

R H I N O M E D

Rhinomed Limited - 2018 AGM - Chairman's Address

Melbourne Australia, December 14th 2018.

Rhinomed Limited (ASX:RNO) is pleased to present the Chairman's address that is being presented at the company's AGM, held at the Melbourne Cricket Ground.

Chairman: Mr Ron Dewhurst.

My great thanks to you all for joining us today at the 2018 Rhinomed Annual General Meeting.

The 2018 financial year and indeed, the 2018 calendar year has been a pivotal one for your company.

Our strategy is clear. We seek to create compelling solutions that solve the specific customer, patient and clinician needs that exist throughout the sleep continuum. Be it providing Mute to the millions of people around the world who suffer nightly from snoring or now moving to creating compelling solutions for the millions who suffer from upper respiratory, sleep and sleep disturbed breathing issues. Our patented technology platform provides a unique opportunity for us to deliver solutions that have the potential to radically change the global sleep industry.

I am pleased to report that over the course of FY18 the company has made extraordinary strides in executing this strategy. This time last year we had just completed a roll out of our snoring technology - Mute - into 4300 Walgreens stores in the USA. Today we are now selling Mute through 9,000 stores in the USA. Our early success in Walgreens has resulted in both 1300 CVS stores and over 3000 Rite Aid stores being added to this impressive roster.

Indeed, it is worth noting that we are one of only a handful of Australian based companies who have not only developed their own technology, but have also managed to have it core ranged by these iconic American drug store pharmacy retailers. This is a great endorsement of Rhinomed's technology, team and strategy.

The growth of Mute is a key focus of our commercialisation program. We believe that Mute can be the gateway product for the sleep category. It is via snoring and then through an interaction with Mute that we believe millions will first come into contact with the sleep market. As a result, the creation of an easy to use, non invasive solution wrapped in a compelling, attractive brand is vital.

Pleasingly, the steady global growth in customers using Mute, the increase in stores stocking Mute and the steady growth in Doctors and dentists adopting, accepting and recommending Mute is growing proof of the success of this strategy. It is also reflected in our steady growth with recognised revenues in Financial Year 18 reaching \$2.1 million driven by a significant jump in units shipped year on year.

R H I N O M E D

In 2018 we also executed another important element of our strategy - validating the utility of our platform in the global drug delivery market. Drug delivery is a significant market opportunity. However, Rhinomed does not have the resources to investigate this by itself. Therefore finding the right partner to investigate this opportunity was vital.

Over the last three years the growth of the medical cannabis market has been spectacular. So we were certainly interested when we were first approached by America's largest medical cannabis operator Columbia Care to look at nasal delivery of medical cannabis using our platform. When I first floated this interest with Michael, there was some level of uncertainty. However, as he will comment on later, the publishing of the result of a trial that provides belief that a cannabinoid formulation could be an effective treatment for sleep apnea provided us with more than enough strategic reasons to progress this relationship.

The result is now a strong, and what we believe we will be, an extremely valuable long term relationship with Columbia Care. They are a company that have impressed us with their philosophy, their integrity and their strategy. We are working with a company that has the resources to bring game changing products to market. Investors should note that while the Canadian market has grabbed much of the attention to date, there is no question in our mind that the USA will be the world's largest market for medical cannabis and Rhinomed is now well positioned to take advantage of this growth.

Investors should be confident that your company is now well positioned to deliver on its promise. Over the course of the second half of this financial year we'll continue to update you on our growth, we will update you on the launch of a game changing new inhaled technology which we will be bringing to market in 2019 and also keeping you informed about our clinical program with Mute and the exciting program with Columbia Care.

However, make no mistake, we are committed to getting Rhinomed to a sustainable position as quickly as possible and that is the clear and strong focus of your board and the management team.

With that in mind, I would like to thank our small dedicated team who have ensured that Rhinomed continues to punch above its weight in global markets. I would like to thank our board who bring a diversity in background, approach and ideas to their roles and to our CEO who continues to provide the vision, resilience and passion required for a company with a true global agenda.

I will finish with these comments, it is often said that 'success is a journey, not an end'. Every week we are reminded of this when we get the feedback from people all over the world telling us how Mute has changed their lives for the better.

This view of the world not only guides what we do, it guides how we do it. We believe that it is imperative to deliver better outcomes for customers, patients and clinicians. We also believe it be imperative that we deliver value to our shareholders. We do not believe these two goals to be mutually exclusive. Doing right, and doing the right thing are not optional at Rhinomed, it is what defines us. My great thanks for your support over the last 12 months and I look forward to sharing the journey with you during what will be an exciting 2019.

RHINOMED

ANNUAL GENERAL MEETING



DECEMBER 14TH 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.

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RHINOMED (ASX:RNO) IS A
MEDICAL TECHNOLOGY
COMPANY COMMERCIALISING A
PROPRIETARY NASAL
TECHNOLOGY PLATFORM THAT
RADICALLY IMPROVES THE WAY
YOU BREATHE, SLEEP, TAKE
MEDICATION AND MAINTAIN YOUR
HEALTH AND WELLNESS.

THE RHINOMED INVESTMENT OVERVIEW

HIGH POTENTIAL PROPRIETARY PLATFORM

Multiple applications across global OTC, Rx and Device markets

Protected by family of 60 patents, 57 design patents and class leading brands

Addressable market of products in pipeline US\$39 billion+



CONSISTENTLY DELIVERING ON KEY MILESTONES

Two products in market - Turbine and Mute delivery \$2.1m (FY18)

Expanding global retail footprint to 11,000+ stores.

FY18 units shipped grew 50% year on year



ATTRACTIVE NEAR TERM MARKET OPPORTUNITIES

Fastest growing brand in US nasal snoring market

Strong financial progress and focus on move to breakeven as soon as possible.

Strong gross margins 70%+



MULTIPLE VALUE CATALYSTS

Two new products coming to market in CY19. Decongestant and Anxiety/Sleep

Expanding store count in USA

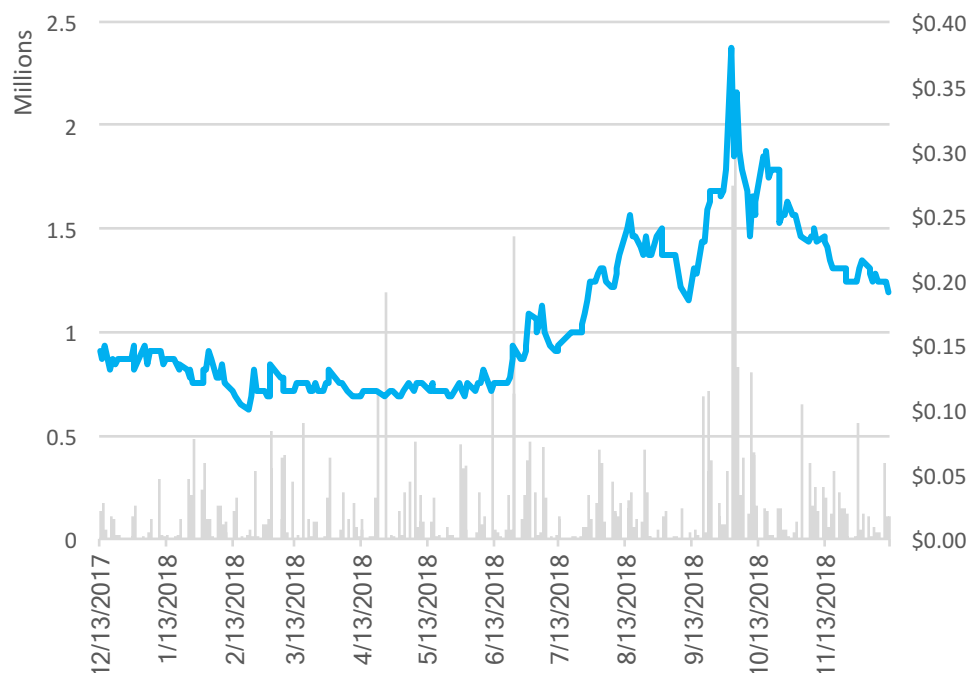
Accessing and delivering on US medical cannabis opportunity

**STRONG GROWTH FROM NEW STORES
AND SAME STORE SALES**

**CLEAR PIPELINE OF NEAR TERM, HIGH VALUE
APPLICATIONS AND OPPORTUNITIES**

CORPORATE OVERVIEW

ASX:RNO



FY18 FINANCIAL POSITION*

Premium, global retail network	11,000+ stores globally
Units Shipped FY18	229,000
FY18 Recognised Revenues	\$2.1m

CAPITAL STRUCTURE

Market Cap Approx. A\$29m

Shares on issues 141m

TOP 20 SHAREHOLDERS – 64%

Whitney George (US based) 21%

Paul Stephens (US based) 6%

Kroy Wen Pty Ltd 6%

John McBain 6%

**All figures provided in this presentation are on an unaudited basis*

THE RHINOMED NASAL TECHNOLOGY PLATFORM

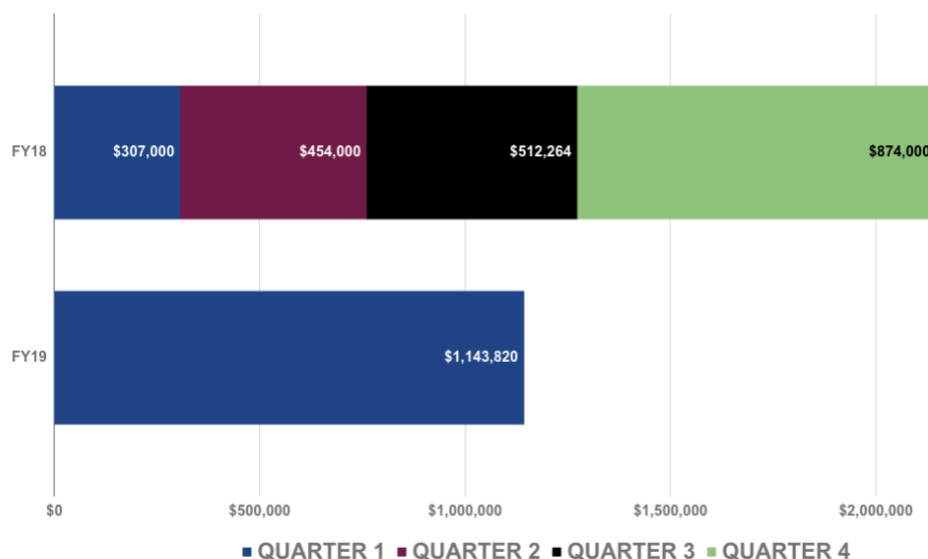


AN INTERNAL NASAL STENT PLATFORM

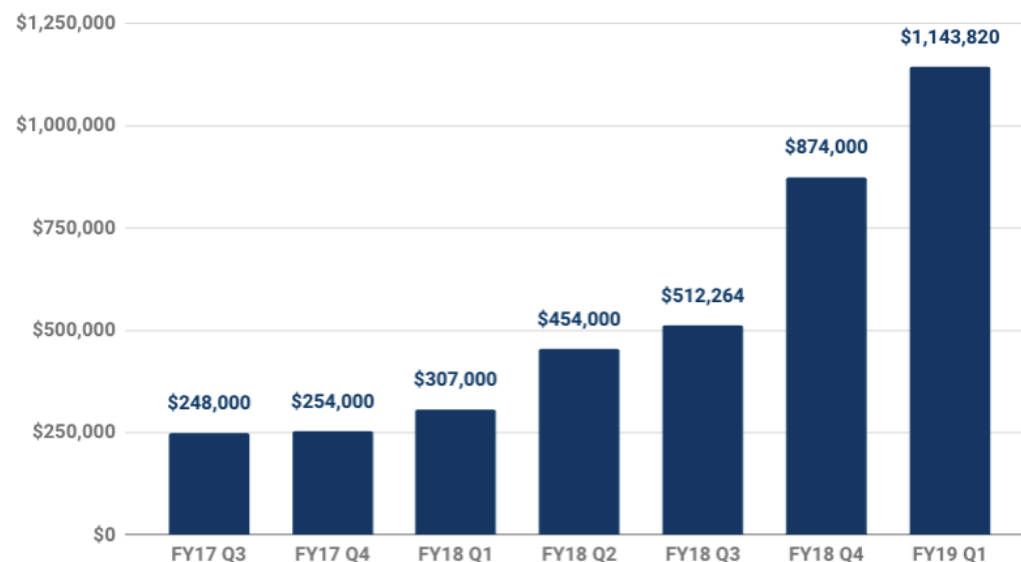
- Nasal stent platform capable of delivering multiple solutions from simple dilation through to complex applications such as vapour or drug delivery
- Already adopted and used by clinicians and patients in nasal obstruction, sleep, snoring and as a companion therapy for Obstructive Sleep Apnea.
- Registered Class 1 status with US FDA, Australian TGA, Canada Health, CE Mark from the European Authority and Taiwanese FDA.

DELIVERING YEAR ON YEAR REVENUE GROWTH

Year on Year Quarterly Revenue Growth



Year on Year Quarterly Revenues



CONSECUTIVE QUARTERS OF GROWTH

TOTAL UNITS SHIPPED IN FY18 UP 50% YEAR ON YEAR

**All figures provided in this presentation are on an unaudited basis*

BUILDING OUT A PREMIUM GLOBAL RETAIL NETWORK

Entering 2019 with over
11,000 premium
pharmacies now stocking
Mute

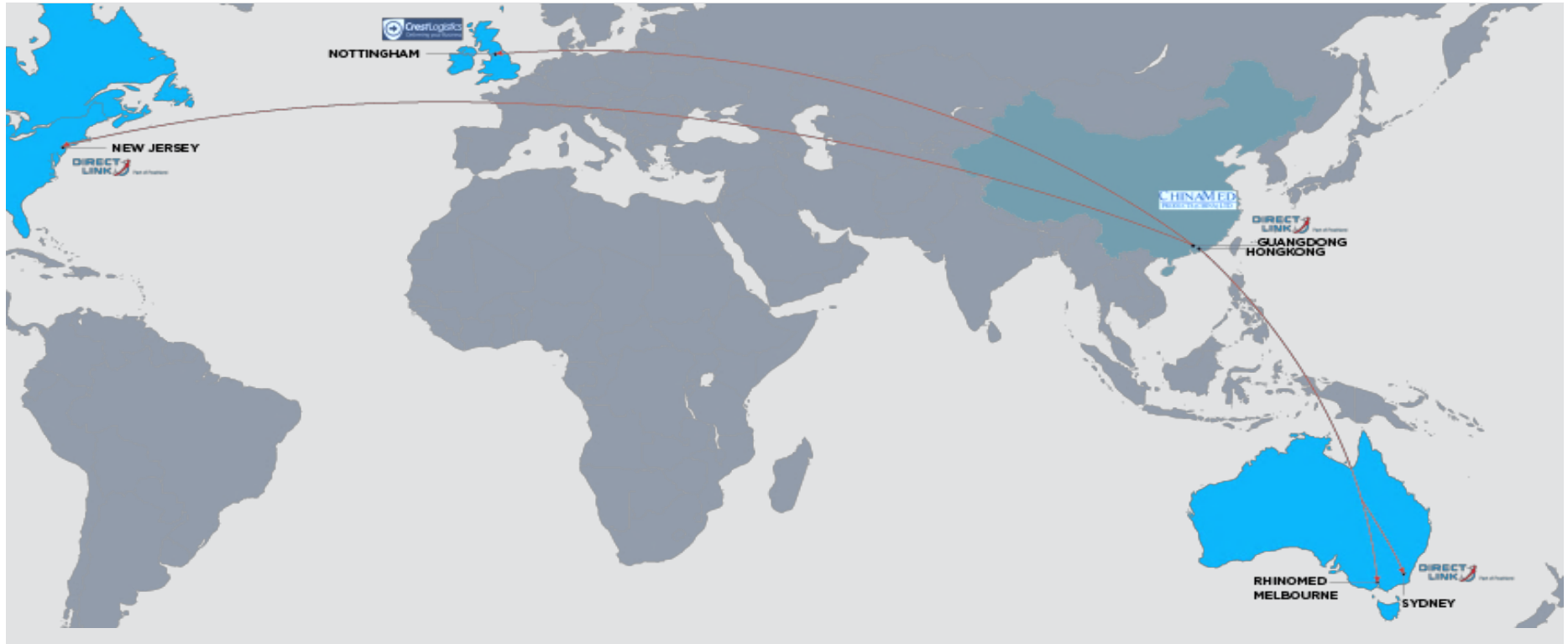
Strong pipeline of store
growth from both
existing and new
accounts

Retail network extends
across 3 continents –
Australia, UK, North
America.

Providing access to
a population of
over 400 million
people



SERVICED BY A GLOBAL PRODUCTION AND LOGISTICS NETWORK



- Manufacturing out of Jiaotang, Gaoyao, Zhaoqing in Guangdong
- Certified ISO13485-2003 and QSR820 facility
- RNO has 5 dedicated tooling, production, assembly and packaging lines – production capacity of 3.9 million pack pa.

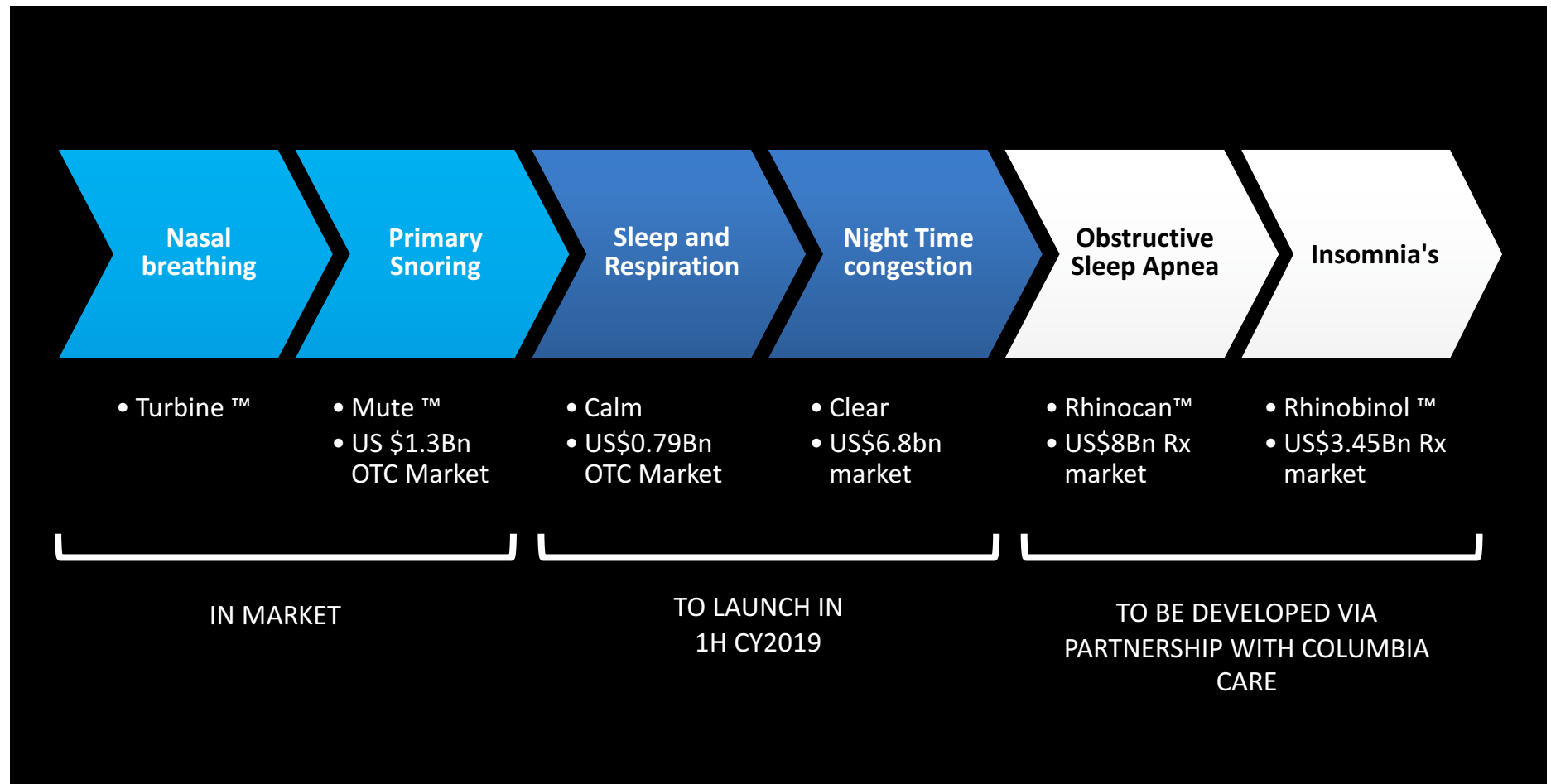


- Provides global logistics support from its Hong Kong hub
- Fulfillment to key US and European Distribution warehouses
- Provides direct to consumer fulfillment services



- Provides UK warehousing, customs and logistics support
- Distribution into Boots warehouses
- Provides direct to consumer fulfillment services for UK, IE and EU.

DELIVERING END TO END SOLUTIONS FOR THE US\$30 BILLION SLEEP MARKET



DELIVERING INNOVATION AND CATEGORY LEADERSHIP IN GLOBAL OTC SLEEP AND SNORING MARKET

THE FRONT LINE SOLUTION AND GATEWAY PRODUCT TO THE
GLOBAL SLEEP AID MARKET.



11,000+ STORES GLOBALLY NOW STOCKING MUTE
GROSS MARGINS OF 70%+

LAUNCHING IN 2019 - A REVOLUTIONARY NEW MEDICAMENT DELIVERY PLATFORM



- Vapor inhaled delivery platform
- Unique proprietary delivery system
- Opportunity for multiple formulations targeting clear consumer health needs
- Disruptive technology in global US\$8billion aromatherapy /natural medicament market
- Initial target markets:
 - Sleep onset
 - Nasal congestion
 - Anxiety and concentration
- Major Product launch - 1H 2019
- Targeted store roll out - 2H 2019
- Program update in February 2019



THE GLOBAL OBSTRUCTIVE SLEEP APNEA MARKET - DESPERATE FOR INNOVATION

Patients, clinicians and payers are all seeking new alternatives to the existing therapies. Continuous Positive Airway Pressure (CPAP) and Oral Advancement Therapies (OATS) have been around for 30+ years yet :

- Costs do not decrease - \$2-\$5k for CPAP. \$500-\$3.5k for OAT
- 50% of CPAP patients fail to initiate treatment
- CPAP compliance rates remain chronically low (43%) and night time adherence is less than 4hrs a night
- Both therapies require the patient to wear the device forever to resolve the apnea. In effect both therapies are 'prosthetics'

CHANGING THE PARADIGM IN OBSTRUCTIVE SLEEP APNEA



Rhinomed's mission is to change the paradigm and deliver value to investors, patients, clinicians and the health system by:

- Delivering solutions that inform and educate people about breathing, sleep and the treatment options
- Identify sleep apnea patients earlier and improve diagnosis rates.
- Deliver solutions that improve the treatment options available to clinicians and patients.
- Work with new therapy developers to optimize patient experience thereby improving compliance rate and treatment outcomes.

CAN A DRUG CHANGE THE WAY WE TREAT OBSTRUCTIVE SLEEP APNEA?

Two studies have now confirmed that drugs targeting the airway smooth muscle have reduced AHI:

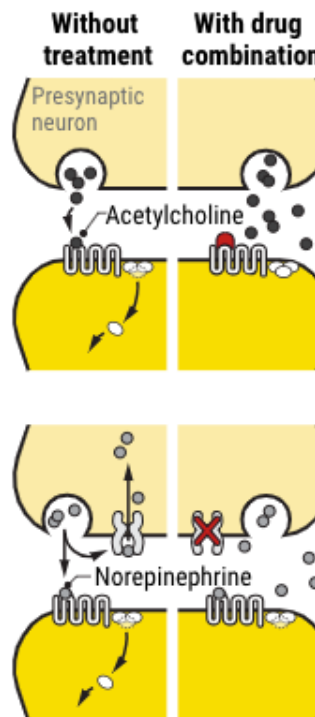
1.

RespireRx – using a synthetic cannabinoid (Dronabinol)

1. Phase 2 trial demonstrated that an oral version of Dronabinol (Delta 9-THC) showed some potential application as an OSA - Cannabinoid receptor agonist.
2. Statistically significant improvement in primary outcomes including lowering AHI, reducing daytime sleepiness and improving treatment satisfaction.

Oxybutynin blocks receptors for acetylcholine on hypoglossal motoneurons, making the genioglossus muscle more responsive during rapid eye movement (REM) sleep.

Atomoxetine prevents norepinephrine from being resorbed by neurons that release it, increasing its signal. In concert with oxybutynin, it boosts responsiveness of the genioglossus in non-REM sleep.



2.

Apnimed – using a combination of Atomoxetine and Oxybutynin

1. Proof of concept trial – increasing the activity of the upper airway dilator muscles to treat OSA.
2. Showed that using drugs with specific neurotransmitter profiles (in this case noradrenergic and antimuscarinic agents) administered systemically greatly reduced OSA severity.

Source:

1. *Pharmacotherapy of Apnea by Cannabimimetic Enhancement, the PACE Clinical Trial: Effects of Dronabinol in Obstructive Sleep Apnea.* Carley et al. Sleep 2018 Jan 1;41 (1)
2. *The combination of Atomoxetine and Oxybutynin greatly reduced Obstructive sleep Apnea severity: A randomized placebo controlled, double blind, crossover trial.* Taranto-Montemurro et al. American Journal of Respiratory and Critical Care Medicine. November 2018

COLUMBIA CARE AND RHINOMED



COLUMBIA CARE IS THE IDEAL PARTNER FOR RHINOMED

- The leading player in the US market - the world's largest and fastest growing cannabis market.
- Vertically Integrated with the most Licenses of any U.S. Operator
- The ability to reach almost 50% of the US population with 33 licenses across 13 U.S. markets.
- 12 grow/manufacturing facilities and 16 dispensaries by 2018YE with licenses and capital to build out to 60+ dispensaries by 2019YE.
- Global agenda
- Powerful partnership and Licensing deal:
 - 12 year US exclusive deal
 - Cost Plus Double digit royalty return
 - PLUS Double digit profit share depending on distribution channel

WHY NASAL DRUG DELIVERY?

NASAL DRUG DELIVERY OFFERS SIGNIFICANT BENEFITS OVER OTHER DELIVERY MODES

Rapid absorption
and higher
bio-availability

Fast onset of
therapeutic mode
of action

Avoidance of
first pass through
the liver

Self medication
and titration

Reduced risk of
overdose

Rapid absorption
and higher
bio-availability

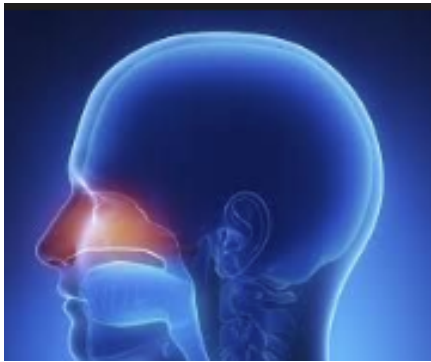
Fast acting and
long release
delivery applications

Ability to
micro/low dose

Several drug candidates and conditions lend themselves to nasal delivery

MIGRAINE | HORMONE AND NICOTINE REPLACEMENT | VACCINES | ALLERGY | ALLERGIC RHINITIS | PAIN | CNS
DISORDERS | ENDOCRINE & METABOLIC DISORDERS | RESPIRATORY DISORDERS | NASAL POLYPS |
ALZHEIMERS

RHINOMED & COLUMBIA CARE – TARGETED SLEEP PROGRAM



Obstructive Sleep Apnea

Sleep

Anxiety/Sleep

Developing a clinically relevant, pharmaceutical quality range of products that nasally deliver a precise and targeted amount of medical cannabis formulation to address specific unmet clinical needs in the global sleep market:

- Targeting a range of sleep issues
- Dose controlled - Low/micro dosing
- Controlled or sustained (Up to 8hr) release and/or quick onset
- Development program being scoped with development commencing in 2019

INVESTMENT PROPOSITION



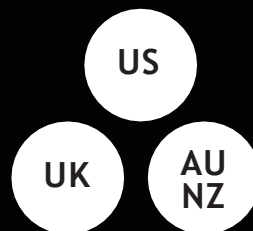
MARKET

- Compelling Products in growing global markets
- Compelling pipeline of next generation products
- Licensing opportunities into high value Rx and OTC markets.



DISTRIBUTION

- Business is rapidly expanding the revenue base through a global distribution footprint
- Partnering with worlds leading pharmacy chains and retailers
- Adoption and acceptance by clinicians



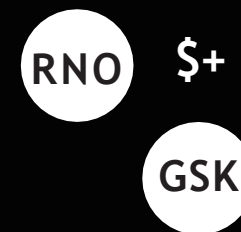
KEY FOCUS

- Driven by globally experienced board and management team
- Clear focus on three key growth markets:
 - USA & CANADA
 - UK
 - Aust/NZ Base



NEAR-TERM NEWS FLOW

- Growing the number of distributors and retailers
- 2019 Product launches
- Further progress in medical cannabis



COMPELLING INVESTMENT COMPARATOR

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

RHINOMED – ASX:RNO

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