

ASX Announcement

Recce Announces A\$5.0 million Placement & Launches A\$10.8 million Entitlement Offer to Shareholders

Highlights:

- A\$5.0 million commitment received from Australian-based private investor
- A\$10.8 million Entitlement Offer at the same offer price as the placement
- Funds to support Phase III Topical clinical trials in Indonesia and Australia – catalysts for revenue in 2026
- Directors intend to take-up entitlements in part or in full in the Entitlement Offer

SYDNEY Australia, Thursday, 10 April 2025: Recce Pharmaceuticals Ltd (**ASX:RCE, FSE:R9Q**) (the **Company** or **Recce**), a leading developer of a new class of Synthetic Anti-infectives, is pleased to announce a capital raising of up to approximately A\$15.8 million (before costs) (**Capital Raising**) consisting of:

- placement to an Australian-based private investor to raise A\$5.0 million via the issue of approximately 17.9 million new fully paid ordinary shares in the Company (**New Shares**) at A\$0.28 per New Share (**Offer Price**) (**Placement**); and
- a pro-rata non-renounceable entitlement offer of one (1) New Share for every six (6) existing fully paid ordinary shares in the Company (**Shares**) held by eligible shareholders at the Offer Price to raise up to a further A\$10.8 million (**Entitlement Offer**).

Funding for Phase III Trials

Proceeds from the Placement will be applied to the commencement and drive the completion of one of the Phase III trials. Additional proceeds from the Entitlement Offer will be allocated to other programs currently in development by the Company. Recce will look at alternative funding solutions to ensure the full quantum of capital is raised where required.

Full funding will be used as following:

- Phase III DFI Registrational Topical Clinical Trial in Indonesia – the catalyst for revenue in 2026;
- Commencement of Phase III Acute Bacterial Skin and Skin Structure Infections (ABSSSI) Registrational Topical Clinical Trial in Australia; and
- Additional clinical activities, Investigational New Drug Application to the FDA and working capital.



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Recce will have a strong pro-forma cash position post Capital Raising of A\$17.7 million. In addition, the Company expects:

- additional estimated R&D rebate of A\$8.5 million from the ATO (expected Q4 2025); and
- anticipated non-dilutive capital via R&D advance of approximately A\$10.0 million following completion of the Capital Raising.

Commenting on the Offer, Chief Executive Officer, James Graham said: *“We are delighted to receive the further support from an existing Australian-based shareholder and are pleased to launch an entitlement offer to all shareholders to acquire new shares at the same price as the placement. Proceeds from the capital raising will be used to support a Registrational Phase III clinical trial for Diabetic Foot Infections in Indonesia and a Registrational Phase III for ABSSSI across Australia, following a recently announced Phase II ABSSSI clinical study achieving all endpoints.”*

Recce Chairman, Dr John Prendergast, stated: *“This capital raise supports a critical step forward as we commence our Phase III trial. Given current share levels and the anticipated trial timeline, we believe Recce offers strong underlying value. The outcome of this trial represents a potential inflection point for the Company, with the opportunity to advance a new standard of care and improve outcomes for patients. We look forward to keeping shareholders updated as we progress.”*

Details of the Capital Raising

The Company has received a binding commitment from an Australian-based private investor to subscribe for approximately 17.9 million New Shares in the Company at the Offer Price to raise approximately \$5.0 million (before costs). In addition, the Company is undertaking a pro-rata non-renounceable Entitlement Offer of one (1) New Share for every six (6) existing fully paid ordinary Shares held by eligible shareholders at the Offer Price to raise up to a further A\$10.8 million (before costs).

The Offer Price of A\$0.28 per New Share under the Capital Raising represents a:

- 13.8% discount to the last closing price of A\$0.325 on 9 April 2025;
- 19.8% discount to the 5-day Volume Weighted Average Price (**VWAP**) of A\$0.3492 up to, and including, 9 April 2025; and
- 11.4% discount to the theoretical ex-rights price (**TERP**) of A\$0.3162 as at 9 April 2025 including shares issued under the Placement and full take-up under the Entitlement Offer.

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 Wednesday, 16 April 2025 with allotment anticipated on Thursday, 17 April 2025.

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 7:00pm (AEST) on Wednesday, 16 April 2025 (**Record Date**) and who have a registered address in Australia, New Zealand, Hong Kong, Singapore and who are Accredited Investors in the United States (**Eligible Shareholders**).

Each of the Directors of the Company who are Eligible Shareholders intend to participate in the Entitlement Offer.

The Entitlement Offer will allow Eligible Shareholders to receive one (1) New Share for every six (6) existing Shares held by Eligible Shareholders on the Record Date, at an issue price of A\$0.28 per New Share.

The Entitlement Offer will be open from Tuesday, 22 April 2025 to 5:00pm (AEST) on Monday, 5 May 2025 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 Tuesday, 22 April 2025.

Enquiries

If you have any questions, please contact please contact the Share Registry on 1300 288 664 (callers within Australia) or +61 2 9698 5414 (callers outside Australia) between 8:30am and 7:00pm (AEST), Monday to Friday (excluding public holidays) on a Business Day during the Entitlement Offer period.

Indicative Timetable

Event	Date*
Announcement of Placement and Entitlement Offer	Thursday, 10 April 2025
Lodgement of Appendix 3B with ASX	Thursday, 10 April 2025
Ex-date for Entitlement Offer	Tuesday, 15 April 2025
Settlement of Placement	Wednesday, 16 April 2025
Record Date for determining Entitlements (7:00pm AEST)	Wednesday, 16 April 2025
Commencement of trading of New Shares issued under the Placement	Thursday, 17 April 2025
Dispatch of Entitlement Offer documentation to Shareholders	Tuesday, 22 April 2025
Entitlement Offer opens	
Last day to extend Closing Date	Wednesday, 30 April 2025
Entitlement Offer closes (5:00pm AEST) (Closing Date)	Monday, 5 May 2025
Results of Entitlement Offer announcement	Thursday, 8 May 2025
Issue of New Shares under the Entitlement Offer	Thursday, 8 May 2025
Commencement of trading of New Shares	Friday, 9 May 2025
Last date to issue remaining Shortfall shares (if any)	Tuesday, 5 August 2025

**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.

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.

Recce's anti-infective pipeline includes three patented, broad-spectrum, synthetic polymer anti-infectives: RECCE® 327 (R327) 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 (R435) as an orally administered therapy for bacterial infections; and RECCE® 529 (R529) for viral infections. Through their multi-layered mechanisms of action, Recce's anti-infectives have the potential to overcome the processes utilised by bacteria and viruses to overcome resistance – a current challenge facing existing antibiotics.

The World Health Organization (WHO) added R327, R435, and R529 to its list of antibacterial products in clinical development for priority pathogens, recognising Recce's efforts to combat antimicrobial resistance. The FDA granted R327 Qualified Infectious Disease Product designation under the Generating Antibiotic Initiatives Now (GAIN) Act, providing Fast Track Designation and 10 years of market exclusivity post approval. R327 is also included on The Pew Charitable Trusts' Global New Antibiotics in Development Pipeline as the sole synthetic polymer and sepsis drug candidate in development.

Recce wholly owns its automated manufacturing, supporting current clinical trials. Recce's anti-infective pipeline aims to address synergistic, unmet medical needs by leveraging its unique technologies.