

ASX Announcement

12 May 2026

Expiry of Listed Options – Further \$1.9 million Successfully Raised

Melbourne, Australia, 12 May 2026: Avecho Biotechnology Limited (ASX: AVE) (**Avecho** or the **Company**) advises that its listed options trading under ASX code AVEOA, exercisable at \$0.012 each, expired at 5pm on 10 May 2026.

A total of 2,167,130,063 AVEOA options were on issue on 30 April 2026. Of these, a total of:

- 156,984,578 AVEOA options were exercised, raising approximately \$1.9 million in cash (before costs); and
- All remaining AVEOA options lapsed, unexercised.

The additional \$1.9 million (before costs) in cash from option exercises further strengthens the Company's existing cash balance of \$4.4 million as at last reported date of 31 March 2026. The Company anticipates it will use the additional proceeds to further progress licensing discussions post its planned Phase III interim analysis for its TPM[®]-enhanced cannabidiol soft-gel capsule for the treatment of insomnia. The interim results for trial this are still expected in the first half of CY2026.

Following completion of the issue of shares upon exercise, the Company will have 3,830,448,257 fully paid ordinary shares on issue, together with a proforma cash position (as at 31 March 2026) of approximately \$6.3 million. The Company's only remaining options on issue are held by directors, employees and eligible participants under the Company's Equity Incentive Plan, and these total 146,612,017 unquoted options.

Commentary from CEO, Dr Paul Gavin

"For Avecho and its shareholders, the exercise and expiry of these options represent a strong combined outcome — meaningful additional cash added to the balance sheet and a materially simplified capital structure. The Company is now in a significantly stronger financial position as we approach the results of our upcoming Phase III interim analysis, and the commercial activities that will follow. We remain on track to announce the interim analysis result in late June 2026, and I look forward to engaging with current and prospective investors over the coming weeks as we approach what we believe will be a defining clinical milestone for the Company."

For enquiries, please contact

Dr Paul Gavin
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This announcement has been authorised by the Board of Directors of Avecho Biotechnology Limited.

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[®]

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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 lead asset is a proprietary cannabidiol ("CBD") TPM soft-gel capsule demonstrated to increase CBD absorption. The CBD soft-gel capsule is currently undergoing Phase III clinical development for the treatment of insomnia.

See more here - avecho.com.au

About Insomnia

Insomnia is a sleep disorder defined as dissatisfaction with sleep quantity or quality associated with difficulty initiating sleep, difficulty maintaining sleep and the inability to return to sleep on awakening. It can manifest as a primary indication or be symptom of other disorders, including anxiety and depression. Chronic insomnia is the most prevalent manifestation, characterised by insomnia symptoms occurring at least three nights per week and for at least three months. Consequences of insomnia include daytime sleepiness, poor memory function, decline in concentration with negative impacts on social and work activities. Approximately 10-30% of the global population have symptoms of insomnia, with 10-15% classified as chronic¹. Based on the current global population, up to 237M people are affected by insomnia, with the sleep economy and sleep aids market estimated to reach US\$950Bn by 2032². In Australia, as many as ~60% of the population have at least some symptoms of insomnia with a total cost to the Australian economy estimated to be A\$19.1 billion³. In August 2023, the Australian Government issued a statement indicating that sleep health should be considered a national priority as important as fitness and nutrition⁴.

About Avecho's Phase III Trial Program

The Company is currently conducting a pivotal (Phase III), multi-centre, randomized, double-blind, placebo-controlled clinical trial evaluating the efficacy and safety of CBD TPM soft-gel capsules in adults for use in the reduction of insomnia severity. The trial is the largest of its kind testing cannabidiol, taking place at multiple sites around Australia. Aided by advice from international sleep and regulatory experts, the trial has been designed to meet the requirements of the Australian Therapeutic Goods Administration ("TGA"), US Food and Drug Agency and the European Medicines Agency. Trial Participants will be randomly assigned to one of three groups to receive nightly doses of either 75mg or 150mg of CBD, or a placebo for eight weeks. Participants will use validated questionnaires and daily sleep diaries over the course of the study to record the duration and quality of their sleep.

Further information about the study can be found at ClinicalTrials.gov (Study Identifier: NCT05840822).

A successful Phase III trial is Avecho's final clinical step in support of a submission to the TGA for pharmaceutical registration of the CBD TPM soft-gel capsule for the management of insomnia. This opportunity is particularly significant in Australia, where regulatory changes in 2020 allow for over-the-counter sales of CBD products direct from pharmacy without a prescription, provided they gain appropriate approvals. Avecho has an opportunity to be the first in this area as no other Phase III CBD trials in Australia have succeeded. Initial projections estimated the Australian over-the-counter CBD market would grow to over US\$125M per annum⁵.

¹ <https://www.thegoodbody.com/insomnia-statistics/>

² <https://finance.yahoo.com/news/sleep-economy-sleep-aids-market-133100851.html>

³ <https://www.deloitte.com/au/en/services/economics/analysis/rise-try-to-shine.html>

⁴ <https://www.health.gov.au/sites/default/files/2023-08/bedtime-reading-inquiry-into-sleep-health-awareness-in-australia.pdf>

⁵ Fresh Leaf Analytics, Australian Medicinal Cannabis Market, H1 2021