

Recce Pharmaceuticals tapping European investor interest to accelerate anti-infective strategy

In March this year, Recce listed on the Frankfurt Stock Exchange and is working with German asset manager DGWA as it embarks on a global superbug-fighting strategy.



Recce Pharmaceuticals Ltd (ASX:RCE, OTC:RECEF) is engaging the European retail investor community as it seeks to take its anti-infective strategy global.

The company is developing new classes of synthetic 'anti-infectives' that it believes will help tackle the urgent global health crisis being caused by antibiotic-resistant 'superbugs', which are resistant to most of the antibiotics and other medications commonly used to treat the infections.

Its flagship drug designed to tackle this problem is RECCE® 327 - studies of it have indicated efficacy against bacterial cells, including their multi-drug resistant superbug forms.

It is also developing RECCE® 435, a broad-spectrum synthetic polymer antibiotic formulated for oral use and RECCE® 529, a synthetic polymer anti-infective focused on viral indications following Recce's background antiviral research.

German listing

The company became dual-listed in March this year when it debuted on the Frankfurt Stock Exchange under the code R9Q.

Recce CEO and managing director James Graham said the dual listing was an exciting step in the company's global strategy.

"This is an exercise of market awareness and patient access," he said.

"The European region represents a major patient population and gives us access to significant capital markets, and we're hoping to provide a synergy or ease of access between the two.

"There are a number of very large pharmaceutical companies in Germany and France that are particularly interested in fighting infectious diseases.



CEO and managing director James Graham.

"So, we are now a company that is not only developing the first new class of anti-infective drugs in over 30 years but one with two clinical study candidates working in parallel and a major patient population in Australia and beyond."

Why superbugs?

Recce's anti-infective, superbug-fighting strategy is a little different to the run-of-the-mill biotech business model, in that it is not seeking to develop a drug that can fight only specific diseases, such as cancer.

Research released at the end of last year forewarned that antimicrobial resistance could overtake cancer and account for 10 million deaths a year globally by 2050 - at a cost of US\$100 trillion.

That is why, as Graham explains, Recce's increasing patient and investor reach is so important.

"The importance and recognition of the value of new medicines has increased many times over in recent years, largely thanks to COVID," he says.

"The effect on the global economy and the human population has been dramatic.

"However, I believe that many are too focused on immunotherapy drug portfolios; when you lower the immune system, you reduce the body's ability to fight otherwise healthy bacteria and those healthy bacteria become unhealthy.

"The big pharmaceutical companies are starting to think, 'heck, we're doing okay with our cancer druff, but people are dying from bacterial infections - how can we extend the patient life cycle?'

"So, the value and importance of antibiotics to extend patients' treatment in the background is something people should be more aware of, and the pharma companies are hyper conscious of.

"The antibiotic pipeline has never been dryer and the need has never been greater.

"We're looking at three and even more mechanisms of action with our drugs, which keep on working with repeated use, which fundamentally underpins the challenge of existing antibiotics.

"This is really only the beginning in the context of what may be possible with our drugs in a global patient population."

Low cost, high reward

The dual listing ended up being a no-brainer for Recce, as it was able to list without many of the primary listing procedures, seeing a widening of investor reach at minimal cost.

Due to its strong existing financial position, there was no issuance of new securities due to the company being listed and market-makeable via the ASX.

As part of that process, Recce is working closely with Deutsche Gesellschaft für Wertpapieranalyse (DGWA), the German Institute for Asset and Equity Allocation and Valuation.

DGWA CEO Stefan Müller said his firm was delighted to be working with Recce across Europe.

"Investor interest in quality biotechnology companies is significant and increasing with the global anti-infective market expected to grow at a compound rate of over 30% to 2030.

"We anticipate the German listing will provide European investors with an opportunity to participate in that growth, and we are confident Recce will be warmly welcomed among the European investment community and look forward to supporting their activity in the region over the time ahead." - **Daniel Paproth.**