

# **Rhinomed Limited**

**ABN 12 107 903 159**

## **HALF-YEAR REPORT**

**31 December 2024**

**Contents**

	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Auditor's independence declaration</b>	<b>3</b>
<b>Consolidated statement of profit or loss and other comprehensive income</b>	<b>4</b>
<b>Consolidated statement of financial position</b>	<b>5</b>
<b>Consolidated statement of changes in equity</b>	<b>6</b>
<b>Consolidated statement of cash flows</b>	<b>7</b>
<b>Notes to the consolidated financial statements</b>	<b>8</b>
<b>Directors' declaration</b>	<b>14</b>
<b>Independent auditor's review report to the members of Rhinomed Limited</b>	<b>15</b>

## Directors' report

The directors are pleased to present their report, together with the financial statements, of the consolidated group consisting of Rhinomed Limited and the entities it controlled (the 'Group') at the end of, or during, the half-year ended 31 December 2024.

### Directors

The following persons were Directors of Rhinomed Limited during the whole of the half-year and up to the date of this report, unless otherwise stated:

- Mr Michael Johnson (Executive Director and Chief Executive Officer)
- Mr Ron Dewhurst (Non-Executive Chairman)
- Assoc. Prof. John McBain AO (Non-Executive Director)
- Ms Lynette Swinburne AO (Non-Executive Director)

### Principal activities

The Group's principal activities are research, development and commercialisation of consumer and medical devices. There were no significant changes in the nature of the Group's principal activities during the financial half-year.

### Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

### Review of operations

#### Group Overview

- Revenue from customers for 1H FY25 was \$4.68 million
- Cash reserves as at 31 December 2024 was \$0.61 million
- Loss after income tax for 1H FY25 was \$1.12 million (an improvement of 73% on 1H FY24)
- Net cash outflow from operating activities was \$1.96m (an improvement of 44% from 1H FY24)

Rhinomed is a wearable nasal and respiratory medical technology company. Rhinomed is actively seeking to improve the way millions of people around the world breathe, sleep, take medication and maintain their health by utilising the nose as a site for the delivery of novel solutions. We achieve this goal by assisting people to overcome nasal breathing issues, such as congestion and obstruction, and socialise 'wearing' a device in the nose in order to solve high value unmet needs in the global consumer health, diagnostic and drug delivery markets. Our strategy is to ensure our products are on the shelves of the world's leading pharmacies with leading clinicians and practitioners who recognise the impact nose and upper airway has on a wide range of health issues.

The focus over the last six months has been to optimise Rhinomed's near term opportunities in the Group's consumer health and diagnostics business and to optimise the Group's operations with the objective of reducing operational expenditure and achieving breakeven in the second half of this financial year. We are on track to deliver on these objectives.

Key highlights for the six months ending 31 December 2024 include:

- Total Consumer Health revenue for 1H FY25 was \$4.68 million (increase of 17% from 1H FY24 and increase of 38% from 1H FY23)
- Total units shipped for 1H FY25 was 265,890 (up 18% from 1H FY24)
- Successful roll out of Mute Mouth Tape throughout all major wholesale distributors and online in Australia
- Shelf and store expansion in the US
- APAC, AMER & EUUK sales divisions all EBIT positive
- Following the execution of the Right Sizing program over the course of calendar year 2024 the business has significantly reduced its cost structure. Further refinement of our cost structure will continue as we invest prudently in the revenue creating products within the portfolio.

Rhinomed's Consumer Health business continues to build strong momentum across our key markets - the USA, APAC and the UK. Our goal is to build a global franchise and be a leading brand and solutions provider in the global sleep and snoring market via a substantial presence on shelf in major pharmacy and grocery chains and online via the Amazon network.

Over the course of the first half of FY25, Rhinomed continued to see solid revenue growth from its existing portfolio which includes the Mute and Turbine nasal dilators and in particular from the new Mute Mouth Tape product. Having successfully introduced the Mouth Tape product into our major US based retailers (Walgreens and CVS), we have been buoyed by the rapid adoption and stocking of Mute Mouth Tape by our Australian based retail network which includes Chemist Warehouse and Terry White.

The Mute anti-snoring brand has grown significantly over the past 12 months. We are the Number 1 internal nasal dilator in the USA and consistently rank as a leading anti-snoring solution on Amazon. This growing consumer awareness and retail footprint has enabled the Group to look at further extensions of the Mute brand within the Sleep and Snoring category. Rhinomed's ability to develop new solutions for our customers and to then leverage our strong relationships with our retailers to ensure customers can access these solutions through both the online and brick and mortar channels is a great strength of the business. This capability places Rhinomed in a very strong position to not only rapidly innovate but to also commercialise this innovation in a timely manner.

**Outlook**

The company remains focused on delivering growth based on key metrics:


- Growing and owning the sleep/snoring category in core markets,
- Continue to expand our existing success with Amazon USA into new markets (Amazon Germany, UK and Australia),
- Building the snoring category with retail partners in the USA to make it a destination category,
- Increasing distribution amongst existing key accounts in key geographic markets,
- Pursuing the pipeline opportunities for the Rhinoswab and Rhinoswab Junior™ roll out,
- Delivering strong high margin revenue growth, and
- Reaching a sustainable operational cash flow position.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



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Mr Michael Johnson  
Chief Executive Officer and Managing Director

14 March 2025

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**Grant Thornton Audit Pty Ltd**

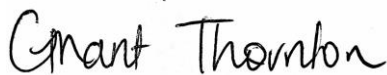
Level 22 Tower 5  
Collins Square  
727 Collins Street  
Melbourne VIC 3008  
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## Auditor's Independence Declaration

### To the Directors of Rhinomed Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Rhinomed Limited for the half-year ended 31 December 2024. I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



J D Vasilou  
Partner – Audit & Assurance

Melbourne, 14 March 2025

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**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**

	Note	31 December 2024 \$	31 December 2023 \$
<b>Revenue</b>			
Revenue from customers	4	4,675,072	4,007,835
Other income	5	131,644	132,459
Foreign currency exchange gains	6	917,556	-
<b>Expenses</b>			
Raw materials and consumables used		(1,529,203)	(940,607)
Administrative expenses		(701,179)	(955,307)
Depreciation and amortisation		(88,427)	(175,726)
Employee benefit expenses		(1,708,602)	(2,215,192)
Marketing expenses		(1,669,908)	(2,410,809)
Research and development expenses		(373,935)	(433,036)
Other operating expenses		(249,427)	(179,821)
Impairment loss (inventory and plant & equipment)		-	(281,542)
Foreign currency exchange losses	6	-	(341,957)
<b>Operating loss</b>		<b>(596,409)</b>	<b>(3,793,703)</b>
Finance income		1,676	1,520
Finance costs		(521,789)	(368,335)
<b>Loss before income tax expense</b>		<b>(1,116,522)</b>	<b>(4,160,518)</b>
Income tax expense		(766)	(823)
<b>Loss after income tax expense for the year attributable to the owners of Rhinomed Limited</b>		<b>(1,117,288)</b>	<b>(4,161,341)</b>
<b>Other comprehensive income/(loss) for the year</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(1,420,238)	531,363
Other comprehensive income/(loss) for the year		(1,420,238)	531,363
<b>Total comprehensive loss for the year attributable to the owners of Rhinomed Limited</b>		<b>(2,537,526)</b>	<b>(3,629,978)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(0.35)	(1.46)
Diluted earnings per share		(0.35)	(1.46)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Consolidated statement of financial position**  
**As at 31 December 2024**

	Note	31 December 2024	30 June 2024
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash & cash equivalents		608,623	61,941
Trade and other receivables		1,856,942	2,197,781
Inventories		620,804	769,090
Other current assets		546,681	117,014
Other financial assets		71,707	83,413
Total current assets		3,704,757	3,229,239
<b>Non-current assets</b>			
Property, plant and equipment		130,377	70,912
Right-of-use assets		182,052	11,060
Total non-current assets		312,429	81,972
<b>Total assets</b>		<b>4,017,186</b>	<b>3,311,211</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		2,365,587	2,760,144
Contract liabilities		477,096	363,963
Lease liabilities		122,400	14,683
Employee benefits obligations		619,779	862,784
Borrowings	7	11,833,629	11,732,222
Total current liabilities		15,418,491	15,733,796
<b>Non-current liabilities</b>			
Lease liabilities		58,257	-
Employee benefits obligations		46,717	21,703
Total non-current liabilities		104,974	21,703
<b>Total liabilities</b>		<b>15,523,465</b>	<b>15,755,499</b>
<b>Net liabilities</b>		<b>(11,506,279)</b>	<b>(12,444,288)</b>
<b>Equity</b>			
Share capital	8	80,950,921	77,475,386
Other reserves		(2,507,890)	1,015,435
Accumulated losses		(89,949,310)	(90,935,109)
<b>Total deficiency in equity</b>		<b>(11,506,279)</b>	<b>(12,444,288)</b>

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

**Consolidated statement of changes in equity**  
**For the half-year ended 31 December 2024**

		Share capital	Option reserve	Foreign currency translation reserve	Accumulated losses	Total deficiency in equity
	Note	\$	\$	\$	\$	\$
Balance at 1 July 2023		77,650,779	3,576,587	(1,240,572)	(86,392,555)	(6,405,761)
Loss for the half-year		-	-	-	(4,161,341)	(4,161,341)
Other comprehensive income for the half-year		-	-	531,363	-	531,363
Total comprehensive loss for the half-year		-	-	531,363	(4,161,341)	(3,629,978)
<i>Transactions with owners in their capacity as owners:</i>						
Expiry of options not exercised		-	(1,183,400)	-	1,183,400	-
<b>Balance at 31 December 2023</b>		<b>77,650,779</b>	<b>2,393,187</b>	<b>(709,209)</b>	<b>(89,370,496)</b>	<b>(10,035,739)</b>

		Share capital	Option reserve	Foreign currency translation reserve	Accumulated losses	Total deficiency in equity
	Note	\$	\$	\$	\$	\$
Balance at 1 July 2024		77,475,386	2,103,087	(1,087,652)	(90,935,109)	(12,444,288)
Loss for the half-year		-	-	-	(1,117,288)	(1,117,288)
Other comprehensive income for the half-year		-	-	(1,420,238)	-	(1,420,238)
Total comprehensive loss for the half-year		-	-	(1,420,238)	(1,117,288)	(2,537,526)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	8	3,475,535	-	-	-	3,475,535
Expiry of options not exercised	9	-	(2,103,087)	-	2,103,087	-
<b>Balance at 31 December 2024</b>		<b>80,950,921</b>	<b>-</b>	<b>(2,507,890)</b>	<b>(89,949,310)</b>	<b>(11,506,279)</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.*



**Consolidated statement of cash flows**  
**For the half-year ended 31 December 2024**

	<b>31 December 2024</b>	<b>31 December 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	5,436,534	4,052,296
Payments to suppliers and employees (inclusive of GST)	(7,302,354)	(7,443,121)
Interest received	1,676	868
Interest paid	(97,639)	(82,548)
Net cash outflow from operating activities	<u>(1,961,783)</u>	<u>(3,472,505)</u>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(97,015)	(7,107)
Proceeds from financial assets	11,706	-
Net cash outflow from investing activities	<u>(85,309)</u>	<u>(7,107)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares	3,543,947	-
Share issue transaction costs	(68,412)	-
Lease principal repayment	(55,892)	(83,350)
Proceeds from borrowings	80,000	4,289,021
Repayment of borrowings	(907,984)	(527,050)
Net cash inflow from financing activities	<u>2,591,659</u>	<u>3,678,621</u>
Net increase in cash and cash equivalents	544,567	199,009
Cash and cash equivalents at the beginning of the financial year	61,941	190,412
Effects of exchange rate changes on cash and cash equivalents	2,115	(20,167)
<b>Cash and cash equivalents at the end of the financial year</b>	<b><u>608,623</u></b>	<b><u>369,254</u></b>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Notes to the consolidated financial statements For the half-year ended 31 December 2024

### Note 1. General information

#### Reporting entity

These financial statements cover Rhinomed Limited as a consolidated entity (the 'Group') consisting of Rhinomed Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars which is Rhinomed Limited's functional and presentation currency.

Rhinomed Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

80 Stephenson Street  
Cremorne VIC 3121  
Australia  
+61 (0)3 8416 0900

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Rhinomed Limited is a registered under the Corporations Act 2001 and was listed on the Australian Securities Exchange ('ASX') and the OTC Markets ('OTCQB') until 16 February 2024.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 14 March 2024. The directors have the power to amend and reissue the financial statements.

#### Basis of preparation

This consolidated interim financial report for the half-year reporting period ended 31 December 2024 has been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001.

This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the annual report for the year ended 30 June 2024. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

#### *New or amended Accounting Standards and Interpretations adopted*

The Group has adopted all new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting any new or amended Accounting Standards and Interpretations.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### Going concern

These consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of these consolidated financial statements.

At 31 December 2024, the Group had a working capital deficiency, being current assets less current liabilities, of \$11,713,734 (30 June 2024: \$12,504,557) and net liabilities of \$11,506,279 (30 June 2024: \$12,444,288). For the half-year ended 31 December 2024, the Group experienced a loss of \$1,117,288 (31 December 2023: \$4,161,341) and a net cash outflow from operating activities of \$1,961,783 (31 December 2023: \$3,472,505).

There are significant risks associated with product development and regulatory approvals required by biotechnology companies, as such it is difficult to predict the exact timing and quantum of income from the commercialisation of products and technology and there are inherent uncertainties involved in raising funds from investors within forecasted timelines.

To mitigate these risks, the Group will explore potential funding opportunities to meet any short-term obligations when required. To date, the Group has entered into:

- a) an unsecured working capital facility to the value of \$1.25m with Chairman Ron Dewhurst, as disclosed in note 7, which was fully drawn as at 31 December 2024.
- b) an unsecured working capital facility to the value of \$1.25m with non-executive director John McBain, as disclosed in note 7, of which \$1.0m was drawn as at 31 December 2024.
- c) further unsecured loan facilities to finance working capital to the value of US\$4.47m, as disclosed in note 7, which was fully drawn as at 31 December 2024, repayable on 1 November 2025.
- d) a credit line facility to finance working capital to the value of \$2.8m at a borrowing base percentage of 80%, as disclosed in note 7, of which \$1.1m had been drawn down as at 31 December 2024.

Subsequent to 31 December 2024, the following events have occurred:

- On 5 February 2025, the credit line facility was successfully renewed. The next renewal date is now 31 December 2025.
- On 23 February 2025, as part of the unsecured working capital facility, Ron Dewhurst agreed to extend his line of credit of \$1.25m forward until 1 April 2026.
- On 27 February 2025, as part of the unsecured working capital facility, John McBain agreed to extend his line of credit of \$1.25m forward until 1 April 2026.

The Group has the ability to raise additional working capital through the issue of equity, as needed, and has a successful history in raising funds and is well supported by its major shareholders. Further, the Group can scale down its costs sufficiently should it be needed.

The Group acknowledges that a material uncertainty exists that may cast doubt upon the Group's ability to continue as a going concern however, the Directors are confident that the Group has adequate resources and funding opportunities to continue in operational existence for the foreseeable future. The Company has an established history of raising funds and Management is confident that it will continue to be able to do so.

## **Note 2. Critical accounting estimates and judgements**

The preparation of the financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies. Management continually evaluates its estimates and judgements in relation to assets, liabilities, contingent liabilities, revenue, and expenses and bases its estimates and judgements on historical experience and on other various factors, including expectations of future events that management believes to be reasonable under the circumstances. Critical accounting estimates and judgements used in this half-year report are consistent with those disclosed in the 30 June 2024 annual report.

## **Note 3. Operating segments**

The Group has identified one reportable operating segment; that is, the identification, acquisition, and commercialisation of late stage consumer therapeutic and medical delivery technologies at Rhinomed group level as one consolidated operation. The Board currently allocates resources and decisions based on the nasal stent technology brand and its commercialisation to the market. Due to the nature of the products sold, the Group has assessed that analysis and reporting of its operations by geographical areas or countries has very limited impact on the chief operating decision maker's decision-making process. This, along with taking into consideration the cost to develop this reporting, the group opted not to report its operations by geographical areas.

The segment details are therefore fully reflected in the body of the financial report.

**Note 4. Revenue from customers**

The Group derives revenue from the transfer of goods at a point in time.

	31 December 2024	31 December 2023
	\$	\$
Revenue from customers for the sale of goods	4,675,072	4,007,835

Revenue from the sale of goods relates to late-stage therapeutic delivery products.

The disaggregation of revenue from customers for the sale of goods is as follows:

	31 December 2024	31 December 2023
<i>Geographical regions</i>	\$	\$
North, Central, and South America	2,973,456	2,708,772
Asia-Pacific	1,356,154	997,614
Europe, Middle East, and Africa	345,462	301,449
	4,675,072	4,007,835

**Note 5. Other income**

	31 December 2024	31 December 2023
	\$	\$
R&D tax incentive	130,391	132,459
Other income	1,253	-
	131,644	132,459

The R&D tax incentive relates to an incentive to support companies that undertake eligible R&D activities. AusIndustry administers the registration and compliance of the R&D activities and the ATO are responsible for the R&D expenditure claimed on the income tax return.

**Note 6. Foreign exchange differences**

	31 December 2024	31 December 2023
	\$	\$
Foreign currency exchange gains	917,556	-
Foreign currency exchange losses	-	(341,957)
Net foreign currency exchange differences	917,556	(341,957)

**Note 7. Borrowings**

	31 December 2024	30 June 2024
	\$	\$
Credit line facility	1,100,729	1,178,275
Unsecured loans	10,732,900	10,553,947
	<u>11,833,629</u>	<u>11,732,222</u>

Borrowings are made up of the following financial liabilities:

*Credit line facility*

In October 2022, ASAP Breatheassist Pty Ltd, a subsidiary of the Group, entered into a credit line facility to finance working capital. Under the facility, ASAP Breatheassist Pty Ltd is able to borrow up to 80% of trade receivable balances approved by the funder. The maximum amount that ASAP Breatheassist Pty Ltd can draw under the facility is \$2.8m. As at 31 December 2024, \$1.1m had been drawn. As of 31 December 2024, the final repayment date was 30 November 2024. On 5 February 2025, the credit line facility was renewed with a final repayment date of 31 December 2025. As this facility is Australian dollar denominated, there was no impact on the Group's exposure to foreign exchange risk.

The credit line facility is a uncommitted revolving loan facility with a variable interest rate and is secured by:

- A Featherweight General Security Agreement over ASAP Breatheassist Pty Ltd's assets.
- First ranking priority charge over ASAP Breatheassist Pty Ltd's receivables book.

The interest rate on this credit line facility is variable and averaged 11.26% for the financial period (FY24: 11.17%). There is also a facility fee of 1.35% (FY24: 1.35%). Interest and facility fees are paid monthly in arrears and are recorded as transaction costs in the profit and loss. An arrangement fee of \$16,000 was also payable to the lender upon signing the credit line facility agreement which was paid prior to the first draw down of the facility and expensed in the profit and loss.

*Unsecured loans*

The Group has entered into the following unsecured loan facilities to finance working capital:

- In December 2022, a US\$2.5m loan facility was entered. The facility was fully drawn during the 2023 financial year. As at 31 December 2024, the drawn amounts are repayable by 1 November 2025.

If the Groups raises funds by way of:

- a) A capital event (including an equity raise, issue of convertible note, or capital raise), the net proceeds raised may be applied in repayment of the loan; or
- b) Internally generated revenues and cash flows from commercial operations, the cash received may be applied in repayment of the loan.

The loan has a fixed rate of 8%, and is a US dollar denominated loan which is carried at amortised cost. There is no impact on the Group's exposure to cash flow interest rate risk. Further, there are no facility or transaction fees payable.

- The Group entered into a further unsecured loan facility to finance working capital on 25 September 2023. The total available amount under the loan is US\$1.97 and was fully drawn on 27 September 2023. As at 31 December 2024, the drawn amount are repayable no later than 1 November 2025.

If the Group raises funds by way of:

- a) A capital event (including an equity raise, issue of convertible note, or capital raise), the net proceeds raised may be applied in repayment of the loan; or
- b) Internally generated revenues and cash flows from commercial operations, the cash received may be applied in repayment of the loan.

The loan has a fixed rate of 8%, and is a US dollar denominated loan which is carried at amortised cost. There is no impact on the Group's exposure to cash flow interest rate risk. There are no facility or transaction fees payable.

- In July 2021, the Group entered into the following facilities:
  - \$1.25 loan facility with Chairman Ron Dewhurst which was fully drawn during the 2023 financial year. On 23 February 2025, the repayment date was extended to 1 April 2026; and
  - \$1.25 loan facility with non-executive director John McBain. AS of 31 December 2024, \$1.0m had been drawn down. On 27 February 2025, the repayment date was extended to 1 April 2026.

The facilities are on commercial terms, have a fixed rate of 8%, and are AU dollar denominated. There is no impact on the Group's exposure to cash flow interest rate risk and no facility or transaction fees payable.

If the Group raises funds by way of:

- a) A capital event (including an equity raise, issue of convertible note, or capital raise), the net proceeds raised may be applied in repayment of the facilities; or
- b) Internally generated revenues and cash flows from commercial operations, the cash received may be applied in repayment of the facilities.

#### *Compliance with loan covenants*

There are no amounts subject to loan covenants.

#### *Fair value*

The fair values of the Group's borrowings are not materially different from their carrying amounts since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

### **Note 8. Share capital**

	<b>31 December 2024</b>	<b>30 June 2024</b>	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	401,659,250	283,524,215	80,950,921	77,475,386

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2024	283,524,215		77,475,386
Rights issue		118,135,035	\$0.030	3,544,051
Less: transaction costs arising on issued shares		-		(68,516)
	31 December 2024	401,659,250		80,950,921

### **Note 9. Share-based payments**

The establishment of the 'employee share and option plan' ('ESOP') was approved by shareholders at the 2017 annual general meeting. The plan is designed to provide long-term incentives for employees (including Directors) to deliver long-term shareholder returns. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Set out below are summaries of options granted under ESOP which was established to provide ongoing incentive to reward employees and consultants for their contribution to the Group's performance. All options listed on the next page have a vesting date equal to their grant date.

#### **31 December 2024**

<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Balance at the start of the period</b>	<b>Granted</b>	<b>Expired/ forfeited</b>	<b>Balance at the end of the period</b>
20/11/2020	23/12/2024	\$0.0116	12,690,457	-	(12,690,457)	-
20/11/2020	23/12/2024	\$0.0116	2,538,091	-	(2,538,091)	-
			15,228,548	-	(15,228,548)	-

**Note 10. Contingent liabilities**

The Group is not aware of any material contingent liabilities at 31 December 2024 (30 June 2024: nil).

**Note 11. Events after the reporting period**

On 5 February 2025, the credit line facility disclosed in note 7, was successfully renewed. The next renewal date is now 31 December 2025.

On 23 February 2025, as part of the unsecured working capital facility disclosed in note 7, Ron Dewhurst agreed to extend his line of credit of \$1.25m forward until 1 April 2026.

On 27 February 2025, as part of the unsecured working capital facility disclosed in note 7, John McBain agreed to extend his line of credit of \$1.25m forward until 1 April 2026.

The Group is not aware of any other significant events that have occurred subsequent to 31 December 2024 that may affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

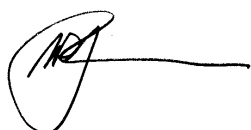
**Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of directors.

On behalf of the directors



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Mr Michael Johnson  
Chief Executive Officer and Managing Director

14 March 2024



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**Grant Thornton Audit Pty Ltd**

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## Independent Auditor's Review Report

### To the Members of Rhinomed Limited

#### Report on the half-year financial report

##### Disclaimer of Conclusion

We were engaged to review the accompanying half-year financial report of Rhinomed Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, and the directors' declaration.

We do not express a conclusion on the accompanying half-year report of the Group. Because of the significance of the matter described in the *Basis for Disclaimer of Conclusion* section of our report, we have not been able to obtain sufficient evidence to provide a basis for a conclusion on the half-year financial report.

##### Basis for Disclaimer of Conclusion

The Group has incurred a net loss of \$1,116,522 and net cashflows from operating activities of \$1,961,783, for the half-year ended 31 December 2024, and as at 31 December 2024, the Group's current liabilities exceed its current assets by \$11,713,734 and the Group has net liabilities of \$11,506,279. The Group is reliant on ongoing cash funding from external parties to support its operations.

The half-year report has been prepared on a going concern basis. The directors have not been able to provide sufficient evidence to support management's assessment of the Group's ability to pay its debts as and when they fall due, and as a result, we are unable to determine whether the use of going concern basis accounting is appropriate.

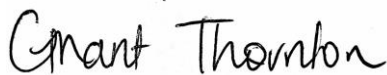
### **Directors' responsibility for the half-year report**

The Directors of the Company are responsible for the preparation of the half-year report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year report based on a review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. However, because of the matter described in the *Basis for Disclaimer of Conclusion* section of our report, we were not able to obtain sufficient evidence to provide a basis for a review conclusion on the half-year financial report.

We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our review of the half-year financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



J D Vasiliou  
Partner – Audit & Assurance

Melbourne, 14 March 2025