteen months, secured new technologies and team members and created an exciting strategic collaboration with Imugene. The funds from the Placement will allow us to progress our

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pipeline of innovative cell therapies, which we look forward to progressing through pre-clinical and clinical trials, towards commercialisation.”

Placement Details

Under the Placement, the Company will issue a total of 82,750,000 Shares to raise \$1.655 million. The Company will issue 67,180,607 Shares under the Company’s Listing Rule 7.1A capacity, and 13,319,393 Shares under its Listing Rule 7.1 capacity. Subject to shareholder approval, the remaining 2,250,000 Shares are expected to be issued under Exception 14 of Listing Rule 7.2. Settlement is expected to occur on Wednesday 25 January 2023, with allotment to occur on Friday 27 January 2023.

The remainder of the Placement shares, which will be issued to related parties of the Company (being directors of Arovella) will be issued subject to shareholder approval under ASX Listing Rule 10.11, which the Company intends to seek at an extraordinary general meeting to be convened shortly. Allotment of the Shares to related parties will occur as soon as practicable after the general meeting.

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.

Baker Young Limited acted as lead manager and bookrunner to the Placement. Holding Redlich acted as legal adviser to Arovella.

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

Dr Michael Baker

Chief Executive Officer & Managing Director

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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 the 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.