

ASX Announcement

31 May 2021

ASX Market Announcements
ASX Limited
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Melbourne VIC 3000

New TPM® applications to be explored in AB Vista animal health program

Highlights:

- Avecho has developed its proprietary TPM® as a non-antibiotic feed additive product to enhance feed efficiency and weight gain in livestock animals.
- Avecho has today announced that its potential commercial partner, AB Vista, will explore the utility of TPM® in livestock feeds across a range of new applications.
- AB Vista will test the combination of TPM® with a number of feed additives, assessing the potential for a commercial deal for the inclusion of TPM® in commercial livestock products intended to be launched in June, 2022.

Melbourne, Australia, 31 May 2021: Avecho Biotechnology Limited (ASX:AVE, "Avecho", or "the Company") has today announced that its potential animal health partner AB Vista is expanding its assessment of the utility of TPM® in livestock feeds beyond its original program analysing feed efficiency and weight gain.

Avecho has previously demonstrated that TPM® included in livestock feeds could improve weight gain and feed conversion ratio in both broiler chickens and newly weaned pigs. Avecho has continued to support potential commercial partners and additional third parties exploring the application of TPM® in Animal Health, while focusing on its core human health and cannabinoid programs. Today Avecho is pleased to announce that one of these third parties is AB Vista, and that they are expanding their investigations with TPM®.

AB Vista, is a global, UK based, innovative feed additive business, bringing pioneering products and technical services to the poultry, swine, ruminant and aquaculture sectors. The business uses its innovative product research, technical services and nutrition expertise to gather global insights that can be used to provide novel solutions to feed compounders, integrators and pre-mixes.

AB Vista has been conducting a range of studies with TPM® over the past two years, and has confirmed performance improvements with livestock feeds containing TPM®. The Company is now planning to examine the application of TPM® in feed products being developed to control post-weaning diarrhoea in pigs, and pending a positive outcome of the planned programme they are undertaking, will look to partner with Avecho to bring TPM® to the animal feed market.

AB Vista Director of R&D, Dr Mike Bedford said: *"Opportunities for an ingredient such as TPM® do exist in this sector, but selection for commercialisation will rely on how TPM® performs relative to other agents, both alone and in combination with our other actives. We aim to conclude our studies in time to identify a new product to take to market prior to the June 2022 ban on high zinc oxide dosing."*

Avecho CEO, Dr Paul Gavin said: *"We hope the next 12 months are productive for demonstrating the utility of TPM® in livestock in partnership with AB Vista, one of the world's most innovative company's in the animal health sector, who we are proud to work with. Our Company is committed to supporting AB Vista in this process, without diluting our focus on the advancing cannabinoid programs during this time."*

There is not anticipated to be a single 'silver bullet' to replace ZnO, as was the case with antibiotics, but instead strategies encompassing a combination approach will be key. The upcoming research program aims to provide AB Vista with sufficient data to make a commercial decision on the inclusion of TPM® in its new livestock products within 12 months.

Research and development climate: livestock sector

Zinc is a heavy metal element that serves many biological purposes in livestock. In addition to its antimicrobial properties, zinc is involved with a range of enzymes, immunity and nutrient metabolism, and protects a young pig's immature gut by reducing pro-inflammatory mast cells and helping to maintain normal GI tract morphology. Piglet diarrhoea is extremely common and leads to heavy mortality and resulting economic loss. Zinc in the form of zinc oxide, is commonly included in swine diets at 2000-3000 ppm in the first few weeks after weaning, with the purpose of helping to control post weaning diarrhoea and improving gut performance. However, zinc oxide levels above 150 ppm will be banned from animal feeds in the European Union starting June 2022, due to environmental concerns with heavy metal accumulation and the potential for antimicrobial resistance. Consequently, animal health companies such as AB Vista, are examining a range of strategies and feed additive options to achieve the growth performance benefits without zinc oxide.

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This announcement is authorised for release by the Board of Directors of Avecho Biotechnology Limited.

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About Avecho

Avecho Biotechnology Limited develops and commercialises innovative Human and Animal Health products using its proprietary drug delivery system called Tocopheryl Phosphate Mixture (**TPM[®]**). TPM[®] is derived from Vitamin E using unique, proprietary and patented processes and is proven to enhance the solubility and oral, dermal and transdermal absorption of drugs and nutrients.

Avecho's major projects include delivering TPM[®] enhanced injectable, oral and topical products for the human health market and is also developing TPM[®] to enhance the feed efficiency and health of livestock.

See more here - avecho.com.au

Forward-Looking Statements

Certain statements in this announcement are forward looking statements. Forward looking statements can generally be identified by the use of words such as "anticipate", "estimate", "expect", "project", "intend", "plan", "believe", "target", "may", "assume" and words of similar import. These forward-looking statements speak only as at the date of this announcement. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

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