

**Rhinomed Limited**

**ABN 12 107 903 159**

**APPENDIX 4E PRELIMINARY FINAL REPORT**

**30 June 2023**

**1. Company details**

Name of entity:	Rhinomed Limited
ABN:	12 107 903 159
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

---

**2. Results for announcement to the market**

				\$
Revenue from ordinary activities	down	17.9%	to	7,472,451
Loss from ordinary activities after tax attributable to the owners of Rhinomed Limited	up	109.4%	to	(11,056,088)
Loss for the year attributable to the owners of Rhinomed Limited	up	109.4%	to	(11,056,088)

*Dividends*

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

*Comments*

The loss for the Group after providing for income tax amounted to \$11,056,088 (30 June 2022: \$5,281,038).

---

**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(2.28)	1.13

---

**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):*

This report, and the accompanying summary consolidated financial statements, are based upon accounts which are in the process of being audited.

---

**11. Attachments**

*Details of attachments (if any):*

Unaudited summary consolidated financial statements for Rhinomed Limited and its controlled entities for the year ended 30 June 2023 is attached.

---

**12. Signed**

Signed:



Date: 31 August 2023

Mr Michael Johnson  
Chief Executive Officer and Managing Director  
Melbourne

**Corporate directory**

Directors	Mr Michael Johnson (Executive Director and Chief Executive Officer) Mr Ron Dewhurst (Non-Executive Chairman) Mr Brent Scrimshaw (Non-Executive Director) Assoc. Prof. John McBain AO (Non-Executive Director) Ms Lyn Swinburne AO (Non-Executive Director) (appointed 8 September 2022) Mr Eric Knight (Non-Executive Director) (resigned 30 September 2022)
Company Secretary & CFO	Mr Sean Slattery
Registered and Principal Office	Level 1, 132 Gwynne Street Cremorne VIC 3121 Australia +61 (0)3 8416 0900
Share Register	Automatic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000 +61 (0)2 9698 5414
Auditor	Grant Thornton Audit Pty Ltd Collins Square, Tower 5, Level 22, 727 Collins Street Melbourne VIC 3008
Solicitors	HWL Ebsworth Level 8, 447 Collins Street Melbourne VIC 3000 +61 (0)3 8644 3500
Bankers	National Australia Bank 330 Collins Street Melbourne VIC 3000
Stock exchange listing	Rhinomed Limited shares are listed on the Australian Securities Exchange (ASX:RNO) and the OTC Market in the USA (OTCQB:RHNMF).
Website	<a href="http://www.rhinomed.global">www.rhinomed.global</a>
Corporate governance statement	<a href="http://www.rhinomed.global/investor-information/corporate-governance">www.rhinomed.global/investor-information/corporate-governance</a>

## Directors' report

The directors are pleased to present their report, together with the financial statements, of the consolidated group consisting of Rhinomed Limited and the entities it controlled (the 'Group') at the end of, or during, the year ended 30 June 2023.

### Directors

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

- Mr Michael Johnson (Executive Director and Chief Executive Officer)
- Mr Ron Dewhurst (Non-Executive Chairman)
- Mr Brent Scrimshaw (Non-Executive Director)
- Assoc. Prof. John McBain AO (Non-Executive Director)
- Ms Lyn Swinburne AO (Non-Executive Director) (appointed 8 September 2022)
- Mr Eric Knight (Non-Executive Director) (resigned 30 September 2022)

### Principal activities

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

### Dividends

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

### Review of operations

Rhinomed is a wearable nasal and respiratory medical device company. Rhinomed is actively seeking to improve the way millions of people around the world breathe, sleep, take medication and maintain their health by utilising the nose as a site for the delivery of novel solutions.

We achieve this goal by assisting people to overcome nasal breathing issues, such as congestion and obstruction, and socialise 'wearing' a device in the nose in order to solve high value unmet needs in the global consumer health, diagnostic, and drug delivery markets. Our strategy is to ensure our products are available online and on the shelves of the world's leading pharmacy/drugstore, grocery and mass market retailers and are recommended by leading clinicians and practitioners who recognise the impact the nose and upper airway has on a wide range of health issues.

The focus during the year ended 30 June 2023 has been to optimise Rhinomed's wearable technology platform across both the growing sleep and respiratory consumer health markets and to execute our go-to-market strategy for our solutions in the global point of care diagnostics market.

The loss for the Group after providing for income tax amounted to \$11,056,088 (2022: \$5,281,038).

The Group held cash reserves of \$190,412 at 30 June 2023 (2022: \$1,984,949), a decrease of \$1,794,537 from the previous year and access to a working capital facility of \$1.25m, expiring on 31 December 2023. As at 30 June 2023, the Group's net (liabilities)/assets were (\$6,553,594) (2022: \$5,034,638) and the net carrying value of the Group's intangible assets was \$nil (2022: \$1,870,108).

The Group loss of \$11,056,088 consists of an operating loss of \$10,745,036 (increase of 105% compared to FY22), depreciation and amortisation costs of \$891,985 (up 28% compared to FY22), impairment of intangible assets and inventory of \$2,486,577 (FY22 \$nil), and employee benefit expenses of \$5,097,659 (up 31% compared to FY22). For the year ended 30 June 2023, there were no non-cash amounts relating to options granted (2022: \$nil).

Net cash used in operating activities was \$7.2 million increasing from \$5.7 million in FY22. Operating expenditure is aligned with revenue generation and investment to support the sales growth in key markets. This includes the continued growth and roll out of the Mute technology and as a result, Consumer Health sales represented 100% of total revenue during FY23 (2022: 61%).

### *Consumer Health*

Over the course of FY23 the Group's Consumer Health business has experienced robust growth across three key markets, the USA, EMEA, and APAC. Despite the ongoing impact of both the pandemic and a growing level of economic uncertainty on consumer spending, the Group's flagship Mute snoring relief and sleep aid technology has maintained strong growth via both global retail bricks and mortar networks and through online ecommerce channels.

The Mute brand continues to gain traction and build awareness. During FY23, Mute continued to carve out a position as a leading brand and solution for those seeking a solution to snoring, nasal congestion and poor nighttime respiration and sleep. During the year, the Group continued to invest in a marketing program that positions Mute as a credible category leading solution. This included partnering with global online medical advice company WebMD to produce the second annual global sleep and snoring report. This key report looks at the responses from 6,000 people in the UK, the USA and Australia and further reinforces the significant market opportunity Rhinomed is pursuing. The report is unique and builds on Rhinomed's thought leadership in the global snoring market.

While brand awareness continues to build across the US, the UK and Australia, growth was complemented by an ever-increasing shelf presence. Over the course of the financial year the Group has continued to add new retail chains to our extensive global retail network. This has included both pharmacy and grocery retailers in the US, the UK and in Australia. Notably, in Australia, the Group added the Terry White chain early in FY23 and at the close of the financial year, Chemist Warehouse. While these additions significantly strengthen the Group's global retail reach, existing key accounts such as the US based Walgreens chain also grew. Following category reviews and strong performance, Walgreens expanded the presence of Mute into over 7,000 Walgreens stores across the USA.

Complementing the increased retail reach, the Group further continued its customer growth via key online channels such as Amazon. Online revenue remains a key source of sales and has grown over 38% over the last 12 months. Over the course of the financial year the Group expanded its presence on Amazon in both the UK and Australian markets. In line with previous guidance, the Group has established a German subsidiary, Rhinomed EU GmbH, through which regulatory approval has recently been received. The Group expects to see revenues from Amazon Germany commence across 1H in FY24.

Total Consumer Health revenue for the Group for the year ended 30 June 2023 totalled \$7.5 million which represents 445,360 units shipped. Consumer Health revenue increased by 35% from FY22.

### *Rhinoswab*

The Rhinoswab program continued to gain momentum over the course of FY23. The Group delivered on key milestones including the completion of key clinical trials and the publication of these studies in peer reviewed journals, regulatory approvals, and the development of key relationships with lateral flow test manufacturers and distributors.

The Rhinoswab technology represents a step change in the way nasal samples are collected. The Rhinoswab technology standardises the sample collection process for the first time, delivers the clinical equivalence to a combined nose and throat swab, and radically improves the user experience for both adults and children. Both Rhinoswab and Rhinoswab Junior are compatible with PCR and Rapid Antigen Tests. The Rhinoswab Junior is the world's first nasal swab designed specifically for children.

Rhinomed's goal is to establish the Rhinoswab and Rhinoswab Junior as the gold standard for nasal sample collection for upper respiratory infection diagnosis. Our first step is to ensure that the Rhinoswab Junior is the preferred swab for sample collection in children. After releasing the Rhinoswab program in Q1 of FY22, Rhinomed supplied both the NSW government and the Victorian governments as they rolled out their Covid-19 testing programs. As investors would be well aware, the SARS-CoV-2 pandemic has evolved to a new stage of its lifecycle. While Governments across the globe were significant purchasers of both swabs and lateral flow test kits in the initial phase of the pandemic, they have now largely ceased these purchasing activities with emphasis now placed on individuals to source testing solutions through the traditional consumer health channels.

The growth of the home testing market has been significant over the course of the last 12 months. According to data from industry research group Circana, in the USA alone over \$3.4 billion of Covid rapid antigen tests were sold through the food, drug and mass market retail channels in the 52 weeks to end of 23 April 2023. Rhinomed believes that this emerging market will continue to be a significant global opportunity.

Over the course of this financial year, the Group has focussed on the process of getting lateral flow/rapid antigen test companies to include the Rhinoswab and specifically, the Rhinoswab Junior in their test kits. This process has taken some time and has involved the manufacturing test kit companies liaising with the relevant regulatory authorities in order to amend their existing regulatory approvals to include the Rhinoswab. As investors with a knowledge of the medical technology sector will appreciate, the regulatory process is both long and complex. Rhinomed remains

confident that by working closely with its partners we can navigate the regulatory pathways and deliver the appropriate regulatory approvals in a timely manner.

While this process is taking place, Rhinomed has begun leveraging its extensive existing retail network as a channel through which it can ensure these innovative Rapid Antigen Test kits can get to market quickly. As a result, toward the end of the financial year, Rhinomed commenced early discussions with existing key retailers to gauge their interest in what would be the first Covid Rapid Antigen Test kit for children in each of the respective markets. The company will update investors on these discussions over the course of the first half of FY24.

#### *Outlook*

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

- Grow and own the sleep/snoring category in core consumer health markets
- Expand Rhinomed's offering in the snoring category to continue to drive category leadership
- Leverage the success with Amazon US, Australia and UK as the Group enters the European market via Amazon Germany
- Increase distribution amongst our existing key accounts in each geography and strategically add retailers across the pharmacy/drug store, grocery and mass market channels.
- Work closely with the Group's Rapid Antigen Test kit partners to successfully launch the Rhinoswab Junior in a range of test kits within the Australian, North American, European, and Indian markets over the course of FY24.
- Deliver strong high margin revenue growth
- Achieve cash flow breakeven and sustainable growth position moving forward

#### **Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Group during the financial year.

#### **Matters subsequent to the end of the financial year**

Subsequent to 30 June 2023, the Group has signed a distribution agreement and a supply agreement with Virax Biolabs Group Holdings Ltd. Rhinomed will supply Rhinoswab Junior for inclusion in a new Covid, RSV and Flu A and B lateral flow test that will be released in Europe over the course of FY24. The agreement is on a non exclusive basis. Rhinomed will work closely with Virax to introduce the test kits initially into its existing retailer network in the UK and following that, Europe. Rhinomed will update investors on further details of this agreement in due course as they become material.

On 31 July 2023, as part of the unsecured working capital facility, John McBain agreed to extend his line of credit of \$1.25m forward until 31 December 2023.

No other matter or circumstance has arisen since 30 June 2023 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.

#### **Environmental regulation**

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Consolidated statement of profit or loss and other comprehensive income**  
**For the year ended 30 June 2023**

	Note	30 June 2023	30 June 2022
		\$	\$
<b>Revenue</b>			
Revenue from customers	3	7,472,451	9,104,727
Other income	4	1,044,025	1,288,693
<b>Expenses</b>			
Raw materials and consumables used		(1,881,248)	(2,898,870)
Administrative expenses		(1,307,982)	(1,210,368)
Depreciation and amortisation expenses		(891,985)	(699,462)
Employee benefit expenses		(5,097,659)	(3,885,332)
Marketing expenses		(5,615,397)	(4,763,126)
Research and development expenses		(1,161,353)	(1,716,232)
Other operating expenses		(819,311)	(458,191)
Impairment of intangible assets and inventory expenses		(2,486,577)	-
<b>Operating loss</b>		<b>(10,745,036)</b>	<b>(5,238,161)</b>
Finance income		2,518	2,210
Finance costs		(312,790)	(44,247)
<b>Loss before income tax expense</b>		<b>(11,055,308)</b>	<b>(5,280,198)</b>
Income tax expense		(780)	(840)
<b>Loss after income tax expense for the year attributable to the owners of Rhinomed Limited</b>		<b>(11,056,088)</b>	<b>(5,281,038)</b>
<b>Other comprehensive loss for the year</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(532,144)	(829,912)
Other comprehensive loss for the year		(532,144)	(829,912)
<b>Total comprehensive loss for the year attributable to the owners of Rhinomed Limited</b>		<b>(11,588,232)</b>	<b>(6,110,950)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		(3.87)	(2.02)
Diluted earnings per share		(3.87)	(2.02)

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



**Consolidated statement of financial position  
As at 30 June 2023**

	Note	30 June 2023	30 June 2022
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		190,412	1,984,949
Trade and other receivables		1,557,548	2,093,557
Inventories		629,566	1,241,748
Other current assets		213,787	202,641
<b>Total current assets</b>		<b>2,591,313</b>	<b>5,522,895</b>
<b>Non-current assets</b>			
Other financial assets		82,015	81,472
Property, plant and equipment		320,323	751,420
Right-of-use assets		141,629	271,843
Intangible assets	5	-	1,870,108
<b>Total non-current assets</b>		<b>543,967</b>	<b>2,974,843</b>
<b>Total assets</b>		<b>3,135,280</b>	<b>8,497,738</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		2,558,843	2,669,515
Contract liabilities	6	417,423	125,144
Lease liabilities		170,572	151,304
Employee benefits obligations		652,506	249,083
Borrowings		5,790,099	-
<b>Total current liabilities</b>		<b>9,589,443</b>	<b>3,195,046</b>
<b>Non-current liabilities</b>			
Lease liabilities		14,867	185,439
Employee benefits obligations		84,564	82,615
<b>Total non-current liabilities</b>		<b>99,431</b>	<b>268,054</b>
<b>Total liabilities</b>		<b>9,688,874</b>	<b>3,463,100</b>
<b>Net assets</b>		<b>(6,553,594)</b>	<b>5,034,638</b>
<b>Equity</b>			
Share capital	7	77,650,779	77,650,779
Other reserves	8	2,336,015	2,868,159
Accumulated losses		(86,540,388)	(75,484,300)
<b>Total Equity</b>		<b>(6,553,594)</b>	<b>5,034,638</b>

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

**Consolidated statement of changes in equity**  
**For the year ended 30 June 2023**

		Share capital	Option reserve	Foreign currency translation reserve	Accumulated losses	Total equity
Note	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021		71,269,024	4,500,437	121,484	(71,127,112)	4,763,833
Loss for the year		-	-	-	(5,281,038)	(5,281,038)
Other comprehensive loss for the year		-	-	(829,912)	-	(829,912)
Total comprehensive loss for the year		-	-	(829,912)	(5,281,038)	(6,110,950)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	7	4,659,755	-	-	-	4,659,755
Share issue on exercise of options	7/8	1,722,000	(615,900)	-	615,900	1,722,000
Expiry of options not exercised	8	-	(307,950)	-	307,950	-
<b>Balance at 30 June 2022</b>		<b>77,650,779</b>	<b>3,576,587</b>	<b>(708,428)</b>	<b>(75,484,300)</b>	<b>5,034,638</b>

		Share capital	Option reserve	Foreign currency translation reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022		77,650,779	3,576,587	(708,428)	(75,484,300)	5,034,638
Loss for the year		-	-	-	(11,056,088)	(11,056,088)
Other comprehensive loss for the year		-	-	(532,144)	-	(532,144)
Total comprehensive loss for the year		-	-	(532,144)	(11,056,088)	(11,588,232)
<b>Balance at 30 June 2023</b>		<b>77,650,779</b>	<b>3,576,587</b>	<b>(1,240,572)</b>	<b>(86,540,388)</b>	<b>(6,553,594)</b>

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

**Consolidated statement of cash flows**  
**For the year ended 30 June 2023**

	Note	30 June 2023	30 June 2022
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		8,346,637	8,765,467
Payments to suppliers and employees (inclusive of GST)		(16,037,804)	(14,891,824)
Government grants and tax incentives received		639,862	424,967
Interest received		1,975	2,152
Interest paid		(128,618)	(44,247)
Net cash outflow from operating activities		<u>(7,177,948)</u>	<u>(5,743,485)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		<u>(95,249)</u>	<u>(876,746)</u>
Net cash outflow from investing activities		<u>(95,249)</u>	<u>(876,746)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	6,645,007
Share issue transaction costs		-	(263,252)
Lease principal repayment		(151,304)	(133,721)
Proceeds from borrowings		5,945,739	-
Repayment of borrowings		(329,675)	-
Net cash inflow from financing activities		<u>5,464,760</u>	<u>6,248,034</u>
Net decrease in cash and cash equivalents		(1,808,437)	(372,197)
Cash and cash equivalents at the beginning of the financial year		1,984,949	2,339,616
Effects of exchange rate changes on cash and cash equivalents		13,900	17,530
<b>Cash and cash equivalents at the end of the financial year</b>		<b><u>190,412</u></b>	<b><u>1,984,949</u></b>

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

## Notes to the consolidated financial statements

### For the year ended 30 June 2023

#### Note 1. Going Concern

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

At 30 June 2023, the Group had a working capital deficiency, being current assets less current liabilities, of \$6,998,130 and for the year ended 30 June 2023, the Group experienced a loss of \$11,056,088 and a net cash outflow from operating activities of \$7,177,948.

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

The Group has \$1.25m of available unsecured working capital facilities at the date of this preliminary financial report from entities related to non-executive director Jon McBain. The Group is currently exploring all potential funding opportunities to meet the Group's short-term obligations.

Due to the above a material uncertainty exists that may cast doubt upon the Group's ability to continue as a going concern however, the Directors are confident that the Group has adequate resources and funding opportunities to continue in operational existence for the foreseeable future.

#### Note 2. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Operating segments are presented using the "management approach" where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ("CODM"). The CODM is the Board of Directors which is responsible for the allocation of resources to operating segments and assessing their performance.

#### Note 3. Revenue from customers

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

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
Revenue from customers for the sale of goods	7,472,451	9,104,727

#### Note 4. Other income

	<b>30 June 2023</b>	<b>30 June 2022</b>
	\$	\$
Government grants and incentives	36,600	-
R&D tax incentive	601,834	501,264
Other income	-	5,500
Unrealised currency gains	405,591	781,929
	<b>1,044,025</b>	<b>1,288,693</b>

**Note 5. Intangible assets**

	Goodwill	Development Costs	Intellectual Property	Total
	\$	\$	\$	\$
As at 30 June 2022				
Cost	1,565,004	431,049	2,981,138	4,977,191
Accumulated amortisation and impairment	-	(360,491)	(2,746,592)	(3,107,083)
Net book value	<u>1,565,004</u>	<u>70,558</u>	<u>234,546</u>	<u>1,870,108</u>
Year ended 30 June 2023				
Opening net book value	1,565,004	70,558	234,546	1,870,108
Additions	-	-	-	-
Amortisation charge	-	(42,961)	(234,546)	(277,507)
Impairment losses	(1,565,004)	(27,597)	-	(1,592,601)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 30 June 2023				
Cost	1,565,004	431,049	2,981,138	4,977,191
Accumulated amortisation and impairment	(1,565,004)	(431,049)	(2,981,138)	(4,977,191)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Group estimates the value-in-use of Rhinomed Limited's Cash Generating Unit ('CGU') using discounted cash flows. For the 2023 financial year, the recoverable amount of the CGU was determined based on value-in-use calculations which require the use of assumptions. As a result of the value-in-use calculations the Group has recognised an impairment loss of \$1,592,601.

**Note 6. Contract liabilities**

	30 June 2023	30 June 2022
	\$	\$
Contract liabilities - deferred revenue	<u>417,423</u>	<u>125,144</u>

The Group derives revenue from the transfer of goods at a point in time in accordance with the Group's revenue recognition accounting policies.

**Note 7. Share capital**

	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>285,719,694</u>	<u>285,719,694</u>	<u>77,650,779</u>	<u>77,650,779</u>

*Movements in ordinary share capital*

Movements in ordinary share capital during the current and previous financial year are set out on the next page.

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	253,809,132		71,269,024
Share issue on exercise of options		6,000,000	\$0.287	1,722,000
Rights issue		25,910,562	\$0.190	4,923,007
Less: transaction costs arising on rights issue		-	\$0.000	(263,252)
Balance	30 June 2022	285,719,694		77,650,779
Balance	30 June 2023	285,719,694		77,650,779

**Note 8. Other reserves**

	30 June 2023	30 June 2022
	\$	\$
Foreign currency translation reserve	(1,240,572)	(708,428)
Option reserve	3,576,587	3,576,587
	2,336,015	2,868,159

*Movements in reserves*

Movements in each class of reserve during the current and previous financial year are set out below.

Details	Date	Option reserve	Foreign currency translation reserve	Total
		\$	\$	\$
Balance	1 July 2021	4,500,437	121,484	4,621,921
Exercise of options		(615,900)	-	(615,900)
Expiry of options not exercised		(307,950)	-	(307,950)
Currency translation reserve		-	(829,912)	(829,912)
Balance	30 June 2022	3,576,587	(708,428)	2,868,159
Currency translation reserve		-	(532,144)	(532,144)
Balance	30 June 2023	3,576,587	(1,240,572)	2,336,015

**Note 9. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policies:

Name	Principal place of business / Country of incorporation	Ownership interest	
		30 June 2023	30 June 2022
		%	%
ASAP Breatheassist Pty Ltd	Australia	100.00%	100.00%
Breathing Space Health Pty Ltd	Australia	100.00%	100.00%
Diagnosehealth Pty Ltd	Australia	100.00%	100.00%
Rhinomed UK Limited	United Kingdom	100.00%	100.00%
Breatheassist Limited	United Kingdom	100.00%	100.00%
Rhinomed Inc.	United States	100.00%	100.00%
Rhinomed EU GmbH	Germany	100.00%	100.00%

**Note 10. Events after the reporting period**

Subsequent to 30 June 2023, the Group has signed a distribution agreement and a supply agreement with Virax Biolabs Group Holdings Ltd. Rhinomed will supply Rhinoswab Junior for inclusion in a new Covid, RSV and Flu A and B lateral flow test that will be released in Europe over the course of FY24. The agreement is on a non exclusive basis. Rhinomed will work closely with Virax to introduce the test kits initially into its existing retailer network in the UK and following that, Europe. Rhinomed will update investors on further details of this agreement in due course as they become material.

On 31 July 2023, as part of the unsecured working capital facility, John McBain agreed to extend his line of credit of \$1.25m forward until 31 December 2023.

No other matter or circumstance has arisen since 30 June 2023 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.