

Recce Pharmaceuticals

Recce expands US government collaborations

Recce announced that it signed a second Cooperative Research and Development Agreement (CRADA) with the US Army. This new arrangement with the US Army Institute of Surgical Research (USAISR) will study whether RECCE 327 Gel (R327G) will reduce the bioburden of Methicillin-resistant *Staphylococcus aureus* (MRSA) and *Pseudomonas aeruginosa* on burn wounds using the USAISR Walker-Mason rat model. The expanding US government interest in R327 across multiple therapeutic applications signals added external validation of the company's proprietary synthetic broad-spectrum anti-infective platform, which has already shown very encouraging activity against multidrug resistant bacterial strains.

Year end	Revenue (AUDm)	PBT (AUDm)	EPS (AUD)	DPS (AUD)	P/E (x)	Yield (%)
6/24	4.9	(17.8)	(0.10)	0.00	N/A	N/A
6/25	7.0	(22.1)	(0.09)	0.00	N/A	N/A
6/26e	8.5	(27.2)	(0.09)	0.00	N/A	N/A
6/27e	9.8	(57.5)	(0.20)	0.00	N/A	N/A

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

This second CRADA supports R327G's potential for deployment in a practical setting (eg in frontline deployment in medical field kits) as a hydrogel wound dressing, for the treatment of burn wounds and potentially also extending to other clinical applications and post-operative care. The study will aim to determine whether R327G can substantially reduce the bacterial burden against MRSA and *P. aeruginosa*, two pathogens frequently isolated in burn patients, in the Walker-Mason rat model, which has been designed to mimic battlefield injuries and study systemic responses to burns and infections.

This builds on the company's first CRADA (announced Q2 CY25), which was with the US Army Medical Research Institute of Infectious Diseases (USAMRIID) and covered the testing of R327 against a battery of highly virulent biodefence pathogens in USAMRIID's established in vitro infection models.

The company also recently reported its Quarterly 4C Update for the three months ending 31 December 2025, showing an operating cash outflow of A\$2.6m, driven by R&D expenditures of A\$2.1m, with the bulk of proceeds being directed towards the company's ongoing Indonesian-focused Phase III study for R327G for the treatment of diabetic foot infections, discussed in further detail in a prior note. The company ended the period with A\$0.42m in gross cash, although Recce subsequently received A\$5.3m as part of an R&D tax incentive cash rebate by the Australian Taxation Office in early CY26, bringing its pro forma cash position to A\$5.8m. Recce expects to receive a further c A\$3.5m in the coming weeks to complete the company's FY25 R&D rebate. If, as we anticipate, the company draws down the remaining c A\$19m from its A\$30m loan facility with Avenue Capital, we expect its cash runway to last into FY27 (H2 CY26).

CRADA with US Army

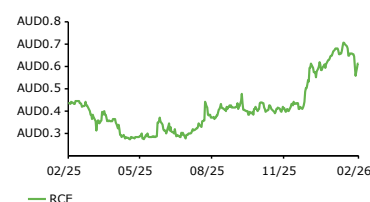
Healthcare

3 February 2026

Price AUD0.615
Market cap AUD178m

Pro forma gross cash at 31 December 2025 AUD5.8m
 Shares in issue 289.2m
 Code RCE
 Primary exchange ASX
 Secondary exchange FSE

Share price performance



Business description

Recce Pharmaceuticals is an Australian company developing its novel, broad-spectrum synthetic polymer anti-infective drugs for the treatment of several infectious diseases, including sepsis, acute bacterial skin and skin structure infections, diabetic foot infections, burn wound infections and urinary tract infections.

Analysts

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