

For personal use only

arovella
THERAPEUTICS

Appendix 4E
Annual Report

30 June 2026

Arovella Therapeutics Limited
ABN 35 090 987 250

APPENDIX 4E

Preliminary final report

For personal use only

1. Company details

Name of entity:	Arovella Therapeutics Limited
ABN:	35 090 987 250
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	100.0%	to	-
Loss from ordinary activities after tax attributable to the owners of Arovella Therapeutics Limited	down	7.9%	to	(6,916,453)
Loss for the year attributable to the owners of Arovella Therapeutics Limited	down	7.9%	to	(6,916,453)

The loss for the company after providing for income tax amounted to $6,916,453 (30 June 2025: $7,509,166).

3. Net tangible assets per security

	30 June 2026 Cents	30 June 2025 Cents
Net tangible assets per ordinary security	1.17	1.69

4. Explanation of results

Please refer to the review of operations and activities for explanation of the results.

5. Distributions

No dividends have been paid or declared by the Company for the current financial year. No dividends were paid for the previous financial year.

6. Changes in controlled entities

There have been no changes in controlled entities during the year ended 30 June 2026.

7. Audit Status

The financial statements have been audited by the group's independent auditor without any modified opinion or disclaimer.

8. Signed

Signed _____ Date: 20 August 2026

David Williams
Chair

TABLE OF CONTENTS

Corporate Directory	3
Letter from the Chair	4
Operating and Financial Review	6
Directors' Report	11
Consolidated Entity Disclosure Statement	27
Auditor's Independence Declaration	28
Corporate Governance Statement	29
Statement of Profit or Loss and Other Comprehensive Income	30
Statement of Financial Position	31
Statement of Changes in Equity	32
Statement of Cash Flows	33
Notes to the Financial Statements	34
Directors' Declaration	50
Independent Auditor's Report	51
Shareholder Information	54

For personal use only

CORPORATE DIRECTORY

Directors	Dr. Thomas Duthy (Non-Executive Chair) - Resigned 1 July 2025 Dr. Michael Baker (CEO and Managing Director) - Resigned 4 May 2026 Dr. Elizabeth Stoner (Non-Executive Interim Chair) - Resigned 9 February 2026 Dr. Debora Barton (Non-Executive Director) - Resigned 4 May 2026 Mr. Gary Phillips (Non-Executive Director) - Resigned 9 February 2026 Mr. David Williams (Non-Executive Chair) - Appointed 28 April 2026 Dr. Michael Thurn (Non-Executive Director) - Appointed 28 April 2026 Mr. Mark Diamond (Non-Executive Director) - Appointed 28 April 2026 Dr. Michael Perry (Non-Executive Director) - Appointed 28 April 2026 and Resigned 4 May 2026
Company secretary	Mr. Lachie Mallia (Appointed 22 January 2026) Mr. Tim Luscombe (Resigned 22 January 2026)
Registered office	84 Hotham Street Preston VIC 3072
Share register	Automic Pty Ltd Level 35 477 Collins Street Melbourne VIC 3000 1300 288 664
Auditor	HLB Mann Judd Level 4, 130 Stirling Street Perth WA 6000
Bankers	National Australia Bank 330 Collins Street Melbourne VIC 3000
Stock exchange listing	Australian Securities Exchange Ltd Level 50, South Tower, Rialto, 525 Collins St, Melbourne VIC 3000
Listing code	Ordinary shares - ALA

For personal use only

LETTER FROM THE CHAIR



For personal use only

D ear Shareholders,

FY26 saw the successful transition of Arovella from preclinical to a clinical-stage cell therapy company. This achievement is the result of disciplined execution by management, employees, scientific collaborators and advisers, all focused on developing transformative therapies for patients with limited treatment options.

The most significant milestone during the year was the advancement of ALA-101, our lead allogeneic CD19-targeting CAR-iNKT cell therapy. Following acceptance of our Investigational New Drug application by the US FDA, Arovella received ethics approval to commence its first-in-human Phase 1 clinical trial and successfully manufactured its first clinical batch of ALA-101. These achievements are the foundation to generate the clinical evidence needed to demonstrate the potential of the CAR-iNKT platform.

I have examined the Company's technology, strategy and development plans since joining the Board in April. What has impressed me is the quality of the science, the rigour of execution, and the substantial opportunity that exists ahead of us. Arovella's platform combines the unique biology of invariant natural killer T cells with the flexibility of CAR technology to create what could become a highly differentiated approach to cancer and autoimmune treatments. Cell therapies are advancing quickly and generating significant revenue. I am very excited by this but more so because we believe we have a highly differentiated and superior treatment. Better still, we believe we have a platform.

Importantly, progress during FY2026 extended beyond ALA-101 to expand the potential of our platform through ALA-105, targeting solid tumours. Preclinical studies demonstrated encouraging activity when combined with the Company's armouring technology, strengthening our conviction that our cells may have meaningful advantages in indications where conventional CAR-T therapies have challenges.

The Company also strengthened its clinical and scientific leadership with internationally recognised experts to support our development programs and to guide Arovella through its next stage of growth. At the Board level, significant renewal occurred with the appointment of three new directors with extensive biotechnology, development and commercialisation experience.

The coming year has the potential to be transformative for Arovella. The initiation of our first-in-human study and the generation of clinical data from ALA-101 will provide important insights into the safety and efficacy of our CAR-iNKT platform. Positive outcomes could open pathways not only in haematological malignancies but also in solid tumours and potentially autoimmune diseases, significantly expanding our platform and our addressable opportunities for the Company.

LETTER FROM THE CHAIR *(continued)*

At the same time, we continue to evaluate opportunities to broaden and strengthen our platform through additional technologies, targets and strategic partnerships. Our objective remains clear: to build a leading next-generation allogeneic cell therapy company capable of delivering meaningful benefits to patients while creating long-term value for shareholders.

On behalf of the Board, I thank our shareholders for their ongoing support, our employees and collaborators for their dedication, and the patients, clinicians and investigators who place their trust in the future we are working to create.

Arovella enters FY2027 with strong momentum, a clear strategy, and a series of significant catalysts ahead. We are close to demonstrating the clinical potential of our technology. If you haven't seen the webinar we conducted recently, please do so on our website. There were 108 people on that webinar compared with 10 at the last EGM and 15 at the AGM. With the milestones in front of us, I expect the number of investors to grow steadily.

Yours sincerely,



David Williams
Chair
Arovella Therapeutics Ltd

"Positive outcomes could open pathways not only in haematological malignancies but also in solid tumours and potentially autoimmune diseases, significantly expanding our platform and our addressable opportunities for the Company."

For personal use only

OPERATING AND FINANCIAL REVIEW

For personal use only

Financial review

The revenue for the financial year ended 30 June 2026 was nil (2025: $136,000). The loss for the year was $6,916,453 (2025: $7,509,166).

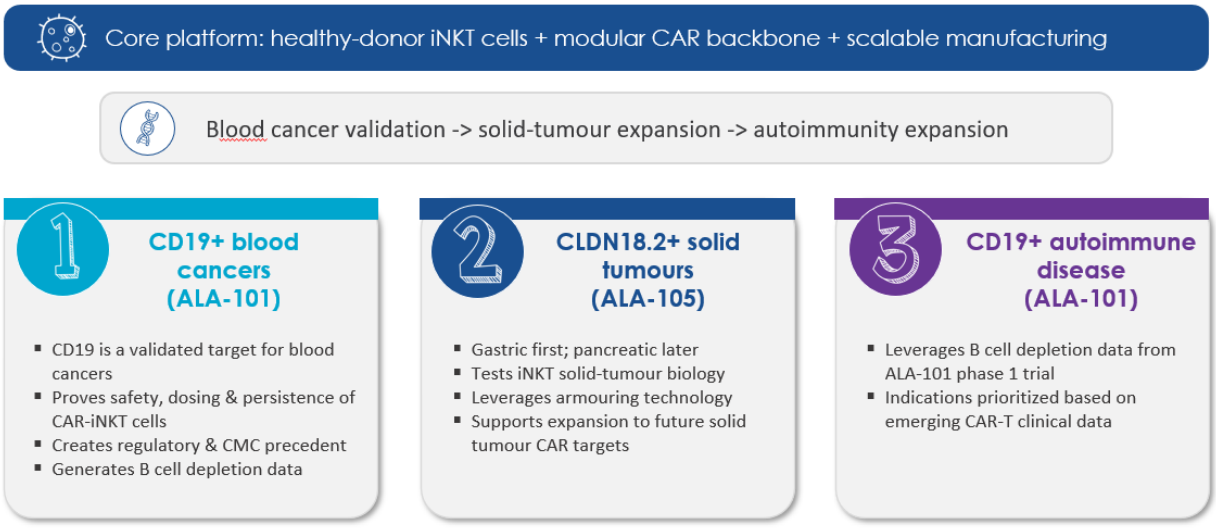
The Company's net assets decreased from $20,076,003 to $14,152,077 at 30 June 2026 with cash reserves of $14,352,901 (2025: $20,877,185).

Operational Review

iNKT cell platform

Arovella's invariant Natural Killer T (iNKT) cell therapy platform is being developed as a next-generation, allogeneic "off-the-shelf" cell therapy platform with potential applications across blood cancers, solid tumours and selected autoimmune diseases. iNKT cells are a naturally occurring subset of the immune system that can recognise and kill cancer cells, shape the tumour microenvironment and recruit other immune cells. By genetically engineering iNKT cells to express a Chimeric Antigen Receptor (CAR), Arovella aims to direct these cells to specific disease targets while retaining the biological advantages of iNKT cells, including their ability to function through both innate and adaptive immune pathways and their low risk of causing graft versus host disease (GvHD). Arovella's lead product, ALA-101, is a CD19-directed CAR-iNKT cell therapy that has received US FDA Investigational New Drug (IND) clearance and is advancing towards first-in-human clinical evaluation in patients with relapsed or refractory CD19-positive blood cancers. The Company also intends to use the ALA-101 clinical program to generate data on CD19-positive B-cell depletion, which may support future development in autoimmune disease. In parallel, Arovella is expanding the platform into solid tumours through ALA-105, its CLDN18.2-targeting CAR-iNKT program for gastric and pancreatic cancers, and through incorporation of IL-12-TM armouring technology designed to enhance CAR-iNKT cell activity and durability. Arovella's strategy is to build a modular CAR-iNKT platform by combining its proprietary manufacturing process with additional CAR targets, armouring approaches and complementary technologies to strengthen its pipeline, broaden the utility of the platform and create barriers to entry through know-how, intellectual property and trade secrets.

Value creation via three workstreams



OPERATING AND FINANCIAL REVIEW *(continued)*

For personal use only

iNKT cells represent a unique cell type that has recently become a focus of biotechnology companies due to their anti-tumour properties. Arovella remains one of few companies developing cancer therapies based on iNKT cells worldwide.

The Company expects its iNKT cells to be superior for use as a cell therapy because iNKT cells:

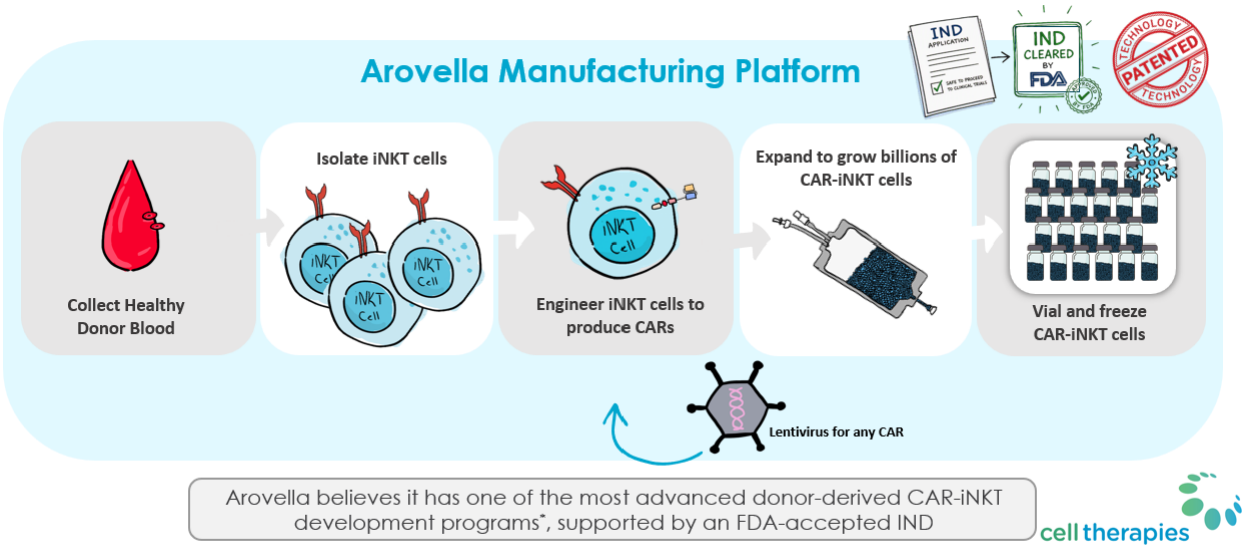
- naturally target and kill cancer cells that express CD1d, NKG2DL and when engineered to express a CAR, they are supercharged killers;
- shape the tumour microenvironment, promoting tumour destruction;
- recruit other components of the immune system; and
- do not cause GvHD so they can be given from a healthy donor to a cancer patient – referred to as being used "off-the-shelf".

Arovella's lead iNKT cell product is ALA-101, consisting of iNKT cells engineered to produce a CAR targeting CD19 on their surface. This CD19-targeting CAR allows the iNKT cells to recognise and kill tumour cells that express CD19. ALA-101 is being developed to treat CD19-expressing blood cancers such as Non-Hodgkin's Lymphoma (NHL) and leukaemia, with the potential for expansion into certain autoimmune indications. Arovella made significant progress with ALA-101 during the last financial year and is excited to be progressing towards a first-in-human phase 1 study.

In preclinical models, ALA-101 performs better than conventional CAR-T cells against cancer cell lines that express CD19 and CD1d. ALA-101 rapidly kills cancer cells and promotes survival in mouse models of lymphoma and leukaemia.

Arovella has developed a semi-automated, clinic-ready manufacturing process for CAR-iNKT cells. This manufacturing process is the core of Arovella's CAR-iNKT platform and is applicable across all Arovella's pipeline products.

World-class CAR-iNKT manufacturing platform



*Based on publicly disclosed information

CAR-iNKT cells are manufactured using healthy donor blood collections, isolation of the iNKT cells before transduction with a lentivirus that contains and delivers genetic information for the CAR. Once the cells have been transduced (armed with the CAR), they are expanded into billions of cells, before vialling and freezing. The lentivirus can carry the genetic code for any CAR, meaning the manufacturing platform can be used to make any CAR-iNKT cell product, broadening the utility of the platform. The process is patent protected and has been cleared by the FDA for the Company's lead product, ALA-101.

OPERATING AND FINANCIAL REVIEW *(continued)*

During the 2025-26 financial year, Arovella transitioned towards becoming a clinical-stage company, achieved key regulatory and ethics milestones for ALA-101, broadened the strategic opportunity for its platform into autoimmune disease, and advanced its CAR-iNKT solid tumour pipeline.

Key highlights include:

ALA-101 IND clearance and transition to phase 1 clinical trial start-up

In FY26, Arovella submitted and received clearance of its Investigational New Drug (IND) application from the US Food and Drug Administration (FDA) for ALA-101, its lead allogeneic CD19-directed CAR-iNKT cell therapy for patients with relapsed or refractory lymphomas and leukaemias. The IND clearance was a major regulatory milestone and enables Arovella to conduct its phase 1 clinical trial, including in Australia via the Clinical Trial Notification pathway and, in future, at potential clinical sites in the United States.

Following IND clearance, Arovella completed key Australian regulatory and ethics activities required to initiate the study, including Therapeutic Goods Administration Clinical Trial Notification acknowledgement and ethics approval from The Alfred and Bellberry Human Research Ethics Committees. The Alfred was announced as the lead clinical site, with Dr Salvatore Fiorenza as Lead Investigator. Study start-up activities advanced across multiple Australian and New Zealand sites, and Arovella successfully manufactured its first clinical batch of ALA-101, which is undergoing release testing ahead of first patient dosing.

Strengthening clinical leadership and advisory expertise

During FY26, Arovella continued to strengthen the clinical leadership supporting ALA-101. With Dr Salvatore Fiorenza becoming Lead Investigator for the phase 1 clinical trial, Arovella expanded its Clinical Advisory Board (CAB) by appointing internationally recognised cellular immunotherapy expert Professor Cameron Turtle. The CAB continues to provide advice on the clinical development strategy for ALA-101 and future opportunities for the CAR-iNKT platform.

Autoimmune disease strategy

As ALA-101 advances into clinical development, Arovella is broadening its evaluation of the program's potential in autoimmune disease. ALA-101 targets CD19 and is expected to deplete CD19-positive B cells, which are implicated in a range of severe autoimmune diseases. Importantly, the Phase 1 blood cancer study will assess ALA-101's ability to target and eliminate CD19-positive B cells, generating valuable clinical and pharmacodynamic data that may inform future development in autoimmune indications.

In parallel, Arovella intends to evaluate clinical development opportunities in selected autoimmune diseases where deep B-cell depletion may provide a compelling therapeutic rationale. This includes rare autoimmune and neuroimmunological diseases, such as stiff-person syndrome (SPS), where there remains a significant need for new treatment approaches. The Company will also undertake translational work using samples from patients with autoimmune diseases to evaluate potential indications and inform future clinical development strategies.

The expansion into autoimmune disease represents an opportunity to leverage the same ALA-101 product, manufacturing platform and emerging clinical dataset across a broader range of diseases. Rather than developing an entirely new cell therapy platform, potential autoimmune indications may benefit from the clinical, manufacturing and regulatory experience generated through the ALA-101 oncology program.

Evaluation and prioritisation of potential autoimmune and rare-disease indications may also provide near-term development catalysts for Arovella. These may include identifying and prioritising lead indications, generating supporting translational data, engaging with clinical and regulatory experts, and deciding on potential clinical development pathways. Together with the commencement and progression of the ALA-101 Phase 1 study, these activities could broaden the Company's clinical development strategy and create additional value-driving milestones

For personal use only

OPERATING AND FINANCIAL REVIEW *(continued)*

as the potential of the CAR-iNKT platform is evaluated beyond oncology.

Phase 1 study design and clinical trial readiness

The phase 1 study is designed as a first-in-human, open-label dose escalation and dose expansion/backfill trial in patients with relapsed or refractory CD19-positive non-Hodgkin's lymphoma and certain leukaemia subtypes. The study will assess safety, tolerability, pharmacokinetics, pharmacodynamics and preliminary efficacy following a single dose of ALA-101. Importantly, the trial will also evaluate the ability of ALA-101 to target and eliminate CD19-positive B cells, generating data that may support future development in both blood cancers and autoimmune diseases.

ALA-105 solid tumour program and IL-12-TM armouring technology

During FY26, Arovella made strong progress advancing ALA-105, its CLDN18.2-targeting CAR-iNKT program for gastric and pancreatic cancers. The Company confirmed the functionality of its novel CLDN18.2-targeting CAR and demonstrated potent activity against CLDN18.2-expressing cancer cells in vitro. Arovella also generated data showing that incorporation of its IL-12-TM armouring technology can enhance the activity and durability of CAR-iNKT cells in relevant solid tumour models.

Building on these results, Arovella established gastric and pancreatic cancer models and commenced in vivo efficacy work to assess CLDN18.2 CAR-iNKT cells, with and without IL-12-TM armouring. The program is intended to generate proof-of-concept data to support further development of ALA-105 and demonstrate the broader utility of Arovella's CAR-iNKT manufacturing platform across multiple solid tumour targets.

CLDN18.2 remains a clinically validated target in gastric cancer, and Arovella believes that CAR-iNKT cells may offer important advantages for solid tumours because of their capacity to interact with the tumour microenvironment and recruit other immune cells. Arovella is continuing to use its in-house Jumar laboratory and external research collaborations to accelerate preclinical development and inform future manufacturing and regulatory strategy for ALA-105.

Pipeline expansion and external technology assessment

During FY26, Arovella continued to assess and prioritise additional technologies that may expand or strengthen the CAR-iNKT platform. This included continued discussions regarding assets from Baylor College of Medicine and evaluation of additional CAR targets, armouring approaches and allo-defence technologies. Arovella's assessment of new opportunities remains focused on technologies that can be integrated into its manufacturing platform, strengthen its intellectual property position, and support expansion into additional oncology or autoimmune indications.

In parallel, Arovella established and progressed research collaborations to assess complementary technologies, including evaluation of an iNKT cell agonist in combination with ALA-101, assessment of potential combination approaches for ALA-105, and work to evaluate allo-defence technologies for future allogeneic products. These activities support Arovella's strategy of building a modular CAR-iNKT platform that can be expanded by adding new CAR targets and functional engineering modules.

Expansion of research and manufacturing development capability at Jumar

During FY26, Arovella's Jumar Bioincubator laboratory became an important capability for accelerating research and early process development. The Company established in-house research capabilities, expanded the R&D team, commenced ALA-105 process development activities using a representative scaled-down manufacturing model, and continued to use learnings from ALA-101 to de-risk future pipeline products.

For personal use only

OPERATING AND FINANCIAL REVIEW *(continued)*

Board renewal and leadership transition

During FY26, Arovella undertook Board renewal to support the Company's transition towards clinical-stage development and to sharpen its focus on time to market, product development and business development. The Company appointed three experienced Non-Executive Directors to support the next phase of Arovella's growth.

The refreshed Board is expected to provide additional strategic guidance as Arovella initiates clinical evaluation of ALA-101, advances ALA-105 and other platform opportunities, and evaluates corporate and business development initiatives to maximise shareholder value.

For personal use only

DIRECTORS' REPORT

Your Directors present their report together with the financial statements of Arovella Therapeutics Limited ("Arovella" or "Company") for the financial year ended 30 June 2026. In order to comply with the provisions of the Corporations Act 2001, the Directors' Report is as follows:

Business risks

1. Company and Industry risks

The risks outlined below are specific to the Company's operations.

1.1 Dependency upon licence agreements

Access to the intellectual property rights to develop and commercialise CAR-iNKT cells in the field of oncology is predicated on the continuing operation of the license agreements in place between the Company and its licensors. Arovella is reliant on its licensors to have in place the relevant protection and rights to the technology as well as the authority to enter into the license agreements. Failure of a licensor or Arovella to comply with the terms of the licence agreements without an appropriate countermeasure could have a material adverse on Arovella's business, financial condition, operations or prospects.

1.2 Product development and regulatory risk

Arovella's ability to commercialise its intellectual property is reliant on its ability to generate preclinical and clinical data, including in respect of the new therapies using CAR-iNKT cells, which the Company is developing. These new therapies must undergo further clinical studies and those tests and trials may show that the product does not work in a safe and effective manner. There can be no guarantee that relevant regulatory agencies will allow Arovella to undertake such trials. The development and approval process for any new products or applications of existing products may take longer and/or cost more than expected and may result in the Company not producing a viable product. Drug development is a highly risky business with a high rate of failure, including due to potential low therapeutic benefit and unacceptable toxicity.

While the Company will conduct its clinical programs on the advice of consultants experienced in clinical trial design and regulatory affairs, there is no certainty that the trial design will provide appropriate data or that the data will meet the regulator's benchmark. This may require the Company to conduct further clinical studies, resulting in significant additional cost and delay. From the commencement of the clinical trial phase, the final drug development path typically takes between 7 to 11 years, depending on the indication.

1.3 Product manufacturing risk

Cell therapies, like Arovella's CAR-iNKT cell products, are complex therapeutics that rely on the use of a viral vector and human immune cells. The use of human immune cells as a raw material and the generation of a living therapeutic introduces the risk of variability between manufacturing runs. Arovella relies on the input of world-class consults, advisors and team members to manufacture its CAR-iNKT cell products and to prepare the documentation to support regulatory filings. Notwithstanding, there is no guarantee that Arovella will not require additional time and incur additional costs to define a manufacturing process, and collect the relevant documentation, that appeases regulators such as the FDA and support the use of the material in clinical trials and for commercialisation.

1.4 Pipeline product in development and not approved for commercial sale

Arovella's ability to achieve profitability is dependent on several factors, including its ability to initiate and complete successful clinical trials, obtain regulatory approval for its CAR-iNKT technology and successfully commercialise its products. There is no guarantee that Arovella's products will be commercially successful.

1.5 Competition

The Biotechnology and Pharmaceutical industries are intensely competitive and subject to rapid and significant technological change. A number of companies, both in Australia and abroad, may be pursuing the development of products that target the same markets that Arovella is targeting. The Companies products may compete with existing alternative treatments that are already available to customers. In addition, a number of companies, both in Australia and abroad, may be pursuing the development of products that target the same conditions that Arovella is targeting.

For personal use only

1.6 Regulatory and reimbursement approvals

The research, development, manufacture, marketing and sale of products using Arovella's technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas. Products developed using Arovella's technology must undergo a comprehensive and highly regulated development and review process before receiving approval for marketing. Products may also be submitted for reimbursement approval. The availability and timing of reimbursement approval may not be forthcoming and if it does, it may have an impact on the uptake and profitability of products in some territories.

1.7 Intellectual Property

Arovella's ability to leverage its innovation and expertise depends on its ability to secure and protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights. This includes Arovella's ability to obtain commercially valuable patent claims. Aside from the territories in which patents are currently granted, the patent applications are still pending, and additional patents are likely to be filed to provide for extensive protection.

1.8 Dependence upon key personnel

Arovella depends on the talent and experience of its personnel, and it may be difficult to replace them, or to do so in a timely manner or at comparable expense. The loss of services of one or more senior executives may have an adverse effect on the Company's operations.

1.9 Risk of delay and continuity of operations

Arovella may experience delay in achieving a number of critical milestones, including, completion of clinical trials, obtaining regulatory approvals, manufacturing, and securing commercial partners. Any material delays may impact adversely upon the Company, including the timing of results and the initiation and completion of clinical trials.

1.10 Future capital requirements

Arovella is generally loss making and the Company will require substantial additional financing in the future to sufficiently fund its operations, research and development, manufacturing and clinical trials. Any additional equity financing may be dilutive to shareholders (who may not have the opportunity to participate in that raising), and may be undertaken at lower prices than any prior offer prices.

Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations. The Company's actual cash requirements may vary from those now planned and will depend upon many factors, including the continued progress of its research and development programs, the timing, costs and results of clinical trials, the cost, timing and outcome of submissions for regulatory approval and the status and timing of competitive developments.

1.11 Contractual risk

Any dispute or breakdown in the relationship between the Company and counterparties to its contracts including the licensors for its technologies, could adversely impact the business if the Company is in breach of any of its agreements and its counterparties seek to pursue the Company for breach of contract or enforce security interests against the Company's assets (and conversely the Company depends on such counterparties performing their obligations under such agreement).

2. General Risks

The future prospects of the Company's business may be affected by circumstances and external factors beyond the Company's control. Financial performance of the Company may be affected by a number of business risks that apply to companies generally and may include economic, financial, market or regulatory conditions.

For personal use only

2.1 Economic risks

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions, including levels of consumer spending, inflation, interest rates, access to debt and capital markets, international economic conditions, significant acts of terrorism, hostilities or war or natural disasters, and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions may have an adverse impact on the Company's business or financial condition. No guarantee can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

2.2 Market conditions

An investment in the Company's Shares has the general risks associated with any investment in the share market. Returns from an investment in Shares will depend on general stock market conditions as well as the performance of the Company. The market price of the Company's Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. The trading price of the Company's Shares may be subject to fluctuations in response to factors such as actual or anticipated variations in the Company's operating results, announcements of new contracts by the Company or its competitors, announcements by the Company or its competitors of significant acquisitions, technological developments, capital commitments, additions or departures of key personnel and other events or factors, many of which are beyond the Company's control.

Further, general share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as: general economic outlook; interest rates and inflation rates; currency fluctuations; changes in investor sentiment; the demand for, and supply of, capital; and terrorism or other hostilities. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

2.3 Liquidity risk

The market for the Company's shares may be illiquid. As a consequence, investors may be unable to readily exit or realise their investment

2.4 Force majeure

The Company's contracts now or in the future may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, pandemics, epidemics or quarantine restrictions.

2.5 Taxation and government regulations

Changes in taxation and government legislation in a range of areas (for example, the Corporations Act, accounting standards, and taxation law) can have a significant influence on the outlook for companies and the returns to investors. The recoupment of taxation losses accrued by the Company from any future revenues is subject to the satisfaction of tests outlined in taxation legislation or regulations in the jurisdictions in which the Company operates. There is no guarantee that the Company will satisfy all of these requirements at the time it seeks to recoup its tax losses which may impact on the financial performance and cash flows of the Company.

2.6 Litigation risk

The Company is not currently engaged in any litigation. However, the Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow, share price and/or industry standing of the Company.

2.7 Insurance risk

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

For personal use only

3. Concluding Comment

The above list of risk factors ought not to be taken as an exhaustive one of all the risks faced by Arovella or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Arovella.

For personal use only

DIRECTORS' REPORT

Directors

The names of Directors who held office during or since the end of the year and until the date of this report are as follows.

Directors were in office for this entire period unless otherwise stated.

Dr. Thomas Duthy, Non-Executive Chair - Resigned effective 1 July 2025
Dr. Michael Baker, CEO and Managing Director - Resigned 4 May 2026
Dr. Elizabeth Stoner, Non-Executive Interim Chair - Resigned 9 February 2026
Dr. Debora Barton, Non-Executive Director - Resigned 4 May 2026
Mr. Gary Phillips, Non-Executive Interim Chair - Resigned 9 February 2026
Dr. Andrew Nash - Appointed 12 November 2025 and Resigned 4 May 2026
Mr. David Williams, Chair - Appointed 28 April 2026
Mr. Mark Diamond, Non-Executive Director - Appointed 28 April 2026
Dr. Michael Thurn, Non-Executive Director - Appointed 28 April 2026
Dr. Michael Perry, Non-Executive Director - Appointed 28 April 2026 and Resigned 4 May 2026

Information on directors

The following information is current as at the date of this report.

Mr. David Williams

Appointed to the Board	28 April 2026
Qualifications	B.Com (Hons) & Master of Economics from La Trobe University, a PhD Research in Finance from the University of Sydney and is a fellow of the AICD.
Experience and expertise	Finance from the University of Sydney and is a fellow of the AICD. ASX listed companies with expertise in business development, M&A and capital markets.
Interest in shares & options	Lawn Views Pty Ltd ATF Angela Williams Family Trust: 200,000 Ordinary Shares
Other current directorship	Mr Williams is currently a director of RMA Global Limited (ASX:RMY) and Kidder Williams Limited.

Mr. Mark Diamond

Appointed to the Board	28 April 2026
Qualifications	BSc from Monash University, and MBA from Macquarie University.
Experience and expertise	Mr Diamond is an experienced senior executive, who previously served as CEO of Antisense Therapeutics. Mr Diamond has a successful track record in funding, licencing deals, and partnerships. He is currently Biotech Advisor to Spark Plus and Locust Walk, and his global C-Suite executive leadership experience spans healthcare strategy, compliance and risk management, financial management, and board governance.
Interest in shares & options	Nil
Other current directorship	Mark is currently Chair of Dimerix Limited (ASX:DXB)

For personal use only

DIRECTORS' REPORT

Dr. Michael Thurn

Appointed to the Board	28 April 2026
Qualifications	BAppSc (Hons) from UTS, and Doctor of Philosophy (Ph.D) from UTS.
Experience and expertise	Mr Thurn is an experienced biotechnology executive and company director with more than 25 years' experience across drug discovery, preclinical and clinical development, regulation, commercialisation, capital raising and corporate leadership. He has held senior executive roles in both private and ASX-listed life sciences companies, including as Managing Director and Chief Executive Officer of Neurizon Therapeutics Limited (ASX: NUZ) (formerly PharmAust Limited), co-founder and Executive Director of MARP Therapeutics, Chief Operating Officer and Executive Director of Botanix Pharmaceuticals, and Chief Executive Officer of Mimetica and Spinifex Pharmaceuticals. He has also served in regulatory review at the Therapeutic Goods Administration.
Interest in shares & options	Nil
Other current directorship	Nil

Company secretary

Lachie Mallia is a Director of Bio101 who provides outsourced CFO, company secretarial and transaction advisory services to the healthcare sector. A Qualified Chartered Accountant, Lachie has extensive experience providing financial advice, company secretarial & CFO services across the life science sector.

Meetings of directors

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Directors' meeting		Risk & Audit Committee	
	A	B	A	B
Dr. Michael Baker	13	13	1	1
Dr. Elizabeth Stoner	6	7	1	1
Dr. Andrew Nash	8	8	0	0
Dr. Debora Barton	13	13	1	1
Mr. Gary Phillips	6	7	1	1
Mr. David Williams	6	6	0	0
Mr. Mark Diamond	6	6	0	0
Dr. Michael Thurn	6	6	0	0
Dr. Michael Perry	1	1	0	0

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year

Principal activities

The principal activity of the Company during the year was development of its invariant Natural Killer T (iNKT) cell platform for treatment of cancer.

Review of operations

Information on the operations and financial position of the Company and its business strategies and prospects is set out in the review of operations and activities in this annual report.

For personal use only

DIRECTORS' REPORT

Significant changes in the state of affairs

During the year, 18,977,921 ordinary shares were issued due to options being exercised, resulting in a cash inflow for the Company of $506,643.

During the year, 1,307,490 ordinary shares were issued in lieu of services provided to the Company.

There were no significant change in the state of affairs the Company during the reporting period, other than as set out in this report.

Likely developments and expected results of operations

The likely developments in the Company's operations, to the extent that such matters can be commented upon, are covered within the review of operations and activities in this annual report.

Environmental regulation

The Company is currently not subject to any significant environmental legislation.

Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

For personal use only

DIRECTORS' REPORT

Remuneration report (audited)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Arovella Therapeutics Limited (the "Company") for the financial year ended 30 June 2026. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The Remuneration Report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

(a) Key management personnel covered in this report

Directors

Dr. Thomas Duthy, Non-Executive Chairman (Resigned 1 July 2025)
Dr. Michael Baker, CEO and Managing Director (resigned 4 May 2026)
Dr. Elizabeth Stoner, Non-Executive Interim Chair (Resigned 9 February 2026)
Dr. Debora Barton, Non-Executive Director (Resigned 4 May 2026)
Mr. Gary Phillips, Non-Executive Director (Resigned 9 February 2026)
Dr. Andrew Nash, Non-Executive Director (Appointed 12 November 2025 and Resigned 4 May 2026)
Dr. Michael Perry, Non-Executive Director (Appointed 28 April 2026 and Resigned 4 May 2026)
Mr. David Williams, Chair (Appointed 28 April 2026)
Mr. Mark Diamond, Non-Executive Director (Appointed 28 April 2026)
Dr. Michael Thurn, Non-Executive Director (Appointed 28 April 2026)

Key Management Personnel

Dr. Nicole van der Weerden, Acting CEO

(b) Remuneration philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- Set competitive remuneration packages to attract and retain high calibre employees;
- Link executive rewards to shareholder value creation; and
- Establish appropriate, demanding performance hurdles for variable executive remuneration.

(c) Remuneration

In accordance with best practice corporate governance, the structure of non-executive directors and executive remuneration is separate and distinct.

(d) Remuneration structure

The Board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the Acting CEO and the executive team.

The Board of Directors of the Company assesses the appropriateness of the nature and amount of remuneration of Directors and executives on a periodic basis by reference to relevant employment market conditions with an overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

(e) Relationship between remuneration policy and company performance

The remuneration policy has been tailored to increase goal congruence between shareholders, Directors and executives. The methods implemented are discussed below.

For personal use only

	2026	2025	2024	2023	2022
Revenue ($)	-	136,000	17,000	405,898	295,810
Net Loss ($)	(6,916,453)	(7,509,166)	(8,746,035)	(10,181,351)	(8,620,588)
Share price at year-end ($)	0.062	0.100	0.140	0.050	0.023
Market capitalisation ($mil)	74.95	118.86	147.08	42.50	15.41

(f) Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders. The Company may offer options to Non-Executive Directors as part of their remuneration package.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The latest determination was at the Extraordinary General Meeting held on 21 April 2023 when shareholders approved an aggregate remuneration of $650,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external shareholders as well as the fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process.

Each Non-Executive Director receives a fee for being a director of the Company.

(g) Senior management and executive director remuneration

Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

(i) Fixed annual remuneration (FR)

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and, where appropriate, external advice on policies and practices. The Board has access to external, independent advice where necessary.

(ii) Variable Remuneration

The Directors considered that it was desirable to establish various employee incentive plans, in order to:

• Reward employees of the Company;
• Assist in the retention and motivation of employees of the Company; and
• Provide an incentive to employees of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company.

- Reward employees of the Company;
- Assist in the retention and motivation of employees of the Company; and
- Provide an incentive to employees of the Company to grow shareholder value by providing them with an opportunity to receive an ownership interest in the Company.• Assist in the retention and motivation of employees of the Company; and

Accordingly, the Directors adopted the following upon approval at the Annual General Meeting held on 10 November 2023:

(a) Long Term Incentive Plan (Option Plan) under which Directors, executives, consultants and other employees may be offered the opportunity to be granted Options (Executive Long Term Incentive Plan);

The plans are designed to provide incentives to the employees and Directors of the Company and to recognise their contribution to the Company's success. Under the current circumstances the Directors consider that the incentive plans are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as increased cash-based remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The plans are designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain shareholdings in the Company.

For personal use only

DIRECTORS' REPORT

The maximum number of proposed ESOP securities was passed in the Annual General Meeting held on 10 November 2023 for 45,098,240 securities representing 5% of the Company's issued capital on a post-AGM basis. Remuneration consultants were not engaged.

(iii) Short-term incentives

The objective of the short-term incentive program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short-term incentive available is set at a level to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Actual payments granted to each senior manager depend on the extent to which specific operating targets set at the beginning of the financial year are met.

(iv) Long-term incentives

Aspect	Plan Rules, Offers and Comments
LTI offer	Options were offered under the Plan during the financial year within the relevant policies and Plan rules.
Eligible participants	Executive directors, non-executive directors, senior management and consultants are eligible for the LTI.
Performance conditions for executive directors	The performance conditions are linked to continuous employment.
Performance conditions for non-executive directors	The Directors are of the opinion that the performance conditions of Options should be linked to continuous employment.
Terms of options	Each Option will be granted to eligible employees under the Option Plan for nil consideration. The exercise price and other terms of an Option shall be determined by the Board in its discretion.
Vesting	The Options will vest following satisfaction of the performance conditions, or such other date as determined by the Board in its discretion.
Cashless exercise facility	Participants may, at their election, elect to pay the exercise price for an Option by setting off the exercise price against the number of Shares which they are entitled to receive upon exercise (Cashless Exercise Facility). By using the Cashless Exercise Facility, the participant will receive Shares to the value of the surplus after the exercise price has been set off.
Disposal restrictions	A participant may not transfer an Option granted under the Option Plan without the prior consent of the Board.

The aggregate of annual payments available for executives across the Company is subject to the approval of the Board of Directors.

The Company also makes long term incentive payments to reward senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth.

The Company's Long Term Incentive Plan (LTIP), and the issue of securities under the LTIP, for the purposes of the Listing Rules and the Corporations Act, was approved at the Annual General Meeting on 15 November 2024.

(h) Employment Contracts

The details of the Directors' and Key Management Personnel employment contracts are:

Directors	Period of Notice
David Williams	Nil
Mark Diamond	Nil
Michael Thurn	Nil

Key Management Personnel	Period of Notice
Nicole van der Weerden	3 months

For personal use only

DIRECTORS' REPORT

(i) Remuneration of KMP

2026	Short-term employee benefits			Post-employment benefits	Long-term benefits	Issuance of shares	Share-based payments	
	Cash salary and fees $	Bonus $	Non-monetary benefits $	Super-annuation $	Long service leave $	Shares $	Options $	**Total**
Directors								
Michael Baker[1]	420,109	95,156	47,143	30,000	-	-	(32,120)	**560,288**
Elizabeth Stoner[2]	61,007	-	-	-	-	-	-	**61,007**
Debora Barton[3]	54,683	-	-	-	-	-	-	**54,683**
Gary Phillips[4]	39,658	-	-	-	-	-	34,031	**73,689**
Andrew Nash[5]	31,030	-	-	-	-	-	-	**31,030**
Michael Perry[6]	1,241	-	-	-	-	-	-	1,241
David Williams[7]	15,113	-	-	1,814	-	-	-	16,927
Mark Diamond[7]	10,156	-	-	1,219	-	-	-	11,375
Michael Thurn[7]	11,375	-	-	-	-	-	-	11,375
Other key management personnel								
Nicole van der Weerden	342,516	54,429	13,976	30,000	1,181	-	61,859	**503,961**
Total key management personnel compensation	**986,888**	**149,585**	**61,119**	**63,033**	**1,181**	**-**	**63,770**	**1,325,576**

[1] Dr Michael Baker resigned on 4 May 2026
[2] Dr Elizabeth Stoner resigned on 9 February 2026
[3] Dr Deborah Barton resigned on 4 May 2026
[4] Mr Gary Phillips resigned on 9 February 2026
[5] Dr Andrew Nash appointed on 12 November 2025 and resigned on 4 May 2026
[6] Dr Michael Perry appointed on 28 April 2026 and resigned on 4 May 2026
[7] Appointed 28 April 2026

For personal use only

DIRECTORS' REPORT

2025	Short-term employee benefits			Post-employment benefits	Long-term benefits	Issuance of shares	Share-based payments	
	Cash salary and fees $	Bonus $	Non-monetary benefits $	Super-annuation $	Long service leave $	Shares $	Options $	**Total**
Directors								
Thomas Duthy[1]	104,063	-	-	-	-	-	70,011	**174,074**
Michael Baker	375,000	144,500	17,928	29,932	9,865	-	196,276	**773,501**
Elizabeth Stoner	61,912	-	-	-	-	-	44,132	**106,044**
Debora Barton	61,912	-	-	-	-	-	44,066	**105,978**
Gary Phillips	44,400	-	-	-	-	-	39,974	**84,374**
Other key management personnel								
Nicole van der Weerden	325,000	88,358	5,248	29,932	2,951	-	79,867	**531,356**
Total key management personnel compensation	**972,287**	**232,858**	**23,176**	**59,864**	**12,816**	**-**	**474,326**	**1,775,327**

[1] Dr Thomas Duthy resigned on 1 July 2025

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense above:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2026	2025	**2026**	2025	**2026**	2025
	%	%	%	%	%	%
Directors						
Thomas Duthy[1]	-	60	-	-	-	40
Michael Baker[2]	75	56	14	19	8	25
Elizabeth Stoner[3]	100	58	-	-	-	42
Debora Barton[4]	100	58	-	-	-	42
Gary Phillips[5]	54	53	-	-	46	47
Andrew Nash[6]	100	-	-	-	-	-
Michael Perry[7]	100	-	-	-	-	-
David Williams[8]	89	-	-	-	-	-
Mark Diamond[8]	99	-	-	-	-	-
Michael Thurn[8]	100	-	-	-	-	-
Other KMP						
Nicole van der Weerden	68	68	11	17	12	15

[1] Dr Thomas Duthy resigned on 1 July 2025
[2] Dr Michael Baker resigned on 4 May 2026
[3] Dr Elizabeth Stoner resigned on 9 February 2026
[4] Dr Deborah Barton resigned on 4 May 2026
[5] Mr Gary Phillips resigned on 9 February 2026
[6] Dr Andrew Nash appointed on 12 November 2025 and resigned on 4 May 2026
[7] Dr Michael Perry appointed on 28 April 2026 and resigned on 4 May 2026
[8] Appointed 28 April 2026

For personal use only

(j) Terms and conditions of the share-based payment arrangements

Options

The terms and conditions of each grant of options affecting remuneration of KMP in the current or a future reporting period are as follows:

Grant date	Expiry date	Exercise price	No. of options	Share price at grant date	Expected volatility %	Dividend yield %	Risk-free interest rate %	Fair value at grant date
01/07/2025	30/06/2029	$0.1425	1,044,254	$0.0950	84.69%	-	3.43%	$0.0521
01/07/2025	30/06/2029	$0.1425	1,831,266	$0.0950	84.69%	-	3.43%	$0.0521
30/10/2025	30/10/2030	$0.1380	1,160,000	$0.0920	83.32%	-	3.76%	$0.0529
			4,035,520					

(k) Shareholdings of Key Management Personnel

2026	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year
Thomas Duthy[1]	4,747,444	-	-	(4,747,444)	-
Michael Baker[2]	6,567,472	-	1,617,021	(8,184,493)	-
Elizabeth Stoner[3]	763,157	-	1,157,647	(1,920,804)	-
Debora Barton[4]	263,157	-	1,013,333	(1,276,490)	-
Gary Phillips[5]	788,888	-	-	(788,888)	-
Nicole van der Weerden	822,222	-	-	-	822,222
Andrew Nash[6]	-	-	-	-	-
Michael Perry[7]	-	-	-	-	-
David Williams[8]	-	-	-	200,000	200,000
Mark Diamond[8]	-	-	-	-	-
Michael Thurn[8]	-	-	-	-	-
Total	**13,952,340**	**-**	**3,788,001**	**(16,718,119)**	**1,022,222**

[1] Dr Thomas Duthy resigned on 1 July 2025
[2] Dr Michael Baker resigned on 4 May 2026
[3] Dr Elizabeth Stoner resigned on 9 February 2026
[4] Dr Deborah Barton resigned on 4 May 2026
[5] Mr Gary Phillips resigned on 9 February 2026
[6] Dr Andrew Nash appointed on 12 November 2025 and resigned on 4 May 2026
[7] Dr Michael Perry appointed on 28 April 2026 and resigned on 4 May 2026
[8] Appointed on 28 April 2026

For personal use only

DIRECTORS' REPORT

2025	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year
Thomas Duthy[1]	4,747,444	-	-	-	4,747,444
Michael Baker	6,567,472	-	-	-	6,567,472
Elizabeth Stoner	763,157	-	-	-	763,157
Debora Barton	263,157	-	-	-	263,157
Gary Phillips	788,888	-	-	-	788,888
Nicole van der Weerden	822,222	-	-	-	822,222
Total	**13,952,340**	**-**	**-**	**-**	**13,952,340**

[1] Dr Thomas Duthy resigned on 1 July 2025

(i) Option holdings of Key Management Personnel

2026	Balance at start of the year	Granted as compensation	Exercised[9]	Other changes[10]	Balance at end of the year	Vested and exercisable
Thomas Duthy[1]	7,460,739	-	-	(7,460,739)	-	-
Michael Baker[2]	11,837,014	1,831,266	(1,617,021)	(12,051,259)	-	-
Elizabeth Stoner[3]	8,172,000	-	(1,157,647)	(7,014,353)	-	-
Debora Barton[4]	5,772,000	-	(1,013,333)	(4,758,667)	-	-
Gary Phillips[5]	2,572,000	1,160,000	-	(3,732,000)	-	-
Nicole van der Weerden	5,147,753	1,044,254	-	-	6,192,007	5,495,838
Andrew Nash[6]	-	-	-	-	-	-
Michael Perry[7]	-	-	-	-	-	-
David Williams[8]	-	-	-	-	-	-
Mark Diamond[8]	-	-	-	-	-	-
Michael Thurn[8]	-	-	-	-	-	-
Total	**40,961,506**	**4,035,520**	**(3,788,001)**	**(35,017,018)**	**6,192,007**	**5,495,838**

[1] Dr Thomas Duthy resigned on 1 July 2025
[2] Dr Michael Baker resigned on 4 May 2026
[3] Dr Elizabeth Stoner resigned on 9 February 2026
[4] Dr Deborah Barton resigned on 4 May 2026
[5] Mr Gary Phillips resigned on 9 February 2026
[6] Dr Andrew Nash appointed on 12 November 2025 and resigned on 4 May 2026
[7] Dr Michael Perry appointed on 28 April 2026 and resigned on 4 May 2026
[8] Appointed 28 April 2026
[9] Value of options exercised: $132,946
[10] Value of options lapsed: $1,380,634

For personal use only

DIRECTORS' REPORT

2025	Balance at start of the year	Granted as compensation	Exercised	Other changes	Balance at end of the year	Vested and exercisable
Thomas Duthy[1]	6,840,739	620,000	-	-	7,460,739	7,460,739
Michael Baker	10,178,531	1,658,483	-	-	11,837,014	10,558,010
Elizabeth Stoner	7,818,000	354,000	-	-	8,172,000	8,172,000
Debora Barton	5,418,000	354,000	-	-	5,772,000	5,772,000
Gary Phillips	2,218,000	354,000	-	-	2,572,000	2,572,000
Nicole van der Weerden	4,133,634	1,014,119	-	-	5,147,753	4,458,151
Total	**36,606,904**	**4,354,602**	**-**	**-**	**40,961,506**	**38,992,900**

[1] Dr Thomas Duthy resigned on 1 July 2025

(m) Balances with Key Management Personnel

	2026 $	2025 $
Dr Thomas Duthy - Director Fee payable	-	4,163

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of the company under option at the date of this report are as follows:

Expiry date	Grant date	Exercise price	Number under option
14/12/2027	12/02/2024	$0.0310	8,800,000
31/12/2026	01/01/2023	$0.0350	3,078,946
18/04/2027	19/03/2023	$0.0340	3,000,000
24/05/2027	24/05/2025	$0.1500	155,803,175
09/11/2028	10/11/2023	$0.1270	2,173,000
30/06/2027	01/07/2023	$0.0740	2,689,407
30/06/2028	19/09/2024	$0.2175	3,021,664
17/05/2028	17/05/2024	$0.1770	600,000
14/11/2029	01/07/2024	$0.2790	1,682,000
22/04/2029	22/04/2025	$0.1191	600,000
07/07/2029	07/07/2025	$0.1439	1,500,000
30/06/2029	01/07/2025	$0.1425	3,935,795
30/10/2028	30/10/2025	$0.1380	1,160,000
20/04/2029	20/04/2026	$0.1250	2,000,000
			190,043,987

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

For personal use only

DIRECTORS' REPORT

Shares issued on the exercise of options

The following ordinary shares of the company were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise Price	Number of shares issued
7/08/2025	$0.0320	3,478,261
25/08/2025	$0.0400	3,043,478
17/09/2025	$0.0690	1,000,000
13/10/2025	$0.0750	1,617,021
12/11/2025	$0.0520	1,013,333
24/11/2025	$0.0440	1,157,647
13/02/2026	$0.0250	4,000,000
16/02/2026	$0.0300	1,000,000
19/02/2026	$0.0300	1,000,000
10/04/2026	$0.0310	1,600,000
29/06/2022	$0.0615	68,181
		18,977,921

Indemnity and insurance of Directors and Officers

The Company has agreed to indemnify all the directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as directors of the Company, except where the liability arises out of conduct involving a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

HLB Mann Judd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



David Williams
Chair

20 August 2026

For personal use only

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Arovella Therapeutics Limited does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

For personal use only

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Arovella Therapeutics Limited for the year ended 30 June 2026, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia
20 August 2026

B G McVeigh
Partner

For personal use only

hlb.com.au

HLB Mann Judd ABN 22 193 232 714
A Western Australian Partnership
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au
Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd is a member of HLB International, the global advisory and accounting network.

CORPORATE GOVERNANCE STATEMENT

Corporate governance statement

Arovella and the Board of Directors are committed to achieving the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders.

A description of the Company's main corporate governance practices and Corporate Governance Statement can be found on the Company's website, www.arovella.com under the About section. All these practices, unless otherwise stated, were in place for the entire year and comply with ASX Corporate Governance Principles and Recommendations and are contained in the Appendix 4G for the year ended 30 June 2026.

For personal use only

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	2026 $	2025 $
Revenue			
Revenue from contracts with customers		-	136,000
Other income	1	**3,498,111**	3,304,094
Interest income		**800,032**	389,532
Depreciation and amortisation expense		**(117,710)**	(107,287)
Employee benefits expenses		**(2,785,430)**	(2,214,961)
Share-based payment expense	12	**(482,192)**	(844,923)
Other expenses		**(1,955,837)**	(1,649,772)
Research costs		**(5,873,427)**	(6,521,849)
Loss before income tax expense		**(6,916,453)**	(7,509,166)
Income tax expense	2	-	-
Loss after income tax expense for the year attributable to the owners of Arovella Therapeutics Limited		**(6,916,453)**	(7,509,166)
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income/(loss) for the year attributable to the owners of Arovella Therapeutics Limited		**(6,916,453)**	(7,509,166)
		Cents	**Cents**
Basic loss per share	4	(0.58)	(0.68)
Diluted loss per share	4	(0.58)	(0.68)

For personal use only

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	30 June 2026 $	30 June 2025 $
Assets			
Current assets			
Cash and cash equivalents	5	**14,352,901**	20,877,185
Other current assets	6	**304,499**	292,503
Total current assets		**14,657,400**	21,169,688
Non-current assets			
Property, plant and equipment	7	**352,125**	430,567
Total non-current assets		**352,125**	430,567
Total assets		**15,009,525**	21,600,255
Liabilities			
Current liabilities			
Trade and other payables	8	**718,471**	1,361,083
Provisions	9	**118,627**	131,621
Total current liabilities		**837,098**	1,492,704
Non-current liabilities			
Provisions	9	**20,350**	31,548
Total non-current liabilities		**20,350**	31,548
Total liabilities		**857,448**	1,524,252
Net assets		**14,152,077**	20,076,003
Equity			
Issued capital	10	**121,270,441**	120,128,029
Reserves	11	**1,503,940**	2,785,259
Accumulated losses		**(108,622,304)**	(102,837,285)
Total equity		**14,152,077**	20,076,003

For personal use only

The above statement of financial position should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2024	104,295,833	2,437,773	(95,505,559)	11,228,047
Loss after income tax expense for the year	-	-	(7,509,166)	(7,509,166)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(7,509,166)	(7,509,166)
Shares issued during the year	14,964,641	-	-	14,964,641
Share issue costs	(1,297,696)	-	-	(1,297,696)
Options issued/expensed	-	723,412	-	723,412
Issue of shares to employees	10,000	-	-	10,000
Issue of shares for the provision of services	111,511	-	-	111,511
Options lapsed during the period	-	(177,440)	177,440	-
Options exercised	2,043,740	(198,486)	-	1,845,254
Balance at 30 June 2025	**120,128,029**	**2,785,259**	**(102,837,285)**	**20,076,003**

	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2025	120,128,029	2,785,259	(102,837,285)	20,076,003
Loss after income tax expense for the year	-	-	(6,916,453)	(6,916,453)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(6,916,453)	(6,916,453)
Share issue costs	(17,957)	-	-	(17,957)
Options issued/expensed	-	382,193	-	382,193
Issue of shares for the provision of services	121,647	-	-	121,647
Options lapsed during the period	-	(1,131,434)	1,131,434	-
Options exercised	1,038,722	(532,078)	-	506,644
Balance at 30 June 2026	**121,270,441**	**1,503,940**	**(108,622,304)**	**14,152,077**

The above statement of changes in equity should be read in conjunction with the accompanying notes

For personal use only

STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2026 $	2025 $
Cash flows from operating activities			
Payments to suppliers and employees		**(11,204,262)**	(10,622,761)
Government grants and tax incentives		**3,498,111**	3,303,264
Interest received		**800,032**	389,532
Net cash (outflow) from operating activities	5	**(6,906,119)**	(6,929,965)
Cash flows from investing activities			
Payments for property, plant and equipment	7	**(39,268)**	(412,897)
Security deposits		**(1,210)**	(19,217)
Net cash (outflow) from investing activities		**(40,478)**	(432,114)
Cash flows from financing activities			
Proceeds from issue of shares and other equity securities		**506,643**	16,809,895
Share issue transaction costs		**(17,957)**	(1,287,503)
Net cash inflow from financing activities		**488,686**	15,522,392
Net (decrease)/increase in cash and cash equivalents		**(6,457,911)**	8,160,313
Cash and cash equivalents at the beginning of the financial year		**20,877,185**	12,714,407
Effect of exchange rate changes on cash		**(66,373)**	2,465
Cash and cash equivalents at the end of the financial year	5	**14,352,901**	20,877,185

For personal use only

The above statement of cash flows should be read in conjunction with the accompanying notes

NOTES TO THE FINANCIAL STATEMENTS

1. Other Income

	2026 $	2025 $
R & D Tax Incentive	**3,498,111**	3,303,264
Other income	**-**	830
	3,498,111	3,304,094

In the year ended 30 June 2026, the Company recognised an R&D tax incentive income of $3,498,111 (2025: $3,303,264).

2. Income tax expense

(a) Accounting policy

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(b) Numerical reconciliation of income tax expense to prima facie tax payable

The prima facie income tax benefit on pre-tax accounting loss from operations reconciles to the income tax benefit in the financial statements as follows:

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

2. Income tax expense (continued)

	2026 $	2025 $
Loss from continuing operations before income tax expense	(6,916,453)	(7,509,166)
Tax at the Australian tax rate of 30% (2025 - 25%)	(2,074,936)	(1,877,292)
Expenditure not allowed for income tax purposes	2,599,902	2,130,323
Non-assessable Research & Development Income	(1,049,433)	(825,816)
Deferred Tax Asset losses not brought to account	645,532	679,803
Deferred Tax Asset temporary differences not brought to account	(121,065)	(107,018)
Income tax expense	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% (2025: 25%) payable by Australian corporate entities on taxable profits under Australian tax law.

	2026 $	2025 $
Unrecognised deferred tax balances of Australian income tax:		
Unrecognised deferred tax asset – revenue losses	20,597,765	16,626,860
Unrecognised deferred tax asset – capital losses	1,864,732	1,553,943
Unrecognised deferred tax asset – other	1,010,588	876,410
Unrecognised deferred tax equity	162,857	167,076
Unrecognised deferred tax liabilities	(239,743)	(208,808)
Net unrecognised deferred tax asset	**23,396,199**	19,015,481

The availability of tax losses is subject to the Company meeting requirements at the time of utilisation under relevant tax legislation.

3. Segment reporting

(a) Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Arovella. The Company has identified the principal activity of the Company during the year was pharmaceutical development of its invariant Natural Killer T (iNKT) cell platform for treatment of cancer.

4. Loss per share

(a) Basic and diluted loss per share

	30 June 2026 Cents	30 June 2025 Cents
Basic loss per share	**(0.58)**	(0.68)
Diluted loss per share	**(0.58)**	(0.68)

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

4. Loss per share (continued)

(b) Reconciliation of losses used in calculating loss per share

The losses and weighted average number of ordinary shares used in the calculation of basic loss per share and diluted loss per share is as follows:

	2026 $	2025 $
Loss for the year		
From continuing operations	**(6,916,453)**	(7,509,166)

Weighted average number of shares used as the denominator

	2026 Number	2025 Number
Weighted average number of ordinary shares for the purpose of basic/diluted loss per share	1,201,146,119	1,097,198,632

On the basis of the Company's losses, the outstanding options issued are considered to be anti-dilutive and therefore were excluded from the weighted average number of ordinary shares calculation when calculating the diluted loss per share.

5. Cash and cash equivalents

	30 June 2026 $	30 June 2025 $
Cash and cash equivalents	**14,352,901**	20,877,185

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one to six months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

(a) Reconciliation to the Statement of Cash Flow

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 June 2026 $	30 June 2025 $
Loss for the year	(6,916,453)	(7,509,166)
Adjustments for non-cash items		
Share-based payments	482,192	844,923
Other non-cash items (Revaluations)	89,232	6,575
Depreciation	117,710	107,287
Change in operating assets and liabilities		
Movement in trade and other payables	(642,612)	(599,970)
Movement in other provisions	(24,192)	67,590
Movement in other assets	(11,996)	152,796
Net cash outflow from operating activities	**(6,906,119)**	(6,929,965)

For personal use only

6. Other current assets

	2026 $	30 June 2025 $
Prepayments	126,021	106,142
Security Deposits	74,327	73,117
GST	104,151	113,244
	304,499	292,503

7. Property, plant and equipment

(a) Accounting policy

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated using various methods over the estimated useful life of the assets as follows:

Plant and equipment: 3 - 5 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment
The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

7. Property, plant and equipment (continued)

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

	Plant and equipment $	Total $
Non-current		
As at 30 June 2026		
Cost or fair value	747,270	747,270
Accumulated depreciation	(395,145)	(395,145)
Net book amount	**352,125**	**352,125**
Year ended 30 June 2026		
Opening net book amount	430,567	430,567
Additions	39,268	39,268
Depreciation charge	(117,710)	(117,710)
Closing carrying value	**352,125**	**352,125**

	Plant and equipment $	Total $
Non-current		
As at 30 June 2025		
Cost or fair value	708,002	708,002
Accumulated depreciation	(277,435)	(277,435)
Net book amount	**430,567**	**430,567**
Year ended 30 June 2025		
Opening net book amount	131,115	131,115
Additions	423,749	423,749
Depreciation charge	(107,287)	(107,287)
Disposal	(17,010)	(17,010)
Closing carrying value	**430,567**	**430,567**

8. Trade and other payables

(a) Accounting policy

Trade payables and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

8. Trade and other payables (continued)

	2026 $	2025 $
Current		
Trade payables	317,060	940,952
Sundry payables and accrued expenses	401,411	420,131
	718,471	1,361,083

9. Provisions

(a) Accounting policy

Provisions provided to employees in respect of performance pay, annual leave and long service leave expected to be settled within 12 months of the balance date are recognised in current employee benefits provisions in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the provisions are settled.

Provisions provided to employees in respect of long service leave not expected to be settled within 12 months of the balance date are recognised in non-current employee benefits provisions in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Company.

	2026 $	2025 $
Current employee benefits provisions		
Provision for annual leave	**118,627**	131,621
Non-current employee benefits provision		
Long service leave provision	**20,350**	31,548

10. Share capital

(a) Accounting policy - issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

	30 June 2026 Shares	30 June 2025 Shares	30 June 2026 $	30 June 2025 $
Ordinary shares - fully paid	1,208,851,853	1,188,566,442	121,270,441	120,128,029

For personal use only

10. Share capital (continued)

Movements in ordinary share capital

	30 June 2026 Shares	30 June 2025 Shares	30 June 2026 $	30 June 2025 $
Balance at beginning of year	1,188,566,442	1,050,556,236	120,128,029	104,295,833
Issue of shares from placements/services provided	1,307,490	120,504,115	121,647	15,086,152
Issue of shares from the exercise of options	18,977,921	17,506,091	1,038,722	2,043,740
Transaction costs relating to placements	-	-	(17,957)	(1,297,696)
Balance at end of year	1,208,851,853	1,188,566,442	121,270,441	120,128,029

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Accounting policy - share options

The Company has two share-based payment option schemes under which options to subscribe for the Company's shares have been granted to certain Directors, Key Management Personnel and other employees. Refer to note 12 for the accounting policy on these share options.

Movements in share options

	30 June 2026 Options	30 June 2025 Options
Balance brought forward as at 1 July	225,706,945	201,934,955
Exercise of options	(18,977,921)	(17,506,165)
Expiration of options - transferred within equity	(27,112,098)	(6,189,691)
Issuance of options	10,427,061	47,467,846
Balance at the end of the year	190,043,987	225,706,945

Fair value of options granted

The assessed fair value of options at grant date was determined using the Black-Scholes option pricing model that takes into account the exercise price, term of the option, security price at grant date and expected price volatility of the underlying security, the expected dividend yield, the risk-free interest rate for the term of the security and certain probability assumptions.

The following table lists the inputs to the model used for valuation of the unlisted options issued during the year ended 2026:

Grant date	Expiry date	Exercise price($)	No.of options	Share price at grant date ($)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date ($)
07/07/2025	07/07/2029	0.1439	1,500,000	0.0940	85.05%	-	3.49%	0.0514
01/07/2025	30/06/2029	0.1425	5,767,061	0.0950	84.69%	-	3.43%	0.0521
30/10/2025	30/10/2030	0.1380	1,160,000	0.0920	83.32%	-	3.76%	0.0529
20/04/2026	20/04/2029	0.1250	2,000,000	0.0780	73.04%	-	4.63%	0.0301

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

10. Share capital (continued)

There were 190,043,987 (2025: 225,706,945) share options outstanding at the end of the year with a weighted average exercise price of $0.13622 (2025: $0.0863).

11. Reserve

Share based payments reserve

This reserve is used to record the value of equity benefits provided to employees and Directors as part of their remuneration. Refer to note 12 for further details of these plans.

12. Share-based payments

(a) Accounting policy

Equity-settled transactions

The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There are currently two plans in place to provide these benefits:
i. The Employee Share Option Plan (ESOP), which provides benefits to Directors, senior executives, consultants and other employees;
ii. The Tax Exempt Plan under which eligible employees may be issued up to $1,000 of shares, excluding senior executives and directors.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is either determined by an external valuer using a Monte Carlo simulation or a Binomial model, or internally using a Black-Scholes model, further details of which are given in this Note further below.

The cost of equity-settled transactions with parties other then employees is measured at the fair value of goods or services received at the date the entity obtains the goods or counterparty renders the services, unless these can not be estimated reliably. In this instance the cost of these equity-settled transactions with parties other then employees is measured by reference to the fair value of the equity instruments.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Arovella Therapeutics Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

For personal use only

12. Share-based payments (continued)

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of loss per share, refer note 4.

Share-based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is either determined by an external valuer using a Monte Carlo simulation or a Binomial model, or internally using a Black-Scholes model, using the assumptions detailed in this Note further below.

Long Term Incentive Plan (LTIP)

On 10 November 2023, the Directors adopted the following:

i Long Term Incentive Plan (Option Plan) under which Directors, executives, consultants and other employees may be offered the opportunity to be granted Options; the maximum number of proposed LTIP securities was passed in the Annual General Meeting held on 10 November 2023. The maximum number of LTIP securities approved was 45,098,240 securities representing 5% of the Company's issued capital on a post-AGM basis.

The following table illustrates the number and weighted average exercise prices of and movements in share options, under the ESOP, issued during the year:

	2026 Number	2026 Weighted average exercise price $	2025 Number	2025 Weighted average exercise price $
Outstanding at the beginning of year	34,924,824	0.10	27,362,677	0.06
Granted during the year	8,427,061	0.09	7,562,147	0.24
Lapsed during the year	6,600,099	0.09	-	-
Expired during the year	9,011,999	0.07	-	-
Exercised during the year	10,377,921	0.06	-	-
Outstanding at the end of year	17,361,866	0.16	34,924,824	0.10
Exercisable at the end of year	13,538,004	0.16	31,142,131	0.10

13. Financial instruments

(a) Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

For personal use only

13. Financial instruments (continued)

(b) Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified at amortised cost.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- The entity's business model for managing the financial asset.
- The contractual cash flow characteristics of the financial asset.

(c) Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- They are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows.
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

(d) Impairment of financial assets

AASB 9's impairment requirements use forward-looking information to recognise expected credit losses - the 'expected credit loss (ECL) model'.

Instruments within the scope of the requirements include loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is not solely dependent on the Company first identifying a credit loss event. Instead the Company considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- Financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1')
- Financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2')
- ('Level 3') would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

For personal use only

13. Financial instruments (continued)

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(e) Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

(f) Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(g) Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company's overall strategy remains unchanged from 2025.

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

The Company is not subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

	Notes	**2026**	2025
		$	$
Financial assets			
Cash and cash equivalents	5	**14,352,901**	20,877,185
Financial liabilities			
Trade and other payables	8	**718,471**	1,361,083

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

13. Financial instruments (continued)

(h) Financial risk management objectives

The Company is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Company seeks to minimise the effect of these risks, by using derivative financial instruments to hedge these risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

(i) Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, commodity prices and exchange rates. The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency and commodity price risk including foreign exchange forward contracts to hedge the exchange rate and commodity price risk arising on its production.

There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(j) Foreign currency risk management

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

There is a risk that adverse currency movements may negatively impact the Company.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	30 June 2026			30 June 2025	
	GBP	USD	SEK	GBP	USD
	$	$	$	$	$
Liabilities	-	(82,933)	(114,900)	(28,043)	(200,692)
Assets	5,409	1,045,100	-	10,957	8,978

This is mainly attributable to the exposure outstanding on USD, GBP and SEK currencies held at year end in the Company.

(k) Interest rate risk management

Interest rate risk is the risk that a financial instrument's value will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risks via cash and cash equivalents that it holds. The objective is to minimise the Company's exposure to fluctuations that might impact its interest, revenue, and cash flow.

Interest rate risk is considered when placing funds on term deposits versus keeping funds in the operating account. This consideration also takes into account the costs associated with breaking a term deposit should early access to cash and cash equivalents be required.

For personal use only

13. Financial instruments (continued)

(l) Credit risk management

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers.

The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Company's maximum exposure to credit risk without taking account of the value of any collateral obtained.

(m) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables details the Company's expected contractual maturity for its non-derivative financial assets and liabilities as at 30 June 2026:

	0-3 months $	3-6 months $
Cash and cash equivalents	14,352,901	-

	0-3 months $	3-6 months $
Trade and other payables	315,190	1,870

14. Commitments and contingencies

As of 30 June 2026, the Company has research and development commitments of approximately $1,894,500.

The Company has entered into various license agreements which enables it to develop various licensed products. These agreements contain typical provisions normally found in such agreements that require the Company to pay various payments on achievement of certain milestones. The Directors cannot at this stage determine the likelihood of these milestones being achieved and as a result, do not believe that disclosure under AASB 137 Provisions, Contingent Liabilities and Contingent Assets is required to be made on the basis that any contingent liability would be remote.

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

15. Related party transactions

Transactions with Key Management Personnel

Refer to note 17 for details of transactions with key management personnel.

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

16. Remuneration of auditors

The auditor of Arovella Therapeutics Limited is HLB Mann Judd.

	2026 $	2025 $
Audit and review of financial statements	**73,157**	70,015

17. Directors and executives disclosures

Details of Key Management Personnel

Directors

Dr. Thomas Duthy, Non-Executive Chairman (Resigned 1 July 2025)
Dr. Michael Baker, CEO and Managing Director (resigned 4 May 2026)
Dr. Elizabeth Stoner, Non-Executive Interim Chair(Resigned 9 February 2026)
Dr. Debora Barton, Non-Executive Director (Resigned 4 May 2026)
Mr. Gary Phillips, Non-Executive Director (Resigned 9 February 2026)
Dr. Andrew Nash (Appointed 12 November 2025 and Resigned 4 May 2026)
Dr. Michael Perry (Appointed 28 April 2026 and Resigned 4 May 2026)
Mr. David Williams, Chair (Appointed 28 April 2026)
Mr. Mark Diamond, Non-Executive Director (Appointed 28 April 2026)
Dr. Michael Thurn, Non-Executive Director (Appointed 28 April 2026)

Employment Contracts
The details of the Directors' and Key Management Personnel employment contracts are:

Directors	**Period of Notice**
David Williams	Nil
Mark Diamond	Nil
Michael Thurn	Nil

Key Management Personnel	**Period of Notice**
Nicole van der Weerden	3 months

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

The aggregate compensation made to Directors and other key management personnel of the Company is set out below:

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

17. Directors and executives disclosures (continued)

	2026 $	2025 $
Short-term employee benefits	1,197,592	1,228,321
Post-employment benefits	63,033	59,864
Long-term benefits	1,181	12,816
Share-based payments	63,770	474,326
	1,325,576	1,775,327

18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

19. Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements comprise the financial statements for the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The financial statements are presented in Australian dollars.

The Company is a listed public Company, incorporated in Australia and operates in Australia. The Company's The principal activity of the Company during the year was pharmaceutical development invariant Natural Killer T (iNKT) cell platform for cancer treatment.

(a) Statement of compliance

The financial report was authorised for issue on 20 August 2026.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) New and amended standards adopted by the Company

For the year ended 2026, the Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these standards has not had any impact on the disclosures or amounts reported in these financial statements.

New Standard and Interpretations in issue not yet adopted

For personal use only

NOTES TO THE FINANCIAL STATEMENTS

19. Basis of preparation (continued)

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted or effective for the year ended 2026. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

(c) Material accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Estimation of useful lives of assets
The entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

(d) Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. This includes the continued development and commercialisation of the Company's current projects.

As disclosed in the financial statements, the Company incurred a loss of $6,916,453 (2025: $7,509,166) and had operating cash outflows of $6,906,119 for the year ended 2026 (2025: $6,929,965). As at 2026, the Company held cash and cash equivalents of $14,352,901 (2025: $20,877,185).

The Directors are of the opinion that the Company is a going concern as the Company has sufficient cash to meet its current requirements and based on prior experience, are confident that they can access additional funding if and when required.

For personal use only

DIRECTORS' DECLARATION

In the opinion of the directors of Arovella Therapeutics Limited (the 'Company')

(a) The accompanying financial statements and notes are in accordance with the Corporations Act 2001 including

(i) Giving a true and fair view of the company's financial position as at 2026 and of its performance for the year then ended; and

(ii) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

(d) The information disclosed in the attached consolidated entity disclosure statement is true and correct.

The declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 2026.

This declaration is made in accordance with a resolution of Directors.



David Williams
Chair

20 August 2026

For personal use only

For personal use only

INDEPENDENT AUDITOR'S REPORT
To the Members of Arovella Therapeutics Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Arovella Therapeutics Limited ("the Company") which comprises the statement of financial position as at 30 June 2026, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have not determined any key audit matters to be communicated in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2026, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

For personal use only

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

For personal use only

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Arovella Therapeutics Limited for the year ended 30 June 2026 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
20 August 2026

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 11 August 2026.

A. Distribution of equitable securities

Holding	
1-1000	683
1,001-5,000	700
5,001-10,000	594
10,001 - 100,000	1,861
100,000 and over	998
	4,836

There were 1,769 holders of less than a marketable parcel of shareholdings.

There were two substantial holders as at the reporting date.

Voting Rights

The voting rights attached to each class of equity security are as follows:

Ordinary shares: Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

For personal use only

SHAREHOLDER INFORMATION

B. Equity security holders

20 Largest Shareholders - Ordinary Shares
The names of the twenty largest security holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	% of total shares issued
Biotech Capital Management	129,606,597	10.72
Richard John Mann	68,487,674	5.67
NETWEALTH INVESTMENTS LIMITED - WRAP SERVICES A/C	33,595,541	2.78
NETWEALTH INVESTMENTS LIMITED - SUPER SERVICES A/C	32,619,851	2.70
AJAVA HOLDINGS PTY LTD	30,000,000	2.48
UBS NOMINEES PTY LTD	29,070,196	2.40
BLACKBURNE CAPITAL PTY LTD	27,268,039	2.26
LEGACY ASSET HOLDINGS PTY LTD	22,362,889	1.85
DYLIDE PTY LTD	16,227,481	1.34
M & M STOCK ONE PTY LTD - THE M & M STOCK ONE A/C	15,958,668	1.32
MR JAMES EVAN HUGHES-MORRIS	15,057,777	1.25
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED - NO 1 ACCOUNT	12,043,779	1.00
MOOVNUP PTY LTD - MOOVNUP A/C	11,593,075	0.96
MR NEIL DONALD DELROY - NDD INVESTMENT A/C	11,467,159	0.95
WIDERANGE CORPORATION PTY LTD	10,767,789	0.89
MR BRENDAN JOHN MARTIN & MRS SHARON ANN MARTIN - JAKNIC SUPER A/C	9,564,970	0.79
MR MARVIN WENG CHUNG LEONG & MRS TIEN JU YEAP - MARJU SUPER A/C	9,473,666	0.78
MR MURRAY JAMES HULL & MRS NICOLA JANE HULL - MURNIC FAMILY A/C	9,287,206	0.77
MR PAUL RAMSAY & MRS TERREL JEAN RAMSAY - P & T RAMSAY SUPER A/C	7,928,338	0.66
MR JASON GIBBONS & MRS KOBY GIBBONS - GIBBONS FAMILY A/C	7,863,041	0.65
	510,243,736	42.22

Other quoted securities

There are 155,803,175 quoted options (ASX:ALAO) with an exercise price of $0.15 and an expiry date of 24 May 2027.

Unquoted equity securities
Options expiring various dates with various exercise prices: 34,280,812 held by various people/entities.

For personal use only