

1. Company details

Name of entity:	ReNerve Limited
ABN:	23 614 848 216
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

			\$
Loss from ordinary activities after tax attributable to the owners of ReNerve Limited	up	29.8% to	(1,843,656)
Loss for the half-year attributable to the owners of ReNerve Limited	up	29.8% to	(1,843,656)
Total comprehensive loss for the half-year attributable to the owners of ReNerve Limited	up	29.8% to	(1,843,656)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the company after providing for income tax amounted to \$1,843,656 (31 December 2023: \$1,419,997).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>4.91</u>	<u>(0.19)</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of ReNerve Limited for the half-year ended 31 December 2024 is attached.

12. Signed

Signed



Stephen Cooper
Independent Chairman & Director

Date: 28 February 2025

ReNerve Limited

ABN 23 614 848 216

Interim Report - 31 December 2024

ReNerve Limited
Directors' report
31 December 2024

The directors of ReNerve Limited (referred to hereafter as the 'company') present their report, together with the financial statements of the company for the half year ended 31 December 2024.

Directors

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

Mr Stephen Cooper – Independent Chairman & Director
Dr Michael Panaccio – Independent Non-Executive Director
Dr Julian Chick – Director & Chief Executive Officer
Dr David Rhodes – Executive Director & Chief Scientific Officer

Principal activities

ReNerve is a medical device company with FDA market clearance for its first product, the NervAlign® Nerve Cuff, which is currently on the market in the US and New Zealand. The company is developing a portfolio of complementary products for use in the repair and/or replacement of damaged peripheral nerves, with three further products at various stages of development:

- a) The NervAlign® Nerve Conduit
- b) The NervAlign® Nerve Guide Matrix
- c) The NervAlign® Bionic Replacement Nerve

Dividends

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

Review of operations

The loss for the company after providing for income tax amounted to \$1,843,656 (31 December 2023: \$1,419,997).

During the half year the company has continued to build its US sales infrastructure through partnerships with sales agents and distributors, with a focus on developing channels that will not only be effective in selling the NervAlign® Nerve Cuff but will also support the sale of additional products in due course. ReNerve's efforts to work more closely with sales agents and distributors resulted in much stronger sales for the half year compared to the corresponding period in the prior year: on a calendar year basis US sales for 2024 were up by around 100% compared to 2023.

Throughout the period the company has continued to work with surgeons, with surgeon feedback confirming the unique characteristics of the NervAlign® Nerve Cuff in terms of surgical convenience, patient safety and efficacy. The NervAlign® Nerve Cuff is produced using a proprietary, non-toxic process and is designed to protect the repaired nerve, whilst facilitating remodelling and therefore nerve regeneration. The product is easily used and can be fixed in place through a number of methods. The Nerve Cuff is ultimately safely absorbed within six months into the surrounding fascial tissue post the healing of the repaired nerve.

In addition, during the period ReNerve has furthered clinical programs to explore the utility and benefit of the NervAlign® Nerve Cuff. In conjunction with an Indianapolis based surgical team, ReNerve is undertaking a clinical study that compares the recovery of repaired nerves that have been protected with the NervAlign® Nerve Cuff with the recovery of nerves repaired using the current standard of care. ReNerve expects that the data for this study will be presented in late March 2025. ReNerve will continue to explore clinical studies to illustrate the functionality of its products, but also the clinical utility and benefits for surgeons and patients.

During the period ReNerve continued to explore markets outside the US. The company signed two distribution partnerships during the period: one with Accession Medical Supplies based in Hong Kong, and the other with Mediscience B.S.C. based in Bahrain. The agreement with Mediscience B.S.C. covers six countries in the region. The partnerships in Hong Kong and the Middle East complement the existing partnerships in New Zealand and Taiwan and are part of a broader program by the company to open additional markets outside the US. These partnerships will also benefit from the clinical and patient data accumulated and presented in the US.

During the first half of the 2024/25 financial year, ReNerve continued to work with its commercial development partners on the NervAlign® Nerve Conduit and NervAlign® Nerve Guide Matrix programs.

ReNerve Limited
Directors' report
31 December 2024

During the period ReNerve successfully showed that its Nerve Guide Matrix was able to re-establish functioning nerves in an animal model that replicated the procedures common in patients, where an injured nerve is replaced with an autologous nerve, such as the sural nerve. The study was designed to investigate the performance of the NervAlign® Nerve Guide Matrix as an alternative to using an autologous nerve. The very positive results showed that animal gait was restored to normal, and an electrophysiological stimulus was detected through the length of the nerve, on a basis comparable to the performance of the autologous nerve graft. ReNerve is actively continuing the development of the NervAlign® Nerve Guide Matrix product with its partner Collagen Solutions (Evergen™) based in the US.

Significant changes in the state of affairs

In July 2024, a total pool of 150,000 options were granted to several employees at an exercise price of \$0.35 per option, for an estimated fair value of \$20,667, which was determined using a Black-Scholes option valuation model.

Further, in July 2024, the company issued shares in lieu of cash payment to four Scientific Advisory Board members, as part payment for their services and consultancy activities, in which 300,000 shares were issued.

Per the sales agent and market development agreement with Emerging Surgical in March 2024, the company issued a second tranche of 272,725 shares on 1 July 2024.

In August 2024, the company issued shares in lieu of cash payment to a new Scientific Advisory Board member, as part payment for their services and consultancy activities, in which 150,000 shares were issued.

In September 2024, a total pool of 600,000 options were granted to several employees at an exercise price of \$0.35 per option, for an estimated fair value of \$82,297, which was determined using a Black-Scholes option valuation model.

Further, in September 2024, ReNerve raised \$755,000 before costs via the issue of convertible notes, to fund the progression of the Nerve Guide Matrix project, support the company's marketing program for the NervAlign® Nerve Cuff and address working capital requirements.

The terms of the convertible notes provided that the convertible notes would convert into shares on an IPO, of shares in ReNerve. Pursuant to the terms of the convertible notes, the conversion price was a 20% discount to the IPO Offer Price.

During the period, ReNerve successfully completed an initial public offer (IPO) of new shares in the company, raising \$7 million (before costs) through the issue of 35,000,000 shares. ReNerve shares were listed on the Australian Stock Exchange (ASX) on 26 November 2024.

Upon the successful IPO, the company granted Lead Manager Options to Alpine Capital Pty Ltd, representing 2% of the fully diluted share capital post completion of the Offer. These options have an exercise price of \$0.30 and a three year expiry from the date of issue. Based on the maximum subscription of \$7 million, a total of 2,951,594 Lead Manager Options were granted.

In conjunction with the IPO, the convertible notes were converted into 10,984,847 ordinary shares in the company.

Taking into account the short timeframe since listing, the company confirms that it expects to utilise the funds raised under its prospectus in accordance with the use of funds statement and the key business objectives underlying the expected use of the funds remains intact.

There were no other significant changes in the state of affairs of the company during the financial half-year.

Matters subsequent to the end of the financial half-year

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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.

ReNerve Limited
Directors' report
31 December 2024

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'S Cooper', written over a horizontal line.

Stephen Cooper
Independent Chairman & Director

28 February 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of ReNerve Limited

As lead auditor for the review of ReNerve Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

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



William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136



Jeffrey Luckins
Director

Melbourne, 28 February 2025

ReNerve Limited
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31 December 2024

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General information

The financial statements cover ReNerve Limited as an individual entity. The financial statements are presented in Australian dollars, which is ReNerve Limited's functional and presentation currency.

ReNerve Limited is a company limited by shares.

Registered office

DLK Advisory Pty Ltd, Level 10, 99 Queen Street
Melbourne, 3000, Australia

Principal place of business

15 Heidelberg Road
Northcote VIC 3070, Australia

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2025.

ReNerve Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Revenue			
Sales	4	102,215	38,318
Cost of sales		<u>(1,841)</u>	<u>-</u>
Gross profit		<u>100,374</u>	<u>38,318</u>
Other income	5	<u>419,281</u>	<u>263,210</u>
Expenses			
Administration expenses		(333,836)	(340,080)
Depreciation and amortisation expense		(35,592)	(74,914)
Employee benefits expense		(479,084)	(544,853)
Finance costs	6	(249,456)	(20,244)
Marketing and selling costs		(182,327)	(208,905)
Professional fees	6	(400,397)	(56,023)
Research and development costs		(268,455)	(386,506)
Share based payments	6	<u>(414,164)</u>	<u>(90,000)</u>
Loss before income tax expense		(1,843,656)	(1,419,997)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the half-year attributable to the owners of ReNerve Limited		(1,843,656)	(1,419,997)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss for the half-year attributable to the owners of ReNerve Limited		<u><u>(1,843,656)</u></u>	<u><u>(1,419,997)</u></u>
		Cents	Cents
Basic earnings per share	13	(1.76)	(1.50)
Diluted earnings per share	13	(1.76)	(1.50)

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

ReNerve Limited
Statement of financial position
As at 31 December 2024

	Note	31 December 2024 \$	30 June 2024 \$
Assets			
Current assets			
Cash and cash equivalents	7	6,387,176	711,909
Trade and other receivables		510,291	437,192
Inventories		176,157	177,998
Prepayments		170,358	10,959
Monies held in trust		111,246	80,349
Total current assets		<u>7,355,228</u>	<u>1,418,407</u>
Non-current assets			
Plant and equipment		18,715	29,281
Right-of-use assets		-	20,709
Intangibles		6,164	6,978
Other deposits		44,165	44,165
Total non-current assets		<u>69,044</u>	<u>101,133</u>
Total assets		<u>7,424,272</u>	<u>1,519,540</u>
Liabilities			
Current liabilities			
Trade and other payables		190,226	168,466
Lease liabilities		-	21,835
Accrued expenses		23,005	37,437
Employee benefits		205,967	252,258
Convertible notes	8	-	1,192,680
Total current liabilities		<u>419,198</u>	<u>1,672,676</u>
Non-current liabilities			
Employee benefits		35,218	23,036
Total non-current liabilities		<u>35,218</u>	<u>23,036</u>
Total liabilities		<u>454,416</u>	<u>1,695,712</u>
Net assets/(liabilities)		<u>6,969,856</u>	<u>(176,172)</u>
Equity			
Issued capital	9	16,796,993	8,076,928
Reserves	10	472,322	202,703
Accumulated losses		(10,299,459)	(8,455,803)
Total equity/(deficiency)		<u>6,969,856</u>	<u>(176,172)</u>

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

ReNerve Limited
Statement of changes in equity
For the half-year ended 31 December 2024

	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	7,842,383	294,034	(5,562,189)	2,574,228
Loss after income tax expense for the half-year	-	-	(1,419,997)	(1,419,997)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,419,997)	(1,419,997)
Shares issued to consultants (see note 9)	120,000	-	-	120,000
Balance at 31 December 2023	<u>7,962,383</u>	<u>294,034</u>	<u>(6,982,186)</u>	<u>1,274,231</u>
	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	8,076,928	202,703	(8,455,803)	(176,172)
Loss after income tax expense for the half-year	-	-	(1,843,656)	(1,843,656)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,843,656)	(1,843,656)
Vesting of share based payments	-	269,619	-	269,619
Shares issued to consultants (see note 9)	144,545	-	-	144,545
Convertible notes, converted into equity (see note 8)	2,196,969	-	-	2,196,969
Initial public offering (see note 9)	7,000,000	-	-	7,000,000
Transaction costs (see note 9)	(621,449)	-	-	(621,449)
Balance at 31 December 2024	<u>16,796,993</u>	<u>472,322</u>	<u>(10,299,459)</u>	<u>6,969,856</u>

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

ReNerve Limited
Statement of cash flows
For the half-year ended 31 December 2024

	Note	31 December 2024 \$	31 December 2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		111,595	30,462
Payments to suppliers and employees		(1,899,372)	(1,426,725)
Interest received		10,900	14,124
R&D tax credits received		<u>377,068</u>	<u>339,985</u>
Net cash used in operating activities		<u>(1,399,809)</u>	<u>(1,042,154)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(3,505)	(1,301)
Payments for prepaid assets		<u>(18,000)</u>	<u>-</u>
Net cash used in investing activities		<u>(21,505)</u>	<u>(1,301)</u>
Cash flows from financing activities			
Repayment of lease liabilities		(14,475)	(42,872)
Proceeds from issues of equity securities (excluding convertible debt securities)		7,000,000	-
Proceeds from convertible notes		755,000	655,000
Proceeds from issue of share capital		<u>(642,779)</u>	<u>-</u>
Net cash from financing activities		<u>7,097,746</u>	<u>612,128</u>
Net increase/(decrease) in cash and cash equivalents		5,676,432	(431,327)
Cash and cash equivalents at the beginning of the financial half-year		711,909	1,679,480
Effects of exchange rate changes on cash and cash equivalents		<u>(1,165)</u>	<u>-</u>
Cash and cash equivalents at the end of the financial half-year	7	<u><u>6,387,176</u></u>	<u><u>1,248,153</u></u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to 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 company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods to a customer. For each contract with a customer, the company identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods promised.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. The transaction price is determined based on the agreed consideration, adjusted for any variable consideration, such as discounts, rebates, or refunds, if applicable. Any estimates of such variable consideration are made using the expected value or most likely amount method and are constrained where necessary to prevent significant revenue reversals.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Non-recognition of carry forward tax losses

The balance of future income tax benefit arising from the current financial year tax losses and timing differences have not been recognised as an asset because it is not clear when the losses will be recovered. The cumulative future income tax benefit estimated has not been recognised as an asset, will only be obtained if:

- the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised;
- the company continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affecting the company realising the benefit.

ReNerve Limited
Notes to the financial statements
31 December 2024

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Lodgement of R&D claims

Over the past 4 years, the entity has successfully claimed for and received cash from the Australian Taxation Office in respect of credits for its research and development program. Under this program, the ATO has the right, extending back 4 tax years to investigate, audit and potentially clawback these claims in the event that they fail to meet the necessary criteria as established under the research and development credit claim legislation and regulations. It is the directors' view that there is no probable likelihood that any potential action may take place based upon the following reasons:

- Upon submission of the claim, the ATO and AusIndustry conduct an overall desktop review of the claim, including the eligibility of any overseas research and development activity undertaken (which requires an Advanced Overseas Finding before being eligible);
- The industry environment in which the entity deals is known for its research and development activities which have historically been supported through research and development claims; and
- The entity has a track record extending 4 years of never being challenged on its research and development claims by the ATO or AusIndustry.

Note 3. Operating segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors. During the year, the company continued to operate in one segment, being Medical Devices for damaged peripheral nerves in the United States of America.

Major customers

During the reporting period, sales to two individual customers each exceeded 10% of total revenue, representing approximately 21% and 15%, respectively. Both customers are located in the United States.

Geographical information

	Sales to external customers	
	31 December 2024	31 December 2023
	\$	\$
New Zealand	738	379
United States	101,477	37,939
	<u>102,215</u>	<u>38,318</u>

Note 4. Revenue

	31 December 2024	31 December 2023
	\$	\$
<i>Revenue from contracts with customers</i>		
Sale of goods	<u>102,215</u>	<u>38,318</u>

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	31 December 2024	31 December 2023
	\$	\$
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	<u>102,215</u>	<u>38,318</u>

ReNerve Limited
Notes to the financial statements
31 December 2024

Note 5. Other income

	31 December 2024	31 December 2023
	\$	\$
Interest received	29,221	25,281
R&D credits	390,060	237,929
	<u>419,281</u>	<u>263,210</u>

Note 6. Expenses

During the period, the company incurred several non-recurring expenses that have impacted the statement of profit or loss. These costs primarily relate to the company's initial public offering and other capital raising activities.

The total one-off costs incurred amount to \$853,112, comprising:

Expense category	Description	\$
Finance costs	Fair value adjustment of convertible notes	249,289
Professional fees	Non-recurring IPO-related costs	352,635
Share-based payments	Lead manager advisor options issued in connection with the IPO	251,188

Note 7. Cash and cash equivalents

	31 December 2024	30 June 2024
	\$	\$
Cash management account	247,923	88,119
Cheque account	47,970	23,527
Savings account	757,215	59,934
Statement account	24,514	10,329
Term deposits	5,309,554	530,000
	<u>6,387,176</u>	<u>711,909</u>

Term deposits

The balance includes term deposits with maturity periods ranging from three to four months, bearing interest rates between 4% and 5%. These deposits were established following the entity's initial public offering in November 2024. A total of \$7 million was raised during the offering, of which \$5,309,554 has been allocated to term deposits. As at 31 December 2024, the term deposits comprise:

AUD term deposit: AUD \$3,500,000

USD term deposit: AUD \$1,809,554 (initial deposit of USD \$1,125,000)

ReNerve Limited
Notes to the financial statements
31 December 2024

Note 8. Convertible notes

	31 December 2024	30 June 2024
	\$	\$
Convertible notes	-	1,192,680
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial half-year are set out below:		
Opening balance	1,192,680	-
Convertible notes issued	755,000	905,000
Coupon interest accrued into the notes	48,431	49,144
Changes in fair value of the notes	200,858	238,536
Conversion of convertible notes to equity on IPO	(2,196,969)	-
Closing balance	-	1,192,680

In September 2024 and October 2024, the company completed a successful pre-IPO capital raise through the issue of convertible notes, to raise \$755,000. The details of the convertible notes issued in the period were:

- Face value of \$755,000;
- A coupon interest rate of 10% is included and accrued on the face value of the notes;
- Maturity date of 1 December 2024;
- The terms of the notes provided that, if an IPO conversion event occurred, the convertible notes would convert into ordinary shares at a price per share which represents a 20% discount to the price per share of shares issued in the IPO, capped at a maximum conversion price of \$0.24 per share;
- If any other conversion event occurred, being a trade sale of all the business assets, a capital raise in excess of \$500,000 prior to an IPO, or a change in control, the convertible notes would convert into ordinary shares at a price of \$0.20 per share; and
- In the event that the company did not IPO and was not sold, post 12 months the convertible notes would convert into ordinary shares at an issue price equal to the issue price of the company's previous capital raise of \$0.20.

The interest accrued on all convertible notes in the period was \$48,431, and the fair value adjustment for the period was \$200,858.

ReNerve listed on the ASX on 26 November 2024. In connection with the IPO, convertible notes totalling \$1,660,000, along with total accrued interest of \$97,575, were converted into 10,984,847 ordinary shares in the company.

Convertible notes were held at fair value, with changes in fair value taken to profit or loss. In assessing the fair value under this Level 3 hierarchy valuation, the directors considered that there was a 100% likelihood that the convertible notes would be settled through the issue of ordinary share capital, which has occurred within the reporting period. There was no likelihood of a cash redemption, as this could only be triggered by an event of default under the note. Other inputs included the terms and conditions of the notes, as set out above. Accordingly, the convertible notes were valued on an 'as converted' basis, with the assumption that the equity instruments received would be liquid and marketable. In the directors' view, there was no exposure to any non-market variable relating to the convertible note conversion that could reasonably or materially influence its fair value as expressed in these financial statements.

ReNerve Limited
Notes to the financial statements
31 December 2024

Note 9. Issued capital

	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$	30 June 2024 \$
Ordinary shares - fully paid	<u>141,837,806</u>	<u>95,130,234</u>	<u>16,796,993</u>	<u>8,076,928</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	95,130,234		8,076,928
Share based payment	1 July 2024	572,725	\$0.20	114,545
Share based payment	29 August 2024	150,000	\$0.20	30,000
Initial public offering (IPO)	26 November 2024	35,000,000	\$0.20	7,000,000
Conversion of convertible notes into equity	26 November 2024	10,984,847	\$0.20	2,196,969
Costs of capital raising	26 November 2024	<u>-</u>	\$0.00	<u>(621,449)</u>
Balance	31 December 2024	<u>141,837,806</u>		<u>16,796,993</u>

In July 2024, the company issued 300,000 shares in lieu of cash payment to four Scientific Advisory Board members, as part payment for their services and consultancy activities. In addition, per the sales agent and market development agreement with Emerging Surgical in March 2024, the company issued a second tranche of 272,725 shares on 1 July 2024.

In August 2024, the company issued 150,000 shares in lieu of cash payment to a new Scientific Advisory Board member, as part payment for their services and consultancy activities.

ReNerve raised \$7 million through the issue of 35,000,000 shares in an IPO in November 2024. Shares in ReNerve were listed on the ASX on 26 November 2024.

In conjunction with the IPO, the convertible notes were converted into 10,984,847 ordinary shares in the company.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Note 10. Reserves

	31 December 2024 \$	30 June 2024 \$
Options reserve	<u>472,322</u>	<u>202,703</u>

Options reserve

The reserve is used to recognise the value of equity benefits provided to employees and other parties as part of their remuneration and compensation for services.

ReNerve Limited
Notes to the financial statements
31 December 2024

Note 11. Contingent liabilities

The company had no contingent liabilities as at 31 December 2024 (30 June 2024: nil)

Note 12. Events after the reporting period

No matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 13. Earnings per share

	31 December 2024	31 December 2023
	\$	\$
Loss after income tax attributable to the owners of ReNerve Limited	<u>(1,843,656)</u>	<u>(1,419,997)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>104,599,514</u>	<u>94,368,984</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>104,599,514</u>	<u>94,368,984</u>
	Cents	Cents
Basic earnings per share	(1.76)	(1.50)
Diluted earnings per share	(1.76)	(1.50)

Note 14. Share-based payments

A share option plan has been established by ReNerve Limited, whereby the consolidated entity may, at the discretion of the Board of Directors, grant options over ordinary shares in the company to certain personnel of ReNerve Limited. Share options are issued at nil consideration.

In addition, options may also be issued to advisers of the company for example to assist with capital raising activities.

On 1 July 2024, ReNerve granted 150,000 options to employees under the Employee Share Option Plan (ESOP). An additional 600,000 options, subject to the same terms, were granted on 11 September 2024. The exercise price for all those options is \$0.35.

Upon the successful initial public offering (IPO), on 22 November 2024, the company granted Lead Manager Options to Alpine Capital Pty Ltd, representing 2% of the fully diluted share capital post completion of the Offer. These options have an exercise price of \$0.30 and a three year expiry from the date of issue. Based on the maximum subscription of \$7 million, a total of 2,951,594 Lead Manager Options were granted.

ReNerve Limited
Notes to the financial statements
31 December 2024

Note 14. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

31 December
2024

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
25/03/2022	25/03/2025	\$0.40	750,000	-	-	-	750,000
25/03/2022	25/03/2025	\$0.50	750,000	-	-	-	750,000
15/06/2023	15/06/2026	\$0.35	250,000	-	-	-	250,000
15/06/2023	15/06/2026	\$0.50	250,000	-	-	-	250,000
17/04/2023	17/04/2028	\$0.25	60,000	-	-	-	60,000
17/04/2023	17/04/2028	\$0.25	40,000	-	-	-	40,000
01/07/2024	01/07/2029	\$0.35	-	50,000	-	-	50,000
01/07/2024	01/07/2029	\$0.35	-	50,000	-	-	50,000
01/07/2024	01/07/2029	\$0.35	-	50,000	-	-	50,000
11/09/2024	11/09/2029	\$0.35	-	200,000	-	-	200,000
11/09/2024	11/09/2029	\$0.35	-	200,000	-	-	200,000
11/09/2024	11/09/2029	\$0.35	-	200,000	-	-	200,000
22/11/2024	22/11/2027	\$0.30	-	2,951,594	-	-	2,951,594
			2,100,000	3,701,594	-	-	5,801,594
Weighted average exercise price			\$0.43	\$0.31	\$0.00	\$0.00	\$0.36

31 December
2023

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
01/02/2021	01/02/2024	\$0.20	1,000,000	-	-	-	1,000,000
25/03/2022	25/03/2025	\$0.40	750,000	-	-	-	750,000
25/03/2022	25/03/2025	\$0.50	750,000	-	-	-	750,000
15/06/2023	15/06/2026	\$0.35	250,000	-	-	-	250,000
15/06/2023	15/06/2026	\$0.50	250,000	-	-	-	250,000
17/04/2023	17/04/2028	\$0.25	60,000	-	-	-	60,000
17/04/2023	17/04/2028	\$0.25	40,000	-	-	-	40,000
			3,100,000	-	-	-	3,100,000
Weighted average exercise price			\$0.36	\$0.00	\$0.00	\$0.00	\$0.36

ReNerve Limited
Notes to the financial statements
31 December 2024

Note 14. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial half-year:

Grant date	Expiry date	31 December 2024 Number	31 December 2023 Number
01/02/2021	01/02/2024	-	1,000,000
25/03/2022	25/03/2025	750,000	750,000
25/03/2022	25/03/2025	750,000	750,000
15/06/2023	15/06/2026	250,000	250,000
15/06/2023	15/06/2026	250,000	250,000
17/04/2023	17/04/2028	60,000	60,000
17/04/2023	17/04/2028	40,000	40,000
01/07/2024	01/07/2029	50,000	-
01/07/2024	01/07/2029	50,000	-
01/07/2024	01/07/2029	50,000	-
11/09/2024	11/09/2029	200,000	-
11/09/2024	11/09/2029	200,000	-
11/09/2024	11/09/2029	200,000	-
22/11/2024	22/11/2027	2,951,594	-
		<u>5,801,594</u>	<u>3,100,000</u>

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/07/2024	01/07/2029	\$0.20	\$0.35	100.00%	-	4.29%	\$0.137
01/07/2024	01/07/2029	\$0.20	\$0.35	100.00%	-	4.29%	\$0.137
01/07/2024	01/07/2029	\$0.20	\$0.35	100.00%	-	4.29%	\$0.137
11/09/2024	11/09/2029	\$0.20	\$0.35	100.00%	-	3.86%	\$0.137
11/09/2024	11/09/2029	\$0.20	\$0.35	100.00%	-	3.86%	\$0.137
11/09/2024	11/09/2029	\$0.20	\$0.35	100.00%	-	3.86%	\$0.137
22/11/2024	22/11/2027	\$0.20	\$0.30	77.06%	-	4.29%	\$0.085

ReNerve Limited
Directors' declaration
31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian 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 company'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 company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Stephen Cooper
Independent Chairman & Director

28 February 2025

Independent auditor's review report to the members of Reneve Limited

Report on the half-year financial report



Our conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Reneve Limited (the Company), does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

What was reviewed?

We have reviewed the accompanying half-year financial report of the Company, which comprises:

- the statement of financial position as at 31 December 2024,
- the statement of profit or loss and other comprehensive income for the half-year then ended,
- the statement of changes in equity for the half-year then ended,
- the statement of cash flows for the half-year then ended,
- notes to the financial statements, including a summary of material accounting policies information, and
- the directors' declaration.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and 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 audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136



Jeffrey Luckins

Director

Melbourne, 28 February 2025