ASX Announcement

Recce Pharmaceuticals
recce.com.au
ACN 124 849 065

Quarterly Cash Flow Statement & Operational Highlights

Highlights:

- **Registrational Phase 3 Clinical Trial Update – Indonesia's Food and Drug Authority Meeting and Clinical Trial Sites Onboarded**
- **Phase 2 Clinical Trial receives additional approval allowing patients with Diabetic Foot Infections further access to RECCE® 327 Topical Gel (R327G)**
- **United States Army Medical Research Institute of Infectious Diseases (USAMRIID) Cooperative Research & Development Agreement**
- **A$15.8 million capital raising complete – all from existing shareholders**
- **Non-Dilutive Financing via debt facility of up to ~A$30 million with Avenue Capital Group**
- **China Patent Accepted for RECCE® Anti-Infectives**
- **Canadian Scientific Research & Experimental Development Rebate Received**

SYDNEY Australia, 31 July 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 Q4 FY2025 results and operational highlights.

Operational Highlights

Registrational Phase 3 Clinical Trial Update - Indonesia's Food and Drug Authority Meeting and Clinical Trial Sites Onboarded

During the quarter, the Company held successful meetings with Indonesia's Food and Drug Authority (Badan POM), with the Company expanding Phase 3 clinical trial sites across Indonesia. Recce's clinical staff onboarded additional hospitals and clinical trial sites to maximise patient recruitment.

Recce Management and Clinical staff with Indonesia's Food and Drug Authority.

Phase 2 Clinical Trial Receives Additional Approval Allowing Patients with Diabetic Foot Infections Further Access to RECCE® 327 Topical Gel (R327G)

The Company announced it has received Human Research Ethics Approval (HREC) approval to allow Diabetic Foot Ulcer Infection patients further access to R327G under the same Phase 2 Clinical Trial protocol. With around 40% of those who get a diabetic foot ulcer having another ulcer occurrence within the first year, the Company made further access available on ethical grounds, while at the same time welcoming the opportunity of new patient data.

The use of R327G under this protocol follows positive results in a Phase 2 Acute Bacterial Skin and Skin Structure Infections (ABSSSI) clinical trial (announced 17 February 2025), where R327G demonstrated 86% of patients treated had a successful clinical response after 7-days of treatment and >90% at 14 days treatment. These results were assessed under an FDA recognised assessment method of Lipski Scale & Bates Jensen Wound Assessment Tool.

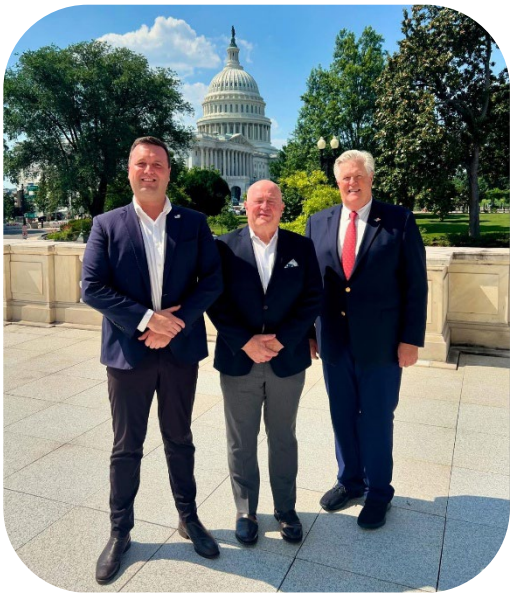
United States Army Medical Research Institute of Infectious Diseases (USAMRIID) Cooperative Research & Development Agreement

The Company announced it has entered into a Cooperative Research and Development Agreement (CRADA) with the United States Army Medical Research Institute of Infectious Diseases (USAMRIID), with partnership and funding from the Defense Threat Reduction Agency.

This is the 2nd research agreement with the United States Department of Defense (DoD) alongside a present Topical Burn Wound program.

USAMRIID is the United States Army's premier institution and facility for defensive research into countermeasures against biological warfare. The USAMRIID is the only laboratory in the United States DoD equipped to safely study highly hazardous pathogens requiring maximum containment at Biosafety Level 4.

USAMRIID is testing Recce's synthetic anti-infective RECCE® 327 (R327) against a panel of biodefence pathogens in USAMRIID's established *in vitro* infection



James Graham (CEO), Dr John Prendergast (Executive Chairman), Dr Alan Dunton (Chief Medical Advisor & Non-Executive Director) in Washington DC.

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Media and Investor Relations

Chief Executive Officer
James Graham
Recce Pharmaceuticals Ltd
james.graham@recce.com.au

Australia
Andrew Geddes
Seed Media
andrew@seedmedia.com.au

USA & Europe
Guillaume van Renterghem
LifeSci Advisors
gvanrenterghem@lifesciadvisors.com

models. Upon successful testing, the next phase of evaluation may progress to small animal model testing.

Following this agreement, Recce's management team recently conducted meetings with key United States DoD personnel and government officials in Washington DC in response to increasing interest.

Canadian Scientific Research & Experimental Development Rebate Received

The Company announced an international cash receipt of US$175,122 (~A$271,987) from the Canadian Government as part of its Scientific Research & Experimental Development (SR&ED) Tax Incentive program. The funds represent the Canadian government's 10% Research and Development (R&D) rebate, which is in addition to the Australian government's 43.5% R&D Tax Incentive Program, from which the Company expects to receive later this calendar year.

China Patent Accepted for RECCE® Anti-Infectives

The Company announced the receipt of a Notice of Acceptance from the China National Intellectual Property Administration for Patent Family 4 for Recce's Anti-infectives, expiry 2041. This is the fifth Family 4 patent, alongside Australia, Canada, Japan and Israel, with further Patent Cooperation Treaty Country submissions in respective stages of review.

Financial Update

The Company ended the quarter with a cash balance of A$10.53 million. Net cash outflows from operating activities were (A$10.81 million), with Research and Development (A$8.8 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 (A$0.79 million).

A$15.8 million capital raising complete – all from existing shareholders

The Company raised A$15.8 million (before costs) with all funds raised coming from existing shareholders. Proceeds will be applied to the following:

- Phase 3 Diabetic Foot Infection (DFI) Registrational Topical Clinical Trial in Indonesia – the catalyst for revenue in 2026;
- Phase 3 Acute Bacterial Skin and Skin Structure Infections Registrational Topical Clinical Trial in Australia;
- Additional clinical activities, Investigational New Drug Application to the FDA and general working capital.

Non-Dilutive Financing via Debt Facility with Avenue Capital Group

A debt facility of up to ~A$30.55 million (US$20.0 million) with ~A$11.49 million (US$7.5 million) drawn and a further ~A$19 million (US$12.5 million) available subject to drawdown conditions was secured from global investment firm Avenue Capital Group.

The facility provides non-dilutive growth capital to support Recce's Phase 3 clinical trial activities in Indonesia and Australia for the treatment of DFIs and ABSSSI, as well as broader commercialisation efforts across the ASEAN region.

Looking Ahead

With a successful A$15.8 million capital raise, ~A$11.49 million non-dilutive funding plus the Company retains its FY25 R&D rebate of ~A$8.5 million (expected November 2025) sees an effective ~A$39.63 million cash runway.

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Recce Pharmaceuticals Ltd
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USA & Europe
Guillaume van Renterghem
LifeSci Advisors
gvanrenterghem@lifesciadvisors.com

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	June 2025

Consolidated statement of cash flows		**Current quarter**	**Year to date (12 months)**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) research and development	(8,804,053)	(20,426,224)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(310,488)	(1,827,757)
	(d) leased assets	-	-
	(e) staff costs	(626,890)	(2,503,629)
	(f) administration and corporate costs	(1,384,378)	(2,715,485)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2,793	78,532
1.5	Interest and other costs of finance paid	(1,798)	(12,832)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	6,971,366
1.8	Other	313,638	472,861
1.9	**Net cash from / (used in) operating activities**	**(10,811,175)**	**(19,963,168)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(6,237)	(26,347)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (12 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)	(189,882)	(602,123)
2.6	**Net cash from / (used in) investing activities**	**(196,120)**	**(628,470)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	15,820,208	28,350,213
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	(1,177,657)	(1,737,602)
3.5	Proceeds from borrowings	11,488,425	12,224,125
3.6	Repayment of borrowings	(4,297,301)	(11,618,803)
3.7	Transaction costs related to loans and borrowings	(493,483)	(493,483)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	(14,000)
3.10	**Net cash from / (used in) financing activities**	**21,340,192**	**26,710,449**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	201,099	4,415,184
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,811,175)	(19,963,168)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(196,120)	(628,470)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	21,340,192	26,710,449

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**10,533,996**	**10,533,996**

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	10,533,996	201,099
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)**	**10,533,996**	**201,099**

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	789,387
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	30,550,000	11,488,425
7.2	Credit standby arrangements	Nil	Nil
7.3	Other (please specify)	1,732,500	150,000
7.4	**Total financing facilities**	32,282,500	11,638,425

7.5	**Unused financing facilities available at quarter end**	20,644,075

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.

Loan

The loan is from Avenue Venture Opportunity Fund II L.P. For full details, interest rate, maturity date and security, refer to ASX Announcement dated 17 June 2025.

Other

The Company entered into an At-the-Market Subscription Agreement ("ATM") (also referred to as a Controlled Placement Agreement) in November 2018 with Acuity Capital (see previous announcements on 1 November 2018, 15 February 2019, 30 August 2019, 11 September 2019, 31 July 2020 and 30 January 2023). The ATM provides Recce with up to $20 million of standby equity capital with an expiry date of 31 January 2026.

To date the Company has utilised the ATM to raise a total of $150,000. The remaining standby equity capital available under the ATM is currently 4.5m shares which has been marked to market in this cash flow report as $1,732,500.

There is no guarantee that the Company will be able to execute a utilisation under the Agreement, which is subject to, for example, market conditions and the prevailing share price. The Company retains control of all aspects of the placement process. There are no requirements on the Company to utilise the facility and it may terminate the Agreement at any time, without cost or penalty.

8.	**Estimated cash available for future operating activities**	
8.1	Net cash from / (used in) operating activities (item 1.9)	(10,811,175)
8.2	Cash and cash equivalents at quarter end (item 4.6)	10,533,996
8.3	Unused finance facilities available at quarter end (item 7.5)	20,644,075
8.4	Total available funding (item 8.2 + item 8.3)	31,178,071
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.88

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:

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:

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:

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: 31 July 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.