

ASX Announcement

Additional AU\$861,590 R&D Tax Incentive Rebate for RECCE® 327 Antibiotic

- Additional funds for overseas Advanced Drug Development expenditure under the Australian Government's Research and Development (R&D) Tax Incentive program
- Total FY2017 government R&D support exceeds AU\$1.28 million
- Government recognition of ROI opportunities in supporting Recce's local and international antibiotic development program

SYDNEY, Australia, 23 April 2018: Recce Pharmaceuticals Ltd (ASX: RCE) (**Recce** or the **Company**), developing a new class of synthetic antibiotics, today confirmed it has received an additional \$861,590 from the Australian Government for its overseas Advanced Drug Development expenditure in FY2017 under the Australian Government's Research and Development (R&D) Tax Incentive program¹.

This additional payment brings the total Government rebate for FY2017 to AU\$1,288,516 and supports Recce's urgent and important work to help address the global health issue of antibiotic resistance.

The increase in non-dilutionary financial support follows the awarding of an Advanced Finding by Innovation and Science Australia (Australian Government) under s28A and 28C of the *Industry Research and Development Act 1986 (IR&D Act)*, designed to provide companies with certainty that planned activities are eligible under the R&D Tax incentive program. The program allows Recce to recoup 43.5 per cent of its international R&D expenditure for FY17/18/19 – above and beyond what is also available locally.

Executive Chairman Dr Graham Melrose said, "We are very appreciative of the support and acknowledgement of our work by the Australian Government as we seek to address the very urgent challenge posed by the increasing incidence of antibiotic resistance in Australia and globally. Recce remains on track to progress its lead antibiotic candidate, RECCE® 327 into human clinical trials."



ASX: RCE

Head Office Level 36, 1 Macquarie Place, Gateway Tower, SYDNEY NSW 2000 **T** +61 (0)2 8075 4585 **F** +61 (0)2 8075 4584
R&D Centre - Perth Suite 10, 3 Brodie Hall Drive, Technology Park, BENTLEY WA 6102 **T** +61 (8) 9253 9800 **F** +61 (8) 9253 9899
Washington Office 1717 Pennsylvania Avenue NW, Suite 1025, WASHINGTON DC 20006 USA

¹ Background to the Federal Government rebate

Announced in January 2018, the Federal Government confirmed the allocation of AU\$2.43 million to the Company, in the form of 43.5 per cent rebate on AU\$5,605,709 of the Company's international research and development expenditure (FY17/18/19), on top of an existing 43.5 per cent rebate Recce receives for local research and development.

No covenants, repayment provisions, equity dilutions or access to the Company's unique and patented technology are relevant to receiving this financial support.

About Recce Pharmaceuticals Ltd

Recce Pharmaceuticals Ltd (ASX: RCE) is pioneering the development and commercialisation of a [new class of synthetic antibiotics with broad spectrum activity](#) designed to address the urgent global health problem of antibiotic resistant superbugs. Its patented lead candidate known as RECCE® 327 has been developed for the treatment of blood infections and sepsis derived from *E. coli* and *S. aureus* bacteria – including their superbug forms. Pre-clinical testing in laboratories and animal models, in Australia and overseas has demonstrated positive results. Recce has a manufacturing facility in Australia and is developing clinical research partners in the USA. The Company has developed an automated process to manufacture its lead compound ahead of first-in-man clinical trials.

For further information please visit www.recce.com.au or contact:

Investor Relations

James Graham
Executive Director
Recce Pharmaceuticals Ltd
Tel: +61 (02) 8075 4585

Media (Australia)

Andrew Geddes
CityPR
Tel: +61 (02) 9267 4511

Media (International)

Sue Charles/Gemma Harris
Instinctif Partners
Tel: +44 (0)20 7866 7860
E: recce@instinctif.com

