ASX Announcement

Recce Pharmaceuticals
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ACN 124 849 065

# Quarterly Cash Flow Statement & Operational Highlights

**Highlights:**

- **HREC approves active controlled comparator study design for pivotal Phase 3 clinical trial of RECCE® 327 Topical Gel (R327G) in Diabetic Foot Infections (DFI) in Australia**
- **Vietnamese patent granted for RECCE® anti-infectives — the Company's eighth Family 4 patent, expiry 2041**
- **U.S. Government released a five-year, US$66.9 billion medical countermeasures strategy, including a projected US$4.46 billion requirement for broad-spectrum antimicrobials, relevant to Recce's existing U.S. Army research collaborations and CDMRP grant**
- **Further A$3.6 million R&D Tax Incentive rebate received, bringing total FY2025 rebates to approximately A$8.9 million**
- **Share Purchase Plan completed, taking total funds raised under the Placement and SPP to A$6.4 million**

**SYDNEY, Australia, 30 October 2026:** 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 FY2027 results and operational highlights.

## Operational Highlights

### HREC approves active controlled comparator study design for Phase 3 clinical trial of RECCE® 327 Topical Gel (R327G) in Diabetic Foot Infections (DFI) in Australia

In August, Recce announced that the Human Research Ethics Committee (HREC) approved an amendment to the protocol for the Company's pivotal Phase 3 clinical trial of R327G for the treatment of DFI in Australia.

The amendment adds a randomised, active-controlled, non-inferiority study component in DFI, enrolling 208 participants randomised between R327G and one of four physician-selected comparator antibiotics. This is designed to generate comparative clinical data for R327G against established antibiotic treatment options used in the management of DFI. The Company believes

that if the trial is successful, R327G has the potential to become the first standard of care used by physicians for the treatment of DFIs.

Recruitment and treatment of mild to moderate DFI patients continue under the existing protocol ahead of implementation of the amendment. The amended inclusion criteria also allow participants randomised to R327G to receive treatment for each qualifying DFI they experience during the study, increasing the volume and depth of efficacy data generated.

A planned interim analysis will be conducted by the Independent Data Monitoring Committee (DMC) after 104 total participants have been enrolled, randomised, treated, and followed to the end of treatment or withdrawn prematurely.

The Australian and Indonesian Phase 3 programs together support the Company's planned regulatory strategy, spanning Australia, the United States, MENA and ASEAN markets.

## Vietnamese Patent Granted for RECCE® Anti-Infectives

Recce announced that the Intellectual Property Office of Vietnam (IP Viet Nam) has formally granted a Family 4 patent for Recce's anti-infectives, with expiry in 2041.

The claims relate to RECCE® 327 (R327) and RECCE® 529 (R529), covering the process for preparation of RECCE® anti-infectives, their use in the treatment of bacterial and viral infections, and administration by oral, inhalation, transdermal or injectable routes, including as an aerosol, gel, topical foam, ointment or impregnated dressing.

This is the Company's eighth Family 4 patent, alongside grants in Australia, Canada, China, Hong Kong, Israel, Japan and Brazil, with further Patent Cooperation Treaty (PCT) submissions in respective stages of review or allowed.

The Vietnamese pharmaceutical market is a rapidly expanding sector in Southeast Asia, valued at approximately US$7 to 8 billion and projected to surpass US$10 to US$16 billion by 2026[1]. Vietnam faces one of the region's most pressing antimicrobial resistance challenges, with hospitals in the south reporting multidrug resistance rates of 74.6% for *Escherichia coli*, ~60% for *Klebsiella pneumoniae* and 90% for *Acinetobacter baumannii*[2]. The patent grant expands Recce's intellectual

[1] https://www.trade.gov/market-intelligence/vietnam-pharmaceutical-industry-updates
[2] https://pmc.ncbi.nlm.nih.gov/articles/PMC12322788/

property footprint across the region and supports the Company's strategy to advance and commercialise its anti-infective platform worldwide.

### U.S. Government released a five-year, US$66.9 billion medical countermeasures strategy, including a projected US$4.46 billion requirement for broad-spectrum antimicrobials, relevant to Recce's existing U.S. Army research collaborations and CDMRP grant

Recce highlighted the release of a five-year, US$66.9 billion medical countermeasures funding strategy by the U.S. Administration for Strategic Preparedness and Response (ASPR), the preparedness arm of the U.S. Department of Health and Human Services.

Broad-spectrum antimicrobials are the second-largest single-threat priority in the strategy, behind only pandemic influenza, with a projected need of US$4.46 billion. The strategy outlines priority pathogen threats including melioidosis, tularemia, plague, anthrax and drug-resistant superbugs including *Pseudomonas aeruginosa.* R327 has demonstrated activity against a number of pathogen classes under Recce's existing U.S. Department of War research programs.

The plan underscores the significance of Recce's US$2 million Congressionally Directed Medical Research Programs (CDMRP) grant and its two Cooperative Research and Development Agreements (CRADA) with the United States Army Medical Research Institute of Infectious Diseases (USAMRIID) and the United States Army Institute of Surgical Research (USAISR). Funding aims to assist antimicrobial candidates through each development stage, from preclinical research through to clinical trials and regulatory approval. Recce is well positioned to benefit from this new initiative though cannot guarantee that it will receive any new funding opportunities referenced in the strategy.

## Financial Update

The Company ended the quarter with a cash balance of A$1.0 million (before expected overseas R&D rebate). Net cash outflows from operating activities in Q1 FY2027 were A$3.8 million, with Research and Development (A$5.8 million) being the largest item of expenditure supporting ongoing human clinical trials, and the advancement of preclinical studies. Payments to related parties (Executive & Director fees) were A$0.7 million.

The Company has lodged its FY26 tax return and expects to receive approximately A$7.5 million under the Australian Research and Development Tax Incentive in the near term, in respect of its

eligible R&D activities covered by its Advance Overseas Finding. This anticipated cash inflow will further strengthen the Company's cash position in support of its Phase 3 programs and strategic objectives.

## Further A$3.6 million R&D Tax Incentive rebate received, bringing total FY2025 rebates to approximately A$8.9 million

During the quarter, the Company received A$3.6 million in July under the R&D Tax Incentive for its overseas R&D activities. Together with the A$5.3 million received in January 2026 for domestic R&D expenditure, this brings the Company's total FY2025 R&D Tax Incentive rebate to approximately A$8.9 million.

## Completion of Share Purchase Plan and Options Offer

Recce announced the completion of its Share Purchase Plan (SPP), which closed on 24 July 2026. The Company received valid applications totalling approximately A$2.4 million, with 6,051,250 new fully paid ordinary shares issued at A$0.40 per share, being the same issue price as the institutional placement completed in the prior quarter. Together, the Placement and SPP (the **Offer**) raised A$6.4 million (before costs).

## Looking Ahead

Recce enters the current quarter with an Independent Data Monitoring Committee (**DMC**) review of its registrational Phase 3 DFI program in Indonesia underway. Post-quarter, following a review of blinded data by clinical experts and a statistician, the Company submitted a 75-patient dataset to the DMC for unblinded evaluation. The DMC may meet as soon as mid-November 2026 and its recommendations could range from progressing towards regulatory submission to continuing, modifying or halting the study. The Company, clinical investigators and patients will remain fully blinded. Patient recruitment and dosing continue across both the Indonesian and Australian Phase 3 programs.

Also post-quarter, the Company entered a binding exclusive licensing and commercialisation agreement with Arrotex Pharmaceuticals for R327G in Australia and New Zealand, adding another positive step to its commercialisation pathway. Negotiations on a definitive agreement under the non-binding Middle East and North Africa (MENA) term sheet are ongoing. Near-term priorities are the Phase 3 clinical data review milestones and advancing regulatory and commercial preparations across key markets.

# 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 | September 2026 |

| **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 | (5,783,375) | (5,783,375) |
| | (b) product manufacturing and operating costs | - | - |
| | (c) advertising and marketing | (32,131) | (32,131) |
| | (d) leased assets | - | - |
| | (e) staff costs | (441,696) | (441,696) |
| | (f) administration and corporate costs | (1,397,846) | (1,397,846) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 123,911 | 123,911 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Government grants and tax incentives | 3,607,488 | 3,607,488 |
| 1.8 | Other | 90,608 | 90,608 |
| **1.9** | **Net cash used in operating activities** | **(3,833,041)** | **(3,833,041)** |

| **2.** | **Cash flows from investing activities** | | |
|---|---|---|---|
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | (42,351) | (42,351) |
| | (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) | (78,001) | (78,001) |
| **2.6** | **Net cash used in investing activities** | **(120,352)** | **(120,352)** |

| **3.** | **Cash flows from financing activities** | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | 2,570,500 | 2,570,500 |
| 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 | (63,973) | (63,973) |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | (58,000) | (58,000) |
| 3.7 | Transaction costs related to loans and borrowings | (348,162) | (348,162) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from financing activities** | **2,100,365** | **2,100,365** |

| **4.** | **Net increase / (decrease) in cash and cash equivalents for the period** | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 2,896,728 | 2,896,728 |
| 4.2 | Net cash used in operating activities (item 1.9 above) | (3,833,041) | (3,833,041) |
| 4.3 | Net cash used in investing activities (item 2.6 above) | (120,352) | (120,352) |
| 4.4 | Net cash from financing activities (item 3.10 above) | 2,100,365 | 2,100,365 |

| 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** | **1,043,700** | **1,043,700** |

| 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 | 1,043,700 | 1,043,700 |
| 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)** | **1,043,700** | **1,043,700** |

| 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 | 670,252 |
| 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**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*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) | 1,417,500 | 150,000 |
| 7.4 | **Total financing facilities** | 31,967,500 | 11,638,425 |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | 20,329,075 |

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, as amended by the lodgement dated 16 October 2026.

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 $1,417,500.

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 used in operating activities (item 1.9) | (3,833,041) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 1,043,700 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | 20,329,075 |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 21,372,775 |

| | | |
|---|---|---|
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | 5.58 |

*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: 30/10/2026 .....

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.