

## ASX Announcement

# Recce Signs Term Sheet with a Leading Middle Eastern Pharmaceutical Company for a 10 Year Exclusive Multi-Country Licensing Agreement

### Highlights:

- Recce has signed a non-binding term sheet with leading publicly listed Middle Eastern pharmaceutical company with a multi-billion-dollar market capitalisation and distribution network spanning over 30 international markets
- The 10-year exclusive agreement is expected to include an upfront signing fee, together with milestone payments totalling up to USD 3.5M (~AUD \$5M)
- With a proposed selling price of USD \$1,500 per treatment, Recce will receive 30% of the net selling price plus an additional 6% annual royalty on net sales exceeding USD\$50m/year
- Recce's R327G Topical Gel targeting Diabetic Foot Infections (DFI) will impact a critical unmet need in one of the world's highest-burden diabetes regions, where 84 million people are living with diabetes across MENA and a prevalence rate of 23.1% in Saudi Arabia alone
- The regulatory submission will use data from the present Phase 3 Clinical Trial currently underway in Indonesia
- The parties are actively working to finalise the definitive licensing agreement, with the anticipation of completing next quarter

**Sydney Australia, 27 May 2026:** Recce Pharmaceuticals Limited (**ASX:RCE, FSE:R9Q**), (**Recce or the Company**), a leading developer of synthetic anti-infectives, advises that it has entered into a non-binding term sheet with a leading Middle Eastern pharmaceutical company (**Licensee**) for an exclusive licensing arrangement covering the commercial sales and distribution of the Company's proprietary R327 Topical Gel (**R327G**) for the treatment of Diabetic Foot Infections (**DFIs**) across the Middle East and North Africa (**MENA**) region.

The term sheet sets out the key commercial terms for a proposed 10-year exclusive licensing agreement. The parties are actively collaborating to finalise and execute a definitive agreement, which the parties are presently targeting for completion next quarter, subject to ongoing negotiations, due diligence by the Licensee, final agreement and customary approvals.

The Licensee is recognised as one of the leading pharmaceutical companies in the MENA region.



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With a strong sales portfolio of products across dermatology, endocrinology, infectious diseases and other therapeutic indications, established market access throughout the region, the Licensee is well positioned to accelerate the adoption and distribution of R327G across key MENA markets.

Under the terms of the proposed 10-year licensing agreement, the Company intends to grant the Licensee the exclusive rights to register, market and distribute R327G for the treatment of DFIs in the Kingdom of Saudi Arabia (**KSA**), the Gulf Cooperation Council (**GCC**) countries (being the UAE, Kuwait, Oman, Bahrain, Qatar and Iraq) as well as Egypt, Algeria and Morocco. Recce will be responsible for the manufacture and supply of R327G.

The proposed commercial terms provide that Recce is expected to receive:

- **An upfront signing fee, together with potential milestone payments, totalling up to USD 3.5M (~AUD \$5M)**
- **30% of the net selling price, with an additional 6% annual royalty on net sales exceeding USD\$50m/year**
- **Proposed selling price of USD \$1,500 per treatment**, subject to agreement with the KSA Regulatory Authority

Recce's existing clinical development pipeline is expected to provide a data package that will support a regulatory submission in KSA. In this regard, the Company continues to enrol patients in its Registrational Phase III Clinical Trial for Diabetic Foot Infections (DFI) with an approvable interim data readout following enrolment of 155 patients. Total enrolment will be 310 DFI patients randomised to receive either R327G or placebo, with expedited regulatory review for an anticipated commercial approval by year end. Subject to the outcome of the ongoing Phase 3 clinical trial in Indonesia, no additional clinical trials are anticipated for a marketing authorisation application in KSA.

The proposed agreement will contain customary terms and conditions for a transaction of this nature including but not limited to intellectual property, termination, representation and warranties, which remain subject to negotiation and final documentation between the parties.

The MENA region has a diabetes prevalence of 17.6% with over 84 million people living with diabetes. By example, in Saudi Arabia the diabetes prevalence is estimated at 23.1% of the adult population, equating to 5.3 million diabetics<sup>1</sup>, Saudi Arabia is in the top ten countries with the highest prevalence of diabetes (20-79 years) in the world<sup>2</sup>.

**Chief Executive Officer of Recce Pharmaceuticals, James Graham** said “This is a major milestone in the development and commercialisation of Recce’s anti-infective platform. The

<sup>1</sup> <https://idf.org/our-network/regions-and-members/middle-east-and-north-africa/members/saudi-arabia/>

<sup>2</sup> <https://diabetesatlas.org/data-by-location/country/saudi-arabia/>

proposed establishment of marketing and distribution channels for R327G across the MENA region highlights the growing demand for novel, innovative, and groundbreaking treatments for addressing antimicrobial resistance. This term sheet represents a positive step in the commercialisation pathway of Recce's innovative pipeline as a next-generation solution for addressing the infectious disease challenges associated with the global pandemic of diabetes."

This announcement has been approved for release by Recce Pharmaceuticals Board.



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## 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.

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.