

ASX Announcement

Funding Update

SYDNEY, Australia, 13 September 2018: Recce Pharmaceuticals Ltd (ASX: RCE) (**Recce** or the **Company**), developing a new class of synthetic antibiotics, today announced it had entered into an agreement with Radium Capital to receive advance payments of its R&D tax incentive funds.

The agreement sees the upfront payment of \$543,699 and allows Recce to receive on-going advances equivalent to 80 per cent of R&D applicable expenditure. Fees payable to Radium Capital include an upfront fee of \$768.90 plus 1.25 per cent per month carry rate on advanced funds received, payable by way of offset against R&D refunds as part of the agreement. Funds received will be used to advance the Company's new-class of antibiotics development program.

The agreement avoids diluting current shareholders, while confirming cashflows against R&D applicable expenditure. Recce will repay the funds advanced once received from the Australian Government.

Radium Capital supports private and listed companies by paying R&D refunds in advance of their receipt at a minimal cost. Recce expects to receive an above forecast \$679,623 R&D rebate from the Australian Government for FY18.

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



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developed an automated process to manufacture its lead compound ahead of first-in-human clinical trials.

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