

ASX Announcement

Recce Successfully Raises \$1.8 million to Advance Lead Antibiotic Program

- **A\$1.8m raised via placement from sophisticated and institutional investors**
- **Strengthened balance sheet to support Lead Antibiotic Program**
- **Strong support from existing and new shareholders**

Sydney, Australia, 8 February 2019: Recce Pharmaceuticals Ltd (ASX: RCE) (**Recce** or the **Company**), is pleased to announce that it has raised approximately A\$1.8m (before costs) from sophisticated and institutional investors that will result in 12,857,143 fully paid ordinary shares being issued at A\$0.14 per share (**Placement**).

The Placement will be completed utilising the Company's existing capacity to issue equity securities under ASX Listing Rules 7.1 and 7.1A as follows: 7,114,553 shares and 1,800,000 options (detailed below) will be issued under ASX Listing Rule 7.1 and 5,742,590 shares will be issued under ASX Listing Rule 7.1A.

The funds raised will be used to strengthen the Recce balance sheet as the Company advances its New Class of Broad Spectrum Antibiotic towards approval to start human clinical trials; having received Qualified Infectious Disease Product designation from the US Food and Drug Administration under the Generating Antibiotics Initiative Now (GAIN) Act.

In addition, the funds will be used to further pre-clinical programs, for general working capital and repayment of \$200,000 loaned by the Directors, details of which were originally announced to the ASX on 18 December 2018 and 18 January 2019.

DJ Carmichael Pty Limited (**DJ Carmichael**) was the lead manager of the Placement and received strong support from new and existing shareholders. Fees payable to DJ Carmichael in relation to the Placement include a cash payment of 6% of the total amount raised, and the issue of 1,800,000 unlisted options which will each have an exercise price that is a 20% premium to the issue price of the shares offered under the Placement and an expiry date four years from issue.



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

The Company anticipates that the Placement shares and fee options will be issued on or around 15 February 2019. All shares issued under the Placement will rank equally with all existing ordinary shares.

Recce founder and Chairman Dr Graham Melrose said, “We are encouraged by the substantial support for the capital raising, as we continue to advance RECCE® 327 in its preclinical pipeline. This will keep the Company in a strong position to move decisively and expediently towards its first human use.”

Managing Director and CEO of DJ Carmichael Davide Bosio said, “We are pleased to have led Recce’s successful financing, as the Company continues to build the business and help address the urgent global issue for effective treatments to address the problem of antibiotic resistant superbugs.”

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-human 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

