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AVE

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Avecho Biotechnology Limited General Meeting

The Avecho Biotechnology Limited General Meeting will be held on Thursday, 9 November 2023 at 12.30pm (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 12.30pm (AEDT) Tuesday, 7 November 2023.



ATTENDING THE MEETING VIRTUALLY

To view the live webcast and ask questions on the day of the meeting you will need to visit https://vistra.zoom.us/webinar/register/WN_kNJ2YWA9R-GC2np9DTiEvA

To vote online during the meeting you will need to visit <https://meetnow.global/M5U4C64>
For instructions refer to the online user guide www.computershare.com.au/onlinevotingguide

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



AVECHO BIOTECHNOLOGY LIMITED
ACN 056 482 403

Notice of General Meeting

Explanatory Statement and Proxy Form

Date of Meeting:
Thursday 9 November 2023

Time of Meeting:
12.30pm (AEDT)

Meeting format:
Zoom webinar

In accordance with the *Corporations Act 2001 (Cth)* which provides for permanent relief for companies to use electronic communications to send meeting materials, no hard copy of the Notice of Meeting and Explanatory Statement (**GM Materials**) will be circulated, unless shareholders have elected to receive the GM Materials in paper form. The Notice of Meeting is also available on the Australian Securities Exchange (**ASX**) Announcement platform and on the Company's website <https://avecho.com.au/>.

*This Notice of General Meeting and Explanatory Statement should be read in its entirety.
If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant,
solicitor, or other professional advisor without delay.*

AVECHO BIOTECHNOLOGY LIMITED

ACN 056 482 403

Registered Office: Unit A8, 2A Westall Road, Clayton, VIC 3168

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting (**GM** or **Meeting**) of shareholders of Avecho Biotechnology Limited (the **Company**) will be held by video-conferencing facility on Thursday, 9 November 2023 at 12.30pm (AEDT) ("**General Meeting**" or "**Meeting**" or "**GM**").

The technology used to hold the Meeting virtually will provide AVE Shareholders with a reasonable opportunity to ask questions or make comments. Voting at the Meeting is occurring by way of poll rather than a show of hands. Each person entitled to vote is to be given the opportunity to vote in real time, and this Notice of Meeting includes information about how shareholders can participate in the Meeting. AVE Shareholders attending virtually will be taken for all purposes to be in attendance as if they were physically there.

Shareholders who wish to participate in the GM online may register in advance for the meeting:

https://vistra.zoom.us/webinar/register/WN_kNJ2YWA9R-GC2np9DTiEvA

When: Thursday, 9 November 2023 at 12.30pm (AEDT)

Topic: AVE: General Meeting 9 November 2023

After registering, you will receive a confirmation email containing information about joining the Meeting. The Company strongly recommends its Shareholders to lodge a direct proxy as soon as possible in advance of the Meeting even if they are planning to attend the Meeting online.

How do I vote in the meeting online?

Shareholders must use the Computershare Meeting Platform to vote in the Meeting.

To vote in the Meeting, you can log in by entering the following URL <https://meetnow.global/M5U4C64> on your computer, tablet, or smartphone. Online registration will open 30 minutes before the Meeting.

To make the registration process quicker, please have your SRN/HIN and registered postcode or country code ready. Proxyholders will need to contact the call centre before the Meeting to obtain their login details.

To vote in the Meeting online follow the instructions below.

1. Click on 'Join Meeting Now'.
2. Enter your SRN/HIN. Proxyholders will need to contact Computershare on +61 3 9415 4024 one hour prior to the Meeting to obtain their login details.
3. Enter your postcode registered to your holding if you are an Australian shareholder. If you are an overseas shareholder select the country of your registered holding from the drop-down list.
4. Accept the Terms and Conditions and 'Click Continue'.

You can cast votes at the appropriate times while the Meeting is in progress.

The Company is happy to accept and answer questions submitted prior to the Meeting by email to melanie.leydin@vistra.com. Where a written question is raised in respect to the key management personnel of the Company and/or the Resolutions to be considered at the Meeting, the Company will address the relevant questions during the course of the Meeting or by written response after the Meeting (subject to the discretion of the Company not to respond to unreasonable and/or offensive questions).

Any Shareholder wishing to attend the GM online should therefore monitor the Company's website and its ASX announcements for any updates about the GM. If it becomes necessary or appropriate to make alternative arrangements for the holding or conduct of the Meeting, the Company will make further information available through the ASX website at www.asx.com.au (ASX: AVE) and on its website at avecho.com.au.

AGENDA

The Explanatory Statement and Proxy Form which accompany, and form part of, this Notice include defined terms and describe in more detail the matters to be considered. Please consider this Notice, the Explanatory Statement, and the Proxy Form in their entirety. Terms and abbreviations used in this Notice and Explanatory Statement are defined in the Glossary.

ORDINARY BUSINESS

Resolution 1: Ratification of prior issue of Shares

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, shareholders approve, ratify, and confirm the allotment and issue on 8 September 2023 of 536,128,321 fully paid ordinary shares (“Shares”) in the Company at an issue price of \$0.006 (0.6 cents) per Share as described in the Explanatory Statement.”

Resolution 2: Approval to issue Shares

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 463,504,998 fully paid ordinary shares in the Company to professional and sophisticated investors under the Placement on the terms and conditions described in the Explanatory Statement.”

Resolution 3: Approval to issue New Options

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the issue of 1,499,449,961 New Options, exercisable at \$0.012 each and expiring on 10 May 2026, to professional and sophisticated investors under the Placement on the terms and conditions described in the Explanatory Statement.”

Resolutions 4(a) & 4(b): Approval to issue Shares and New Options to Directors (or their nominees)

To consider and, if thought fit, to pass the following resolutions as **ordinary resolutions**:

Resolution 4(a): Shares and New Options to Mr Matthew Patrick McNamara (or his nominee)

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue 1,666,666 fully paid ordinary shares and 2,499,999 attaching New Options, exercisable at \$0.012 each and expiring on 10 May 2026 to the director Mr Matthew Patrick McNamara (or his nominee) on the terms and conditions described in the Explanatory Statement.”

Resolution 4(b): Shares and New Options to Dr Gregory Collier (or his nominee)

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue 5,833,333 fully paid ordinary shares and issue 8,749,999 attaching New Options, exercisable at \$0.012 each and expiring on 10 May 2026 to the director Dr Gregory Collier (or his nominee) on the terms and conditions described in the Explanatory Statement.”

Resolution 5: Approval to issue Broker Options

To consider, and if thought fit, pass the following resolution as an **ordinary resolution**:

“That, for the purpose of the ASX Listing Rule 7.1, and for all other purposes, approval be given for the issue of 150,000,000 Broker Options (in aggregate), exercisable at \$0.012 each and expiring on 10 May 2026, to the Joint Lead Managers (or their nominees) on the terms and conditions described in the Explanatory Statement.”

BY ORDER OF THE BOARD



Melanie Leydin
Company Secretary
9 October 2023

NOTES

Notes

1. **Entire Notice:** The details of the resolutions contained in the Explanatory Statement accompanying this Notice of Meeting should be read together with, and form part of, this Notice of Meeting.
2. **Record Date:** The Company has determined that for the purposes of the General Meeting, only those persons who are registered as Shareholders at 7.00pm (AEDT) on the date 48 hours before the date of the Meeting. Only those persons will be entitled to vote at the Meeting and transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.
3. **Proxies**
 - a. Votes at the Meeting may be given personally or by proxy, attorney or representative.
 - b. Each Shareholder has a right to appoint one or two proxies. A proxy need not be a Shareholder of the Company.
 - c. Where a Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
 - d. If a Shareholder appoints two proxies, and the appointment does not specify the proportion or number of the Shareholder's votes, each proxy may exercise half of the votes. If a Shareholder appoints two proxies, neither proxy may vote on a show of hands.
 - e. A proxy must be signed by the Shareholder or their attorney who has not received any notice of revocation of the authority. Proxies given by corporations must be signed in accordance with the Constitution and the Corporations Act.
 - f. To be effective, Proxy Forms must be received by the Company's share registry (Computershare Investor Services Pty Limited) no later than 48 hours before the commencement of the Meeting, this is no later than 12.30pm (AEDT) on Tuesday, 7 November 2023. Any proxy received after that time will not be valid for the scheduled Meeting.
4. **Corporate Representative**

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising them to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting.
5. **Voting Exclusion Statement**

Resolution 1

The Company will disregard any votes cast in favour on this Resolution by any person who participated in the issue of shares and any associates of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) any associate of such a person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) any associate of such a person.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4(a)

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Matthew Patrick McNamara and any other person who will obtain a material benefit as a result of the issue of shares (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4(b)

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Dr Gregory Collier and any other person who will obtain a material benefit as a result of the issue of shares (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an associate of that person or those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 5

The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company), being the Joint Lead Managers (or their nominee); or
- (b) any associate of their associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6. Enquiries

Shareholders are invited to contact the Company Secretary, Melanie Leydin on (03) 9692 7222 if they have any queries in respect of the matters set out in these documents.

EXPLANATORY STATEMENT

ORDINARY BUSINESS

Resolution 1: Ratification of prior issue of Shares

Background

As announced to ASX on 28 August 2023, the Company is conducting a placement to raise ~\$6 million before costs, in the following tranches:

- ~\$3.2 million was raised through the issue of 536,128,321 fully paid ordinary shares (**Shares**) to professional and sophisticated investors on 8 September (**Tranche 1**); and
- ~\$2.8 million is to be raised through the issue of 471,004,997 Shares to professional and sophisticated investors (including to the two directors, Mr Matthew Patrick McNamara and Dr Gregory Collier (or their nominees), subject to approval by Shareholders for the purposes of ASX Listing Rules 7.1 and 10.11 (as applicable) (**Tranche 2**).

(together, the **Placement**). The Company will also issue New Options, exercisable at \$0.012 each and expiring on 10 May 2026, to participants under Tranche 1 and Tranche 2 of the Placement, on the basis of 3 new Options for every 2 Shares subscribed (**New Options**) subject to approval by Shareholders for the purposes of ASX Listing Rule 7.1.

The purpose of Resolution 1 is to seek Shareholder approval to ratify the issue of Shares under Tranche 1.

ASX Listing Rules

ASX Listing Rules 7.1 and 7.1A allow the Company to issue new securities up to 25% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. 324,324,554 Shares under Tranche 1 were issued from the Listing Rule 7.1 15% facility and 211,803,767 Shares were issued from the Listing Rule 7.1A 10% facility.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rules 7.1 and 7.1A if the issue did not breach ASX Listing Rules 7.1 and 7.1A at the time and shareholders subsequently approve it. As the issue of those Shares was within the Company's ASX Listing Rule 7.1 and 7.1A placement capacity, did not fall within any of the exceptions in ASX Listing Rule 7.2, and was not previously approved by Shareholders, the Company now seeks Shareholder ratification for the issue of those Shares pursuant to ASX Listing Rule 7.4 in order to retain as much flexibility as possible to issue additional equity securities over the 12-month period following the issue of the Shares, without having to obtain shareholder approval for such issues under Listing Rule 7.1.

If this Resolution is approved, the prior issue of the Shares under Tranche 1 of the Placement may be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1 and 7.1A. The Company will therefore be able to issue additional equity securities without the Shares the subject of this Resolution counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1 or the 10% facility limit for the purposes of ASX Listing Rule 7.1A.

If this Resolution is not approved, the prior issue of the Shares under Tranche 1 of the Placement will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rules 7.1. The Company will therefore have the Shares as counting towards the 15% and 10% threshold for the purposes of ASX Listing Rules 7.1 and 7.1A. This will limit the Company's placement capacity under the Listing Rules 7.1 and 7.1A.

ASX Listing Rule 7.5 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.4:

- (a) 536,128,321 fully paid ordinary shares in the Company were allotted and issued on 8 September 2023 to professional and sophisticated investors identified through a bookbuild conducted by the Joint Lead Managers.
- (b) The Shares were issued at an issue price of \$0.006 (0.6 cents) per Share; and
- (c) Funds raised from the Placement will be used to conduct a Phase III clinical trial in respect of the Company's proprietary TPM enhanced CBD soft-gel capsule to manage the symptoms of insomnia, associated manufacturing activities for the clinical trial, general working capital and costs of the Placement.

Voting Exclusions

For voting exclusions refer to Note 5.

Board Recommendation

The Board recommends that shareholders vote in favour of this Resolution.

Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of this Resolution.

Resolution 2: Approval to issue Shares

Background

As noted in the background to Resolution 1, the Company requires Shareholder approval to undertake Tranche 2 of the Placement. The purpose of this Resolution 2 is to seek that approval.

ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, without shareholder approval, issue or agree to issue more securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period. As the issue of the Placement Shares would, without shareholder approval, exceed that 15% limit, the Company seeks shareholder approval under Listing Rule 7.1 to issue the Placement Shares.

If this Resolution is passed, the Company will issue the Shares without using any of its placement capacity under Listing Rule 7.1's 15% limit on issuing equity securities, will retain the flexibility to make future issues of equity securities up to the 15% limit and will raise approximately \$2.7 million before costs.

If this Resolution is not passed, the Company will not be able to issue the Shares.

ASX Listing Rule 7.3 requires that the following information be provided to shareholders for the purpose of obtaining shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) 463,504,998 fully paid ordinary shares are being proposed to be issued to professional and sophisticated investors identified through a bookbuild conducted by the Joint Lead Managers.
- (b) The Shares will be issued at an issue price of \$0.006 (0.06 cents) per Share;
- (c) The Shares will rank *pari passu* with all existing securities of their class;
- (d) The Shares will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on or about 16 November 2023; and

- (e) Funds raised from the Placement will be used to conduct a Phase III clinical trial in respect of the Company's proprietary TPM enhanced CBD soft-gel capsule to manage the symptoms of insomnia, associated manufacturing activities for the clinical trial, general working capital and costs of the Placement.

Voting Exclusions

For voting exclusions refer to Note 5.

Board Recommendation

The Board recommends that shareholders vote in favour of this Resolution.

Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of this Resolution.

Resolution 3: Approval to issue New Options

Background

As noted in the background to Resolution 1, the Company requires Shareholder approval to issue the New Options to participants in Tranche 1 and Tranche 2 of the Placement. The purpose of this Resolution 3 is to seek that approval.

ASX Listing Rules

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the New Options is not within the Company's available placement capacity under ASX Listing Rule 7.1.

If Resolution 3 is approved, the issue of the 1,499,449,961 New Options (under both Tranche 1 and Tranche 2 of the Placement) at an exercise price of \$0.012 (1.2 cents) each and expiring on 10 May 2026 will be issued to professional and sophisticated investors who participated in the Placement and may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the New Options counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1 over the 12-month period following the issue of the New Options.

If Resolution 3 is not passed, the Company will not be able to issue the New Options.

Information provided in accordance with Listing Rule 7.3

ASX Listing Rule 7.3 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1:

- (a) 1,499,449,961 quoted Options exercisable at \$0.012 (1.2 cents) each and expiring on 10 May 2026 will be issued to professional and sophisticated investors who participate in Tranche 1 or Tranche 2 of the Placement.
- (b) A summary of the New Options can be found under **Annexure A**.
- (c) The New Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on or about 16 November 2023.
- (d) The New Options will be issued for nil consideration as they are free attaching Options to the Shares being issued as part of the Placement. Funds raised from the Placement will be used to conduct a Phase III clinical trial in respect of the Company's proprietary TPM enhanced CBD soft-gel capsule to manage the symptoms

of insomnia, associated manufacturing activities for the clinical trial, general working capital and costs of the Placement. Any funds raised from the exercise of New Options will be used for the same purpose.

Voting Exclusions

For voting exclusions refer to Note 5.

Board Recommendation

The Board recommends that shareholders vote in favour of this Resolution.

Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of this Resolution.

Resolutions 4(a) & 4(b): Approval to issue Shares and New Options to Directors (or their nominees)

Background

The Company is seeking shareholder approval to allow the Company's Directors, being Mr Matthew Patrick McNamara and Dr Gregory Collier, to participate in Tranche 2 of the Placement and that the following fully paid ordinary shares (**Shares**) and attaching Options (**New Options**), exercisable at \$0.012 each and expiring on 10 May 2026, be issued to them under the same terms and conditions of the Placement, as noted in the background to Resolution 1.

The details of the securities proposed to be issued under Resolutions 4(a) and 4(b) are summarised below:

Resolution	Director	Description of securities
4(a)	Mr Matthew Patrick McNamara (or his nominee)	1,666,666 Shares at \$0.006 each 2,499,999 attaching New Options (Total consideration: \$10,000)
4(b)	Dr Gregory Collier (or his nominee)	5,833,333 Shares at \$0.006 each 8,749,999 attaching New Options (Total consideration: \$35,000)

If Resolution 4(a) is approved, the Company will proceed with the issue of Shares and New Options to Mr Matthew Patrick McNamara (or his nominee). If Resolution 4(b) is approved, the Company will proceed with the issue of Shares and New Options to Dr Gregory Collier (or his nominee).

If Resolution 4(a) is not approved, the Company will not proceed with the issue of Shares and New Options to Mr Matthew Patrick McNamara (or his nominee). If Resolution 4(b) is not approved, the Company will not proceed with the issue of Shares and New Options to Dr Gregory Collier (or his nominee). In either case, no Placement funds will be received by the Company from the concerned Directors.

ASX Listing Rules

ASX Listing Rule 10.11 provides that a listed company must not (subject to specified exceptions) issue or agree to issue equity securities to a related party without shareholder approval. Directors of the Company and their associates are related parties of the Company and therefore Shareholder approval for the participation of the above-named Directors of the Company in the Tranche 2 is required under ASX Listing Rule 10.11.

ASX Listing Rule 10.13 requires that the following information be provided to Shareholders for the purposes of obtaining Shareholder approval pursuant to ASX Listing Rule 10.11 for these Resolutions:

- (a) the Shares and New Options will be issued to the following persons or a related entity:
 - (i) Mr Matthew Patrick McNamara (or his nominee); and
 - (ii) Dr Gregory Collier (or his nominee);
- (b) approval is sought under ASX Listing Rule 10.11.1 as the afore-mentioned persons are Directors of the Company;
- (c) the maximum number of Shares and New Options to be issued to each of the Directors has been set out in the above table;

- (d) the Shares and New Options will be issued not later than one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on or about 16 November 2023;
- (e) the Shares will be issued at an issue price (payable in cash) of \$0.006 (0.6 cents) per Share. The New Options will be issued for nil consideration as they are free attaching Options to the Shares being issued as part of the Placement;
- (f) the Shares will rank equally in all respects with the existing Shares on issue in the Company and the New Options will rank equally in all aspects with the existing quoted Options (ASX: AVEOA) on issue in the Company; and
- (g) Funds raised from the Placement will be used to conduct a Phase III clinical trial in respect of the Company's proprietary TPM enhanced CBD soft-gel capsule to manage the symptoms of insomnia, associated manufacturing activities for the clinical trial, general working capital and costs of the Placement. Any funds raised from the exercise of New Options will be used for the same purpose.

Voting Exclusions

For voting exclusions refer to Note 5.

Board Recommendation

The Board (with Mr McNamara abstaining) recommends that shareholders vote in favour of Resolution 4(a).

The Board (with Dr Collier abstaining) recommends that shareholders vote in favour of Resolution 4(b).

Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of these Resolutions.

Resolution 5: Approval to issue Broker Options

Background

The Company appointed the Joint Lead Managers as joint lead managers to the Placement. The Company previously sought approval to issue 150,000,000 JLM Options to CPS Capital Group Pty Ltd and CoPeak Corporate Pty Ltd ATF Peak Asset Management Unit Trust at its annual general meeting held on 23 May 2023. Those JLM Options have not been issued.

The Company has agreed to issue 150,000,000 Broker Options (in aggregate) as part of the fees payable to the Joint Lead Managers (or their nominees), such proportion to be determined by CPS Capital Group Pty Ltd.

The 150,000,000 Broker Options are issued on the same terms as the New Options, as set out in Annexure A.

The purpose of this Resolution 5 is to seek approval for the issue of the Broker Options.

ASX Listing Rules

ASX Listing Rule 7.1 allows the Company to issue new securities up to 15% of the existing capital of the Company in any 12-month period without the prior approval of Shareholders, unless one of the exceptions in ASX Listing Rule 7.2 applies. The issue of the Broker Options is not within the Company's available placement capacity under ASX Listing Rule 7.1.

Under ASX Listing Rule 7.4 an issue of securities will be treated as having been made with the approval of shareholders for the purposes of ASX Listing Rule 7.1 if the issue did not breach ASX Listing Rule 7.1 at the time and shareholders subsequently approve it. The Company may also seek approval under ASX Listing Rule 7.1 prior to the issue so that the equity securities would be issued without counting towards the 15% placement capacity.

If Resolution 5 is approved, the issue of up to 150,000,000 Broker Options to the Joint Lead Managers (or their nominees) may be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the flexibility, if required, to issue additional equity securities without the Broker Options counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1 over the 12-month period following the issue of the Broker Options.

If Resolution 5 is not approved, the issue of the 150,000,000 Broker Options to the Joint Lead Managers (or their nominees) will not be treated by the Company as having been made with Shareholder approval under ASX Listing Rule 7.1. The Company will therefore have the Broker Options as counting towards the 15% threshold for the purposes of ASX Listing Rule 7.1. This will limit the Company's placement capacity under the Listing Rule 7.1 over the 12-month period following the issue of the New Options. If the Company does not have the capacity to immediately issue the New Options, the Company will have those issued under its placement capacity once it becomes practicable to do so.

Information provided in accordance with Listing Rule 7.3

ASX Listing Rule 7.3 and 7.5 require that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to ASX Listing Rule 7.1 and 7.4, respectively:

- (a) 150,000,000 Options exercisable at \$0.012 (1.2 cents) each and expiring on 10 May 2026 will be issued to the Joint Lead Managers (or their nominee).
- (b) A summary of the Broker Options can be found under **Annexure A**.
- (c) The Broker Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on or about 16 November 2023;
- (d) The Broker Options will be issued at \$0.0001 each. This amount is expected to be net off against other fees owing to the Joint Lead Managers for the Placement.

The purpose of the issue of the Broker Options to the Joint Lead Managers is for fees payable to them as joint lead manager for services. No funds will be raised from the issue of the Broker Options as the nominal amount noted in paragraph (d) will be net off against cash fees payable to the Joint Lead Managers. Any funds raised from the exercise of the Broker Options will be used for working capital of the Company.

- (e) A summary of the material terms of the mandate under which the Broker Options are to be issued is set out below.

Pursuant to the mandate between CPS Capital Group Pty Ltd and the Company, the Company has agreed to:

- (i) pay to the Joint Lead Managers a management fee of 1%, plus GST, of the total amount raised in the Placement;
- (ii) pay to the Joint Lead Managers a placing fee of 5%, plus GST, of the total amount in the Placement; and
- (iii) issue 150,000,000 Broker Options to the Joint Lead Managers (or its nominees), such proportion to be determined by CPS Capital Group Pty Ltd.

Voting Exclusions

For voting exclusions refer to Note 5.

Board Recommendation

The Board recommends that shareholders vote in favour of this Resolution.

Voting Intention

The Chair of the Meeting intends to vote all available undirected proxies in favour of this Resolution.

Annexure A: Summary of material terms of New Options and Broker Options proposed under Resolutions 3, 4(a), 4(b) and 5, respectively.

1. Exercise Price

The exercise price of each is \$0.012.

2. Expiry

The New Options / Broker Options will expire on 5:00 pm (AEST) on 10 May 2026.

3. Entitlement

Each New Option / Broker Option entitles the holder to subscribe for one fully paid Share upon exercise of the New Option / Broker Option and payment of the Exercise Price prior to the Expiry Date.

4. Terms of Exercise

The New Options / Broker Options may be exercised at any time wholly or in part by delivering a duly completed form of notice of exercise together with a cheque for the Exercise Price per New Option / Broker Option to the Company, at any time on or after the date of issue and allotment of the New Options / Broker Options, and before the Expiry Date. Cheques must be drawn in Australian currency on an Australian bank and made payable to '**Avecho Biotechnology Limited**' and crossed 'Not Negotiable'.

On the valid exercise of the New Options / Broker Options and payment of the Exercise Price, Avecho will issue Shares ranking equally in all respects with the New Shares.

Applications will be made for quotation of the Shares issued, upon valid exercise of New Options / Broker Options, 5 Business Days of the date on which any Options are exercised.

5. Rights to participate

Holders of New Options / Broker Options do not have any right to participate in new issues of securities in the Company made to Shareholders generally during the currency of the New Options / Broker Options without exercising the New Option / Broker Option. However, Avecho will ensure that for the purposes of determining Entitlements to any such issue, the record date will be at least three business days after the issue is announced, giving the holders of New Options / Broker Options the opportunity to exercise the New Options / Broker Options prior to the date for determining Entitlements to participate in any such issue.

6. Winding up

New Options / Broker Options may be exercised within a period of 30 days after the occurrence of the Company passing a resolution for voluntary winding up or a compulsory winding up order is made.

7. Quotation

Avecho will apply to ASX for the New Options / Broker Options to be listed as a tradeable security on ASX. At all times after listing, the New Options / Broker Options may be transferred in the same manner as Shares unless classified as restricted securities under the Listing Rules and may be exercised by any other person or body corporate.

The transferability of the New Options / Broker Options is subject to any restriction or escrow arrangement imposed by ASX or under the Corporations Act.

8. Capital reorganisation

If, at any time, the issued capital of Avecho is reconstructed (including consolidation, sub-division, reduction or return), all rights of holders of New Options / Broker Options will be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

9. Bonus Issues

A holder of New Options / Broker Options does not have the right to participate in bonus issues or new issues of securities offered to Shareholders until Shares are allotted to the holder of the New Options / Broker Options pursuant to the exercise of the New Options / Broker Options.

If Avecho makes a bonus issue to existing shareholders and no Share has been issued in respect of that New Option / Broker Option before the record date for determining Entitlements to the issue, then the number of Shares over which that New Option / Broker Option is exercisable will be increased in the manner permitted by the Listing Rules applying at the time of the bonus issue.

10. Pro rata issues

If Avecho makes a pro rata issue (other than a bonus issue) to existing Shareholders and no Share has been issued in respect of the New Option / Broker Option before the record date for determining Entitlements to the issue, then the Exercise Price will be changed in the manner permitted by the Listing Rules applying at the time of the pro rata issue.

11. Registered holders

Avecho is entitled to treat the holder of a New Option / Broker Option as the absolute holder of that Option and is not bound to recognise any equitable or other claim to, or interest in, that Option on the part of any person other than the holder, except as ordered by a court of competent jurisdiction or as required by statute.

Capitalised terms within Annexure A have the same definitions given under the Prospectus lodged on the ASX on 3 April 2023, unless otherwise defined in this Notice of Meeting.

GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

“\$” or “A\$” means Australian Dollars.

“Associate” has the meaning given to it in the Listing Rules.

“ASX” means ASX Limited ABN 98 008 624 691 or the Australian Securities Exchange, as the context requires.

“AEDT” means Australian Eastern Daylight Time.

“Board” means the Directors acting as the board of Directors of the Company.

“Broker Options” means the Options to be issued to the Joint Lead Managers, on the terms set out in Annexure A, being the subject of Resolution 5.

“Chair” means the person appointed to chair the Meeting of the Company convened by the Notice.

“Company” or “Avecho” means Avecho Biotechnology Limited ACN 056 482 403.

“Constitution” means the constitution of the Company as at the date of the Meeting.

“Corporations Act” means the *Corporations Act 2001 (Cth)*.

“Director” means a Director of the Company.

“Explanatory Statement” means the explanatory statement which forms part of the Notice.

“Joint Lead Managers” means CPS Capital Group Pty Ltd (ACN 088 055 636), CoPeak Corporate Pty Ltd (ACN 632 277 144) as trustee for Peak Asset Management Unit Trust ABN 891 265 739 and Ignite Equity Pty Ltd (ACN 658 888 601).

“Listing Rules” means the Listing Rules of the ASX.

“Meeting” has the meaning given in the introductory paragraph of the Notice.

“New Options” means the Options to be issued to professional and institutional investors, on the terms set out in Annexure A, being the subject of Resolution 3.

“Notice” means this Notice of Meeting including the Explanatory Statement.

“Option” means an option issued in the capital of the Company.

“Placement” has the meaning given in the Explanatory Statement.

“Proxy Form” means the proxy form attached to this Notice.

“Resolution” means a resolution referred to in this Notice.

“Section” means a section of the Explanatory Statement, unless otherwise specified.

“Share” means a fully paid ordinary share in the capital of the Company.

“Shareholder” means shareholder of the Company.

“Tranche 1” has the meaning given in the Explanatory Statement.

“Tranche 2” has the meaning given in the Explanatory Statement.



AVE

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?

**Phone:**

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)

**Online:**

www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **12.30pm (AEDT) Tuesday, 7 November 2023.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 999999****SRN/HIN: I999999999****PIN: 99999**

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Avecho Biotechnology Limited hereby appoint

☐

the Chairman
of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Avecho Biotechnology Limited to be held as a virtual meeting on Thursday, 9 November 2023 at 12.30pm (AEDT) and at any adjournment or postponement of that meeting.

Step 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Approval to issue Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval to issue New Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4a	Approval to issue Shares and New Options to Director Mr Matthew Patrick McNamara (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4b	Approval to issue Shares and New Options to Director Dr Gregory Collier (or his nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval to issue Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

AVE

3 0 3 1 2 4 A



Computershare

