ASX Limited
Market Announcements Office

CBD Topical Osteoarthritis Study in Collaboration with the Lambert Initiative Gains Ethics Approval

Highlights:

- Avecho has today announced a collaboration with the Lambert Initiative, a leading Australian academic institute for the discovery, development, and optimisation of safe and efficacious cannabinoid therapeutics.
- The company has received ethics approval for a Phase IIa Study (the "Study") examining the use of a topical CBD gel for the management of pain associated with arthritis of the hand.
- The Study will examine whether CBD, formulated in Avecho's proprietary gel for increased absorption, can provide relief from symptoms of osteoarthritis after topical application.

Melbourne, Australia, 21 October 2021: Avecho Biotechnology Limited (ASX:AVE, "Avecho", or "the Company") has today announced a collaboration with leading Australian research group for cannabinoid therapeutics, the Lambert Initiative ("the Lambert") at the University of Sydney to conduct a proof of concept study to examine whether topically applied cannabidiol ("CBD") can provide relief from symptoms of osteoarthritis.

The Phase IIa Study (the "Study") is being run by Principal Investigator, Dr Daniel Lewis, from the Daniel Lewis Rheumatology Centre and Co-Investigator, Professor Iain McGregor, from the Lambert. The study has been initiated in response to growing demand from patients who are unsatisfied with their level of pain management provided by current treatments for osteoarthritis of the hand.

Principal Study Investigator, Dr Daniel Lewis, said: "*There is worldwide unmet need for effective and safe management for osteoarthritis in general and specifically for osteoarthritis affecting the fingers of the hands. Current therapies are minimally effective and all have the potential for unwanted side effects.*"

About half of all women and one-quarter of all men[1] will experience osteoarthritis ("OA") of the hand by the time they are 85 years old. OA causes the protective cartilage on the ends of bones to break down and wear away. Over time, bones rub together, causing stiffness and pain. It is a chronic and debilitating disease with limited treatment options available.

CBD is a non-intoxicating compound derived from cannabis that has been approved for the management of paediatric epilepsies[2] and is being prescribed through the TGA's special access schemes for conditions like chronic pain, neuropathic pain and fibromyalgia[3]. CBD has analgesic and anti-inflammatory properties, making it a desirable candidate for osteoarthritis management.

The Study uses one of Avecho's proprietary formulation vehicles incorporating its TPM® technology. This formulation has already been shown to increase the dermal absorption of CBD in laboratory experiments by five times.

[1] September 2021: https://www.arthritis.org/
[2] https://www.tga.gov.au/apm-summary/epidyolex
[3] https://www.tga.gov.au/medicinal-cannabis-special-access-scheme-category-b-data

Approximately 20 patients suffering painful arthritis of the fingers or thumb will be enrolled. They will be asked to apply the topical formulation to their painful joints each day over a four week period. Assessment will include pain scores, functional scores, and grip strength using innovative technologies, including a dynamometer and a smartphone app.

Co-Investigator for the Study from the Lambert Initiative, Professor Iain McGregor, said: "*CBD has shown early promise as a treatment for osteoarthritis, so we are interested to see if a topical formulation delivered at the site of pain will provide relief. This is a first step – if we do see any signals of success, we can begin examining other topically-applied cannabinoids too*."

This may include a larger, placebo-controlled study, leveraging Avecho's proprietary TPM® technology.

Avecho CEO, Dr Paul Gavin, said: "*While our Company remains principally focused on the development of our oral CBD softgel product which has just completed its Phase I trial, we are excited to examine further clinical applications of our formulations in partnership with reputable, independent experts. It is an honour to be collaborating with the Lambert and we look forward to valuable learnings from this Study, which can help to extend the reach and impact of our TPM® technology*."

An exact date for commencement of the Study in Victoria, Australia, will be confimed in due course, once current COVID-19 lockdown restrictions are eased.

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

Investor + General Enquiries

Ms Melanie Leydin
Company Secretary
Avecho Biotechnology Limited
+61 3 9002 5000

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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