ASX Announcement

Recce Pharmaceuticals
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ACN 124 849 065

R&D Incentive Rebate Received

SYDNEY, Australia, 2 October 2018: Recce Pharmaceuticals Ltd (ASX: RCE) (**Company**), the Company developing a new class of synthetic antibiotics, today announced the cash receipt of A$679,624 Research and Development Tax Incentive rebate from the Australian Tax Office for the year ending 30 June 2018.

The R&D Tax incentive program provides a 43.5 per cent cash rebate to support companies in Australia in undertaking research and development projects.

As part of an Advanced Finding awarded by the Australian government, the Company uniquely extends the 43.5 per cent cash rebate to include its overseas antibiotic development expenditure[1].

Recce is working towards approval to start human clinical trials with its lead compound RECCE® 327 having received Qualified Infectious Disease Product designation from the US Food and Drug Administration.

Recce Executive Chairman Dr Graham Melrose said, “Recce appreciates the support received from the Australian government, which has been key to our progress towards developing an effective new antibiotic treatment to address the global problem of antibiotic resistance.”

In September Recce received AU$543,699 as part of its agreement with Radium Capital where it received advanced payment of its R&D tax incentive funds. This R&D advance has now been repaid in full with interest of A$3,851.

About Recce Pharmaceuticals Ltd

Recce Pharmaceuticals Ltd (ASX: RCE) is pioneering the development and commercialisation of a new class of synthetic antibiotics with broad spectrum activity designed to address the urgent global health problem of antibiotic resistant superbugs. Its patented lead candidate known as RECCE® 327 has been developed for the treatment of blood infections and sepsis derived from *E. coli* and *S.*

[1] https://www.asx.com.au/asxpdf/20180115/pdf/43qtgd8hxnyvm7.pdf

aureus bacteria – including their superbug forms. Pre-clinical testing in laboratories and animal models, in Australia and overseas has demonstrated positive results. Recce has a manufacturing facility in Australia and is developing clinical research partners in the USA. The Company has developed an automated process to manufacture its lead compound ahead of first-in-human clinical trials.

For further information please visit www.recce.com.au or contact:

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