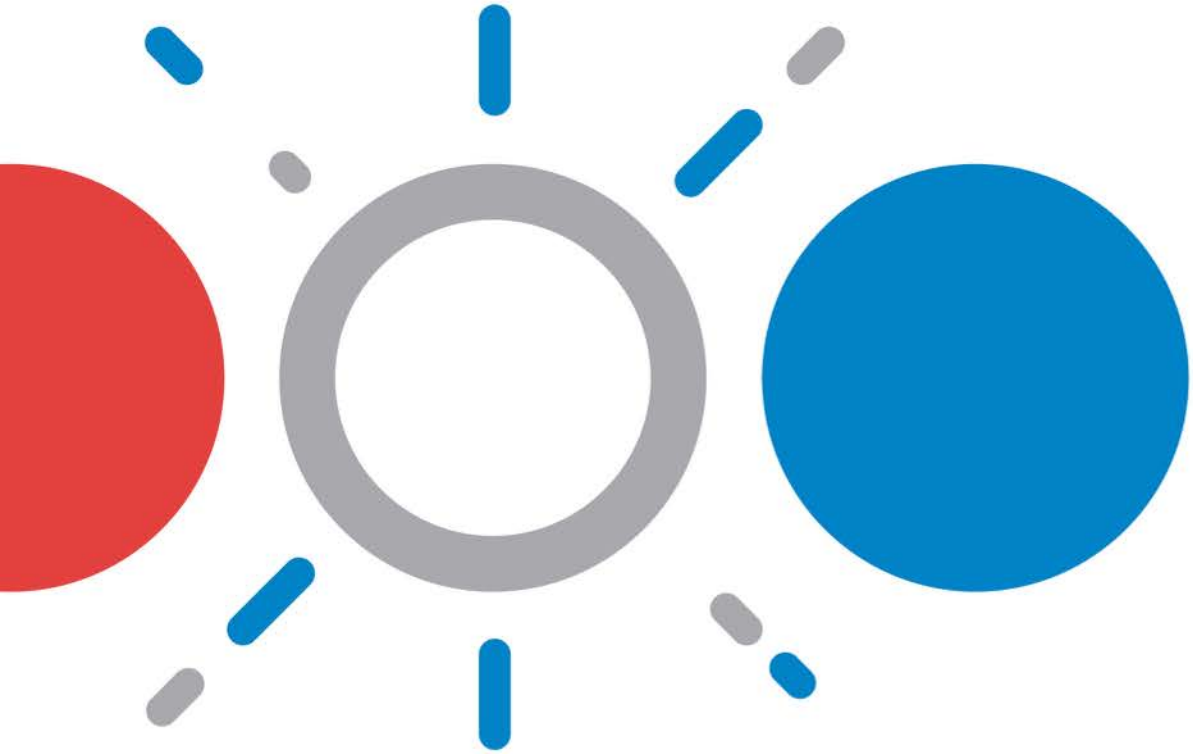
US Non-Deal Roadshow Presentation



Recce Pharmaceuticals

James Graham

Vice President

September 2018

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About Recce Pharmaceuticals Ltd

- Founded in 2008
- Publicly listed on ASX 2016 (ASX:RCE)
- Whole new class of antibiotic
- RECCE® 327 – broad spectrum antibiotic for sepsis
- Qualified Infectious Disease Product (QIDP) designation
  RECCE® 327 labelled under GAIN Act for:
  - 10 years market exclusivity (post approval)
  - Fast track (life of regulatory process)
- Patented manufacturing to Phase I & II volumes
- In discussion with US Food & Drug Administration

Recce Pharmaceuticals Ltd - Capital structure

Major shareholders 31 March 2018

1.	G. & O. Melrose*	35.0%
2.	Foord Asset Management	5.2%
3.	J. Graham*	4.1%
4.	M. Dilizia*	3.3%
5.	State One Equities	2.9%

ASX:RCE 6 months

* Held by Executive Directors

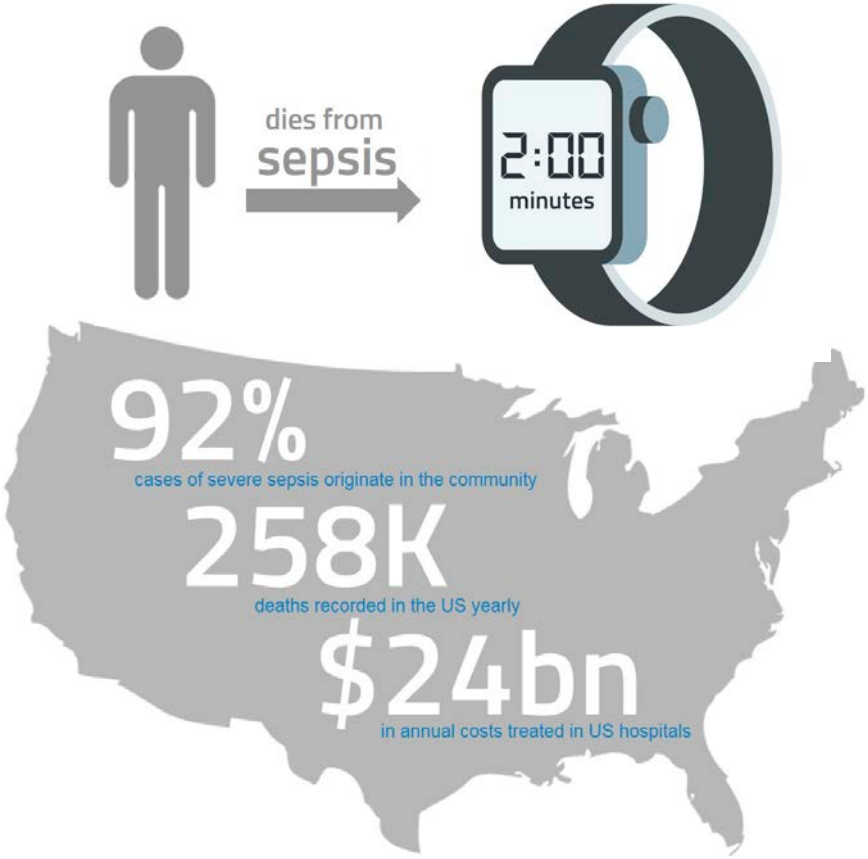
Snapshot

ASX code	**RCE**
Shares on issue	**89.34 million**
Share price	**AUD 19 cents**
Market Cap (approx.)	**USD $12.1 million**
Cash and deposits 30 June 2018	**USD $0.5 million**
Trading range 52 week	**AUD 14-26.0 cents**
Average daily volume 3 months	**84.4K**

Tackling Superbugs – RECCE® 327 (Video)

Sepsis – it's a big problem!

- Sepsis is a life threatening inflammatory response to infection that has spread in the body
- Leading cause of death in intensive care units and top 10 cause of mortality worldwide
- Two per cent of hospitalisations are for sepsis but they make up 17% of in hospital deaths
- Care is improving but the incidence of severe sepsis is increasing rapidly
- **Most expensive condition to treat** - double the average cost per stay across all other conditions
- Currently no drug therapies specifically for the treatment of sepsis
- Desperate and unmet medical need for new safe and efficacious products



Reference: Sepsis Alliance

Natural antibiotics vs synthetic antibiotics

- Overuse of antibiotics has led to antibiotic resistant bacteria in humans and animals (superbugs)
- Antibiotic resistance is widely acknowledged as an urgent global health issue
- Commercial antibiotics are naturally derived – superbugs have been forming for millennia – and will continue to do so!
- RECCE® 327 is a new class of broad-spectrum antibiotic
  - Entirely man-made and designed with purpose – not reliant on what's found in nature.
  - Unique mechanism of action – many 'Active-sites', as opposed to the traditional (natural) antibiotics 'few'.
  - Universal mechanism of action - detailed experimentation demonstrates it does not succumb to superbugs.

Pre-formed natural superbugs

Contain natural antibiotics

NO Pre-formed natural superbugs

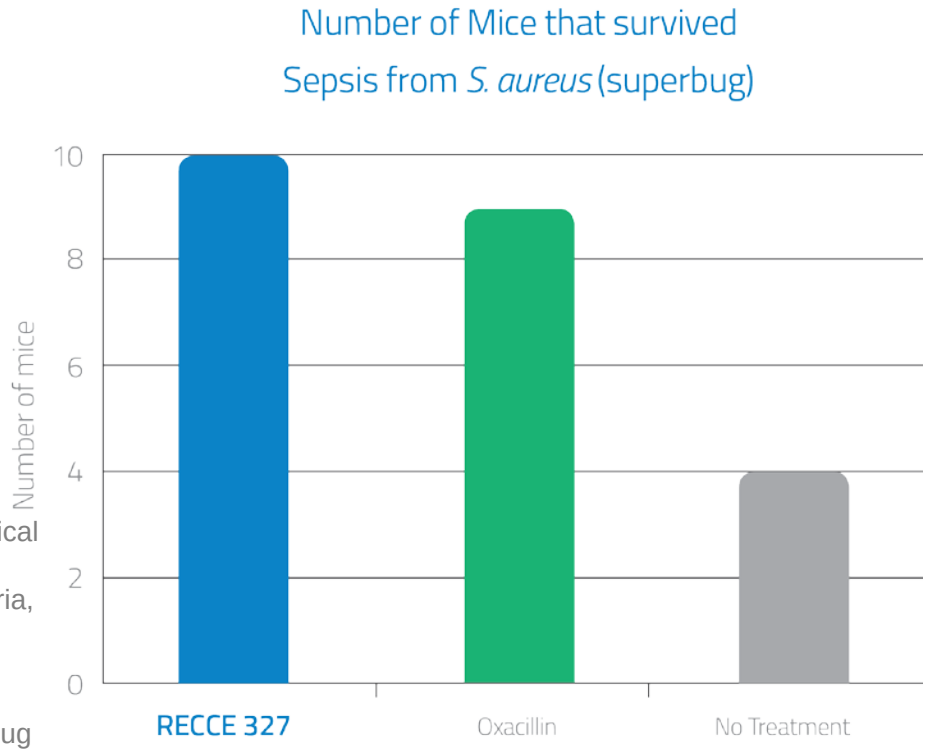
Synthetic antibiotics

Independent study* example treating sepsis

- Three groups of 10 mice were each infected with MRSA (*S.aureus* superbug)
- All ten mice treated with RECCE® antibiotic survived
- Nine mice treated with current antibiotic (Oxacillin) survived
- Four mice that had no treatment at all, survived

Note: Oxacillin was chosen for its known activity against MRSA. It is however a 'narrow-spectrum' antibiotic. In a clinical context, where diagnostics cannot immediately determine bacterial type, use in combatting any number of other bacteria, may likely see a less favorable patient outcome…

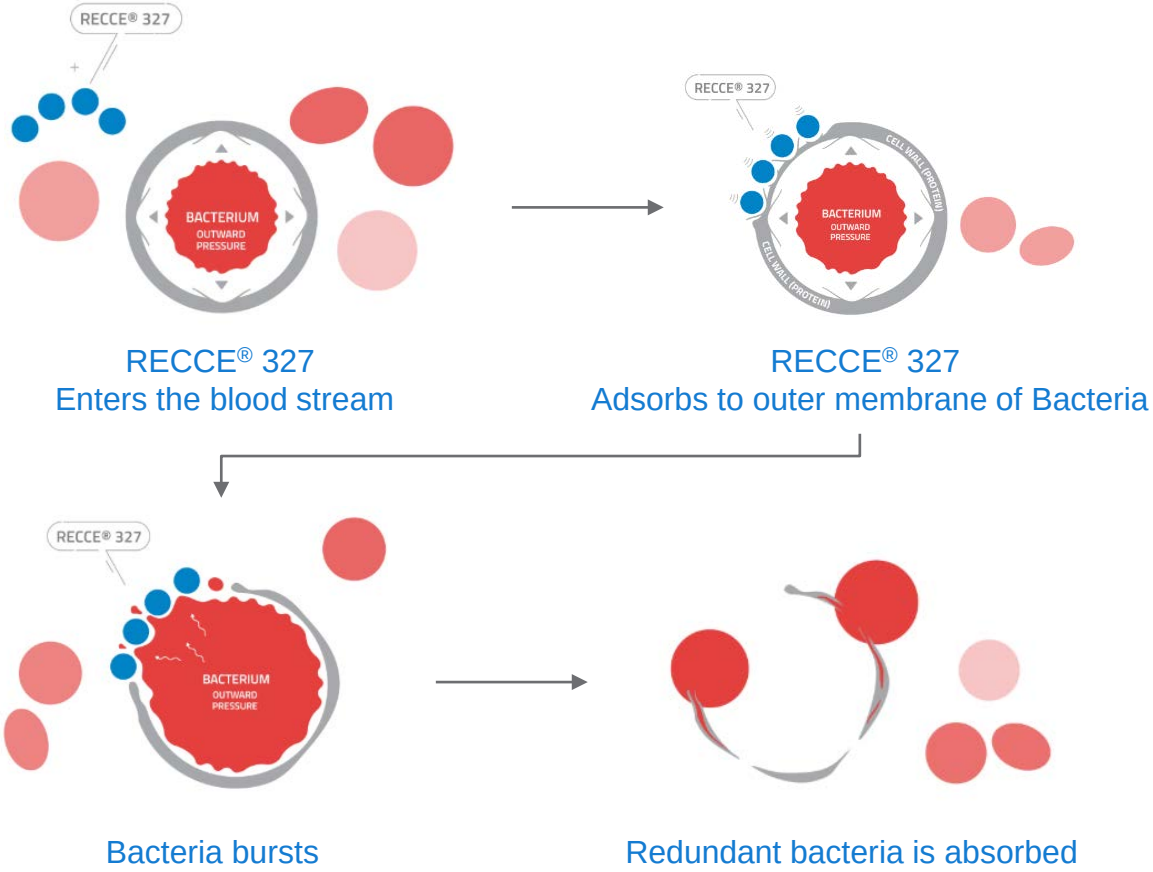
RECCE® 327, with it's proven 'broad-spectrum' activity, has shown strength against a range of bacteria including superbug forms, delivering rapid kill of deadly germs.



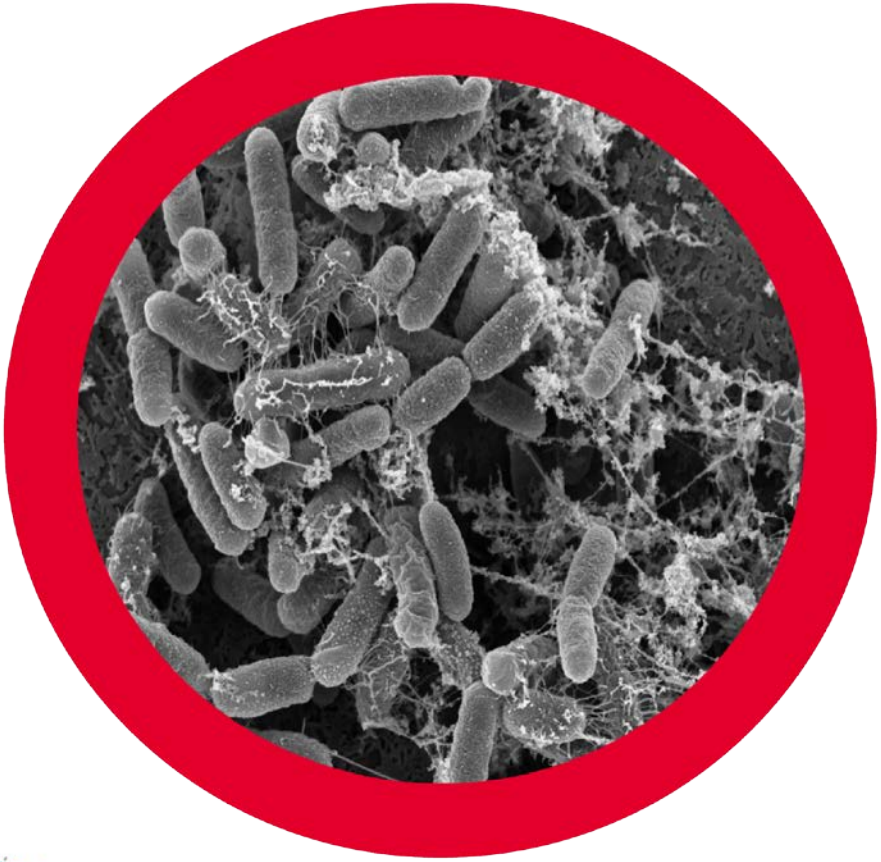
* Results from an independent laboratory in USA

RECCE® 327 – how it works (in more detail)

- RECCE® antibiotics, attracted by protein in a bacteria's outer membrane, non-specifically attach through hydrophobic interaction
- Weakening the outer cell wall, internal pressure causes the bacteria to burst and lose viability
- Outer protein can mutate as much as it likes (superbug) - RECCE® antibiotic will still kill it!



RECCE® 327 mechanism of action in practice



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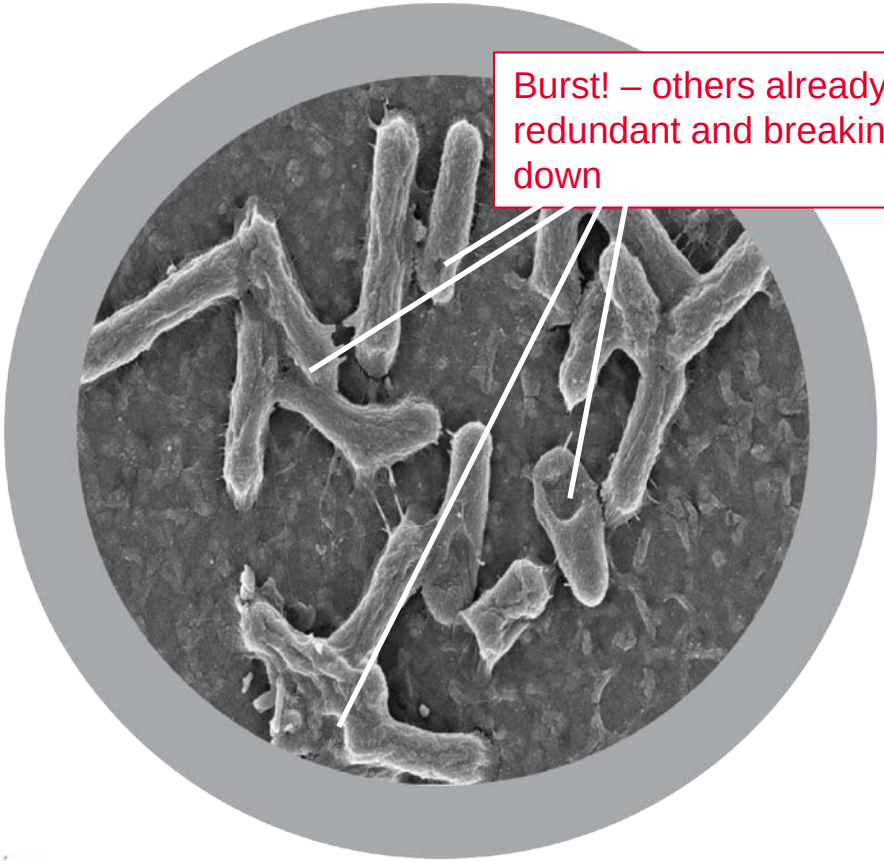
Before application of RECCE® 327, the *E.coli* bacteria cells are healthy, smooth and intact

This is a high-definition electron microscope image generated in February 2017 by Dr Peta Clode and Lyn Kirilak of the Centre for Microscopy, Characterisation and Analysis, University of Western Australia. It was taken to demonstrate RECCE® 327's unique mechanism of action

RECCE® 327 mechanism of action in practice

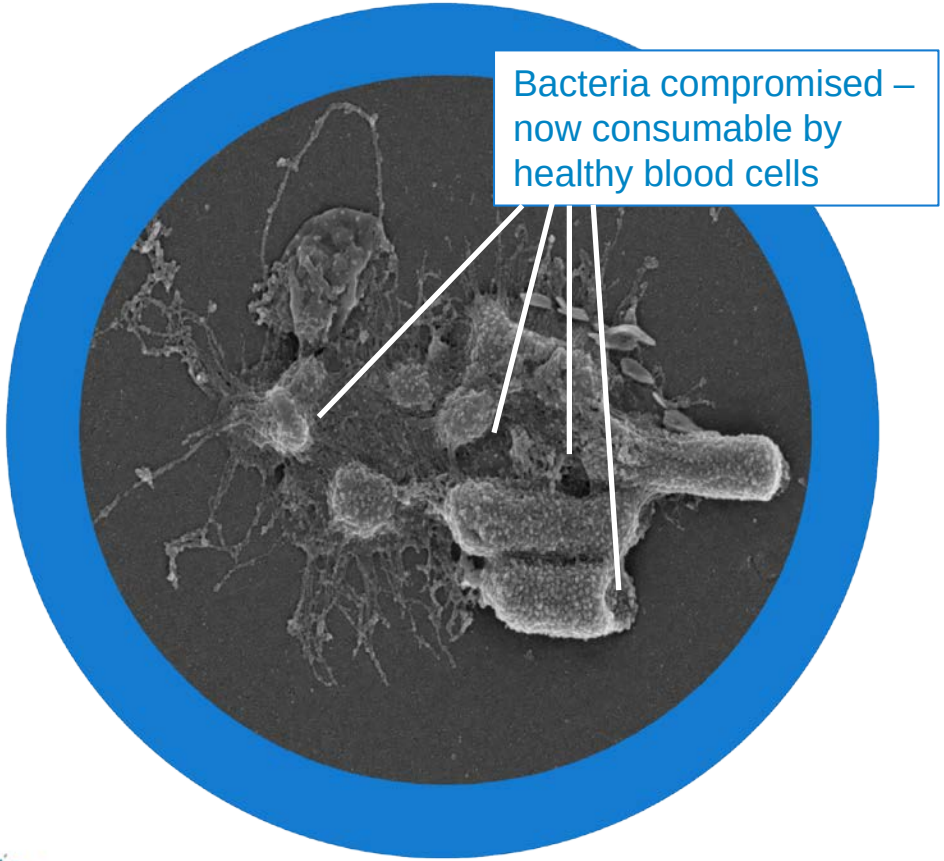


20 minutes

After application of RECCE® 327, the *E.coli* bacteria cell membrane begins to weaken and is disrupted

This is a high-definition electron microscope image generated in February 2017 by Dr Peta Clode and Lyn Kirilak of the Centre for Microscopy, Characterisation and Analysis, University of Western Australia. It was taken to demonstrate RECCE® 327's unique mechanism of action

RECCE® 327 mechanism of action in practice



180 minutes

E. coli bacteria cells (10e6 cfu/ml) having their outer membrane weakened – and bursting from treatment with RECCE® 327 (1000 ppm)

This is a high-definition electron microscope image generated in February 2017 by Dr Peta Clode and Lyn Kirilak of the Centre for Microscopy, Characterisation and Analysis, University of Western Australia. It was taken to demonstrate RECCE® 327's unique mechanism of action

RECCE® 327 – Safety and Efficacy (detail)

Efficacy

- Performs as a broad spectrum antibiotic
- Acts against bacteria in both normal and mutated superbug forms
- Multiple tests demonstrate efficacy against Gram-positive and Gram-negative *S.aureus* and *E.coli* including superbug forms
- Rate and MIC/MIK data demonstrates potency and broad spectrum activity against a range of bacteria
- Contains a patented polymeric structure, intentionally designed to overcome the traditional challenges of bacterial mutation/resistance
- *In-vivo* (mice) study against influenza virus

Safety

- Multiple studies of toxicity in small and large animals
- Multiple tests of mutagenicity (cancer) are clear
- Numerous studies to date indicate the safety of RECCE® 327
- Is suited to administration against sepsis by intra-venous drip
- Indicates a safe therapeutic dosing window

What is Qualified Infectious Disease Product?

- Legal status awarded under *US Generating Antibiotic Incentives Now (GAIN) Act*
- Labeled for fast track designation – speed the FDA's review process
- 10 years market exclusivity, starting from the date of New Drug Application approval if RECCE® 327 completes the necessary clinical trials and is approved by the FDA
- QIDP designated drugs to treat serious or life-threatening conditions and fill an unmet medical need, are labeled for expedited review in order to facilitate their development

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

Patents and trademarks

Patent portfolio covers all key geographies, manufacturing and modes of use

Filed	Patent Family 1 Granted	Expiry	Patent Family 2/3	Expiry	Trademarks registered
Australia	✓	2028	✓	2035	✓
USA	✓	2029	Pending	2035	✓
Europe	✓	2028	Pending	2035	✓
Germany	✓	2028	Pending	2035	-
Spain	✓	2028	Pending	2035	-
France	✓	2029	Pending	2035	-
United Kingdom	✓	2028	Pending	2035	-
Italy	✓	2028	Pending	2035	-
Sweden	✓	2028	Pending	2035	-
Japan	✓	2028	Pending	2035	✓
China	✓	2028	Pending	2035	✓

Patent Family 1 – granted
Unique and highly economical manufacturing process

Patent Family 2 – pending
Applications (Multi-drug delivery)

Patent Family 3 – pending
Anti-viral uses

Trademarks
RECCE® for use on pharmaceutical products and services

Manufacturing and production

- Wholly owned automated manufacturing facility in Sydney's Macquarie Park
- Raw materials plentiful and CHEAP - few $/kilogram
- Automated manufacture process taking around 1¼ hours
- No expensive waste – 99.9% product yield
- Currently producing in volumes to support planned Phase I and Phase II clinical trials
- Facility built to pharmaceutical specification

Principal Engineer Arthur Kollaras & Executive Chairman/Chief Research Officer Dr Graham Melrose assess finished product

The Clinical Pathway to Antibiotic Approval

- Three distinct phases of clinical evaluation prior to approval for new drugs
- Multiple legislative and regulatory initiatives available to a new antibiotic developer
  - Facilitates and expedite drug development and review
  - Potential time/cost opportunities available along the way
- Medical observation is simple
  - Fast acting, highly symptomatic nature
- Patient outcomes are obvious and associated development costs to reach reg. approval may be less

Board and management structure

Dr Graham Melrose – President & CRO
BSc (Hons), PhD (UWA), MBA (Macq), FRACI, C Chem, FAICD
Founder and inventor. Former Executive Director and Chief Research at Johnson & Johnson (Aust) Pty Ltd in Sydney, with global responsibilities, particularly in Asia-Pacific

Michele Dilizia – Vice President
BSc (Med Sci), Grad Dip Bus (Mkting), BA (Journ), GAICD, MASM
Co-inventor and qualified medical scientist; specialisation in medical microbiology and regulatory affairs

James Graham – Vice President
BCom (Entrepreneurship), GAICD
Extensive experience in marketing, business development and commercialisation of early stage technologies with global potential

Dr John Prendergast – Non-Executive Vice President
BSc (Hons), MSc (UNSW), PhD (UNSW), CSS (HU)
US based, current Chairman and Co-founder of Palatin Technologies, Inc. (NYSE: PTN) and Lead Director of Heat Biologics, Inc. (NASDAQ: HTBX) – extensive experience in the international commercialisation of pharmaceutical technologies

Alistair McKeough – Company Secretary (Outsourced - **Whittens & McKeough)**
Alistair is a qualified lawyer and Principal/Managing Director of McKeough & Whittens, Alistair has broad experience as a commercial litigator and Company Secretary to ASX Listed companies

Justin Reynolds – CFO (Outsourced - **Pitcher Partners Sydney)**
Justin is a qualified accountant and Partner of Pitcher Partners Sydney, Justin has broad experience covering all areas of accounting, taxation and assurance. Particularly, Justin's areas of expertise are business services and outsourced accounting

Arthur Kollaras – Principal Engineer
BSc Beng (Chem), PhilEng (Enviro), MIEAust, MISPE
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), PhD (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

Economics of antibiotic development

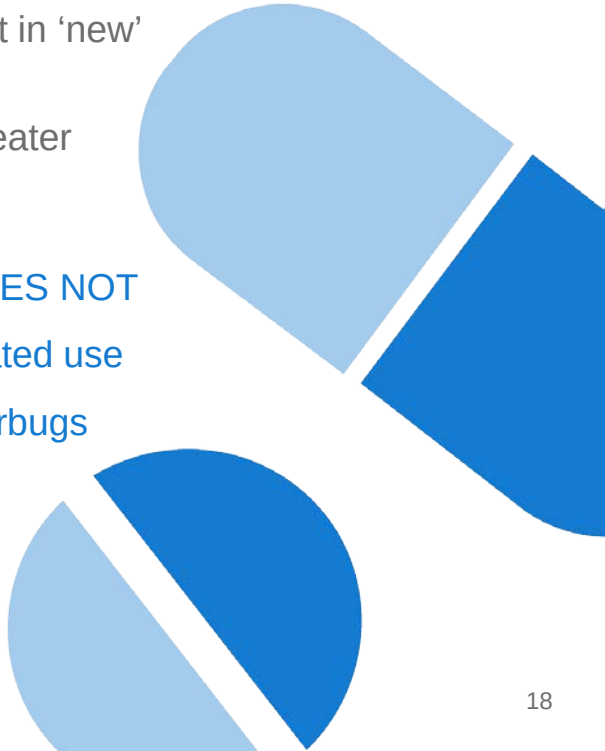
A challenged business model – the antibiotic industry:

- Traditionally the more effective an antibiotic, the less likely it is to be used by clinicians who want to ‘save it’. Less use – less sales…
- Conventional antibiotics commonly suffer resistance quickly; investment in ‘new’ drug candidates a risk ROI
- Pharmco’s cutting antibiotic R&D – yet market need has never been greater

How might one ‘unlock’ the anti-infectives industry?

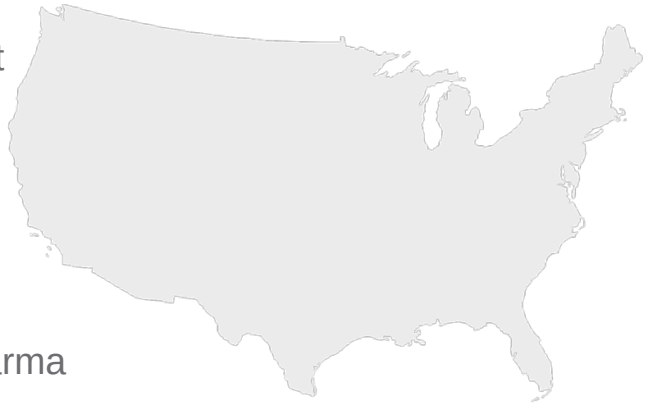
- A new class of antibiotics – having a unique mechanism of action that DOES NOT lose effectiveness with ‘bacterial mutation’ – superbugs – even with repeated use
- Broad spectrum capabilities against ALL deadly bacteria, Gr +/- and superbugs
- A drug that can be administered quickly, without impractical diagnostic delays, where clinical ‘guess-work’ could be a thing of the past!

Indications suggest RECCE® 327 may just be this needed change



US Legislative Support of Antibiotic Development

- US *Right-to-Try Act* passed in May/June 2018
- **Designed to give US patients with life threatening diseases, immediate and direct access to potentially lifesaving drugs** - that have completed Phase I clinical trials
- New legislation mitigates possibility of weeks of procedural delay - Previous legislation termed Compassionate Use
- **Potentially resulting in improved patient outcomes**
  - With reduced risk to those providing them
  - Potential to build earlier 'direct' distribution – diluting late-stage pharma market access model



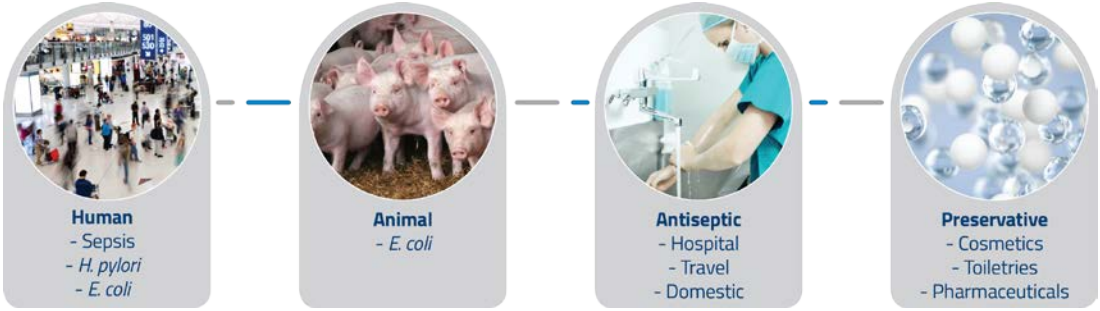
- Further evidence of evolving regulatory environment in the US - Largest antibiotic market in the world
- Potential aimed at **expediting new drugs with lifesaving potential**
- Legislation does not affect Company's business at present

Global market interest in antibiotic resistant treatments – M&A activity

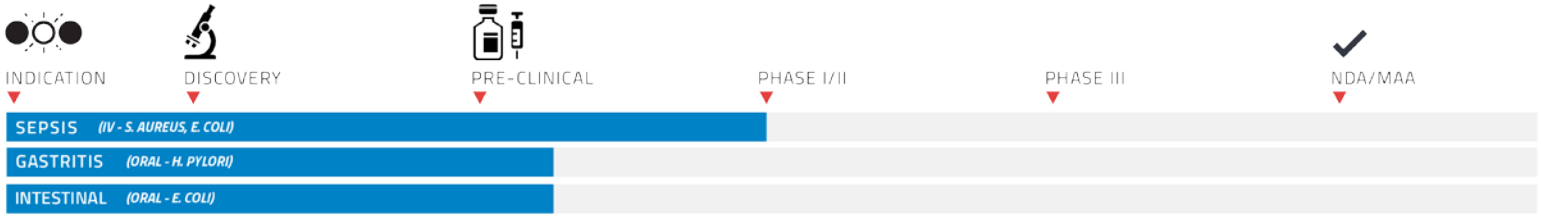
Date	Company	Acquired/merger/ acquisiton by	Deal value (US$)	Phase acquired	Detail
Dec-14	Cubist	Merck	$8.4bn	Ph III	Antibiotics - one marketed - Cubicin for G-pos $625m (revenue in 2010, over $1bn in 2013) – mostly MRSA
Aug-16	Astra Zeneca (antibiotics)	Pfizer Inc	$1.5bn	Ph II-NDA	Late-stage small molecule antibiotics business – most markets outside the US only
Jan-15	Meiji Seika Pharma & Fedora	Roche	Up to $750m	Ph I	Beta-lactamase inhibitor (ex. Japan)
Oct-17	Warp Drive Bio	Roche	Up to $387m	Device	Potential natural antibiotic identification technology
Dec-17	Summit Therapeutics	Eurofarma	Up to $27m	Ph II	Clostridium difficile infection (Latin America only)
May-16	Vertex Pharma	Spero Therapeutics	Not disclosed	Ph I	Bacterial infections
Jan-18	Prokaryotics	Merck	Not disclosed	Preclinical	Bacterial cell envelope enzymes
Mar-18	Redx Pharma	Deinove	Not disclosed	Preclinical	Gram-negative bacteria

RECCE® antibiotics – a technology

Recce's technology enjoys the added opportunity of multiple markets and product categories.



Current RECCE® 327 development program



Estimated timelines/indications are subject to changes in development plans and regulatory requirements/clarifications
NDA – New Drug Application
MAA – Marketing Authorisation Application

Investment summary

Qualified Infectious Disease Product Designation (QIDP)

Generating Antibiotics Now (GAIN) Act approved

Proprietary technology as a new class of antibiotics

Lead compound addressing the most expensive condition faced by hospitals worldwide

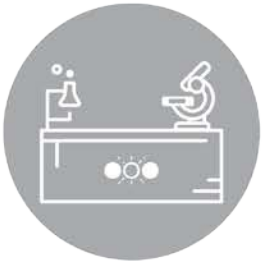
Early commercialisation potential

Initial focus on sepsis- potentially the first treatment for sepsis

Favourable legislative and financial landscape

Experienced commercial management and board

Creating value by meeting key milestones



Established manufacturing (volumes suitable for Ph I/II)

Thank you

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Vice President

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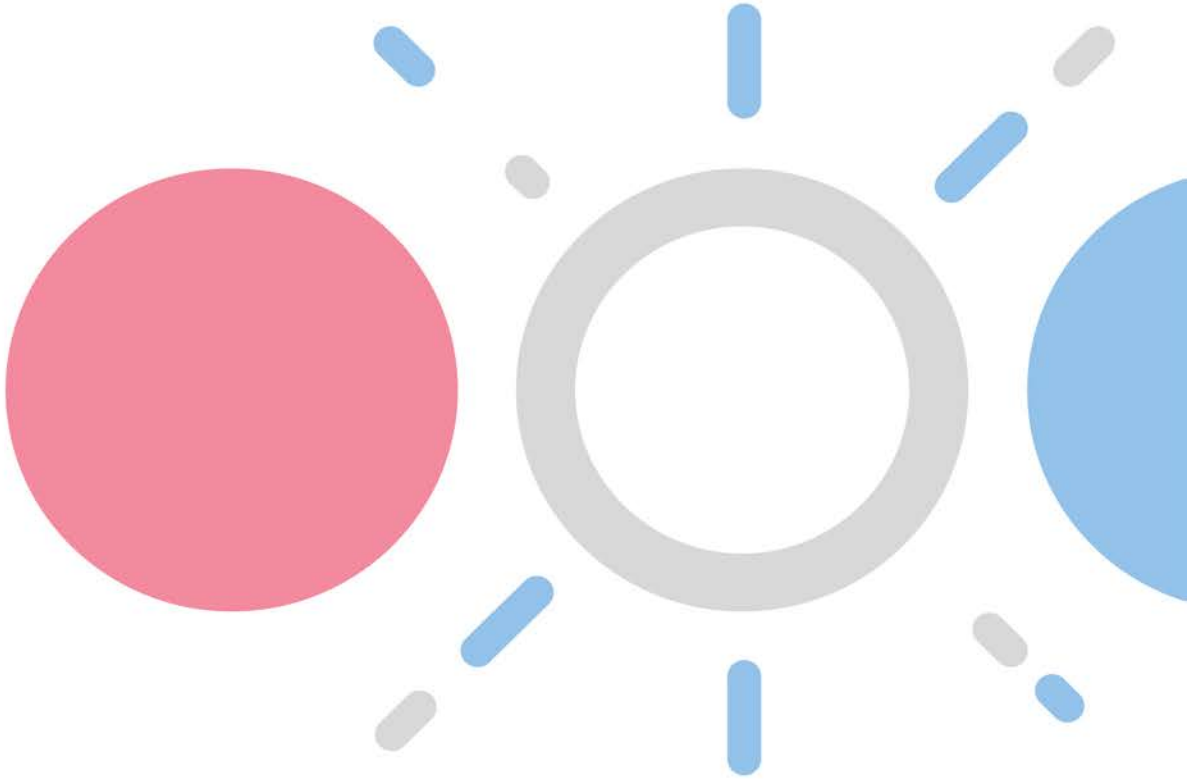

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