ASX Limited
Market Announcements Office

22 December 2022

Ethics Approval received for Phase III Clinical Trial of Oral CBD Softgel Capsule for Insomnia

Highlights:

- Avecho has announced formal ethics approval of its pivotal Phase III clinical trial testing its oral CBD softgel capsule for insomnia.
- The study is the largest randomised, placebo controlled study being undertaken in Australia to support registration of cannabidiol as an over-the-counter medicine with the Therapeutic Goods Administration (TGA)
- The study has been purposefully designed to produce relevant clinical evidence, which is applicable to support product registration with key global regulatory bodies including the TGA, the FDA and the EMEA.

Melbourne, Australia, 22 December 2022: Avecho Biotechnology Limited (ASX:AVE, "Avecho", or "the Company") has today announced it has received ethics approval for its pivotal Phase III clinical trial testing its oral CBD softgel capsule for insomnia.

The study will be a **multicenter study conducted in up to 10 sites around Australia.** The lead site will be Monash Medical Centre in Melbourne, Australia under the supervision of Principal Investigator, Associate Professor Darren Mansfield, Deputy Director of Monash Health.

The study will enrol 540 patients across three treatment groups to compare nightly CBD doses of 75 and 150 mg CBD with placebo over an 8 week dosing period.

The study will have **two primary endpoints:**

- To investigate the effect of the administration of 75 mg and 150 mg per day CBD TPM® capsules versus placebo on reductions in insomnia severity after 8 weeks of treatment, as measured by the Insomnia Severity Index (ISI), and;
- To investigate the effect of the administration of 75 mg and 150 mg per day CBD TPM® capsules versus placebo on reductions in insomnia severity after 8 weeks of treatment, as measured by subjective sleep efficiency.

Key secondary endpoints will examine specific aspects of sleep, including time to fall asleep (sleep onset latency; SOL), the time spent waking up after sleep is initiated (wake after sleep onset; WASO) and **further secondary endpoints** related to other aspects of sleep and also anxiety.

Further exploratory endpoints have been included to identify future indications that may benefit from the specific combination of TPM® and CBD.

Avecho has already established the single dose absorption profile from its softgel capsule, but blood will be collected across the 8 week study period to establish the steady state CBD concentrations after longer periods of dosing.

The study will incorporate an interim analysis after roughly 300 patients have been dosed to conduct a powering and futility assessment. The powering calculation will be used to confirm the number of patients required to complete the study. The futility assessment will be used to determine whether there is any effect present in the study, or whether it should be terminated early.

The study has been **designed with the help of a number of international sleep experts**, including Associate Professor Darren Mansfield; Professor Shantha Rajaratnam, Deputy Director of the Turner Institute for Brain and Mental Health, Chair of the Sleep Health Foundation and Chair of the Monash Sleep Network; Professor Sean P.A. Drummond, Professor of Clinical Neurosciences and Director of the Sleep and Circadian Research Program Area at the Turner Institute for Brain and Mental Health; and Associate Professor of Psychiatry and Nursing, Michael Perlis, Director of the Behavioural Sleep Medicine Program at the University of Pennsylvania, inaugural President and current fellow of the Society of Behavioural Sleep Medicine.

The study has been designed to be of relevance to the TGA, the FDA and the EMEA – a key factor to support potential product registration in these leading global healthcare markets.

Avecho CEO, Dr Paul Gavin, said: "Everything we have learnt over the last 15 years of drug development has gone into this product and this study – and it's a watershed moment for any biotechnology company and its investors to commence a Phase III trial. We are working with a trial design and host of respected professionals that will maximise the chance of success and eventual approval in multiple regions.

"The TGA has never assessed CBD in a submission package for pharmaceutical approval – similiarly, no regulatory agency in the world has approved CBD for this indication. This has motivated the Avecho team to work strategically and methodically to design a Phase III trial that meets regulatory criteria in key markets. It is hoped this will put us in a leading position for both regulatory approval and for negotiating significant commercial deals with leading international pharmaceutical companies."

The pivotal Phase III clinical trial will commence in CY2023.

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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.

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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