

# **RHINOMED LIMITED**

## **A YEAR OF TRANSFORMATION**

ANNUAL GENERAL MEETING - MCG, OCTOBER 29, 2014

This presentation contains forward-looking statements that are subject to risks and uncertainties. Such statements involve known and unknown risks that may cause the actual results, performance or achievements of RhinoMed Ltd to be materially different from the statements in this presentation.

Actual results could differ materially depending on factors such as the availability of resources, the results of clinical studies, the timing and effects of regulatory actions, the strength of competition and the effectiveness of the Company's patent protection.

## A TURNAROUND TO **REVENUES**

- From a pre revenue company to one that is delivering repeatable revenues.
- Committed to achieving our goals through relentless innovation and the objective of being a world leader in respiratory and nasal drug delivery technologies.
- Evidence of success in the form of revenues and the adoption of the technology by the world's best athletes and growing number of customers and supported by respected distributors and retailers globally.
- A strong balance sheet that will allow the company to meet its strategic goals:
  - Driving the sport business to a break even position in 2015
  - Launching a radical new version of the Turbine in early 2015
  - Launching the inaugural snoring technology in late 2014
  - Delivering the pilot study for mild to moderate OSA in the first half of 2014
  - Completing the bioequivalence trial for Rhinotriptan in 2015

## FY14 HIGHLIGHTS

- Lock in of quality suppliers and manufacturing partners
- Move from pre-revenues to early revenues
- Development of Turbine brand
- Launch of Turbine in Jan '14
- FY Turbine revenue of \$300k
- Significant investment in reestablishing IP position for both Vibrovein and BreathAssist assets
- Investment in brand, marketing and sales resources
- Reestablishment of Vibrovein as a viable asset for the company.
- Sell down of holding in Imugene (ASX: IMU)
- Recruitment of highly experienced and well credentialed directors, advisors and employees
- Achievement of key milestones
  - Launch of Turbine
  - Development of snoring product
  - Establishment of drug delivery program
  - Establishment of Sleep Aponea program
  - Recapitalisation and strengthening of the balance sheet

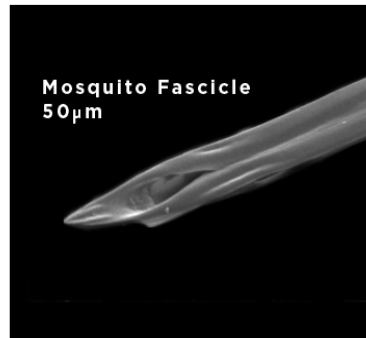
# VIBROVEIN

# RADICAL INNOVATION IN THE HYPERDERMIC SYRINGE MARKET

- Basic design of the hypodermic needle has essentially remained unchanged for the past 150 years.
- The MARXMAN™ is a new syringe leur lock with micro-motor and supporting calibration system, designed to add energy to the standard needle causing it to vibrate laterally, reducing pain significantly and increasing accuracy at targeting the vein.
- Applications in cosmetic surgery and fillers market (botox, varicose veins etc), vaccines and highly viscose liquids
- The MARXMAN™ educates the syringe and calibrates itself to a personalized frequency using individual patient data including:
  - Age
  - Sex
  - Skin Type
  - Hypodermic Needle – Gauge and Length
  - Viscosity

## MARXMAN® READY FOR DIVESTMENT

- New PCT application deemed novel
- Completion of Marxman 1.0 working prototype including App based control system.
- Repositioning of technology into a fully integrated personalized medical device
- Presentation at Global Phlebology conference in Sydney in July 2014



## **ATTRACTED A STRONG BOARD & MANAGEMENT TEAM**

**MICHAEL JOHNSON**  
CEO

Michael joined the company as CEO and Executive Director in February 2013. Michael has more than 24 years of experience in management, marketing and strategy development spanning the consumer products, medical technology and cleantech industries.

**MARTIN ROGERS**  
Chairman

Martin is a successful start up investor and company director. He has experience in all aspects of financial, strategy and operational management and has helped raise over \$100m cash equity. Martin is a director of Cellmid (ASX: CDY) and Chairman of Oncosil Medical (ASX: OSL)

**BRENT SCRIMSHAW**  
Non Executive Director

Brent is the former Vice President and Chief Executive – Western Europe of Nike Inc. During his 16 year tenure at Nike, Brent was also Regional General Manager USA, Regional Marketing Director EMEA. He is currently the CEO and co-founder of Unscript'd and a director of Fox Head Inc.

**DR ERIC KNIGHT**  
Non Executive Director

Eric is a strategy advisor with extensive experience in the innovation and technology. A former consultant with Boston Consulting Group Eric is currently Senior lecturer at University of Sydney Business School

## **AND SCIENTIFIC ADVISORY PANEL**

**DR MARTIN CROSS**  
PhD, BSc

Current Chairman Medicines Australia, Former Managing Director Australia Alphapharm (a Mylan Company), Managing Director and Country Vice President Australia and New Zealand Novartis

**DR PAUL MACLEMAN**  
BBVSc MBA

Managing Director of IDT Australia, Former CEO Genetic Technologies, Former MD of Hatchtech

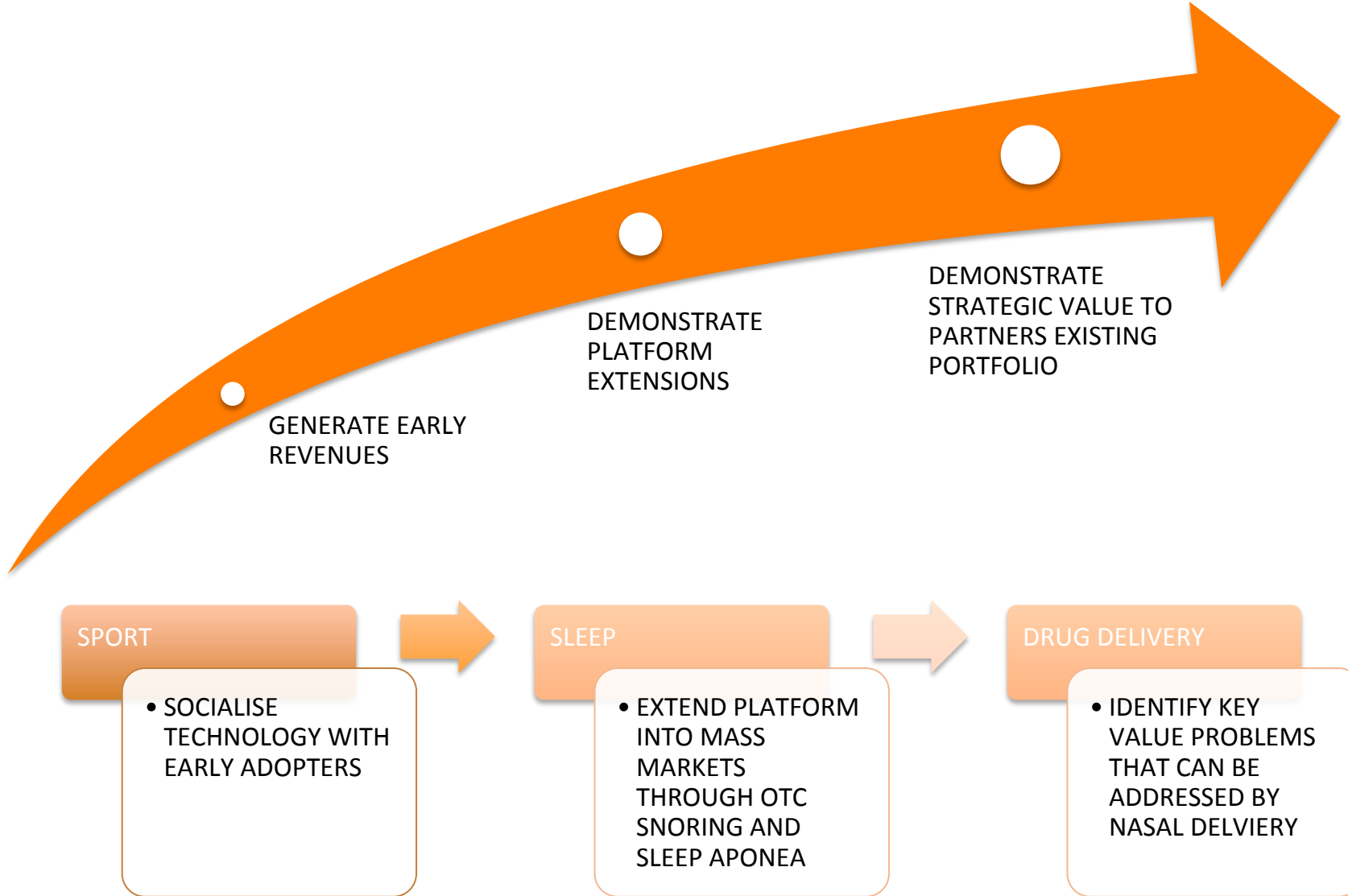
**DR MITCHELL  
ANDERSON**  
MBBS, B Physio (Hons)  
B.Sci (Hons)

Sports Physician and founder at Shinbone medical,, Melbourne Professional Triathlete having completed over 30 triathlons and ironman races. 8 times Hawaiian Ironman with a top finish of 11<sup>th</sup>.

# BREATHESASSIST PLATFORM

**RADICALLY** IMPROVE THE WAY  
YOU BREATHE,  
SLEEP,  
MAINTAIN YOUR HEALTH  
AND TAKE MEDICATION.

# INCREASE VALUE BY PROVING COMMERCIAL VALUE



# TACKLING THE **BIGGEST CHALLENGES IN HEALTH**

## **1. Sedentary behavior**

According to the Nike [Designed to Move](#) report

- The top 10 killers in the 50 highest-income countries are all connected to physical inactivity.
- More deaths are now attributed to physical inactivity than smoking (5.3 million vs. 5 million respectively).
- The global cost of the five leading non-communicable diseases totaled \$6.2 trillion in 2010, all linked to physical inactivity

## **2. Medical Compliance**

According to the Council for Affordable Healthcare (CAHC) ([www.cahi.org](http://www.cahi.org)) a lack of medical adherence in the USA leads to:

- 125,000 deaths per year,
- \$290 billion in annual costs, and
- Accounts for 69% of all medical-related hospital admittance.

RHINOMED's technology solutions and go to market strategy seek to resolve these issues

## RHINOMED'S **MARKET ENTRY STRATEGY**

*Sport empowers people, engages people and involves people in a way that very few other activities in life can.*

We use sport to inform and engage people about their breathing during sport and exercise, and leverage this to engage in discussion about how they breathe at night.

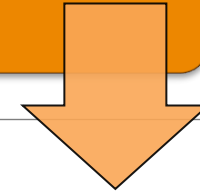
By socializing the technology in these forums we systematically improve the acceptance and adoption of the technology and will *radically improve the adherence levels in a clinical setting.*

*Our philosophy is to use Australia as a test market, an incubator, where we develop technology which, once proven, we will take to global markets*

## TECHNOLOGY ROLL OUT

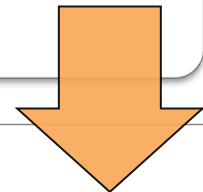
### **SPORT – IN MARKET**

- Establish premium Brand, create early revenues & socialise mass market with nasal device



### **OTC SLEEP – LAUNCH LATE 2014**

- Address significant unmet needs and dissatisfaction with existing solutions in a growth market



### **CLINICAL PROGRAMS- IN DEVELOPMENT**

- Improve efficacy and compliance issues with existing solutions in competitive markets in both sleep apnoea and drug delivery

## PROGRESS & MILESTONES BY BUSINESS UNIT

### SPORT – IN MARKET

#### In-market achievements

- ✓ Launch – Jan 2014
- ✓ Ridewiser Trial Validation
- ✓ First Sales

#### In-market milestones

July – December 2014

- ✓ Australian Distribution
- ✓ Brand awareness FB - 18K+
- ✓ US Market entry

#### In-market milestones

January – July 2015

- Int’nl Dsn agreements
- Clinical Program results
- Business Unit BreakEven

### SLEEP – IN DEVELOPMENT

#### Development achievements

- ✓ Snoring design complete
- ✓ Snoring Tooling complete
- ✓ User trial planned
- ✓ KOL program underway

#### In Market milestones

July – December 2014

- ✓ Snoring User Trial Results
- ✓ Brand Launch
- ✓ SDB Trial commences

#### In-market milestones –

January – July 2015

- Snoring Product Distribution Agreements
- SDB trial results

### DRUG DELIVERY– IN DEVELOPMENT

#### Development achievements

- ✓ Target API – Sumatriptan
- ✓ Development partners
- ✓ Trial Design

#### Development milestones –

July – December

- ✓ Commence Development
- ✓ Establish KOL and SAB
- ✓ Commence Trial

#### Partnership milestones –

January- July 2015

- P1 Trial Results
- Commence Partnering activities

# SPORT

EVER BEEN  
OUT OF BREATH?

# THE SECRET TO EASIER BREATHING IS RIGHT UNDER YOUR NOSE.

**TURBINE**  
MAKE EVERY BREATH COUNT



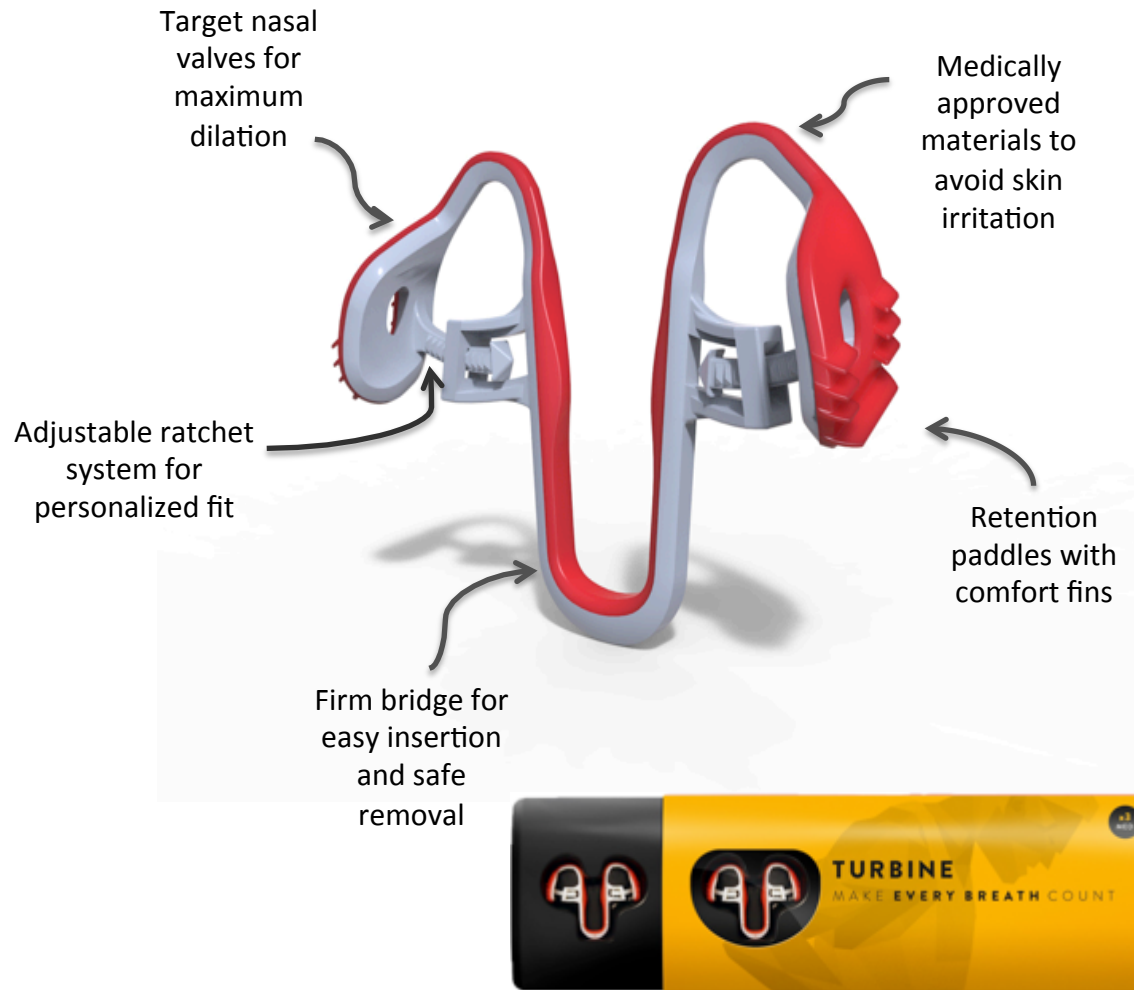
The challenge of pushing yourself further has always been right in front of you. Until now. Introducing Turbine, technology that can allow you to inhale 80% more air, giving you 60% more power when you need it most. So the next time you exercise, breathe easy with the Turbine.

**CATCH YOUR BREATH AT [THETURBINE.COM](http://theturbine.com)**

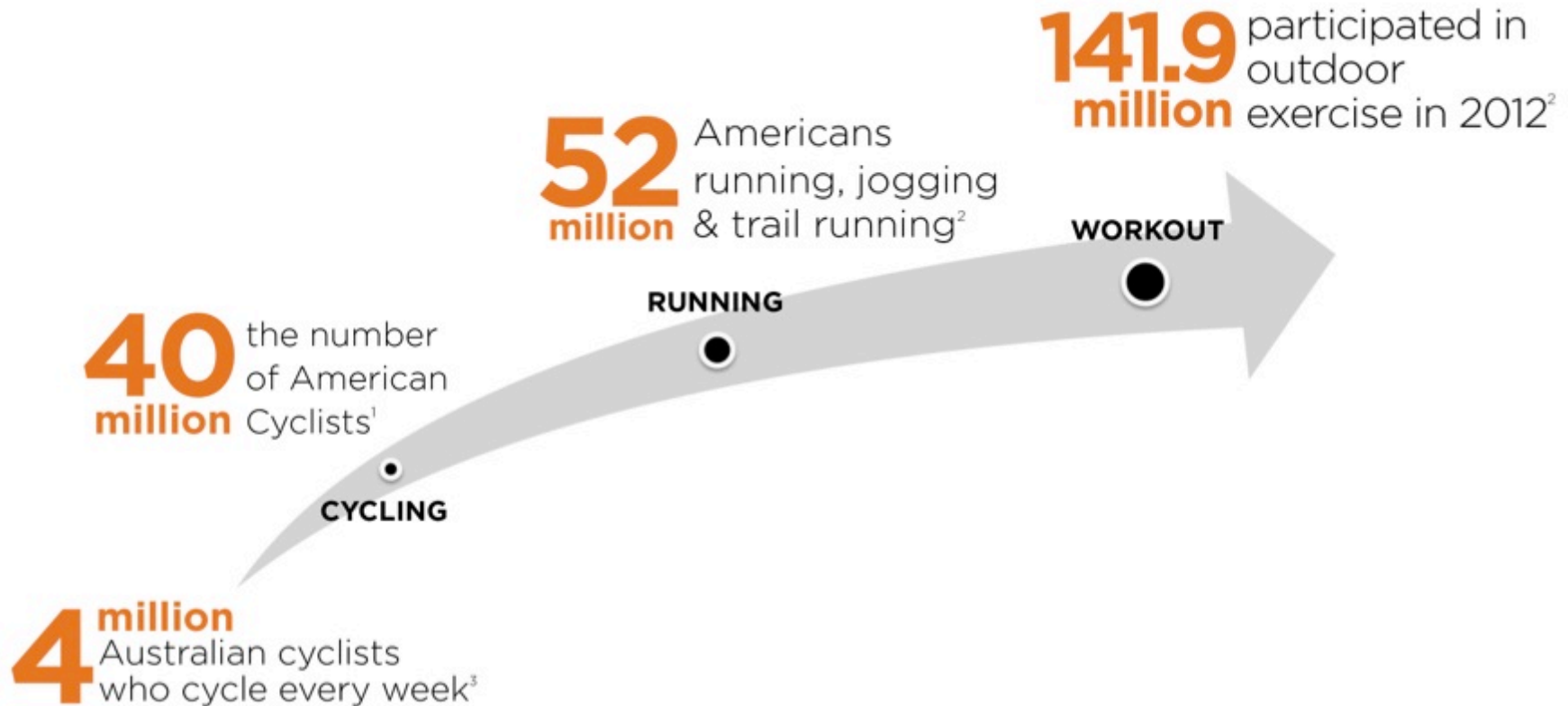


## FEATURES & BENEFITS

- ◉ Turbine 1.0 launched late January
- ◉ Clinically proven more airflow – evidence of improved performance
- ◉ Now shipping to over 36 countries
- ◉ Rapidly increasing distribution footprint
- ◉ High margins locked in



## NOW ATTACKING THE GLOBAL MARKET OPPORTUNITY



<sup>1</sup> National Sporting Goods Association 2011

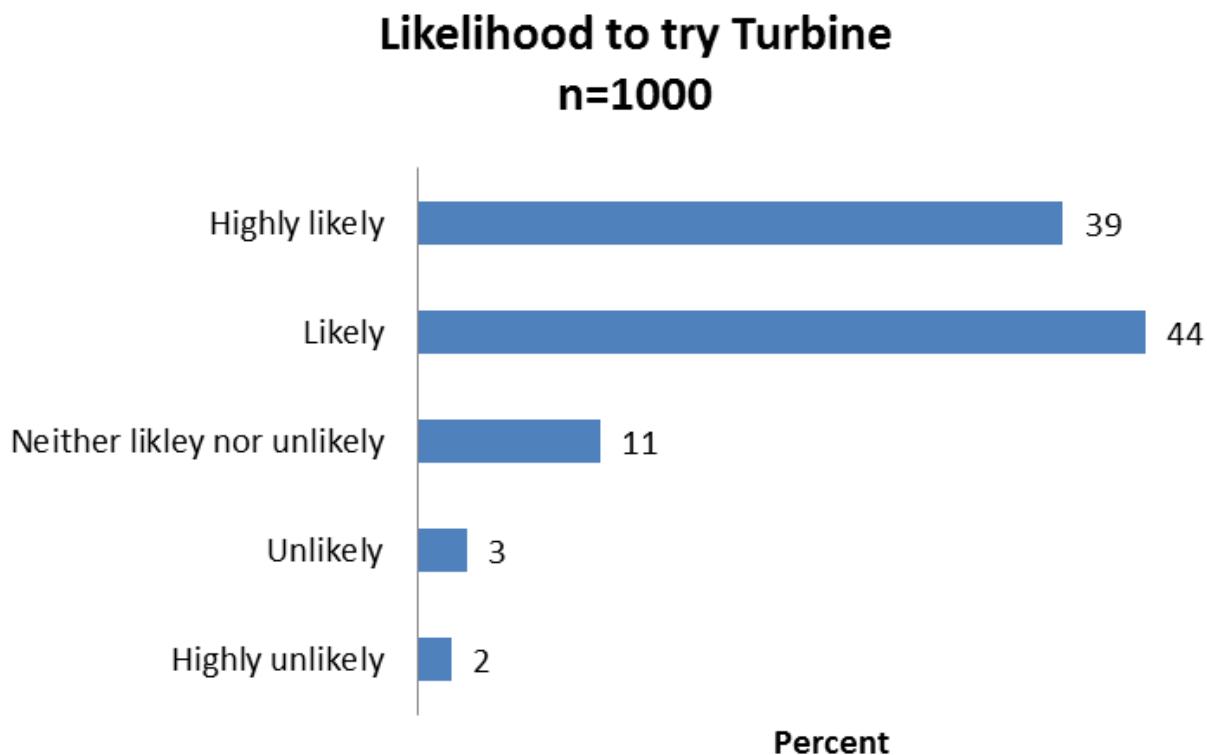
<sup>2</sup> American Outdoor Foundation 2012

<sup>3</sup> AustRoads & the Australian Bicycle Council 2011

## US MARKET RESEARCH **VALIDATES OPPORTUNITY**

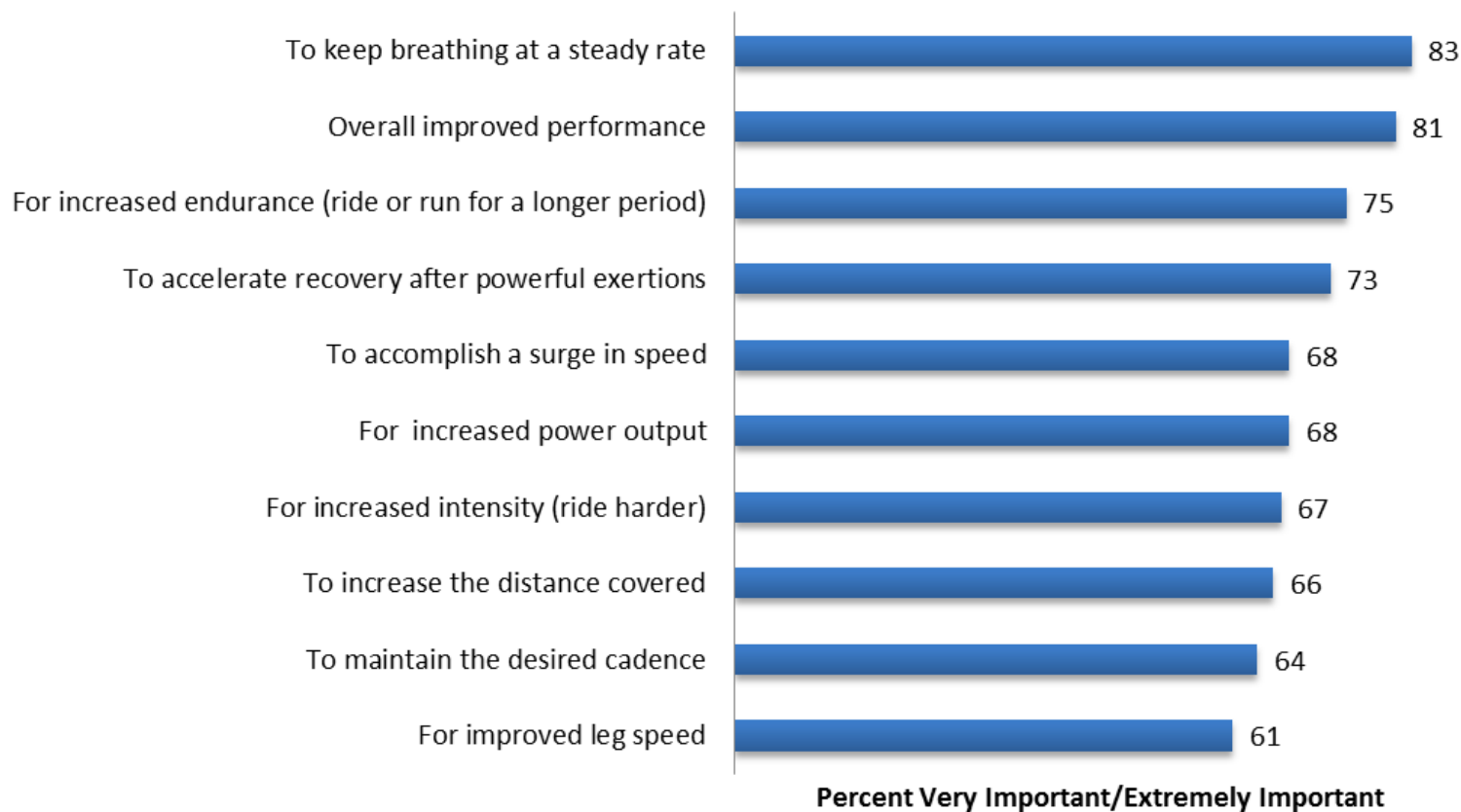
- N=1000 cyclists, triathletes and runners
- Both male and female, 18 -55 years old
- Train more than 8 hours per week
- 83% of participants likely or very likely to trial Turbine
- 78% believe Turbine will make breathing easier during strenuous activity
- 76% focus on breathing through the nose during their sporting activities
- Two thirds will source online

## 83% OF ATHLETES ARE LIKELY OR VERY LIKELY TO TRY



# THE IMPORTANCE OF BREATHING IS WELL RECOGNISED

## Importance of breathing efficiently to performance n=1000





Turbine was registered with  
FDA in July.

## EVIDENCE OF SUCCESS



- Site views: 59,872
- Database: 17,363
- Facebook likes: 30,012
- Expos this year in US, Netherlands, Japan, South Africa, Columbia



## DISTRIBUTION AS AT AUGUST 2014



## DISTRIBUTION AS AT OCTOBER 2014



- NINE COUNTRIES SIGNED ALREADY
- 13 COUNTRIES BY CHRISTMAS

## BUILDING ON EARLY SUCCESS – **TURBINE 2.0**

### Turbine development program

- Identification of several ‘new’ opportunities:
  - Ability to stay in even under duress/percussive activity
  - Respond to increased nasal secretions (runny and blocked noses)
  - Improve data and evidence set associated with performance

### Result Turbine 2.0

- New design
- New materials
- New data
  - Performance claims supported by independent trial being run at Murdoch University (WA) School of Exercise Science (late 2014)
- Shipping late January 2015

*The customers we are gaining in sport are the same customers we are targeting for.....*

SLEEP

# LEVERAGE AWARENESS IN SPORT - ENTER & GROW IN SLEEP MARKET



# OTC SNORING

## CREATING DISRUPTIVE BRAND BY LEVERAGING ACCEPTANCE OF THE TURBINE



## **INTRODUCING A RADICAL** NEW TECHNOLOGY

Designed specifically for long term night time use:

- Will stay comfortably in the nose for up to ten hours
- Dilates each nostril independently delivering greater efficacy and improved fit and feel
- Specially selected recipe of materials that will improve comfort on nasal surface and reduce likelihood of irritation
- Structurally refined to increase airflow in and reduce resistance when breathing out
- Unlike other solutions needs to be discrete





## A RADICAL TECHNOLOGY NEEDS A **DISTINCTIVE BRAND**

- Clear opportunity to own the category
- Market research identified a lack of voice and a uniformity within the market
  - BreathRight
  - SnoreStop
  - StopSnore
  - SnorEnz
  - SnoreMate
  - No Snore
  - Assure
  - Nozovent
  - AntiSnore
  - Snoreclipse
  - Silence
  - Air
  - SnoreEze
  - Brez
  - MediSnore
  - SnoreZip
  - NasiVent
  - SnoreEase
  - TheraVent
- We need a brand that will clearly stand out, clearly articulate what the technology does AND allow engagement and conversation

THAT WILL CUT THROUGH IN A VERY CROWDED MARKET



## **VALIDATED THE BRAND AND TECHNOLOGY WITH THE TARGET MARKET**

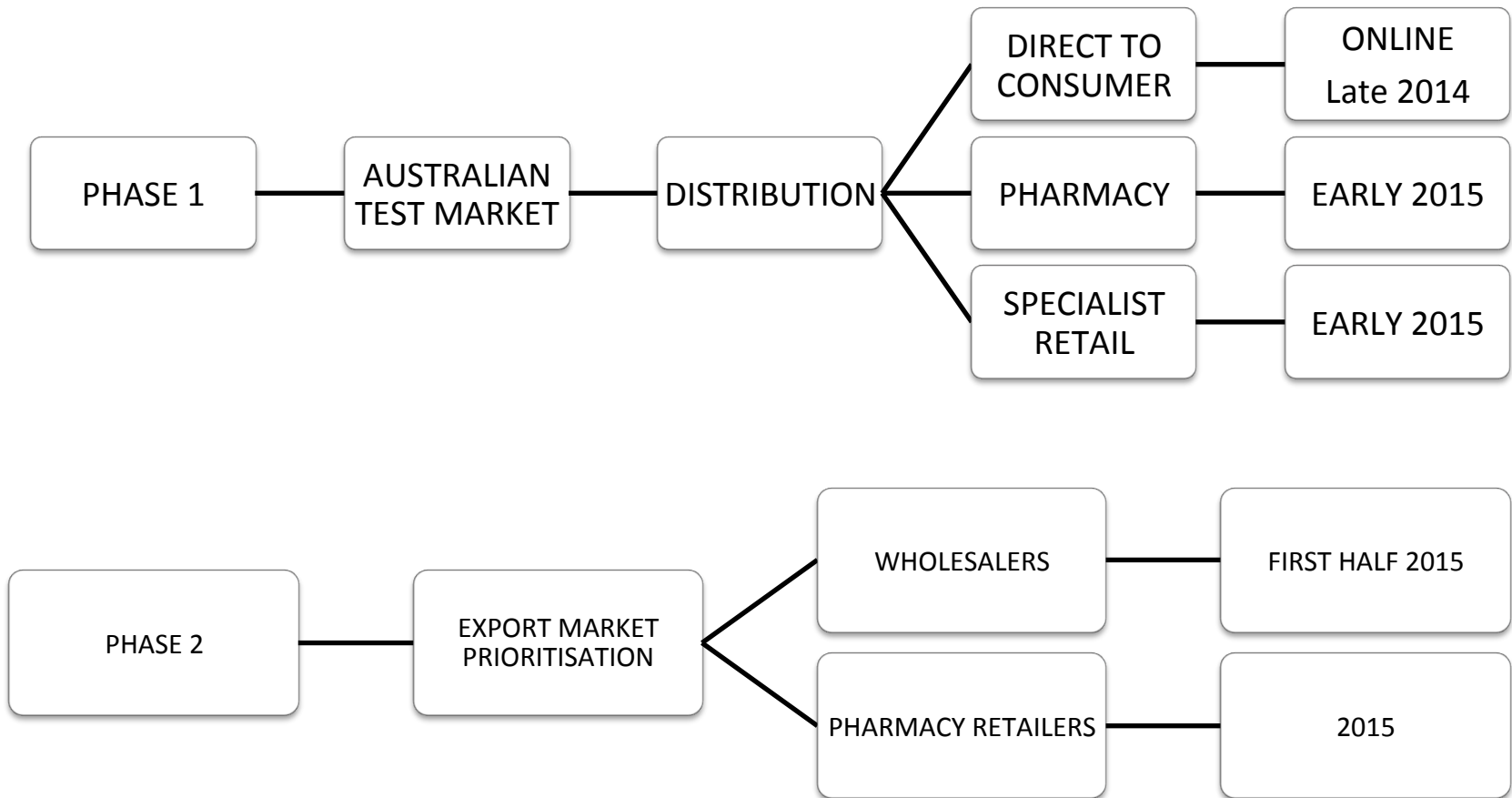
Carried out:

- Focus groups testing response to brand
- In-depth interviews with Doctors
- About to commence 130 person trial testing response of users and partners

Key Conclusions:

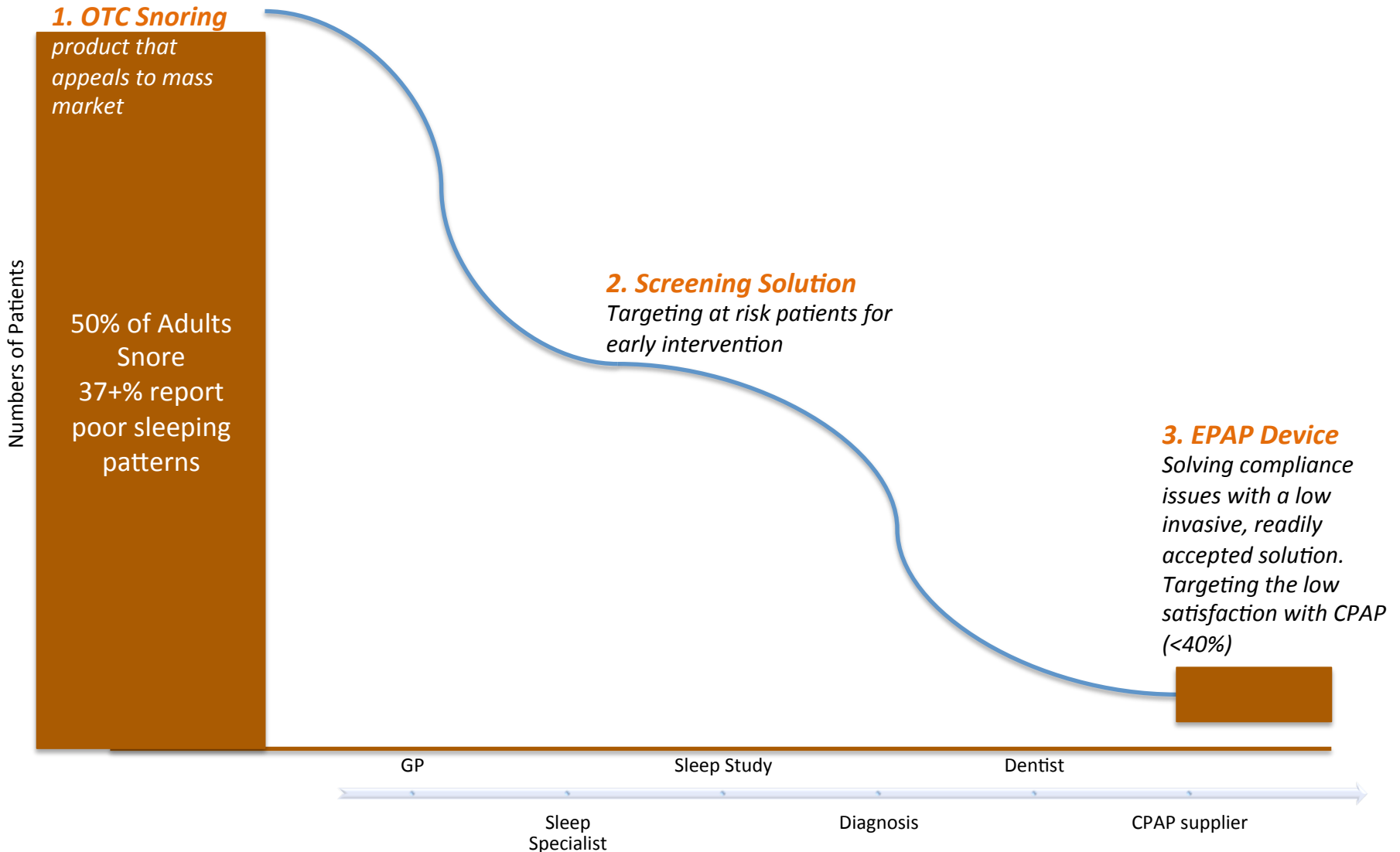
- Snorer is oblivious
- Snoring and sleep deprivation takes a physical/emotional toll on partners
- Opportunity to own the conversation around snoring
- Partners uses words like “liberated” “refreshed” and “heaven” to describe how they would feel if their partners didn’t snore.
- Reaction to brand from users, partners and doctors was overwhelmingly positive. A brand that would stand out and ‘facilitate conversation’

## INCREMENTAL **GO TO MARKET STRATEGY**



# SLEEP DISORDERS

# RHINOMED TECHNOLOGY ROLL OUT



## SLEEP APONEA - SIGNIFICANT UNMET CLINICAL NEED

### Wisconsin Sleep Cohort Study (WSCS)

	Classification	%	US Pop'n Prevalence
FEMALE	MILD	9%	14 million
	SEVERE	4%	6.2 million
MALE	MILD	24%	36.8 million
	SEVERE	9%	13.8 million

- More prevalent in older populations
- 6.1 million Americans are currently being treated
- If all those being treated are classified as severe OSA - penetration rates is only 30.6%
- According to McKinsey & Co analysis (Harvard Medical School, 2010) the Annual total costs of OSA is \$165 billion

## SLEEP APNEA IS PREVELANT IN OTHER DISEASES

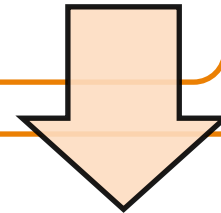
OSA prevalence in patients with other Diseases			
Disease	Prevalence of OSA	Author	Journal
Drug- resistant hypertension	83%	Logan et al	J Hypertension , 2001
Obesity	77%	O'Keefe & Patterson	Obes Surgery, 2004
Congestive Heart Failure	76%	Oldenburg et al	Eur J Heart Failure, 2007
Type 2 Diabetes	72%	Einhorn, et al	Endocrine Pac, 2007
Atrial Fibrillation	49%	Gami, et al	Circulation, 2004
All Hypertension	37%	Sjostrom, et al	Thorax, 2002
Coronary Artery Disease	30%	Schafer, et al	Cardiology, 1999

- Obesity, diabetes and OSA have a strong link.
- Obesity levels skyrocketing
  - US - 92 million
  - EU - 50 million

## EARLY MONETISATION FOLLOWED BY CLINICAL PROGRAM

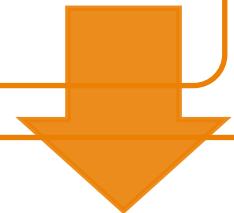
### OTC SNORING

- Validate through User Trials n=100
- September 2014
- Brand launch Nov 2014



### SLEEP QUALITY

- Addressing significant unmet needs in sleep quality
- Delivering solutions that encompass technology and service delivery
- Targeting institutions and individuals



### Sleep Apnea - Companion Therapy

- Clinical Program (Monash University-Melb)
  - Stand alone therapy
  - Companion therapy
- Trials run by Monash in early 2015
- Results mid/late 2015

*But there's something about these people you should know.  
They are also concerned about.....*

# WELLNESS

## IMPREGNATING FRAGRANCES INTO THE TECHNOLOGY

Olfactory pathway has been well recognized for its ability to significantly influence both physiology and mood.

### NASAL CONGESTION

Nasal Allergy - 2009 U.S.  
Market Size ~ \$2.2 billion  
Proprietary recipe of  
natural essential oils  
Decongestant  
Targeting use in sport  
and wellness

### ANXIETY AND SLEEP

Relaxation and sleep  
problems  
Spending on Sleep  
increased to US\$32  
Billion in 2012  
Between 2006-11 OTC  
Sleep aids grew by 31%  
Proprietary recipe of  
natural essential oils

### APPETITE SUPPRESSION

Weight management  
market  
Research and driven  
Direct to Consumer  
program  
Proprietary recipe of  
natural essential oils



## WEIGHT MANAGEMENT MARKET OPPORTUNITY

**\$66.5** billion  
2013  
US WEIGHT LOSS MARKET

Program will seek to utilise the technology to deliver specific fragrances that may be able to impact appetite

**108** million American dieters make  
4-5 attempts to lose  
weight each year

**2%** is the average loss of body weight  
simply by inhaling formulated scents  
without any changes diet or lifestyle

CURRENTLY DEVELOPING PRODUCTION PROCESS  
FOR DELIVERY OF FRAGRANCES

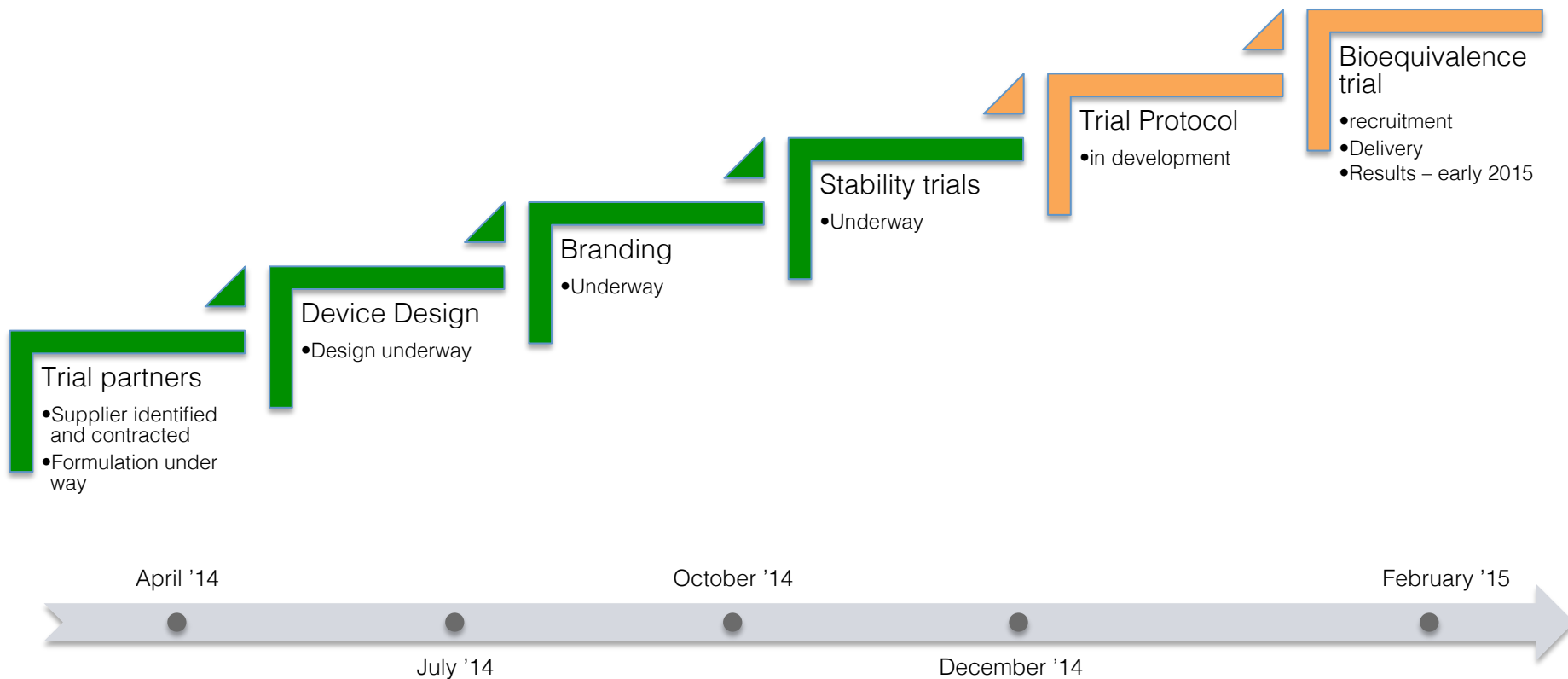
<sup>1</sup> Hirsch AR, Gomez R. Weight reduction through inhalation of odorants.  
Journal of Neurological and Orthopedic Medicine and Surgery 1995 16: 26-31

*But there's something about our customers that you should know. They take medication ....*

# DRUG DELIVERY

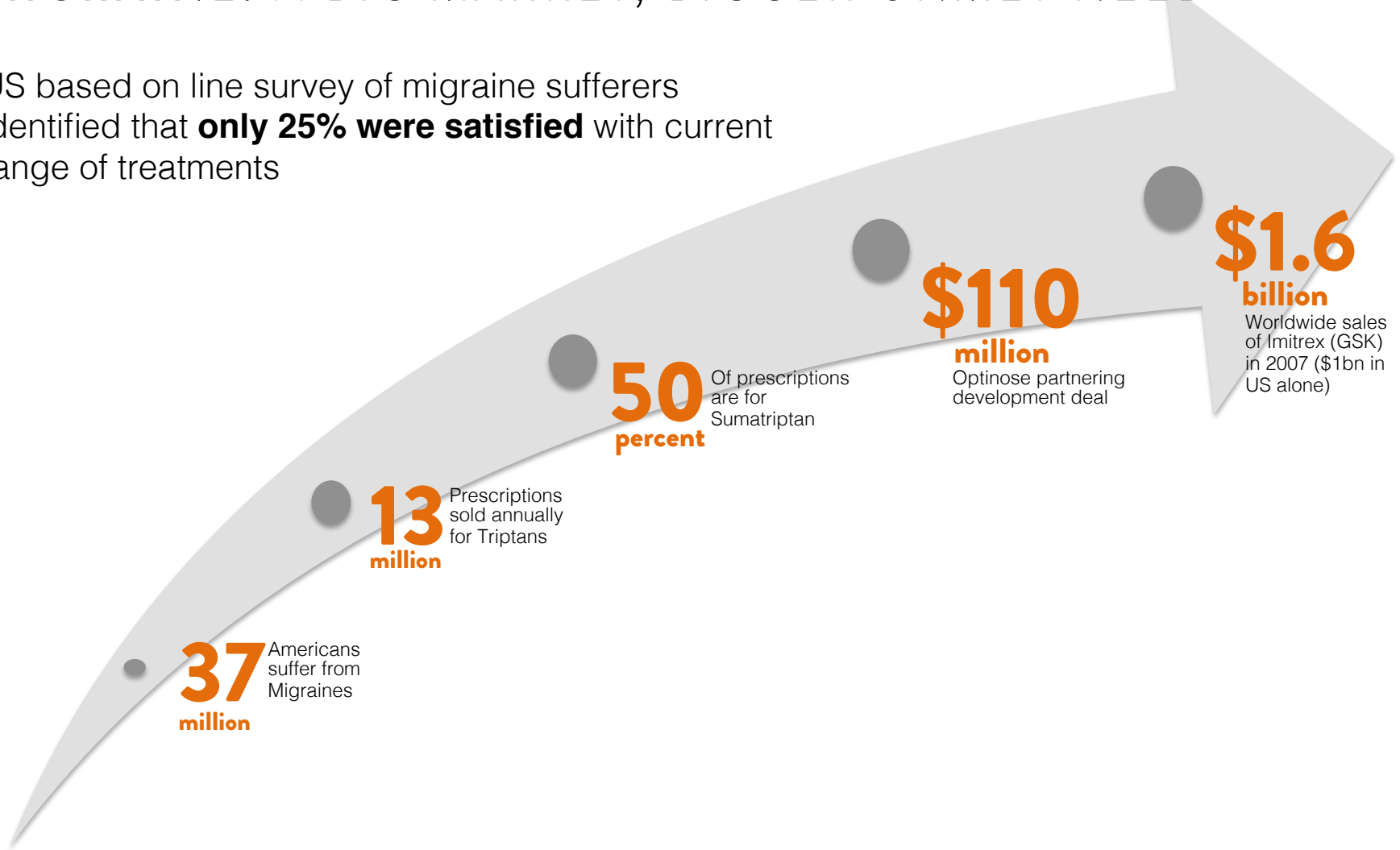
## DRUG DELIVERY PROGRAM

Proof of concept trial seeking to validate that the technology platform is a viable and commercially attractive proposition.



# MIGRAINE. A BIG MARKET, BIGGER UNMET NEED

US based on line survey of migraine sufferers identified that **only 25% were satisfied** with current range of treatments



## 2015 - 16 – **STRUCTURED FOR GROWTH**

- ⊙ Fully funded programs
- ⊙ Growing existing product lines and expanding global distribution footprint
  - ⊙ Sport – Turbine as premium brand and flag bearer
  - ⊙ Sleep – Global snoring market – establish category leader
- ⊙ Continue clinical development program in Sleep and Drug Delivery
  - ⊙ Sleep apnea and Sleep disordered breathing program
  - ⊙ Drug Delivery – Sumatriptan Proof of concept program
- ⊙ Leverage awareness and acceptance of technology platform to create clear space and market value

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