

A profile of a person's head is shown on the left side of the image, facing right. From the tip of the nose, a series of thin, blue, curved lines radiate outwards across the background, creating a sense of depth and movement. The background is a dark blue gradient with a fine, grid-like pattern of lines.

RHINOMED

FY20 H1 RESULTS PRESENTATION

ASX:RNO
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HIGHLIGHTS H1 FY20

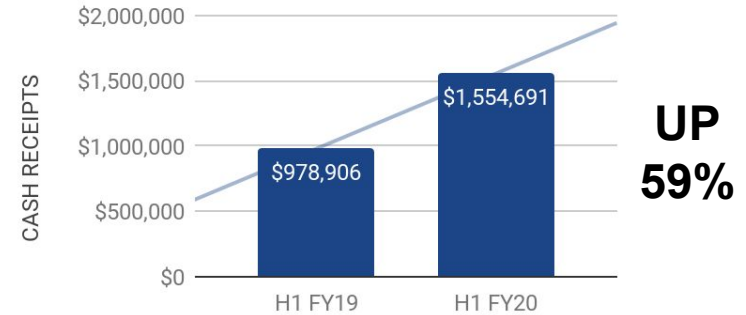
FY20 H1 HIGHLIGHTS

STRONG GROWTH MOMENTUM ACROSS ALL KEY METRICS

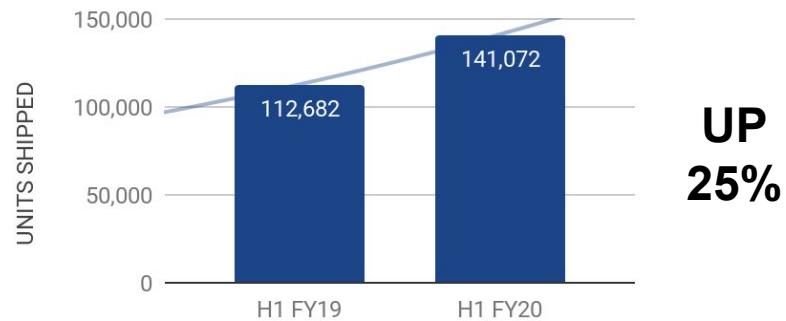
REVENUE



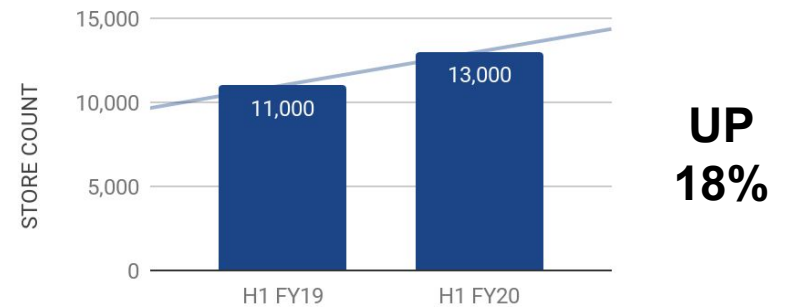
CASH RECEIPTS



UNITS SHIPPED



STORE COUNT



FY20 H1 HIGHLIGHTS

KEY TAKEAWAYS

Revenue up 24% year on year

- Record \$1.67m in Revenues in H1 FY20
- Deferred (unrecognised revenues) of \$945k expected to be recognised in second half FY20

Cash receipts up to \$1.55m

- Better collections program
- A/c receivables to \$544k
- Approx. 70% of business now originating from the USA

Record units shipped to customers

- 141,072 units shipped to customers in H1 FY20
- Strong growth from Walgreens, Amazon and Australian business
- Pipeline of 10,000+ new stores

US nasal strip market share jumps

- 79% jump in US based nasal strip market share
- Mute fastest growing brand in US nasal strip category (+62%) for 52 weeks ended January 2020

Investing in Success

- Increased investment in Marketing and Promotional programs in US - up to \$1.6m
- Operational Loss increases to \$3.8m, total loss of \$5.3m

Increased contribution of non cash items to loss

- Non cash share based payments of \$1.1m (20% contribution)
- Change to accounting standards treatment of leases

* Global Sleep Aids Market , Allied Market Research, October 2019

DELIVERING ON MAJOR PROGRAMS

NEAR TERM REVENUE ACCELERANTS

New Products

1. Pronto range successfully released to market
2. Pronto Sleep targeting rapidly growing sleep aid market
3. Pronto Clear targeting the cough, cold, allergy market



New Stores

1. Pronto Sleep now in approx 1,000 US Walgreens stores
2. US store Category reviews underway
3. Pipeline of approx 10,000+ US based stores expected to take Pronto Clear and Sleep and Mute in CY 2020

Walgreens

Medical Cannabis - Columbia Care program

1. Design adaptations complete
2. Formulation work complete
3. Device production underway
4. Delivery of first order to Columbia Care - late April 2020



DRIVING REVENUES THROUGH CATEGORY LEADING BRANDS

PRODUCTS ON MARKET DOUBLES IN H1 FY20



SPORT



SNORING

NEW IN H1 FY20



SLEEP



NASAL CONGESTION

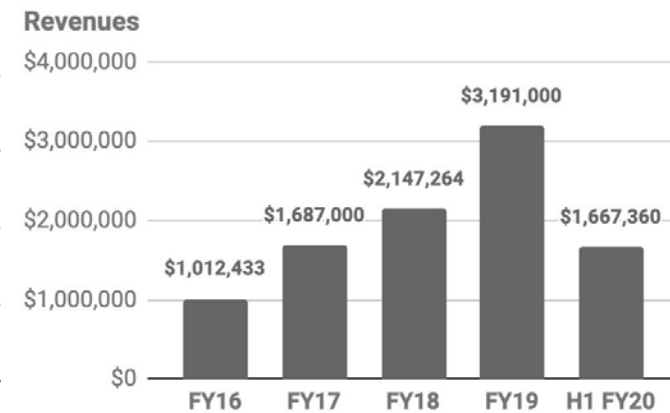
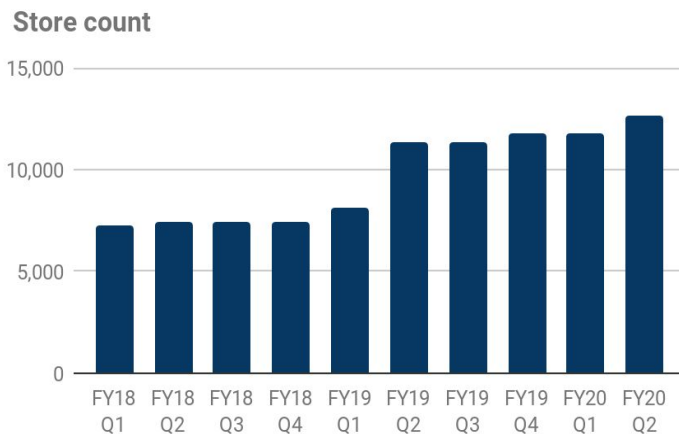


BUSINESS UPDATE

STAGE SET FOR GROWTH

NEW PRODUCTS, NEW STORES, REVENUE GROWTH

- Over the last 5 years Rhinomed has invested significantly in establishing global retail distribution both online (Amazon) and in UK, US, Canadian and Australian pharmacy and grocery retailers.
- A stronger second half of the year is expected driven by contribution from new products, the addition of new stores for Mute, Pronto Sleep and Pronto Clear and growing sell through on a same store basis.
- The release of the Columbia Care CBD products mid year are expected to contribute later in 2020



PRONTO SLEEP

DRIVING GROWTH IN GLOBAL OTC SLEEP CATEGORY



- On shelf in ~1,000 Walgreens stores from July 2019
- Targeting a presence 5,000+ stores globally 2020/21
- 70% Gross margins
- FDA, CE Mark and TGA Class 1 registration May 2019
- Proprietary essential oil formulation to aid with sleep
- Unique rechargeable pod delivering up to 10 nights of better sleep
- Strengthening Rhinomed presence in global Sleep category



PRONTO CLEAR

BRINGING INNOVATION TO GLOBAL DECONGESTION MARKET



- Released late 2019
- Targeting a presence 5,000+ stores globally 2020/21
- 70% Gross margins
- FDA, CE Mark and TGA Class 1 registration May 2019
- Proprietary nasal decongestion essential oil formulation
- Unique rechargeable pod delivering up to 10 nights of nasal relief
- Growing Rhinomed's presence in global nasal congestion market



NEW TECHNOLOGY APPLICATION

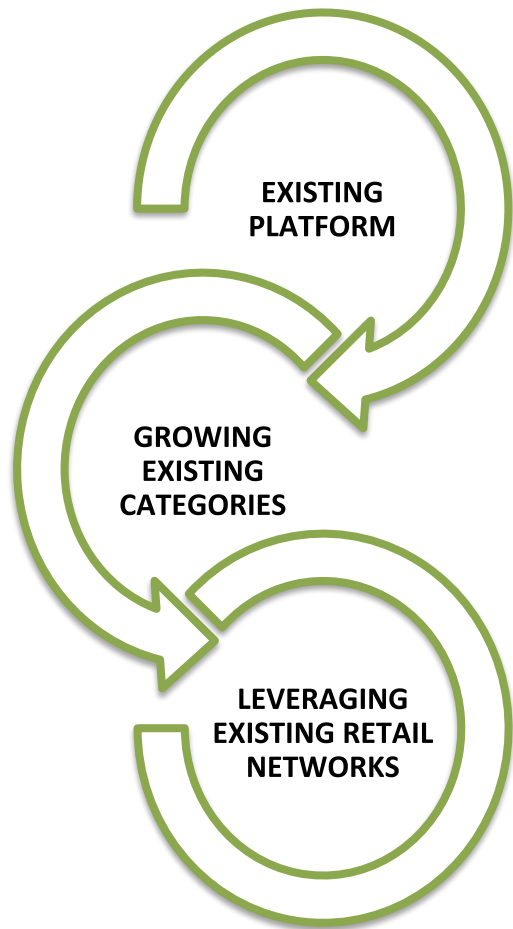
VOLATILE DRUG DELIVERY PLATFORM

- Delivery platform optimised for the delivery of volatile formulations
- Capable of being adapted to suit multiple OTC and prescription volatile drug formulations where nasal delivery is optimal
- Platform now being optimised for use in medical cannabis



CLEAR FOCUS ON GROWING OUR GLOBAL RETAIL NETWORK

LEVERAGING THE POWER OF THIS NETWORK WITH NEW PRODUCTS



- Presence in USA - 10,000+ stores; ROW - 2,000+ stores
- US pipeline of additional 10,000+ stores coming online in 2020/21
- Premium retail outlets:
 - Online - Amazon USA, UK and Australia
 - Drug Store/Pharmacy – Walgreens/ CVS/ RiteAid (USA), Boots (UK)
- Online – Hong Kong /China in 2021
- European market in 2022

MCKESSON
Empowering Healthcare

Sigma
Healthcare

symbion

Kroger

RITE
AID

Boots

AmerisourceBergen

CVS/pharmacy

LONDON
DRUGS

amazon

Walgreens

BED BATH &
BEYOND
Beyond any store of its kind.

FredMeyer.

Harrods

STOP&SHOP

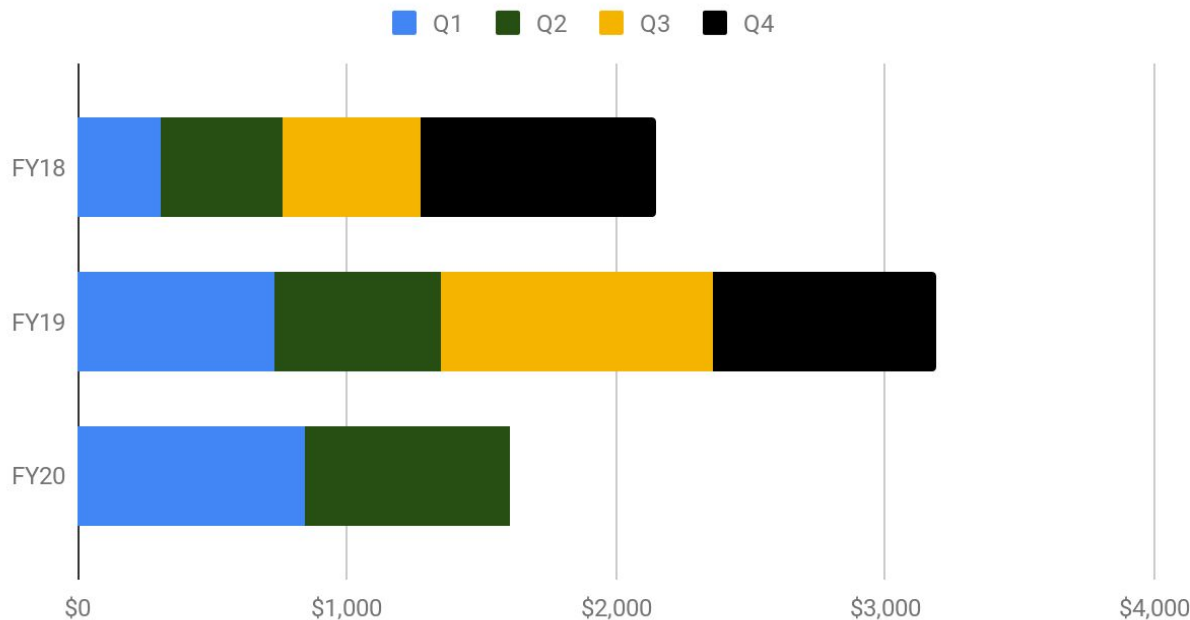
meijer

FINANCIALS

MOMENTUM BUILDING

SOLID GROWTH ACROSS ALL PERFORMANCE METRICS

Year on Year Quarterly Revenues



- The business has seen solid growth across all key metrics during H1 FY20:
 - Recognized Revenues - up 24%
 - Cash receipts - up 59%
 - Units shipped - up 25%
 - Strong growth from Amazon, Walgreens and Australian business
 - Gross Margins - stable
 - Accounts receivable - stable at \$543,711
 - Mute Market Share (US nasal strip Market) - up 79%
 - Pipeline of US based retail stores - 10,000+

H1 FY20

GROUP RESULTS

Income	\$1,667,360
Cost of Goods	(\$714,798)
Gross Profit	\$952,562
Employment expenses	(\$1,638,373)
Admin expenses	(\$907,656)
Marketing expenses	(\$1,683,108)
R&D	(\$100,869)
Other	(\$494,486)
	(\$4,824,492)
Operational loss	(\$3,871,930)
Other income	\$47,805
Non Cash Share Based payments	(\$1,183,400)
Depreciation and Amortisation	(\$290,885)
	(\$1,426,480)
Total loss	(\$5,298,410)

Investment:

- **Employment expenses:** (\$1.6m) reflecting increasing investment in US based staffing
- **Marketing Expenses:** (\$1.6m) reflecting increasing support for new store count and supporting program accompanying release of two new Pronto products

Other cost base movements:

- **Share based payment expenses** - reflects issuing of options with Exercise Price of 29c to board - this one off non cash item is a 20% contribution to reported loss
- **Depreciation and Amortisation** includes changes as a result of AASB 16 Accounting standards treatment of leases

STRONG BALANCE SHEET

Assets	
Current Assets	
Cash and equivalents	\$3,513,221
Trade and other receivables	\$543,711
Inventories	\$441,128
Other current Assets	\$196,007
Total Current Assets	\$4,694,067
Non Current Assets	
Financial Assets	\$133,023
Property, Plant, Equipment	\$773,957
Intangible assets	\$2,774,181
Total Non Current Assets	\$3,681,161
Total Assets	\$8,375,228

CASH RECEIPTS



Liabilities	
Current liabilities	
Trade and other payables	\$875,580
Deferred revenues	\$522,824
Other current liabilities	\$173,297
Total Current Liabilities	\$1,571,647
Non Current Liabilities	
Employee Benefit Obligations	\$63,289
Other non Current Liabilities	\$554,516
Total Non Current Liabilities	\$617,805
Total Liabilities	\$2,189,452
Net Assets	\$6,185,776
Equity	
Issued capital	\$64,927,255
Reserves	\$2,724,109
Accumulated Losses	\$61,465,588
Total Equity	\$6,185,776

- **Strong Cash position:** \$3.5m cash balance, \$543k in Accounts receivables, \$2m credit facility.
- **Inventories:** \$441k reflects building of stock levels prior to Chinese New year shut down. Refer to note on supply chain risk and coronavirus on slide 18.
- **Unrecognised deferred revenues -** \$522k of revenues expected to be recognised in coming quarters.

SUPPLY CHAIN MANAGEMENT AND CORONAVIRUS RISK

- Rhinomed manufacturers in an US FDA approved facility in Guangdong, China.
- Rhinomed traditionally increases stock levels in late December and early January, prior to the start of the Chinese New Year holidays (15th Jan - Feb 5th).
- This stock holding allows for both an increase in seasonal demand and the halt in production.
- As a result, Rhinomed has sufficient stock on hand in warehouses in Australia, the UK and the USA to respond to short and medium term demand.
- Due to the coronavirus outbreak the traditional closure of the China based production facility was extended until W/c 24th Feb.
- The facility has now reopened and production has commenced.
- Rhinomed has open production orders for Mute, the Columbia Care device and Turbine.
- All production orders should be complete by late April.
- Rhinomed has been working closely with our Chinese production partner and our retail partners to ensure no interruption to our global supply chain.

STRATEGY

RHINOMED

PATENTED TECHNOLOGY, POSITIONED FOR GROWTH

Rhinomed is experiencing rapid growth:

- Targeting large addressable global markets in sport, sleep, respiration, anxiety and medical cannabis
- Patented technology platform - 60+ patents, 57 design patents, brands and trademarks
- Product stocked in approx. 13k+ stores globally, pipeline of additional 10k+ stores in US alone

Rhinomed is experiencing rapid sales growth from enhanced consumer awareness of its products:

- Fastest growing brand in US nasal strip market
- Revenues up 24% half year on half year
- Market share in US drug store nasal strip market grew by 79% in first half of FY20
- Product range on sale jumping from two in FY19 to four in 1H FY20

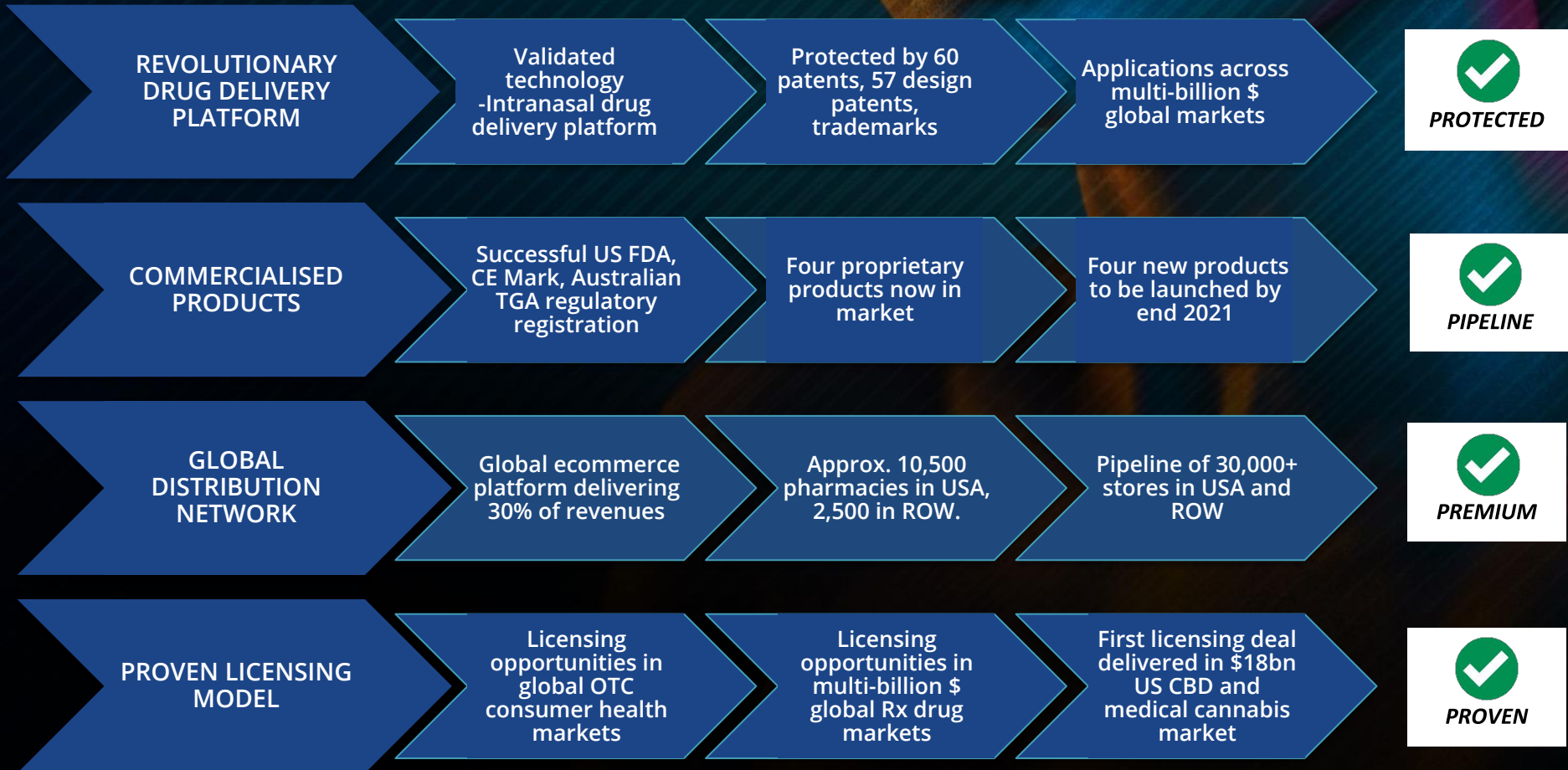
Significant scope for earnings enhancement as revenues grow:

- 70%+ gross margins
- R&D costs incurred and regulatory approvals (US, Europe, Canada, Australia) granted



RHINOMED STRATEGY

PURPOSEFULLY SET FOR LONG TERM GROWTH



COMPELLING TECHNOLOGY PIPELINE

DELIVERING VALUE OVER THE NEAR AND LONG TERM

- Continuing to grow through development of in house portfolio of branded products
- Execute licensing deals for product in pipeline

GLOBAL MARKETS	TECHNOLOGY	IN MARKET	PIPELINE				
SPORT	Stent	Turbine					
SNORING		Mute	CY20	CY21	LICENSING OPPORTUNITIES		
SLEEP	Airstream Platform	Pronto Sleep			Obstructive Sleep Apnea – Medical Cannabis	INSOMNIA	
			Columbia Care Sleep Plus - CBD				
COUGH, COLD CONGESTION		Pronto Clear	Pronto Allergy Relief	Pronto Allergy Relief - CBD	Non-Steroidal Anti-Inflammatory Drugs (NSAIDS)	COPD	
NAUSEA				Pronto Nausea Relief - CBD			
PAIN					Pronto Migraine Relief	MIGRAINE	
ANXIETY			Pronto Relax	Pronto Focus - CBD	PTSD	CNS DISORDERS	

CLEAR COMPARATOR VALIDATING THE GLOBAL OPPORTUNITY

BREATHE RIGHT CASE STUDY



- CNS Inc acquired rights to Breathe Right
- In 1995 eight Super Bowl players wore the strip in Super Bowl XXIX
- Revenues grew from \$2.8m (1994) to \$48m in 1995
- Distribution grew to 98% of all US drug stores
- In 1996 net sales were \$85.9m
- By 1997, 10% of all US households used Breathe Right
- In 2007, GlaxoSmithKline bought Breathe Right for \$566 million

Rhinomed delivers significantly greater value

Features	Breathe Right	Rhinomed
Snoring Application	✓	✓
Nasal Congestion Application	✓	✓
Essential Oil Application	✗	✓
Sleep Application	✗	✓
Medical Cannabis Application	✗	✓
Sleep Apnea Application	✗	✓
Drug Delivery Application	✗	✓
Sensor Diagnostics Application	✗	✓

- More applications across the platform
- Larger addressable global markets
- Poised for significant growth

<http://www.fundinguniverse.com/company-histories/cns-inc-history/>

RHINOMED

KEY CATALYSTS

- New products to be released before December 2021
- First CBD products to be launched in 2020
 - In US via partner Columbia Care with dispensaries throughout the USA
 - ROW via existing distribution channels

Expanding distribution

- Targeting 20,000+ stores in USA and ROW inside next 2 years
- Online (Asia)
- Potential Licensing transactions for platform
 - Inbound interest and potential for further transactions
- Quarterly updates on Revenues/Stores
 - Targeting minimum revenue growth of 50% into FY20
 - 2020 product launches underpin significant growth in FY21

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