Quarterly Cash Flow Statement & Operational Highlights

Highlights:

- **Successful dosing of all 30 patients in Phase II clinical trial of RECCE® 327 Topical Gel (R327G) for the treatment of Acute Bacterial Skin and Skin Structure Infections (ABSSSI)**
- **Positive patient data analysis in Phase II clinical trial of R327G for the treatment of ABSSSI**
- **Japan Patent Family 4 allowed for Recce's Anti-infectives - expiry 2041**
- **Key Opinion Leader Clinical Milestones Webinar**
- **A$5.0 million placement to an existing Australian-based private investor & launched A$10.8 million Entitlement Offer to shareholders post quarter**

SYDNEY Australia, 30 April 2025: Recce Pharmaceuticals Ltd (**ASX:RCE**, **FSE:R9Q**) (**Recce** or the **Company**), a leading developer of a New Class of Synthetic Anti-infectives, today released its Q3 FY2025 results and operational highlights.

Operational Highlights

Successful dosing of all 30 patients in its Phase II clinical trial of R327G for the treatment of ABSSSI

The Company announced the successful dosing of all 30 patients in its Phase II clinical trial of R327G for the treatment of ABSSSI. The Phase II clinical trial is an open-label study to evaluate the safety and tolerability, plasma pharmacokinetics, and efficacy of R327G; applied once daily over 14 days to patients with ABSSSI.

Positive patient data analysis in Phase II clinical trial of R327G for the treatment of ABSSSI

The Company announced positive patient data analysis in its Phase II clinical trial of R327G for the treatment of ABSSSI. The Phase II clinical trial successfully demonstrated R327G achieving a 93% primary efficacy endpoint over 14-days, meeting all study endpoints. After 7-days of treatment, 86% of patients (25 out of 29) treated with R327G had a successful clinical response. At 14-days of treatment, 93% of patients (27 out of 29) achieved a primary efficacy endpoint. R327G

demonstrated to be safe and well tolerated, with no serious adverse events reported, achieving all endpoints.

Driven by the high response rates in this study, experts determined the Company's current Registrational Phase 3 Study for Diabetic Foot Infections (DFI) can meet a highly statistically significant positive endpoint after completing approximately 106 patients (compared to study baseline of 300 patients). The Indonesian Drug and Food Regulatory Authority (Badan POM) approved protocol has a built-in interim analysis which is expected to achieve a statistically significant data read-out Q1, 2026.

Japan Patent Family 4 Allowed for Recce's Anti-infectives

The Company announced the receipt of a notice of allowance from the Japan Patent Office for Patent Family 4 for Recce's Anti-infectives, expiry 2041. This is the fourth Family 4 patent, alongside Australia, Canada and Israel, with further Patent Cooperation Treaty Country submissions in respective stages of review.

Key Opinion Leader Clinical Milestones Webinar

The Company hosted a live online webinar to provide insights into the Company's latest Phase II clinical trial dataset, new pre-clinical data, and its ongoing operational activities including a Registrational Phase 3 Clinical Trial in Indonesia.

The event featured segments from experts in their respective fields and highlighted the Company's significant progress across its portfolio of anti-infective programs. It featured speakers from Recce Pharmaceuticals, Barwon Health and the Company's Anti-infective Research Unit at Murdoch Children's Research Institute. A full recording of the presentation can be found here.

Financial Update

The Company ended the quarter with a cash balance of $0.2 million. Net cash outflows from operating activities were ($2.3 million), with Research and Development ($1.2 million) being the largest item of expenditure supporting ongoing human clinical trials, and the advancement of pre-clinical studies. Payments to related parties (Executive & Director fees) were ($0.7 million).

The Company accrued approximately A$1.8 million in Australian Government R&D Tax incentive applicable credits during this reporting period. The company can convert to cash via an existing R&D advance facility but elected to retain as R&D credits for future use.

Post-quarter the Company announced a successful A$5.0 million placement at A$0.28 per share to an Australian-based private investor (**Placement**) and up to ~A$10.8 million 1-for-6 non-renounceable entitlement offer at the same price to existing shareholders to raise up to a total of ~A$15.8 million (**Entitlement Offer**) (together with the Placement, the **Offer**).

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

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

Recce expects a strong pro-forma cash position post the Offer of ~A$[16.0] million (before Offer costs). In addition, the Company expects:

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

This unique and minimally dilutive funding mix sees the potential of >A$34.0 million to deliver on the above objectives.

Looking Ahead

The release of positive Phase II clinical trial data provides a strong foundation for the recently approved Registrational Phase 3 DFI trial in Indonesia and expected Phase III Acute Bacterial Skin and Skin Structure Infections (ABSSSI) Registrational Topical Clinical Trial in Australia.

Recce is well placed to advance its clinical and operational objectives and is strongly supported by its recent placement of A$5.0 million and non-renounceable entitlement offer of up to ~A$10.8 million as well as non-dilutive funding opportunities beyond. With a Registrational Phase 3 approval and

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strengthened global patent protection, the Company is well placed for its late stage clinical trials and associated commercial opportunities ahead.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Recce Pharmaceuticals Ltd	
ABN	**Quarter ended ("current quarter")**
73 124 849 065	March 2025

Consolidated statement of cash flows		**Current quarter**	**Year to date (9 months)**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) research and development	(1,236,323)	(11,622,171)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(403,812)	(1,517,269)
	(d) leased assets	-	-
	(e) staff costs	(628,542)	(1,876,738)
	(f) administration and corporate costs	(193,672)	(1,331,107)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6,380	75,738
1.5	Interest and other costs of finance paid	(7,217)	(61,887)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	131,496	6,971,366
1.8	Other	52,705	159,223
1.9	**Net cash from / (used in) operating activities**	**(2,278,985)**	**(9,202,844)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2,163)	(20,109)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	(22,267)	(412,241)
2.6	**Net cash from / (used in) investing activities**	**(24,430)**	**(432,350)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	12,530,005
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(559,945)
3.5	Proceeds from borrowings	735,700	735,700
3.6	Repayment of borrowings	(174,992)	(7,270,650)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(14,000)
3.10	**Net cash from / (used in) financing activities**	**560,708**	**5,421,110**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,943,806	4,415,184
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,278,985)	(9,202,844)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24,430)	(432,350)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	560,708	5,421,110

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**201,099**	**201,099**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter	Previous quarter
5.1	Bank balances	201,099	1,943,806
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – Trust Account	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**201,099**	**1,943,806**

6.	Payments to related parties of the entity and their associates	Current quarter
6.1	Aggregate amount of payments to related parties and their associates included in item 1	701,936
6.2	Aggregate amount of payments to related parties and their associates included in item 2	Nil

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end**	**Amount drawn at quarter end**
7.1	Loan facilities	Nil	Nil
7.2	Credit standby arrangements	Nil	Nil
7.3	Other (please specify)	Nil	Nil
7.4	**Total financing facilities**	Nil	Nil

7.5	**Unused financing facilities available at quarter end**	Nil

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,278,985)
8.2	Cash and cash equivalents at quarter end (item 4.6)	201,099
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	201,099

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	0.09

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes, it does.

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company accrued approximately A$1.8 million in Australian Government R&D Tax incentive applicable credits during this reporting period. The company can convert to cash via an existing R&D advance facility but elected to retain as R&D credits for future use. The Company further placed $5m to an existing Australian private shareholder and is currently conducting a capital raise to raise a further ~$10.8M among existing shareholders, at the same price. In addition to this, there are substantial R&D rebates and R&D advance opportunities both locally and overseas.

8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: Yes, as above.	
Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2025

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.