ASX Announcement

Recce Pharmaceuticals
recce.com.au
ACN 124 849 065

Quarterly Cash Flow Statement & Operational Highlights

Highlights:

- **Patient Dosing Underway with Multiple Sites Activated in Registrational Phase 3 Clinical Trial for Diabetic Foot Infections in Indonesia**
- **RECCE® 327 Topical Gel (R327G) highly effective against Methicillin-resistant *Staphylococcus aureus* and *Pseudomonas aeruginosa* infected burn wounds (*in-vivo*)**
- **R327 recognised in World Health Organization's 2025 Global Antibacterial Pipeline Report**
- **Abstract & Poster Presentation at United States Military Health System Research Symposium 2025**
- **Annual Report to Shareholders released for FY2025**

SYDNEY Australia, 31 October 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 Q1 FY2026 results and operational highlights.

Operational Highlights

Patient Dosing Underway with Multiple Sites Activated in Registrational Phase 3 Clinical Trial for Diabetic Foot Infections in Indonesia

Patient dosing is underway for the Registrational Phase 3 clinical trial in Indonesia with five clinical trial sites activated and study on track for a Q1 CY2026 interim data readout.

With these sites active, patient dosing is underway with a target enrolment of up to 310 Diabetic Foot Infection (DFI) patients randomised to receive either RECCE® 327 Topical Gel (R327G) or placebo. The trial's primary objective is to assess the clinical response of the DFI according to the Lipsky Scale. Recognised by the FDA, the Lipsky Scale is the preferred method for evaluating the treatment outcomes for diabetic foot infections. Secondary endpoints include a DFI total wound score and the safety of R327G including clinical observations and adverse events.

Overview of Indonesian Opportunity

- Over 20.9 million adults in Indonesia are living with diabetes[1] representing approximately 11.3% of the nation's adult population, or more than 1 in every 10 adults - ranking 5th in the world for diabetes prevalence.
- This figure is among the highest rates in Southeast Asia and is nearly equivalent to the entire population of Australia, underscoring both the scale of the disease burden and the urgent need for new treatment solutions.
- High need for innovative broad-spectrum therapies to address diabetes-related infections (e.g. DFI, urinary tract infections, surgical site infections).
- New regulations in Indonesia have increased regulatory approval times for new drugs and made it cheaper and easier for foreign pharmaceutical companies to conduct clinical trials.
- Approximately 60% of all diabetic foot ulcers develop infection, which can progress to sepsis, gangrene, amputation, and even death[2].
- Recce's ongoing Registrational Phase 3 Clinical Trial of R327G is one of the largest DFI studies in the world.

Based on the approved statistical plan, the Company's Registrational Phase 3 Study for DFI is expected to meet a highly statistically significant positive endpoint after dosing approximately 155 patients. The Indonesian Drug and Food Regulatory Authority (Badan POM or BPOM) approved protocol has a built-in interim analysis as well as Expedited Regulatory Review status. An independent data management committee aims to complete this analysis and make recommendations Q1 2026.

R327G highly effective against Methicillin-resistant *Staphylococcus aureus* and *Pseudomonas aeruginosa* infected burn wounds (*in-vivo*)

The Company announced statistically significant positive efficacy data against two clinically significant antibiotic-resistant pathogens, *Staphylococcus aureus* (*S. aureus*, ATCC43300) and *Pseudomonas aeruginosa* (*P. aeruginosa,* ATCC27853). Both pathogens are included in the World Health Organization's list of drug-resistant bacteria most threatening to human health[3] and are the most common bacteria isolated from chronic wounds[4]. The data included statistically significant wound healing/wound contraction for burn wounds in rat infection models.

[1] https://idf.org/our-network/regions-and-members/western-pacific/members/indonesia/
[2] Armstrong DG, Tan TW, Boulton AJM, Bus SA. Diabetic Foot Ulcers: A Review. JAMA. 2023 Jul 3;330(1):62-75.
[3] https://www.who.int/publications/i/item/9789240093461
[4] https://pubmed.ncbi.nlm.nih.gov/25746414/

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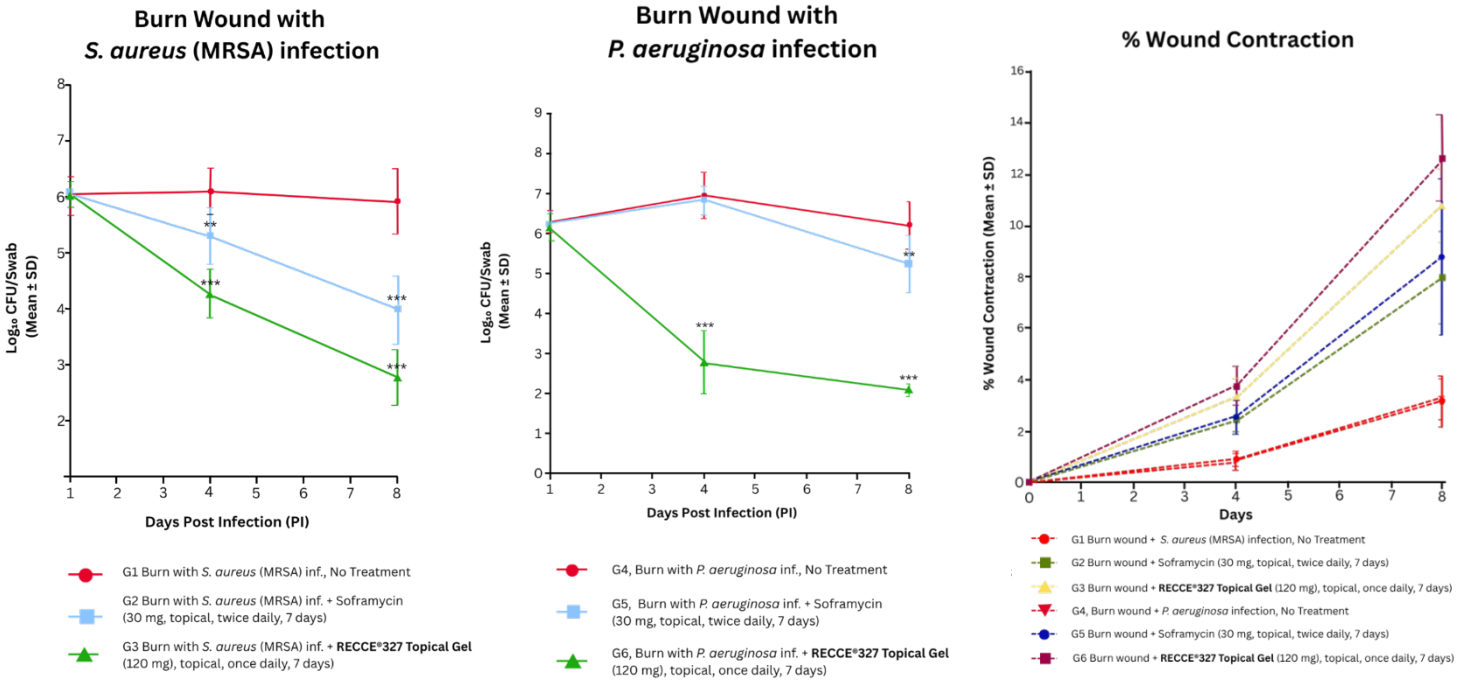
R327G achieved a statistically significant reduction in bacterial load compared to untreated control groups, with bacterial counts reduced substantially by Day 4 and highly significant reductions observed by Day 8. Specifically, the reductions corresponded to approximately a 2-log (99%) and 3-log (99.9%) reduction against MRSA (Days 4 and 8, respectively) and approximately a 3-log (99.9%) and 4-log (99.99%) reduction against *P. aeruginosa* (Days 4 and 8, respectively). **The antimicrobial performance of R327G consistently exceeded that of Soframycin,** a standard comparator antibiotic used in topical wound care.

R327G further significantly improved the rate of wound healing, measured through wound contraction. **Wounds treated with R327G exhibited accelerated contraction, with statistically significant improvements** observed using Analysis of Variance (ANOVA) comparison testing against the untreated control throughout the treatment period. **These healing outcomes were consistently superior to both the untreated and Soframycin-treated groups.**
Throughout the study, **R327G was well tolerated, with no adverse clinical signs or adverse effects** on body weight observed in any treated animals.



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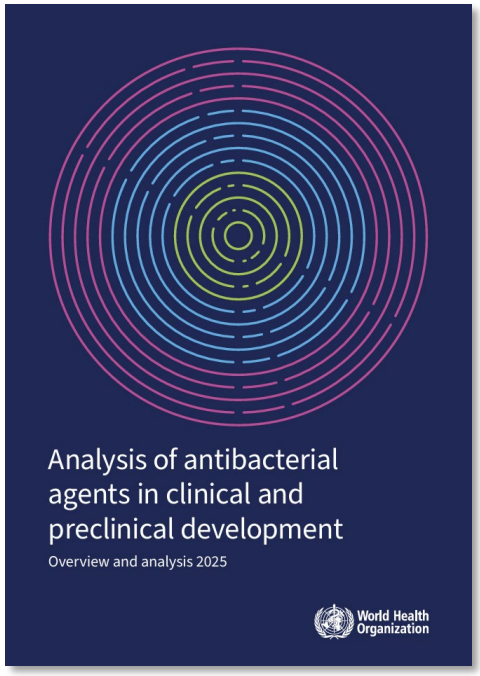
R327 recognised in World Health Organization's 2025 Global Antibacterial Pipeline Report

Recce was featured in the World Health Organization's (WHO) 2025 report on antibacterial agents in clinical and preclinical development, recognising RECCE® 327 (R327) as a novel synthetic polymer antibiotic with a new mechanism of action designed to disrupt bacterial energy (ATP) production, cell growth and division. R327 is listed as the only synthetic polymer antibiotic in clinical development.



R327 was categorised as an ATP Disruptor, with the report highlighting R327's broad-spectrum activity against multidrug-resistant Gram-positive and Gram-negative bacteria, including the ESKAPE pathogen group, considered the most threatening pathogens to human health.

Abstract & Poster Presentation at United States Military Health System Research Symposium 2025

The Company presented a research Abstract and Poster at the 2025 United States Military Health System Research Symposium (MHSRS) held in Kissimmee, Florida 4-7 August 2025. The MHSRS is the premier US military and select civilian meeting that draws approximately 4,000 attendees with focus on the unique medical needs of the Warfighter.

The speaking session focused on optimising medical readiness, MHS resilience & biodefense across R&D for future pandemics. The abstract presents expanded data of RECCE® 327 demonstrating activity against multiple high-priority bioterrorism pathogens in laboratory testing. The pathogens tested included *Bacillus anthracis* (Anthrax), *Francisella tularensis* (Tularemia), *Burkholderia mallei* (Glanders), *Burkholderia pseudomallei* (Melioidosis), and *Yersinia pestis* (Plague), all classified as Category A and B bioterrorism threats by the United States Centers for Disease Control and Prevention (CDC).

A copy of the Poster and Abstract materials is available on the Company's website.

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Annual Report to Shareholders released for FY2025

The Company released its Annual Report to Shareholders covering operational and financial highlights for the financial year starting 1 July 2024. The Annual Report can be accessed here.

Financial Update

The Company ended the quarter with a cash balance of A$3.17 million. Net cash outflows from operating activities were (A$6.92 million), with Research and Development (A$5.30 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$1.48 million).

The Company expects a significant near-term cash inflow from an upcoming Research & Development (R&D) Rebate.

At-the-Market Subscription Agreement with Acuity Capital Extended

Recce 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 standby equity capital and Acuity Capital has agreed to extend the ATM expiry date by an additional five years to 31 January 2031.

Recce has utilised the ATM to raise a total of $150,000 to date. Acuity Capital currently holds 4.5 million fully paid ordinary RCE.ASX shares as security against the ATM (“Collateral Shares”). The Company may issue further collateral shares to increase equity available under the facility by up to $19.85m. The Company may at any time cancel the ATM, including buying back (and cancelling) the Collateral Shares for nil consideration (subject to shareholder approval).

Looking Ahead

The Company expects a near-term cash inflow from an upcoming Research & Development (R&D) Rebate from the Australian Government to further support the progression of its Phase 3 Indonesian Clinical Trial and advance regulatory engagement activities in support of potential expedited approval pathways in Indonesia. These initiatives position the Company for multiple near-term value catalysts, including the interim analysis of its Phase 3 trial in Q1 2026. With near term inflows, advancing clinical programs, and expanding global recognition, Recce remains well placed to deliver clinical and commercial outcomes in the coming months.

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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	Sep 2025

Consolidated statement of cash flows		**Current quarter**	**Year to date (3 months)**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for	-	-
	(a) research and development	(5,304,078)	(5,304,078)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	(295,544)	(295,544)
	(d) leased assets	-	-
	(e) staff costs	(1,004,289)	(1,004,289)
	(f) administration and corporate costs	(657,400)	(657,400)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	21,503	21,503
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	217,809	217,809
1.8	Other	101,604	101,604
1.9	**Net cash from / (used in) operating activities**	**(6,920,396)**	**(6,920,396)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(23,484)	(23,484)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter	Year to date (3 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)	(49,307)	(49,307)
2.6	**Net cash from / (used in) investing activities**	**(72,790)**	**(72,790)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(2,516)	(2,516)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(373,198)	(373,198)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**(375,714)**	**(375,714)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	10,533,995	10,533,995
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(6,920,396)	(6,920,396)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72,790)	(72,790)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(375,714)	(375,714)

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**3,165,096**	**3,165,096**

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	3,165,096	10,533,996
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)**	3,165,096	**10,533,996**

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	1,487,088
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)	1,845,000	150,000
7.4	**Total financing facilities**	32,395,000	11,638,425

7.5	**Unused financing facilities available at quarter end**	20,756,575

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 has an expiry date of 31 January 2031.

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 $1,845,000.

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)	(6,920,396)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,165,096
8.3	Unused finance facilities available at quarter end (item 7.5)	20,756,575
8.4	Total available funding (item 8.2 + item 8.3)	23,921,671
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.46

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: 31/10/2025

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.