

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

3 April 2023

Dear Optionholder

NOTICE TO OPTIONHOLDERS

On 3 April 2023, Avecho Biotechnology Limited (ACN 056 482 403) (ASX:AVE) (**Avecho** or **Company**) announced that it is undertaking a non-renounceable entitlement offer of 1 new fully paid ordinary share (**New Share**) for every 1 existing share held by Eligible Shareholders on the Record Date, at an issue price of \$0.006 per New Share to raise up to approximately \$11 million (before costs) (**Entitlement Offer**). Participants in the Entitlement Offer will also be issued 3 free attaching options exercisable at \$0.012 each and expiring 3 years from the date of issue (**New Options**) for every 2 New Shares subscribed under the Entitlement Offer.

Eligible Shareholders who have taken up their full Entitlement may also apply (in excess of their Entitlement) for New Shares and New Options not subscribed for by other Eligible Shareholders at the same issue price as under the Entitlement Offer. Refer to the Prospectus for details regarding the allocation policy for the Additional Share Facility.

The Entitlement Offer is being conducted under a prospectus (**Prospectus**) pursuant to section 713 of the *Corporations Act 2001* (Cth). Capitalised terms used, but not defined, in this letter have the meaning ascribed to them in the Prospectus.

Your participation

You have received this letter because you currently hold options issued by the Company. Pursuant to the terms of your options, there is no entitlement to participate in the Entitlement Offer unless you exercise your options into shares and are entered onto the register as a shareholder of the Company by the Record Date.

If you choose to participate in the Entitlement Offer by exercising some or all of your options prior to the Record Date, you will be sent a Prospectus and a personalised Entitlement and Acceptance Form containing important information about the Entitlement Offer. A copy of the Prospectus is also available on the ASX website at www.asx.com.au. Before deciding whether to exercise all or any of your options, you should ensure that you satisfy the requirements for an Eligible Shareholder and consider the terms of the Entitlement Offer carefully. It is recommended that you consult with your professional adviser before making any investment decision.

If you do not wish to participate in the Entitlement Offer, no action is required.

Further information

For further information regarding the Entitlement Offer, please contact the Company on 1300 850 505 (within Australia) or +61 3 9415 5000 (outside Australia) between 8.30am to 5.00pm (AEST) Monday to Friday during the offer period. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

On behalf of the Board, I thank you for your ongoing support of the Company.

Yours sincerely,



Dr Gregory Collier
Chairman

Important information

This letter is issued by Avecho. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any entitlements or securities in Avecho in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of entitlements or Avecho securities.

This letter may not be released or distributed in the United States. This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares or New Options in any jurisdiction. In particular, the New Shares and New Options have not been, and will not be, registered under the United States Securities Act of 1933 (**U.S. Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements, the New Shares and New Options may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable United States state securities laws. The entitlements, New Shares and New Options to be offered in the Entitlement Offer will only be offered outside the United States in "offshore transactions" (as defined in Rule 902(h) of the Securities Act) in reliance on Regulation S under the U.S. Securities Act.