

22 April 2025

Dear Shareholder

NOTICE TO INELIGIBLE SHAREHOLDERS OF PRO-RATA NON-RENOUNCEABLE ENTITLEMENT OFFER

On 10 April 2025 Recce Pharmaceuticals Ltd ACN 124 849 065 (ASX:RCE) (**Company**) announced a pro-rata non-renounceable entitlement offer of one (1) fully paid ordinary share in the Company (**New Share**) for every six (6) shares held at 7.00 pm (AEST) on Wednesday, 16 April 2025 (**Record Date**) by shareholders with a registered address in Australia, New Zealand, Hong Kong, or Singapore as well as Accredited Investors in the United States (**Eligible Shareholders**), at an offer price of \$0.28 (28 cents) per New Share to raise approximately \$10.8 million (before costs), opening on Tuesday, 22 April 2025 (**Entitlement Offer**).

The purpose of this letter is to inform you about the Entitlement Offer and to explain why you will not be able to subscribe for New Shares under the Entitlement Offer.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA of the *Corporations Act 2001* (Cth) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*.

The proceeds from the placement undertaken by the Company, announced on 10 April 2025 (which raised \$5 million before costs), will be applied to the commencement and drive the completion of one of the Phase III trials and additional proceeds from the Entitlement Offer will be allocated to other programs currently in development by the Company. The Company will look at alternative funding solutions to ensure the full quantum of capital is raised where required. The funds raised will be used as follows:

- 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 (ABSSI) Registrational Topical Clinical Trial in Australia; and
- Additional clinical activities, Investigational New Drug Application to the FDA and working capital.

Eligibility

The Entitlement Offer is being made to Eligible Shareholders who will be able to take up their Entitlement as well as apply for additional New Shares.

The Company has determined that it would be unreasonable to extend the Entitlement Offer to any Shareholder who is not an Eligible Shareholder (**Ineligible Shareholders**), having regard to:

- (a) the small number of Shareholders with registered addresses outside Australia, New Zealand, Hong, Singapore and the United States as well as non-Accredited Investors in the United States;
- (b) the number and value of the New Shares which would be offered to Ineligible Shareholders; and
- (c) the cost of complying with the legal requirements and requirements of the regulatory authorities, in the respective overseas jurisdictions.

Accordingly, the Entitlement Offer will not be made to Ineligible Shareholders.

Unfortunately, the Company has determined that you do not qualify as an Eligible Shareholder. Accordingly, the Company wishes to advise you that it will not be extending the Entitlement Offer to you and you will not be able to subscribe for New Shares under the Entitlement Offer.

This letter constitutes the notice that the Company is required to give each Ineligible Shareholder under ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the *Corporations Act 2001* (Cth).



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You are not required to do anything in response to this letter.

If you have any questions in relation to any of the above matters, please contact the Company's share registry Automic on 1300 288 664 (within Australia), or +61 2 9698 5414 (international) between 8:30 am and 7:00pm (AEST) Monday to Friday or by email at hello@automicgroup.com. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of the Board and management of Recce Pharmaceuticals Ltd, I thank you for your continued support of the Company.

Yours faithfully,

Ms Maggie Niewidok
Company Secretary
Recce Pharmaceuticals Ltd

IMPORTANT NOTICES

This notice has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.