



Announcement Summary

---

**Entity name**

AVECHO BIOTECHNOLOGY LIMITED

**Announcement Type**

New announcement

**Date of this announcement**

Wednesday February 10, 2021

**The Proposed issue is:**

A placement or other type of issue

**Total number of +securities proposed to be issued for a placement or other type of issue**

<b>ASX +security code</b>	<b>+Security description</b>	<b>Maximum Number of +securities to be issued</b>
n/a	Options at an exercise price of \$0.035 each, expiring on 31 December 2023.	115,000,000
n/a	Options at an exercise price of \$0.035 each, expiring on 31 December 2023.	7,500,000
AVE	ORDINARY FULLY PAID	230,000,000

**Proposed +issue date**

Monday February 15, 2021

Refer to next page for full details of the announcement



Part 1 - Entity and announcement details

---

**1.1 Name of +Entity**

AVECHO BIOTECHNOLOGY LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

**1.2 Registered Number Type**

ABN

**Registration Number**

32056482403

**1.3 ASX issuer code**

AVE

**1.4 The announcement is**

New announcement

**1.5 Date of this announcement**

Wednesday February 10, 2021

**1.6 The Proposed issue is:**

A placement or other type of issue



Part 7 - Details of proposed placement or other issue

---

Part 7A - Conditions

---

**7A.1 - Are any of the following approvals required for the placement or other type of issue?**

- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

No

Part 7B - Issue details

---

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

Existing class

**Will the proposed issue of this +security include an offer of attaching +securities?**

Yes

Details of +securities proposed to be issued

---

**ASX +security code and description**

AVE : ORDINARY FULLY PAID

**Number of +securities proposed to be issued**

230,000,000

**Offer price details**

**Are the +securities proposed to be issued being issued for a cash consideration?**

Yes

**In what currency is the cash consideration being paid?**

AUD - Australian Dollar

**What is the issue price per +security?**

AUD 0.02200

**Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?**

Yes



Attaching +Security

Is the proposed attaching security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional +securities in a class that is already quoted or recorded by ASX)?

New class

Attaching +Security - New class (+securities in a class that is not yet quoted or recorded by ASX)

Details of attaching +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

Yes

ASX +security code

New class-code to be confirmed

+Security description

Options at an exercise price of \$0.035 each, expiring on 31 December 2023.

+Security type

Options

Number of +securities proposed to be issued

115,000,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

No

Please describe the consideration being provided for the +securities

Nil - attaching Options to the Placement Shares.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

Will all the +securities issued in this class rank equally in all respects from their issue date?

Yes

Options details



**+Security currency**

AUD - Australian Dollar

**Exercise price**

AUD 0.0350

**Expiry date**

Sunday December 31, 2023

**Details of the type of +security that will be issued if the option is exercised**

AVE : ORDINARY FULLY PAID

**Number of securities that will be issued if the option is exercised**

One AVE Share for each AVE Option exercised.

**Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.**

Please refer to the ASX Announcement lodged on 10 February 2021.

**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**

New class

**Will the proposed issue of this +security include an offer of attaching +securities?**

No

Details of +securities proposed to be issued

**ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**

**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**

No

**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**

Yes

**ASX +security code**

New class-code to be confirmed

**+Security description**

Options at an exercise price of \$0.035 each, expiring on 31 December 2023.

**+Security type**

Options

**Number of +securities proposed to be issued**

7,500,000

**Offer price details**

**Are the +securities proposed to be issued being issued for a cash consideration?**

No



**Please describe the consideration being provided for the +securities**

Nil - Issued as part of the Lead Manager's fees.

**Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities**

**Will all the +securities issued in this class rank equally in all respects from their issue date?**

Yes

Options details

<b>+Security currency</b>	<b>Exercise price</b>	<b>Expiry date</b>
AUD - Australian Dollar	AUD 0.0350	Sunday December 31, 2023

**Details of the type of +security that will be issued if the option is exercised**

AVE : ORDINARY FULLY PAID

**Number of securities that will be issued if the option is exercised**

One AVE Share for each AVE Option exercised.

**Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.**

Please refer to the ASX Announcement lodged on 10 February 2021.

Part 7C - Timetable

**7C.1 Proposed +issue date**

Monday February 15, 2021

Part 7D - Listing Rule requirements

**7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?**

No

**7D.1b Are any of the +securities proposed to be issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

Yes



**7D.1b ( i ) How many +securities are proposed to be issued without security holder approval using the entity's 15% placement capacity under listing rule 7.1?**

72,110,532 Fully Paid Ordinary Shares.  
115,000,000 Options attached to the New Shares (1:2 basis).  
7,500,000 Options to Peak Asset Management.

**7D.1c Are any of the +securities proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?**

Yes

**7D.1c ( i ) How many +securities are proposed to be issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?**

157,889,468 Fully Paid Ordinary Shares.

**7D.1c ( ii ) Please explain why the entity has chosen to do a placement rather than a +pro rata issue or an offer under a +security purchase plan in which existing ordinary +security holders would have been eligible to participate**

It was considered that the Placement was the most cost-efficient and expedient method available to the Company at the time for raising the funds required by the Company to achieve its objectives, given the funding certainty, investor enquiry and the pricing achieved under the Placement.

**7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?**

No

**7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?**

No

**7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?**

No

Part 7E - Fees and expenses

**7E.1 Will there be a lead manager or broker to the proposed issue?**

Yes

**7E.1a Who is the lead manager/broker?**

Peak Asset Management

**7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?**

For the whole capital raise: 1% Management Fee on the entire raise, 6% capital raising fee for funds raised by the Broker, and 7.5 million unlisted Options at an exercise price of \$0.035 each, expiring on 31 December 2023.

**7E.2 Is the proposed issue to be underwritten?**

Yes

**7E.2a Who are the underwriter(s)?**

Peak Asset Management

**7E.2b What is the extent of the underwriting (ie the amount or proportion of the proposed issue that is underwritten)?**

\$4,000,000.



**7E.2c What fee, commission or other consideration is payable to them for acting as underwriter(s)?**

For the whole capital raise: 1% Management Fee on the entire raise, 6% capital raising fee for funds raised by the Broker, and 7.5 million unlisted Options at an exercise price of \$0.035 each, expiring on 31 December 2023.

**7E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated.**

Company can terminate the agreement at any time, following the conclusion of the Placement or if Peak Asset Management fails to raise the minimum amount of \$4,000,000.

**7E.3 Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed issue?**

No

**7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue**

None.

Part 7F - Further Information

---

**7F.01 The purpose(s) for which the entity is issuing the securities**

To advance pharmaceutical cannabinoid program.

**7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?**

No

**7F.2 Any other information the entity wishes to provide about the proposed issue**

N/A