

## ASX Announcement

# Quarterly Cashflow Report

### Financial highlights:

- Federal Government awards allocation of AU\$2.43 million to the Company, in the form of 43.5 per cent R&D rebate on forecast AU\$5.6 million of the international research and development expenditure (FY17/18/19)
- As announced to the market on 28 March 2018, the monthly Share Purchase Agreement paused as the Company has sufficient funds to meet near-term objectives
- Additional AU\$861,590 R&D Tax Incentive Rebate lodged for international expenditure for FY17 (received 23/04)

### Operational highlights:

- Presented additional (expanded) technical data and proposed Phase 1 clinical trial program to US Food & Drug Administration (FDA)
- Michele Dilizia and James Graham re-elected to the Board unanimously
- Multiple presentations to the investment market to build awareness
- Initiated rebrand to 'Recce Pharmaceuticals' to accurately reflect broader market potential.

Executive Chairman Dr Graham Melrose said, "Recce Pharmaceuticals continues to make good progress and prudently manage its financial resources".

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For further information please visit [www.recce.com.au](http://www.recce.com.au) or contact:

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Recce Pharmaceuticals Ltd

**ABN**

73 124 849 065

**Quarter ended ("current quarter")**

March 2018

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>Year to date (9 months) \$A</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from ATO	-	426,927
1.2	Payments for		
	(a) research and development	(343,155)	(1,275,380)
	(b) product manufacturing and operating costs	-	-
	(c) advertising and marketing	-	-
	(d) leased assets	-	-
	(e) staff costs	(71,651)	(177,285)
	(f) administration and corporate costs	(284,983)	(877,110)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3,409	9,163
1.5	Interest and other costs of finance paid	(811)	(5,040)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(697,191)</b>	<b>(1,898,725)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(1,749)	(170,356)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(1,749)</b>	<b>(170,356)</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>Year to date (9 months) \$A</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	100,000	1,496,500
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	34,310
3.6	Repayment of borrowings	(8,577)	(22,873)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>91,423</b>	<b>1,507,937</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,136,811	1,090,438
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(697,191)	(1,898,725)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,749)	(170,356)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	91,423	1,507,937
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>529,294</b>	<b>529,294</b>
<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A</b>	<b>Previous quarter \$A</b>
	at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1	Bank balances	529,294	1,136,811
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>529,294</b>	<b>1,136,811</b>
<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter \$A</b>	
6.1	Aggregate amount of payments to these parties included in item 1.2	125,651	
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil	
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2		

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A</b>	<b>Year to date (9 months) \$A</b>
<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>		<b>Current quarter \$A</b>
7.1	Aggregate amount of payments to these parties included in item 1.2		Nil
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3		Nil
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2		

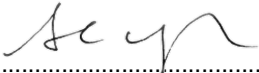
<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A</b>	<b>Amount drawn at quarter end \$A</b>
8.1	Loan facilities	Nil	Nil
8.2	Credit standby arrangements	Nil	Nil
8.3	Other (please specify)	Nil	Nil
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1	Research and development *	(384)
9.2	Product manufacturing and operating costs	(49)
9.3	Advertising and marketing	(17)
9.4	PP & E	(2)
9.5	Staff costs	(92)
9.6	Administration and corporate costs	(170)
9.7	Other (provide details if material) – R&D Tax rebate	862
9.8	Other (provide details if material)	-
9.9	Other (provide details if material)	-
<b>9.10</b>	<b>Total estimated cash flows</b>	<b>148</b>
* This approximate figure is an estimate of expenditure should all R&D during the period progress and give results according to expected outcomes; therefore these estimates are not reliable		

<b>10.</b>	<b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration	N/A	N/A
10.3	Consideration for acquisition or disposal	N/A	N/A
10.4	Total net assets	N/A	N/A
10.5	Nature of business	N/A	N/A

**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.

Sign here: .....  ..... Date: 30 April 2018 .....

(Director/Company Secretary)

Print name: ..... Alistair McKeough .....

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.