RECCE PHARMACEUTICALS LTD
ABN 73 124 849 065

Appendix 4E

Preliminary Final Report for the financial year ended 30 June 2020

Current Reporting Period: **30 June 2020**

Previous Reporting Period: **30 June 2019**

Results for Announcement to the Market

	12 months to 30 June 2020 $	12 months to 30 June 2019 $	% Change
Revenue from ordinary activities	1,147,530	686,622	67%
Loss from ordinary activities after tax attributable to members	(4,316,737)	(2,789,197)	55%
Net loss for the period attributable to members	(4,316,737)	(2,789,197)	55%

Brief Explanation of Results

Operational Report

During the reporting period, significant advances were made in support of the development of the Company's broad-spectrum synthetic antibiotic program. Some of the highlights for the year were as follows:

- On 9 July 2019, the Company announced that Dr John Prendergast had been appointed to Independent Chair with founder Dr Graham Melrose stepping back from the role of Executive Chair to Executive Director and Chief Research Officer. In addition, the Company's Principle Chemist, Dr Justin Ward, was appointed to the Board as Executive Director.

- On 1 August 2019, the Company announced that it was to deliver an Opening R&D Address at the World Anti-Microbial Resistance (AMR) Congress in Washington D.C., to be held 7-8 November 2019.

- On 8 August 2019, the Company announced that the European Patent Office had granted its patent applications for wholly owned RECCE® antibiotics, including lead compound RECCE® 327 furthering marketing/manufacturing monopolies and expanding clinical indications. The patent family titled 'Copolymer for use in a method of treatment of a parenteral infection', is a second family of 15 claims, all of which were granted by the European Patent Office.

- On 26 August 2019, the Company announced advances in scaled manufacture and drug quality following positive Food and Drug Administration (FDA) feedback to its Chemistry, Manufacturing, and Controls (CMC) data pack.

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Brief Explanation of Results (Continued)

Operational Report (Continued)

- On 30 August 2019, the Company announced a successful grant application as 1 of 5 Industrial Partners in collaboration with 16 University and Public Health Organisations, to establish a National Anti-Microbial Resistant (AMR) Research Hub (the Hub) in Sydney, Australia to combat antimicrobial resistance.

- On 18 September 2019, the Company announced the cash receipt of A$163,672 Research and Development Tax Incentive rebate from the Australian Tax Office for the year ending 30 June 2020. The gross Research and Development Tax Incentive rebate before the repayment of R&D advances and interest was $1,071,727.

- On 20 September 2019, the Company announced that the Japan Patent Office (JPO) had Granted a second patent for wholly owned RECCE® antibiotics, including lead compound RECCE® 327, furthering marketing/manufacturing monopolies and expanding clinical indications. This second patent family, titled 'Copolymer for use in a method of treatment of a parenteral infection', contains 13 claims and relates to methods of manufacture, administration and application to treat a broad range of common human infections, providing Recce intellectual property protection to November 2035.

- On 10 October 2019, the Company announced it had raised $6,768,444 (before costs) in a placement to institutional, professional and sophisticated investors that resulted in 26,032,478 fully paid ordinary shares being issued at A$0.26 per share.

- On 23 October 2019, the Company announced that it had published a white paper providing pre-clinical and experimental data on its new synthetic antibiotics and outlining the market need, its anticipated market positioning and development strategy.

- On 8 November 2019, the Company delivered the Opening R&D Address on 'How synthetic antibiotic development can change the antibiotic treatment model' at the World Anti-Microbial Resistance Congress in Washington.

- On 27 November 2019, the Company reported positive data in a rat topical burns model from an assessment of its lead compound RECCE® 327 in addressing the unmet medical needs of burns treatment and associated difficulties in wound closure. The study was undertaken in co-operation with an established Australian teaching hospital, by an independent Contract Research Organisation (CRO). Top line results showed significant in vivo antibacterial activity against Methicillin-Resistant Staphylococcus aureus (MRSA – superbug) in rats with topical burns: RECCE® 327 reduced bacterial load and enhanced wound closure. A separate human skin model showed the antibiotic was non-irritating, even at high concentrations.

- On 10 February 2020, the Company announced successful in-vivo Toxicity (Safety) studies in small and large animal species, conducted by an industry leading independent research laboratory, has further reinforced indications of a wide therapeutic window.

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Brief Explanation of Results (Continued)

Operational Report (Continued)

- On 14 February 2020, the Company announced positive efficacy data in a rat infection model for its RECCE® 327 antibiotic in the treatment of Kidney and Urinary Tract Infections (UTIs) caused by Escherichia coli (E. Coli), which can often progress to sepsis.

- On 8 April 2020, the Company announced it had formalised a Phase I clinical trial agreement to conduct a first-in-human study of its lead compound RECCE® 327 in 40 healthy subjects. The Phase I clinical study of RECCE® 327 will be conducted at a specialised clinical trial facility in Australia, independent of the hospital system. This initiative seeks to ensure continuity of the independent study and not add to infectious disease pressures for beds around the country. The first patients in this study are expected to be dosed in the second half of 2020.

- On 20 April 2020, the Company announced positive efficacy data showing significant in vivo anti-viral activity against the Influenza A virus in mice treated with its lead compound RECCE® 327.

- On 23 April 2020, the Company announced positive data showing significant in-vivo antibacterial activity against Methicillin-Resistant Staphylococcus aureus (MRSA superbug) in rats with topical burns treated with its lead compound RECCE® 327.

- On 4 May 2020, the Company announced positive efficacy showing significant antibacterial activity against Neisseria gonorrhoeae bacteria in mice treated with its lead compound RECCE® 327.

- On 26 June 2020, the Company announced that the milestone associated with 7,398,174 of the Company's Class C unquoted Performance Shares had been achieved.

Financial Report

The operating loss has increased to $4,316,737 (2019: loss of $2,789,197) as a result of the increased focus on its R&D activities. The annual loss was after a R&D tax incentive of $1,071,727 (2019: $679,624).

The loss per share has increased during the year to 3.39 cents (2019: 2.95 cents).

The Group's focus is on progressing RECCE® 327 into human clinical trials.

Dividends

	Amount per Security	Percentage Franked
Final Dividend	Nil	N/A
Interim Dividend	Nil	N/A
Date the Dividend is Payable:	N/A	N/A
Record Date for determining entitlements to the Dividends:	N/A	N/A

The Company did not declare a dividend during the financial year and has not declared a dividend since the end of the financial year.

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Brief Explanation of Results (Continued)

Net Tangible Assets per Security

As at 30 June 2020 (cents)	1.70
As at 30 June 2019 (cents)	(0.38)