

Strongly Supported \$8m Placement – Launches \$3m Entitlement Offer to Shareholders

Highlights:

- **A\$8 million commitments received in a strongly supported placement to new and existing institutional and sophisticated investors**
- **A\$3 million Entitlement Offer at the same offer price as the placement**
- **Directors intend to take-up entitlements in part or in full in the Entitlement Offer**
- **Global fund to become ‘Substantial Shareholder’ (>5% ownership) on completion of the placement**
- **Funds to deliver multiple Phase I/II clinical trials & international expansion**

SYDNEY Australia, 11 September 2023: Recce Pharmaceuticals Ltd (**ASX:RCE, FSE:R9Q**) (the **Company** or **Recce**), the Company developing a new class of Synthetic Anti-infectives, is pleased to announce a capital raising of up to approximately A\$11 million (before costs) (**Capital Raising**) consisting of:

- Placement of approximately 18.2 million new fully paid ordinary shares in the Company (**New Shares**) at A\$0.44 per New Share (**Offer Price**), with commitments received totalling A\$8.0 million from institutional, sophisticated and professional investors (**Placement**); and
- a pro-rata non-renounceable entitlement offer of one (1) New Share for every twenty six (26) existing fully paid ordinary shares in the Company (**Shares**) held by eligible shareholders at the same Offer Price as the Placement to raise up to a further A\$3 million (**Entitlement Offer**).

Use of Funds

Funds raised under the Capital Raising will be used for the following activities:

- A\$6.0m – Clinical Trials (significant, unmet medical needs):
 - Phase I/II (I.V.) - UTI/Urosepsis infections
 - Phase II (topical) - Burn wound infections
 - Phase II (topical) - Diabetic Foot infections
- A\$2.0m – Build out of advanced pre-clinical portfolio (in vitro, in vivo and ex vivo studies);
- A\$1.0m – Manufacturing boost including geographical expansion (USA)
- A\$2.0 million – General working capital (operational costs delivering above)

Commenting on the Offer, Chief Executive Officer, James Graham said: “We are thrilled to receive such strong financial interest, particularly among global investment funds. It was important to the



Recce team that our shareholders be offered the same opportunity and are pleased to make this available to them. As the world's most clinically advanced New Class of Anti-Infectives at this time it is clear the commercial potential is recognised. With a strengthened balance sheet and multiple clinical trials current, we are now well positioned for the time ahead"

Details of the Placement

The Company has received binding commitments from institutional, sophisticated and professional investors to subscribe for 18,181,819 New Shares in the Company at the Offer Price to raise approximately \$8.0 million (before costs).

The issue price of A\$0.44 per New Share under the Capital Raising represents:

- a 32.3% discount to the last closing price of A\$0.650 on 7 September 2023;
- a 35.0% discount to the 5-day Volume Weighted Average Price (**VWAP**) of A\$0.677; and
- a 36.6% discount to the 15-day VWAP of A\$0.694.

All New Shares issued under the Capital Raising will rank equally with existing Shares of the Company from their issue date. The Placement is not subject to shareholder approval and will fall within the Company's placement capacity under ASX Listing Rule 7.1.

The Placement is anticipated to settle on Friday, 15 September 2023, which is after the Record Date for the Entitlement Offer (being Thursday, 14 September 2023), such that participants in the Placement will not be entitled to participate in the Entitlement Offer in respect of any New Shares issued to them under the Placement.

The Placement is not underwritten and Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement and Ord Minnett Limited acted as Co-manager to the Placement.

Details of the Entitlement Offer to Shareholders

Participation in the Entitlement Offer will be open to Recce shareholders who are registered holders of Shares at 7.00 pm (Sydney time) on Thursday, 14 September 2023 (**Record Date**) and who have a registered address in Australia or New Zealand (**Eligible Shareholders**).

Each of the Directors of the Company intend to subscribe for their respective entitlement partially or in full under the Entitlement Offer.

The Entitlement Offer will allow Eligible Shareholders to receive one (1) New Share for every twenty six (26) existing Shares held by Eligible Shareholders on the Record Date, at an issue price of A\$0.44



recce.com.au
ACN 124 849 065

Chief Executive Officer
James Graham
Recce Pharmaceuticals Ltd
james.graham@recce.com.au

Australia
Andrew Geddes
CityPR
+61 408 677 734
ageddes@citypublicrelations.com.au

Media and Investor Relations

USA
Jordyn Temperato
LifeSci Communications
jtemperato@lifescicomms.com

Europe
Guillaume van Renterghem
LifeSci Advisors
gvanrenterghem@lifesciadvisors.com

(44 cents) per New Share.

The Entitlement Offer will be open from Friday, 15 September 2023 to 5.00pm (Sydney time) on Wednesday, 27 September 2023 to Eligible shareholders and will not be underwritten.

Any New Shares not applied for under the Entitlement Offer as well as any entitlements that would have been offered to Ineligible Shareholders if they had been entitled to participate in the Offer, will form part of the shortfall from the Entitlement Offer. Eligible Shareholders who take up their full entitlement under the Entitlement Offer will have the opportunity to apply for additional New Shares in excess of their entitlement through a shortfall facility (**Shortfall Facility**), subject to the Corporations Act 2001 (Cth) (Corporations Act) and ASX Listing Rules.

There is no guarantee that applicants under this Shortfall Facility will receive all or any of the additional New Shares that they apply for under the Shortfall Facility.

Any Entitlements not taken up pursuant to the Entitlement Offer, and not otherwise allocated to an Eligible Shareholders under the Shortfall Facility may be placed by the Company at its discretion up to three months after the closing date of the Entitlement Offer subject to the Corporations Act and ASX Listing Rules.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on ASX or otherwise transferable. Eligible Shareholders who do not take up their entitlements will not receive any value for those entitlements that they do not take up.

Further information in relation to the Entitlement Offer will be sent to Eligible Shareholders in the Offer Booklet and accompanying personalised entitlement and acceptance form, which are expected to be dispatched on Friday, 15 September 2023.

Indicative Timetable

Event	Date ^(a)
Announcement of Placement and Entitlement Offer	Monday, 11 September 2023
Lodgement of Appendix 3B with ASX	Monday, 11 September 2023
Ex-date for Entitlement Offer	Wednesday, 13 September 2023
Record Date for determining Entitlements	(7:00pm Sydney time) Thursday, 14 September 2023
Entitlement Offer opens	Friday, 15 September 2023
Dispatch of Booklet and Entitlement and Acceptance Form to Shareholders	



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jtemperato@lifescicomms.com

Europe
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Settlement of Placement	Friday, 15 September 2023
Commencement of trading of New Shares issued under the Placement	Monday, 18 September 2023
Last day to extend Closing Date	Friday, 22 September 2023
Entitlement Offer closes (Closing Date)	(5:00pm Sydney time) Wednesday, 27 September 2023
Results of Entitlement Offer announcement	Friday, 29 September 2023
Issue of New Shares under the Entitlement Offer	Friday, 29 September 2023
Commencement of trading of New Shares	Monday, 2 October 2023
Last date to issue remaining Shortfall shares (if any)	Monday, 11 December 2023

^(a)Note: This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates and times, subject to the ASX Listing Rules and the Corporations Act.

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



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About Recce Pharmaceuticals Ltd

Recce Pharmaceuticals Ltd (ASX: **RCE**, FSE: **R9Q**) is developing a new class 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 includes three patented, broad-spectrum, synthetic polymer anti-infectives: RECCE[®] 327 as an intravenous and topical therapy that is being developed for the treatment of serious and potentially life-threatening infections due to Gram-positive and Gram-negative bacteria including their superbug forms; RECCE[®] 435 as an orally administered therapy for bacterial infections; and RECCE[®] 529 for viral infections. Through their multi-layered mechanisms of action, Recce's anti-infectives have the potential to overcome the hypercellular mutation of bacteria and viruses – the challenge of all existing antibiotics to date.

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. Further to this designation, RECCE[®] 327 has been included on The Pew Charitable Trusts Global New Antibiotics in Development Pipeline as the world's only synthetic polymer and sepsis drug candidate in development. RECCE[®] 327 is not yet market approved for use in humans with further clinical testing required to fully evaluate safety and efficacy.

Recce wholly owns its automated manufacturing, which is supporting present clinical trials. Recce's anti-infective pipeline seeks to exploit the unique capabilities of its technologies targeting synergistic, unmet medical needs.



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