EDISON

Recce Pharmaceuticals

Pipeline update

Topical R327G approaching pivotal stages

Healthcare

Recce Pharmaceuticals has made several strides in advancing its topical gel formulation (R327G) of lead anti-infective therapeutic drug candidate RECCE® 327 (R327) as a topical treatment for acute bacterial skin and skin structure infections (ABSSSI) and diabetic foot infections (DFIs). The company received Human Research Ethics Committee (HREC) approval to start a registrational Phase III DFI study in Indonesia, which, if successful, could lead to a commercial launch in South-East Asia in CY26. With the near-term focus on advancing the ABSSSI and DFI indications providing a clearer path to future revenues, we have pushed back our timing expectations for the IV R327 formulation, resulting in an updated risk-adjusted net present value (rNPV) of A$593.6m (or A$2.60/share), versus A$688.5m (or A$3.07/share share) previously.

Year end	Revenue (A$m)	PBT* (A$m)	EPS* (A$)	DPS (A$)	P/E (x)	Yield (%)
06/23	4.3	(13.1)	(0.08)	0.0	N/A	N/A
06/24	4.9	(17.8)	(0.10)	0.0	N/A	N/A
06/25e	10.1	(16.2)	(0.07)	0.0	N/A	N/A
06/26e	6.0	(71.9)	(0.31)	0.0	N/A	N/A

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

Phase III DFI study expected to start imminently

Having recently received HREC approval to start a registrational Indonesian Phase III DFI study, Recce expects to commence enrolment before end CY24, upon obtaining final clearance from the local regulatory agency, BPOM. The double-blinded study is expected to enrol 300 patients across the R327G (n=200) and placebo (n=100) arms. The company expects to report top-line results in late CY25 and we are modelling a potential launch in Indonesia and other Association of South-East Asian Nations (ASEAN) member state countries in H2 CY26.

Positive Phase II interim ABSSSI data

The company reported in November 2024 that it has dosed 20 patients out of an expected total enrolment target of 30 patients from its centralised open-label Phase II study assessing R327G as a treatment for ABSSSI. Recce indicated that all patients dosed to date (excluding one patient withdrawal) had met the primary endpoint of either a complete cure of their presenting condition or a significant improvement following treatment with R327G. The drug was shown to effectively treat a wide range of Gram-positive and Gram-negative bacteria, with no serious adverse events (SAEs) having been reported to date. Recce expects to complete patient dosing before the end of 2024, reporting final data in H1 CY25 and, shortly thereafter, start a Phase III ABSSSI study in Australia and New Zealand.

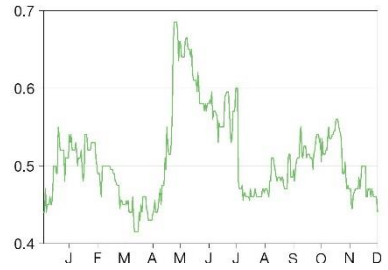
Valuation: Updated to reflect R327G near-term focus

We now obtain an rNPV, inclusive of A$3.5m Q125e net debt, of A$593.6m (or A$2.60/share), versus A$688.5m (or A$3.07/share) previously. The reduced value per share is primarily due to the revised launch timelines for IV R327 (which remains the largest contributor to our overall valuation) in sepsis/urosepsis and complex urinary tract infections (cUTI), as well as increased shares outstanding and corporate cost expectations.

2 December 2024

Price	**A$0.46**
Market cap	**A$107m**
	US$0.65/A$
Estimated net debt at 30 September 2024	A$3.5m
Shares in issue	231.9m
Free float	56.4%
Code	RCE
Primary exchange	ASX
Secondary exchanges	Frankfurt: R9Q, OTC: RECEF

Share price performance



%	1m	3m	12m
Abs	(6.4)	(9.3)	(1.1)
Rel (local)	(8.5)	(13.8)	(17.6)
52-week high/low	A$0.69	A$0.42	

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 surface infections, burn wound infections and urinary tract infections.

Next events

Start Phase III Indonesian study of R327G in diabetic foot infections	Q4 CY24
Final results from Phase II ABSSSI R327G study	H1 CY25

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Edison profile page

Topical R327G advancing to Indonesian Phase III study

Recce has reached several milestones in recent months for advancing its lead anti-infective therapeutic drug candidate, R327, as a topical treatment for DFIs and other ABSSSI. Notably, the company recently announced that it has received the required HREC approval to start a registrational Phase III study in Indonesia to assess the topical gel formulation of R327 (R327G) in DFIs. We anticipate that positive results from the trial could lead to Recce's earliest R327 commercialisation opportunity, through a launch in South-East Asia in the DFI indication in H2 CY26.

Details emerging on Indonesian Phase III study

Having received HREC clearance, the final step for Recce to start the trial is obtaining approval from the Indonesian food and drug regulatory agency, BPOM, to commence recruitment. The company expects to receive BPOM authorisation in the coming weeks and Recce plans to start the trial in mid-December 2024. The study will be a double-blinded, placebo-controlled design, with a planned total enrolment of 300 patients, where R327G will be compared to placebo (with 200 subjects planned to receive R327G and 100 to receive placebo). The study will be initially conducted at PT Siloam International Hospitals, the largest private hospital network in Indonesia.

Recce expects the study to run for approximately 12 months, with management guiding top-line results in late CY25 and potential regulatory approval and commercial launch in H1 CY26. Our estimates are slightly more conservative as we continue to model a potential launch in Indonesia in H2 CY26.

Recce has received significant funding and infrastructure support from key Indonesian stakeholders, including the Indonesian Ministry of Health, as well as from its previously announced strategic collaboration and memorandum of understanding in South-East Asia with Indonesian biomedical company PT Etana Biotechnologies. Consequently, Recce expects its total cost to complete the study will be only US$2m, not including the effects from the 43.5% R&D rebate scheme under the company's Advanced Overseas Finding status with the Australian government. Hence, the net cost to Recce may only be c US$1.2m.

Successful completion of the study is expected to enable Recce to apply for regulatory approval for R327G for the treatment of DFIs across the broader ASEAN region, which collectively covers 670 million individuals and includes Malaysia, the Philippines, Singapore and Thailand. We note that more than 10% of Indonesia's population (or c 19.5 million people) have diabetes, resulting in an increased risk of DFIs.

DFI Phase III results could open commercialisation opportunity

As a reminder, DFIs are frequent complications of patients who have diabetes mellitus, if the condition is not adequately controlled. Approximately 38 million people have diabetes in the United States. Of this population, about 2–4% will experience foot ulceration each year, of which 50–60% will result in DFIs due to the invasion and multiplication of surrounding microorganisms into the area, leading to an inflammatory response and tissue damage. DFIs are the leading cause of foot morbidity in diabetic patients as well as the most frequent complication from diabetes requiring hospitalisation. About 20% of moderate to severe DFIs lead to amputation and diabetes is reported to be the leading cause of non-traumatic lower extremity amputations in the US.

To our knowledge, no topical antibiotic has specific globally recognised approval for usage for the treatment of DFIs and current treatment guidelines by the International Working Group on the Diabetic Foot and the Infectious Diseases Society of America indicate that currently available

and/or approved topical therapies or antibiotics have effectiveness limitations in the treatment of DFIs, which to us suggests that there is opportunity for a novel topical therapeutic such as R327G. We expect a standalone topical therapeutic option would be convenient for patients (given the relative ease of drug administration), aid in treatment compliance (particularly in patients intolerant to oral drugs), provide a concentrated dose at the presumed site of interest and also reduce the risk of systemic side effects associated with oral or intravenous antibiotics.

We continue to model that topical R327 could be launched in Indonesia and other ASEAN countries in H2 CY26, slightly more conservative than the company's broad CY26 guidance, and we assume that the company will rely on a commercial distribution partner in this area and collect net royalties at 25% of net sales.

As mentioned in our prior note, we assume that the prevalence of diabetes in ASEAN countries is c 47 million people, with 3% obtaining diabetic foot ulcers in a given year, and of these, 55% will be infectious and c 25% of such infections can be treated with topical R327, leading to a potential addressable market of c 195,000 cases per year in the region. At 20% assumed peak market share in the region, this would translate into c A$50m in peak sales, with Recce entitled to a 25% royalty according to our forecasts.

We note that the Phase III Indonesian study is unlikely to be sufficient on its own to support registration applications in the US or Europe, but, as stated below, Recce is planning to file a US investigational new drug (IND) application for the topical R327 formulation in the coming months, which would permit the initiation of a US study of the topical formulation.

Interim ABSSSI study results supportive of DFI strategy

In June 2024, Recce received HREC approval in Australia to start a centralised open-label Phase II study assessing R327G as a treatment for ABSSSI, which comprise a broader range of conditions than DFIs (sometimes considered a subcategory of ABSSSI) and burn wound infections assessed in prior topical R327 human trials. The study is primarily being conducted by Barwon Health, one of Australia's largest comprehensive regional health services centres, along with additional sites affiliated with the Australian Clinical Research Network (ACRN) in New South Wales and Melbourne. The study is designed to assess the effectiveness and safety of R327G in treating a broad range of ABSSSI indications, which, in addition to DFIs and burn wound infections, can include necrotising fasciitis, post-operative wound infections, simple abscesses, boils, cellulitis and others.

In the trial, R327G is applied once daily for seven days to the participants' ABSSSI, followed by safety and efficacy evaluations. Subsequently a possible additional seven-day R327G treatment period will be considered at the investigator's discretion if indicated, with repeated safety and efficacy evaluations at the end of the treatment period.

The company reported in November 2024 that it has dosed 20 patients of an expected total enrolment target of 30 patients and that it expects to complete recruitment and dosing before year-end CY24. Recce also indicated that all patients dosed to date (excluding one patient withdrawal) had met the primary endpoint of either a complete cure of their presenting condition or a significant improvement following treatment with R327G. Outcomes were assessed using the Lipsky Clinical Resolution of Infection Scale, an FDA-recognised tool for assessing the progression and resolution of infections, particularly for DFIs.

No SAEs had been reported to date and the non-data safety monitoring board unanimously recommended that the study proceed to completion. Earlier interim data reported in October detailed the results of 14 patients, all of whom except one (who had withdrawn from the study due to wound site pain that was judged unlikely to be related to R327G) had shown clinical cure or improvement. The conditions treated included diabetic foot ulcers, eczema, scratches and punctures, and R327G was judged to be efficacious across a wide variety of both Gram-positive

and Gram-negative bacteria. It is not yet clear if the more severe skin infection conditions such as abscesses or cellulitis have been evaluated thus far in the study.

Exhibit 1: Summary of treated patients for Phase II ABSSSI study (interim results)

Patient	Age (years) / gender	Clinical response
1	88 / M	Cure (Day 7)
2	53 / M	Cure (Day 7)
3	49 / M	Cure (Day 7)
4	63 / F	Cure (Day 7)
5	46 / M	Cure (Day 14)
6	63 / F	Cure (Day 14)
7	67 / M	Improvement (Day 7)
8	72 / M	Improvement (Day 7)
9	70 / M	Improvement (Day 7)
10	59 / M	Improvement (Day 7)
11	63 / M	Improvement (Day 7)
12	68 / M	Improvement (Day 14)
13	81 / F	Withdrawn
14	84 / F	Improvement (Day 14)

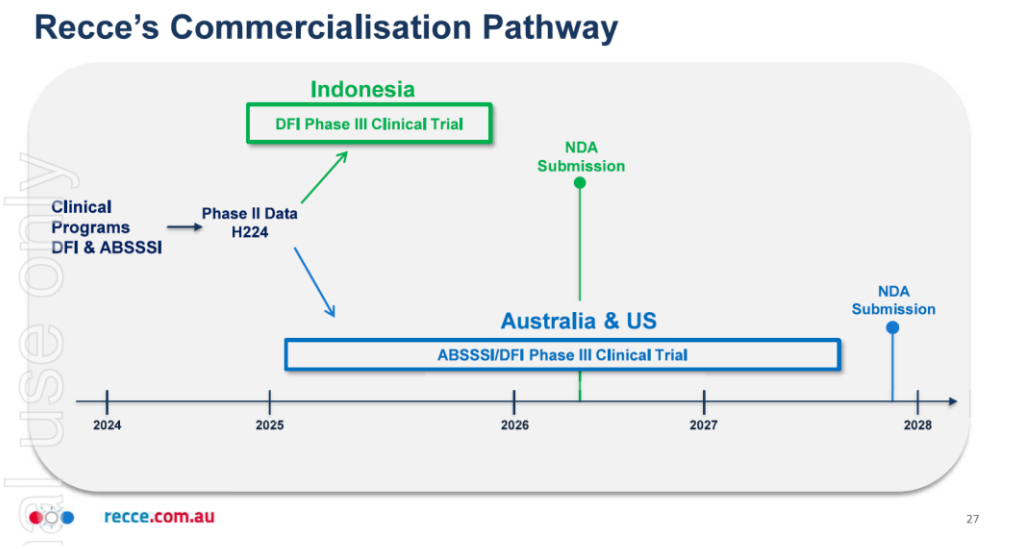
Source: Recce Pharmaceuticals

We expect Recce to report top-line data from the study in H1 CY25, and, if final results continue to confirm positive safety and efficacy, the company has guided that it expects to start a Phase III study in Australia in H1 CY25.

Recce previously announced data in January 2024 from its earlier Phase I/II study assessing topical R327 in DFIs that show it had met all primary endpoints on five patients, providing signs of proof-of-concept for topical R327 in this indication. A detailed breakdown of the results was discussed in our prior note.

We note that the global ABSSSI market was valued by Fortune Business Insights at US$7.3bn in 2018 and is projected to reach US$25.9bn in 2032. We also highlight that drug-resistant bacterial strains, particularly methicillin-resistant *Staphylococcus aureus* (MRSA), remain a pressing concern with many skin and skin structure infections.

Exhibit 2: Recce's planned commercialisation timelines



Source: Recce Presentation at Ord Minnett Biotech & MedTech Conference, November 2024

We estimate that Recce could start US studies as part of a Phase III pivotal programme in ABSSSI in CY25, which we now model could lead to launch in the US, Australia and Europe in CY28 (versus CY29 previously). This is due to the rapid pace of progress in recent months for the R327G formulation, as the company is now positioned to start the Phase III Indonesian DFI study in the

coming weeks and as it is guiding to start a Phase III ABSSSI study in Australia and New Zealand in H1 CY25.

Phase I/II IV R327 rapid infusion study successfully completed

We continue to view the IV formulation of R327 as a substantial commercial opportunity for the company, specifically the sepsis (and/or urosepsis) and cUTI indications under assessment. In June 2024, Recce reported that it had completed the open-label Phase I/II study (trial ID ACTRN12623000448640 at anzctr.org.au) assessing the safety, tolerability and pharmacokinetics of IV R327 at faster infusion rates (compared to R327-001, its initial single-dose IV R327 dose escalation trial). The company reported that the Phase I/II rapid infusion study met all its primary endpoints and demonstrated significant antibacterial activity. Detailed results were discussed in our prior note.

Based on the data from the dose-escalation phase in healthy volunteers of the above trial, Recce plans to start a Phase II study of IV R327 in patients with cUTIs (including urosepsis patients). While we previously anticipated that this study could start in H2 CY24, we now expect that it will start in H2 CY25, given that management's near-term priority is to start the Indonesia Phase III DFI study before year-end CY24 and to start a Phase III ABSSSI study in Australia and New Zealand in H1 CY25 (upon completion of the current Phase II ABSSSI study).

We will await further information from management, in terms of timelines and relevant endpoints for the upcoming IV R327 study in cUTI patients.

US IND filing expected in CY25, revising launch timing forecasts

Recce also expects to submit an IND application to the US FDA in H1 CY25, for both the topical and IV formulations of R327. We expect that IND clearance would enable the company to either expand its planned Phase III Australia/New Zealand ABSSSI R327G study to include US study sites or to start a separate US Phase III ABSSSI study. We also expect the IND clearance of the IV formulation to inform development steps for a Phase II cUTI and/or sepsis/urosepsis trial with US study sites, but, as stated above, we do not expect such a study to start until H2 CY25.

Altogether, we are pushing back our commercialisation forecast for IV R327, given that we do not anticipate a new clinical study (in cUTIs) to start until H2 CY25. We now assume potential approval and commercialisation of IV R327 in sepsis and cUTI in CY29 (versus H2 CY28 previously). However, we may revisit our assumptions once the US IND has been cleared by the FDA and/or greater clarity is provided by management on the expected data points and timelines for the US-centric studies.

Recent funding sources maintain runway into FY26

In July, Recce announced an A$10m equity fund-raising initiative, consisting of an A$8m institutional placement and a A$2m share purchase plan (SPP) to existing investors. The SPP participation rate exceeded the company's estimates and was expanded to A$4.4m in August. In total, the combined total gross proceeds received from the placement and SPP was A$12.4m, ahead of the initially targeted A$10m.

In November 2024, Recce received a A$6.75m R&D tax credit from the Australian Taxation Office relating to its eligible R&D activities and related expenditures incurred in the fiscal year ending 30 June 2024. The Australian government's tax incentive rebate programme allows Recce to obtain a 43.5% cash rebate on its eligible R&D activities undertaken worldwide.

In July 2024 the company was also awarded US$2m in grant funding from the US Department of Defense (DoD) to accelerate the development of R327G as a treatment to rapidly resolve burn wound infections and reduce the risk of bacteraemia complications, such as sepsis. The DoD

project's main aim is to establish the potential for R327G products to be used in a military setting (at the point of injury). Altogether, the above funding sources and grants are expected to enable the company to maintain operations into H2 CY25 (FY26).

Financials and valuation

Recce's FY24 financials were largely in line with our expectations, as the normalised FY24 operating loss came in at A$17.1m, compared to our projection of A$16.7m. FY24 free cash outflow was A$13.2m (versus our A$16.3m expectation), benefiting from a favourable (non-recurring) swing in working capital such as trade payables. However, in the company's Q125 4C cash flow statement (the three-month period ending 30 September), we believe the working capital trend swung in the opposite direction, as Recce reported A$7.6m in payments for R&D expenditures and a total operating cash outflow of A$9.7m, which is a much higher run-rate than the company had been reporting in prior periods (as a means of comparison, the 4C operating cash outflows for Q424, Q324 and Q224 had been A$2.1m, A$4.7m and A$2.3m, respectively). We believe the increase in spending rates relates to early activities and working capital-related movements pertaining to the ABSSSI Phase II study, which geared up in earnest in Q125. We anticipate spending rates to decline over the coming weeks, as the study is nearing completion (with final dosing guided to occur before end CY24).

At end-FY24 (30 June), Recce reported gross cash of A$4.4m and A$9.7m in debt, resulting in a net debt position of A$5.3m (excluding A$0.8m in lease liabilities). Given the fund-raising discussed above, which was completed in August, the company reported A$12.0m in net financing cash inflows in Q125, finishing the period (30 September) with A$6.3m in gross cash. We estimate Q125 net debt at A$3.5m (this excludes the A$6.75m R&D cash rebate that was received in November 2024).

We have updated our forecasts to consider a higher baseline G&A spending rate (and higher corporate costs going forward), reflecting our consideration of the company's FY24 results. The company's reported FY24 SG&A expenses were A$14.5m (up from A$9.8m in FY23), although this included a large and potentially one-off increase in consulting costs (to A$5.4m in FY24 vs A$1.8m in FY23). We now expect FY25 and FY26 SG&A expenditures of A$11.1m and A$11.9m, respectively, versus our prior estimates of A$7.4m and A$8.1m.

In addition, considering the clarity provided on the Indonesian registrational Phase III R327G study costs and management's near-term prioritisation of the R327G study programmes (in ABSSSI and DFIs), we have reduced our FY25 and FY26 R&D spending expectations to A$13.8m and A$56.9m, respectively, versus our prior estimates of A$14.9m and A$66.4m, respectively. We have postponed much of our previously projected spending on the IV R327 programmes (in cUTI and sepsis/urosepsis) by approximately one year. We continue to assume that large-scale US studies (for R327G and for IV R327) will occur in FY26, driving a strong increase in projected R&D spending rates.

We have also updated our forecasts and valuation to reflect the recent forex changes (we now assume US$0.65/A$, versus our prior assumption of US$0.67/A$). Altogether, we project free cash outflows of A$15.9m and A$71.5m in FY25 and FY26, respectively, versus our prior estimates of A$14.2m and A$77.2m.

In terms of our valuation, we have made several notable additional adjustments.

1. As stated above, we have scaled back our launch timelines for IV R327 in sepsis and cUTIs to CY29 (versus H2 CY28 previously), as we do not expect new clinical trials for IV R327 until H2 CY25 at the earliest.

2. Given the clinical data that have been presented to date for ABSSSI and the company's strategy to advance R327G in the US, Europe and Australia as a treatment for ABSSSI (rather than just DFIs), we have revised our forecasts for topical R327 in non-burn wound indications in ex-ASEAN markets to consider the broader ABSSSI indication rather than DFIs alone.
   - The target addressable market for R327G therefore expands, as we had previously assumed the annual US incidence of mild DFIs that can be potentially treated with a topical product would be approximately 150,000. However, we expand this addressable market to 700,000 given that the estimated annual US incidence of ABSSSI is 600,000 to 800,000. We now project potential total 2033 ABSSSI sales of R327G of A$438m (versus A$124m in 2032 previously when considering DFIs alone).
3. We have increased our probability of success for R327G in ABSSSI to 20% (versus 15% previously in DFIs) given the positive clinical data that have been presented to date.
4. We have increased the probability of success for R327G as a treatment for DFI in ASEAN countries to 35% (versus 25% previously) as the company has reached several milestones necessary to start Phase III registrational studies in Indonesia (and the study is expected to start before end CY24).

Given the above changes, we now obtain an rNPV, inclusive of A$3.5m Q125e net debt, of A$593.6m (or A$2.60 per share), versus A$688.5m (or A$3.07 per share) previously. The reduced value per share is primarily due to the revised launch timelines for IV R327 (which remains the largest contributor to our overall valuation) as well as increased shares outstanding and higher corporate cost expectations.

Exhibit 3: Recce Pharmaceuticals rNPV valuation

Product	Indication	Launch	Sales (A$m) in 2033	NPV (A$m)	Probability of success	rNPV (A$m)	rNPV/basic share (A$)
R327 (IV)	Sepsis	CY29	3,704	3,544	15%	505	2.18
R327 (IV)	Complicated UTI	CY29	425	391	15%	53	0.23
R327 (topical)	Burn wounds	CY28	301	299	20%	53	0.23
R327 (topical)	ABSSSI	CY28	438	487	20%	92	0.40
R327 (topical)	DFIs (ASEAN)	H2 CY26	55	29	35%	10	0.04
Corporate costs				(106.0)		(106.0)	(0.46)
Net cash/(debt) at 30 September 2024				(3.5)		(3.5)	(0.02)
Total equity value						593.6	2.60

Source: Edison Investment Research

While we assume the company's funds on hand will last into FY26, for modelling purposes, we continue to anticipate that Recce will raise an additional A$20m in late FY25, modelled as illustrative debt. We assume clinical trial-related costs for each of the four sought indications in our model (ABSSSI, sepsis, UTIs and burn wounds) will ramp up significantly in FY26. Any delays to the start of such activities would reduce our funding estimates over this period but may push back our potential launch forecasts.

Depending on the availability of capital, the company may decide to prioritise certain programmes, which may affect the timing of launches in non-prioritised indications and affect our overall valuation. Our current funding model assumes Recce will advance all four programmes in parallel. However, if the company prioritises R327G in ABSSSI and DFIs and puts its remaining development programmes on hold until the initial R327G commercial approval, this would reduce its overall funding need as it could subsequently apply post-launch commercial revenue towards resuming R&D and product development activities in the remaining targeted indications. In addition, partnerships and/or non-dilutive forms of funding (such as third-party sponsorship of clinical trials) could also reduce the future funding need, although these are not specifically included in our forecasts.

Assuming the company continues to develop all four planned clinical-stage indications, we continue to project Recce would need to raise an additional A$140m in total net proceeds by FY29 before

becoming sustainably cash flow positive. As per the usual Edison methodology, we model these raises as illustrative debt. If our projected funding need of A$140m is raised through equity issuances at the prevailing market price of c A$0.46, our effective value per share would decrease to A$1.37 (including cash raised via equity).

Exhibit 4: Financial summary

A$(000)	2020	2021	2022	2023	2024	2025e	2026e
Year end 30 June	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS	IFRS
PROFIT & LOSS							
Revenue	1,122	1,857	3,085	4,311	4,906	10,150	6,023
Cost of Sales	0	0	0	(0)	(0)	(0)	(0)
Gross Profit	1,122	1,857	3,085	4,311	4,906	10,150	6,023
Sales, General & Administrative	(3,136)	(9,511)	(7,677)	(9,779)	(14,526)	(11,073)	(11,911)
Net Research & Development	(2,071)	(5,657)	(6,285)	(7,330)	(7,159)	(13,846)	(56,923)
EBITDA	(4,085)	(13,311)	(10,878)	(12,797)	(16,778)	(14,769)	(62,811)
Depreciation & amortisation of intangible assets	0	0	0	0	0	0	0
Depreciation, amortisation & other	(201)	(296)	(188)	(217)	(367)	(752)	(600)
Normalised Operating Profit (ex. amort, SBC, except.)	(4,231)	(8,389)	(10,809)	(12,689)	(17,125)	(15,522)	(63,411)
Operating profit before exceptionals	(4,286)	(13,607)	(11,065)	(13,014)	(17,145)	(15,522)	(63,411)
Exceptionals including asset impairment	0	0	0	54	143	73	0
Other	0	0	0	0	0	0	0
Reported Operating Profit	(4,286)	(13,607)	(11,065)	(12,960)	(17,002)	(15,448)	(63,411)
Net Finance income (costs)	(31)	94	79	(117)	(660)	(671)	(8,484)
Profit Before Tax (norm)	(4,317)	(13,513)	(10,986)	(13,131)	(17,805)	(16,193)	(71,896)
Profit Before Tax (FRS 3)	(4,317)	(13,513)	(10,986)	(13,077)	(17,662)	(16,120)	(71,896)
Tax	0	0	0	0	0	0	0
Profit After Tax and minority interests (norm)	(4,317)	(13,513)	(10,986)	(13,131)	(17,805)	(16,193)	(71,896)
Profit After Tax and minority interests (FRS 3)	(4,317)	(13,513)	(10,986)	(13,077)	(17,662)	(16,120)	(71,896)
Average Basic Number of Shares Outstanding (m)	127.2	155.4	174.1	174.0	177.1	217.9	231.9
EPS - normalised (A$)	(0.03)	(0.09)	(0.06)	(0.08)	(0.10)	(0.07)	(0.31)
EPS - normalised and fully diluted (A$)	(0.03)	(0.09)	(0.06)	(0.08)	(0.10)	(0.07)	(0.31)
EPS - (IFRS) (A$)	(0.03)	(0.09)	(0.06)	(0.08)	(0.10)	(0.07)	(0.31)
Dividend per share (A$)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BALANCE SHEET							
Fixed Assets	505	501	439	608	1,233	984	555
Intangible Assets	0	0	0	0	0	347	347
Tangible Assets	505	501	439	608	1,233	637	209
Investments in long-term financial assets	0	0	0	0	0	0	0
Current Assets	2,739	21,181	12,185	1,947	5,136	21,222	29,755
Short-term investments	0	0	0	0	0	0	0
Cash	2,682	20,873	11,582	1,562	4,415	20,501	29,034
Other	57	308	603	386	721	721	721
Current Liabilities	(885)	(1,078)	(2,447)	(4,850)	(15,070)	(15,070)	(15,070)
Creditors	(885)	(1,078)	(2,447)	(1,802)	(5,381)	(5,381)	(5,381)
Short term borrowings	0	0	0	(3,048)	(9,689)	(9,689)	(9,689)
Long Term Liabilities	(46)	(100)	(115)	(295)	(824)	(20,824)	(100,824)
Long term borrowings	0	0	0	0	0	(20,000)	(100,000)
Other long term liabilities	(46)	(100)	(115)	(295)	(824)	(824)	(824)
Net Assets	2,313	20,504	10,061	(2,589)	(9,524)	(13,687)	(85,583)
CASH FLOW STATEMENT							
Operating Income	(4,286)	(13,607)	(11,065)	(12,960)	(17,002)	(15,448)	(63,411)
Movements in working capital	253	144	1,532	(152)	4,266	0	0
Net interest and financing income (expense)	(31)	94	79	(117)	(660)	(671)	(8,484)
Depreciation & other	201	296	188	217	367	752	600
Taxes and other adjustments	55	5,218	256	325	20	0	0
Net Cash Flows from Operations	(3,807)	(7,856)	(9,010)	(12,687)	(13,009)	(15,367)	(71,295)
Capex and capitalised expenditures	(6)	(76)	(40)	(39)	(142)	(156)	(172)
Acquisitions/disposals	0	0	0	0	0	(347)	0
Interest received & other investing activities	0	0	0	0	0	0	0
Net Cash flows from Investing activities	(6)	(76)	(40)	(39)	(142)	(503)	(172)
Net proceeds from share issuances	6,980	26,338	287	102	10,583	11,970	0
Net movements in long-term debt	0	0	0	0	5,886	20,000	80,000
Dividends	0	0	0	0	0	0	0
Other financing activities	(888)	(215)	(528)	2,604	(464)	(14)	0
Net Cash flows from financing activities	6,092	26,123	(240)	2,706	16,004	31,956	80,000
Effects of FX on Cash & equivalents	0	0	0	0	0	0	0
Net Increase (Decrease) in Cash & equivalents	2,279	18,191	(9,291)	(10,020)	2,854	16,086	8,533
Cash & equivalents at beginning of period	403	2,682	20,873	11,582	1,562	4,415	20,501
Cash & equivalents at end of period	2,682	20,873	11,582	1,562	4,415	20,501	29,034
Closing net debt/(cash)	(2,682)	(20,873)	(11,582)	1,487	5,274	3,513	(129)
Lease debt	83	127	75	251	811	811	811
Closing net debt/(cash) inclusive of IFRS16 lease debt	(2,599)	(20,746)	(11,507)	1,737	6,085	4,324	682
Free cash flow	(3,813)	(7,932)	(9,051)	(12,726)	(13,151)	(15,870)	(71,467)

Source: Company accounts, Edison Investment Research

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