ASX Announcement
29 July 2026

Avecho Quarterly Activities Report and Appendix 4C

Key Highlights

- Positive interim analysis announced in Phase III insomnia program.
- Independent DMB unanimously recommends the Phase III trial continue to its originally planned enrolment of 519 participants, with no increase in sample size required.
- No serious adverse events were identified among the first 244 participants receiving 75mg CBD, 150mg CBD or placebo.
- Positive interim outcome materially de-risks the program and supports accelerated recruitment and international regulatory engagement.
- Approximately $1.9 million raised through the exercise of listed options (AVEOA) prior to their expiry on 10 May 2026, with all remaining options lapsing and materially simplifying the Company's capital structure.
- $1.98 million received under the Australian Government's Research and Development Tax Incentive Scheme, of which $1.62 million was applied to repay advances from Endpoints Capital.
- Cash position of $6.6M million at 30 June 2026.

Melbourne, Australia, 29 July 2026: Avecho Biotechnology Limited (ASX: AVE) ("Avecho" or "the Company") is pleased to present its Quarterly Activities Report and Appendix 4C for the quarter ended 30 June 2026.

Positive Interim Analysis Advances Phase III Insomnia Program

During the quarter the Company reached a significant milestone, conducting the planned interim analysis on its pivotal Phase III insomnia trial. The interim analysis was undertaken by an independent Data Monitoring Board (DMB) who analysed unblinded data from the first 244 participants. Avecho received a unanimous recommendation from the DMB to continue its pivotal Phase III insomnia trial to the originally planned enrolment of 519 participants. The recommendation confirmed that the trial satisfied the pre-specified criteria required to proceed with recruitment of the second patient cohort.

Importantly, the DMB recommended that the trial continue at its original sample size, without requiring an increase in participant numbers. This outcome is consistent with the treatment effect and data variability assumptions used when designing the study and provides support for the trial's statistical foundations. While Avecho remains blinded to the treatment results and final efficacy outcomes cannot yet be determined, the interim outcome materially reduces the clinical development risk associated with the program and provides a defined pathway towards completing the pivotal trial.

The safety review identified no serious adverse events across the 244 participants assessed. Avecho considers the product's safety and tolerability profile an important component of its potential commercial positioning, particularly compared with existing prescription sleep medicines that may be associated with next-day impairment and overdose risks.

Following the positive recommendation, Avecho is preparing to recruit the remaining participants through its existing clinical site network, supplemented by additional sites already identified to accelerate recruitment. The Company intends to activate these sites as rapidly as possible and will incorporate the recruitment protocols, patient management processes and operational improvements developed during the first stage of the study.

Importantly, the successful interim outcome strengthens the commercial and regulatory position of Avecho's CBD TPM® insomnia product. Australian commercial rights have already been licensed to Sandoz under an agreement comprising a US$3 million upfront payment, potential development and commercial milestones of up to US$16 million and tiered royalties on future sales.

Avecho believes the successful interim result increases the program's attractiveness to potential partners and it is being used to support ongoing licensing discussions for territories outside Australia.

Avecho also plans to engage with the US Food and Drug Administration and other international regulatory authorities to determine potential development and registration pathways in additional markets. In Australia, successful completion of the Phase III trial would represent the final clinical step required to support an application to the Therapeutic Goods Administration for registration of the CBD TPM® capsule for the management of insomnia.

Avecho CEO Dr Paul Gavin hosted an investor webinar to discuss the interim analysis outcome, a replay is available at: https://youtu.be/fq13UuM3xYY

Financial updates

Exercise and Expiry of Listed Options

Avecho's listed options (ASX: AVEOA), exercisable at $0.012, expired on 10 May 2026. Of the 2,167,130,063 options on issue at 30 April 2026, 156,984,578 options were exercised, raising approximately $1.9 million before costs. All remaining options lapsed unexercised, materially simplifying the Company's capital structure.

The option proceeds, together with the R&D Tax Incentive refund received in the same month, strengthened Avecho's balance sheet ahead of the Phase III interim analysis result. Importantly, the Company's current funding position provides the flexibility to progress licensing discussions with potential partners on terms and timing the Board considers appropriate, rather than under the pressure of an immediate funding requirement.

Research and Development Tax Incentive Scheme Refund

In May 2026, Avecho received $1.98 million for the year ended 31 December 2025 under the Australian Government's Research and Development ("R&D") Tax Incentive Scheme. The R&D Tax Incentive Scheme is an Australian Government program developed to assist businesses recover some of the costs of undertaking research and development. The funds were used to repay $1.62 million to Endpoints Capital for the advances on the Company's R&D tax credit they have paid over the last year, support Company operations and advance its commercialisation strategy to bring innovative medicines to patients globally.

Cash Position

At 30 June 2026, Avecho held cash of $6.6million. Net cash used in operating activities during the quarter was $1.1 million. Payments to related parties and their associates during the quarter, as outlined in Section 6 of the accompanying Appendix 4C, were $64,000. These payments relate to director fees.

Corporate Updates

Annual General Meeting

Avecho held its Annual General Meeting on 26 May 2026. All resolutions put to the meeting were carried.

Resignation of Non-Executive Director

During the quarter, the Company advised of the resignation of non-executive director, Mr Matthew McNamara, who did not stand for re-election to Avecho's Board of Directors. The Board thanks Mr McNamara for his more than 6 years of service to Avecho.

Change of Company Secretary

Avecho also announced the appointment of Ms. Naomi Lawrie as Company Secretary, effective 1 May 2026, to replace Ms. Melanie Leydin following team reassignments at Vistra (Australia) Pty Ltd, the Company's provider of secretarial and corporate compliance services.

For enquiries, please contact

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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 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 chronic[1]. 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 2032[2]. 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 billion[3]. In August 2023, the Australian Government issued a statement indicating that sleep health should be considered a national priority as important as fitness and nutrition[4].

[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

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 annum[5].

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.

No representation, warranty or assurance (express or implied) is given or made by Avecho that the forward-looking statements contained in this announcement are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, Avecho and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward-looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this announcement or any error or omission therefrom.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, Avecho disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in these materials to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of Avecho since the date of the announcement.

Avecho's major projects include delivering TPM enhanced injectable, oral and topical products for the human health market, including the recently announced application of TPM to cannabinoids. The Company is also developing TPM® to enhance feed efficiency and health of livestock.

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

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

AVECHO BIOTECHNOLOGY LIMITED

ABN	**Quarter ended ("current quarter")**
32 056 482 403	30 June 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	23	207
1.2	Payments for		
	(a) research and development	(779)	(1,272)
	(b) product manufacturing and operating costs	(18)	(33)
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs*	(199)	(384)
	(f) administration and corporate costs	(152)	(465)
	(g) patent portfolio costs	(19)	(84)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	6
1.5	Interest and other costs of finance paid	(3)	(4)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (R&D tax incentive received)	1,980	1,980
1.9	**Net cash from / (used in) operating activities**	**838**	**(49)**

**A percentage of staff costs are reallocated to payments for research and development, and product manufacturing and operating costs.*

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(2)
	(d) investments	-	-
	(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(2)**	**(2)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	2,104	2,104
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(21)	(21)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9(a)	Other – Payment of principal element of lease liabilities	(19)	(40)
3.9(b)	Others – R&D loan received	994	1,579
3.9(c)	Others – R&D loan repayment (including interest and fees)	(1,624)	(1,624)
3.10	**Net cash from / (used in) financing activities**	**1,434**	**1,998**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (6 months) $A'000
4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	4,340	4,663
4.2	Net cash from / (used in) operating activities (item 1.9 above)	838	(49)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,434	1,998
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	6,610	6,610

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	6,610	4,340
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,610**	**4,340**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(64)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**-**	**-**

7.5	**Unused financing facilities available at quarter end**	**-**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	838
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,610
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	6,610
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**N/A**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2026

Authorised by: By the Board of Avecho Biotechnology Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.