

**R H I N O M E D**

CHANGING THE WAY THE WORLD BREATHES

INVESTOR UPDATE - AUGUST 2018

## IMPORTANT NOTICE

This document contains certain forward-looking statements, relating to Rhinomed Limited's (Rhinomed) business which can be identified by the use of forward looking terminology such as "promising," "plans," "anticipated," "will," "project," "believe," "forecast," "expected," "estimated," "targeting," "aiming," "set to," "potential," "seeking to," "goal," "could provide," "intends," "is being developed," "could be," "on track," or similar expressions or by express or implied discussions regarding potential filings or marketing approvals, or potential future sales of the company's technologies and products. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no assurance that any existing or future regulatory filings will satisfy any specific health authority and other health authorities requirements regarding any one or more product or technology nor can there any assurance that such products or technologies will be approved by any health authorities for sale in any markets or that they will reach any particular level of sales. In particular, managements expectations regarding the approval and commercialization of the technology could be affected by, among other things, unexpected clinical trial results, including additional analysis of existing clinical data, and new clinical data; unexpected regulatory actions or delays, or government regulation generally; our ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; government, industry, and general public pricing pressures; and additional factors that involve significant risks and uncertainties about our products, technology, financial result, and business prospects. Should one of more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Rhinomed Is providing this information as of the date of this presentation and does not assume any obligation to update any forward-looking statements contained in this document as a result of new information, future events or developments or otherwise.

**RHINOMED (ASX:RNO) IS A RESPIRATORY AND NASAL MEDICAL  
TECHNOLOGY COMPANY WITH AN EXTENSIVE INTELLECTUAL  
PROPERTY PORTFOLIO COVERING A TECHNOLOGY PLATFORM  
THAT FOCUSES ON THE ROLE AND FUNCTION OF THE NOSE.**

## THE RHINOMED INVESTMENT OVERVIEW

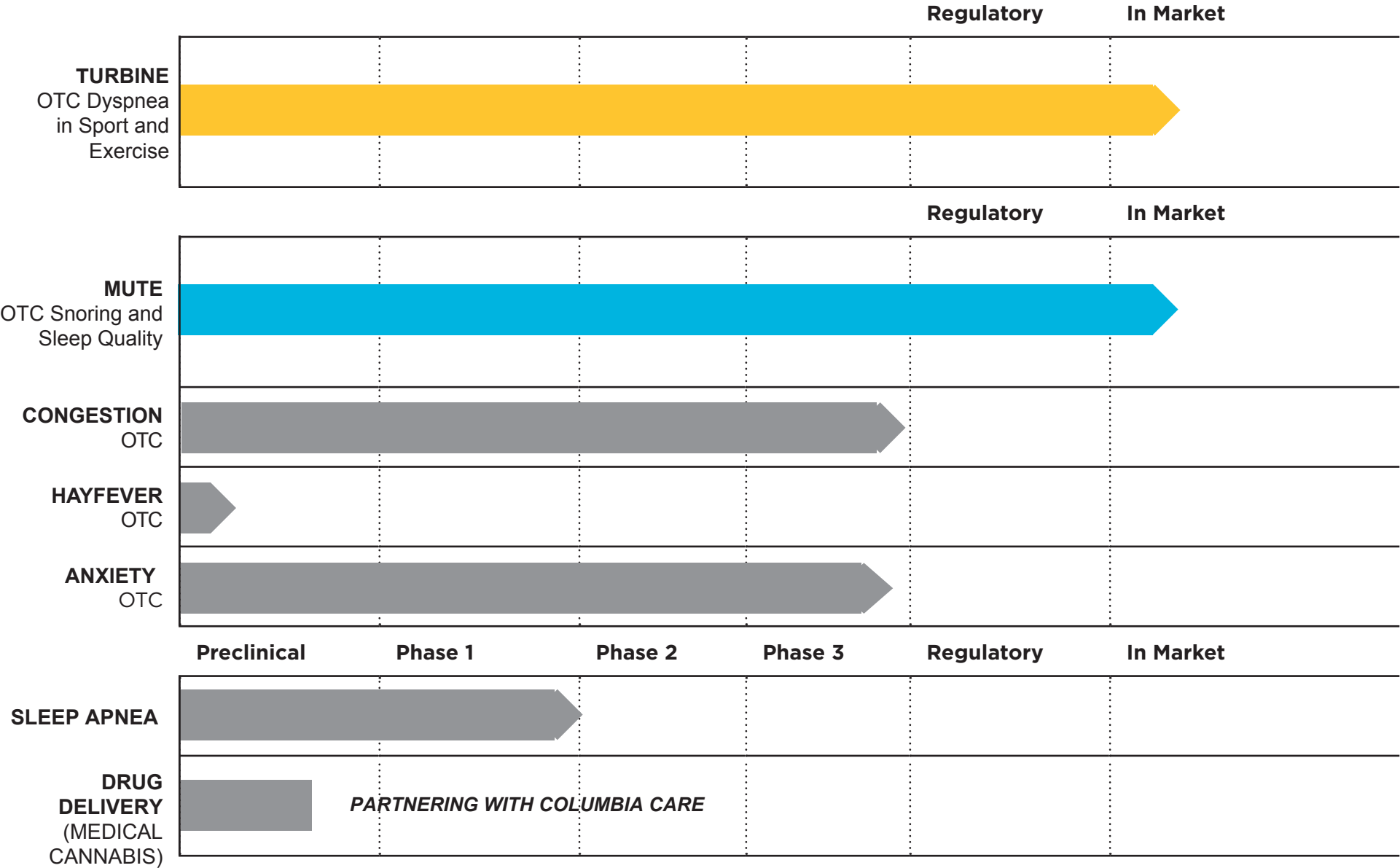
- Rhinomed's nasal technology platform targets a range of conditions linked to poor nasal respiration and poor sleep.
- The Mute snoring and sleep technology is now on its way to being on the shelves of over 11,000 stores globally. (FY19 Q2)
- Company shipped \$3.1m to customers in FY18 (recognised revenues of \$2.1m)
- Rhinomed is #67 in the Financial Times Asia Pacific FT Fast 1000
- Mute competes against the Breathe Right Strip - estimated to turn over US\$120m+pa in retail sales in the US market. Breathe Right was bought by GSK in 2007 for US \$566m - the last patent expired in 2007.
- The Rhinomed technology platform has multiple applications across a range of high value markets.

*"I'm a huge fan of your product. It has changed my life!  
I sleep like a baby and run like an iron man."*

*- Charles, Customer*

# COMPELLING PIPELINE AND TECHNOLOGY PLATFORM

A unique and multi faceted nasal technology platform covered by over 50 patents and 57 design patents



# CLEAR AND COMPELLING MARKET OPPORTUNITY

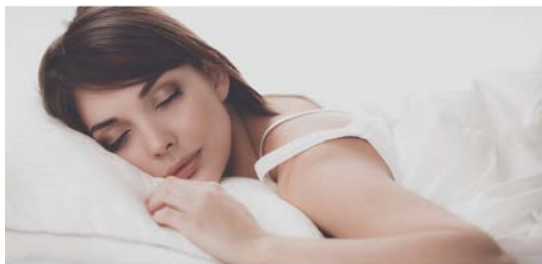
- Snoring/sleep Aid market forecast to grow to approx. US\$10 billion by 2020 at a CAGR of 6.4% from 2016 to 2020.
- According to the US CDC insufficient sleep is now a public health epidemic -30% of adults report less than 6 hours a night.\*
- Market rapidly growing and changing - from a focus on the social inconvenience of snoring to the medical conditions linked to poor sleep



WHAT IS ALZHEIMER'S DISEASE? TREATMENT EARLY-ONSET AD SOCIAL CLIPS CLINICAL TRIALS SUB

## Chronic Lack of Sleep May Raise Risk of Alzheimer's Disease, Study Suggests

JULY 17, 2017 BY JODANA FERNADES, PHD IN NEWS



[Click Here to receive Alzheimer's News via e-mail](#)

A poor night's sleep may increase the levels of proteins associated with Alzheimer's disease, say researchers, noting that their findings may be especially important for people with chronic sleep disorders.

**Effects of Sleep Quality on Skin Aging and Function**  
 \*Oprea-Kan White F, Koo B, Manal MS, \*Harold D, \*Pfeiffer C, \*Cooper KD, \*Brons ED  
 \*Department of Dermatology, Department of Pathology and Sleep Medicine, University Hospitals Case Medical Center and Case Western Reserve University, Cleveland, Ohio USA, and \*Estee Lauder Companies Inc., Melville, New York USA.

**Introduction**  
 The skin plays a key role in protecting against environmental insults, and maintaining physiological homeostasis. Similar to other organs, it has its own circadian rhythm and clock genes and proteins are expressed in keratinocytes, melanocytes, and dermal fibroblasts.  
 Sleep is important for growth and renewal of multiple physiological systems and is tightly controlled by the circadian system. Chronic sleep deprivation has been linked to medical problems such as obesity, diabetes, cancer, and immune deficiency<sup>1-4</sup>. However, the effects of inadequate sleep on skin function and recovery are not known.  
**Objectives**  
 The aim of our study was to evaluate the effect of chronic poor sleep on skin aging and response to environmental exposures in vivo. We also assessed the effect of sleep on self-perception of appearance.

**Study Design**

Day	Visit	Procedures
Day 0	Visit 1	• Confirm subject eligibility • PSQI, Med hx • MCHNSA • Tape stripping (TS) • TENS (Sheditec, post TS, the post TS) • MCVTV exposure • Sleep Log given
Day 1	Visit 2	• TENS, 2 files post TS • Ultra collection • Chromatogram readings • MED calculation
Day 2	Visit 3	• TENS, 2 files post TS • Chromatogram readings • MED calculation
Day 3	Visit 4	• Return Sleep Log

FIGURE 1

**Results**

**Subject Demographics**

Characteristic	Good Sleepers	Poor Sleepers
Age range (yrs)	30-48	31-48
Age, Mean (SD)	37.8 (7.7)	36.6 (7)
Physiologic Skin Type	I-1 II-4 III-19 IV-1	I-1 II-18 III-14 IV-2
BMI, Mean (SD)	21.9 (3.7)	26.7 (7.1)
BMI categories	Normal - 18 Overweight - 18 Obese - 6	Normal - 8 Overweight - 8 Obese - 12

**Evaluation of Skin Barrier Function**

**Self-perception of attractiveness**

As shown in FIG 2, good sleepers reported a significantly better perception (more satisfaction) of their appearance and physical attractiveness compared to poor sleepers (p-value = 0.005) indicating that people with adequate sleep feel better about the way they look.

**Self-Evaluation of Skin Appearance**

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**Snoring Can Affect The Carotid Artery**  
 By Christen Knapp / Published Sunday 27 January 2015  
 People who snore regularly have a much higher risk of having thicker or abnormal carotid arteries, researchers from the Henry Ford Hospital, Detroit, reported. They added that the risk is greater for smokers than overweight people and smokers.  
 When the snoring of the face blood vessels that surround the brain with oxygen-rich blood thicken, it is usually the first step towards the development of atherosclerosis (hardening of the arteries), the researchers explained. Atherosclerosis causes several vascular diseases.  
 The left and right common carotid arteries supply the head and neck with oxygenated blood - they divide the neck to form the external and internal carotid arteries.  
 Lead study author Robert Deeks, M.D., said:



HEALTHY LIVING 04/16/2015 08:28 am ET | Updated Apr 16, 2015

## The Hidden Ways Sleep Deprivation Can Lead To Weight Gain



ING CHEESE PHOTO VIA GETTY IMAGES

By Zahra Barnes for Life by DailyBurn

Can't figure out why you're gaining weight — or why it's so difficult to erase those extra pounds? You might be suffering from sleep deprivation — even if you swear you're getting enough sleep at night. In fact, one study presented at this year's Endocrine Society national meeting suggests that getting just 30 fewer minutes sleep than you should per weekday can increase your risk of obesity and diabetes.

TRENDING

**Ralph Northam Draws Progressive Ire Over Mee Comments**

**Doug Jones Says Congre Should 'Move On' From 1 Sexual Misconduct Allegi**

**Pastor Blasts Supreme C**

# LEVERAGING NASAL PHYSIOLOGY AND PHYSICS TO ADDRESS OBSTRUCTION

- The diameter of your nose matters
- 50% of airway resistance occurs in the nose. A small change in the radius of the nose can dramatically impact the volume of air entering the airway.
- Rhinomed tech leverages Pouisielles law

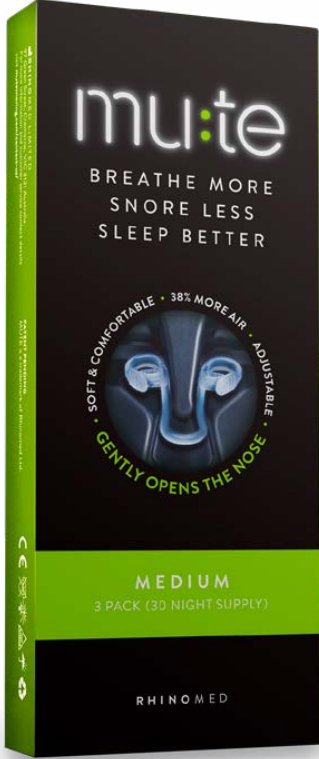
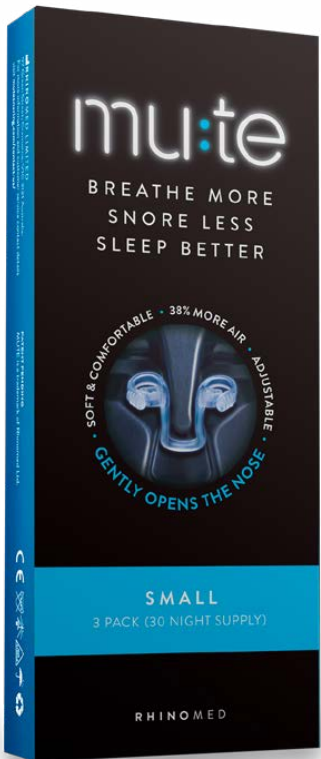
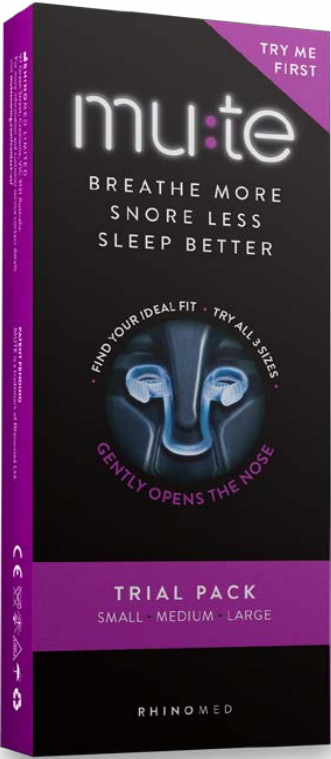
Proprietary ratchet mechanism that delivers perfect individualised fit gently expands the nostril delivering airflow to the power of 4



Dilates from the back of the nose minimising pressure on the septum

Designed to mold to the internal surface of the nostril

# DELIVERING INNOVATION AND CATEGORY LEADERSHIP





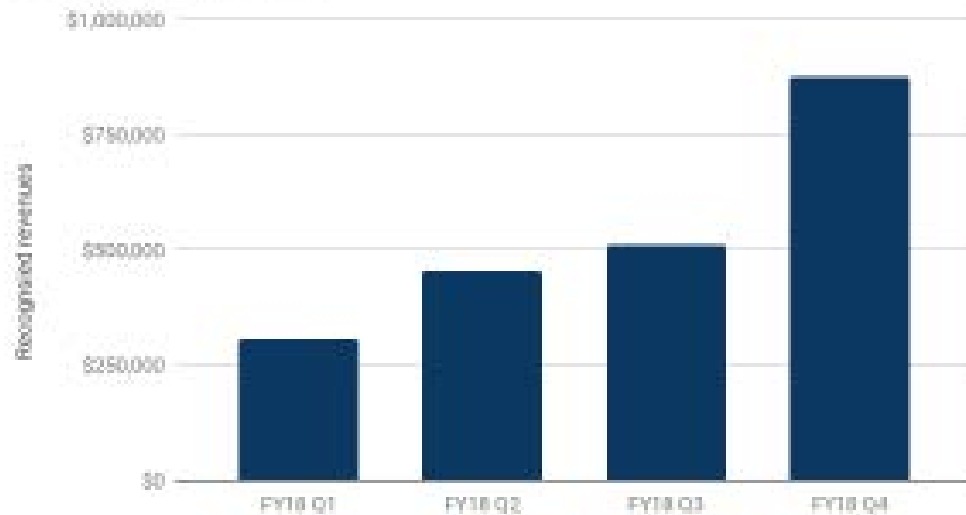
## MUTE IS DELIVERING ON ITS PROMISE

- *I can't tell..'cause I'm sleeping, but my husband say's these have been life-changing for him!  
- Lejoli*
- *I am sleeping better and waking up more refreshed since using this. - Jim*
- *This product is a game changing, relationship saving miracle - Nicole*
- *Glad my Doctor told me about these. I often, in spite of spraying my nose with Saline spray and Nasacorte, will stop up when I go to sleep. Not since I began using these MUTE nasal dilators - Aud97.*
- *Keeps my nose open so I can breathe! Miraculous! I kept the small & gave the larger sizes to my dad. He could not believee how effective they are! Great product. - S Bertsch.*
- *I went from having to wear shooting range earplugs and putting a pillow over my head every night to sleep to a blissful, quiet, ear plug free night`s sleep. Instantly! Overnight! - Nicole*

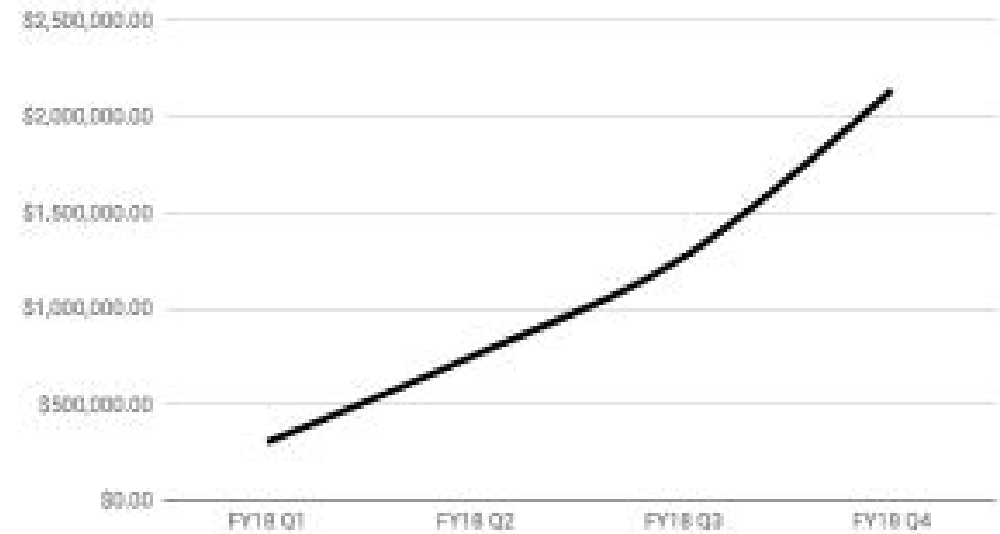
# RHINOMED IS DELIVERING YEAR ON YEAR REVENUE GROWTH

- 6 consecutive quarters of growth generated from premium global retail partners
- Invoiced \$3.1m of sales,
- \$2.1m recognised revenues
- Total units shipped FY19 YTD - approx. 202,000

Recognised revenues

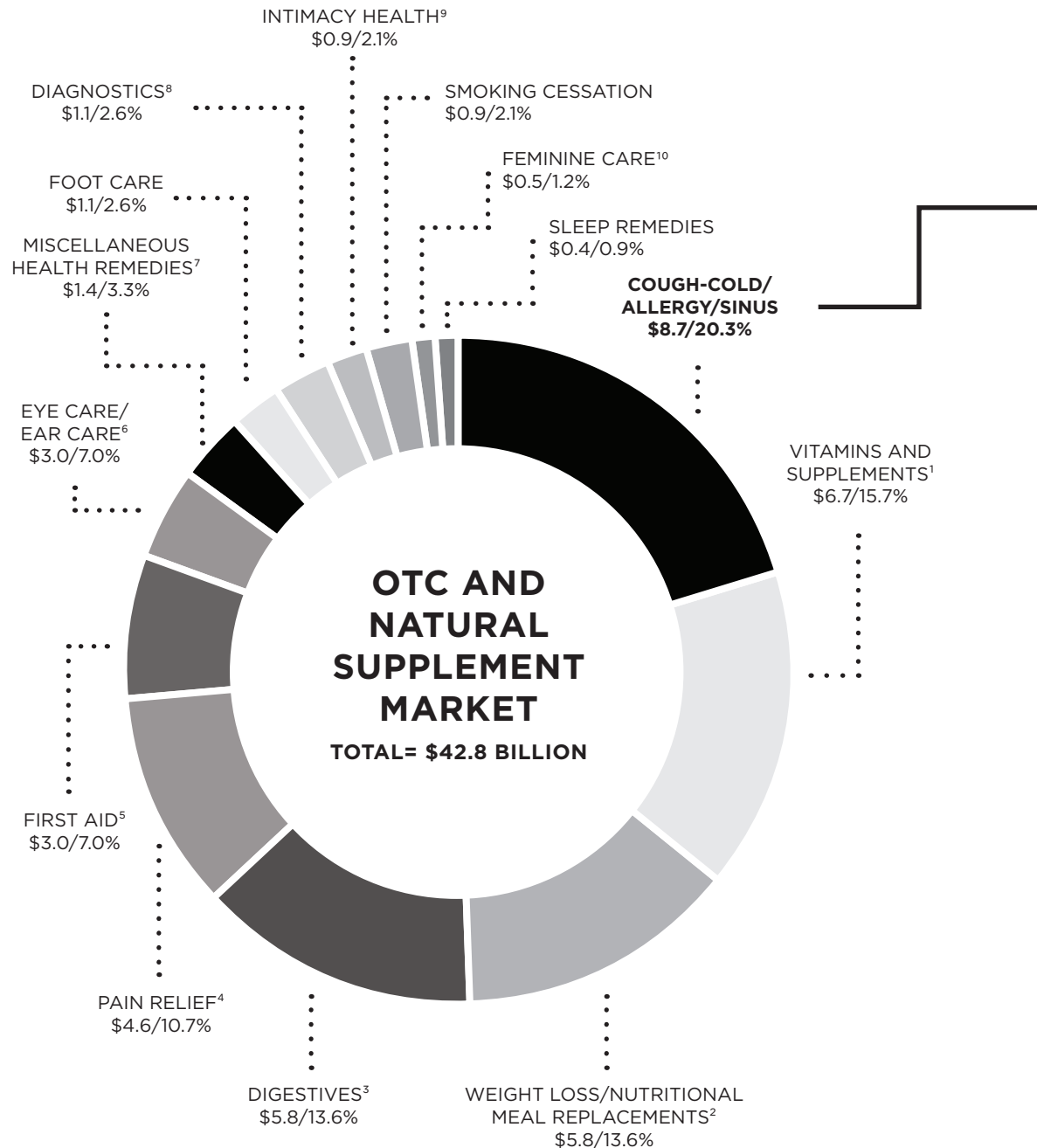


Cumulative Revenue FY18



# INNOVATION PIPELINE

# A DISRUPTIVE SOLUTION FOR THE US \$8 BILLION DECONGESTION MARKET



## MUTE 'CLEAR'

- Mute with added 'menthol/eucalypt' formulation
- Next generation multi formulation platform
- Delivers low dose, overnight nasal decongestant
- Disruptive innovation in a market Vicks has dominated for decades
- Class 1 product – regulatory process scoped
- Design finalised and production scoping underway

# A DISRUPTIVE SOLUTION FOR THE US \$3 BILLION AROMATHERAPY MARKET

## MUTE 'CALM'

- Mute with added 'lavender/chamomile' formulation
- Delivers low dose, overnight nasal relaxant to tackle anxiety and poor sleep maintenance
- Disruptive delivery technology in the aromatherapy market
- Class 1 product – regulatory process scoped
- Design finalised and production scoping underway



# SOLVING A BILLION DOLLAR PROBLEM IN THE GLOBAL SLEEP APNEA MARKET

Obstructive Sleep Apnea affects millions of patients.

Market is hampered by three key problems:

## 1. Lack of early diagnosis

- 80% of people with Sleep Apnea remain undiagnosed
- Lack of awareness and fear of existing therapies are preventing early identification and diagnosis

## 2. Poor compliance rates

- CPAP compliance and adherence rates are as low as 43% and less than 4 hrs a night

## 3. Therapy cost/value equation

- CPAP and MAD therapies are expensive - \$2000+





# INPEAP – A DISRUPTIVE, LOW INVASIVE SOLUTION FOR OBSTRUCTIVE SLEEP APNEA

- IntraNasal Expiratory Positive Airway Pressure (INPEAP)
- A new patented alternative to CPAP and mandibular advancement technologies
- Targeting the 70% of OSA patients with mild to moderate OSA - (AHI 14-29)
- Internal nasal delivery of Positive Expiratory Airway Pressure to keep airway open during sleep
- Low invasive solution when compared to CPAP and Oral devices
- Successfully completed Phase 1 trial showing:
  - Nasally delivered EPAP
  - Well tolerated, 73% compliance
  - Program derisked through the growing acceptance of Mute



**NASALLY DELIVERED MEDICAL CANNABIS**



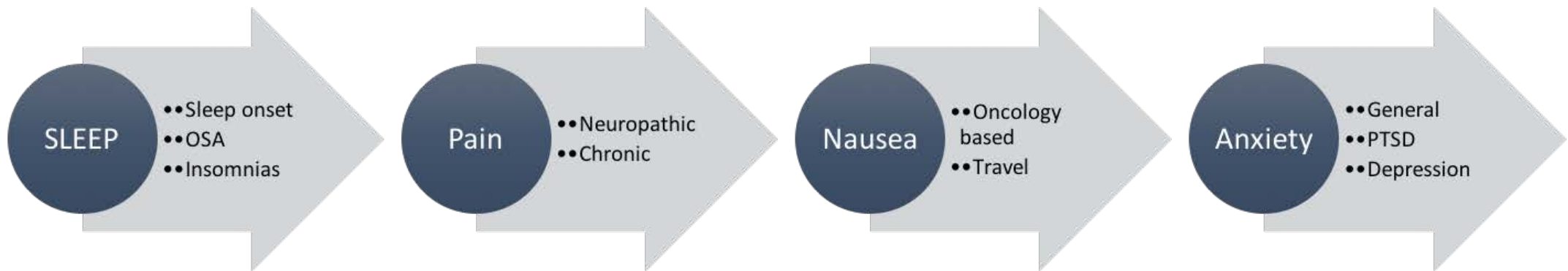
# US CANNABIS MARKET IS GROWING RAPIDLY

**U.S. Cannabis Retail Sales Estimates: 2017 - 2022**  
(In Billions Of U.S. Dollars)



# OPPORTUNITY FOR HIGH MARGIN/UNIQUE DELIVERY METHODS

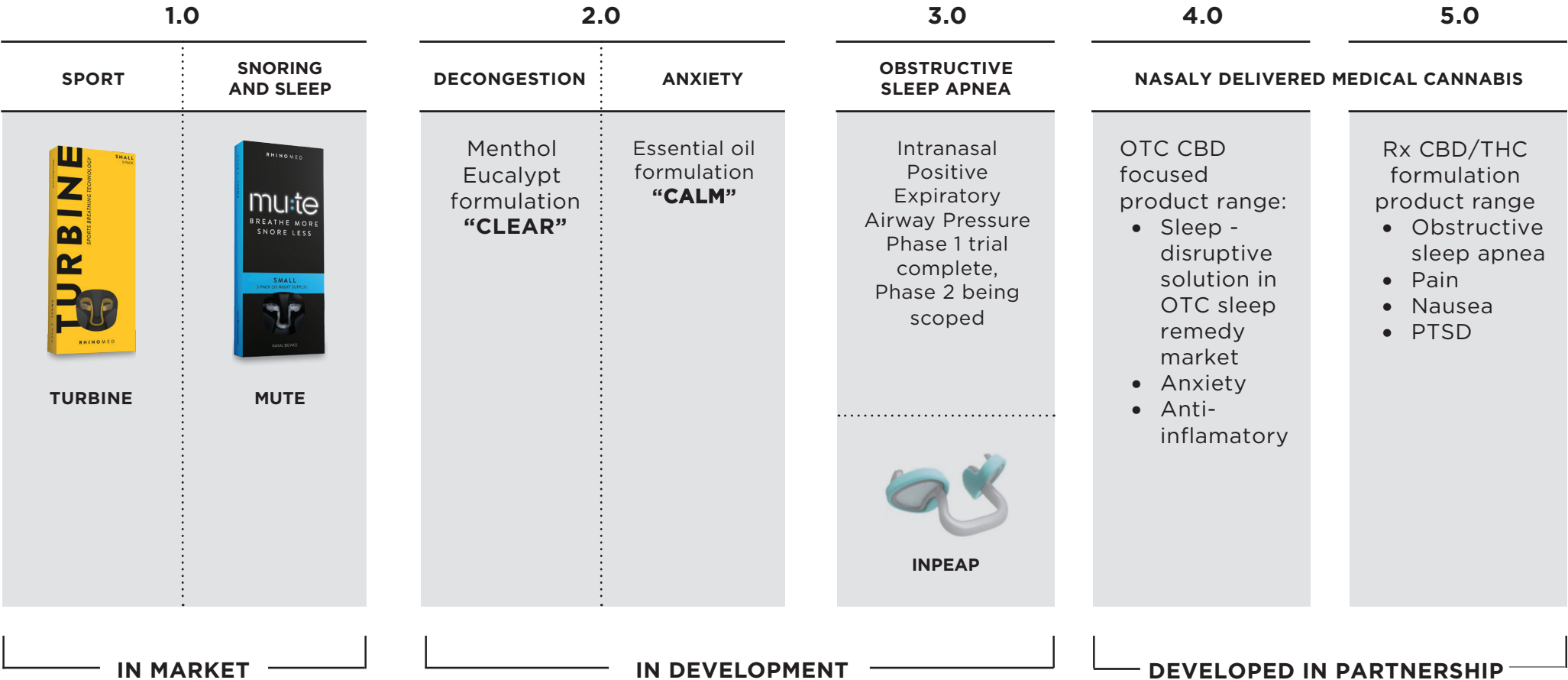
- A novel and patented drug delivery platform providing unique patients benefits, superior user experience and powerful product differentiation:
  - Low/micro dosing
  - Controlled or sustained 2-8hr release and/or quick onset
  - Instant removal in case of side effect
  - Multiple deliverable modes and dosage options ( trans-dermal/inhaled/transmucosal)
  - Innovative platform for multiple formulation targets
  - Existing solutions significantly de-risk acceptance driving strong compliance



# WHY MEDICAL CANNABIS? LEVERAGING RHINOMED'S GLOBAL SLEEP FRANCHISE

- Tens of thousands of people already using Mute to assist with sleep and respiration.
- Mute is already used as a companion therapy for OSA - relieving nasal obstruction for CPAP and oral device patients
- Recent USA study showed that an oral version of Dronabinol (Delta 9-THC) has some potential application in OSA - Cannabinoid receptor agonist
- Reduces apnea by acting on spinal ganglia controlling muscle tone in throat
- Statistically significant improvement in Primary Outcomes including lowering AHI, reducing daytime sleepiness and improving patient satisfaction
- Key challenge - finding a a reliable and acceptable targetted delivery system.
- Rhinomed's technology is an ideal candidate for delivering medication into the upper airway - in situ delivery
- Multiple delivery modalities possible - inhaled vapor, trans dermal, transmucosal
- Controlled dosing and controlled release opportunities

# RHINOMED'S COMPELLING PORTFOLIO OF HIGH VALUE TECHNOLOGY



# WHO IS RHINOMED

## GLOBALLY EXPERIENCED BOARD OF DIRECTORS

Mr Ron Dewhurst -  
Chairman

Previously Head of Americas JP  
Morgan Asset Management, EVP  
Head of Global Investment  
Managers Legg Mason Inc, CEO  
IOOF Holdings Ltd. Currently  
Director OneVue Ltd, Sprott Inc.

Mr Michael Johnson –  
CEO and Managing Director

CEO and MD since February 2013,  
Director Cogentum Advisory,  
Previously Director Cetus Energy,  
Principal Strategyn

Mr Brent Scrimshaw -  
Non Exec Director

Previously VP & CEO Nike Western  
Europe, VP & CMO Nike Europe,  
Middle East & Africa, GM Nike USA  
(East), CMO Nike Australia and NZ.  
Currently Non Exec Director  
Catapult Ltd (ASX: CAT) Katmandu  
(ASX:KMD)

Dr Eric Knight -  
Non Exec Director

Previously Lawyer Baker  
McKenzie, Consultant Boston  
Consulting Group. Currently  
Strategy Professor & Pro-Vice-  
Chancellor University of Sydney

## FY18 Financial Position

Recognised Revenue - \$2.13m  
Invoiced Revenue - \$3.17m  
Units Shipped FY18 - 202,000  
Cash on hand (30 June) - \$1.26m  
Strong Gross Margins

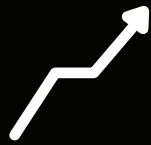
## Capital Structure

Top 20 - 62%  
Market Cap - approx A\$20m  
Shares on issues - 117m

## ASX:RNO



# INVESTMENT PROPOSITION



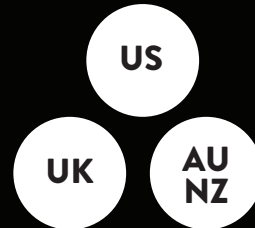
## MARKET

- Compelling technology in a growing global market
- Compelling innovation Pipeline.



## DISTRIBUTION

Business is rapidly expanding the revenue base through a global distribution footprint



## KEY FOCUS

- USA & CANADA
- UK
- Aust/NZ Base



## NEAR-TERM NEWS FLOW

- Growing number of distributors
- Partnership opportunities in the American Medical Cannabis market



## COMPELLING INVESTMENT COMPARATOR

- Breathe Right™ Strips - Peak revenues of approximately US \$150m
- Purchased by GSK -US \$566m in 2007

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