



2017 Annual General Meeting

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Dr Graham Melrose

Executive Chairman



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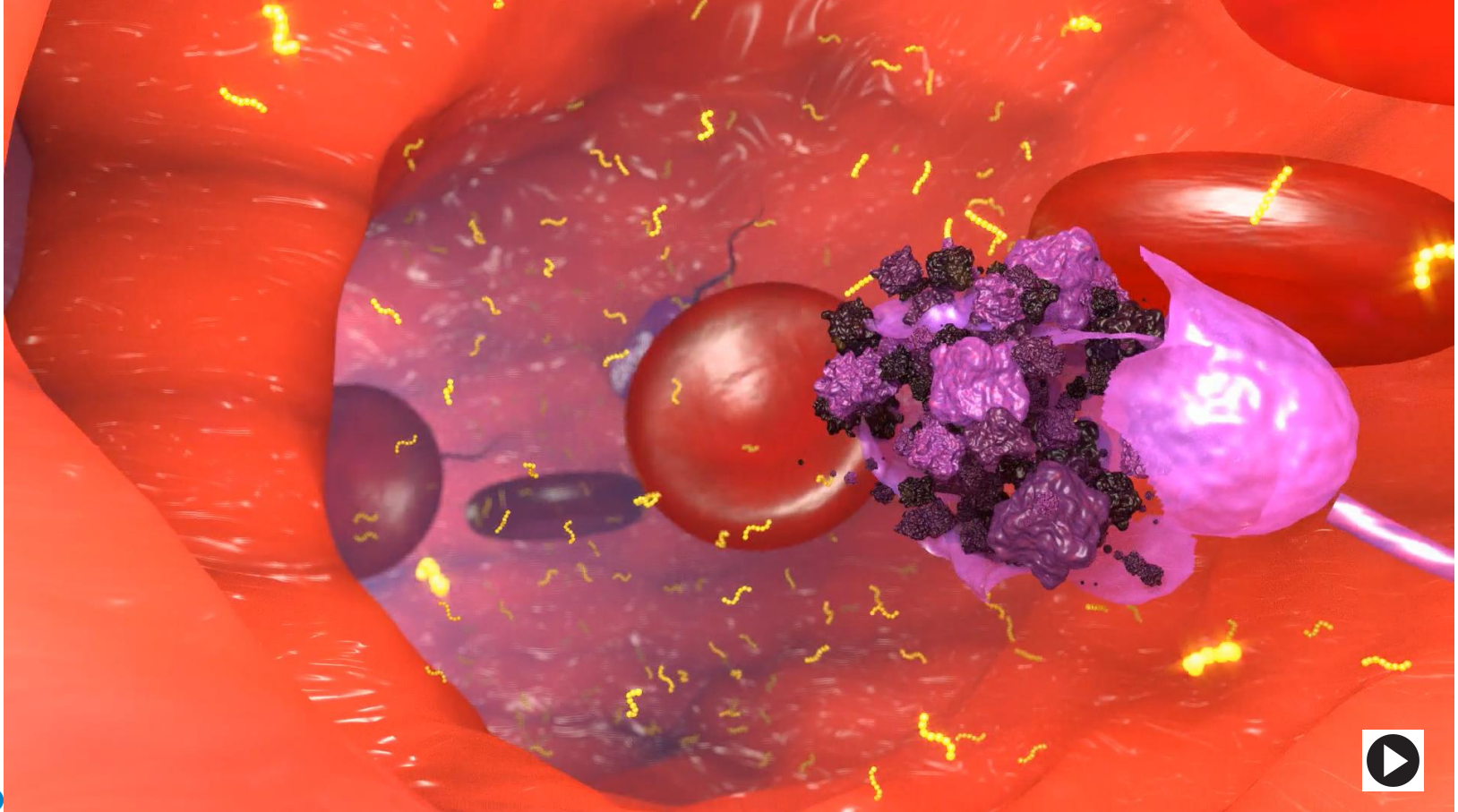
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Tackling Superbugs – RECCE® 327 (Video)



Recce is a drug discovery and development business commercialising a new class of synthetic antibiotics to address the global health challenge of antibiotic resistant superbugs

- Recce is commercialising its promising new class of synthetic antibiotics to target superbugs
- Head Office is in Sydney; an additional office in the United States (Washington DC)
- New manufacturing facility in Sydney; R&D in Perth
- Successful oversubscribed listing on ASX in January 2016
- Current focus is on scale-up of manufacturing (in USA) and Investigational New Drug submission to US Food & Drug Administration (FDA)
- Overuse of antibiotics has led to antibiotic resistant bacteria in humans and animals (superbugs)
- Antibiotic resistance is now acknowledged as an urgent and major world health issue

RECCE[®] 327 – Demonstrated efficacy and safety

Efficacy

- Multiple tests demonstrate efficacy against Staph (Gr +ve) and E.coli (Gr –ve), including superbug forms
- Rate and MIC/MKC data demonstrate high potency and broad spectrum activity against a range of bacteria
- *In vivo* (mice) study against Influenza virus.

Safety

- Multiple studies of toxicity completed in small and large animals
- Multiple tests of mutagenicity (cancer) are clear

What does this all mean? Over 30 pre-clinical studies to date indicate RECCE[®] 327:

- Does not cause healthy cells to mutate (to cause cancer)
- Destroys Gram positive and Gram negative bacteria - broad spectrum
- Acts against bacteria in both normal and mutated superbug forms – with the same ease
- Contains a patented polymeric structure, intentionally designed to overcome the traditional challenges of bacterial mutation/resistance (superbugs)
- Is suited to administration against sepsis by intra-venous drip
- Has a wide and safe therapeutic dosing window.



A year of progress

- *In vivo* (mice), wide dosing window confirmed – at least four times therapeutic dose
- Genetic toxicity tests indicated that RECCE® 327 is not carcinogenic (does not cause cancer)
- Anti-viral test showed efficacy *in vivo* using RECCE® 327 against Influenza virus
- Reduced illness in mice infected by resistant *E. coli* bacteria.
- Completed construction of a wholly owned production facility in Macquarie Park Sydney

Achievements in FY17/18 to date

- Delivered automated manufacturing facility for Phase 1 and Phase 2 clinical trials
- Completed pre-clinical studies which further indicate favorable therapeutic windows
- Submitted data to US FDA
- Share Purchase Plan raised A\$946,500 – twice the objective
- Qualified Infectious Disease Designation granted by US FDA for RECCE® 327.



US FDA Grants QIDP Designation for RECCE® 327



Qualified Infectious Disease Designation (QIDP) awarded if the FDA considers the drug to treat “*serious or life-threatening infections, including those caused by an antibacterial or antifungal resistant pathogen.*”

- Legal status awarded under *US Generating Antibiotic Incentives Now (GAIN) Act*
- Labeled for Fast Track designation - Speed the FDA’s review process
- 10 years of market exclusivity, starting from the date of New Drug Application approval (QIDP designation plus five years through *Hatch-Waxman Act*) - if RECCE® 327 completes the necessary clinical trials and is approved by the FDA.

In its letter to Recce Ltd, the FDA wrote:

“We have reviewed your request and conclude that it meets the criteria for QIDP designation for the requested indication. Therefore, we are designating your RECCE 327 product for intravenous use as a QIDP for the following indication: Bacteremia caused by Escherichia coli and Staphylococcus aureus.”



Focus during next 12 months

Regulatory

- Continue regulatory initiatives with the FDA, aimed at approval of RECCE® 327
- With world leading FDA consultants, design and recruit a small number of participants for initial clinical trials of RECCE® 327.
- Enter into clinical trials of RECCE® 327
- Present initial Phase 1 data to US FDA

Operational

- Launch 'Recce Pharmaceuticals' as we broaden applications of technology
- Expand existing wealth in intellectual properties by securing additional patents
- Build international interest with leading life sciences communications group Instinctif Partners
- Begin US manufacturing opportunities – commercial scale



Economics of antibiotic development

- The need for additional and new antibiotics is urgent and huge because Big pharma has largely ignored development of new antibiotics for the past decade.
- One reason is that the more effective an antibiotic is - the less it is likely to be used by clinicians.
- Another reason is conventional antibiotics suffer resistance against them, soon after their expensive development.
- **RECCE® synthetic antibiotics are designed to overcome antibiotic resistance**
- **To our knowledge, we have the only technology in the world to do this. Uniquely this is the “essence” of Recce and its technology.**
- Governments around the world, along with the United Nations (WHO) are working to urgently address the growing threat from antibiotic resistance - and we are gratified that in this context we have been recognised by the grant of Qualified Infectious Disease Designation.

Board and management in place to deliver

Dr Graham Melrose: Executive Chairman

BSc (Hons), PhD (UWA), MBA (Macq), FRACI, C Chem, FAICD

Founder and inventor. Former Executive Director and Chief of Research at Johnson & Johnson (Aust) Pty Ltd in Sydney, with global responsibilities, particularly in Asia-Pacific.

Michele Dilizia: Executive Director

BSc (Med Sci), Grad Dip Bus (Mkting), BA (Journ), GAICD, MASM

Co-inventor and qualified medical scientist; specialisation in medical microbiology & regulatory affairs.

James Graham: Executive Director

BCom (Entrepreneurship), GAICD

Extensive experience in marketing, business development and commercialisation of early stage technologies with global potential.

Peter Williams: CFO and Company Secretary

B.Bus, FCPA, MAICD

Accomplished senior ASX finance professional with significant local and international experience. Former VP Finance with BHP World Minerals reporting to the CEO.

Arthur Kollaras: Principal Engineer

BSc BEng (Chem), PhilEng (Enviro)

Highly qualified in chemical engineering and microbiology, has significant experience taking a new technology concept to pilot plant and full scale FDA standards and production internationally.

Dr Justin Ward: Principal Quality Chemist

BSc (Chem), Ph.D (Chem), MRACI, CChem

A quality control expert who has worked with leading pharmaceutical companies. He is bringing Recce's research and development, and manufacturing up to US FDA requirements.

Investment summary

- Pipeline of new synthetic antibiotics based on patented, powerful and validated technology
- Lead candidate RECCE® 327 has demonstrated significant safety and efficacy
- Initial focus on treating drug resistant sepsis (blood poisoning) with RECCE® 327
- A high unmet clinical need supported by favorable legislative and financial incentives, globally
- Experienced Board and management with a track record of delivering commercial outcomes
- Creating value by continuing to meet milestones
- Currently in discussions with the US FDA, having been granted QIDP designation.

Thank you