

## Notice of 2024 Annual General Meeting

**8 October 2024 – Sydney, Australia:** Recce Pharmaceuticals Ltd (**ASX:RCE, FSE:R9Q**) (the **Company**), attaches the following documents in relation to its 2024 Annual General Meeting:

1. Notice of 2024 Annual General Meeting (**Notice**);
2. Proxy Form;
3. Access Letter to Shareholders in relation to the Notice; and
4. Company marketing collateral.

The Company advises that the above documents are being dispatched to Shareholders today.

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 and emerging viral pathogens.

Recce's anti-infective pipeline includes three patented, broad-spectrum, synthetic polymer anti-infectives: RECCE<sup>®</sup> 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<sup>®</sup> 435 (R435) as an orally administered therapy for bacterial infections; and RECCE<sup>®</sup> 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.

For personal use only



ASX: RCE, FSE: R9Q

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# Recce Pharmaceuticals Ltd

## **Notice of 2024 Annual General Meeting**

Explanatory Statement | Proxy Form

**Date:** Wednesday, 6 November 2024

**Time:** 1:30PM (AEDT)

**Place:** Offices of Automic, Level 5, 126 Phillip Street, Sydney NSW 2000 and  
as a **virtual meeting**

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

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## Important Information for Shareholders about the Company's 2024 AGM

This Notice of Meeting is given based on circumstances as at 8 October 2024. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company's website at <https://www.recce.com.au/company-announcements/>. Shareholders are urged to monitor the ASX announcements platform and the Company's website.

## Venue and Voting Information

The Annual General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 1:30PM (AEDT) on Wednesday, 6 November 2024 at the offices of Automic, Level 5, 126 Phillip Street Sydney NSW 2000 and as a **virtual meeting**:

If you wish to virtually attend the AGM (which will be broadcast as a live webinar), please **pre-register** in advance for the virtual meeting here:

[https://us02web.zoom.us/webinar/register/WN\\_agUEQVCFQICY3\\_ItalydeQ#/registration](https://us02web.zoom.us/webinar/register/WN_agUEQVCFQICY3_ItalydeQ#/registration).

After registering, you will receive a confirmation containing information on how to attend the virtual meeting on the day of the AGM.

Shareholders will be able to vote (see the "Voting virtually at the Meeting" section of this Notice of Meeting below) and ask questions at the virtual meeting.

Shareholders are also encouraged to submit questions in advance of the Meeting to the Company. Questions must be submitted in writing to the Company Secretary, Maggie Niewidok, by email to [company.secretary@recce.com.au](mailto:company.secretary@recce.com.au) at least 48 hours before the AGM.

The Company will also provide Shareholders with the opportunity to ask questions during the Meeting in respect to the formal items of business as well as general questions in respect to the Company and its business.

## Your vote is important

The business of the Annual General Meeting affects your shareholding and your vote is important.

## Voting in person

To vote in person, attend the Annual General Meeting on the date and at the time and place set out above.

## Voting virtually at the Meeting

Shareholders who wish to vote virtually on the day of the AGM can do so through the online meeting platform powered by Automic.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link [investor.automic.com.au](https://investor.automic.com.au) and then clicking on “**register**” and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

To access the virtual meeting on the day:

1. Open your internet browser and go to [investor.automic.com.au](https://investor.automic.com.au)
2. Login with your username and password or click “**register**” if you haven’t already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**
3. After logging in, a banner will display at the bottom of your screen to indicate that the meeting is open for registration, click on “**Register**” when this appears. Alternatively, click on “**Meetings**” on the left-hand menu bar to access registration.
4. Click on “**Register**” and follow the steps
5. Once the Chair of the Meeting has declared the poll open for voting click on "Refresh" within the platform to be taken to the voting screen.
6. Select your voting direction and click "confirm" to submit your vote. Note that you cannot amend your vote after it has been submitted.

For further information on the live voting process please see the **Registration and Voting Guide** at <https://www.automicgroup.com.au/virtual-agms/>

## Voting by proxy

To vote by proxy, please use one of the following methods:

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'View Meetings' – 'Vote'. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.  For further information on the online proxy lodgment process please see the <b>Online Proxy Lodgment Guide</b> at <a href="https://www.automicgroup.com.au/virtual-agms/">https://www.automicgroup.com.au/virtual-agms/</a>
<b>By post</b>	Automic, GPO Box 5193, Sydney NSW 2001
<b>By hand</b>	Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
<b>By email</b>	Completing the enclosed Proxy Form and emailing it to: <a href="mailto:meetings@automicgroup.com.au">meetings@automicgroup.com.au</a>

**By  
facsimile**

Completing the enclosed Proxy Form and faxing it to +61 2 8583 3040.

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

## Power of Attorney

If the proxy form is signed under a power of attorney on behalf of a Shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

## Corporate Representatives

If a representative of a corporate Shareholder or a corporate proxy will be attending the Meeting, the representative should provide the Share Registry with adequate evidence of their appointment, unless this has previously been provided to the Share Registry.

# Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders of Recce Pharmaceuticals Ltd ACN 124 849 065 will be held at 1:30PM (AEDT) on Wednesday, 6 November 2024 at the offices of Automic, Level 5, 126 Phillip Street Sydney NSW 2000 and as a **virtual meeting (Meeting)**.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form forms part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7.00PM (AEDT) on Monday, 4 November 2024.

Terms and abbreviations used in this Notice of Meeting and Explanatory Statement are defined in the Glossary.

## Agenda

### Ordinary business

#### Financial statements and reports

*"To receive and to consider the Annual Financial Report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report for that financial year."*

**Note:** This item of ordinary business is **for discussion only and is not a resolution.**

Pursuant to the Corporations Act, Shareholders will be given a reasonable opportunity at the Meeting to ask questions about, or make comments in relation to, each of the aforementioned reports during consideration of these items.

# Resolutions

## **Remuneration Report**

### 1. **Resolution 1 – Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following resolution as a non-binding **Resolution**:

*“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s Annual Financial Report for the financial year ended 30 June 2024.”*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Voting Prohibition Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Company’s key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person’s Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 1; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 1. If you do not want your vote exercised in favour of Resolution 1, you should direct the person chairing the Meeting to vote “against”, or to abstain from voting on, this Resolution.

## **Spill Resolution**

### 2. **Resolution 2 – Spill Resolution (Conditional Resolution)**

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the 2024 Remuneration Report, the Chair will withdraw Resolution 2.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:*

- (a) *the Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (Spill Meeting); and*
- (b) *all vacating Directors to cease to hold office immediately before the end of the Spill Meeting; and*
- (c) *resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting.”*

**Voting Prohibition Statement:** In accordance with the Corporations Act, the Company will disregard any votes cast on Resolution 2 by or on behalf of a member of the Company's key management personnel (including the Directors), whose remuneration details are included in the Remuneration Report (**KMP**), or any of that person's Closely Related Parties (such as close family members and any controlled companies of those persons) (collectively referred to as Restricted Voter). However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 2; and
- (b) it is not cast on behalf of a Restricted Voter.

If you appoint the person chairing the Meeting (**Chair**) and you are not a Restricted Voter, by submitting the Proxy Form you authorise the person chairing the Meeting to exercise the proxy even though Resolution 2 is connected directly or indirectly with the remuneration of a KMP, and you will be taken to have directed the Chair to vote in accordance with his or her stated intention to vote in favour of Resolution 2. If you do not want your vote exercised in favour of Resolution 2, you should direct the person chairing the Meeting to vote "against", or to abstain from voting on, this Resolution.

## **Re-election of Directors**

### **3. Resolution 3 – Re-election of Dr Alan Dunton as Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*"That Dr Alan Dunton, a Director who retires by rotation in accordance with rule 14.2 of the Company's Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately."*

### **4. Resolution 4 – Re-election of Alistair McKeough as Director**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*"That Alistair McKeough, a Director who retires by rotation in accordance with rule 14.2 of the Company's Constitution and ASX Listing Rule 14.5, and being eligible offers himself for re-election as a Director of the Company, effective immediately."*

## **ASX Listing Rule 7.1A (Additional 10% Capacity)**

### **5. Resolution 5 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

*“That, for the purposes of ASX Listing Rule 7.1A and for all other purposes, the Shareholders approve the issue of equity securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of:

- (a) a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



## **Ratification of Prior Issue of Shares**

### **6. Resolution 6 – Ratification of Prior Issue of Placement Shares**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 17,777,788 fully paid ordinary shares issued on 9 July 2024 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## 7. **Resolution 7** – Ratification of Prior Issue of Consultant Shares

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 250,000 fully paid ordinary shares issued on 16 April 2024 and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of:

- (a) a person who participated in the issue or is a counterparty to the agreement being approved; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 7 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

## **Appointment of Auditor**

### **8. Resolution 8 – Appointment of Auditor**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 327B(1) of the Corporations Act and for all other purposes, BDO Audit Pty Ltd ACN 134 022 870, having been nominated by shareholders and consented in writing to act as auditor of the Company, be appointed as auditor of the Company, effective immediately.”*

## **Constitution of the Company**

### **9. Resolution 9 – Adoption of New Constitution**

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **Special Resolution**:

*“That, for the purposes of section 136 of the Corporations Act and for all other purposes, the constitution of the Company be repealed and replaced with a constitution in the form of the document tabled at this Meeting and signed by the Chair for the purposes of identification, effective on and from the date this resolution is passed.”*

### **10. Resolution 10 –Renewal of Proportional Takeover Provisions**

To consider and, if thought fit, to pass with or without amendment, the following resolution as a **Special Resolution**:

*“That, for the purposes of section 136 of the Corporations Act and for all other purposes, the proportional takeover provisions contained in clause 36 of the Company’s Constitution be renewed for a period of three years, effective on and from the date this resolution is passed.”*

## Selective Capital Reduction

### 11. Resolution 11 – Selective Capital Reduction

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

*"That, subject to Resolution 1 passing at the Special General Meeting, for the purposes of sections 256B(1) and 256C(2) of the Corporations Act and for all other purposes, Shareholders of the Company approve for the Company to make a selective reduction of capital and cancel 8,754,423 Class B Performance Shares for \$0.00001 per Class B Performance Share, and otherwise on the terms and conditions and for the purpose set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 11 by or on behalf of:

- (a) a person who is to receive consideration as part of the reduction; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 11 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 11 if:

- (a) the proxy is either:
  - (i) a member of the Company's Key Management Personnel; or
  - (ii) a closely related party of a member of the Company's Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company's Key Management Personnel.

## **Issue of Incentive Securities under the Employee Incentive Plan**

### **12. Resolution 12 – Approval of Issue of Options to Dr John Prendergast, Director of the Company**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 2,650,000 unlisted Options under the Company’s Employee Incentive Plan to Dr John Prendergast, Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 12 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company’s Employee Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 12 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 12 if:

- (a) the proxy is either:
  - (i) a member of the Company’s Key Management Personnel; or
  - (ii) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

### 13. **Resolution 13** – Approval of Issue of Options to James Graham, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 3,000,000 unlisted Options under the Company’s Employee Incentive Plan to James Graham, Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 13 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company’s Employee Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 13 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 13 if:

- (a) the proxy is either:
  - (i) a member of the Company’s Key Management Personnel; or
  - (ii) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

## 14. **Resolution 14** – Approval of Issue of Options to Michele Dilizia, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,600,000 unlisted Options under the Company’s Employee Incentive Plan to Michele Dilizia, Director of the Company (or her nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 14 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company’s Employee Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 14 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 14 if:

- (a) the proxy is either:
  - (i) a member of the Company’s Key Management Personnel; or
  - (ii) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

## 15. **Resolution 15** – Approval of Issue of Options to Dr Justin Ward, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,000,000 unlisted Options under the Company’s Employee Incentive Plan to Dr Justin Ward, Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 15 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company’s Employee Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 15 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 15 if:

- (a) the proxy is either:
  - (i) a member of the Company’s Key Management Personnel; or
  - (ii) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.



## 16. **Resolution 16** – Approval of Issue of Options to Dr Alan Dunton, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 2,250,000 unlisted Options under the Company’s Employee Incentive Plan to Dr Alan Dunton, Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 16 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company’s Employee Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 16 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 16 if:

- (a) the proxy is either:
  - (i) a member of the Company’s Key Management Personnel; or
  - (ii) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

## 17. **Resolution 17** – Approval of Issue of Options to Alistair McKeough, Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

*“That, for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, the Shareholders of the Company approve the issue and allotment of 1,000,000 unlisted Options under the Company’s Employee Incentive Plan to Alistair McKeough, Director of the Company (or his nominee), and otherwise on the terms and conditions set out in the Explanatory Statement which accompanies and forms part of this Notice of Meeting.”*

**Voting Exclusion Statement:** The Company will disregard any votes cast in favour of Resolution 17 by or on behalf of:

- (a) a person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Company’s Employee Incentive Plan; or
- (b) an Associate of that person or those persons.

However, this does not apply to a vote cast in favour of Resolution 17 by:

- (i) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (ii) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (iii) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Voting Prohibition Statement:** In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 17 if:

- (a) the proxy is either:
  - (i) a member of the Company’s Key Management Personnel; or
  - (ii) a closely related party of a member of the Company’s Key Management Personnel; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair of the Meeting; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with remuneration of a member of the Company’s Key Management Personnel.

## BY ORDER OF THE BOARD

**Maggie Niewidok**

Company Secretary

8 October 2024

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# Explanatory Statement

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 1:30PM (AEDT) on Wednesday, 6 November 2024 at the offices of Automic, Level 5, 126 Phillip Street Sydney NSW 2000 and as a **virtual meeting**.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting. If you are in any doubt about what to do in relation to the Resolutions contemplated in the Notice of Meeting and this Explanatory Statement, it is recommended that you seek advice from an accountant, solicitor or other professional advisor.

Full details of the business to be considered at the Annual General Meeting are set out below.

## **Ordinary business**

### Financial statements and reports

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the Annual Financial Report of the Company for the financial year ended 30 June 2024 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

In accordance with the amendments to the Corporations Act, the Company is no longer required to provide a hard copy of the Company's Annual Financial Report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's Annual Financial Report unless specifically requested to do so, Shareholders may view the Company Annual Financial Report on its website at <http://www.recce.com.au>.

No resolution is required for this item, but Shareholders will be given the opportunity to ask questions and to make comments on the management and performance of the Company.

The Company's auditor will be present at the Meeting. During the discussion of this item, the auditor will be available to answer questions on the:

- Conduct of the audit;
- Preparation and content of the Auditor's Report;
- Accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- Independence of the auditor in relation to the conduct of the audit.

### **Written questions of the auditor**

If you would like to submit a written question about the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report of the Company's auditor, please send your question to the Company Secretary by email to [company.secretary@recce.com.au](mailto:company.secretary@recce.com.au). A list of qualifying questions will be made available at the Meeting. Please note that all written questions must be received at least five business days before the Meeting, which is by Wednesday, 30 October 2024.

# Resolutions

## **Remuneration Report**

### **Resolution 1 – Adoption of Remuneration Report**

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's Annual Financial Report.

The vote on the Resolution is advisory only and does not bind the Directors or the Company. The Remuneration Report is set out in the Company's Annual Financial Report and is also available on the Company's website at <http://www.recce.com.au>.

However, at the Company's Annual General Meeting held on 8 November 2023 (**2023 AGM**), more than 25% of the votes cast were against the adoption of the Remuneration Report. Accordingly, if at least 25% of the votes cast are against Resolution 1 at the Meeting (subject of this Notice of Meeting), the Company will be required to put to the vote a resolution (**Spill Resolution**) at the Meeting to approve the calling of a further meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the Spill Meeting within 90 days of this Meeting. All of the Directors who were in office when the 2024 Directors' Report was approved, other than the Managing Director, will (if desired) need to stand for re-election at the Spill Meeting.

The Remuneration Report explains the Board's policies in relation to the nature and level of remuneration paid to KMPs (including Directors) and sets out remuneration details, service agreements and the details of any share-based compensation.

#### **Voting**

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 1 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 1.

Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution.

#### **Directors' recommendation**

Given the nature of this Resolution, the Board does not consider that it is appropriate to make a recommendation on how Shareholders should vote on this Resolution.

As noted in the Proxy Form, the Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Spill Resolution**

### **Resolution 2 – Spill Resolution (Conditional Resolution)**

If less than 25% of the votes cast on Resolution 1 are voted against adoption of the 2024 Remuneration Report, the Chair will withdraw Resolution 2.

In accordance with section 250V(1) of the Corporations Act, the Company is required to put to vote a Spill Resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the Company, if at least 25% of the votes cast are against adoption of the Company's Remuneration Report for two consecutive years.

If more than 50% of the votes cast with respect to Resolution 2 are in favour of the Spill Resolution, the Company must convene a Spill Meeting within 90 days of the date of this Meeting. In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

All of the Directors who were in office when the 2024 Directors' Report was approved, will need to stand for re-election at the Spill Meeting.

Following the Spill Meeting, those persons whose election or re-election as Directors of the Company is approved will be the Directors of the Company.

The Board recommends that shareholders consider the following factors when making a decision on how to vote on any Spill Resolution put to the AGM:

- (a) the substantial additional expense which holding a Spill Meeting would cause;
- (b) the Board's view that it currently has the right mix of skills and experience; and
- (c) the disruption to the Company which would be caused by changes to the Board composition.

### **Voting**

Note that a voting exclusion applies to Resolution 2 in the terms set out in the Notice of Meeting. In particular, the Directors and other Restricted Voters must not vote on this Resolution and must not cast a vote as proxy, unless the appointment gives a direction on how to vote, or the proxy is given to the Chair and you submit the Proxy Form, authorising the Chair to exercise the proxy even though Resolution 2 is connected directly or indirectly with the remuneration of a KMP and that in doing so you will be taken to have directed the Chair to vote in accordance with the Chair's stated intention to vote in favour of Resolution 2. Shareholders are urged to read carefully the Proxy Form and to provide a direction to the proxy on how to vote on this Resolution

### **Directors' recommendation**

The Directors recommend that Shareholders vote against this Resolution.

As noted in the Proxy Form, the Chair of the Meeting intends to cast all undirected proxies against this Resolution.

## **Re-election of Directors**

### **Resolution 3 – Re-election of Dr Alan Dunton as Director**

Rule 14.2 of the Company's Constitution requires that at the Company's annual general meeting, one third of the Directors shall retire from office. The retiring Directors must not be a Managing Director. The Directors to retire at the annual general meeting are those who have been in office the longest since their last election.

Dr Alan Dunton was appointed a Director of the Company on 14 July 2020 and was last re-elected as a Director at the 2022 AGM.

Under this Resolution, Dr Alan Dunton has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Based in the US, Dr Dunton, as the Director of Palatin Technologies, brings a wealth of experience with over three decades in senior pharmaceutical roles. Notably, he served as the President and Managing Director of the Janssen Research Foundation (J&J Research).

Dr Dunton successfully advanced multiple blockbuster antibiotics through to commercialisation at Fortune 500 companies, such as J&J and Roche, where he played instrumental roles in shaping

the commercial success of pharmaceutical products. Dr Dunton played a key role in the recent sale of Vylessi® to Cosette Pharmaceuticals for USD \$12M, continuing his track record of fostering advancements in drug development and successful commercialisation efforts.

#### **Directors' recommendation**

The Directors (excluding Dr Alan Dunton) recommend that Shareholders vote for this Resolution. The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

### **Resolution 4 – Re-election of Alistair McKeough as Director**

Rule 14.2 of the Company's Constitution requires that at the Company's annual general meeting, one third of the Directors shall retire from office. The retiring Directors must not be a Managing Director. The Directors to retire at the annual general meeting are those who have been in office the longest since their last election.

Alistair McKeough was appointed a Director of the Company on 1 September 2022 and was last re-elected as a Director at the 2022 AGM.

Under this Resolution, Alistair McKeough has elected to retire by rotation, and being eligible, seeks re-election as a Director of the Company at this AGM.

Mr McKeough is an experienced executive and solicitor. Before being appointed as a non-executive director on 1 September 2022, Mr McKeough served as Recce's company secretary and he has been involved with the Company since 2017.

Alistair, who is a practising solicitor, has extensive experience serving as a director in many sectors, including for companies involved in professional services, corporate services, regulatory technology, sports technology, charities, health, biotech, child care and education.

#### **Directors' recommendation**

The Directors (excluding Alistair McKeough) recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

### **ASX Listing Rule 7.1A**

#### **Resolution 5 – ASX Listing Rule 7.1A Approval of Future Issue of Securities**

Listing Rule 7.1A enables an eligible entity to issue equity securities up to 10% of its issued capital over a 12 month period following Shareholder approval by way of a special resolution passed at its annual general meeting, which is additional to the entity's 15% capacity.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation less than the amount prescribed by ASX (currently \$300 million).

As at 26 September 2024, the Company has a market capitalisation of approximately \$125.2 million and therefore is an eligible entity. If at the time of the Meeting the Company is no longer an eligible entity this Resolution will be withdrawn.

This Resolution is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote for the Company to have the additional 10% capacity.

If this Resolution is passed, the Company will be able to issue equity securities up to the combined 25% limit of both Listing Rules 7.1 and 7.1A.

If this Resolution is not passed, the Company will not be able to access the additional 10% capacity to issue equity securities provided for in Listing Rule 7.1A and will remain subject to the 15%

capacity limit.

### **Information required by ASX Listing Rule 7.3A**

The following information is provided to Shareholders for the purposes of Listing Rule 7.3A.

#### Period for which the approval will be valid

Approval under Listing Rule 7.1A commences on the date of the annual general meeting at which approval is obtained and expires on the first to occur of the following:

- (a) the date which is 12 months after the date of the annual general meeting at which approval is obtained;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

#### Minimum price at which the equity securities may be issued under Listing Rule 7.1A

Any equity securities issued under Listing Rule 7.1A.2 must be in an existing quoted class of the Company's equity securities and issued for cash consideration which is not less than 75% of the volume weighted average market price of the equity securities in that class, calculated over 15 trading days on which trades in that class were recorded immediately before:

- (a) the date on which the price of the equity securities are to be issued is agreed by the Company and the recipient of the equity securities; and
- (b) if the equity securities are not issued within 10 trading days of the date in paragraph (a), the date on which the equity securities are issued.

#### Purposes for which the funds raised by an issue of equity securities under Listing Rule 7.1A may be used

As noted above, any equity securities issued under Listing Rule 7.1A.2 can only be made for cash consideration. Accordingly, every issue of equity securities under Listing Rule 7.1A.2 will have an accompanying proposed use of funds at the time of issue.

As at the date of this Notice, the Company has not formed an intention to offer any equity securities under Listing Rule 7.1A during the Listing Rule 7.1A mandate period. Should the Company issue equity securities under Listing Rule 7.1A, the funds raised may be used for the following purposes:

- (a) to accelerate revenue growth opportunities in its core markets and products;
- (b) to target additional market segments;
- (c) to invest in platform development to support (a) and (b) above as well as new horizon product development;
- (d) paying service providers or consultants of the Company; and,
- (e) to target inorganic opportunities.

#### Risk of economic and voting dilution to existing ordinary Shareholders

There is a risk of economic and voting dilution to existing Shareholders under Listing Rule 7.1A that:

- (a) the market price for the Company's equity securities in that class may be significantly lower on the issue date than on the date of approval under Listing Rule 7.1A; and
- (b) the equity securities may be issued at a price that is at a discount to the market price for the Company's equity securities on the issue date;

which may have an effect on the amount of funds raised by the issue of equity securities under

Listing Rule 7.1A.

The table below shows the potential dilution of existing Shareholders on the basis of 3 different assumed issue prices and values for the variable "A" in the formula in rule 7.1A.2:

Variable "A" ASX Listing Rule 7.1A.2		Potential Dilution and Funds Raised		
		\$0.27 50% decrease in issue price	\$0.54 issue prices <sup>(b)</sup>	\$1.08 100% increase in issue price
"A" is the number of shares on issue, being 231,871,617 Shares <sup>(a)</sup>	10% voting dilution <sup>(c)</sup>	23,160,933	23,160,933	23,160,933
	Funds raised	\$ 5,963,940	\$ 11,927,880	\$ 23,855,761
"A" is a 50% increase in shares on issue, being 347,807,426 Shares	10% voting dilution <sup>(c)</sup>	34,741,399	34,741,399	34,741,399
	Funds raised	\$ 8,945,910	\$ 17,891,821	\$ 35,783,641
"A" is a 100% increase in shares on issue, being 463,743,234 Shares	10% voting dilution <sup>(c)</sup>	46,321,866	46,321,866	46,321,866
	Funds raised	\$ 11,927,880	\$ 23,855,761	\$ 47,711,522

**Notes:**

- (a) Based on the total number of fully paid ordinary Shares on issue as at 26 September 2024.
- (b) Based on the closing price of the Company's Shares on ASX as at 26 September 2024.
- (c) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (d) This table assumes that no options over Shares are exercised before the date of the issue of the equity securities.
- (e) The table assumes that the Company issues the maximum number of ordinary Shares available to be issued under Listing Rule 7.1A.
- (f) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of issues of equity securities under Listing Rule 7.1A based on that Shareholder's holding at the date of this Explanatory Statement.
- (g) The table shows the effect of an issue of equity securities under Listing Rule 7.1A only, not under the Company's 15% placement capacity under Listing Rule 7.1.

**Allocation policy for issues under Listing Rule 7.1A**

The Company's allocation policy and the identity of the allottees of equity securities under Listing Rule 7.1A will depend on a number of factors, including:

- (a) the Company's intentions in relation to the possible issue of equity securities (for cash consideration) during the Listing Rule 7.1A mandate period;
- (b) the structure and timeframe of the capital raising opportunities available to the Company and any alternative methods for raising funds that are available to the Company (such as a pro rata offer or an offer under a share purchase plan);
- (c) the potential effect on the control of the Company;
- (d) the Company's financial position and the likely future capital requirements; and
- (e) advice from the Company's corporate or financial advisors.

Based on the Company's historical cashflow reports and capital raising activities in the past 12 months, the Company considers that it may raise funds during the Listing Rule 7.1A mandate period, although this cannot be guaranteed. As of the date of this Notice, no specific intention to issue equity securities in relation to any parties, investors or existing Shareholders have been formed. In addition, no intentions have been formed in relation to the possible number of issues, or the time frame in which the issues could be made. Subject to the requirements of the Listing



Rules and the Corporations Act, the Board of Directors reserve the right to determine at the time of any issue of equity securities under Listing Rule 7.1A, the allocation policy that the Company will adopt for that issue.

If and when the determination is made to proceed with an issue of equity securities during the Listing Rule 7.1A mandate period, details regarding the allottees and purposes of issue will be disclosed pursuant to the Company's obligations under Listing Rules 3.10.3 and 7.1A.4.

Offers made under Listing Rule 7.1A may be made to parties (excluding any related parties) including professional and sophisticated investors, existing Shareholders of the Company, clients of Australian Financial Service Licence holders and/or their nominees, or any other person to whom the Company is able to make an offer of equity securities.

#### Issue or agreement to issue equity securities under Listing Rule 7.1A in the 12 months prior to AGM

The Company has not issued or agreed to issue equity securities under Listing Rule 7.1A.2 in the 12 months preceding the AGM.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

### **Ratification of Prior Issue of Shares**

#### **Resolution 6 – Ratification of Prior Issue of Placement Shares**

##### **Background**

On 2 July 2024, the Company announced that it had successfully raised approximately \$8,000,000 (before costs) via a placement of 17,777,788 Shares at an issue price of \$0.45 per Share (**Placement Shares**) to institutional and sophisticated investors (**Placement**). On 9 July 2024 (**Placement Issue Date**), the Company issued the Placement Shares by utilising the Company's existing capacity under Listing Rule 7.1.

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of the Placement Shares.

##### **ASX Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of Placement Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Placement Issue Date.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to subsequently approve the issue of the

Placement Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement Issue Date.

If this Resolution is not passed, the issue of the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Placement Issue Date.

### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Placement Shares were issued to institutional and sophisticated investors who were identified through a book build process conducted by the Lead Manager of the Placement, Ord Minnett Limited and the Co-Manager to the Placement, Evolution Capital.
- (b) The Company issued 17,777,788 Placement Shares under ASX Listing Rule 7.1.
- (c) The Placement Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Placement Shares were issued on 9 July 2024.
- (e) The Placement Shares were issued at an issue price of \$0.45 per Placement Share, which raised \$8,000,000 (before costs) for the Company.
- (f) Funds raised from the issue of the Placement Shares have been and will be used by the Company across the following activities:
  - (i) 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)
  - (ii) Activities enabling Investigational New Drug application to FDA; and
  - (iii) General working capital (operational costs delivering above) and costs of the offer.
- (g) A voting exclusion statement is included in this Notice of Meeting for Resolution 6.

### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Resolution 7 – Ratification of Prior Issue of Consultant Shares**

### **Background**

On 16 April 2024 (**Issue Date**), the Company issued 250,000 Shares (**Consultant Shares**) to LDU Pty Ltd (**Consultant**) in lieu of fees for services rendered to the Company in connection with a consulting services agreement (**Consulting Agreement**) between the Company and the Consultant. The services provided to the Company under the Consulting Agreement relate to market analysis and research, strategic planning, advisory, investor relations support and

stakeholder engagement, the Consulting Agreement may be terminated by the Company on one month's notice, the Consultant being remunerated by the issue of 250,000 Shares in lieu of fees for such services rendered over a one year period. There are no other material terms of this agreement.

The Consultant is not a related party of the Company and the Company issued the Consultant Shares by utilising the Company's existing capacity under Listing Rule 7.1.

This Resolution proposes that Shareholders of the Company approve and ratify the prior issue and allotment of the Consultant Shares.

### **ASX Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of Consultant Shares did not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by the Company's Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the Issue Date.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's capacity to issue further equity securities without Shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, this Resolution seeks Shareholder approval to subsequently approve the issue of the Consultant Shares for the purposes of Listing Rule 7.4.

If this Resolution is passed, the issue of the Consultant Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

If this Resolution is not passed, the issue of the Consultant Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without Shareholder approval over the 12 month period following the Issue Date.

### **Information required by ASX Listing Rule 7.5**

The following information is provided to Shareholders for the purposes of Listing Rule 7.5.

- (a) The Consultant Shares were issued to LDU Pty Ltd.
- (b) The Company issued 250,000 fully paid ordinary shares.
- (c) The Consultant Shares were fully paid on issue and ranked equally in all aspects with all existing fully paid ordinary shares previously issued by the Company.
- (d) The Consultant Shares were issued on 16 April 2024.
- (e) The Consultant Shares were issued at a deemed issue price of \$0.495 per Share. The Consultant Shares were issued for the provision of services performed including market analysis and research, strategic planning and advisory, investor relations support and stakeholder engagement over a one year term in lieu of a cash payment.

(f) No funds were raised from the issue of Consultant Shares, the Consultant Shares were issued in lieu of fees for services provided under the Consulting Agreement, the material terms of which are summarised above.

(g) A voting exclusion statement is included in this Notice of Meeting for Resolution 7.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

### **Appointment of Auditor**

#### **Resolution 8 – Appointment of Auditor**

As announced by the Company on 11 July 2024, following the resignation of BDO Audit (WA) Pty Ltd and the receipt of ASIC's consent to their resignation, BDO Audit Pty Ltd was appointed as auditor of the Company to fulfil a casual vacancy pursuant to section 327C(1) of the Corporations Act.

Under section 327C(2) of the Corporations Act, an auditor who has been appointed under section 327C(1) of the Corporations Act only holds office until the company's next annual general meeting.

The Company is required to appoint an auditor to fill any vacancy in the office of auditor at each annual general meeting (after its first annual general meeting) pursuant to section 327B(1) of the Corporations Act.

Pursuant to section 328B of the Corporations Act, the Company received a valid notice of nomination which nominated BDO Audit Pty Ltd to be appointed as the new auditor of the Company. A copy of the notice of nomination is set out in Annexure A of this Notice of Meeting.

BDO Audit Pty Ltd has provided the Company its written consent to act as the Company's auditor in accordance with section 328A(1) of the Corporations Act.

Accordingly, under this Resolution, Shareholder approval is being sought to appoint BDO Audit Pty Ltd as the auditor of the Company.

#### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

### **Amendments to Constitution**

#### **Resolution 9 – Adoption of New Constitution**

CHESS is in the process of being replaced by the ASX and as part of the CHESS replacement, the registration system will be updated to record holder registration details in a format that will allow up to four joint holders of a security.

Clause 9.8 of the Constitution contemplates that the Company is not obligated to register more than 3 persons as joint holders of a Share in the Company. Accordingly, in preparation for the proposed replacement of CHESS the Company has prepared an updated Constitution (**New Constitution**) to account for the increase of registered joint holders of a Share from 3 to 4 with the following amendment:

(a) By deleting clause 9.8 in its entirety and replacing it with a new clause 9.8:

*Clause 9.8 Joint Holders*

*The number of registered joint holders of a Share in the Company shall be as permitted under the Listing Rules and the ASX Settlement Operating Rules.*

Prior to the Meeting, a copy of the New Constitution, which includes the Proportional Takeover Provisions (the subject of Resolution 10), is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Company Secretary.

A copy of the New Constitution will be tabled at the Meeting.

### **Section 136 of the Corporations Act**

Pursuant to section 136(2) of the Corporations Act, a company may modify or repeal its constitution, or a provision of its constitution by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

If Resolution 9 is passed, the New Constitution will become the Constitution of the Company and will be lodged with ASIC. If the amendments are not approved by Shareholders, then the Constitution currently in place will remain in effect and no modifications will be made.

### **Directors' recommendation**

The Board of Directors recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Resolution 10 – Renewal of Proportional Takeover Provisions**

The Company's Constitution contains provisions concerning proportional takeover bid approval in clause 36 (**Proportional Takeover Provisions**) which were last renewed by Shareholders on 22 November 2021.

Section 648G(1) of the Corporations Act provides that a company's proportional takeover provisions will cease to have effect at the end of three years from the date of adoption (or renewal, as the case may be). Accordingly, under this Resolution, the Company wishes to renew the Proportional Takeover Provisions in its Constitution.

The following information is provided for the purposes of Section 648G of the Corporations Act.

### **Renewal of proportional takeover provisions**

#### **Proportional takeover bid**

A proportional takeover bid is a takeover bid where the offer made to each Shareholder is only for a proportion of the Shareholder's Shares. If a Shareholder accepts, in full, an offer under a proportional takeover bid, the Shareholder will only dispose of a specified portion of their Shares in the Company and retain the balance of the Shares. The Proportional Takeover Provisions are designed to assist Shareholders to receive proper value for their Shares if a proportional takeover bid is made for the Company by providing, in the Constitution, that:

- (a) in the event of a proportional takeover bid being made for Shares in the Company, Shareholders are required to vote and collectively decide whether to accept or reject the offer; and
- (b) the majority decision of the Company's members will be binding on all Shareholders.

#### **Effect of the proposed provisions**

Where offers have been made under a proportional takeover bid in respect of a class of securities in a company, the registration of a transfer giving effect to a contract resulting from the acceptance

of an offer made under such a proportional takeover bid is prohibited unless and until a resolution to approve the proportional takeover bid is passed by Shareholders or otherwise, as pursuant to the terms of the Proportional Takeover Provisions. In more detail, the effect of the Proportional Takeover Provisions is as follows:

- (a) if a proportional takeover bid is made for Securities of the Company, the Directors must ensure that a meeting of Shareholders is convened to vote on a resolution to approve that bid;
- (b) the bidder and persons associated with the bidder may not vote;
- (c) approval of the bid will require a simple majority of the votes cast;
- (d) the meeting must take place more than 14 days before the last day of the bid period (**Resolution Deadline**);
- (e) if the resolution is rejected before the Resolution Deadline, the bid cannot proceed and any transfers giving effect to takeover contracts for the bid will not be registered;
- (f) the bid will be taken to have been approved if, as at the end of the day before the Resolution Deadline, the resolution has not been voted on;
- (g) if the resolution is approved, the transfers must be registered (subject to other provisions of the Corporations Act and the Constitution); and
- (h) the Directors will breach the Corporations Act if they fail to ensure the resolution is voted on. However, the bid will still be taken to have been approved if it is not voted on within the Resolution Deadline.

The Proportional Takeover Provisions do not apply to full takeover bids. If the Proportional Takeover Provisions are renewed, they will cease to apply at the end of three years after renewal unless renewed by a Special Resolution of Shareholders.

### **Reasons for the proposed provisions**

In the absence of the Proportional Takeover Provisions, a proportional takeover bid may result in control of the Company changing without Shareholders having an opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders could be exposed to the risks of passing control to the bidder without payment of an adequate control premium for all their Shares and being left with a minority interest in the Company. Such Shareholders could suffer potential further loss if the takeover bid were to cause a decrease in the Share price or otherwise make the Shares less attractive and, therefore, more difficult to sell.

### **Knowledge of any acquisition proposals**

As at the date of this Notice of Meeting, no Director is aware of any proposal to acquire, or to increase the extent of, a substantial interest in the Company.

### **Advantages and disadvantages during the period in which they have been in effect**

The Directors consider that the Proportional Takeover Provisions had no advantages or disadvantages for them during the period in which they have been in effect.

The advantages and disadvantages of the Proportional Takeover Provisions for Shareholders include those set out below, which were applicable during the period in which they have been in effect.

## Potential advantages and disadvantages

The renewal of the Proportional Takeover Provisions will enable the Directors to formally ascertain the views of the Shareholders in respect of a proportional takeover bid. Without such provisions, the Directors are dependent upon their perception of the interests and views of Shareholders. Other than this advantage, the Directors consider that the Proportional Takeover Provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the Proportional Takeover Provisions for Shareholders include:

- (a) providing the right to discuss, in a meeting called specifically for that purpose, and then decide, by majority vote, whether an offer under a proportional takeover bid should proceed;
- (b) assisting the prevention of Shareholders being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced;
- (d) potentially increasing the likelihood of a full takeover bid rather than a proportional takeover bid; and/or
- (e) enabling individual Shareholders to better assess the likely outcome of the proportional takeover bid, by knowing the view of the majority of Shareholders, which may assist in deciding whether to accept or reject an offer under the bid;

The potential disadvantages of the Proportional Takeover Provisions for Shareholders include:

- (a) imposing a hurdle to, and potentially discouraging the making of, provisional takeover bids which, in turn, may reduce any takeover speculation element in the price of Shares;
- (b) potentially reducing the likelihood of success of a proportional takeover bid;
- (c) possible reduction or loss of opportunities for Shareholders sell some or all of their Shares at a premium; and/or
- (d) potentially causing some Shareholders to form the view that the Proportional Takeover Provisions impose an unreasonable restriction on their ability to freely deal with their Shares.

Prior to the Meeting, a copy of the New Constitution, which includes the Proportional Takeover Provisions, is available for review by Shareholders at the Company's registered office during normal business hours. A copy of the New Constitution can also be sent to Shareholders of the Company upon a request being made to the Company Secretary.

A copy of the New Constitution will be tabled at the Meeting.

## Section 136 of the Corporations Act

Pursuant to section 136(2) of the Corporations Act, a company may modify or repeal its constitution, or a provision of its constitution by way of a Special Resolution passed by its Shareholders. Therefore, this Resolution is a Special Resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on this Resolution are voted in its favour.

## Professional Advice

If you have any doubt or do not understand this Resolution, it is strongly recommended that you seek advice from a solicitor or other professional advisor.

## Directors' recommendation

The Board of Directors recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## Selective Capital Reduction

### Resolution 11 – Selective Capital Reduction

#### Background

This section of the Explanatory Statement relates to Resolution 11 of the Notice of Annual General Meeting and to Resolution 1 of the Special General Meeting. Resolution 11 will only come into effect if Resolution 1 at the Special General Meeting is passed.

The Class B Performance Shares were issued on 19 August 2015 to persons who were employees and Directors of the Company at the time.

The milestone events attaching to the Class B Performance Shares have not been achieved and none of the Class B Performance Shares have been converted into Shares.

The purpose of Resolution 11 is to seek the requisite approval of Shareholders required under the Corporations Act for the selective reduction and cancellation of 8,754,423 Class B Performance Shares for \$0.00001 per Class B Performance Share (the total consideration being \$87.54) held by the Performance Shareholders (**Selective Capital Reduction**).

Resolution 11 is a Special Resolution, and therefore requires not less than 75% of the total votes cast by Shareholders entitled to vote on the Resolution to be in favour of the Resolution for it to be passed.

#### Part 2J.1 of the Corporations Act

Pursuant to section 256C of the Corporations Act, a company may make a selective capital reduction if it is approved by a special resolution passed at a general meeting of the Company, with no votes being cast in favour of the resolution by any person who is to receive consideration as part of the reduction or whose liability to pay amounts unpaid on shares is to be reduced.

The Corporations Act provides that the rules relating to a reduction of share capital are designed to protect the interests of shareholders and creditors by:

- (a) addressing the risk of the transaction leading to the Company's solvency;
- (b) seeking to ensure fairness between the shareholders of the Company; and
- (c) requiring the Company to disclose all material information.

In particular, section 256B of the Corporations Act requires that a Company may only reduce its capital if:

- (a) it is fair and reasonable to the shareholders as a whole;
- (b) it does not materially prejudice the Company's ability to pay its creditors; and
- (c) it is approved by shareholders in accordance with section 256C of the Corporations Act.

Section 256C(4) of the Corporations Act requires that the Company must include with the notice a statement setting out all information known to the Company that is material to the decision on how to vote on the resolution. However, the Company does not have to disclose information if it would be unreasonable to require the Company to do so because the Company had previously disclosed the information to shareholders.

The Directors believe that the Selective Capital Reduction as proposed is fair and reasonable to



Shareholders for the following reasons:

- (a) the Selective Capital Reduction will only result in the cancellation of the Class B Performance Shares issued to the Performance Shareholders;
- (b) the Selective Capital Reduction will not materially prejudice the Company's ability to pay its creditors; and
- (c) the Selective Capital Reduction will have no material effect on the Company's financial position or cash reserves as the aggregate consideration to be provided to the Performance Shareholders for the cancellation of the Class B Performance Shares is nominal, totalling \$87.54.

The Directors do not consider that there are any material disadvantages to the Company by undertaking the Selective Capital Reduction.

Further, as the Selective Capital Reduction involves the cancellation of shares, section 256C(2) of the Corporations Act requires that the Selective Capital Reduction must also be approved by a special resolution passed at a meeting of the shareholders whose shares are to be cancelled. The Special General Meeting is being held after the AGM, at which the Performance Shareholders will vote on the Selective Capital Reduction for the purpose of satisfying section 256C(2) of the Corporations Act.

#### **Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

A "related party" for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse and the parents of a director of a public company or an entity controlled by a director of a public company. The definition of "related party" also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company.

The consideration payable under the proposed Selective Capital Reduction constitutes the giving of a financial benefit to a related party being:

- (a) Ms Michele Keryn Dilizia, Director of the Company who holds 577,212 Class B Performance Shares directly;
- (b) Mr James Graham, Director of the Company who holds 389,712 Class B Performance Shares directly and 356,250 indirectly through the J Graham Family Trust; and
- (c) Mr Graham Melrose & Ms Olga Melrose, the parents of a Director (Ms Dilizia) who hold jointly 6,075,000 Class B Performance Shares,

together the '**Related Party Performance Shareholders**'.

For each Related Party Performance Shareholder for whom consideration is payable under the Selective Capital Reduction was considered, the other non-conflicted Directors formed the view that the giving of the financial benefit to that Related Party Performance Shareholder fell within the "small amounts given to related entity" exception as set out in section 213 of the Corporations Act, and rely on this exception for the purposes of Resolution 11 of this Notice of Meeting.

#### **Reasons for the proposed Selective Capital Reduction**

The overall effect of the Selective Capital Reduction is the reduce the number of Class B

Performance Shares currently on issue from 8,754,423 to nil as the milestone events attaching to the Class B Performance Shares have not been achieved and none of the Class B Performance Shares have been converted into Shares.

The consideration payable by the Company to the Performance Shareholders is \$0.00001 per Class B Performance Share to effect the reduction and cancellation under the terms and conditions of the Class B Performance Shares which are set out in Annexure B.

### Interests of Directors

The interests of Directors in the Class B Performance Shares are set out below:

Director	Number of Class B Performance Shares held	Aggregate Consideration to be paid for the Class B Performance Shares
Ms Michele Keryn Dilizia <sup>(a)</sup>	577,212	\$5.77
Mr James Graham as trustee for the J Graham Family Trust <sup>(b)</sup>	356,250	\$3.56
Mr James Graham	389,712	\$3.90

**Notes:** (a) Ms Dilizia does not have a Relevant Interest in the 6,075,000 Class B Performance Shares held jointly by her parents, Mr Graham Melrose & Ms Olga Melrose.  
(b) Mr James Graham has an indirect interest as a beneficiary of the J Graham Family Trust.

Messrs Dr John Prendergast, Alistair McKeough, Dr Alan Dunton and Dr Justin Ward do not have any interest in the outcome of Resolution 11 the subject of this Notice of Meeting other than an interest arising solely in their capacity as Shareholders or any interest in the outcome of Resolution 1 of the Special General Meeting.

### Capital Structure before and after the proposed Selective Capital Reduction

As at 26 September 2024, the Company's capital structure is set out below:

Class	Number of Securities
Fully paid ordinary shares	231,871,617
Class B Performance Shares	8,754,423
Options	9,975,000

The Selective Capital Reduction will result in the cancellation of 8,754,423 Class B Performance Shares. After the Selective Capital Reduction is effected, the Company will have no Class B Performance Shares on issue. The Company's capital structure upon completion of the proposed Selective Capital Reduction is set out below:

Class	Number of Securities <sup>(a)</sup>
Fully paid ordinary shares	231,871,617
Options	9,975,000

**Note:**

- (a) This table assumes that:
- (i) no options over Shares are exercised between 26 September 2024 and the date the Selective Capital Reduction is completed; and
  - (ii) no other Securities are issued between 26 September 2024 and the date the Selective Capital Reduction is completed.

### **Impact on control**

As at 26 September 2024, the Class B Performance Shares represent approximately 3.5% of the issued capital of the Company on a fully diluted basis. All other things being equal, the proposed Selective Capital Reduction would have the effect of decreasing the issued capital of the Company by 3.5% on a fully diluted basis.

There will be no change to the Shareholders' voting power in the Company as the Class B Performance Shares do not carry voting rights.

### **Other material information**

There is no information material to the making of a decision by a Shareholder whether or not to approve Resolution 11 of the Notice of Annual General Meeting being information that is known to any of the Directors and which has not been previously disclosed to Shareholders, other than as disclosed in this Explanatory Statement.

Once:

- (a) Resolution 11 of the Notice of Annual General Meeting is passed by Shareholders; and
- (b) Resolution 1 of the Special General Meeting is passed by Performance Shareholders, the Company will not make the reduction of capital until at least 14 days after lodgement of Resolution 11 the Notice of Annual General Meeting and Resolution 1 of the Special General Meeting with the ASIC, in accordance with the ASIC prescribed timeline for selective capital reductions.

### **Directors' recommendation**

The Board of Directors, excluding Mr James Graham and Ms Michele Dilizia, recommend that Shareholders vote for this Resolution.

The Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

## **Issue of Incentive Securities under the Employee Incentive Plan**

### **Resolutions 12 – 17 Approval of Issue of Options to Directors of the Company**

The Company's Employee Incentive Plan (**Incentive Plan**) was last re-approved by Shareholders on 8 November 2023. Resolutions 12 to 17 seek Shareholder approval to issue and allot in aggregate, 11,500,000 unlisted options (**Options**) under the Incentive Plan (the **Issues**) to Dr John Prendergast, Mr James Graham, Ms Michele Dilizia, Dr Justin Ward, Dr Alan Dunton and Mr Alistair McKeough (or their nominees), Directors of the Company.

#### **ASX Listing Rule 10.14**

Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the Company (Listing Rule 10.14.1);
- (b) an associate of a director of the Company (Listing Rule 10.14.2); or
- (c) a person whose relationship with the Company or a person referred to in Listing Rule 10.14.1 or 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by its shareholders, unless it obtains the approval of its shareholders (Listing Rule 10.14.3).

Accordingly, as Dr John Prendergast, Mr James Graham, Ms Michele Dilizia, Dr Justin Ward, Dr Alan Dunton and Mr Alistair McKeough are each a director of the Company, the Issues fall within Listing

Rule 10.14.1 above and therefore require the approval of the Company's Shareholders under Listing Rule 10.14. To this end Resolutions 12 to 17 seek the required Shareholder approval to the Issues under and for the purposes of Listing Rule 10.14.

If Resolutions 12 to 17 are passed, the Company will be able to proceed with the proposed Issues of Options.

If Resolutions 12 to 17 are not passed, the Company will not be able to proceed with the proposed Issues of Options and this may impact the Company's ability to retain its Directors as the Options form an integral part of the Company's recruitment, remuneration and retention strategy and the Board may need to consider an alternative remuneration arrangement such as a cash payment.

### Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of Options constitutes the giving of a financial benefit.

A "related party" for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of "related party" also includes a person whom there is reasonable grounds to believe will become a "related party" of a public company.

For each Director for whom the issue of Options was considered, the other non-conflicted Directors considered the proposed issue, and formed the view that the giving of the financial benefit to that Director was reasonable remuneration, given the circumstances of the Company, the quantum of the Options, the terms of the Options and the responsibilities held by that Director in the Company.

Accordingly, the non-conflicted Directors of the Company believe that the issue of these Options to each of the Directors under Resolutions 12 to 17 fall within the "reasonable remuneration" exception as set out in section 211 of the Corporations Act, and relies on this exception for the purposes of Resolutions 12 to 17 of this Notice of Meeting. Therefore, the proposed issue of Options to the Directors under Resolutions 12 to 17 requires Shareholder approval under and for the purposes of Listing Rule 10.14 only.

### Information required under ASX Listing Rule 10.15

The following information in relation to the issue of Options to Directors the subject of Resolutions 12 to 17 is provided to Shareholders for the purposes of ASX Listing Rule 10.15:

<b>Name of the person</b>	The Directors of the Company or their respective nominee associate.  For the purposes of LR 10.15.2: <ul style="list-style-type: none"> <li>• Dr John Prendergast, Mr James Graham, Ms Michele Dilizia, Dr Justin Ward, Dr Alan Dunton and Mr Alistair McKeough are Directors of the Company (LR 10.14.1); and</li> <li>• a nominee of Dr John Prendergast, Mr James Graham, Ms Michele Dilizia, Dr Justin Ward, Dr Alan Dunton and Mr Alistair McKeough is an associate of a person referred to in LR 10.14.1 (LR 10.14.2).</li> </ul>
<b>Type of Securities</b>	Options
<b>Number of Options to be Issued Subject to Shareholder Approval</b>	The maximum number of securities proposed to be issued is 11,500,000 Options comprising of: <ul style="list-style-type: none"> <li>(a) 2,650,000 Options to Dr John Prendergast (or his nominated associate) (<b>Resolution 12</b>);</li> </ul>

	<p>(b) 3,000,000 Options to Mr James Graham (or his nominated associate) (<b>Resolution 13</b>);</p> <p>(c) 1,600,000 Options to Ms Michele Dilizia (or her nominated associate) (<b>Resolution 14</b>);</p> <p>(d) 1,000,000 Options to Dr Justin Ward (or his nominated associate) (<b>Resolution 15</b>);</p> <p>(e) 2,250,000 Options to Dr Alan Dunton (or his nominated associate) (<b>Resolution 16</b>);</p> <p>and</p> <p>(f) 1,000,000 Options to Mr Alistair McKeough (or his nominated associate) (<b>Resolution 17</b>).</p>
<p><b>Current Total Remuneration Package</b></p>	<p>(a) The total remuneration for Dr John Prendergast is US\$250,000 per annum (inclusive of superannuation entitlements) for his role as an Executive Director.</p> <p>(b) The total remuneration for Mr James Graham \$450,000 per annum (plus superannuation entitlements) for his role as an Executive Director.</p> <p>(c) The total remuneration for Ms Michele Dilizia Ward is \$350,000 per annum (plus superannuation entitlements) for her role as an Executive Director.</p> <p>(d) The total remuneration for Dr Justin Ward is \$280,000 per annum (plus superannuation entitlements) for his role as an Executive Director.</p> <p>(e) The total remuneration for Dr Alan Dunton is \$75,000 per annum (inclusive of superannuation entitlements) for his role as a Non-Executive Director.</p> <p>(f) The total remuneration for Mr Alistair McKeough is \$81,250 per annum (inclusive of superannuation entitlements) for his role as a Non-Executive Director.</p> <p>Executive Directors are eligible to participate in the Company's short term incentive plan and may be granted a discretionary cash bonus. Further, both Executive Directors and Non-Executive Directors are entitled to participate in equity based remuneration schemes subject to shareholder approval.</p> <p>Under clause 14.9 of the Constitution, if the Directors request that a specific non-executive director performs extra services or make any special exertions for the Company, the Company may remunerate that non-executive director as determined by the Directors and that remuneration may be either in addition to, or in substitution for, that non-executive director's remuneration under clause 14.9.</p>
<p><b>Number of Options previously issued to the Directors under the Incentive Plan and average acquisition price (if any) paid for those securities</b></p>	<p>(a) Dr John Prendergast was previously issued:</p> <p>(i) 250,000 Shares for nil cash consideration under the Incentive Plan on 15 February 2019 following receipt of shareholder approval at the Company's 2018 Annual General Meeting held on 29 November 2018.; and</p> <p>(ii) 2,175,000 unlisted options exercisable at \$1.56, expiring 22 February 2026 for nil consideration under the Incentive Plan on 22 February 2021 following receipt of shareholder approval at the Company's 2020 Annual General Meeting held on 30 November 2020.</p> <p>(b) Mr James Graham was previously issued 2,250,000 unlisted options exercisable at \$1.56, expiring 22 February 2026 for nil consideration under the Incentive Plan on 22 February 2021 following receipt of shareholder approval at the Company's 2020 Annual General Meeting held on 30 November 2020.</p> <p>(c) Ms Michele Dilizia was previously issued 1,500,000 unlisted options exercisable at \$1.56, expiring 22 February 2026 for nil consideration under the Incentive Plan on 22 February 2021 following receipt of shareholder approval at the Company's 2020 Annual General Meeting held on 30 November 2020.</p> <p>(d) Dr Justin Ward was previously issued 600,000 unlisted options exercisable at \$1.56, expiring 22 February 2026 for nil consideration under the Incentive Plan on 22 February 2021 following receipt of shareholder approval at the Company's 2020 Annual General Meeting held on 30 November 2020.</p> <p>(e) Dr Alan Dunton was previously issued 1,125,000 unlisted options exercisable at \$1.56, expiring 22 February 2026 for nil consideration under the Incentive Plan on 22 February 2021 following receipt of shareholder approval at the Company's 2020 Annual General Meeting held on 30 November 2020.</p> <p>(f) Mr Alistair McKeough was previously issued 1,125,000 unlisted options exercisable at \$1.56, expiring 15 November 2027 for nil consideration under the Incentive Plan on 15 November 2022 following receipt of shareholder approval at the Company's 2022</p>

	Annual General Meeting held on 14 November 2022.	
<b>Issue Date of Options</b>	The Options will be issued as soon as practicable following the Meeting, and in any event, the Options will be issued no later than 3 years after the date of this Meeting.	
<b>Amount payable for the Options</b>	The Options will be issued for nil cash consideration.	
<b>Summary of the material terms of the Options</b>	<b>Exercise Price</b>	\$0.80 per Option
	<b>Entitlement</b>	Each Option is exercisable into one fully paid ordinary share.
	<b>Expiry Date</b>	Each Option has a term of 5 years from the date of issue ( <b>Expiry Date</b> ).  Any unexercised Options on issue at the Expiry Date will automatically lapse on the Expiry Date and be cancelled by the Company, unless lapsed and cancelled earlier in accordance with the Incentive Plan.
	<b>Vesting Conditions</b>	(a) The Options issued to Mr James Graham, Ms Michele Dilizia and Dr Justin Ward will vest on the anniversary of the date of issue in equal tranches over a three year period subject to continued employment or contract with the Company, or in a capacity as agreed by the Board.  (b) The Options issued to Dr John Prendergast, Dr Alan Dunton and Mr Alistair McKeough will vest each month after the date of issue in equal tranches over a one year period subject to continued employment or contract with the Company, or in a capacity as agreed by the Board.
	<b>Unlisted Options</b>	The Company will not apply for quotation of the Options.
	<b>Shares issued on exercise</b>	Shares issued on exercise of the Options will rank equally with the other issued Shares.
	<b>Quotation of Shares on exercise</b>	Application will be made by the Company to the ASX for official quotation of the Shares issued upon the exercise of the Options.
	<b>Participation in new issues</b>	There are no participation rights or entitlements inherent in the Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.
	<b>Adjustment for bonus issues of Shares</b>	In the event the Company proceeds with a bonus issue of Shares to Shareholders after the issue of the Options, the number of Shares over which an Option is exercisable may be increased in the manner permitted by the ASX Listing Rules applying at the time of the bonus issue.
	<b>Adjustment of Exercise Price</b>	If there is a pro rata issue of Shares (other than a bonus issue of Shares) to Shareholders, after the issue of the Options and before the date the relevant Options must be exercised or lapse, the Exercise Price of the relevant Options will be adjusted in accordance to the formula outlined in the ASX Listing Rules.
	<b>Adjustment for reorganisation</b>	If there is any reconstruction of the issued share capital of the Company, the rights of the holder may be varied in a manner consistent with the Corporations Act and to comply with the ASX Listing Rules which apply at the time of the reconstruction.
<b>Disposal Restrictions</b>	The Options may not be sold, transferred, mortgaged, charged or otherwise dealt with or encumbered, without the prior	

		written consent of the Board.														
	<b>Dividend and voting rights</b>	The Options do not carry rights to dividends or voting rights.														
	<b>Exercise of Options</b>	<p>The Options may be exercised in whole or in part, once they have vested, prior to the Expiry Date by notice in writing to the Company and accompanied by payment of the Exercise Price for each Option being exercised or the Cashless Exercise facility pursuant to rule 6.4 of the Incentive Plan if agreed in writing by the Board may be utilised where the number of Shares to be issued will be determined in the following manner:</p> $A = B \times \frac{C - D}{C}$ <p>Where:</p> <p>A = the number of Shares to be issued to the participant under the cashless exercise mechanism</p> <p>B = the number of Shares which would be issued to the participant if the exercise price is paid per Option under the traditional exercise mechanism</p> <p>C = the market value of one Share</p> <p>D = the Exercise Price per Option</p>														
	<b>No rights to return of capital</b>	An Option does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.														
<b>Why Options?</b>	The Company has decided to choose this type of equity security as it is unlisted (therefore has no immediate dilutionary impact on shareholders) and the terms can be structured to assist in aligning the interests of the holders with Shareholders of the Company.															
<b>Value the Company attributes to Options</b>	<p>The Black Scholes option valuation methodology has been used to determine the value of the Options, being \$0.244 per Option. The Company has sought an independent valuation of the Options from Pitcher Partners. The value of an option calculated by the Black-Scholes Model is a function of the relationship between a number of variables, being the price of the underlying Share at the time of issue, the exercise price, the time to expiry, the risk-free interest rate, the volatility of the Company's underlying Share price and expected dividends.</p> <p>The underlying assumptions underpinning the valuation applying the Black-Scholes Model was:</p> <table border="1"> <thead> <tr> <th>Valuation Input</th> <th>Assumption</th> </tr> </thead> <tbody> <tr> <td>Market price of the Company's Shares (being the closing share price on 1 October 2024)</td> <td>\$0.505</td> </tr> <tr> <td>Exercise Price</td> <td>\$0.80</td> </tr> <tr> <td>Term of the Options</td> <td>5 years</td> </tr> <tr> <td>Risk-free rate</td> <td>3.60%</td> </tr> <tr> <td>Dividend Yield</td> <td>Nil</td> </tr> <tr> <td>Volatility</td> <td>67.1%</td> </tr> </tbody> </table>		Valuation Input	Assumption	Market price of the Company's Shares (being the closing share price on 1 October 2024)	\$0.505	Exercise Price	\$0.80	Term of the Options	5 years	Risk-free rate	3.60%	Dividend Yield	Nil	Volatility	67.1%
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Term of the Options	5 years															
Risk-free rate	3.60%															
Dividend Yield	Nil															
Volatility	67.1%															

	Value for one Option	\$0.244 <sup>(a)</sup>
	<b>Note:</b> (a) The valuation was undertaken for indicative purposes only and was based on a price of \$0.505 per Share however the actual value will be determined as at the date of grant and the value is therefore subject to change.	
<b>Summary of the material terms of the Incentive Plan</b>	A summary of the material terms of the Incentive Plan is set out in Annexure D.	
<b>No loans</b>	No loans will be granted to the Directors in relation to the acquisition of the Options.	
<b>Other information</b>	<p>Details of any securities issued under the Incentive Plan will be published in the Company's annual report relating to the period in which they are issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.</p> <p>Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of securities under the Incentive Plan after Resolutions 12 to 17 are approved and who were not named in the Notice of Meeting in respect of an approved Resolution will not participate until approval is obtained under that rule.</p>	
<b>Voting prohibition statement</b>	A voting prohibition statement is included in this Notice of Meeting.	

### Directors' recommendation

Given the nature of this Resolution, the Board does not consider that it is appropriate to make a recommendation on how Shareholders should vote on this Resolution.

As noted in the Proxy Form, the Chair of the Meeting intends to cast all undirected proxies in favour of this Resolution.

### Enquiries

Shareholders are asked to contact the Company Secretary at [company.secretary@recce.com.au](mailto:company.secretary@recce.com.au) if they have any queries in respect of the matters set out in these documents.



# Glossary

**AEDT** means Australian Eastern Daylight Time as observed in Sydney, New South Wales, Australia.

**Annual Financial Report** means the 2024 Annual Report to Shareholders for the period ended 30 June 2024 as lodged by the Company with ASX on 30 August 2024.

**Annual General Meeting** or **AGM** or **Meeting** means an Annual General Meeting of the Company and, unless otherwise indicated, means the meeting of the Company's members convened by this Notice of Meeting.

**ASIC** means Australian Securities and Investment Commission.

**Associate** has the meaning given to it by the ASX Listing Rules.

**ASX** means ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires, of 20 Bridge Street, Sydney, NSW 2000.

**ASX Listing Rules** or **Listing Rules** means the official ASX Listing Rules of the ASX and any other rules of the ASX which are applicable while the Company is admitted to the official list of the ASX, as amended or replaced from time to time, except to the extent of any express written waiver by the ASX.

**Auditor's Report** means the auditor's report of BDO Audit Pty Ltd dated 30 August 2024 as included in the Annual Financial Report.

**Board** means the current board of Directors of the Company.

**Business Day** means a day on which trading takes place on the stock market of ASX.

**Chair** means the person chairing the Meeting.

**Class B Performance Shares** means 8,754,423 class b performance shares issued to the Performance Shareholders by the Company on the terms and conditions set out in Annexure B.

**Closely Related Party** of a member of the KMP means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependant of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporation Regulations 2001* (Cth).

**Company** means Recce Pharmaceuticals Ltd ACN 124 849 065.

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth) as amended or replaced from time to time.

**Director** means a current director of the Company.

**Directors' Report** means the report of Directors as included in the Annual Financial Report.

**Dollar** or "**\$**" means Australian dollars.

**Explanatory Statement** means the explanatory statement accompanying this Notice of Meeting.

**KMP** means key management personnel (including the Directors) whose remuneration details are included in the Remuneration Report.

**Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting dated 8 October 2024 including the Explanatory Statement.

**Option** means an option which, subject to its terms, could be exercised into a Share.

**Ordinary Resolution** means a resolution that can only be passed if at least 50% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Performance Shareholders** means the registered holders of Class B Performance Shares on issue in the Company set out in Annexure C.

**Proxy Form** means the proxy form attached to this Notice of Meeting.

**Related Party** has the meaning given to that term in ASX Listing Rule 19.12.

**Relevant Interest** has the meaning given to that term in the Corporations Act.

**Remuneration Report** means the remuneration report as set out in the Annual Financial Report.

**Resolutions** means the resolutions set out in this Notice of Meeting, or any one of them, as the context requires.

**Restricted Voter** means a member of the Company's KMP and any Closely Related Parties of those members.

**Security** means shares, options, rights (as the context requires).

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**Share Registry** means Automatic Registry Services.

**Special General Meeting** means the Special General Meeting of Performance Shareholders to be held virtually at 3:00PM (AEDT) on Wednesday, 6 November 2024 or as soon as the Annual General Meeting of Shareholders has concluded or been adjourned, whichever is later.

**Special Resolution** means a resolution that can only be passed if at least 75% of the total votes cast by Shareholders entitled to vote on the resolution are voted in its favour at the meeting.

**Spill Meeting** means the meeting that will be convened within 90 days of the AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting).

**Spill Resolution** means the resolution required to be put to Shareholders at the AGM if a threshold of votes is cast against the adoption of the Remuneration Report at the Meeting (subject of this Notice of Meeting).

**Trading Day** has the meaning given to that term in ASX Listing Rule 19.12.

**VWAP** means the volume weighted average market (closing) price, with respects to the price of Shares.

## Annexure A – Notice of Auditor Nomination

29 May 2024

Ms Maggie Niewidok  
Company Secretary  
Recce Pharmaceuticals Limited (ACN 124 849 065)  
Suite 10  
3 Brodie-Hall Drive  
Bentley WA 6102

**Re: NOTICE OF NOMINATION OF AUDITOR PURSUANT TO SECTION 328B OF THE CORPORATIONS ACT**

In accordance with section 328B(1) of the *Corporations Act 2001* (Cth), I, Dr John Prendergast, being a shareholder of Recce Pharmaceuticals Limited ACN 124 849 065 (the **Company**), hereby nominate BDO Audit Pty Ltd ACN 134 022 870 for appointment as auditor of the Company. It is intended that this nomination be put forward and voted on at the 2024 Annual General Meeting of the Company.

I consent to the provision of a copy of this notice to BDO Audit Pty Ltd, BDO Audit (WA) Pty Ltd and the distribution of a copy of this notice of nomination as an annexure to the Notice of Meeting and Explanatory Memorandum for the 2024 Annual General Meeting of the Company as required by section 328B(3) of the *Corporations Act 2001* (Cth).

Yours sincerely



.....  
Dr John Prendergast

## Annexure B – Terms and conditions of Class B Performance Shares

The terms and conditions of the Class B Performance Shares are as follows:

### Rights attaching to the Performance Shares

- (a) **(Performance Shares)** Each Performance Share is a share in the capital of the Company.
- (b) **(General meetings)** Each Performance Share confers on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to holders of fully paid ordinary shares in the capital of the Company (**Shareholders**). Holders have the right to attend general meetings of Shareholders.
- (c) **(No voting rights)** A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) **(No dividend rights)** A Performance Share does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** A Performance Share is not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of reorganisation.
- (i) **(Application to ASX)** The Performance Shares will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Shares into fully paid ordinary shares (Shares), the Company must within 10 Business Days apply for the Official Quotation of the Shares arising from the conversion on ASX.
- (j) **(Participation in entitlements and bonus issues)** A Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(No other rights)** A Performance Share gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

### Conversion of the Performance Shares

- (l) **(Conversion on achievement of milestone)** Subject to paragraph (m), a Class B Performance Share will convert into one Share upon achievement of the Company is awarded the US Food and Drug Administration's (FDA) Investigational New Drug (IND) status (or the European equivalent by the European Medicines Agency (EMA)) on or before 19 August 2020 (**Milestone**).

- (m) **(Deferral of conversion if resulting in a prohibited acquisition of Shares)** If the conversion of a Performance Share would result in any person being in contravention of section 606(1) of the *Corporations Act 2001* (Cth) (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:
- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.
  - (ii) The Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (m)(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.
- (n) **(Redemption if Milestone not achieved)** If the relevant Milestone is not achieved by the required date, then each Performance Share in that class will be automatically redeemed by the Company for the sum of \$0.00001 within 10 Business Days of non satisfaction of the Milestone.
- (o) **(Conversion procedure)** The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 10 Business Days following the conversion.
- (p) **(Ranking upon conversion)** The Share into which a Performance Share may convert will rank pari passu in all respects with existing Shares.

## Annexure C – Performance Shareholders

Performance Shareholder	Class B Performance Shares	Number of Class B Performance Shares following completion of the Selective Capital Reduction
Mr Michael Aarons as trustee for the IMS Pacific Trust	234,375	Nil
Mr Michael Aarons as trustee for The Aarons Super Fund	718,749	Nil
Antarctica Pacific Pty Ltd	234,375	Nil
Mr Ian David Brown	56,250	Nil
Ms Michele Keryn Dilizia <sup>(a)</sup>	577,212	Nil
Mr James Graham <sup>(a)</sup> as trustee for the J Graham Family Trust	356,250	Nil
Mr James Graham <sup>(a)</sup>	389,712	Nil
Mr Graham Melrose & Ms Olga Melrose	6,075,000	Nil
Mr Peter John Williams	56,250	Nil
Dr Dongke Zhang as trustee for The Zhangs Family Trust	56,250	Nil
<b>Totals</b>	<b>8,754,423</b>	<b>Nil</b>

**Note:** (a) Ms Dilizia and Mr Graham are Directors of the Company.

## Annexure D – Terms of the Incentive Plan

Under the rules of the Employee Incentive Plan (**Incentive Plan**), the Board has a discretion to offer any of the following awards to senior management, directors or other nominated key employees:

- options to acquire Shares;
- performance rights to acquire Shares; and/or
- Shares, including to be acquired under a limited recourse loan funded arrangement,

in each case subject to service-based conditions and/or performance hurdles (collectively, the “**Awards**”).

The terms and conditions of the Incentive Plan are set out in comprehensive rules. A summary of the rules of the Incentive Plan is set out below:

- The Incentive Plan is open to Directors, senior management, and any other employees of the Company, as determined by the Board. Participation is voluntary.
- The Board may determine the type and number of Awards to be issued under the Incentive Plan to each participant and other terms of issue of the Awards, including:
  - what service-based conditions and/or performance hurdles must be met by a participant in order for an Award to vest (if any);
  - the fee payable (if any) to be paid by a participant on the grant of Awards;
  - the exercise price of any option granted to a participant;
  - the period during which a vested option can be exercised; and
  - any disposal restrictions applying to the Awards and any Shares that a participant receives upon exercise of their options or performance rights.
- On the occurrence of cessation of employment for any reason, the Board will determine, in its sole and absolute discretion, the manner in which all unvested and vested Awards will be dealt with, including the application of any Clawback Policy.
- The Board may, in its discretion, also determine that the Company will issue limited recourse loans to participants to use for the purchase of Shares as part of a Share Award under the Incentive Plan.
- When any service-based conditions and/or performance hurdles have been satisfied, participants will receive fully vested Shares or their options/performance rights will become vested and will be exercisable over Shares (as applicable).
- Each vested option and performance right enables the participant to be issued or to be transferred one Share upon exercise, subject to the rules governing the Incentive Plan and the terms of any particular offer.
- If the Board determines that for a taxation, legal, regulatory or compliance reason it is not appropriate to issue or transfer Shares, the Company may in lieu and final satisfaction of the Company's obligation to issue or transfer Shares as required upon the exercise of an Award by a participant, make a cash payment to the participant equivalent to the fair market value as at the date of exercise of the Award (less any unpaid exercise price applicable to the exercise of the Award) multiplied by the relevant number of Shares required to be issued or transferred to the participant upon exercise of the Award.
- The Board may also determine in its sole and absolute discretion that a participant will not be required to provide payment of the exercise price to the Company, but that on exercise of the

Award the Company will only allot and issue or transfer that number of Shares to the participant that are equal in value to the difference between the exercise price otherwise payable in relation to the Award and the then market value of the Shares as at the time of the exercise determined by reference to the 5 day VWAP.

- The Incentive Plan limits the number of Awards that the Company may grant to 15,000,000 Awards since the Incentive Plan was last approved by Shareholders (excluding any Awards which are subsequently cancelled or lapsed in accordance with the terms of the Incentive Plan).
- The Board may delegate management and administration of the Incentive Plan, together with any of their powers or discretions under the Incentive Plan, to a committee of the Board or to any one or more persons selected by them as the Board thinks fit.



# Proxy Voting Form

If you are attending the virtual Meeting please retain this Proxy Voting Form for online Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]  
[EntityRegistrationDetailsLine2Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

**HolderNumber:**  
[HolderNumber]

Your proxy voting instruction must be received by **01.30pm (AEDT) on Monday, 04 November 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of Key Management Personnel.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automicgroup.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

#### WEBSITE:

<https://automicgroup.com.au>

#### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)



8 October 2024

Dear Shareholder,

## Recce Pharmaceuticals Ltd 2024 Annual General Meeting

Recce Pharmaceuticals Ltd (ASX:RCE, FSE:R9Q) (the **Company**), advises that its 2024 Annual General Meeting will be held at 1:30PM (AEDT) on Wednesday, 6 November 2024 (**Meeting**) at the offices of Automic, Level 5, 126 Phillip Street Sydney NSW 2000 and as a **virtual meeting**.

### Notice of 2024 Annual General Meeting

The Notice of 2024 Annual General Meeting is available to Shareholders electronically and can be viewed and downloaded online:

1. at <https://www.asx.com.au/markets/company/rce;>
2. at [https://www.recce.com.au/company-announcements/;](https://www.recce.com.au/company-announcements/) or
3. by contacting the Company Secretary at [company.secretary@recce.com.au](mailto:company.secretary@recce.com.au).

### Hybrid Meeting

The Company will hold this year's Meeting as a hybrid meeting which means shareholders will be able to participate in person at the abovementioned location or via an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen, ask questions, and vote online.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the Meeting** to avoid any delays on the day of the Meeting. An account can be created via the following link [investor.automic.com.au](https://investor.automic.com.au) and then clicking on "register" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) to create an account with Automic.

### Your vote is important

All resolutions will be decided on a poll. The poll will be conducted based on votes submitted by proxy and at the Meeting.

The business of the Meeting affects your shareholding and your vote is important.

To vote in person, attend the Meeting on the date and at the place set out above. If you plan to attend the Meeting in person, please bring your proxy form to facilitate your registration.

Shareholders attending the Meeting virtually and wishing to vote on the day of the Meeting can find further instructions on how to do so in the Notice of Meeting.

### Voting by proxy

<b>Online</b>	Lodge the Proxy Form online at <a href="https://investor.automic.com.au/#/loginsah">https://investor.automic.com.au/#/loginsah</a> by following the instructions: <ol style="list-style-type: none"><li>1. Log into the Automic website using their holding details.</li><li>2. Click on 'View Meetings' – 'Vote'.</li></ol>
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ASX: RCE, FSE: R9Q

Head Office: Level 23, 180 George St, Salesforce Tower, SYDNEY NSW 2000 T +61 (02) 9256 2505

R&D Centre - Perth: Suite 10, 3 Brodie Hall Drive, Technology Park, BENTLEY WA 6102 T +61 (8) 9362 9860

Washington Office: 1717 Pennsylvania Avenue NW, Suite 1025, WASHINGTON DC 20006 USA

To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the top of their holding statement.

For further information on the online proxy lodgment process please see the **Online Proxy Lodgment Guide** at <https://www.automicgroup.com.au/agm/virtual-agms/>

For further information on the online proxy lodgement process, or if you require a hard copy Proxy Form, please contact the Company's Share Registry, Automic Registry Services (Automic), at [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au) or via phone on 1300 288 664 (within Australia) or +61 2 9698 5414 (overseas).

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**

**The Chair intends to vote all open proxies in favour of all resolutions, where permitted, except for resolution 2 which the Chair will vote AGAINST.**

On behalf of the Board, thank you for your continued support as a shareholder. We look forward to welcoming you to our 2024 Annual General Meeting.

Yours sincerely,  
**Maggie Niewidok**  
Company Secretary

For personal use only

# FACT SHEET

RECCE PHARMACEUTICALS LTD (ASX:RCE, FSE:R9Q)

OCTOBER 2024



## An Emerging Global Leader in a New Generation of Anti-Infectives

Recce Pharmaceuticals Ltd (ASX:RCE, FSE:R9Q) is an Australian clinical stage biotech company engaged in the development and commercialisation of a new class of Synthetic Anti-infectives designed to address the urgent global health problem of antibiotic-resistant superbugs.

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 – the challenge of all existing antibiotics to date.

Sepsis affects **50 million people worldwide** a year. There are currently **no drug therapies** specifically for the treatment of severe sepsis and it is by far the **most expensive condition** treated in US hospitals.

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 also been included on **The Pew Charitable Trusts Global New Antibiotics in Development Pipeline as the only synthetic polymer and sepsis drug candidate in development.**

Recce wholly owns its automated manufacturing, ready to support human clinical trials. Recce's anti-infective pipeline seeks to exploit the unique capabilities of RECCE® technologies targeting synergistic, unmet medical needs.

### Corporate Summary

- Proprietary New Class of Anti-Infectives against bacteria and viruses, protected by Composition of Matter Patent
- World's Most Clinically Advanced New Class of Anti-Infectives** focussed upon the urgent global health threat of antibiotic-resistant superbugs
- Multiple Clinical Trials Complete, others underway - **Broad spectrum therapeutic potential for major unmet medical needs of Sepsis/Urosepsis, Burn Wound Infections, Diabetic Foot Infections and more**
- R327 bactericidal activity against all six ESKAPE pathogens
- Unique Mechanism of Action – R327 does not succumb to antimicrobial mutation (superbugs) - fundamental challenge of all existing antibiotics to date. It works fast and keeps on working with repeated use
- R327 cleared for use under Therapeutic Goods Administration (TGA) Special Access Scheme - Category A
- R327 included in **The Pew Charitable Trusts Global New Antibiotics in Development Pipeline as the only synthetic polymer and sepsis drug candidate in development.** 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.
- Manufacturing Established – quality and quantity suitable for all clinical trial phases (highly economic & scalable)
- Australian Government awarded **AUD \$54,947,284 (USD \$37,043,433)** Advanced Overseas Finding\* across RCE infectious disease portfolio\*

\*The Advanced Finding is a binding, underwritten guarantee provided by the Australian Government, which affirms the Company's R&D activities are of national interest and extends the 43.5% R&D rebate from locally, to cover those undertaken by the Company anywhere in the world for a period of three years. This finding does not constitute a grant, or an upfront payment of the amount awarded

### SNAP SHOT

Ticker	ASX:RCE, FSE:R9Q
Date listed	January 2016, March 2021
52 week range	AUD \$0.4100 – A\$0.6950
Market Cap	AUD \$118.718m (priced at \$0.5120)
Cash balance	A\$19.8m*
Shares on issue	231.87m
3 month avg. vol	199.53K (per trading day)
Sector	Pharmaceuticals, Biotechnology & Life Sciences

\*Successful completion of an institutional and SPP placement raised A\$12.4m, giving Recce a pro-forma cash balance of approximately A\$19.8 million.

### BOARD AND MANAGEMENT

Dr John Prendergast	Executive Chairman
James Graham	Managing Director & Chief Executive Officer
Michele Dilizia	Executive Director & Chief Scientific Officer
Dr Justin Ward	Executive Director & Principal Quality Chemist
Dr Alan W Dunton	Chief Medical Advisor & Non-Executive Director
Alistair McKeough	Non-Executive Director
Arthur Kollaras	Head of Manufacturing
Justin Reynolds	CFO (Outsourced – Pitcher Partners Sydney)
Maggie Niewidok	Company Secretary (Outsourced – Kardos Scanlan)

### PATENT PORTFOLIO

Patents covering the manufacturing process run until 2029. Granted provisional patents covering additional modes of delivery and anti-viral uses, run until 2037.

Recce Pharmaceuticals Ltd patent portfolio has continued to strengthen with granted patents in key pharmaceutical markets such as USA, Europe, Japan, China and Australia.

FILED	PATENT FAMILY 1	EXPIRY	PATENT FAMILY 2	EXPIRY	PATENT FAMILY 3	EXPIRY
Australia	✓	2028	✓	2037	✓	2037
USA	✓	2029	✓	2037	✓	2037
Europe	✓	2028	✓	2037	✓	2037
Germany	✓	2028	✓	2037	✓	2037
Spain	✓	2028	✓	2037	✓	2037
France	✓	2029	✓	2037	✓	2037
UK	✓	2028	✓	2037	✓	2037
Italy	✓	2028	✓	2037	✓	2037
Sweden	✓	2028	✓	2037	✓	2037
Japan	✓	2028	✓	2037	✓	2037
China	✓	2028	✓	2037	✓	2037
HK	Pending	2028	Pending	2037	✓	2037

#### Patent Family 1 – Granted

Unique and highly economical manufacturing process

#### Patent Family 2 – Pending/Granted

Applications (Multi-drug delivery)

#### Patent Family 3 – Granted

Anti-viral use

#### Patent Family 4 – Pending/Granted

Process for Preparation of Biologically Active Copolymer (Australia Granted, other Patent Cooperation Treaty countries pending/allowed)

## Efficacy - RECCE® 327

- 99.9% effective against full suite of ESKAPE pathogens including Multidrug-Resistant forms
- Acts against bacteria in both normal and mutated superbug forms
- Multiple tests demonstrate efficacy against Gram-positive and Gram-negative including their superbug forms
- *In-vitro* studies of RECCE® 327 demonstrate a faster kill rate than existing antibiotics
- Contains a patented polymeric structure, intentionally designed to overcome the traditional challenges of bacterial mutation/resistance
- *In-vivo* studies against SARS-CoV-2 (COVID-19) and influenza virus

## Safety - RECCE® 327

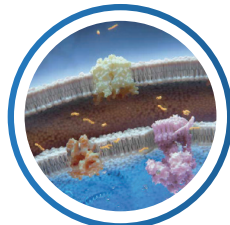
- Multiple studies of toxicity in small and large animals
- Multiple studies of mutagenicity (cancer) are clear
- Numerous studies to date indicate the safety of RECCE® 327
- Is suited to administration against sepsis by intravenous drip
- Indicates a safe therapeutic dosing window over a 1-hour infusion
- Data review of Phase I (I.V.) clinical trial of R327 in 80 human subjects, achieved all study end-points and **showed RECCE®327 to be safe & well tolerated - no serious adverse events noted**

## RECCE® 327 Mechanism of Action



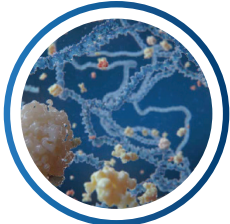
Stage 1

R327 permeabilises cell membrane and enters the cell



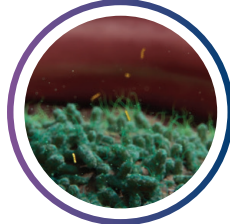
Stage 2

R327 interrupts bacterial cellular energetics via ATP Synthesis



Stage 3

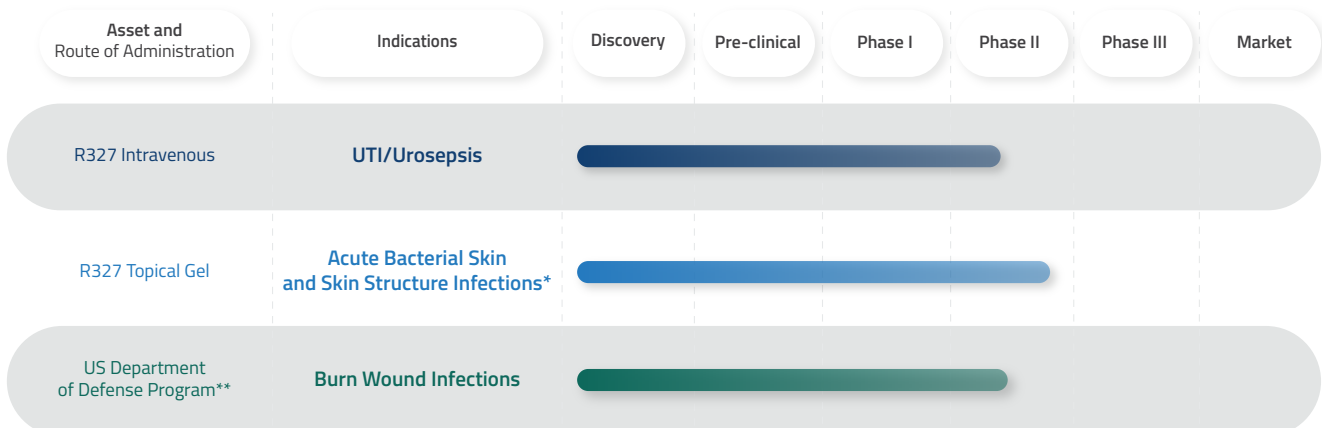
Cellular division & non-dividing cell functions are disrupted



Stage 4

R327 is rapidly and irreversibly bactericidal

## RECCE® Multiple Anti-Infective Applications



\*Including post-operative infection, wound infections and diabetic foot infections

\*\* The US Department of Defence has Recommended R327 Gel (R327G) as a topical treatment for Burn Wound Infections for grant funding of USD \$2.0 million (AUD 3.0 million).



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## World Health Organisation (WHO) List of Most Threatening Antibiotic-Resistant Bacteria

The WHO published a priority list of 12 antibiotic-resistant bacteria\*.

PRIORITY 1: CRITICAL	RECCE® 327
<i>Pseudomonas aeruginosa</i> , carbapenem-resistant	✓ 1
<i>Enterobacteriaceae</i> , carbapenem-resistant, ESBL-producing	✓ 2
<i>Acinetobacter baumannii</i> , carbapenem-resistant	✓ 3
<i>Mycobacterium tuberculosis</i> , rifampicin-resistant	NOT TESTED
PRIORITY 2: HIGH	
<i>Enterococcus faecium</i> , vancomycin-resistant	✓ 4
<i>Staphylococcus aureus</i> , methicillin-resistant	✓ 5
<i>Neisseria gonorrhoeae</i> , cephalosporin-resistant, fluoroquinolone-resistant	✓ 6
<i>Campylobacter spp.</i> , fluoroquinolone-resistant	NOT TESTED
<i>Salmonellae</i> , fluoroquinolone-resistant	NOT TESTED
<i>Shigella spp.</i> , fluoroquinolone-resistant	NOT TESTED
PRIORITY 3: MEDIUM	
<i>Streptococcus pneumoniae</i> , macrolide-resistant	✓ 7
<i>Haemophilus influenzae</i> , ampicillin-resistant	NOT TESTED
<i>Group A Streptococci</i> , macrolide-resistant	✓ 8
<i>Group B Streptococci</i> , penicillin-resistant	✓ 9

- 1 Active *in vitro* against Recce's own superbug of this bacterium
  - 2 Active *in vivo* against a member of this family CRE *E. coli*
  - 3 Active *in vitro* and against superbug variant CRAB
  - 4 Active *in vitro* against a very closely related species, *Enterococcus faecalis*
  - 5 Active both *in vitro* and *in vivo* against MRSA, Methicillin-resistant *S. aureus*
  - 6 Active *in vitro* (superbug not available)
  - 7 Active *in vitro* against related superbug *Klebsiella pneumoniae*
  - 8 Active *in-vitro* against *Streptococcus pyogenes*
  - 9 Active *in-vitro* against a very closely related species, *Streptococcus pyogenes*
- \* List as of 2024

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# Case Studies - Therapeutic Goods Administration (TGA) Special Access Scheme (SAS) Category A

## Case Studies - TGA SAS-Category A

### OVERVIEW

Recce Pharmaceuticals is pleased to update upon Therapeutic Goods Administration (TGA) Special Access Scheme (SAS) Category A utilisation of RECCE® 327 Gel (R327G) by a qualified medical practitioner across patients suffering antibiotic-resistant Gram-positive and Gram-negative bacterial infections.

Patients have been treated pursuant to the SAS-Category A; a notification pathway that can be accessed by health practitioners on behalf of a prescribing medical practitioner for patients who are seriously ill with a condition from which death is reasonably likely to occur within a matter of months, or from which premature death is reasonably likely to occur in the absence of early treatment, and does not constitute a clinical trial.

### HIGHLIGHTS

#### Patient A-F

- New RECCE® 327 Gel (R327G) indicates positive clinical response in the treatment of multiple antibiotic-resistant infections under TGA Special Access Scheme Category A (SAS – Category A)
- R327G administered via new Gel formulation – *ex vivo* burn wound study indicating 4 to 5-log reduction (>99.99%) against Methicillin-resistant *Staphylococcus aureus*
- Clinical trial preparations underway across multiple unmet medical needs
- Six total patients treated under TGA SAS Category with R327G – **all responded well to treatment with complete eradication of antibiotic-resistant infections**

#### PATIENT A

70–75-year-old male, puncture wound from metal spike injury. Unresponsive to all prior antibiotics, infection spreading and preparing for surgical intervention.

Day 0



Pre-treatment infection

Day 0



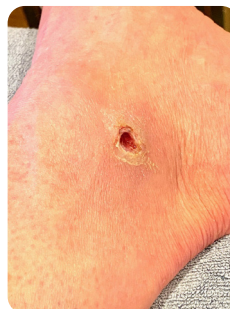
First Recce Gel Application

Day 0



Gel Applied Complete

Day 1



Post Treatment

Day 30



Post Treatment

#### PATIENT A OVERVIEW

- Patient A unresponsive to 4 x daily Cephalexin for 10 days.
  - Infection spreading and hospital ready.
- With only one dosing application, after 24 hours the infection had clinically responded.
  - Redness and swelling reduced.
- No pre-treatment wound debridement.
- **No stinging at any point reported.**
- **R327 Gel worked quickly and effectively.**



## Case Studies - TGA SAS-Category A

### PATIENT B

70–75-year-old male, puncture wound from metal spike injury. Unresponsive to all prior antibiotics, infection spreading and preparing for surgical intervention.

Pre-treatment



Pre-treatment infection

Day 7



Recce Treatment

Day 10



Recce Treatment

Day 14



Recce Treatment

### PATIENT B OVERVIEW

- Pre-treatment of R327G showed significant bacterial infection, redness and swelling.
- Upon applying R327G, after seven days, the initial redness and swelling had minimised, with the wound healing and drying up.
- Day 10 post R327G treatment showed no signs of infection, no signs of pus formation and the wound continuing to clear up and heal.
- **Day 14 post R327G treatment, the wound has significantly improved and R327G was well tolerated.**
- **Surgical intervention (commonly limb amputation in diabetic patients) was averted.**

### PATIENT C

51-year-old female with a significant wound infection post ankle infusion surgery. Diagnosed with arthritis on her right ankle due to talar avascular necrosis (death of bone tissue due to a lack of blood supply).

Pre-treatment



Pre-treatment infection

Day 7



Recce Treatment

Day 10



Recce Treatment

Day 14



Recce Treatment

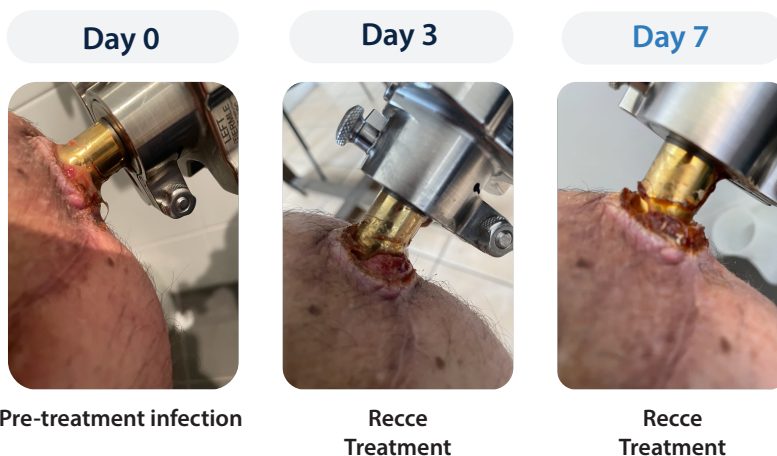
## Case Studies - TGA SAS-Category A

### PATIENT C OVERVIEW

- Pre-treatment wound swab on Day 0 showed a growing culture of both Gram-positive and Gram-negative bacilli – a deadly pathogen that produces spores, which can survive in environments for many years.
  - Patient A's slow healing wound was unresponsive for 5-6 weeks to two widely used antibiotics globally for bacterial infections - Augmentin (Amoxicillin) and Keflex (Cefalexin)
- Day 7 post R327G treatment, the initial redness and swelling of the wound had minimised and found to be drying up.
- Day 14 post R327G treatment, there were no signs of bacterial growth surrounding the wound.
- **Day 21 post-treatment, the wound had successfully healed, closed and dried up with no signs of bacterial infection.**
- **R327G treatment was well tolerated when applied daily.**

### PATIENT D

51-year-old male, involved in a motor bike accident in 2017, was required to have an amputation above the knee. In 2018, the patient received an osseointegration (bone ingrowth metal implant). Recurrent infection on the left femoral (thigh). Not responding to oral and intravenous antibiotics.



### PATIENT D OVERVIEW

- Pre-treatment of R327G showed significant bacterial infection, redness and swelling around the implant (upper left thigh).
- Post three days after application of R327G, the initial redness and swelling had minimised, with the wound healing and drying up.
- **Day 14 post-treatment showed wound was dried up and had improved with no signs of redness or swelling.**
- **R327G was applied daily and was well-tolerated.**

## Case Studies - TGA SAS-Category A

### PATIENT E

84-year-old male with osteomyelitis (serious infection of the bone) on his left big great toe, not responding to antibiotics.



#### PATIENT E OVERVIEW

- Pre-treatment (Day 1) X-rays showed infection deep within the underlying bone, tissue and around the nail, with signs of initial biofilm formation.
- After 3 days of R327G treatment, the wound is drying up with infection clearing and the toe responding well to treatment.
- **Day 7 post R327G treatment showed wound completely dried up, no signs of biofilm surrounding toenail and swelling significantly reduced.**
- **Surgical intervention (commonly amputation in diabetic patients), which was the next step for this patient, was averted.**

### PATIENT F



#### PATIENT F OVERVIEW

- Pre-treatment (Day 1) X-rays showed significant bacterial infection – septic ankle arthritis, peri-prosthetic joint infection, osteomyelitis, *E. coli* refractory to multiple debridement and multiple antibiotics.
- **After 3 days of R327G treatment, the discharge has cleared, and with no signs of edema present. R327G was applied once and was well-tolerated.**

*RECCE®327 and R327G are experimental compounds not market approved for use in humans; safety and efficacy are to be determined by present clinical studies. The result shown must be considered anecdotal; however are presented within continuous disclosure obligations and are not part of any present clinical trials.*

# Transforming the Infectious Disease Space with a New Class of Anti-Infectives

Recce Pharmaceuticals Ltd (ASX:RCE, FSE:R9Q) is a clinical-stage biotech company with a new class of novel synthetic anti-infectives designed to address the urgent global health threat of antibiotic-resistant superbugs. Recce is focused on addressing unmet medical needs and has demonstrated robust efficacy in animal models of infectious diseases and a good safety profile in early phase human trials.

Through their multi-layered and unique mechanisms of action, Recce's anti-infectives have the potential to overcome the hypercellular mutation of bacteria – the challenge of all existing antibiotics to date.

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RECCE® 327 (R327) acts rapidly and irreversibly (within minutes).

**Broad spectrum anti-infective** – proven bactericidal activity against both Gram-positive and Gram-negative bacteria, including the deadly ESKAPE pathogens.

**Unique Mechanism of Action** – RECCE® 327 does not succumb to antimicrobial mutation (superbugs) – fundamental challenge of all existing antibiotics to date). It works FAST and keeps on working with repeated use

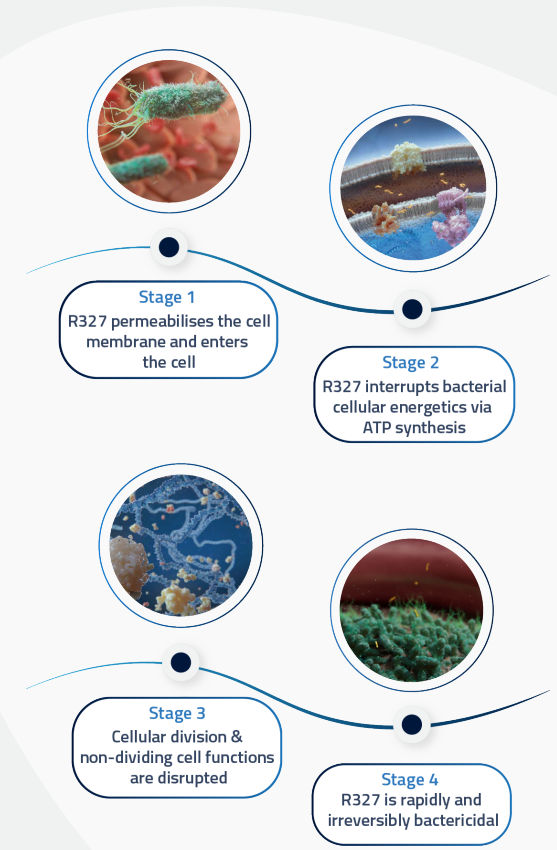
**Multiple clinical indications** in Phase I and II addressing unmet medical needs.

FDA Qualified Infectious Disease Product (QIDP) designation – 10 years market exclusivity plus fast-track approval.

Designed to safely provide treatment without developing resistance over time.



*Addressing the global health threat of antimicrobial resistance with a revolutionary portfolio of synthetic anti-infectives.*

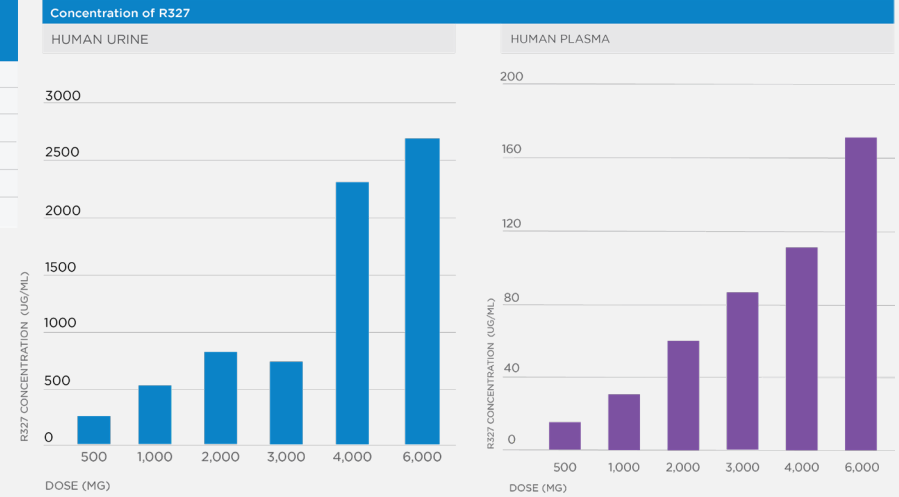


## Summary of Phase I Clinical Trial Data

- ✓ No serious adverse events (SAEs) or deaths were reported in this study.
- ✓ No clinically significant changes were noted in any hematology parameter(s) in
- ✓ No clinically significant changes were noted in any chemistry parameter(s) in any cohort during the course of the study (Kidney and Liver functions all normal – no change in parameters).
- ✓ All coagulation parameters remained within normal limits or were deemed not clinically significant (Normal blood clotting properties were maintained).
- ✓ No clinically significant changes were noted in any urinalysis parameter(s) in any cohort during the course of the study (i.e. no adverse event/side effect).
- ✓ No clinically significant changes were noted in any vital sign (included systolic blood pressure, diastolic blood pressure, heart rate, respiratory rate, and body temperature) parameter(s) in any cohort during the course of the study.
- ✓ No clinically significant changes were noted in any 12-lead ECG parameter(s) in any subject in any cohort during the course of the study (no cardiac event).
- ✓ No clinically significant changes were noted in any cardiac telemetry parameter(s) in any subject in any cohort during the course of the study (no cardiac abnormalities during continuous heart monitoring whilst under observation).

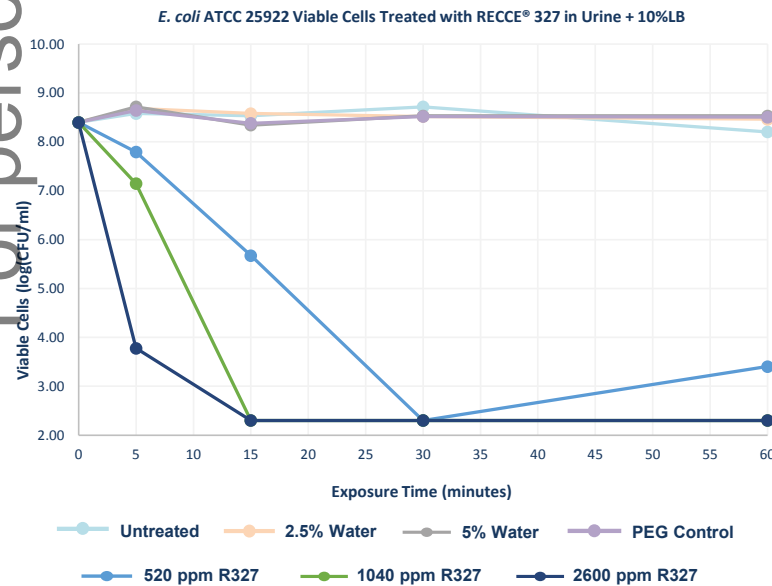
Concentration of R327 in Urine Compared to Plasma	Ratio Urine/Plasma
In over 60 healthy subjects	16x
	17x
	14x
	9x
	21x
	16x

## Phase I In-Human Safety Data



- R327 was proven to be safe and tolerable throughout a recent **completed** Phase I In-human Safety Study conducted in 80 subjects.
- The study was conducted in healthy male subjects. Multiple-dose cohorts were studied and received doses ranging from 50 to 6,000 mg.

## R327 Kills Quickly in the Urine

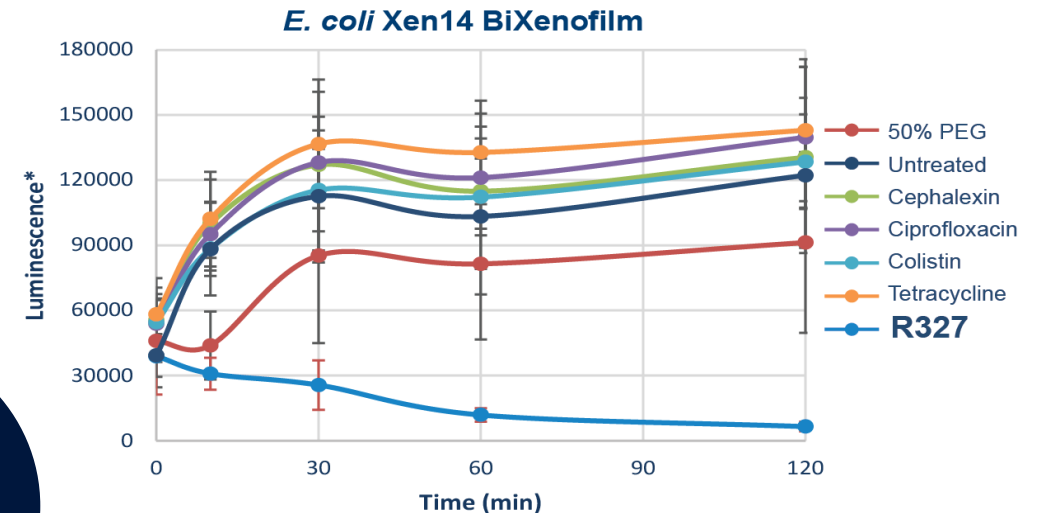


- R327 in the presence of human urine was able to have a fast (near minutes) effect against *E. coli* and irreversible.
- Bacteria could not be 'washed out' and regrown.
- R327 capability starting from comparatively low concentrations.
- Achieved 6-log reduction in viable cell count.

"R327 kills bacteria in conditions where other antibiotics are ineffective."

- Marc Sharp, PhD, Chief Scientific Officer, Linnaeus Bioscience

## R327 faster acting than existing antibiotics - no prolonged exposure needed



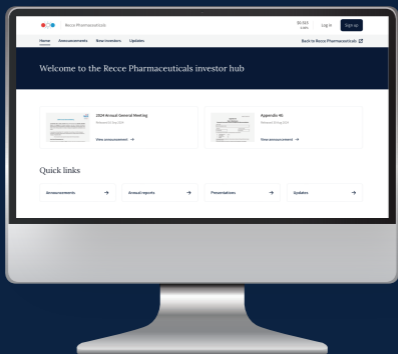
\*Xen14 (a reduction in luminescence correlates with decrease in cell viability)  
\*All compounds used at 2X Minimum Inhibitory Concentration (MIC)

- R327 kills pathogenic bacteria at a faster rate.
- R327 is designed to work faster than all existing antibiotics, reinforced by MoA work undertaken by experts in their field.

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**Recce**  
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