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ASX Release

31 January 2025

APPENDIX 4C: SECOND QUARTER FY 2025

Highlights for the quarter:

- **Cash and cash equivalents position as at 31 December of $11.8 million**
- **Clinical Advisory Board established in preparation for FDA IND application**
- **Key milestones anticipated in 2025 for ALA-101**
- **Post quarter end, firm commitments received for a $20 million Placement at $0.17 per share – fully funding the company through to completion of Phase 1 for its lead program, ALA-101**

MELBOURNE, AUSTRALIA 31 January 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, today releases its Appendix 4C for the second quarter of FY25.

Arovella is both technically and financially well positioned for significant progress towards our Phase 1 clinical trial for ALA-101. The Company has pro-forma cash of $30.6 million, following the recent $20 million placement, funding the Company to ALA-101 Phase 1 completion. The funding will also support the advancement of the Company's solid tumour programs (CLDN18.2-CAR-iNKT targeting gastric cancer) and its armouring program (IL-12-TM).

During the quarter, Arovella has continued to progress ALA-101 towards the clinic, continuing its engagement with key opinion leaders and forming its first Clinical Advisory Board (CAB) to optimise the clinical trial design. The Company also continued to make progress towards GMP manufacturing of ALA-101 and conducting the non-clinical studies required to support an Investigational New Drug (IND) application with the US FDA.

During the remainder of FY2025, Arovella will complete the manufacture of clinical batches of ALA-101 in preparation for first-in-human studies and aims to secure an IND, enabling the commencement of Phase 1 trials in CD19-positive blood cancer patients. Arovella will continue to expand its innovative iNKT platform, presenting proof-of-concept data for its CLDN18.2-CAR-iNKT gastric cancer program and the membrane-anchored interleukin-12 (IL-12-TM) armouring technology.

AROVELLA FULLY FUNDED TO COMPLETE PHASE 1 WITH $20 MILLION PLACEMENT

On 10 January 2025, Arovella announced it had received firm commitments to raise $20 million through a Placement of 117.6 million shares at $0.17 per share. The Placement was supported by a $15 million cornerstone commitment from an Australian private investor and additional contributions from institutional and sophisticated investors, including Pengana Capital Group.

The funds will fully support the completion and reporting of a Phase 1, first-in-human clinical trial for ALA-101, Arovella's lead CAR-iNKT cell therapy targeting CD19-positive blood cancers. The capital will also advance the Company's solid tumor programs, pipeline expansion, and provide general working capital.

Arovella anticipates key milestones in CY2025, including securing IND approval for the trial, commencing patient dosing, and generating initial clinical data for ALA-101, as well as proof-of-concept results for its solid tumor programs targeting gastric and pancreatic cancer.

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CLINICAL ADVISORY BOARD ESTABLISHED

In October, the Company announced the appointment of three key opinion leaders and clinical oncologists to establish its Clinical Advisory Board (CAB).

The CAB will provide expert clinical insight and strategic advice focusing on CD19-positive haematological malignancies (blood cancers), as the Company looks to file its IND and commence its first-in-human phase 1 clinical trial for ALA-101. The members appointed to Arovella's CAB are:

- **Dr Salvatore Fiorenza**, Deputy Director and Cell Therapy Lead at Epworth Healthcare;
- **Professor Sattva Neelapu**, Professor and Deputy Chair at the Department of Lymphoma and Myeloma at The University of Texas MD Anderson Cancer Center; and
- **Dr Debora Barton**, a Medical Oncologist who is also currently a Non-executive Director at Arovella.

R&D TAX REBATE OF $3.3 MILLION

Arovella received $3.3 million as part of its FY2024 R&D Tax Incentive refund. The funds were secured following an advanced overseas finding for eligible expenditures.

The R&D Tax Incentive, provided by the Australian Government, supports research and development activities with cash refunds of 43.5-48.5% of eligible expenditure. These funds will strengthen Arovella's cash position as it advances its lead product, ALA-101, towards first-in-human clinical trials targeting CD19-positive blood cancers.

G-REX® GRANT FUNDING

During the quarter, Arovella also received funding as part of the G-Rex® Grant Program. The G-Rex® Grant Program is a $20,000,000 joint-venture of key industry players ScaleReady, Wilson Wolf, Bio-Techne®, and CellReadyTM to benefit the cell and gene-modified cell therapy community globally. Arovella has received a grant of up to US$150,000 worth of equipment, consumables and consultation from the program for up to 18-months. Arovella will use the grant to optimize its clinical manufacturing process using G-Rex® closed-system bioreactors, which are well established vessels for use in closed cell therapy manufacturing processes. Data generated will be used to explore opportunities to enhance Arovella's proprietary manufacturing process, which will be integrated into additional programs.

INVESTOR RELATIONS AND NEWS

MST Access Research Coverage

In December, MST Access released a research report detailing its analysis on Arovella Therapeutics, its investment case, technologies and market opportunity. The report can be accessed at: https://www.arovella.com/analyst-coverage.

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Non-deal roadshow and events

During October, Arovella's Managing Director and CEO Dr Michael Baker presented at both group and individual investor briefings as part of a non-deal roadshow in Sydney and Melbourne, introducing the Company's investment proposition to new and existing investors. Dr Baker also presented at AusBiotech Invest during October, an event connecting Australian biotechnology companies with a range of capital markets participants.







Following the end of the quarter Dr Baker travelled to San Francisco, USA in conjunction with the JP Morgan Healthcare conference, a key health and biotechnology investment conference annually. There he connected with a range of potential partners and stakeholders from around the world.

Annual General Meeting
In November, Arovella was pleased to welcome shareholders to its Annual General Meeting. Dr Baker provided an updated on the Company's progress for FY2024. All resolutions considered at the meeting were passed.

FINANCIAL UPDATE

Arovella remains in a solid financial position, with cash and cash-equivalents of $11.8 million at the end of the December quarter. The financial position will be further strengthened with the $20 million (before costs) Placement announced on 10 January 2025, giving the Company pro-forma cash and cash-equivalents at the end of the December quarter of $30.6 million.

The net cash inflow from operating activities during the quarter was $0.9 million driven by the receipt of the FY2024 R&D Tax Incentive of $3.3 million.

R&D and staff costs totaling $2.1 million represented 82% of the Company's operating outflows.

Payments to Related Entities

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of Appendix 4C incorporates directors' fees, salaries and superannuation. Payments made for the quarter total $167,515 and relate to payments to the CEO/Managing Director in accordance with employment contracts and payments to the Non-Executive Directors.

This announcement has been authorised for release by the Company's Board of Directors.

For further information, please contact:

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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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Arovella Therapeutics Limited

ABN	**Quarter ended ("current quarter")**
35 090 987 250	31 December 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) research and development	(1,649)	(3,022)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(41)	(77)
	(d) leased assets	-	-
	(e) staff costs	(481)	(1,157)
	(f) administration and corporate costs	(442)	(1,334)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	151	245
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	3,303	3,303
1.8	Other (GST)	53	227
1.9	**Net cash from / (used in) operating activities**	**894**	**(1,815)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(143)	(359)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(143)**	**(359)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,147	1,222
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(12)	(15)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (reallocation 3.1 for Placement funds received in March quarter when shares were issued in April 2024)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,135**	**1,207**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	9,861	12,714
4.2	Net cash from / (used in) operating activities (item 1.9 above)	894	(1,815)

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(143)	(359)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,135	1,207
4.5	Effect of movement in exchange rates on cash held	4	4
4.6	**Cash and cash equivalents at end of period**	**11,751**	**11,751**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	62	64
5.2	Call deposits	11,689	9,797
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**11,751**	**9,861**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	168
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amount at 6.1 includes Director fees and salary (including superannuation) for the CEO and Managing Director and Non-Executive Directors.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**		

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	894
8.2	Cash and cash equivalents at quarter end (item 4.6)	11,751
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	11,751
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

31 January 2025

Date: .....

Board of Directors

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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