

RHINOMED

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# FY22 HALF YEARLY RESULTS

WEARABLE NASAL TECHNOLOGY PLATFORM

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23 February 2022

# RHINOMED CORPORATE OVERVIEW

ASX: RNO; OTCQB: RHNMF

- Melbourne, Australia based medical device company specializing in novel wearable nasal medical technology.
- Our novel medical device platform technology has applications in consumer health, diagnostics and nasal drug delivery
- Our existing CE Mark, FDA and TGA registered nasal products have been worn comfortably and safely since 2016 with over 30 million nightly user experiences.
- Extensive IP portfolio – including over 60 patents and over 50 design patents.

## Board and Management

Mr Ron Dewhurst	Chairman
Mr Michael Johnson	CEO and Managing Director
Assoc Prof. John McBain	Non-Executive Director
Mr Brent Scrimshaw	Non-Executive Director
Dr Eric Knight	Non-Executive Director
Mr Sean Slattery	CFO and Company Secretary

## Key Metrics

Market Cap	~AU\$62m
Current Stock price	A\$0.24
Shares on issue	260 m
Top 20 Investors	77%



## Top Investors

Mr Whitney George (US)	39.2%
Prof John McBain (Aust)	18.5%
Mr Ron Dewhurst (Aust)	6.8%
Citicorp Nominees	2.4%
HSBC Custody Nominees	2.2%

# DELIVERING ON OUR STRATEGY

## MEETING MILESTONES IN FY22 H1



**Building a world class consumer health business**

- Brand leadership via innovative and effective solutions
- Curating the global snoring and sleep categories
- Ecommerce excellence



**Creating a new gold standard in sampling for diagnostics**

- Compelling clinical evidence
- Clear user and clinician benefits
- Value add to all players in the value chain



**Enhancing the value of our technology portfolio**

- Over 60 patents granted and pending
- R&D program focused on enhancing diagnostic and drug delivery capability

### H1 PROGRESS

- Substantial growth on Amazon US - #32 in Sleep category
- Strong review with major US and UK accounts with new stores added
- Launch of new [mutesnoring.com](https://mutesnoring.com) site

- Successful results in MCRI/RCH Rhinoswab junior trial
- Rhinoswab being integrated into State and hospital-based pathology programs
- Integration into BTNX rapid antigen test kits underway

- Sleep program innovation underway
- Sleep and Suicide study to be published in Journal of Clinical Psychiatry

# GROUP TRADING PERFORMANCE

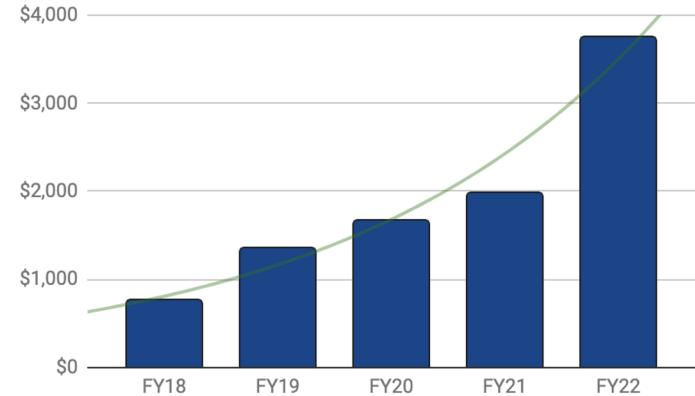
## TRACK RECORD OF GROWTH CONTINUES IN FY22 H1

\$M	FY22 H1	FY21 H1	% CHANGE
<b>Net revenues</b>	<b>\$3,748,754</b>	<b>\$1,945,537</b>	<b>92.7%</b>
Expenses	\$7,411,784	\$7,745,571	(-4.4%)
Operating profit/loss	(\$3,227,509)	(\$5,484,980)	(-41.2%)
Net profit attributable to equity owners	(1.28)	(2.16)	(-40.7%)

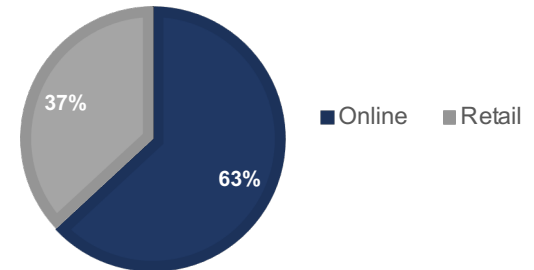
### Highlights

- Gross margins from core Mute range remain strong circa 73%
- Focus on winning on Amazon and the relaunch of the new direct to consumer site – [mutesnoring.com](https://mutesnoring.com) offsetting global decline in foot traffic in pharmacy.
- Strategic emphasis on ecommerce delivering results - online revenue contribution up 34%
- New products lines (Rhinoswab) released to market with initial sales delivering strong margins
- Increased investment in stock holdings toward the end of H1 in consumer health business due to Chinese new year period.
- Investment in production set-up for Rhinoswab and Rhinoswab Junior

H1 REVENUES (\$,000)

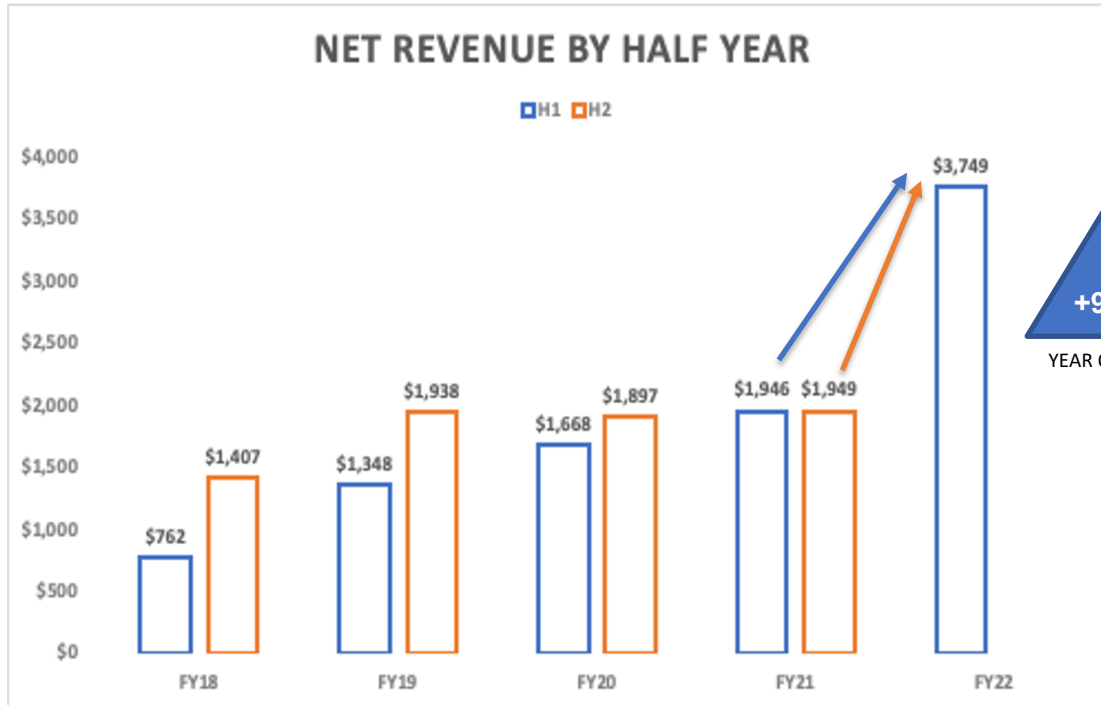


REVENUE CONTRIBUTION



# FY22 H1 PERFORMANCE BUILDING OFF STRONG FY21

REVENUES GROW 92% PCP



- Underlying consumer health business gaining strong traction
- Impact of new diagnostics/swab business yet to have major impact on revenues
- Both business units delivering strong gross margins

# RHINOMED'S CONSUMER HEALTH TECHNOLOGY

SOLD GLOBALLY ONLINE AND THROUGH LEADING PHARMACIES



**McKesson**  
Empowering Healthcare

**Sigma Healthcare**

**symbion**

**giant eagle**

**RITE AID**

**Walgreens**

**AmerisourceBergen**

**BED BATH & BEYOND**  
Inspired only when at the store!

**Walgreens**

**CVS pharmacy**

**amazon**

**dsn**  
OTC  
REX 2019

**dsn**  
OTC  
REX 2020

**dsn**  
OTC  
REX 2020

**Health**  
SLEEP  
AWARD  
WINNER  
2021

# STRATEGIC PILLARS

## EXECUTING GROWTH STRATEGY



# KEY HIGHLIGHTS IN CONSUMER HEALTH

## STRONG PROGRESS ACROSS THE BUSINESS

**#1 INTERNAL NASAL  
DILATOR\***  
*In the USA*

**+ 133%**

*Shipments to USA in last 26  
weeks*

**+ 114%**

*Shipments to USA FY22 H1  
PCP*

**+ 156%**

*Shipments to Amazon US in last  
52 weeks*

**2.5 x**

*Growth in Amazon US revenues  
over 2020*

**+ 173%**

*Growth in Amazon revenues in  
FY22 H1 over FY21 H1*

\*IRI US MULO, week ending 31 October 2021



# KEY 2022/23 TARGETS

## CLEAR, DEFINED, MEASURABLE

Our consumer health business will continue to grow via:

- Growing and owning the sleep/snoring category in our core markets
- Expand our success with US Amazon & DTC (online) into new markets – EU and UK
- Build the snoring category with our key retail partners to make it a destination category

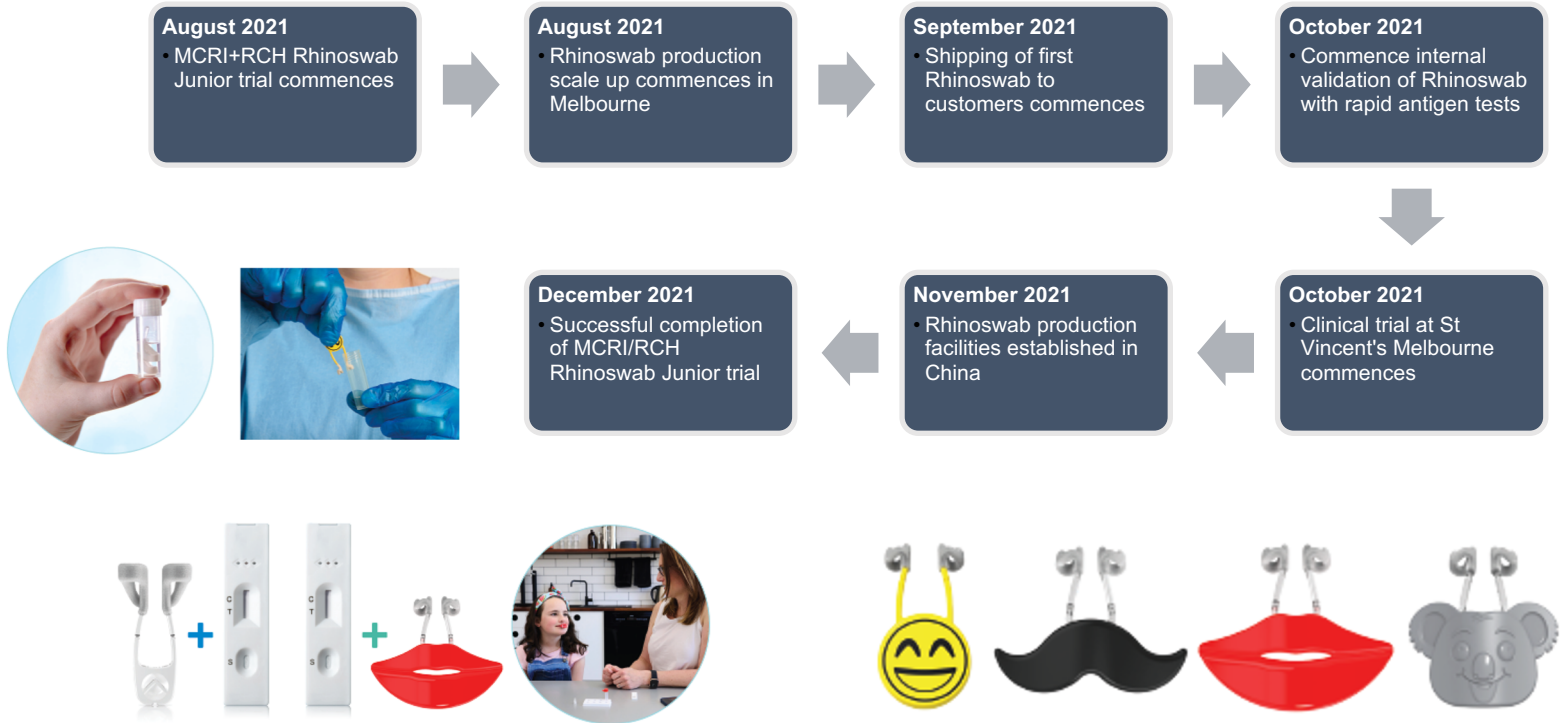
	CURRENT PRODUCTS	NEW PRODUCTS
CURRENT MARKETS	<ul style="list-style-type: none"><li>• Focus: Sleep/Snoring</li><li>• Grow Amazon US</li><li>• Re-launch DTC in US</li><li>• Updated packaging for Retail</li></ul>	<ul style="list-style-type: none"><li>• Sleep products with CBD</li><li>• Expanded anti-snoring line up</li></ul>
NEW MARKETS	<ul style="list-style-type: none"><li>• UK, EU, and AUS</li><li>• Expand Amazon into EU, UK</li><li>• Roll out DTC globally</li><li>• Expand Retail</li></ul>	<ul style="list-style-type: none"><li>• Sports</li><li>• Congestion</li><li>• Allergies</li></ul>

# RHINOSWAB PROGRAM



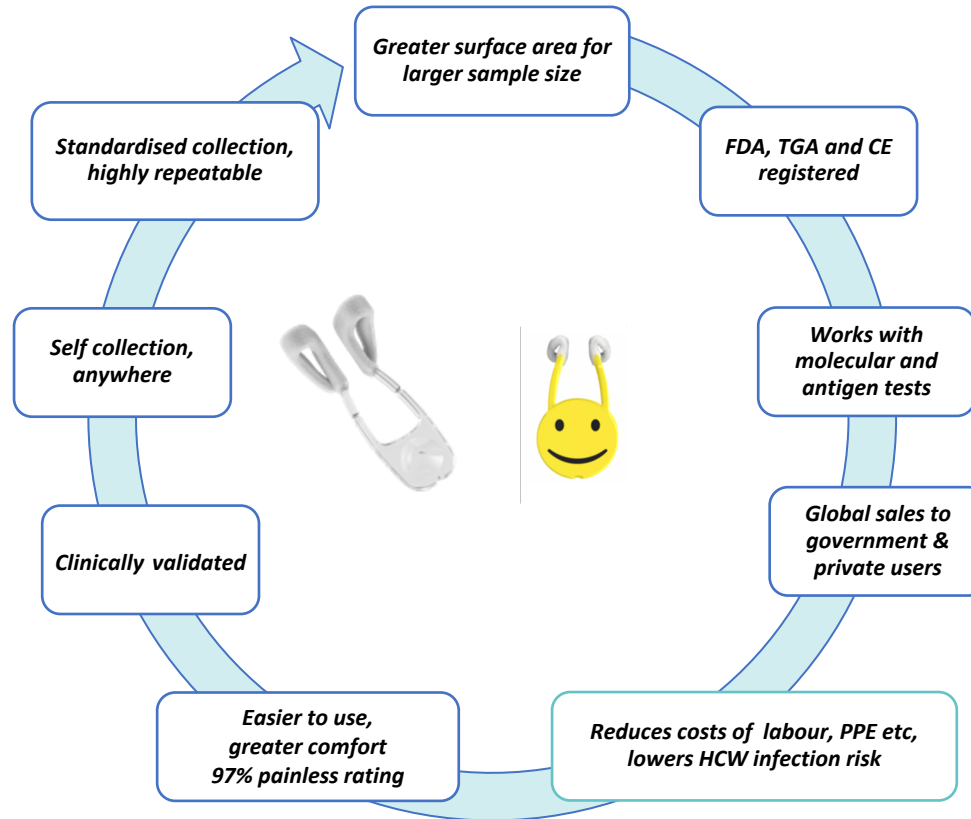
# THE RHINOSWAB PROGRAM

## DELIVERING MILESTONES OVER THE COURSE OF FY22 H1



# RHINOSWAB - THE SUPERIOR SWAB FOR RELIABLE SELF-COLLECTION

## A NEW 'STANDARD SETTING' RESPONSE TO SAMPLING FOR RESPIRATORY DISEASE



# VALIDATED BY CUSTOMERS, IN MARKET

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## NSW HEALTH PATHOLOGY STUDY - AUGUST/SEPTEMBER 2021

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Mass surveillance of SARS-CoV-2 utilising self-collection swabs and high-throughput laboratory techniques:

### **Purpose of the study/investigation**

- To determine whether SARS-CoV-2 self-collection and rapid RT-PCR testing could improve result turnaround times, aid in asymptomatic detection and improve testing compliance.

### **Basic procedures**

- A total of 15,519 participant performed self-collection of a novel nasal swab (Rhinoswab). They were subsequently tested on a mobile laboratory platform combining a liquid handler (Myra) with a thermocycler (micPCR) and SARS-CoV-2 RT-PCR reagents. Roche Liat was implemented as a confirmation device.

### **Results**

Self-collection averaged less than 5 minutes per collection. RT-PCR focusing on human genes revealed adequate human cell collection of 99.9% of collection. 2,533 Surveyed participants revealed:

- 91% found self-collection easy to perform.
- 1% reported discomfort.
- 75% preferred self-collection.

In total, 15,645 tests were performed, with 6 positive SARS-CoV-2 specimens. On average the time to reporting of a positive result was 3 hours and 25 minutes.

### **Principal conclusion**

Self-collection techniques are preferred, protect healthcare workers and improve result turnaround times.

<https://www.pathology.health.nsw.gov.au/research-and-innovation/research-forum/christopher-kot> Mass surveillance of SARS-CoV-2 utilising self-collection swabs and high-throughput laboratory techniques: An Australian case study of asymptomatic Year 12 students at the Qudos Bank Arena. Andrew Sargeant, Christopher Kot, Misha Hashmi, Dr Catherine Pitman, A/Prof Dominic Dwyer, Christopher Bourke, Vicki Pitsiavas, Stephen Parker, Laila Hassan, Hayley Keenan, Therese Atkins

# INTEGRATING RHINOSWAB INTO RAPID ANTIGEN TESTING

## THE WORLD'S FIRST RAPID ANTIGEN TEST SPECIFICALLY FOR CHILDREN

- Active program seeking to integrate the Rhinoswab into rapid antigen test kits
- Focus on the global children's market with Rhinoswab Junior
- Target market - Primary school aged children (ages 4+)
- Initial partnership with BTNX Inc (Canada):
  - Launch of new *Rapid Response* rapid antigen test for children
  - MoU signed, a Letter of Intent now completed with Purchase Orders conditional upon regulatory approval
  - Awaiting regulatory approvals from Australian TGA and Canada Health
  - Estimate volumes over 24 months – to be confirmed
- Negotiating with three other Rapid antigen test companies:
  - Europe
  - UK
  - India



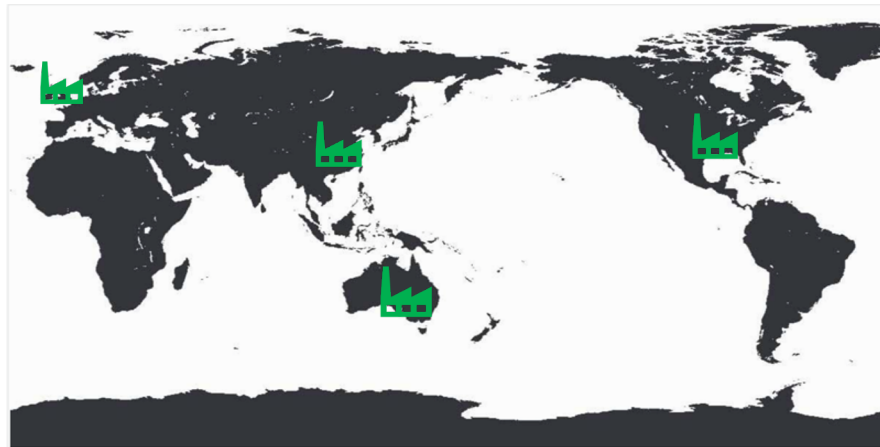
# NEAR TO MARKET PRODUCTION STRATEGY

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## FLEXIBLE AND SCALABLE PRODUCTION CAPACITY

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- Global Supply chains experienced significant pressure over the course of the pandemic. This continues to be an issue.
- Rhinomed is building out a global production network with a 100 million swab production capacity:
  - Established an Australian based production facility in Keysborough, Victoria
  - Existing Chinese production partner now online producing Rhinoswabs
  - Scoping two additional production sites in the UK and the USA which will come on line in 2022



# RHINOMED OUTLOOK

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## KEY CATALYSTS

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- ❑ Consumer health business is rebounding:
  - ❑ Strong consistent growth driven by US market
  - ❑ Expansion in US and UK retail and into Europe via e-commerce – Amazon and direct to consumer site
- ❑ Rhinoswab and Rhinoswab Junior Program:
  - ❑ Pathology channel:
    - ❑ Agreements with regionally focused distributors in domestic and global pathology markets
    - ❑ Further supply agreements/purchase orders from existing Government and pathology customers
  - ❑ Rapid Antigen testing channel:
    - ❑ BTNX letter of intent complete; awaiting regulatory approvals leading to first purchase orders
    - ❑ Further agreements with other Rapid antigen test manufacturers in global markets
- ❑ Production scale up program to respond to increasing demand for Rhinoswabs
- ❑ Significant operational leverage as revenues grow:
  - ❑ Record FY22 H1 revenues of \$3.7m (up 92%)
  - ❑ Potential for licensing deals for medical device, diagnostic and nasal drug delivery
  - ❑ Target of 70%+ gross margins across the business



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