

ASX Announcement

NON-RENOUNCEABLE ENTITLEMENT OFFER OPENS AND DESPATCH OF ENTITLEMENT OFFER BOOKLET TO ELIGIBLE SHAREHOLDERS

SYDNEY Australia, 15 September 2023: Recce Pharmaceuticals Ltd (**ASX:RCE, FSE:R9Q**) (the **Company**), announced on 11 September 2023 that it will undertake a non-renounceable, pro rata entitlement offer to certain existing shareholders on the basis of one (1) new fully paid ordinary share in the Company (**Offer Share**) at an issue price of \$0.44 per Offer Share for every twenty six (26) existing shares in the Company held as at 7:00 pm (AEST) on Thursday, 14 September 2023 (**Record Date**) to raise up to approximately A\$3 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is open to all shareholders who have a registered address in Australia and New Zealand on the Record Date (**Eligible Shareholders**).

The Offer Booklet and the Entitlement and Acceptance Form contain important information about the Entitlement Offer including how Eligible Shareholders in Australia and New Zealand can apply to participate in the Entitlement Offer.

Shareholders can contact Automic, the Company's Share Registry, if they have any questions on how to participate in the Entitlement Offer, on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday (excluding public holidays).

The Company confirms that it has today despatched the attached Offer Booklet to Eligible Shareholders and the notice to Ineligible Shareholders (being any shareholder who is not an Eligible Shareholder).

This announcement has been approved for release by Recce Pharmaceuticals Board.



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ENTITLEMENT OFFER BOOKLET

Recce Pharmaceuticals Limited **ACN 124 849 065**

For a non-renounceable pro-rata entitlement offer of one (1) Offer Share for every twenty six (26) Shares held by Eligible Shareholders registered at the Record Date at an Issue Price of \$0.44 (44 cents) per Offer Share to raise up to approximately \$3 million (before costs) (**Offer**).

The Offer opens at 9.00 am (AEST) on Friday, 15 September 2023.

The Offer closes at 5.00 pm (AEST) on Wednesday, 27 September 2023.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES

This Offer Booklet dated 15 September 2023 and the accompanying personalised Entitlement and Acceptance Form contains important information. Please read both the Offer Booklet and the personalised Entitlement and Acceptance Form carefully and in their entirety and call your professional adviser or Recce Pharmaceuticals Limited (**Company**) if you have any queries. In particular, Eligible Shareholders should refer to the risk factors set out in Section 6 of this document. If you do not understand these documents, or are in doubt as to how to act, you should consult your financial or other professional adviser before making any investment decision.

This Offer Booklet is not a prospectus prepared in accordance with the Corporations Act and has not been lodged with ASIC. Accordingly, this Offer Booklet does not necessarily contain all of the information which a prospective investor may require to make an investment decision and it does not contain all of the information which would otherwise be required to be disclosed in a prospectus or other disclosure document. As the Company is a listed disclosing entity which meets the requirements of section 708AA of the Corporations Act, the Offer will be made without a prospectus. Neither ASIC nor ASX, nor any of their officers or employees takes responsibility for this Offer or the merits of the investment to which this Offer relates.

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1. KEY DETAILS OF OFFER

1.1 Key terms of Offer

Detail	Terms
Issue Price	\$0.44 (44 cents)
Entitlement	1 Offer Share for every 26 Shares held at the Record Date
Shortall Offer	Eligible Shareholders, who apply for their full Entitlement, may apply for Additional Shares, provided that the issue of those Additional Shares will not result in a breach of the ASX Listing Rules or any applicable law.
Maximum number of Offer Shares to be issued (subject to rounding)	6,871,188 Offer Shares
Maximum gross proceeds of Offer	\$3,023,322
Maximum number of Shares on issue following the Offer (including the issue of the Placement Shares)	203,703,882 Shares

The above figures assume that no existing Options will be exercised prior to the Record Date. As at the close of trading on 12 September 2023, 13,931,870 Options were on issue.

1.2 Key indicative dates

Action	Date
Announcement of Offer	Monday, 11 September 2023
Lodgement of Appendix 3B	Monday, 11 September 2023
Trading on ex basis	Wednesday, 13 September 2023
Record Date for Offer and determining Entitlements	Thursday, 14 September 2023
Offer Opening Date	Friday, 15 September 2023
Offer Booklet and Letter to Ineligible Shareholders despatched to Eligible Shareholders and Ineligible Shareholders (as applicable)	Friday, 15 September 2023
Closing Date	Wednesday, 27 September 2023
Shares quoted on a deferred settlement basis	Thursday, 28 September 2023
Announcement of results of Offer	Friday, 29 September 2023
Issue date of Offer Shares	Friday, 29 September 2023
Commencement of trading of Offer Shares	Monday, 2 October 2023

The above dates are indicative only and may be subject to change. Subject to the Corporations Act, the ASX Listing Rules and other applicable laws, the Directors reserve the right:

- (a) to vary the dates of the Offer; or
- (b) not to proceed with the whole or part of the Offer at any time prior to issue of the Offer Shares.

In the event the Directors decide not to proceed with the whole or part of the Offer, Application Monies (without interest) will be returned in full to Applicants.

An extension of the Closing Date for the Offer will delay the anticipated date for issue of the Offer Shares. The commencement of quotation of Offer Shares is subject to confirmation from ASX.

Eligible Shareholders wishing to participate in the Offer are encouraged to submit their Entitlement and Acceptance Form and make payment of the appropriate Application Monies as soon as possible after the Offer opens.

You cannot, in most circumstances, withdraw an Application once it has been accepted. No cooling-off rights apply to the Offer.

2. CEO LETTER

Dear Shareholders

Offer

On behalf of the Board, I am pleased to invite you to participate in this non-renounceable pro-rata entitlement offer of one (1) Offer Share for every twenty six (26) Shares (**Entitlement**) held at the Record Date at an issue price of \$0.44 (44 cents) to raise up to a total of approximately \$3 million (before costs) (**Offer**). Your Entitlement will provide you with the opportunity to increase your exposure to the upside of the Company moving forward.

The Offer Shares will be issued under exception 1 of ASX Listing Rule 7.2 and exception 1 of ASX Listing Rule 10.12 which means that shareholder approval under ASX Listing Rule 7.1 and 10.11 (respectively) will not be required for the issue of Offer Shares.

The Offer will be open to those Eligible Shareholders who are on the Company's share register at 7:00 pm (AEST) on Thursday, 14 September 2023 and that have a registered address in Australia or New Zealand, are not located in US and are not a US Person or acting for the account of or benefit of a person in US or a US Person. Eligible Shareholders who subscribe for their full Entitlement may also apply for Offer Shares in excess of their Entitlement (**Additional Shares**) in accordance with the Shortfall Offer.

The proceeds of the Offer, in conjunction with funds raised from the placement undertaken by the Company announced on 11 September 2023 (which raised approximately \$8 million before costs and expenses) (**Placement**), will be used by the Company across the following activities:

- Clinical Trials (significant, unmet medical needs):
 - Phase I/II (I.V.) - UTI/Urosepsis infections
 - Phase II (topical) - Burn wound infections
 - Phase II (topical) - Diabetic Foot infections
- Build out of advanced pre-clinical portfolio (in vitro, in vivo and ex vivo studies);
- Manufacturing boost including geographical expansion (USA); and
- General working capital (operational costs delivering above).

Non-tradable rights

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferrable. Eligible Shareholders who do not take up their Entitlement will not receive any value in respect of those Entitlements.

Low-doc offer

The Offer is to be made under s708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and the Offer Booklet has been lodged with the ASX. A copy of this document can be accessed on the ASX website or the Company's website and is anticipated to be despatched to Eligible Shareholders (with personalised Entitlement and Acceptance Forms) on or before Friday, 15 September 2023.

How to apply

The Offer is scheduled to close at 5:00 pm (AEST) on Wednesday, 27 September 2023. To participate in the Offer, please follow the instructions on the Entitlement and Acceptance Form. Shareholders recorded on the Company's share register with an address outside Australia or New Zealand are not eligible to participate in the Offer.

Payment by cheque or cash will not be accepted.

Conclusion

Potential investors should be aware that subscribing for the Offer Shares involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Offer Booklet. Investors should carefully consider the risk factors that affect the Company specifically and the industry in which it operates.

On behalf of the Board, I would like to thank you for your continued support and invite you to seriously consider this investment opportunity.

Yours Sincerely

James Graham

Managing Director and CEO
Recce Pharmaceuticals Limited

3. IMPORTANT INFORMATION

This Offer Booklet is dated 15 September 2023. This Offer Booklet is not a prospectus, product disclosure statement or other form of disclosure document under the Corporations Act (or any other law) and has not been lodged with ASIC. The Offer Booklet is for information purposes only.

This Offer Booklet does not purport to contain all the information that you may require to evaluate a possible application for Offer Shares, nor does it contain all the information which would be required in a prospectus or product disclosure statement prepared in accordance with the requirements of the Corporations Act (or any other law). It should be read in conjunction with the Company's other periodic statements and continuous disclosure announcements lodged with ASX.

It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. The Company is not licensed to provide financial product advice in respect of the Offer Shares. Neither ASIC nor ASX take responsibility for the contents of this Offer Booklet.

By returning an Entitlement and Acceptance Form (if applicable) or paying for your Offer Shares and any Additional Shares through BPAY® or EFT in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Offer Booklet and you have acted in accordance with and agree to the terms of the Offer detailed in this Offer Booklet.

You should also consider the key risks which are included in this Offer Booklet at Section 6.

References to 'you' and 'your Entitlement'

In this Offer Booklet, references to 'you' are references to Eligible Shareholders and references to 'your Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlement and Entitlement and Acceptance Form of Eligible Shareholders.

No Entitlement trading

Entitlements are non-renounceable and will not be tradable on the ASX or otherwise transferable. Accordingly, you cannot, in most circumstances, withdraw your Application for Offer Shares once it has been accepted.

3.1 Investment decisions

The information in this Offer Booklet does not take into account the investment objectives, financial situation or needs of you or any particular investor. The potential tax effects of the Offer will vary between individual investors. Before deciding whether to apply for Offer Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. You should conduct your own independent review, investigation and analysis of Offer Shares the subject of the Offer. If, after reading this Offer Booklet, you have any questions about the Offer, you should contact your stockbroker, accountant or other independent and appropriately licensed professional adviser.

3.2 Disclaimer

No person is authorised to give any information or to make any representations in connection with the Offer which is not contained in this Offer Booklet. Any information or representation not contained in this Offer Booklet may not be relied on as having been authorised by the

Company in connection with the Offer.

3.3 Offer is only made in Australia and New Zealand

This Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. In particular, the Offer (and any Shortfall Offer) is only being made in Australia and New Zealand.

The distribution of this Offer Booklet in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Offer Booklet should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed. In particular, this Offer Booklet may not be distributed in the US or any other country except Australia and New Zealand.

The Offer to New Zealand investors is made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 and as such the only members of the public to whom the Offer Shares are offered in New Zealand are those who, at the time of the Offer, are holders of Shares in the Company.

As the ASX does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the securities and trading may differ from securities markets that operate in New Zealand.

3.4 Forward-looking statements

This Offer Booklet contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Offer Booklet, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company.

To the maximum extent permitted by law, none of the Company or any person named in this Offer Booklet or any person involved in the preparation of this Offer Booklet makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any intentions or outcomes expressed or implied in any forward looking statement and disclaim all responsibility and liability for such forward looking statements (including, without limitation, liability for negligence). The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Offer Booklet, except where required by law. You are cautioned not to place undue reliance on any forward looking statement having regard to the fact that the outcome may not be achieved.

Any pro forma financial information (including past performance information) provided in this Offer Booklet is for information purposes only and is not a forecast of operating results to be expected in any future period. Except as required by law, and only then to the extent so required, neither the Company nor any other person warrants or guarantees the future performance of the Company or any return on any investment made pursuant to this Offer Booklet.

3.5 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Offer Booklet. Investors should carefully consider the risk factors that affect the Company specifically and the industry in which it operates.

3.6 Defined terms and time

Terms and abbreviations used in this Offer Booklet are defined in Section 8 of this Offer Booklet. All financial amounts shown in this Offer Booklet are expressed in Australian dollars unless otherwise stated.

Notwithstanding any references to the contrary, all references to time in this Offer Booklet are to Sydney time.

3.7 Publicly available information

The Offer Booklet should be read in conjunction with the Company's continuous disclosure announcements made to the ASX available from the ASX website (at www.asx.com.au - ASX Code: RCE). The Company may release further announcements after the date of this Offer Booklet which may be relevant to your consideration of the Offer.

3.8 Past performance

Investors should note that past performance, including past Share price performance, cannot be relied on as an indicator of, and provides no guidance as to, future Company performance, including future Share performance.

3.9 Withdrawal

The Company reserves the right to withdraw the Offer at any time before the issue of Offer Shares under the Offer, in which case the Company will refund any Application Monies received (without interest).

4. DETAILS OF THE OFFER

4.1 Purpose of the Offer

The purpose of this Offer is to:

- (a) raise capital for:
 - (i) clinical trials (urinary tract infection, topical burn wound infection and topical diabetic foot infection);
 - (ii) the build out of advanced pre-clinical portfolio;
 - (iii) manufacturing boost including geographical expansion in USA; and
 - (iv) general working capital,
- (b) recognise Shareholders' ongoing support of the Company and provide the opportunity for Eligible Shareholders to participate in a discounted rights issue.

4.2 Entitlement and amount to be raised

The Company is undertaking a non-renounceable pro-rata entitlement issue of one (1) Offer Share for every twenty six (26) Shares (**Entitlement**) held by Eligible Shareholders registered as at the Record Date at an issue price of \$0.44 (44 cents) per Offer Share (**Offer**).

Based on the capital structure of the Company as at the date of this Offer Booklet, up to 6,871,188 Offer Shares (subject to rounding) will be issued pursuant to this Offer to raise up to approximately \$3 million (before costs).

All Offer Shares issued will have the rights attaching to those securities as noted in Section 4.7.

The intended use of funds raised under the Offer is in Section 5.1 of this Offer Booklet.

The Directors may, at any time, decide to withdraw this Offer Booklet and the Offer of Offer Shares made under it, in which case the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

4.3 Issue price

The issue price is \$0.44 (44 cents) for each Offer Share, payable in full in Australian currency via BPAY® payment or EFT.

Your completed Entitlement and Acceptance Form must be completed and **your payment must be received by the Share Registry** via BPAY® payment or EFT by no later than 5.00 pm (AEST) on the Closing Date, being Wednesday, 27 September 2023.

Payment by cheque or cash will not be accepted.

4.4 Minimum subscription

There is no minimum subscription in respect of the Offer.

4.5 Eligibility to participate in Offer

The Offer is being offered to Eligible Shareholders only. Eligible Shareholders are persons who are registered as a holder of Shares as at the Record Date that:

- (a) have a registered address in Australia or New Zealand; and
- (b) are not located in US and are not a US Person or acting for the account of or benefit of a person in US or a US Person,

(**Eligible Shareholders**).

Shareholders who are not Eligible Shareholders are Ineligible Shareholders.

The Company has decided that it is unreasonable to make offers under the Offer to Shareholders who have a registered address outside Australia and New Zealand having regard to the number of such holders in those places, the number and the value of the Offer Shares that they would be offered, and the costs of complying with the relevant legal and regulatory requirements in those places. The Company reserves the right in its absolute discretion to offer Offer Shares to a Shareholder with an address in the Company's share register outside Australia or New Zealand if the Company is satisfied that it is not precluded from lawfully issuing Offer Shares to that Shareholder either unconditionally or after compliance with conditions which the Directors in their sole discretion regard as acceptable.

Shareholders with a registered address in New Zealand must note the selling restrictions set out in Section 4.17 of this Offer Booklet.

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement which will accompany the copy of this Offer Booklet sent to them.

Shareholders who are not Eligible Shareholders will not be entitled to participate in the Offer or to subscribe for Offer Shares.

4.6 Optionholders

Optionholders will not be able to participate in the Offer unless they:

- (a) have become entitled to exercise their existing Options under the terms of their issue and do so, so that they are registered as holders of Shares prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder and a holder of Shares registered on the register of the Company at the Record Date.

4.7 Rights attaching to Shares

Shares issued pursuant to the Offer will be fully paid and rank equally with all other issued Shares, including in respect of dividends.

The rights attaching to Shares are set out in the Constitution and are regulated by the Corporations Act, the ASX Listing Rules and general law.

4.8 Non-renounceable offer

The rights to Offer Shares are non-renounceable. Accordingly, there will be no trading of rights on the ASX (or any other exchange) and you may not dispose of your rights to subscribe for Offer Shares to any other party. If you do not take up your Entitlement to Offer Shares by the Closing Date, the Offer to you will lapse, you will receive no benefit and your interest in the Company may be diluted.

4.9 Acceptance

Your acceptance of the Offer must be made in accordance with the Entitlement and Acceptance Form.

The number of Offer Shares to which Eligible Shareholders are entitled (your Entitlement) is shown on your personalised Entitlement and Acceptance Form.

If you do not take up your Entitlement in full, then your percentage holding in the Company will be diluted.

To download your Entitlement and Acceptance Form you have the following 3 choices:

I already have an online account with the Automic Share registry	I don't have an online account with Automic – but wish to register for one	I don't have an online account with Automic – but want to use Automic for this Offer only
<p>https://investor.automic.com.au</p> <p>Select: “Existing Users Sign In”</p> <p>Once you have successfully signed in, click on “Documents and Statements”</p> <p>Download the Entitlement and Acceptance Form</p> <p>Do not return your acceptance form</p>	<p>https://investor.automic.com.au/#/signup</p> <p>Select: Recce Pharmaceuticals Ltd from the dropdown list in the ISSUER field.</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement)</p> <p>Enter Postcode (Aust only) or Country of Residence (if not Australia)</p> <p>Tick box “I am not a robot”, then Next.</p> <p>Complete prompts</p> <p>Once you have successfully signed in, click on “Documents and Statements”</p> <p>Download the Entitlement and Acceptance Form</p> <p>Do not return your acceptance form</p>	<p>https://investor.automic.com.au/#/loginsah</p> <p>Select: Recce Pharmaceuticals Ltd from the dropdown list in the ISSUER field</p> <p>Enter you holder number SRN / HIN (from your latest Holding Statement)</p> <p>Enter Postcode (Aust only) or Country of Residence (if not Australia)</p> <p>Tick box “I am not a robot”, then Access</p> <p>Once you have successfully signed in, click on “Documents and Statements”</p> <p>Download the Entitlement and Acceptance Form</p> <p>Do not return your acceptance form</p>

You may participate in the Offer as follows:

- (a) if you wish to take up your Entitlement in **full** and, if you do so, also **apply for Additional Shares** (refer to Section 4.12 of this Offer Booklet):
 - (i) apply for your full Entitlement for Offer Shares and the Additional Shares you wish to apply for (being more than your Entitlement as specified on the Entitlement and Acceptance Form). You will need to provide your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode to access the online application system and follow the instructions provided including making payment by BPAY® or EFT. You will be deemed to have applied for that number of Additional Shares which in aggregate with your Entitlement is covered in full by your Application Monies. In order to participate in the Shortfall Offer and subscribe for Additional Shares, you must also apply for your Entitlement in full; and
 - (ii) arrange payment by BPAY® or EFT as instructed for the appropriate Application Monies for your Entitlement of Offer Shares plus the number of Additional Shares you have applied for (at \$0.44 (44 cents) per Offer Share and Additional Share);
- (b) if you wish to take up your Entitlement in **full** without applying for Additional Shares;

- (i) apply for your full Entitlement for Offer Shares. You will need to provide your SRN or HIN and postcode to access the online application system and follow the instructions provided including making payment by BPAY® or EFT; and
 - (ii) arrange payment by BPAY® or EFT as instructed for the appropriate Application Monies for your Entitlement of Offer Shares you have applied for (at \$0.44 (44 cents) per Offer Share);
- (c) if you wish to take up **part**, but not all of your Entitlement;
- (i) apply for the number of Offer Shares you wish to subscribe for. You will need to provide your SRN or HIN and postcode to access the online application system and follow the instructions provided including making payment by BPAY® or EFT; and
 - (ii) arrange payment by BPAY® or EFT as instructed for the appropriate Application Monies for the number of Offer Shares you have applied for (at \$0.44 (44 cents) per Offer Share); or
- (d) if you do not wish to accept all or part of your Entitlement, you are not obligated to do anything in response to the Offer.

Payment by cheque or cash will not be accepted.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.10 Implications of an acceptance

The payment of any Application Monies by BPAY® or EFT will be taken by the Company to constitute a representation by you that:

- (a) you have received a copy of this Offer Booklet and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (b) such payment constitutes a binding and irrevocable offer to apply for Offer Shares (plus any Additional Shares) on the terms and conditions set out in this Offer Booklet and/or the Entitlement and Acceptance Form and, once lodged or paid, cannot be withdrawn; and
- (c) you acknowledge that once the Entitlement and Acceptance Form is returned or a BPAY® payment or an EFT payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

4.11 Payment by BPAY® and EFT

For payment by BPAY® or EFT, please follow the instructions on the Entitlement and Acceptance Form. Please note that by paying by BPAY® or EFT:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance;
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Offer Shares which is covered in full by your Application Monies; and
- (c) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Additional Shares (if any) under the Shortfall Offer, to the extent of the excess.

It is your responsibility to ensure that your BPAY® or EFT payment is received by the Share Registry by no later than 5.00 pm (AEST) on the Closing Date, being Wednesday, 27 September

2023. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any Application Monies received for more than your final allocation of Offer Shares (including any Additional Shares) (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any Application Monies received or refunded.

Payment by cheque or cash will not be accepted.

The Offer is non-renounceable. Accordingly, a Shareholder may not sell or transfer all or part of their Entitlement.

4.12 Shortfall Offer

The Entitlement Offer also comprises a shortfall facility (**Shortfall Offer**) under which Eligible Shareholders who have subscribed for their Entitlement in full may apply for Offer Shares attributable to Entitlements not taken up by Eligible Shareholders and Offer Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Offer (**Additional Shares**). Please refer to Section 4.9(a) of this Offer Booklet for further information as to how to apply for Additional Shares.

Any Additional Shares will be limited to the extent that there are sufficient Offer Shares from Eligible Shareholders who do not take up their full Entitlements or from Offer Shares that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Offer.

It is possible that there will be few or no Additional Shares available, depending on the level of acceptance of Entitlements by Eligible Shareholders and allocations made by the Company. There is therefore no guarantee that in the event that Additional Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

The Company's decision as to the number of Additional Shares to be allocated to you will be final and binding. The Company may issue to an Applicant a lesser number of Additional Shares or not proceed with the issuing of all or part of the Additional Shares. If the number of Additional Shares is less than the number applied for, surplus Application Monies will be refunded without interest.

4.13 Placement of Shortfall

If there is a shortfall of Entitlements and/or Additional Shares after completion of the Entitlement Offer (and the Shortfall Offer) (**Shortfall**), the Company reserves the right to place any Shortfall with any professional or sophisticated investors who may elect to subscribe for Offer Shares. Any Shortfall must be issued within 3 months of the Closing Date and at a price per Offer Share that is no less than the Offer Price.

The Directors reserve the right to issue any Shortfall at their discretion.

4.14 ASX Quotation

Application for Official Quotation of the Shares offered pursuant to this Offer Booklet will be made in accordance with the timetable set out in Section 1.2 of this Offer Booklet.

The fact that ASX may grant Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Offer or an interest in the Company.

4.15 Allotment

Shares issued pursuant to the Offer will be allotted in accordance with the ASX Listing Rules and timetable set out in Section 1.2 of this Offer Booklet.

Additional Shares issued will be allotted on a progressive basis. Where the number of Shares issued is less than the number applied for, or where no allotment is made, surplus Application Monies will be refunded (without interest) as soon as practicable after the closing date of the Offer.

Pending the allotment and issue of the Shares or payment of refunds under this Offer Booklet, all Application Monies will be held by the Company in trust for the Investor in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Investor waives the right to claim interest.

Holding statements for Offer Shares and the Additional Shares will be mailed in accordance with the ASX Listing Rules.

4.16 Offer Booklet and the Corporations Act

This Offer Booklet is issued pursuant to section 708AA of the Corporations Act as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 without disclosure to investors under Part 6D.2 of the Corporations Act.

Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Offer will be prepared. In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders with a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Booklet is significantly less than the level of disclosure required in, and what you would ordinarily expect in, a prospectus.

In accordance with the conditions imposed on the Company by section 708AA of the Corporations Act, the Company provided ASX with a notice that complied with the requirements of section 708AA(7) on 11 September 2023. The notice was required to:

- (a) set out information that had been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that Investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
 - (i) assets and liabilities, financial position and performance, profits and losses and prospects of the Company; or
 - (ii) the rights and liabilities attaching to the Shares offer under this Offer Booklet; and
- (b) state the potential effect of the issue of the Offer Shares under this Offer Booklet on the control of the Company and the consequences of that effect.

4.17 Overseas Shareholders

This Offer Booklet has been prepared to comply with the requirements of the securities laws of Australia.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Offer, the Offer Booklet or the Offer Shares, or otherwise permit the public offering of the Offer Shares, in any jurisdiction other than Australia.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. The payment of any Application Monies by BPAY® or EFT by you in accordance with the Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The Offer Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the Offer of Offer Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

United States

None of the information in this Offer Booklet, or the Entitlement and Acceptance Form that will accompany this Offer Booklet when it is despatched to Eligible Shareholders, constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the US. Neither this Offer Booklet (or any part of it), the accompanying ASX announcements nor the Entitlement and Acceptance Form when that is to be made available may be released or distributed directly or indirectly to persons in the US.

The Offer Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the US. The Entitlements may not be taken up by persons in the US or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the US, and the Offer Shares may not be offered, sold or resold in the US or to, or for the account or benefit of, a person in the US except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act of 1933 and applicable securities laws of any state or other jurisdiction in US.

Ineligible Shareholders are not entitled to participate in the Offer.

4.18 Enquiries

If you have any questions about whether to accept the Entitlement Offer, please consult your financial adviser, accountant, or other professional adviser.

If you have any questions in relation to how to participate in the Entitlement Offer, please contact the Share Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday (excluding public holidays).

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Use of funds raised

Completion of the Offer will result in an increase in cash at hand of the Company of up to approximately \$3 million (before the payment of the costs associated with the Offer).

The Company intends to apply the funds raised under the Offer and the proceeds of the Placement (approximately \$11 million in total before costs) for the following activities:

- (a) A\$6.0 million – clinical trials (significant, unmet medical needs):
 - (i) Phase I/II (I.V.) – UTI/Urosepsis infections;
 - (ii) Phase II (topical) – burn wound infections;
 - (iii) Phase II (topical) – diabetic foot infections,
- (b) A\$2.0 million – build out of advanced pre-clinical portfolio (in vitro, in vivo and ex vivo studies);
- (c) A\$1.0 million – manufacturing boost including geographical expansion (USA); and
- (d) A\$2.0 million – general working capital (operational costs delivering the above activities).

The above statement is a statement of current intentions as at the date of this Offer Booklet. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied.

5.2 Effect of the Offer

The principal effect of the Offer will be to:

- (a) increase the cash reserves and issued capital by up to approximately \$3 million immediately after completion of the Offer and prior to deducting the estimated expenses of the Offer; and
- (b) increase the total number of Shares on issue from 196,832,694 Shares (which includes the Shares issued pursuant to the Placement) by up to approximately 6,871,188 Shares (subject to rounding), such that there will be a maximum of 203,703,882 Shares on issue following completion of the Offer.

Please see Section 5.3 of this Offer Booklet for further details.

5.3 Effect on Share capital structure

The effect of the Offer on the Share capital structure of the Company, assuming all Offer Shares are issued and no Options are exercised, is set out below.

Shares	Number
Shares on issue as at date of Offer Booklet	178,650,875
Placement Shares to be issued under the Placement	18,181,819
Offer Shares offered pursuant to the Offer (subject to rounding)	6,871,188

Total Shares on issue after completion of the Offer	203,703,882
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5.4 Possible dilutive effect

The dilutionary effect of the Offer on your shareholding will depend on whether you are an Eligible Shareholder and, if so, whether you elect to subscribe for some or all of your Entitlement.

If all Eligible Shareholders take up all of their Entitlements under the Offer, Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to completion of the Offer.

However, to the extent that any Shareholder fails to take up their full Entitlement to Offer Shares under the Offer, or is an Ineligible Shareholder that is unable to participate in the Offer, that Shareholder's percentage holding in the Company will be diluted.

Please refer to Section 5.5 of this Offer Booklet for detail of the effect of the Offer on voting power in the Company.

5.5 Effect of Offer on Voting Power in the Company

As the acquisition of Shares under the Offer and Shortfall Offer does not satisfy the requirements of exception 10 in section 611 of the Corporations Act, no person will be entitled to acquire Offer Shares pursuant to the Offer or Shortfall Offer if to do so would result in their, or another person's, Voting Power in the Company increasing from 20% or below to more than 20%, or from a starting point above 20% to below 90%, unless an exception to the restrictions contained in section 606 of the Corporations Act applies.

Accordingly, while there are no applicable exceptions to the restrictions contained in section 606 of the Corporations Act, in light of the size of the Offer, the Offer is not expected to have any material effect or consequence on the control of the Company.

Details of the control implications are set out below.

Shareholders should note that if they do not participate in the Offer, then following completion of the Offer, their Voting Power could be diluted. Further, the impact of both the Offer and the Placement may result in a dilution of their Voting Power of up to approximately 12%. Examples of how the dilution may impact Shareholders are set out below.

The below table assumes that:

- the Placement Shares are placed in accordance with the firm commitments received by the Company;
- no Shares are issued before the Record Date, whether as a result of the exercise of Options or otherwise; and
- those Entitlements not accepted are placed as Additional Shares.

Holder	Record Date		Entitlement	Post-Offer and Placement	
	Shares	%	Shares	Shares	%
Shareholder 1	18,000,000	10.08%	692,307	18,000,000	8.84%
Shareholder 2	13,500,000	7.56%	519,230	13,500,000	6.63%
Shareholder 3	9,000,000	5.04%	346,153	9,000,000	4.42%

Shareholder 4	4,500,000	2.52%	173,076	4,500,000	2.21%
Total	178,650,875	100%	317,013,284	203,703,882	100%

5.6 Details of substantial holders

Based on publicly available information as at the close of trading on 12 September 2023, and assuming that each Eligible Shareholder subscribes for their full entitlements, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Substantial Shareholder	At date of Offer Booklet		On completion of Offer and Placement	
	Shares	%	Shares	%
Mr Graham Melrose and Ms Olga Melrose (Melrose)	37,028,311	20.73%	38,452,476	18.88%

Based on publicly available information as at the close of trading on 12 September 2023, and assuming that Melrose subscribes for their full entitlements and is the only participant under the Offer, on the basis that they do not subscribe for Additional Shares, the Voting Power of Melrose will be as follows:

Substantial Shareholder	At date of Offer Booklet		On completion of Offer and Placement	
	Shares	%	Shares	%
Melrose	37,028,311	20.73%	38,452,476	19.40%

6. RISK FACTORS

6.1 Introduction

An investment in the Company is not risk free and should be regarded as speculative.

There are specific risks which relate directly to the Company's activities. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed and do not take into account the individual circumstances of Shareholders.

The Directors strongly recommend potential Investors to consider the risk factors described below, together with information contained elsewhere in this Offer Booklet and consult with their professional advisers before deciding whether to apply for Shares under this Offer Booklet.

6.2 Specific risks

(a) Research and development

The Company can make no representation that any of its research into or development of its technologies or further development of the Company's antibiotics will be successful or that they will be developed into products that are commercially exploitable. There are many risks inherent in the development of pharmaceutical products, particularly where the products are in the early stages of development. Projects can be delayed or fail to demonstrate any benefit, or research may cease to be viable for a range of scientific and commercial reasons.

(b) Changes in laws and regulations

The operation of the Company's business in the pharmaceutical industry is governed by a variety of laws, regulations and guidelines. While to the knowledge of management, the Company is currently in compliance with all current laws, changes to laws and regulations due to matters beyond the control of the Company may cause adverse effects to its operations. The introduction of new legislation or amendments to existing legislation by governments, or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and, ultimately, the financial position and financial performance of the Company and its Shares. In addition there is a risk that legal action may be taken against the Company in relation to commercial, legal, regulatory or other matters.

(c) Competition

The pharmaceutical industry is intensely competitive, and the development of suitable antibiotics is very difficult and demanding; even more so if this competition is against parties who may have larger resources than the Company. As a result, there is the risk the Company may be beaten to the market by one or more competitors.

(d) Intellectual property

The Company's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights. Any failure to protect the Company's intellectual property, unauthorised disclosure or unlawfully infringed could

enable competitors to develop generic products or use its proprietary information to develop other products that compete with the Company's products or cause additional, material adverse effects upon the Company's business, results of operations and financial condition.

(e) Risk of delay and continuity of operations

The Company may experience delays in achieving some or all of its milestones, including but not limited to product development, obtaining regulatory approvals, or delays in sales of licensing. The Company is also dependent on amongst other things its technology, key personnel and IT systems. Any disruption or delay to any key inputs could impact adversely on the Company.

(f) Research & Development Grant (Commonwealth)

The Company is eligible each year for an R&D Tax Incentive refund. The R&D Tax Incentive is an Australian Government program under which companies receive cash refunds for 43.5% of eligible expenditure on research and development. There is no guarantee that this program will continue or that the eligibility criteria will not change. Refunds are subject to audit by the Australian Tax Office and AusIndustry which may result in a requirement for repayment in certain circumstances.

(g) Key personnel

The Company depends on the talent and experience of its personnel as its primary asset. There may be a negative impact on the Company if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense.

Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company. In summary, the Company's ability to attract and retain personnel will have a direct impact on its ability to deliver its commercialisation and commitments. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

(h) Product liability and uninsured risks

The Company is exposed to potential product liability risks which are inherent in the research and development, manufacturing and marketing and use of its technology or products developed. Whilst the Company has in place a level of insurance suitable for its current business undertakings, the Company may not be able to maintain insurance for product or service liability on reasonable terms in the future and, in addition, the Company's insurance may not be sufficient to cover large claims, or the insurer could disclaim coverage on claims. Although the Company endeavours to work to rigorous standards there is still the potential for the technology or developed products to contain defects which may result in failures. These defects or problems could result in the loss of or delay in generating revenue, loss of market share, failure to achieve market acceptance, diversion of development resources, and injury to the Company's reputation or increased insurance costs.

(i) Foreign exchange rate fluctuation

The expenditure of the Company is and will be in Australian and other various foreign currencies, including the US dollar. This exposes the Company to fluctuations in exchange rates, which is beyond the Company's control. This could adversely impact the profitability of the Company's foreign operations.

6.3 General risks

(a) General market and share price risks

There are general risks associated with any investment in the share market. The price of Shares may increase or decrease due to a number of factors. Those factors include fluctuations in domestic or global financial markets and general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation, the removal or inclusion of the Company from market indices, and the nature of markets in which the Company operates.

(b) Tax and accounting

Australian accounting standards and tax laws (including GST and stamp duty taxes), or the way they are interpreted, are subject to change from time to time, which may impact the Company's financial position or performance.

(c) Dividends

There are a range of factors that determine the payment of dividends on Shares. These include the profitability of the business, its cash reserves, future capital requirements and obligations under debt facilities. The Board will determine any future dividend levels based upon its operating results and financial standing at the time. There is no guarantee that any dividend will be paid by the Company.

(d) Litigation

Legal proceedings and claims may arise from time to time in the ordinary course of the Company's business and may result in high legal costs, adverse monetary judgments and/or damage to the Company's reputation which could have an adverse impact on the Company's financial position or performance and the price of its shares.

(e) Forward-looking information

The forward-looking statements, opinions and estimates provided in this document rely on various contingencies and assumptions. Various factors and risks, both known and unknown, many of which are outside the control of the Company, may impact upon the performance of the Company and cause actual performance to vary significantly from expected results. There can be no guarantee that the Company will achieve its stated objectives or that forward-looking statements or forecasts will provide to be accurate.

(f) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and may be prevented from progressing the commercialisation of its technology. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(g) Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically

referred to above, may in the future materially affect the financial performance of the Company and the value of the securities offered under this Offer Booklet.

Therefore, the Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those securities.

Potential investors should consider that an investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Booklet.

6.4 Other risks

For further information in relation to other risks which might affect the Company, please refer to the Company's 2022 Annual Report announced to the market on 31 August 2022.

7. ADDITIONAL INFORMATION

7.1 Continuous disclosure obligations

The Company is listed on the ASX and its Shares are quoted on the ASX under the code: RCE.

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports. The Company is required to disclose to ASX any information of which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

This Offer Booklet is issued pursuant to section 708AA of the Corporations Act without disclosure to investors under Part 6D.2 of the Corporations Act.

This Offer Booklet is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus or other disclosure document that is required to satisfy the Corporations Act. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX Listing Rules as applicable from time to time throughout the three months before the issue of this Offer Booklet which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market operated by ASX.

7.2 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last closing market sale prices of the Shares on ASX during the three months immediately preceding the announcement of the Offer on 11 September 2023 and the respective dates of those sales are as follows:

	Share Price	Date
Highest	\$0.745	19 July 2023
Lowest	\$0.51	15 June 2023
Last	\$0.65	8 September 2023

7.3 Interests of Directors

The interests of the Directors held either directly or through their controlled entities, in the securities of the Company as at the date of this Offer Booklet are as follows:

Director	Shares	Options	Entitlement
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Dr John Prendergast	250,000	2,175,000	9,615
Mr James Graham	6,531,932	2,250,000	251,228
Ms Michele Dilizia	3,543,485	1,500,000	136,287
Dr Justin Ward	158,966	600,000	6,114
Dr Alan Dunton	70,000	1,125,000	2,692
Mr Alistair McKeough	25,000	1,125,000	961

The Directors, who are Eligible Shareholders, intend to participate in the Offer. In addition to subscribing for his full Entitlement, Dr Ward intends to take up a further \$60,000 of Shortfall (if any), subject to Shareholder approval being obtained at the Company's 2023 Annual General Meeting.

7.4 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

7.5 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company currently operates an electronic issuer-sponsored register and an electronic CHES sub-register. The two sub-registers together will comprise the Company's register of Shares.

The Company will not issue certificates for Shares. Investors who are allotted Shares under this Offer Booklet will be provided with a transaction confirmation statement which sets out the number of Shares allotted to the Investor. Investors who elect to hold Shares on the issuer-sponsored sub-register will be provided with a holding statement (similar to a bank account statement) which sets out the number of Shares allotted to the Shareholder under this Offer Booklet. For Investors who elect to hold their Shares on the CHES sub-register, the Company will issue an advice that sets out the number of the Shares allotted to the Investor under this Offer Booklet. At the end of the month of allotment, CHES, acting on behalf of the Company, will provide those Shareholders with a holding statement that confirms the number of Shares held and any transactions during that month.

A holding statement (whether issued by CHES or the Company) will also provide details of the applicable Holder Identification Number in case of a holding on the CHES sub-register or Securityholder Reference Number in case of a holding on the issuer-sponsored sub-register. Following distribution of these initial holding statements, a holding statement will also be provided to each Shareholder at the end of any subsequent month during which the balance of that Shareholder's holding of securities in the Company changes.

A Shareholder may request a holding statement at any other time. However, a charge may be imposed by the Share Registry for additional statements.

7.6 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your Application, service your needs as a holder of equity securities in the Company, facilitate distribution of payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application for Shares, the Company may not be able to accept or process your Application.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process the Application.

7.7 Rights issue exception not available

No nominee has been appointed for Ineligible Shareholders under section 615 of the Corporations Act and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in Item 10 of section 611 of the Corporations Act. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the Corporations Act. Eligible Shareholders who may be at risk of exceeding the 20% Voting Power threshold in section 606 as a result of acceptance of their Entitlement or subscribing for Additional Shares pursuant to the Shortfall Offer should seek professional advice before completing and returning the Entitlement and Acceptance Form.

7.8 Litigation

Except as previously disclosed to ASX, so far as the Company is aware, there are no legal or arbitration proceedings, active or threatened against, or being brought by, the Company which may have a material effect on the Company's financial position.

7.9 No cooling-off rights

Cooling-off rights do not apply to an investment in Offer Shares. You cannot, in most circumstances, withdraw your Application once it has been accepted.

7.10 Alteration of terms

The Company reserves the right, at its discretion, to vary all or part of the Offer at any time, subject to the Corporations Act and ASX Listing Rules and any other law or regulation to which the Company is subject.

8. DEFINITIONS

\$ or **Dollars** means dollars in Australian currency (unless otherwise stated).

Additional Shares has the meaning given to that term in Section 4.12 of this Offer Booklet.

AEST means Australian Eastern Standard Time.

Applicant means an Eligible Shareholder that has submitted an Application.

Application means an application for Offer Shares or Additional Shares pursuant to this Offer Booklet.

Application Monies means monies received by the Company from Applicants with respect to the Entitlement and Acceptance Form.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

CHESS means Clearing House Electronic Sub-register System of ASTC.

Closing Date means 5.00 pm (AEST) on the date specified in the timetable set out at Section 1.2 of this Offer Booklet or such other date as may be determined by the Directors.

Company means Recce Pharmaceuticals Limited ACN 124 849 065.

Constitution means the constitution of the Company as at the date of this Offer Booklet.

Corporations Act means the *Corporations Act 2001* (Cth), as amended.

Directors means the directors of the Company as at the date of this Offer Booklet.

EFT means Electronic Funds Transfer.

Eligible Shareholder has the meaning given to that term in Section 4.5 of this Offer Booklet.

Entitlement means the non-renounceable entitlement for Eligible Shareholders to subscribe for Offer Shares on the basis of one (1) Offer Share for every twenty six (26) Shares held on the Record Date.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Offer Booklet.

Ineligible Shareholders means any Shareholder who is not an Eligible Shareholder, unless the Company is satisfied that it is not precluded from lawfully issuing Offer Shares to that Shareholder either unconditionally or after compliance with conditions which the Board in its sole discretion regards as acceptable and not unduly onerous.

Investor means an Eligible Shareholder participating in the Offer.

Issue Price means \$0.44 (44 cents) per Offer Share.

Offer means the non-renounceable entitlement issue of one (1) Offer Share for every twenty six (26) Shares held by those Eligible Shareholders registered at the Record Date at the Issue Price.

Offer Booklet means this document dated Friday, 15 September 2023 under which the Offer is made, and includes any amended or replacement document.

Offer Share means a new fully paid Share in the capital of the Company to be issued pursuant to the Offer or Shortfall Offer.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Placement means the placement undertaken by the Company as announced on 11 September 2023 under which the Placement Shares are expected to be issued on or around 18 September 2023 to sophisticated investors and professional investors to raise \$8 million (before costs and expenses) in accordance with sections 708(8) and 708(11) of the Corporations Act.

Placement Shares means 18,181,819 Shares to be issued pursuant to the Placement.

Record Date means 7.00 pm (AEST) on the date specified in the timetable set out at Section 1.2 this Offer Booklet.

Section means a section of this Offer Booklet.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Share Registry means Automic Pty Ltd ACN 152 260 814.

Shortfall means the extent to which Eligible Shareholders do not subscribe for Offer Shares (including Additional Shares) pursuant to the Offer.

Shortfall Offer means the entitlement offer to Eligible Shareholders to subscribe for Additional Shares in excess of their Entitlement in accordance with Section 4.12 of this Offer Booklet.

US means the United States of America.

US Person means, among other things and subject to certain exceptions:

- (a) any natural person resident in the US;
- (b) any partnership, corporation or other entity organised or incorporated in the US;
- (c) any trust of which any trustee is a US person;
- (d) any agency or branch of a foreign entity located in the US;
- (e) any account held by a dealer or other fiduciary that either is organised, incorporated or resident in the US or holds for the benefit or account of a US Person; or
- (f) any partnership or corporation that is organised or incorporated in a foreign jurisdiction by a US person principally for the purpose of investing in securities not registered under the US Securities Act.

US Securities Act means the *United States Securities Act of 1933*, as amended.

Voting Power has the meaning given to that term in the Corporations Act.

9. CORPORATE DIRECTORY

Directors

Dr John Prendergast (Executive Chairman)

Mr James Graham (Managing Director and Chief Executive Officer)

Ms Michele Dilizia (Executive Director and Chief Scientific Officer)

Dr Justin Ward (Executive Director and Principal Quality Chemist)

Dr Alan Dunton (Non-Executive Director)

Mr Alistair Mc Keough (Non-Executive Director)

Company Secretary

Ms Maggie Niewidok

Registered Office

Suite 10
3 Brodie Hall Drive
Bentley WA 6102

Tel: +61 8 9362 9860

Website: www.recce.com.au

ASX Code

RCE

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000

Tel: 1300 288 664 (within Australia)
+61 2 9698 5414 (outside Australia)

Website: www.automicgroup.com.au

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

Holder Number:
[HolderNumberMasked]

Shares held as at the Record Date at
7.00pm (AEST) on 14th September 2023
[CumBalance]

ENTITLEMENT AND ACCEPTANCE FORM

OFFER CLOSES 5.00PM (AEST) 27 SEPTEMBER 2023 (WHICH MAY CHANGE WITHOUT NOTICE)

On 11th September 2023, Recce Pharmaceuticals Ltd (the **Company**) announced a non-renounceable entitlement offer of one (1) New Share for every twenty-six (26) Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.44 per New Share (**Issue Price**) to raise up to approximately \$3 million, before costs (**Entitlement Offer**).

The Offer Booklet dated 15th September 2023 contains information about the Entitlement Offer and you should carefully read the Booklet before applying for New Shares. This Entitlement and Acceptance Form should be read in conjunction with the Offer Booklet. If you do not understand the information provided in the Offer Booklet or you are in doubt as to how you should deal with it, you should seek professional advice. Other than as defined in this Entitlement and Acceptance Form, capitalised terms have the same meaning as defined in the Offer Booklet.

1 ACCEPTANCE OF ENTITLEMENT OR PART THEREOF

	Payment Amount A\$ (\$0.44 per New Share)	Number of New Shares Applied
Full Entitlement	[EntPayable]	[Entitlement]
Partial Entitlement	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

2 APPLICATION FOR ADDITIONAL SHARES

As an Eligible Shareholder, you are invited to apply for Additional Shares, providing you have taken up your full Entitlement.

	Payment Amount A\$ (\$0.44 per Additional Share)	Number of Additional Shares Applied
Shortfall Offer Application	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

No fractional shares will be issued. If the dollar amount for Additional Shares, divided by the issue price (\$0.44), is a fraction of a New Share, the New Shares allotted will be rounded down to the nearest whole number.

3 MAKE YOUR PAYMENT BY BPAY® OR ELECTRONIC FUNDS TRANSFER (EFT)

Payments must be made by BPAY® or by EFT and may not be made by cheque or money order. You do not need to return this form if you have made payment via BPAY® or EFT.

Total Payment	A\$	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
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Option A – BPAY®



Bill Code: 417717

Ref No: [BPayCRN]

Contact your financial institution to make your payment from your cheque or savings account.

Note: You do not need to return this form if you have made payment via BPAY® or EFT. Your BPAY® reference number or unique reference number will process your payment for your application for New Shares (including any Additional Shares) electronically.

Option B – Electronic Funds Transfer (EFT)

The unique reference number which has been assigned to your Application is: [HolderId]-9060-RCE

Funds are to be deposited in AUD currency directly to following bank account:

Account name: Automic Pty Ltd
Account BSB: 036-051
Account number: 597075
Swift Code: WPACAU2S

IMPORTANT: You must quote your unique reference number as your payment reference/description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your application and New Shares subsequently not issued.

4 ELECT TO BE AN E-SHAREHOLDER

You have received this form by post as you have NOT provided your email address or elected to receive all communications electronically.

As part of the Company's commitment to improving shareholder value, we encourage you to elect to receive all shareholder communications electronically.

By choosing this option you will:

- Support the company that you hold an ownership in by helping us to reduce the thousands of dollars spent on printing and postage costs each year;
- Receive your investor communications faster and in a more secure way; and
- Help the environment through the need for less paper.

SIMPLY SCAN THE QR CODE TO VISIT
[HTTPS://INVESTOR.AUTOMIC.COM.AU](https://investor.automic.com.au) AND
UPDATE YOUR COMMUNICATION PREFERENCE



INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Entitlement Offer is optional and is offered exclusively to all Shareholders who are registered as holders of fully paid ordinary Shares in the capital of the Company on the Record Date with a registered address in Australia or New Zealand (**Eligible Shareholders**).

ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Offer Booklet and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for Shares

If you wish to accept your full entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Entitlement and Acceptance Form.

If you only wish to accept part of your entitlement:

- calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Entitlement and Acceptance Form; and
- make payment by BPAY® or EFT for that portion of your entitlement by following the instructions on this Entitlement and Acceptance Form.

2 Applying for Additional Shares

If you accept your full entitlement and wish to apply for Additional Shares in excess of your entitlement:

- make payment by BPAY® or EFT of the total payment amount for your full entitlement AND your participation in the Shortfall Offer by following the instructions on this Entitlement and Acceptance Form.

Your application for Additional Shares may not be successful (wholly or partially). The decision in relation to the number of Additional Shares in excess of your entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

3 Payment

By making a payment via BPAY® or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by the Share Registry by the Closing Date and time. Payment **must be received** by the Share Registry by 5:00pm (AEST) on 27th September 2023.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 3. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be **unable to allocate or refund your payment**. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Entitlement and Acceptance Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer (EFT). Multiple acceptances must be paid separately. Please use your unique reference on this Entitlement and Acceptance Form. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5pm (AEST) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Entitlement and Acceptance Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such number of new Shares for which you have paid.

4 Contact Details - Elect to receive email communication

The Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

If you require further information about the Entitlement Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AEST).