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RNO Voluntary Delisting from ASX

11 December 2023: Melbourne, Australia.

Rhinomed Limited (ASX: RNO, OTCQB:RHNMF) (**RNO** or the **Company**) announces that it has formally applied to the Australian Securities Exchange (**ASX**) requesting its removal from the official list of ASX (**Official List**) in accordance with ASX Listing Rule 17.11 (**Delist** or **Delisting**). This application follows the Company obtaining in-principle advice from ASX to the effect that ASX is likely to agree to remove the Company from the Official List, subject to the satisfaction of certain conditions outlined below, including the Company obtaining shareholder approval for the Delisting.

The proposed Delisting will be put forward for shareholder approval at a general meeting to be held on or around 16 January 2024.

1. Reasons for seeking removal from the Official List

The board of directors of the Company (**Board**) consider the Delisting to be in the best interests of the Company and its shareholders for a number of reasons, including the following:

(a) Limited trading and liquidity

There are currently 285,719,694 RNO shares currently on issue. The volumes and value of RNO shares traded on the ASX for the last four calendar months are set out in the table below:

Recent monthly trading volumes of RNO Shares					
Month	Actual days traded / Available trading days	Monthly volume	Monthly volume / Total issue shares	Average daily volume traded in month	Average daily value traded in month
October 2023	11 / 22	472,045	0.17%	21,457	\$5,749
September 2023	13 / 21	911,151	0.32%	43,388	\$11,453
August 2023	19 / 23	1,214,711	0.43%	52,814	\$11,482
July 2023	18 / 21	1,625,350	0.57%	77,398	\$12,789

The percentage of the Company's issued capital held by the Top 20 shareholders in each year since October 2020 has been between 75.43% and 77.75%. The current Top 3 shareholders hold in aggregate approximately

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66.88% of the Company's issued capital, representing a large concentration of the Company's shares in very few different shareholders.

As the table also indicates, RNO shares are thinly traded on ASX. The Company is concerned that the very limited liquidity means that limited trading can have a disproportionate impact on the share price. This would in turn impact investor confidence and the ability of Shareholders to realise their shares for fair value by selling on-market.

The Board believes that the current register of shareholders is not sufficient to maintain an orderly and liquid market for trading in RNO shares and does not believe that there will be a significant increase in shareholder spread or liquidity in the foreseeable future.

(b) Raising capital is highly dilutive

One of the major reasons for a company to be listed is to facilitate the raising of capital at reasonable prices. However, due to the Company's depressed share price over the last several years, raising a material sum of money at a typical discount to the current RNO share price would be highly dilutive to current shareholders and would in all likelihood lead to further depression of the RNO share price.

The Board believes that the Company's share price performance on ASX continues to be an impediment to the Company seeking to raise capital while remaining listed.

(c) Removal of daily "mark-to-market" valuation methodology

The Board believes that, by delisting the Company, a valuation of the Company would no longer be distorted by the application of Company's depressed share price and market capitalisation as the primary valuation methodology, allowing future valuations to be based solely on an appraisal of the Company's business and asset fundamentals and prospects.

In addition, the removal of daily "mark-to-market" pricing of RNO shares would assist those Shareholders for whom daily pricing is not relevant or causes unnecessary fluctuations in their portfolio valuations.

(d) Cost savings

The Board believes that the costs of the Company remaining listed no longer outweigh the benefits of Delisting. The expected annual operating costs associated with remaining listed are as follows:

Expense	Amount
Accounting and company secretarial staff	\$87,000

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Expense	Amount
ASX annual listing fee	\$36,000
ASX and Registry fees, AGM, proxy and annual report printing fees	\$184,000
Director fees	\$160,000
Total	\$467,000

(e) Strategic matters

The Board is of the view that the Company will have greater flexibility to pursue and execute its strategies and initiatives following the Delisting.

(f) Management time and effort

A significant portion of the Company's management time is being dedicated to time-intensive matters relating solely to the Company's ASX listing. If the Company is Delisted, the Company's management's time will be able to be spent on other value-adding matters that would better benefit the Company and its shareholders.

2. Conditions of ASX's agreement to Delist RNO

The Company has received notice from ASX of a decision (**ASX In-Principle Decision**) that ASX would be likely to agree to a formal request from the Company to Delist, subject to the Company's compliance and satisfaction of the following conditions:

- (a) The request for removal of the Company from the Official List of ASX is approved by way of a special resolution of the shareholders of the Company;
- (b) The notice of meeting seeking shareholder approval for the Company's removal from the Official List of ASX must include, in form and substance satisfactory to ASX, setting out:
 - (i) a timetable of key dates, including the time and date at which the Company will be removed from the Official List of ASX if that approval is given;
 - (ii) include a statement to the effect that the removal will take place no earlier than one month after approval is granted;
 - (iii) include a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the entity is removed from the ASX Official List; and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow security holders to dispose of their holdings and how they can access those processes; and

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- (iv) include, to ASX's satisfaction, information prescribed in section 2.11 of ASX Guidance Note 33;
- (c) the removal of the Company from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so;
- (d) the Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date; and
- (e) the Company releases the full terms of this decision to the market upon making a formal application to ASX to remove the Company from ASX.

The Company intends to comply with and satisfy the above conditions (together, the **Conditions**). The full text of the ASX In-Principle Decision is set out in Annexure B to this announcement.

The purpose of the Condition that the Delisting must not take place any earlier than one month after shareholder approval has been obtained, is so that shareholders have at least that period to sell their RNO shares on ASX should they wish to do so.

3. Consequences of Delisting for the Company and its shareholders

The consequences of the Delisting for the Company and its shareholders include the following:

- (a) The shares of the Company will cease to be quoted and traded on the ASX and shareholders will have their CHESS holdings converted to the certificated sub-register on the Company's register. No action will be required by shareholders to effect this conversion. The Company's securities will also cease to be traded on OTCQB.
- (b) Shareholders of the Company will only be able to sell their shares via off-market private transactions which will require the shareholder to identify and agree terms with potential purchasers of the Company's shares in accordance with the constitution of the Company and the *Corporations Act 2001* (Cth) (**Corporations Act**). The Company does not have any present intention to list any securities of the Company on any other securities exchange and the Company cannot provide any assurances or guarantees that a liquid market for the Company's shares will exist after Delisting. The Company's securities will also cease to be traded on OTCQB.
- (c) As an unlisted public company, the Company will no longer be able to raise capital from the issue of securities to the public by means of a limited disclosure fundraising document. Should the Company seek to raise capital following Delisting, it will be required to offer shares pursuant to a full prospectus or by way of a disclosure-exempt placement under section 708 of

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the Corporations Act, such as to sophisticated and institutional investors or for a “small scale offering”, for which prospectus disclosure is not required.

- (d) The Company will no longer have to comply with the ASX Listing Rules nor adopt the ASX Corporate Governance Principles and Recommendations. However, the Company will still be governed by the Corporations Act, including:
- (i) Section 675

The Company will become an “unlisted disclosing entity” under section 111AL of the Corporations Act. As such, following its removal from the Official List and for as long as it has at least 100 members, the Company will be subject to the continuous disclosure obligations set out in section 675 of the Corporations Act.
 - (ii) Chapter 6

For as long as the Company has more than 50 members, it will continue to be subject to the “takeover” provisions in Chapter 6 of the Corporations Act (**Chapter 6**) and, as such, increases in voting power in the Company will continue to be regulated by Chapter 6 for shareholders who hold between 20% and 90% of the voting power in the Company.
- (e) the Company’s constitution will remain unchanged immediately following the Delisting, such that its shareholders will continue to have the right to:
- (i) exercise their voting rights attached to shares;
 - (ii) receive notices of meetings and other notices issued by the Company; and
 - (iii) receive any dividends that may be paid by the Company from time to time.

4. Arrangements for shareholders to sell shares

The Company intends to undertake a minimum holding share buy-back under section 257A of the Corporations Act, for shareholdings of less than a marketable parcel as defined by ASX. This will be the subject of a separate announcement to ASX. It will proceed regardless of whether the Delisting occurs.

The Company does not intend to undertake any other share buy-back for its shareholders either in the lead up to, or after its removal from the Official List. If shareholders wish to sell their shares, they may do so on the ASX prior to the removal of the Company from the Official List, or after removal of the Company from the Official List through an off-market private transaction, as described above.

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For shareholders who retain their shares after the Delisting, the Company will consider engaging a third party private share trading platform service, to facilitate periodic off-market sale and purchase transactions in RNO shares, by matching buyers and sellers who register their interest on the platform. However, there is no assurance or guarantee that there will be sufficient demand from buyers registered on any such private share trading platform to allow shareholders to sell their shares on the platform.

5. Arrangements for shareholders to buy more shares

In order to give shareholders a choice to “top-up” their shareholding in the Company, albeit in a potentially unlisted entity, the Company intends to undertake a share purchase plan (SPP) whereby shareholders, irrespective of the size of their holding, have the choice to subscribe for up to a maximum \$30,000 of new stock in RNO shares per shareholder, subject to a cap of \$1,250,000 total capital raised. This will be the subject of a separate announcement to ASX. The SPP will be designed to comply with Exception 5 under ASX Listing Rule 7.2. The record date for eligibility to participate in the SPP will be 7.00pm (Melbourne time) on Monday, 11 December 2023. It will proceed regardless of whether the Delisting occurs.

6. Timetable

Attached to this announcement as **Annexure A** is the proposed timetable for completion of the Delisting (including the satisfaction of the Conditions and the expected date for the Company's removal from the Official List).

The Delisting will not take place any earlier than one month after shareholder approval has been obtained. Shares may continue to be traded on ASX up until close of trade on the date that is 2 trading days prior to the proposed Delisting date, after which trading will be suspended until the Delisting.

7. Remedies available to shareholders

(a) Part 2F.1 of the Corporations Act

In circumstances where a shareholder of the Company considers the Delisting to be contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to or discriminatory against, a shareholder or shareholders, that shareholder may apply to the court for an order under Part 2F.1 of the Corporations Act.

The court can make any order under section 233 of the Corporations Act that it considers appropriate in relation to the Company. This may include an order that the Company be wound up or an order regulating the conduct of the Company's affairs in the future.

(b) Part 6.10 Division 2 Subdivision B of the Corporations Act

In circumstances where a shareholder of the Company considers that the Delisting involves "unacceptable circumstances", that shareholder may apply

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to the Takeovers Panel to make a declaration of unacceptable circumstances and orders under Part 6.10 Division 2 Subdivision B of the Corporations Act (see also Guidance Note 1: Unacceptable Circumstances issued by the Takeovers Panel).

Pursuant to section 657D of the Corporations Act, if the Takeovers Panel has declared circumstances to be unacceptable under section 657A of the Corporations Act, it may make any order (except for an order directing any person to comply with a requirement of Chapter 6, 6A, 6B or 6C of the Corporations Act) that it thinks appropriate to (among others) protect the rights or interests of any person or group of persons, where it is satisfied that those rights or interests have been or are being affected, or will be or are likely to be affected, by the circumstances.

Authorised for release by:

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About Rhinomed Limited (ASX: RNO, OTCQB:RHNMF)

Rhinomed Limited is a Melbourne, Australia based ASX listed nasal and airway technology company that has developed an innovative nasal technology platform that can improve air flow and provide both drug delivery and diagnostic capabilities.

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ANNEXURE A - TIMETABLE

Indicative Timing	Item
11 December 2023	Formal request to de-list submitted to ASX Announcement to ASX of proposal to Delist Announcement of unmarketable parcel buy-back and dispatch of notice to relevant holders. Announcement of share purchase plan (SPP)
11 December 2023	Notice of General Meeting dispatched to Company shareholders together with Explanatory Statement
16 January 2024	General Meeting held to approve the Delisting
14 February 2024	Suspension from quotation
16 February 2024	Removal of the Company from the Official List

The above timetable is indicative only and may be subject to change by the Company or ASX without notice.

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ANNEXURE B - FULL TEXT OF ASX IN-PRINCIPLE DECISION

Decision

ASX's formal decision is as follows:

'In-principle Confirmation Decision

1. Subject to resolution 2 and based solely on the information provided, on receipt of a formal application for the removal of Rhinomed Limited (the 'Company') from the Official List of ASX Limited ('ASX') pursuant to Listing Rule 17.11, ASX would be likely to remove the Company from the Official List, on a date to be determined by ASX in consultation with the Company, subject to compliance with the following conditions: 1.1 The request for removal of the Company from the Official List of ASX is approved by way of a special resolution of the shareholders of the Company.

1.2 The notice of meeting seeking shareholder approval for the Company's removal from the Official List of ASX must include, in form and substance satisfactory to ASX, setting out: 1.2.1 a timetable of key dates, including the time and date at which the Company will be removed from the Official List of ASX if that approval is given;

1.2.2 include a statement to the effect that the removal will take place no earlier than one month after approval is granted;

1.2.3 include a statement to the effect that if holders wish to sell their securities on ASX, they will need to do so before the entity is removed from the ASX Official List; and if they do not, details of the processes that will exist after the Company is removed from the Official List to allow security holders to dispose of their holdings and how they can access those processes; and

1.2.4 include, to ASX's satisfaction, information prescribed in section 2.11 of ASX Guidance Note 33.

1.3 The removal of the Company from the Official List must not take place any earlier than one month after security holder approval has been obtained so that security holders have at least that period to sell their securities on ASX should they wish to do so.

1.4 The Company must apply for its securities to be suspended from quotation at least two (2) business days before its proposed removal date.

1.5 The Company releases the full terms of this decision to the market upon making a formal application to ASX to remove the Company from ASX.

2. Resolution 1 only applies until 29 February 2023 and is subject to any amendments to the Listing Rules or changes in the interpretation or administration of the Listing Rules and policies of ASX.

3. ASX has considered Listing Rule 17.11 only and makes no statement as to the Company's compliance with other Listing Rules.

Basis for In-principle Confirmation Decision

Listing Rule 17.11

4. ASX may remove an entity from the Official List of ASX at the request of an entity. Removal from the Official List at an entity's request recognises that remaining listed may no longer be suitable for a listed entity at a particular stage in its existence. There is no requirement for ASX

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to act on the request. ASX's power not to agree to requests for delisting enables it to ensure that delisting is not sought for inappropriate reasons or conducted in a way that is clearly harmful to the market or to shareholders' legitimate interests. ASX may impose conditions on granting the request. The power to impose conditions enables ASX to ensure that an orderly market is maintained in the period leading up to the delisting, and that the listed entity makes appropriate arrangements in connection with its delisting. These conditions may include: (i) seeking shareholder approval for delisting by way of a special resolution; (ii) giving advanced notice of an amount of time which is adequate to the particular circumstances; or (iii) providing alternative arrangements for shareholders to exit their investment before or after delisting.

Facts/Reasons for providing the in-principle Confirmation

5. The circumstances faced by the Company are those to which 2.7 of Guidance Note 33 applies. Where an entity requests removal from the Official List of ASX and its ordinary securities are not readily able to be traded on another exchange, ASX will usually require the entity to obtain security holder approval for removal from the Official List and that the removal does not take place any earlier than one month after security holder approval has been obtained. An exception to these conditions are certain circumstances where the entity has been the subject of a successful takeover bid for its ordinary securities, however this exception does not apply in the Company's case. The standard conditions will therefore be enforced in these circumstances to ensure that the interests of security holders as a group are addressed, and that all security holders have an opportunity to express a view on whether or not the entity should be removed from the Official List. In order to provide security holders with the opportunity to sell their securities in the Company prior to its delisting, the Company will provide security holders at least one month from the delisting approval being obtained to sell their securities on-market prior to being delisted. Further, the standard conditions will in effect be imposed as a safeguard to minority security holders so that they are not denied a market for their securities'.

Conditions of confirmation

The confirmation is subject to certain conditions. Under Listing Rule 18.1, these conditions must be complied with for the confirmation to be effective.

ASX's power to vary or revoke confirmation

It should be noted that under ASX Listing Rule 18.3, ASX may vary or revoke the confirmation at any time.