ASX Announcement

Recce Pharmaceuticals
recce.com.au
ACN 124 849 065

Recce Completes Capital Raising of $27.95m

Highlights:

- **Commitments received for a placement of A$27,950,000 at $1.30 per share**
- **Significant participation from overseas and Australian blue-chip institutional investors**
- **This capital raising will serve to fast track current activites and sees Company well funded for human clinical trials**

Sydney Australia, 23 September 2020: Recce Pharmaceuticals Ltd (**ASX: RCE**), the Company developing New Classes of Synthetic Anti-infectives, is pleased to announce it has raised **A$27,950,000** (before costs) in a placement to institutional, professional and sophisticated investors that will result in 21,500,000 full paid ordinary shares being issued at A$1.30 per share (Placement).

The Placement was strongly supported from local and overseas institutional, sophisticated and professional investors participating in the offer.

Recce Pharmaceuticals Chief Executive Officer James Graham said, “We greatly appreciate the support shown by both our existing investors and new institutional investors. Their financial support comes at a transformative time for Recce as we prepare to advance human clinical trials. We welcome all new investors and look forward to updating the market as our pivotal trials progress in the coming months.”

At $1.30 per share, the Placement represents a 400% premium to the Company’s October capital raise in 2019 when priced at a 20.5% discount to the close of $1.635 on 18 September 2020 and a 16% discount to the 20 day volume weighted average price of $1.549.

Proceeds will be used to advance Recce’s synthetic anti-infective pipeline comprised of RECCE® 327, RECCE® 435 and RECCE® 529 to address the urgent global health problems of antibiotic resistant superbugs and emerging viral pathogens. Additional support by the Australian Government’s 43.5% R&D rebate on R&D applicable activities,

ensures the Company is fully funded to complete its Phase I human clinical trial, SARS-CoV-2 (COVID-19) pre-clinical program, *Helicobacter pylori* preclinical program, and the anticipated Phase I/II topical study at a leading teaching Australian hospital. Funds will also be used to support regulatory submissions and general corporate purposes.

The Placement utilises the Company's existing capacity to issue securities under ASX Listing Rules 7.1 (10,650,156) and 7.1A (14,599,844), including the options detailed below. Seeking to support some of the excess demand above the Placement, former Executive Chairman Dr. Graham Melrose has agreed to sell 1,576,923 shares on the same terms as the Placement for consideration of $2.05m. This managed sale has served to provide capacity for additional shareholders to join the register of the Company using a portion of the oversubscriptions.

Shaw and Partners Limited acted as Sole Lead Manager. Fees payable to Shaws in relation to the Placement include a cash payment of 6% of the total amount raised and the issue of 3.75m unlisted options with an exercise price at a $1.56 and an expiry date three years from the date of issue.

The Company anticipates that the Placement shares and fee options will be issued on or around Wednesday, 30 September 2020.

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

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About Recce Pharmaceuticals Ltd

Recce Pharmaceuticals Ltd (ASX: RCE) is pioneering the development and commercialisation of New Classes of Synthetic Anti-Infectives designed to address the urgent global health problems of antibiotic resistant superbugs and emerging viral pathogens.

Recce's anti-infective pipeline is unique and comprised of broad-spectrum synthetic polymer antibiotics RECCE® 327 and RECCE® 435, and RECCE® 529 for viral infections with unique mechanisms of action against hyper-mutation on bacteria and viruses, respectively.

Patented lead candidate 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. Recce's new antibiotic compound, RECCE® 435, has been formulated for oral use.

The FDA has awarded RECCE® 327 *Qualified Infectious Disease Product* designation under the *Generating Antibiotic Initiatives Now* (GAIN) Act – labelling it for Fast Track Designation, plus 10 years of market exclusivity post approval.

Recce wholly owns its automated manufacturing, ready to support first-in-human clinical trials. Recce's anti-infective pipeline seeks to exploit the unique capabilities of RECCE® technologies targeting synergistic, unmet medical needs.

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