

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Israel Biotech Fund I, L.P.</u>  (Last) (First) (Middle) 75 FORT STREET, CLIFTON HOUSE, PO BOX, 1350  (Street) GRAND CAYMAN E9 KY1-1108  (City) (State) (Zip)	2. Issuer Name and Ticker or Trading Symbol <u>Ayala Pharmaceuticals, Inc. [ ADXS ]</u>  3. Date of Earliest Transaction (Month/Day/Year) 02/07/2024  4. If Amendment, Date of Original Filed (Month/Day/Year)	5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)  6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person
Rule 10b5-1(c) Transaction Indication  <input type="checkbox"/> Check this box to indicate that a transaction was made pursuant to a contract, instruction or written plan that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c). See Instruction 10.		

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock, par value \$0.001 per share	02/07/2024 <sup>(1)</sup>		M		1,926,221 <sup>(1)</sup>	A <sup>(1)</sup>	\$0.4 <sup>(1)</sup>	11,044,282	I	See footnote <sup>(2)</sup>
Common Stock, par value \$0.001 per share	02/07/2024 <sup>(1)</sup>		M		4,237,687 <sup>(1)</sup>	A <sup>(1)</sup>	\$0.4 <sup>(1)</sup>	18,359,495	I	See footnote <sup>(3)</sup>
Common Stock, par value \$0.001 per share	02/07/2024 <sup>(4)</sup>		M		3,887,438 <sup>(4)</sup>	A <sup>(4)</sup>	\$0.4 <sup>(4)</sup>	14,931,720	I	See footnote <sup>(2)</sup>
Common Stock, par value \$0.001 per share	02/07/2024 <sup>(4)</sup>		M		1,295,813 <sup>(4)</sup>	A <sup>(4)</sup>	\$0.4 <sup>(4)</sup>	19,655,308	I	See footnote <sup>(3)</sup>
Common Stock, par value \$0.001 per share	02/07/2024 <sup>(5)</sup>		M		8,437,500 <sup>(5)</sup>	A <sup>(5)</sup>	\$0.4 <sup>(5)</sup>	23,369,220	I	See footnote <sup>(2)</sup>
Common Stock, par value \$0.001 per share	02/07/2024 <sup>(5)</sup>		F		2,707,581 <sup>(5)</sup>	D <sup>(5)</sup>	\$1.2465 <sup>(5)</sup>	20,661,639	I	See footnote <sup>(2)</sup>
Common Stock, par value \$0.001 per share	02/07/2024 <sup>(5)</sup>		M		8,062,500 <sup>(5)</sup>	A <sup>(5)</sup>	\$0.4 <sup>(5)</sup>	27,717,808	I	See footnote <sup>(3)</sup>
Common Stock, par value \$0.001 per share	02/07/2024 <sup>(5)</sup>		F		2,586,905 <sup>(5)</sup>	D <sup>(5)</sup>	\$1.2465 <sup>(5)</sup>	25,130,903	I	See footnote <sup>(3)</sup>

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Convertible Promissory Note	\$0.4 <sup>(1)</sup>	02/07/2024 <sup>(1)</sup>		M		1,926,221 <sup>(1)</sup>		11/17/2023	11/17/2028	Common Stock	1,926,221 <sup>(1)</sup>	(1)	13,661,159	I	See footnote <sup>(2)</sup>
Convertible Promissory Note	\$0.4 <sup>(1)</sup>	02/07/2024 <sup>(1)</sup>		M		4,237,687 <sup>(1)</sup>		11/17/2023	11/17/2028	Common Stock	4,237,687 <sup>(1)</sup>	(1)	18,996,000	I	See footnote <sup>(3)</sup>
Convertible Promissory Note	\$0.4 <sup>(4)</sup>	02/07/2024 <sup>(4)</sup>		M		3,887,438 <sup>(4)</sup>		11/17/2023	11/17/2028	Common Stock	3,887,438 <sup>(4)</sup>	(4)	11,724,938	I	See footnote <sup>(2)</sup>
Convertible Promissory Note	\$0.4 <sup>(4)</sup>	02/07/2024 <sup>(4)</sup>		M		1,295,813 <sup>(4)</sup>		11/17/2023	11/17/2028	Common Stock	1,295,813 <sup>(4)</sup>	(4)	14,758,313	I	See footnote <sup>(3)</sup>
Warrants	\$0.4 <sup>(1)</sup>	02/07/2024 <sup>(1)</sup>		M		8,437,500 <sup>(1)(5)</sup>		11/17/2023	11/17/2028	Common Stock	8,437,500 <sup>(1)(5)</sup>	(1)(5)	7,837,500 <sup>(6)</sup>	I	See footnote <sup>(2)</sup>
Warrants	\$0.4 <sup>(1)</sup>	02/07/2024 <sup>(1)</sup>		M		8,062,500 <sup>(1)(5)</sup>		11/17/2023	11/17/2028	Common Stock	8,062,500 <sup>(1)(5)</sup>	(1)(5)	13,462,500 <sup>(6)</sup>	I	See footnote <sup>(3)</sup>

1. Name and Address of Reporting Person* <u>Israel Biotech Fund I, L.P.</u>  (Last) (First) (Middle) 75 FORT STREET, CLIFTON HOUSE, PO BOX, 1350  (Street) GRAND CAYMAN E9 KY1-1108
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(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<a href="#">Israel Biotech Fund II, L.P.</a>		
(Last)	(First)	(Middle)
75 FORT STREET, CLIFTON HOUSE, PO BOX, 1350		
(Street)		
GRAND CAYMAN	E9	KY1-1108
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<a href="#">Israel Biotech Fund GP Partners, L.P.</a>		
(Last)	(First)	(Middle)
75 FORT STREET, CLIFTON HOUSE, PO BOX, 1350		
(Street)		
GRAND CAYMAN	E9	KY1-1108
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<a href="#">Israel Biotech Fund GP Partners II, L.P.</a>		
(Last)	(First)	(Middle)
75 FORT STREET, CLIFTON HOUSE, PO BOX, 1350		
(Street)		
GRAND CAYMAN	E9	KY1-1108
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<a href="#">I.B.F. Management Ltd.</a>		
(Last)	(First)	(Middle)
4 OPPENHEIMER ST.		
(Street)		
REHOVOT	L3	7670104
(City)	(State)	(Zip)

**Explanation of Responses:**

- On 11/17/2023, Issuer issued to Israel Biotech Fund I, L.P. ("IBF 1") and IBF II Israel Biotech Fund II, L.P. ("IBF 2") Senior Convertible Promissory Notes, with a principal amount of \$750,000 and \$1,650,000, respectively (the "Notes"), and, in connection therewith, warrants to purchase 2,812,500 shares of Common Stock and 6,187,500 shares of Common Stock, respectively, at an exercise price of \$0.40 per share, subject to adjustments (the "Warrants"). As more fully described in a Schedule 13D/A filed by the Reporting Persons on 2/12/2024 (the "Schedule 13D/A"), on 2/7/2024 the Notes were converted into 1,926,221 shares of Common Stock and 4,237,687 shares of Common Stock, respectively, which number of shares represents the aggregate principal amount plus aggregate accrued interest due on the Notes, divided by \$0.40 (the "Conversion Price").
- The reported securities in this row are held of record by IBF 1. Israel Biotech Fund GP Partners, L.P. ("IBF 1 GP"), a Cayman Islands Exempted Limited Partnership, is the general partner of IBF 1. I.B.F. Management Ltd. ("IBF Management"), an Israeli private company, is the management company of IBF 1 GP. By virtue of such relationships, IBF 1 GP and IBF Management may be deemed to have shared voting and investment power with respect to the securities held of record by IBF 1. Each of IBF 1 GP and IBF Management disclaims beneficial ownership of the securities held by IBF 1, except to the extent of their pecuniary interest therein, if any.
- The reported securities in this row are held of record by IBF 2. Israel Biotech Fund GP Partners II, L.P. ("IBF 2 GP"), a Cayman Islands Exempted Limited Partnership, is the general partner of IBF 2. IBF Management is the management company of IBF 2 GP. By virtue of such relationships, IBF 2 GP and IBF Management may be deemed to have shared voting and investment power with respect to the securities held of record by IBF 2. Each of IBF 2 GP and IBF Management disclaims beneficial ownership of the securities held by IBF 2, except to the extent of their pecuniary interest therein, if any.
- On 11/17/2023, Issuer issued to IBF 1 and IBF II Amended and Restated Senior Secured Convertible Promissory Notes with a principal amount of \$1,500,000 and \$500,000, respectively (the "A&R Notes"), and, in connection therewith, warrants to purchase 5,625,000 shares of Common Stock and 1,875,000 shares of Common Stock, respectively, at an exercise price of \$0.40 per share, subject to adjustments (the "A&R Warrants"). As more fully described in the Schedule 13D/A, on 2/7/2024, the A&R Notes were converted into 3,887,438 shares of Common Stock and 1,295,813 shares of Common Stock, respectively, which number of shares represents the aggregate principal amount plus aggregate accrued interest due on the Notes, divided by the Conversion Price.
- As more fully described in the Schedule 13D/A, (i) IBF I exercised an aggregate of 8,437,500 Warrants and A&R Warrants it holds (through a "cashless exercise") and, on 2/7/2024, the Issuer issued to IBF I a total of 5,729,919 shares of Common Stock in respect thereto (which reflects a total of 2,707,581 shares "withheld" by the Issuer in connection with the "cashless exercise" of such warrants to satisfy the aggregate exercise price of such warrants, based on the daily VWAP of the shares of Common Stock of \$1.2465), and (ii) IBF II exercised an aggregate of 8,062,500 Warrants and A&R Warrants it holds (through a cashless exercise) and, on 2/7/2024, the Issuer issued to IBF II a total of 5,475,595 shares of Common Stock in respect thereto (which reflects a total of 2,586,905 shares "withheld" by the Issuer in connection with the "cashless exercise" of such warrants, based on the daily VWAP of the shares of Common Stock of \$1.2465).
- The remaining derivative securities reported in this row reflect the rights of IBF I and IBF II to purchase senior convertible promissory notes on the same terms (including with respect to warrant coverage) as the Notes, as previously reported on Form 4 filed by the Reporting Persons on 11/21/2023.

**Remarks:**

For purposes of Section 16 of the Securities Exchange Act of 1934, as amended, the Reporting Persons may be deemed to be "directors by deputization" of the Issuer by virtue of their representatives on the Issuer's board of directors.

[/s/ Yuval Cabilly, Managing Partner](#) [02/12/2024](#)  
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[/s/ Yuval Cabilly, General Partner](#) [02/12/2024](#)  
[/s/ Yuval Cabilly, General Partner](#) [02/12/2024](#)  
[/s/ Yuval Cabilly, Chief Executive Officer](#) [02/12/2024](#)

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

