

Recce Raises \$8 million via Institutional Placement and Announces SPP – Fully Funded through to FY2026

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Highlights:

- Recce has received firm commitments to raise A\$8.0 million via an institutional placement at \$0.45 per share
- The placement was strongly supported by both new and existing institutional investors including leading positive impact fund, NorthStar Impact Fund, committing approximately \$2.0 million
- Placement proceeds will be used to advance clinical trials for intravenous use of R327, topical applications of R327G, including a Registrational Phase III clinical activities in Indonesia, and IND-enabling activities
- Recce is now fully funded through to FY2026 and set for registrational Phase III trials for topical applications in South East Asia
- Share Purchase Plan (SPP) to be offered to eligible shareholders at the same offer price as the Placement

2 July 2024 – Sydney, Australia: Recce Pharmaceuticals Limited (**ASX:RCE, FSE:R9Q**) (**Recce** or the **Company**), a leading developer of a new class of Synthetic Anti-Infectives, is pleased to announce it has received binding commitments to raise \$8.0 million (before costs) in a placement of new fully paid ordinary shares in the Company to institutional and sophisticated investors (**Placement**). Funds raised from the Placement will be used to advance clinical trials for intravenous use of R327, topical applications of R327G, including a Registrational Phase III clinical activities in Indonesia, Investigational New Drug (IND) enabling activities, working capital and offer costs.

Commenting on the capital raising, Chief Executive Officer, James Graham said: “*We are delighted with the support of our capital raising from our existing shareholders and welcome new institutional shareholders to our register. We would like to thank NorthStar Impact Fund for taking the time to understand Recce and the positive impact we are setting out to achieve.*”



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Proceeds from the capital raising will see Recce funded through to the completion of Phase II/III trials and potential for commercialisation in Southeast Asia with immediate catalysts to announce to market. The Company has an exciting future ahead with many key milestones over the next 12 months and we look forward to keeping shareholders up to date on our progress.

We acknowledge and appreciate the support of our retail shareholders. As a Board we are pleased to be able to offer the ability for shareholders to participate in the Company's capital raising activities on the same terms as the Placement through the Share Purchase Plan."

Source, Use of Funds and Available Liquidity

Funds raised under the Placement and SPP (**Offer**) will be used for the following activities:

- A\$7.5m – Clinical Trials (significant, unmet medical needs):
 - Phase III registrational topical clinical trial in Indonesia
 - Phase II UTI/Urosepsis clinical trials
 - Phase II Acute Bacterial Skin and Skin Structure Infections (ABSSSI)
- A\$1.5m – Activities enabling Investigational New Drug application to FDA;
- A\$1.0m – General working capital (operational costs delivering above) and Offer costs;

Post the Offer, Recce expects to have pro forma cash liquidity (before Offer costs) of approximately A\$18.5 million. In addition, Recce anticipates additional non-dilutive capital of \$8.7 million through US Department of Defence (~\$3.3 million) in Q3 CY2024 and R&D Advance (\$5.4 million) in Q1 CY2025 providing Recce with a total cash runway of \$27.2 million to fund the Company through to FY2026.

Recce will be fully funded through to FY2026 to fund significant IND-enabling clinical trials in Australia, covering intravenous and topical treatments for UTI/Urosepsis and ABSSSI including Diabetic Foot Infections (DFI); as well as US Department of Defence Burn Wound Program, Continued development of pre-clinical portfolio, Manufacturing expansion and provides necessary capital to see Indonesian clinical trials for topical treatments through to commercialisation.

Placement

The Placement comprises a total of approximately 17.8 million new fully paid ordinary shares in the Company (**New Shares**) to be issued at \$0.45 per share raising \$8.0 million (before



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costs). The Placement is not subject to shareholder approval and shares will be issued within the Company's available capacity under ASX Listing Rule 7.1.

The issue price of A\$0.45 per New Share under the Capital Raising represents:

- a 25.0% discount to the last closing price of A\$0.60 on 28 June 2024;
- a 20.4% discount to the 10-day Volume Weighted Average Price (**VWAP**) of A\$0.565; and
- a 21.4% discount to the 30-day VWAP of A\$0.573.

Ord Minnett Limited acted as Sole Lead Manager to the Placement. Evolution Capital acted as Co-Manager to the Placement.

Share Purchase Plan

In addition to the Placement the Company is pleased to provide eligible shareholders with a registered address in Australia and New Zealand who hold Recce shares as at 7.00pm (Sydney time) on Monday, 1 July 2024 (**Eligible Shareholders**) an opportunity to subscribe for up to \$30,000 worth of new fully paid ordinary shares (**SPP Shares**) in the Company by way of a \$2.0 million Share Purchase Plan (**SPP**).

The SPP Shares will be offered at an issue price of \$0.45, being the same issue price as the Placement, and will rank equally with existing Recce fully paid ordinary shares quoted on the ASX from their date of issue. The SPP is being offered to existing shareholders to extend their opportunity on the same terms as the institutional and sophisticated investors. The SPP will enable Eligible Shareholders, irrespective of the size of their holding, to apply to participate in the capital raising at the same issue price as the Placement, and not incur any brokerage or transaction costs.

The Company reserves the right to determine the aggregate amount it raises through the SPP. Recce may (in its absolute discretion) in a situation where total demand exceeds \$2.0 million, decide to increase the amount to be raised under the SPP to reduce or eliminate the need for scale back; and/or undertake a scale back of applications to the extent and in the manner it sees fit. Funds raised from the SPP are intended to be used for the same purposes as those funds raised under the Placement.

The terms and conditions of the SPP will be contained in offer documentation (**Offer Booklet**) which is expected to be made available to eligible shareholders and lodged on the ASX on or around Wednesday, 10 July 2024. Recce will not be printing and dispatching hard copies of the Offer Booklet or application forms. Instead, a letter with instructions (**Access Letter**) for accessing



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an electronic copy of the Offer Booklet and your personalised application form (**Application Form**) will be available and accessible via the Automic Investor Portal at the following link: <https://investor.automic.com.au>. The Access Letter, Application Form and Offer Booklet will contain instructions on how to make payment and participate in the SPP. Eligible shareholders are encouraged to read the Offer Booklet in full prior to making an application under the SPP.

General

Shares issued under the Placement and SPP will rank equally with existing fully paid ordinary shares of the Company from their issue date.

Under the ASX listing rules, Recce directors are not entitled to (and did not) participate in the Placement, but may participate in the SPP if they are Eligible Shareholders.

Further details on the Placement and SPP are set out in the investor presentation released by Recce to ASX on 2 July 2024, as well as the SPP Offer Booklet which is expected to be made available on the ASX on or around Wednesday, 10 July 2024.

Those Eligible Shareholders who have not registered their email with the share registry and would like to receive a copy of the Offer Booklet electronically should contact Automic Group at:

Email: hello@automicgroup.com.au

Address: Level 5/126 Phillip St, Sydney NSW 2000

Phone: 1300 288 664 (within Australia), or +61 2 9698 5414 (international) between 8:30 am and 6:00 pm (AEST time) Monday to Friday.

The indicative timetable for the Placement and SPP is as follows:

Event	Date
SPP Record Date	7.00pm (Sydney time), Monday, 1 July 2024
Announcement of Placement and SPP and trading halt lifted	Tuesday, 2 July 2024
Placement settlement	Monday, 8 July 2024
Allotment and commencement of trading of Placement shares	Tuesday, 9 July 2024
SPP Offer Documents made available to eligible shareholders and SPP offer open date	Wednesday, 10 July 2024
SPP offer closing date	5:00pm (Sydney time) Wednesday, 31 July 2024
Announcement of SPP results	Monday, 5 August 2024
Allotment and issue of new shares under the SPP	Tuesday, 6 August 2024
Commencement of trading of new shares under the SPP	Wednesday, 7 August 2024



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The timetable above is indicative only and remains subject to change at Recce's discretion, subject to compliance with applicable laws and the ASX Listing Rules. Recce reserves the right to change the timetable or cancel or withdraw the Placement or the SPP at any time before relevant new Shares are issued, subject to regulatory requirements.

Recce reserves the right to close the SPP early or to accept late applications, in its sole and absolute discretion, should it be considered necessary to do so, by making an announcement to ASX. The commencement and quotation of shares offered under the Placement or SPP is subject to confirmation from ASX.

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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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