



**AVECHO BIOTECHNOLOGY LIMITED**  
**ACN 056 482 403**

# **Notice of Annual General Meeting**

## **Explanatory Statement and Proxy Form**

Date of Meeting:  
**Thursday, 30 May 2024**

Time of Meeting:  
**1.00pm (AEST)**

Place of Meeting:  
**Grant Thornton Offices**  
**Collins Square, Tower 5**  
**Level 22, 727 Collins Street**  
**Melbourne, VIC 3008**

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 (**AGM Materials**) will be circulated, unless shareholders have elected to receive the AGM Materials in paper form. The Notice of Meeting is also available on the Australian Securities Exchange Announcement platform and on the Company's website <https://avecho.com.au/>.

*This Notice of Annual 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 ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of Avecho Biotechnology Limited (the **Company**) will be held at Grant Thornton Offices at Collins Square, Tower 5, Level 22, 727 Collins Street, Melbourne, VIC 3008 on Thursday, 30 May 2024 at 1.00pm (AEST).

### 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

##### Receipt and Consideration of Financial Statements and Reports

To receive and consider the Annual Report of the Company for the financial year ended 31 December 2023, which includes the Financial Report, the Directors' Report, and the Auditor's Report.

*There is no requirement for shareholders to approve these reports. Accordingly, no resolution will be put to shareholders on this item of business.*

##### Resolution 1: Adoption of Remuneration Report

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

*“That for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report (included in the Directors' Report) for the financial year ended 31 December 2023 be adopted.”*

##### Resolution 2: Election of Ms Kathy Connell as a Director of the Company

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

*“That Ms Kathy Connell, having been appointed as Non-Executive Director during the year, and who vacates office in accordance with the Company's Constitution and, being eligible, offers herself for election as a Director of the Company, be elected as a Director of the Company.”*

##### Resolution 3: Re-Election of Dr Ross Thomas Murdoch as a Director of the Company

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

*“That, for the purposes of clause 20.1 of the Constitution, Listing Rule 14.4, and for all other purposes, Dr Ross Thomas Murdoch, who retires by rotation in accordance with the Constitution, and who, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

## **SPECIAL BUSINESS**

### **Resolution 4: Approval of 10% Placement Facility**

To consider and, if thought fit, to pass the following as a **special resolution**:

*“That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the fully paid ordinary issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Statement.”*

### **BY ORDER OF THE BOARD**



**Melanie Leydin**  
**Company Secretary**

26 April 2024

# 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 Annual General Meeting, only those persons who are registered as Shareholders at 7.00pm (AEST) 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 corporation's constitution and 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 1.00pm (AEST) on Tuesday, 28 May 2024. 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 him or her to act as that company's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.
5. **Voting Exclusion Statement**

### Resolution 1

In accordance with sections 250R(4) and 250BD(1) of the Corporations Act, a vote must not be cast (in any capacity, including as a proxy), and the Company will disregard any votes purported to be cast, on this Resolution by, or on behalf of, a member of the Key Management Personnel (**KMP**), details of whose remuneration are included in the remuneration report, or a Closely Related Party of such a member (either being a **KMP voter**), unless the KMP voter is casting a vote on behalf of a person who is not a KMP voter (including as a proxy) and either:

- a. the KMP voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- b. the KMP voter is the Chair of the Meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the Resolution; and
  - (ii) expressly authorises the Chair of the Meeting to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company or the consolidated entity.

If you appoint the Chair of the Meeting as your proxy and you do not direct the Chair of the Meeting on how to vote, you will be expressly authorising the Chair of the Meeting to exercise the proxy even if the relevant Resolution is connected directly or indirectly with the remuneration of a member of the KMP for the Company.

If the Chair of the Meeting is appointed as a proxy for a person who is permitted to vote on this Resolution, the Chair of the Meeting will vote any proxies which do not indicate on their proxy form the way the Chair of the Meeting must vote in favour of this Resolution. In exceptional circumstances, the Chair of the Meeting may change their voting intention on the Resolution, in which case an ASX announcement will be made. Shareholders may also choose to direct the Chair of the Meeting to vote against the Resolution or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

### Resolution 2 and 3

There are no voting exclusions on this Resolution.

#### **Resolution 4**

As at the date of dispatch of this Notice, the Company is not proposing to make an issue of Equity Securities under Listing Rule 7.1A.2 and, therefore, a voting exclusion statement is not required by Listing Rule 7.3A.7.

However, if, between the date of dispatch of this Notice and the date of the Meeting, the Company proposes to make an issue of Equity Securities under Listing Rule 7.1A.2, the Company will disregard 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 or 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 the Resolution by:

- a. a person as 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 of the Meeting to vote on the Resolution as the Chair of the Meeting 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; 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

### Receipt and Consideration of Financial Statements and Reports

A copy of the Annual Report for the financial year ended 31 December 2023 (which incorporates the Company's Financial Report, Directors Report (including the Remuneration Report) and the Auditors Report) is available on the Company's website at <http://avecho.com.au/> or via the Company's announcement platform on ASX. Alternatively, you may obtain a copy free of charge in hard copy form by contacting the Company by phone at (03) 9692 7222, and you may request that this occurs on a standing basis for future years. There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be given reasonable opportunity at the Meeting to ask questions and make comments on the Financial Report, the Directors' Report, and the Auditor's Report. Questions for the Company's auditors relating to the conduct of the audit, preparation and contents of the audit report, accounting policies adopted by the Company in relation to the preparation of its financial statements, and the independence of the auditors in relation to the conduct of the audit, must be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

### Resolution 1: Adoption of Remuneration Report

#### ***Background***

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report must be put to the vote at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report is set out in the Directors' Report in the Company's 2023 Annual Report. The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company.

In accordance with Section 250SA of the Corporations Act 2001, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the AGM.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

At the Company's last AGM, the votes cast against the Remuneration Report were less than twenty-five (25%) per cent of the total votes cast on that resolution and, accordingly, a spill resolution will not under any circumstances be required for this Meeting.

#### ***Voting Exclusions***

For voting exclusions refer to Note 5.

#### ***Board Recommendation***

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the Remuneration Report) and, as described in the voting exclusions on this Resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this Resolution, the Board encourages all eligible shareholders to cast their votes 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: Election of Ms Kathy Connell as a Director of the Company**

#### ***Background***

Kathy Connell is an internationally recognised healthcare and life sciences leader with deep and broad investment and licensing expertise, delivering a solid track record of value creating deals across pharmaceuticals, medtech, vaccines consumer and digital healthcare for some of the world's largest companies.

For the past 20 years, Kathy has held senior executive leadership positions in biotechnology, pharmaceutical, medical device and consumer health sectors specialising in business development, licensing, acquisitions and venture investment. During her tenure at Johnson & Johnson and Sanofi, Kathy led external innovation investment, licensing and acquisition across ANZ, with more than \$US1B of capital being deployed in Australia with industry, academia, VCs and government organisations.

A dedicated advocate of diversity, equity and inclusion, in 2017 Kathy co-founded Medicines Australia's Pharmaceutical Australia Inclusion Group (PAIG) – a special working group designed to foster diverse and inclusive corporate cultures across the pharmaceutical industries, to enhance social sustainability, responsible business practices and deliver long-term value creation. She was awarded BioMelbourne Network's Woman of the Year in 2018 for her leadership in supporting Australia's high priority strategic growth sectors of biotech, medtech and pharmaceuticals.

Presently Kathy leads Korn Ferry's Healthcare and Life Sciences practice in Australia as Senior Client Partner and is also a Non-Executive Director of BioNSW, the peak body for Life Sciences companies and professionals in NSW. Kathy holds various tertiary degrees and qualifications in Applied Science, Psychology, Mediation and Law as well as being a Graduate of the Australian Institute of Company Directors.

#### ***Voting Exclusions***

There are no voting exclusions on this Resolution.

#### ***Board Recommendation***

The Board (with Ms Connell abstaining) recommends that shareholders vote in favour of the election of Ms Kathy Connell as it considers that her qualifications, experience, skills, and expertise are appropriate for the Board position and will enable her to act in the best interests of the Company and its shareholders.

### ***Voting Intention***

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

### **Resolution 3: Re-Election of Dr Ross Thomas Murdoch as a Director of the Company**

#### ***Background***

The Constitution of the Company (clauses 20.1 and 20.6) and Listing Rule 14.5 require that at least one Director (excluding the Managing Director) must stand for re-election at each Annual General Meeting. A Director (excluding the Managing Director) must not hold office without re-election following the third Annual General Meeting after that Director's last re-election, or for more than three years, whichever is the longest. Dr Ross Murdoch, is now retiring in accordance with these requirements and, being eligible, offers himself for re-election.

Dr Murdoch was the Chief Executive Officer of the Company between 13 April 2015 and 30 April 2019 and was appointed as director in April 2015.

Dr Murdoch has more than 25 years' experience as a leader with global healthcare, pharmaceutical and biotechnology industries. He has held senior management and executive positions in Australia, the USA and

Europe, with responsibility for the strategy, development and commercialisation of products, product portfolios and the building and rebuilding of new and existing businesses. Dr Murdoch is also CEO and director at Tasmania Alkaloids Pty Ltd (trading as Extractas Bioscience) and director at TasAlks Holdings Pty Ltd, one of the world leading extractors and producers of GMP Alkaloid and cannabis raw materials for the medicinal and pharmaceutical industry.

Highlights of his career include Senior Vice President at Shire Pharmaceuticals (one of the world's leading specialty pharmaceutical companies), based in the USA and Switzerland, where he founded and grew both the Emerging Products Business and Haematology Business and President and COO of Prana Biotechnology Limited based in Australia.

Dr Murdoch has a BSc degree with honours from Monash University, a PhD in Clinical Pharmacology from the University of Melbourne and additional postgraduate training in Health Economics from Monash University Business School. He is also a Graduate of the Australian Institute of Company Directors.

The Board considers Dr Murdoch to be an independent director.

### ***Voting Exclusions***

There are no voting exclusions on this Resolution.

### ***Board Recommendation***

The Board (with Dr Murdoch abstaining) recommends that shareholders vote in favour of the re-election of Dr Ross Murdoch as it considers that his qualifications, experience, skills, and expertise are appropriate for the Board position and will enable him to act in the best interests of the Company and its shareholders.

### ***Voting Intention***

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

## **Resolution 4: Approval of 10% Placement Facility**

### ***Background***

The Company is seeking Shareholder approval by way of a special resolution to have the ability, if required, to issue Equity Securities under the 10% Placement Facility. The effect of this Resolution is to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the 10% Placement Period (as defined below) without, or in addition to, using the Company's 15% Capacity under Listing Rule 7.1.

### ***ASX Listing Rules information***

#### *a. Summary of Listing Rule 7.1A*

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period (**15% Capacity**).

Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its Annual General Meeting, to increase this 15% limit by an extra 10% (**10% Placement Facility**) to 25%.

An 'eligible entity' for the purposes of Listing Rule 7.1A means an entity which is not included in the S&P/ASX 300 Index, and which has a market capitalisation of \$300 million or less. The Company is, at the date of this Notice, an eligible entity for these purposes. Note however that if, on the date of the Meeting, the market capitalisation of the Company exceeds \$300 million or the Company has been included in the S&P/ASX 300 Index, then this Resolution will no longer be effective and will be withdrawn.

This Resolution seeks Shareholder approval by way of special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without further Shareholder approval.



If this Resolution is passed, the Company will be able to issue Equity Securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If this Resolution is not passed, the Company will not be able to access the additional 10% Placement Facility to issue Equity Securities without Shareholder approval provided for in LR 7.1A and will remain subject to the 15% limit on issuing Equity Securities without Shareholder approval set out in Listing Rule 7.1.

*b. Formula for calculating the 10% Placement Facility*

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an Annual General Meeting may issue or agree to issue, during the 12-month period after the date of the Annual General Meeting, a number of Equity Securities calculated in accordance with the following formula:

**(A x D)–E**

- A** is the number of shares on issue at the commencement of the “relevant period” (which, for the Company, is the 12-month period immediately preceding the date of the issue or agreement:
- (A) plus the number of fully paid shares issued in the relevant period under an exception in Listing Rule 7.2, other than exception 9, 16 or 17;
  - (B) plus the number of fully paid shares issued in the relevant period on the conversion of convertible securities within rule 7.2 exception 9 where:
    - (i) the convertible securities were issued or agreed to be issued before the commencement of the relevant period; or
    - (ii) the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
  - (C) plus the number of fully paid shares issued in the relevant period under an agreement to issue securities within rule 7.2 exception 16 where:
    - (i) the agreement was entered into before the commencement of the relevant period; or
    - (ii) the agreement or issue was approved, or taken under the Listing Rules to have been approved, under rule 7.1 or rule 7.4;
  - (D) plus the number of fully paid shares issued in the relevant period with approval of holders of shares under Listing Rules 7.1 or 7.4;
  - (E) plus the number of partly paid shares that became fully paid in the relevant period;
  - (F) less the number of fully paid shares cancelled in the relevant period.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by shareholders under Listing Rule 7.4.

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% Capacity under Listing Rule 7.1. The actual number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula stated above.

*c. Type and number of Equity Securities*

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company. The Company, as at the date of the Notice, has on issue the following classes of quoted Equity Securities:

<b>ASX Security Code and Description</b>	<b>Total Number</b>
AVE: Ordinary Fully Paid	3,169,297,013
AVEOA: Option expiring on 10 May 2026	2,147,130,063

### **Specific information required by Listing Rule 7.3A**

#### *a. Placement Period*

The period for which the approval of the 10% Placement Facility will be valid (as set out in Listing Rule 7.1A.1) commences on the date of this Meeting and expires on the first to occur of the following:

- (a) the date that is 12 months after the date of this Meeting;
- (b) the time and date of the Company's next Annual General Meeting; and
- (c) the time and date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

#### **(10% Placement Period).**

The Company will only issue and allot the Equity Securities approved under the 10% Placement Facility during the 10% Placement Period.

#### *b. Minimum Issue Price and Cash Consideration*

The Equity Securities will be issued for cash consideration at an issue price of not less than 75% of the VWAP for the Company's Equity Securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the securities; or
- (b) if the Equity Securities are not issued within 10 trading days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

#### *c. Purposes of the funds raised*

The purposes for which the funds raised by an issue of Equity Securities under rule 7.1A.2 may be used by the Company include:

- (a) consideration for the acquisition(s) of the new assets and investments, including the expenses associated with such acquisition(s); and
- (b) continued expenditure on the Company's current business and/or general working capital.

#### *d. Risk of economic and voting dilution*

If this Resolution is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the dilution table below.

Shareholders may be exposed to economic risk and voting dilution, including the following:

- (a) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of this Meeting; and
- (b) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The dilution table below shows the potential dilution of existing Shareholders on the basis of the market price of its quoted ordinary securities as at 11 April 2024 (**Current Share Price**) and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of Meeting.

The dilution table also shows:

- (a) two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (b) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Issue Price		
		\$0.002 50% decrease in Current Share Price	\$0.004 Current Share Price	\$0.008 100% increase in Current Share Price
<b>Current Variable A</b> 3,169,297,013 Shares	<b>10% Voting Dilution</b>	316,929,701 Shares	316,929,701 Shares	316,929,701 Shares
	<b>Funds raised</b>	\$633,859	\$1,267,719	\$2,535,438
<b>50% increase in current Variable A</b> 4,753,945,520 Shares	<b>10% Voting Dilution</b>	475,394,552 Shares	475,394,552 Shares	475,394,552 Shares
	<b>Funds raised</b>	\$950,789	\$1,901,578	\$3,803,156
<b>100% increase in current Variable A</b> 6,338,594,026 Shares	<b>10% Voting Dilution</b>	633,859,403 Shares	633,859,403 Shares	633,859,403 Shares
	<b>Funds raised</b>	\$1,267,719	\$2,535,438	\$5,070,875

This dilution table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility;
- No convertible security is exercised and converted into ordinary securities before the date of the issue of the Equity Securities;
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of ordinary securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The Current Share Price is \$0.004 being the closing market price of the ordinary securities on ASX on 11 April 2024.

*e. Allocation Policy*

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to relevant factors including, but not limited to, the following:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial, and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders, subject to compliance with Listing Rule 10.11, and/or new Shareholders who are not related parties or associates of a related party of the Company.

*f. Previous Issues under Listing Rule 7.1A.2*

Information about equity securities issued under Rule 7.1A.2 in the 12-month period preceding the date of the Meeting:

- The total number of equity securities issued or agreed to be issued under rule 7.1A.2 in that 12-month period: 211,803,767 fully paid ordinary shares, issued 8 September 2023;
- Percentage they represent of the total number of equity securities on issue at the commencement of that 12-month period: 7.38%;
- In relation to the issue made on 8 September 2023:

- a. the securities were issued to professional and sophisticated investors identified through a bookbuild conducted by the Joint Lead Managers. There were no participants in this issue that were investors required to be disclosed under ASX Guidance Note 21;
  - b. the securities issued were 211,803,767 fully paid ordinary shares;
  - c. the issue price was \$0.006 (0.6 cents) per share which was a 50% premium to the closing price of \$0.004 (0.4 cents) on 8 September 2023;
  - d. cash consideration from issue
    - i. Total cash consideration received: \$1,270,823 from fully paid ordinary shares issued under Rule 7.1A. A total of ~\$3.2 million was received under the Placement Tranche 1;
    - ii. Amount of that cash which has been spent: ~\$553k (out of the total ~\$3.2 million received under Placement Tranche 1) which was spent on R&D, working capital and placement fees;
    - iii. Intended use for the remaining amount of that cash: To advance a pivotal 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 and general working capital.
- (iv) the Company has not agreed to issue any Equity Securities under Rule 7.1A.2 other than those referred to above and the Company has not agreed, before the 12-month period preceding the date of the Meeting, to issue any Equity Securities under Rule 7.1A.2 where such securities remain unissued as at the date of the Meeting.

### ***Special Resolution***

The ability to issue Equity Securities under the 10% Placement Facility is subject to Shareholder approval by way of a special resolution. This means it requires approval of 75% of the votes cast by Shareholders present or represented, and eligible to vote.

### ***Voting Exclusions***

For voting exclusions refer to Note 5.

### ***Board Recommendation***

The Directors of the Company believe that this resolution is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this resolution.

### ***Voting Intention***

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

## GLOSSARY

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

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

“10% Placement Facility” has the meaning as defined in the Explanatory Statement for Resolution 3.

“10% Placement Period” has the meaning as defined in the Explanatory Statement for Resolution 3.

“15% Capacity” has the meaning as defined in the Explanatory Statement for Resolution 3.

“AEST” means Australian Eastern Standard Time.

“Annual Report” means the Directors’ Report, the Financial Report, and Auditor’s Report, in respect to the year ended 31 December 2023.

“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.

“AVEOA” means the ASX security code for the class of quoted Options exercisable at \$0.012 each and expiring on 10 May 2026.

“Auditor’s Report” means the auditor’s report on the Financial Report.

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

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

“Closely Related Party” has the same meaning as section 9 of the Corporations Act and includes a spouse or child.

“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.

“Directors Report” means the annual directors’ report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

“Entity” means Avecho Biotechnology Limited ACN 056 482 403.

“Equity Security” has the same meaning as in the Listing Rules.

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

“Financial Report” means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

“Key Management Personnel” or “KMP” means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

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

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

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

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

“Placement Tranche 1” is in relation to the ~\$3.2 million raised through the issue of 536,128,321 Shares to professional and sophisticated investors on 8 September 2023, of which 324,324,554 Shares were issued under Listing Rule 7.1 and remaining 211,803,767 Shares issued under Listing Rule 7.1A.

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

“Quoted Options” means options issued by the Company that are quoted on the ASX.

“Remuneration Report” means the remuneration report which forms part of the Directors’ Report of the Company for the financial year ended 31 December 2023 and which is set out in the Annual Report.

“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.

**“Trading Day”** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

**“VWAP”** means volume weighted average market price as defined in Listing Rule 19.12.