

R H I N O M E D

7 April 2022

Rhinomed Limited (ASX:RNO) - Cleansing notice in respect of accelerated non-renounceable pro-rata entitlement offer - Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

This notice is given by Rhinomed Limited ACN 107 903 159 (**Rhinomed**).

This notice is given in accordance with section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by Australian Securities and Investments Commission's *Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (**Legislative Instrument**).

1. Background

Rhinomed has announced an accelerated non-renounceable pro-rata entitlement offer (comprising both institutional and retail components) to raise up to a maximum of approximately AUD \$5 million (before costs) (**Entitlement Offer**).

The Entitlement Offer will involve the offer of up to a maximum of approximately 26,323,114 fully paid ordinary shares in Rhinomed (**New Shares**) on the basis of 1 New Share for every 9.87 Shares held by shareholders (**Shareholders**) in Rhinomed on the applicable record date (**Record Date**) at an issue price of AUD \$0.19 per New Share.

The institutional component of the Entitlement Offer is partially underwritten to the amount of approximately \$3.228 million. The retail component of the Entitlement Offer is not underwritten.

2. Cleansing notice in respect of the Entitlement Offer

With respect to the Entitlement Offer, Rhinomed advises that:

- (a) the New Shares will be offered without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act, as modified by the Legislative Instrument;
- (c) as at the date of this notice, Rhinomed has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to RNO; and
 - (ii) section 674 of the Corporations Act as it applies to RNO;
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) or 708AA(9) of the Corporations Act, which is required to be set out under section 708AA(7) of the Corporations Act; and
- (e) the potential effect of the issue of the New Shares pursuant to the Entitlement Offer on the control of Rhinomed and the consequences of that effect will depend on a number of factors, including the extent to which Shareholders take up New Shares under the Entitlement Offer and are described below:

- (i) if all Shareholders take up their entitlements under the Entitlement Offer, then new investors will not receive any New Shares;
- (ii) if 50% of Shareholders take up their entitlements under the Entitlement Offer, then new investors may receive 13,161,557 New Shares (being approximately 4.8% of shares on issue in Rhinomed following the Entitlement Offer) and the interests of those Shareholders who do not take-up their entitlements under the Entitlement Offer will be further diluted; and
- (iii) if no Shareholders take up their entitlements under the Entitlement Offer, then new investors may receive 26,323,114 New Shares (being approximately 9.2% of the shares on issue in Rhinomed following the Entitlement Offer) and the interests of all Shareholders will be further diluted.

Having regard to the above, Rhinomed does not expect that the Entitlement Offer will have a material effect on the control of Rhinomed. Rhinomed has three substantial shareholders in:

- Mr W. Whitney George, who currently holds 101,777,880 shares, being 39.17% of the total shares on issue;
- Assoc Prof John McBain (Director), who currently holds 48,049,276 shares, being 18.49% of the total shares on issue; and
- Mr Ron Dewhurst (Director), who currently holds 17,850,000 shares, being 6.87% of the total shares on issue.

Each of Messrs George, McBain and Dewhurst have elected to take up their full pro-rata entitlements under the Institutional Entitlement Offer, representing 64.54% of the total amount that may be raised under the Entitlement Offer (being approximately \$3.228 million). The following table sets out the impact on their respective percentage holdings depending on the total amount subscribed under the Entitlement Offer:

Total Raised (AUD \$)	Shares on issue	Total Shares after Offer	George % Holding	McBain % Holding	Dewhurst % Holding
\$5,000,000	259,809,132	286,132,246	39.17	18.49	6.87
\$4,000,000	259,809,132	280,861,763	39.91	18.84	7.00
\$3,227,828	259,809,132	276,797,699	40.50	19.12	7.10

Rhinomed's Shareholders who are not Eligible Shareholders (being foreign Shareholders to whom an Entitlement Offer will not be made) are not entitled to participate in the Entitlement Offer and their percentage holding in Rhinomed will be diluted.

An Appendix 3B with respect to the issue of the News Shares under the Entitlement Offer will be lodged with the ASX by RNO shortly.

Yours faithfully,

Sean Slattery
Company Secretary
Rhinomed Limited