

24 February 2025

## ASX Announcement

### Half Year Results (audited) for 1H FY25

PolyNovo Limited (PolyNovo or Company) releases its half-year audited results, which show:

- Record 1H FY25 sales of **A\$54.1m up 28.1%** on STLY of **A\$42.2m**.
- Total revenue including BARDA of **A\$59.9m up 22.8%** on STLY of **A\$48.8m**.
- Record sales in the U.S. of **A\$41.2m up 27.9%** on STLY of **A\$32.2m**.
- ROW sales of **A\$12.9m up by 28.6%** on STLY of **A\$10.0m** including strong performances in Europe, U.K. and Ireland.
- The Group recorded a net profit after tax of **A\$3.3m up by 23.9%** on STLY of **A\$2.7m**.

During the Period, the other key initiatives and achievements include:

- Strong NovoSorb MTX sales growth following successful U.S. launch in Q4 2024 with sales of \$2.1m in 1H25.
- Progressed the product pipeline for NovoSorb BTM and NovoSorb MTX to include additional sizes and thicknesses.
- Prototypes for Hernia repair & Plastic and Reconstructive mesh products entered pre-clinical stage.
- Met the pivotal trial enrolment target of 120 patients, supported by BARDA, for full thickness burns indication in the U.S. With BARDA support began discussion with FDA, regarding future Paediatric third degree burn indication.
- Multiple clinical advisory councils held to identify and sharpen areas for innovation and new product development.
- Commenced works on the new manufacturing facility in Port Melbourne, intended to be operational in December 2025.
- Finalised design of a new Innovation Centre in Port Melbourne, expected to be operational in June 2025.

- Engagement of executive search firm, Spencer Stuart, to assist the Board in a review of its skills and competencies for the purpose of continuous improvement and succession planning across the entire Board, including sourcing a replacement for Bruce Rathie, who retired from the Board prior to last year's AGM.

Chairman, David Williams said: *"While 28% growth in sales is to be applauded, we can see that the equity market wants more; and we want more. It is intended that this will be captured from the base we have built by taking market share, introducing new products, and opening new markets."*

CEO, Swami Raote said: *"We continue to redefine healing in the world of acute complex wounds. I could not be more pleased with our results and global patient impact. Our Surgeons continue to support us in innovating, educating, building our new products pipeline and expanding our usage. We are balancing our efforts in US and Rest of World – in US, we will continue to take share away from established incumbents, while forging into new areas of treatment. In ROW we are now driving procedure and market development efforts. NovoSorb as a platform has a generational opportunity to transform and improve access and outcomes for Plastic and Reconstructive Surgery spectrum, over time providing easy access to solutions for Trauma and General Surgeons in regional centers. With our Surgeons, we are focused on building products and procedures which help provide meaningfully differentiated patient outcomes."*

This announcement has been authorised by PolyNovo Chairman, David Williams.

#### About PolyNovo®

PolyNovo is a disruptive ASX 200 medical technology company, based out of Melbourne, Australia. Its products simplify management of acute complex wounds, redefining healing with meaningfully differentiated patient outcomes across multiple wound etiologies. After treating 67,000+ patients across 46 countries, the company is investing for growth via new products, indications, and markets. For more information see [polynovo.com](http://polynovo.com).

#### About NovoSorb®

NovoSorb BTM is a dermal scaffold for the regeneration of the dermis when lost through extensive surgery, trauma or burn. NovoSorb is a novel range of bio-resorbable polymers that can be produced in many formats including film, fibre, foam, and coatings. NovoSorb's unique properties provide excellent biocompatibility, control over physical properties, and a programmable bio-resorption profile.

# Appendix 4D

## 1. Company details

Name of entity:	PolyNovo Limited
ABN:	96 083 866 862
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

				\$'000
Revenues from ordinary activities	up	22.8%	to	59,887
Profit from ordinary activities after tax attributable to the owners of PolyNovo Limited	up	23.9%	to	3,338
Profit for the half-year attributable to the owners of PolyNovo Limited	up	23.9%	to	3,338

### Dividends

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

### Comments

The profit for the Group after providing for income tax amounted to \$3,338,000 (31 December 2023: \$2,694,000).

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	10.8	10.5

## 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 Half-Year Report.

## 11. Attachments

### Details of attachments (if any):

The Half-Year Report of PolyNovo Limited for the half-year ended 31 December 2024 is attached.

## 12. Signed



Date: 24 February 2025

**Lior Harel**  
Company Secretary

**Half-Year Financial Report**  
For the half-year ended  
31 December 2024



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PolyNovo is a disruptive medical technology company. Its products simplify managing acute complex wounds, redefining healing with differentiated outcomes across many etiologies. After treating 67,000+ patients across 46 countries, the Company is investing for growth via new products, indications, and markets with a vision to treat millions more.

## > Our Vision

# Healing. Redefined.

Our mission is to innovate and bring disruptive technologies to market by partnering with the best minds to improve patient outcomes and reimagine the standard of care.

Life can change in an instant.

Six years ago, Jared Ewing sustained significant leg injuries in a tragic accident. After an unsuccessful free flap surgery, his dedicated surgical team opted to explore an innovative approach to save his leg: NovoSorb BTM.

Overcoming all the challenges which followed, Jared is now back to his passions, running marathons and inspiring others.

“If my story helps one person to get a chance at saving a limb then to me, what I went through was worth it.”



Watch Jared's story.

## > Our Values



**We put patients first.**



**We earn trust.**



**We innovate boldly.**



**We believe in each other.**



**We respect and nurture diversity.**



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## > Our Performance

Annual growth in NovoSorb sales of 28.1% reflects the strength of our commercial teams, surgeon-led innovation, and increasing demand for our products globally.

### NovoSorb Group Sales

28.1% ↑

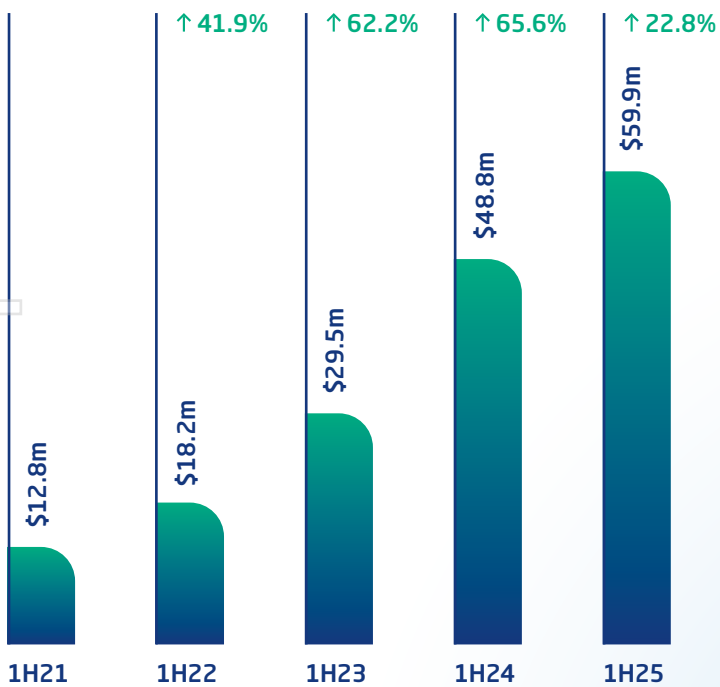
1H25 \$54.1m  
1H24 \$42.2m

### Total Group Revenue

22.8% ↑

1H25 \$59.9m  
1H24 \$48.8m

### Total Revenue Growth





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### NovoSorb U.S. Sales

**27.9%** ↑

1H25 \$41.2m  
1H24 \$32.2m

### Total Employees

**19.0%** ↑

1H25 282  
1H24 237

### NovoSorb ROW (Rest of World) Sales

**28.6%** ↑

1H25 \$12.9m  
1H24 \$10.0m

### Capital Expenditure

**361.2%** ↑

1H25 \$5.1m  
1H24 \$1.1m

### BARDA Revenue

**10.2%** ↑

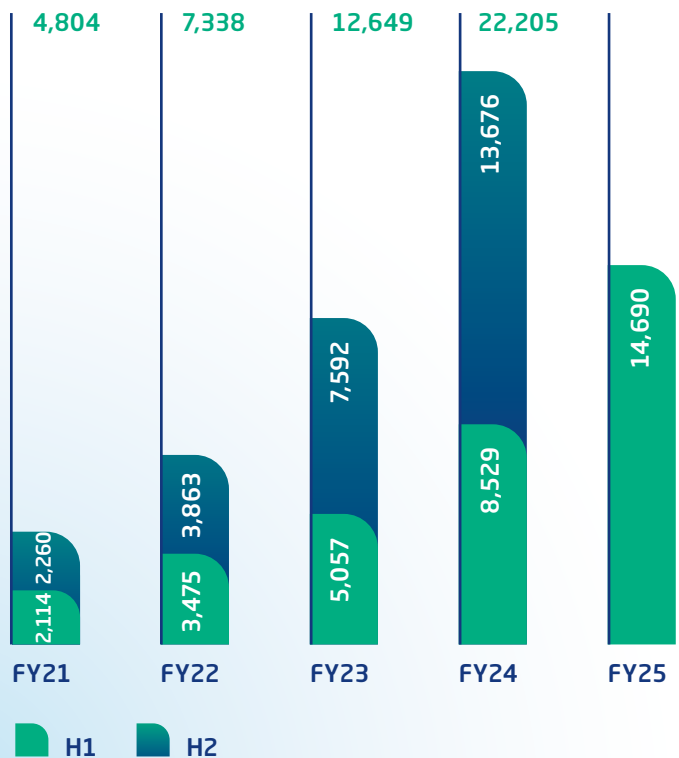
1H25 \$5.4m  
1H24 \$4.9m

### R&D Expenditure

**3.8%** ↑

1H25 \$5.1m  
1H24 \$4.9m

### Patients Treated



# Directors' Report

The Directors of PolyNovo Limited (PolyNovo, we, the Company) present the Directors' Report, together with the Financial Report, of the Company and its controlled entities (the Group) for the half-year ended 31 December 2024 and the related Auditor's Report.

## Directors

The Company's Directors in office during or since the end of the period are as detailed below. Directors were in office for the entire reporting period unless otherwise stated.

- Mr David Williams, Non-Executive Chairman
- Dr Robyn Elliott, Non-Executive Director
- Ms Christine Emmanuel-Donnelly, Non-Executive Director
- Mr Leon Hoare, Non-Executive Director
- Mr Bruce Rathie, Non-Executive Director (retired 30 September 2024)
- Mr Andrew Lumsden, Non-Executive Director

## Review of Operations

The Group recorded revenue of \$59,887,000 (1H24: \$48,765,000) for the period and net profit after tax (NPAT) amounted to \$3,338,000 (1H24: \$2,694,000). During the 6-month period to 31 December 2024, the key achievements and initiatives of the Company were:

- Total revenue of \$59,887,000 (including BARDA) up 22.8% on prior period (1H24: \$48,765,000).
- 1H25 sales of \$54,100,000 (excluding BARDA) up 28.1% on prior period (1H24: \$42,237,000).
- Strong NovoSorb MTX sales growth following successful U.S. launch in Q4 2024 with sales of \$2.1m in 1H25.
- Progressed the product pipeline for NovoSorb BTM and NovoSorb MTX to include additional sizes and thicknesses.
- Prototypes for Hernia repair & Plastic and Reconstructive mesh products entered pre-clinical stage.
- Met the pivotal trial enrolment target of 120 patients, supported by BARDA, for full thickness burns indication in the U.S. With BARDA support began discussion with FDA, regarding future Paediatric third degree burn indication.
- Multiple clinical advisory councils held to identify and sharpen areas for innovation and new product development.
- Commenced works on the new manufacturing facility in Port Melbourne, intended to be operational in December 2025.
- Finalised design of a new Innovation Centre in Port Melbourne, expected to be operational in June 2025.

The Group recorded a global sales increase of 28.1% compared to the previous period. Sales in the U.S. were up 27.9% and the Rest of the World up 28.6% compared to the previous period.

The Company continues to invest in all direct markets, particularly in the U.S. and the Company expects revenue growth to continue following the investment in sales, marketing and R&D. The Company continues to focus on growing the revenue associated with existing customer accounts, new account acquisition, indication expansion, new markets and new products such as the successful U.S. launch of NovoSorb MTX.

Revenue from Indian operations has grown by 73.1% to \$544,000. Brand awareness of NovoSorb BTM has risen considerably resulting in significantly increased market share. Progress in securing public tender hospital mandates has been slower than initially expected on account of having to navigate a complex web of individual hospital rate contracts and administrative approvals, but the Company is confident that the fundamentals of its Indian operations remain strong.

Except as otherwise set out in this report, the Directors are not aware of any significant changes in the principal activities of PolyNovo during the financial half-year ended 31 December 2024.

## Financial Result

The Group recorded revenue of \$59,887,000 (1H24: \$48,765,000) for the period. The net profit of the Group attributable to the parent entity for the period, after income tax was \$3,338,000 (1H24: \$2,694,000). Net profit before income tax was \$5,704,000 (1H24: \$1,087,000).

The Group increased commercial sales locally and globally with revenue of \$54,100,000 for the period (1H24: \$42,237,000). Product sales continued to grow as the Company gained market penetration in the U.S. through an expanded sales force and customer base, and effective marketing activities. Revenue from the BARDA contract was \$5,415,000 for the period (1H24: \$4,912,000). This increase reflects the increase in recruitment of patients for the pivotal trial.

The Group recorded other income of \$20,000 for the period (1H24: \$758,000). Employee expenses of \$35,406,000 were recognised for the period (1H24: \$27,500,000). The increase in underlying employee expenses is due to headcount increases in sales, marketing, and R&D staff to drive sales growth and product

development. The rate of employee expense growth was 28.7% for the period, decreasing compared to the prior period (1H24: 55.6%).

Research and development costs of \$5,056,000 (1H24: \$4,872,000) were recognised for the period. The projects include the extension of the NovoSorb BTM and NovoSorb MTX portfolio, hernia prototype development, and other projects to support new product development.

Corporate, administrative, and overhead expenses recognised for the period have decreased to \$10,958,000 (1H24: \$11,896,000). Professional, marketing and travel expenses increased due to the growth in the size of the business. Unrealised exchange gain recognised for the period was \$4,602,000 (1HY24: loss of \$1,060,000) due to the increase in the U.S Dollar against the Australian Dollar. Inventory/finished goods on hand was \$14,125,000 (June 2024: \$8,972,000).

## Cash and Short-term Investments

As of 31 December 2024, PolyNovo held total cash, including short-term investments, of \$30,462,000 (June 2024: \$45,907,000). Term deposits exceeding three months term amounting to \$50,000 on 31 December 2024 (June 2024: \$50,000) have been classified as other financial assets in the statement of financial position.

As of 31 December 2024, PolyNovo has secured external borrowings with National Australia Bank consisting of an equipment finance facility of \$1,269,000 (June 2024: \$1,815,000). The equipment finance facility is used to fund capital expenditure over a 5-year period after each capital expenditure item is paid in full. During the period no additional drawdowns for funding equipment purchases were required. The Group also has a short-term loan facility for insurance premiums of \$2,121,000 as at 31 Dec 2024 (June 2024: \$815,000). The facility is used to fund insurance premiums over 10-months period.

## NovoSorb® BTM

NovoSorb Biodegradable Temporising Matrix (NovoSorb BTM) is a dermal scaffold for the regeneration of the dermis when lost through extensive surgery, trauma or burn. With the NovoSorb BTM scaffold in place, the dermal layer is regenerated and once fully integrated, the wound closes through secondary intention or with the application of a skin graft.

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NovoSorb BTM is sold directly by PolyNovo in Australia, Hong Kong, India, New Zealand, Singapore, United Kingdom, and the United States. The Company utilises distributors for sales in Canada, Europe, Taiwan, South Africa and South America. Regulatory approvals for other markets are in progress to continue to expand the Company's geographic footprint.

Independent clinical evidence supporting the use of NovoSorb BTM continues to grow, with in excess of 330 articles and abstracts published to date.

The Company is currently working on expanding the NovoSorb BTM and MTX product range, to include larger sizes and thicker and thinner versions to address further clinical applications not covered by current offerings.

U.S. Pivotal Trial funded by Biomedical Advanced Research and Development Authority (BARDA)

A U.S. Food and Drug Administration (FDA) regulatory indication for full thickness burn injuries requires additional clinical evidence for approval. The NovoSorb BTM pivotal trial, supported by BARDA, is gathering data on the safety and effectiveness of NovoSorb

BTM in treating full thickness burns. Successful completion of this trial will enable the Company to file a Pre-Market Approval (PMA) application for use in full thickness burns.

NovoSorb BTM is indicated for full thickness burns in many markets outside of the United States and has the CE mark in accordance with EU Medical Device Regulations (MDR), which includes an indication for use in full thickness burns as well as other surgical wounds and reconstructive procedures.

The Company has now met the trial enrolment target of 120 patients and on 17 January 2025 announced that it has sufficient data to submit an application for PMA approval and is in the process of compiling the material required.

### NovoSorb® MTX

NovoSorb MTX has broad applicability for single stage grafting in burns, chronic, and surgical wounds, providing increased treatment pathways and better outcomes. NovoSorb MTX and BTM are complementary, and clinicians use both products for the treatment of soft tissue defects.

The Company announced on 19 September 2022 that it had received FDA 510(k) clearance for NovoSorb MTX with a 2mm thickness and a full U.S. market launch campaign was initiated in Q4 FY24. The total addressable U.S. market comprising in and out-patient settings is estimated at A\$500 million. A 510(k) submission to support the NovoSorb MTX range was made in 2024 for thicker versions and to expand the labelled indications, with further applications planned in 2025.

### Hernia Repair

The Company has focused its approach to hernia repair and is developing targeted solutions for ventral hernia and complex abdominal wall reconstruction. These products, branded under the NovoSorb SynTrel umbrella, comprise a novel NovoSorb-based textile that will expand the clinical application of our patented technology. Simple hernia mesh versions are currently in pre-clinical studies with regulatory submissions (U.S. FDA) expected in Q3 FY26.



Innovation Centre in Port Melbourne, intended to be operational in June 2025.

## Plastics and Reconstructive Device Products

The Plastic and Reconstructive device product program will leverage the experience and processes developed for hernia devices and will be branded under the NovoSorb SynTriX platform. The hernia product development models serve as effective building blocks for tissue reinforcement products in breast, orthopaedics, and other applications. We anticipate that manufacturing processes, technology and equipment will be shared across a range of new products.

## Significant Events after the Balance Date

The Directors are not aware of any other matters or circumstances since the end of the period or otherwise dealt with in this report, which have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Announcements released by the Company after 31 December 2024 include:

- 14 January 2025 – Change of Director's Interest Notice – David Williams
- 17 January 2025 – 1H FY25 Trading Result (unaudited)
- 17 February 2025 – 1H FY25 Results Presentation
- 18 February 2025 – Becoming a substantial holder

## Inherent Risks of Investment in Biotechnology Companies

There are many inherent risks associated with the development of medical devices and bringing them to market. The clinical trial process is designed to assess the safety and efficacy of a medical device prior to commercialisation and a significant proportion of medical devices fail one or both criteria.

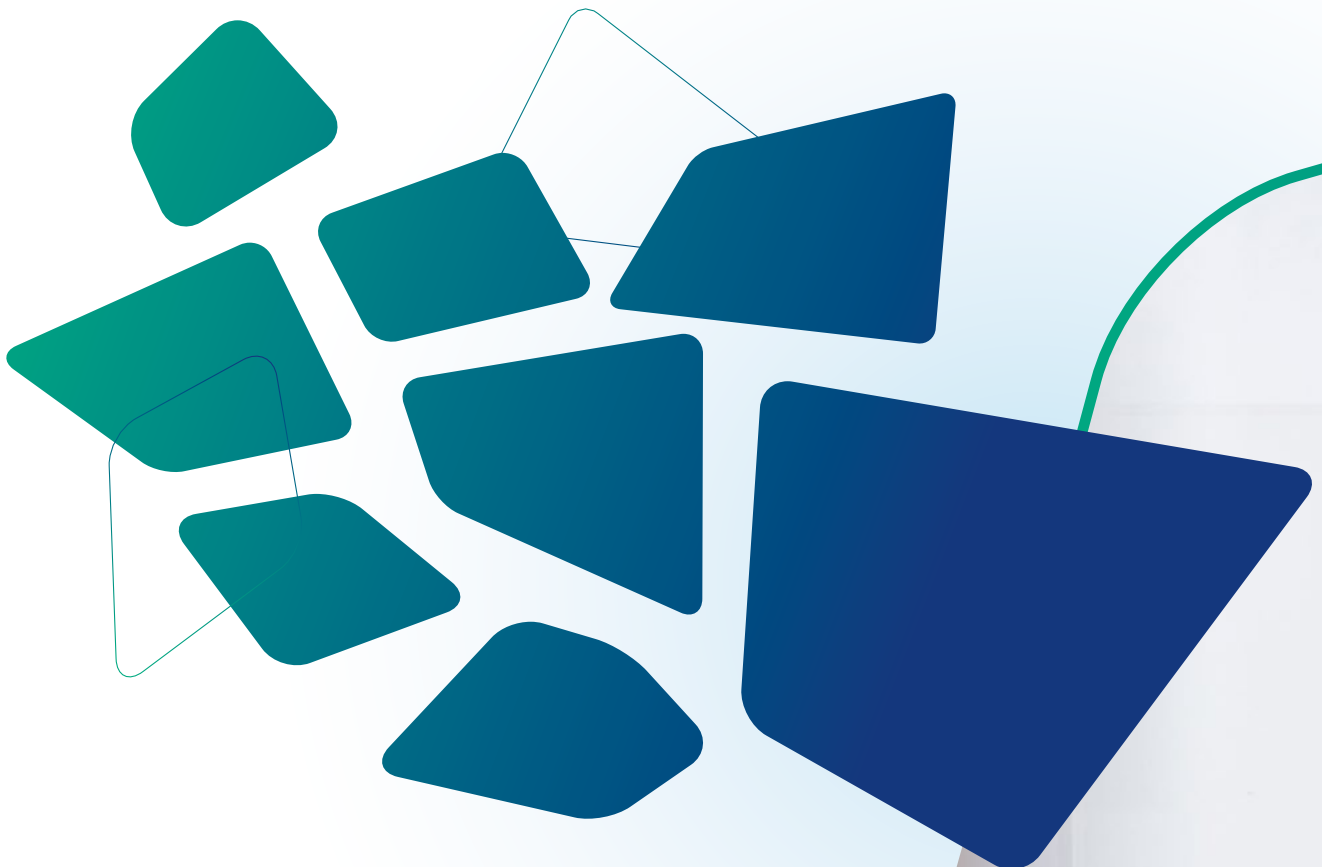
Other risks include uncertainty of patent protection and proprietary rights, whether patent applications and issued patents will offer adequate protection to enable product

development, the obtaining of necessary regulatory authority approvals and uncertainties caused by the rapid advancements in technology.

Companies such as PolyNovo are in part dependent on the success of their research projects and on the ability to attract funding to support these activities.

Investment in research and development projects cannot be assessed on the same fundamentals as trading and manufacturing enterprises. Investment in companies such as PolyNovo must be regarded as risky and highly speculative. It is strongly recommended that professional investment advice be sought prior to investing in the Company.

The Company recognises it has an impact on the environment, directly through its operations, and indirectly through its value chain. The clinical benefits of NovoSorb BTM include improvements to health economics for hospitals, such as a reduction of patient days in hospital. The Company is committed to minimising the environmental impact of its operations and products.



## Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the financial half-year other than those included in this Directors' report.

## 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 the Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors,



**Mr David Williams**  
Chairman

24 February 2025

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## > Auditor's Independence Declaration



Shape the future  
with confidence

Ernst & Young  
8 Exhibition Street  
Melbourne VIC 3000 Australia  
GPO Box 67 Melbourne VIC 3001

Tel: +61 3 9288 8000  
Fax: +61 3 8650 7777  
ey.com/au

### Auditor's independence declaration to the directors of PolyNovo Limited

As lead auditor for the review of the half-year financial report of PolyNovo Limited for the half-year ended 31 December 2024, I declare 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;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of PolyNovo Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that appears to be 'Ashley Butler' in a cursive style.

Ashley Butler  
Partner  
24 February 2025

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Liability limited by a scheme approved under Professional Standards Legislation

# > STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

## For the half-year ended 31 December 2024

	Note	Consolidated	
		31 December 2024 \$'000	31 December 2023 \$'000
<b>Revenue</b>			
Revenue from contracts with customers	4	59,515	47,149
Interest and other income	5	372	1,616
		<b>59,887</b>	48,765
<b>Expenses</b>			
Changes in inventories of finished goods and work in progress		(1,134)	(2,004)
Employee-related expenses	6	(35,406)	(27,500)
Research and development expenses		(5,056)	(4,872)
Depreciation and amortisation expenses		(1,253)	(1,042)
Corporate, administrative and overhead expenses		(10,958)	(11,896)
Interest expense		(376)	(364)
<b>Profit before income tax (expense)/benefit</b>		<b>5,704</b>	1,087
Income tax (expense)/benefit	7	(2,366)	1,607
<b>Profit after income tax (expense)/benefit for the half-year attributable to the owners of PolyNovo Limited</b>		<b>3,338</b>	2,694
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain/(loss) on translation of foreign operation		(935)	325
Other comprehensive income for the half-year, net of tax		(935)	325
<b>Total comprehensive income for the half-year attributable to the owners of PolyNovo Limited</b>		<b>2,403</b>	3,019
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	26	0.48	0.39
Diluted earnings per share	26	0.48	0.39

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

# > STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	Consolidated	
		31 December 2024 \$'000	30 June 2024 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	30,462	45,907
Trade and other receivables	9	28,434	20,722
Contract cost assets	10	204	343
Inventories	11	14,125	8,972
Other assets	13	5,651	3,301
Other financial assets		50	50
<b>Total current assets</b>		<b>78,926</b>	<b>79,295</b>
<b>Non-current assets</b>			
Contract cost assets	10	–	37
Property, plant and equipment	14	16,868	12,519
Right-of-use assets	12	12,453	11,647
Intangibles		785	909
Deferred tax assets	7	3,007	3,740
Other assets	13	657	573
<b>Total non-current assets</b>		<b>33,770</b>	<b>29,425</b>
<b>Total assets</b>		<b>112,696</b>	<b>108,720</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	14,238	17,764
Interest-bearing loans and borrowings	16	2,984	1,888
Lease liabilities	17	908	647
Deferred income	18	451	498
Income tax liabilities	7	1,218	206
Provisions		2,735	2,244
Other financial liabilities	21	301	–
<b>Total current liabilities</b>		<b>22,835</b>	<b>23,247</b>
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings	16	406	742
Lease liabilities	17	12,956	12,103
Deferred income	18	403	–
Provisions		601	504
<b>Total non-current liabilities</b>		<b>14,366</b>	<b>13,349</b>
<b>Total liabilities</b>		<b>37,201</b>	<b>36,596</b>
<b>Net assets</b>		<b>75,495</b>	<b>72,124</b>
<b>Equity</b>			
Issued capital	19	191,758	191,601
Reserves		(3,484)	(3,360)
Accumulated losses		(112,779)	(116,117)
<b>Total equity</b>		<b>75,495</b>	<b>72,124</b>

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



## > STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2024

	Contributed Equity \$'000	Other Reserves \$'000	Acquisition of non-controlling interest Reserve \$'000	Accumulated Losses \$'000	Total equity \$'000
<b>Consolidated</b>					
Balance at 1 July 2023	191,591	4,464	(9,294)	(121,378)	65,383
Profit after income tax benefit for the half-year	–	–	–	2,694	2,694
Other comprehensive income for the half-year, net of tax	–	325	–	–	325
<b>Total comprehensive income for the half-year</b>	–	325	–	2,694	3,019
Capital costs	10	–	–	–	10
Share-based payments	–	640	–	–	640
<b>Balance at 31 December 2023</b>	191,601	5,429	(9,294)	(118,684)	69,052

	Contributed Equity \$'000	Other Reserves \$'000	Acquisition of non-controlling interest Reserve \$'000	Accumulated Losses \$'000	Total equity \$'000
<b>Consolidated</b>					
Balance at 1 July 2024	191,601	5,934	(9,294)	(116,117)	72,124
Profit after income tax expense for the half-year	–	–	–	3,338	3,338
Other comprehensive income for the half-year, net of tax	–	(935)	–	–	(935)
<b>Total comprehensive income for the half-year</b>	–	(935)	–	3,338	2,403
Issue of share capital	157	–	–	–	157
Share-based payments	–	811	–	–	811
<b>Balance at 31 December 2024</b>	191,758	5,810	(9,294)	(112,779)	75,495

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

## > STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2024

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	44,307	41,080
Receipts from BARDA reimbursements and advances	7,295	5,122
Receipts of grant income	590	–
Payment of interest on borrowings	(57)	(55)
Payments of interest on lease liabilities	(319)	(309)
Payments to suppliers and employees	(63,892)	(45,262)
Income tax paid	(469)	–
Net cash from/(used in) operating activities	(12,545)	576
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(5,129)	(1,112)
Interest received	615	585
Net cash used in investing activities	(4,514)	(527)
<b>Cash flows from financing activities</b>		
Repayment of principal on lease liabilities	(291)	(528)
Repayment of principal on borrowings	(1,891)	(858)
Net cash used in financing activities	(2,182)	(1,386)
Net decrease in cash and cash equivalents	(19,241)	(1,337)
Cash and cash equivalents at the beginning of the financial half-year	45,907	46,847
Net effects of foreign exchange rate changes	3,796	70
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>30,462</b>	<b>45,580</b>

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

# Notes to the Financial Statements

31 December 2024

## Note 1. Corporate Information

The financial statements cover PolyNovo Limited as a Group consisting of PolyNovo 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 PolyNovo Limited's functional and presentation currency.

PolyNovo Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

320 Lorimer Street, Port Melbourne, VIC, 3207

**Principal place of business**

320 Lorimer Street, Port Melbourne, VIC, 3207

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 February 2025.

## Note 2. Basis of Preparation of the Half-Year Financial Report

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 ("the period") 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 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of new standards effective as of 1 July 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

### (a) Basis of accounting

This half-year financial report for the period ended 31 December 2024 is a condensed set of financial statements, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements.

The half-year financial report has been prepared on a historical cost basis. The half-year financial report is presented in Australian dollars.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The consolidated financial statements provide comparative information in respect of the previous period. Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

### (b) New or amended Accounting Standards and Interpretations adopted

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2024. A number of amendments and interpretations were applied for the first time in this half-year reporting period but did not have a material impact on the interim consolidated financial statements of the Group.

### (c) 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 that management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgement, estimates and assumptions applied in the Half-Year Financial Report, including the key sources of estimation uncertainty, are the same as those applied in the annual report for the year ended 30 June 2024.

### Note 3. Operating segments

#### Operating Segment

PolyNovo has only one reporting segment being the development of the NovoSorb technology for use in a range of biodegradable medical devices.

The chief operating decision-maker is the Chief Executive Officer of PolyNovo Limited.

The chief operating decision-maker reviews the results of the business on a single entity basis and assesses business performance in order to make decisions about resource allocation in order to progress the commercialisation of the NovoSorb technology. Performance assessment is based on EBITDA (earnings before interest, tax, depreciation and amortisation). These measures are different from the profit or loss reported in the consolidated financial statements which is shown after net interest and tax expense.

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
<b>EBITDA</b>		
Net Profit After Tax	3,338	2,694
Interest income	(352)	(858)
Interest expense	376	364
Depreciation and amortisation	1,523	1,334
Tax	2,366	(1,607)
	<b>7,251</b>	<b>1,927</b>

During the period, sales to BARDA in the United States of America, represented 9.1% (December 2023: 10.4%) of total sales revenue from contracts with customers.

In addition to the depreciation and amortisation expenses listed in the Statement of Profit or Loss and Other Comprehensive Income (\$1,253,000), depreciation and amortisation relating to manufacturing of \$270,000 is also included in the total depreciation amortisation. During the period, total depreciation and amortisation expenses amount is \$1,523,000 (December 2023: \$1,334,000).

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
<b>Revenue from contracts with customers</b>		
Geographical areas		
United States of America	46,647	37,153
Australia and New Zealand	3,633	3,428
United Kingdom	3,491	2,231
Other countries	5,744	4,337
	<b>59,515</b>	<b>47,149</b>

	Consolidated	
	31 December 2024 \$	31 December 2023 \$
<b>Non-current assets</b>		
Geographical areas:		
United States of America	515	659
Australia and New Zealand	30,131	24,514
United Kingdom	24	16
Other countries	94	112
	<b>30,764</b>	<b>25,301</b>

#### Note 4. Revenue from contracts with customers

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
BARDA revenue	5,415	4,912
Commercial product sales	54,100	42,237
	59,515	47,149

#### Note 5. Interest and other income

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
Interest income	352	858
Other income	20	758
	372	1,616

During the period, the Group received an Industry R&D Infrastructure grant of \$500,000, recognised as other income of \$15,000 for the half-year ended 31 December 2024 and the remainder recognised as deferred income. Details refer to note 18. Government grants related to assets are recognised in the Statement of Profit or Loss and Other Comprehensive Income on a systematic basis over the periods in which the entity recognises the related expenses for which the grants are intended to compensate i.e. as the related assets are depreciated.

In prior period, the Group recognised a Government COVID-19 assistance (U.S.) of \$722,000.

#### Note 6. Employee-related expenses

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
Wages and salaries (including sales commission)	29,388	22,707
Superannuation	1,264	961
Share-based payments expense	889	640
Other	3,865	3,192
	35,406	27,500

Other employee-related expenses includes directors' fees of \$319,000 (December 2023: \$284,000), payroll taxes of \$442,000 (December 2023: \$440,000), recruitment fees of \$583,000 (December 2023: \$388,000) and US employee health insurance contributions of \$1,081,000 (December 2023: \$880,000).

**Note 7. Income tax expense/(benefit)**

**(a) Income tax expense/(benefit)**

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
<i>Income tax expense/(benefit)</i>		
Current tax	2,516	(2,621)
Adjustment recognised for prior periods	712	–
Deferred tax – origination and reversal of temporary differences	(862)	1,014
Aggregate income tax expense/(benefit)	2,366	(1,607)
<i>Reconciliation of income tax expense to prima facie tax payable</i>		
Accounting profit before tax	5,704	1,087
Notional income tax expense (benefit) at the statutory income tax rate of 30%	1,711	326
Non-temporary differences:		
Initial recognition of research and development concessional credits	671	–
Entertainment	52	203
Share based payments	219	192
Donation	51	–
Fines and penalties	–	–
Deferred income tax consist of		
Other payables, provisions and accruals	989	–
Other timing differences	(1,858)	1,014
Current year tax losses and temporary differences not recognised	3,586	(3,952)
Prior year tax losses not recognised now recouped	(3,850)	–
Prior year temporary differences not recognised now recognised	712	–
Prior year tax losses recognised	51	610
Effect of lower tax rate in other jurisdictions	32	–
Income tax expense/(benefit)	2,366	(1,607)

## (b) Deferred tax assets and liabilities

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Deferred tax assets	5,084	4,187
Deferred tax liabilities	(2,077)	(447)
Net deferred tax assets/(liabilities)	3,007	3,740
<b>Deferred tax balances reflects temporary differences attributable to:</b>		
<i>Deferred tax assets</i>		
Recognised tax losses	11	52
Share based payments	289	245
Property, plant and equipment	96	76
Right-of-use assets and associated lease liabilities	418	326
Intercompany interest expense	1,973	1,242
Employee benefits	863	690
Deferred revenue	135	149
Other accruals and provision	984	827
Other	315	580
Total deferred tax assets	5,084	4,187
<i>Deferred tax liabilities</i>		
Prepaid expenses	(156)	(136)
Trade and other receivables	(183)	(260)
Property, plant and equipment	(32)	(51)
Other	(1,706)	–
Total deferred tax liabilities	(2,077)	(447)

## (c) Deferred tax assets not brought to account

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Unrecognised, unconfirmed tax losses for which no deferred tax asset has been recognised	73,330	81,965
Deductible temporary differences – no deferred tax asset has been recognised	128	121
	73,458	82,086
Potential tax benefit	21,754	24,317

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

The Group has \$73,330,000 (June 2024: \$81,965,000) of tax losses carried forward that have not been recognised. These losses relate to subsidiaries that have a history of losses, do not expire, and may not be used to offset taxable income elsewhere within the Group within the same tax jurisdiction. The subsidiaries neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. Whilst there are significant carried forward losses of PolyNovo Limited, it is subject to the available fraction rules at 0.1. Given the low rate of losses available for each tax year, management has elected to take the conservative approach and no deferred tax asset was recognised in the current financial period. On this basis, the Group has determined not to recognise deferred tax assets on the tax losses carried forward.

## > Notes to the Financial Statements CONTINUED

### (d) Current tax liabilities

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
Income tax liabilities	(1,218)	(206)

### Note 8. Cash and cash equivalents

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current assets</b>		
Cash at bank	30,462	45,907

As at 31 December 2024, the Group holds term deposits of \$10,800,000 (June 2024: \$24,000,000) with a maturity date within 90 days, which is classified as cash and cash equivalents. In addition, the Group holds \$50,000 (June 2024: \$50,000) in term deposit with a maturity date exceeding 90 days. This term deposit is classified in the Statement of Financial Position as other financial assets.

### Note 9. Trade and other receivables

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current assets</b>		
Trade receivables	26,759	19,060
BARDA trade receivables	609	865
Sundry receivables	1,012	479
	1,621	1,344
Interest receivable	54	318
	28,434	20,722

Trade receivables relates to invoices to customers for sale of goods and PolyNovo's BARDA project representing invoiced and un-invoiced services for labour and sub-contractor expenses.

### Note 10. Contract assets

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current assets</b>		
Contract assets	204	343
<b>Non-current assets</b>		
Contract assets	–	37

The Group engaged subcontractors to fulfil specific performance obligation with regards to the Group's BARDA arrangement since the year ended 30 June 2021. The Group was required to prepay specific amount to the subcontractor upfront to support the delivery of the BARDA contract. Amortisation is calculated on a straight-line basis over the life of the BARDA contract from the FY2021 to FY2026.



## Note 11. Inventories

In the case of inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Inventories are comprised of the following:

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current assets</b>		
Raw materials	951	696
Work in progress	2,078	3,167
Finished goods	11,214	5,214
Provision for finished goods	(118)	(105)
	11,096	5,109
	14,125	8,972

## Note 12. Right-of-use assets

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Non-current assets</b>		
Right-of-use assets	15,661	14,241
Accumulated Depreciation – Right of use assets	(3,208)	(2,594)
	12,453	11,647

The Group has lease contracts for various items of property, office equipment and lease equipment used in its operations. Leases of property generally have lease terms between 3 and 20 years, while office and manufacturing equipment generally have lease terms between 3 and 5 years.

On 1 September 2024, the Group entered a contract to lease an innovation centre in Port Melbourne, Australia. The lease term is 5 years and 5 months, plus 2 further renewal options of 5 years each. A lease liability of \$1,379,000 with a corresponding \$1,379,000 right-of-use assets was recognised. Right-of-use assets will be amortised on straight line basis over the lease period. The lease renewal options are not included in the calculation of lease liability and right-of-use assets.

## Note 13. Other assets

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current assets</b>		
Prepayments	5,651	3,301
<b>Non-current assets</b>		
Security deposits	657	573

The non-current security deposit relates predominantly to PolyNovo's long-term lease of office premises in Port Melbourne and San Diego, USA, including security deposit of \$152,000 due to the leaseback of office premises at Unit 1/316-320 Lorimer Street, Port Melbourne.

Included in current prepayment are prepaid insurance of \$3,104,000 (December 2023: \$1,373,000 ) and other prepaid expenses.

## Note 14. Property, plant and equipment

### Acquisitions and disposals

During the period, the Group acquired plant and equipment with a cost of \$866,000 excluding any costs capitalised related to construction in progress. No asset was disposed or sold.

### Construction in Progress

Construction in Progress of \$8,183,000 (June 2024: \$3,918,000) comprises the construction of the additional manufacturing facility located in Port Melbourne, Australia, and the manufacturing equipment and R&D equipment yet to be ready for use in the facilities being constructed. The increase is mainly due to the progress made with the construction of additional manufacturing facility, which led to an addition of \$3,229,000 recognised in the period.

### Impairment

Impairment expenses of \$nil were recognised by the Group during the Period (June 2024: \$nil).

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Non-current assets</b>		
Leasehold improvements – at cost	6,822	6,822
Accum Deprn – Leasehold improvements	(2,383)	(2,230)
	4,439	4,592
Furniture and fittings – at cost	1,003	982
Accum Deprn – Furniture and fittings	(561)	(463)
	442	519
Computer hardware – at cost	1,749	1,460
Accum Deprn – Computer hardware	(1,148)	(951)
	601	509
Office equipment – at cost	249	248
Accum Deprn – Office equipment	(169)	(163)
	80	85
Manufacturing equipment – at cost	1,997	1,951
Accum Deprn – Manufacturing equipment	(916)	(795)
	1,081	1,156
R&D equipment – at cost	4,681	4,117
Accum Deprn – R&D equipment	(2,639)	(2,377)
	2,042	1,740
Computer software – at cost	198	187
Accum Deprn – Computer software	(198)	(187)
	–	–
Construction in progress – at cost	8,183	3,918
	16,868	12,519

## Note 15. Trade and other payables

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current liabilities</b>		
Trade payables	4,951	6,392
Other payables	9,287	11,372
	<b>14,238</b>	<b>17,764</b>

## Note 16. Borrowings

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current liabilities</b>		
Equipment Finance (a)	863	1,073
Short term loan (b)	2,121	815
	<b>2,984</b>	<b>1,888</b>
<b>Non-current liabilities</b>		
Equipment Finance (a)	406	742

### (a) Equipment finance facility

The purpose of this facility is to fund the capital expenditure items such as manufacturing equipment and R&D equipment.

The facility is a \$3,800,000 revolving equipment finance facility with repayments over 5 years on each tranche drawn at an interest rate between 2.7% to 5.9% (average rate of 3.24%). Currently a total of \$1,269,000 was drawn down as at 31 December 2024. Interest is calculated daily and payable on the last business day of each month.

No additional covenant requirements exist, except that PolyNovo needs to maintain a minimum cash balance of \$1,285,000 at all times, reflective of 12 months interest payable and principal repayments of the facility.

### (b) Short term loan

Short term loan relates to insurance premium funding for the Group.

## Note 17. Lease liabilities

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current liabilities</b>		
Lease liability – current	908	647
<b>Non-current liabilities</b>		
Lease liability – non current	12,956	12,103

On 1 September 2024, the Group entered a contract to lease an innovation centre in Port Melbourne, Australia. The lease term is 5 years and 5 months, plus 2 further renewal options of 5 years each. Further details please refer to note 12.

**Note 18. Deferred Income**

	Consolidated	
	31 December 2024 \$'000	30 June 2024 \$'000
<b>Current liabilities</b>		
Deferred income	451	498
<b>Non-current liabilities</b>		
Deferred income	403	-

During the period, the Group received an Industry R&D Infrastructure grant from the Department of Jobs, Skills, Industry and Regions. The aim of the grant is to support the purchase of R&D equipment as well as the construction of the new innovation centre. The total grant amount is \$2,000,000 to build and run a innovation centre for 5 years with certain hurdles to be met to receive the full amount. In the period, the Group has received \$500,000.

The grant is recognised as income on a systematic basis. The portion of the grant which is intended to support the purchase of R&D equipment is recognised on a straight-line basis over the useful life of R&D equipment, and the other portion which is intended to support the construction of the innovation centre is recognised on a straight-line basis over the lease term of the innovation centre.

In the period, \$15,000 of deferred grant income was released consistent with Group's accounting policy, refer to note 5. The remaining of the grant amount is recognised as deferred income and allocated between current portion (\$82,000) and non current portion (\$403,000).

Current deferred income comprises grant deferred income (\$82,000) and BARDA deferred income (\$369,000).

**Note 19. Issued capital**

	Consolidated			
	31 December 2024 Number of Shares	30 June 2024 Number of Shares	31 December 2024 \$'000	30 June 2024 \$'000
Ordinary shares – fully paid	690,842,991	690,232,751	191,758	191,601

**Movements in ordinary share capital**

**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.

Equity raising costs incurred in issuing shares include registration and other regulatory fees, amounts paid to legal and other professional advisors.

During the period, share options of three employees were vested. The Group issued 546,218 shares to these employees under the cashless exercise facility, as are equal to the value of the difference between the total exercise price otherwise payable for the options and the market value of the shares at the time of exercise. In addition, the Group issued 64,022 shares to Chief Executive Officer based on the assessment on the achievement of targeted KPI.

**Share buy-back**

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

**Note 20. Dividends**

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

## Note 21. Fair value measurement

### Foreign exchange forward contracts

The Group have been taking foreign currency forward contracts to manage financial risk that changes in foreign exchange rates will affect the Group's net profit or the value of its holdings of financial instruments. The objective is to manage and control market risk exposures by buying and selling forward exchange contracts. As at the period end, there were four forward contracts outstanding with National Australia Bank.

Fair value of foreign exchange forward contracts is measured by National Australia Bank and calculated using widely accepted valuation techniques including discounted cash flow analysis of the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, such as yield curves, spot and forward FX rates (level 2 in below fair value hierarchy).

The carrying amount of foreign currency forward contracts recognised in the financial statements is deemed to be the fair value unless stated otherwise.

### Fair value hierarchy

The fair value of financial assets and financial liabilities is estimated for recognition, measurement and disclosure purpose at each balance date.

Various methods are available to estimate the fair value of a financial instrument, and comprise:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

## Note 22. Contingent liabilities and Contingent assets

The Directors are not aware of any contingent liabilities or contingent assets as at 31 December 2024.

## Note 23. Capital Commitments

The construction of the additional manufacturing facility has started, which is located at Port Melbourne, Australia. The construction of the new innovation centre is not yet started but the Group has entered into building contracts for both facilities. The aggregate amount of capital commitments relating to these two facilities is \$12,118,000. In addition, the Group is committed to spend additional \$1,219,000 on the research and development equipment and office fitout for the innovation centre.

## Note 24. Related party transactions

### Parent entity

PolyNovo Limited is the parent entity.

### Transactions with related parties

Kidder Williams Ltd, an entity associated with David Williams, received payment of \$110,000 (December 2023: nil). The payment was in respect to consulting service provided to PolyNovo Limited.

Other than as noted above, there were no transactions with related parties during the half-year ended 31 December 2024.

### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

**Note 25. Events after the reporting period**

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

**Note 26. Earnings per share**

	Consolidated	
	31 December 2024 \$'000	31 December 2023 \$'000
Profit after income tax attributable to the owners of PolyNovo Limited	3,338	2,694
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	690,842,991	690,232,751
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	9,100,000	8,450,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	699,942,991	698,682,751
	Cents	Cents
Basic earnings per share	0.48	0.39
Diluted earnings per share	0.48	0.39

As at 31 December 2024, there existed share options that if vested, would result in the issue of additional ordinary shares over the period to FY2028. In the prior period, these potential ordinary shares are considered antidilutive as their conversion to ordinary shares would reduce the loss per share. Accordingly, they were excluded from the dilutive loss per share calculation.

# 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 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 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



**Mr David Williams**  
Chairman

24 February 2025

For personal use only

# > INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PolyNovo Limited



**Shape the future  
with confidence**

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## Independent auditor's review report to the members of PolyNovo Limited

### Conclusion

We have reviewed the accompanying condensed half-year financial report of PolyNovo Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, explanatory notes and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### 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* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group 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.

### Directors' responsibilities for the half-year 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.

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### Auditor's responsibilities for the review of the half-year 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 Group'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.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Ashley Butler' in a cursive style.

Ashley Butler  
Partner  
Melbourne  
24 February 2025

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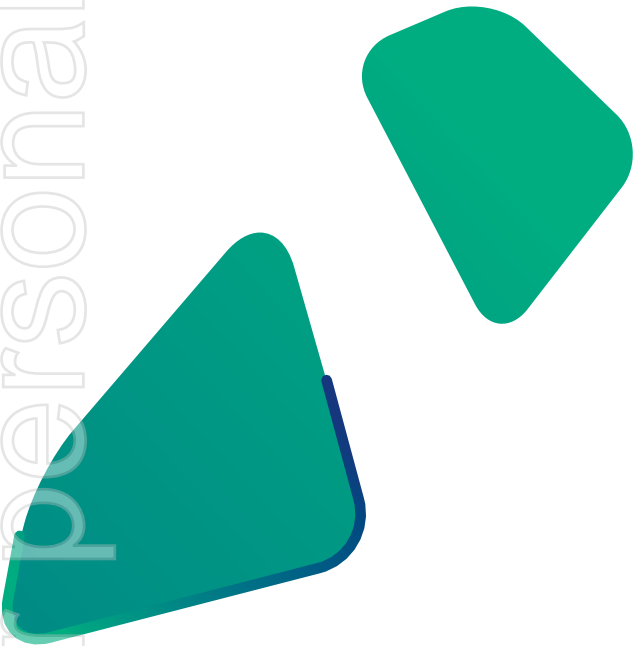
## > CORPORATE DIRECTORY

<b>Non-executive Chairman</b>	Mr David Williams
<b>Non-executive Directors</b>	Dr Robyn Elliott Ms Christine Emmanuel-Donnelly Mr Leon Hoare Mr Andrew Lumsden Mr Bruce Rathie (retired 30 September 2024)
<b>Chief Executive Officer</b>	Mr Swami Raote
<b>Company secretary</b>	Mr Lior Harel
<b>Registered office</b>	Unit 2/ 320 Lorimer Street Port Melbourne, Victoria 3207 T (03) 8681 4050 F (03) 8681 4099
<b>Share register</b>	Computershare Investor Services Pty Ltd Yarra Falls 452 Johnson Street Abbotsford, Victoria 3067 T 1300 850 505
<b>Auditor</b>	Ernst & Young 8 Exhibition St Melbourne, Victoria 3000
<b>Stock exchange listing</b>	PolyNovo Limited shares are listed on the Australian Securities Exchange (ASX code: PNV)
<b>Website</b>	<a href="http://www.polynovo.com">www.polynovo.com</a>

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