RHINOMED

MELBOURNE, Australia, 7 April 2022:

Rhinomed Limited (ASX:RNO, OTCQB:RHNMF), a leader in wearable nasal and respiratory technology invites shareholders to attend its investor webinar held today at 12pm (AEST) 7 April 2022.

Interested parties can register for the webinar using this link:
https://us06web.zoom.us/webinar/register/WN_vjTjr2XrRjenEquUpxgvsA

Participants may submit questions during registration or during the session.

The presentation slides are included at the end of this announcement.

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RHINOMED

TRADING UPDATE, RHINOSWAB/BTNX AGREEMENT. SCALING FOR THE GLOBAL MARKET CAPITAL RAISE

APRIL 2022

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Important notice

The information contained in this presentation (Presentation) has been prepared by Rhinomed Limited ACN 107 903 159 (**Rhinomed**).

This Presentation has been prepared in relation to:

- Rhinomed's entry into a supply agreement with BTNX, Inc, for the exclusive supply of Rhinoswab and Rhinoswab Jr products in Canada for a 24 month period; and
- An accelerated non-renounceable entitlement offer of Rhinomed fully paid ordinary shares (**New Shares**) to be made to eligible institutional shareholders of Rhinomed (**Institutional Entitlement Offer**) and eligible retail shareholders of Rhinomed (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2001 (Cth)* (Corporations Act) as modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84* (Offer).

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All references to currency are to Australian currency, unless otherwise indicated.

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RHINOMED

EXECUTIVE SUMMARY

RHINOMED OVERVIEW	• Rhinomed are a Melbourne based medical device company specialising in novel wearable nasal and respiratory technology • Platform technology with applications in consumer health, diagnostics and nasal drug delivery • All products on market have regulatory clearance in Europe, USA, Australia and Canada • Extensive IP portfolio – including over 60 patents and over 50 design patents
RHINOSWAB UPDATE - BTNX	• Rhinomed have entered into a supply agreement with BTNX Inc. – one of Canada's largest manufacturers of rapid antigen test kits • Rhinoswab and Rhinoswab Junior will be included in BTNX's range of COVID-19 Rapid Response antigen test kits • Minimum commitment of 22.5 million swabs over a 24-month term - commencing in July 2022 • The agreement is on an exclusive basis in the Canadian market and non-exclusive in all other markets
BUSINESS UPDATE	• Experiencing rapid growth across the consumer health and point of care diagnostics/specimen collection segments • Record Q3FY22(f) revenue of A$3.0 million represents a 198% increase on Q3FY21 • Q4FY22(f) revenue of A$2.2 million represents 143% increase on Q4FY21 • FY22(f) revenue of A$8.9 million represents a 129% increase on FY21 – with no impact from BTNX deal, commencing in FY23 • 4-year revenue CAGR of 42.9%[1] • Sales pipeline of over US$120 million in potential revenue
CAPITAL RAISE	• 1 for 9.87 Accelerated Non-Renounceable Entitlement Offer to eligible shareholders to raise approximately A$5.0 million • The Offer will comprise an Underwritten Institutional Entitlement Offer and a Retail Entitlement Offer • Offer price of A$0.19 per share, which represents: a discount of 7.3% to the last close on 6 April 2022 • Offer proceeds will fund an expansion of manufacturing capacity to meet BTNX demand and provide additional working capital • Substantial shareholders, Whitney George, John McBain, Chairman, Ronald Dewhurst and all directors have committed to take up their full entitlements under the Offer

[1] Assumes FY22(f) revenue of 8.9m

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RHINOMED – PARTNERING WITH INDUSTRY LEADERS

SUPPLY AGREEMENT FOR RHINOSWAB WITH BTNX

BTNX, Inc

- BTNX Inc. is a Canadian biotechnology company and leader in rapid, point-of-care diagnostics with a global presence
- Largest supplier of RAT kits to the Canadian government where it has supplied over 315 million kits to date

Key Terms of the Rhinomed Agreement with BTNX

- 24 months term
- Minimum commitment of 22.5 million swabs over the term of the Agreement
- Initial commitment of 500,000 swabs in each of the first three months, scaling up to at least 1 million swabs per month for the remainder of the term
- Orders to commence in July 2022
- Exclusivity in the Canadian market and non-exclusivity in other markets
- Supply of Rhinoswab and Rhinoswab Junior for inclusion in BTNX's range of COVID-19 Rapid Response antigen test kits
- Includes the new *Rapid Response COVID-19 Antigen Rapid Test Cassette - Junior Home Test featuring Rhinoswab Junior* – one of the world's first rapid antigen test kits designed for children.
- The total minimum revenue across the term of the agreement represents approximately 465% to 475%[1] of Rhinomed's H1FY22 revenues of A$3.75m.

[1]Pricing and exchange rate assumptions

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GROUP TRADING PERFORMANCE

STRONG FIRST HALF PERFORMANCE IN FY22

Strong key metrics across both business units

Consumer Health Business

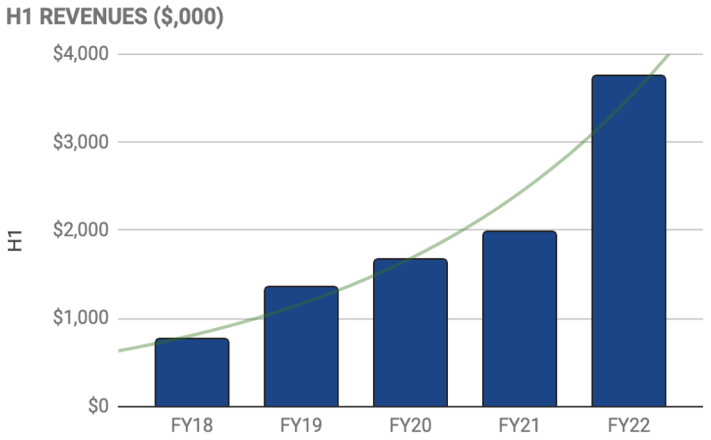
- **#1** internal nasal dilator
- **+210%** shipments to USA in last 26 weeks
- **+117%** shipments to Amazon in last 52 weeks
- **3x growth** in Amazon business since 2020
- Now in 6,000+ Walgreens stores following review

Point of Care Diagnostic/specimen collection

- BTNX – 22.5m swabs over 24 months
- 100m+ swab Sales pipeline
- Growing adoption in both PCR/lab and RATs

Strong first half revenue growth

	2021	2022	PCP change
First half revenues	$1.9m	$3.7m	***+ 92%***



(f)= forecast figures. All Fy22 figures are presented on an unaudited basis)

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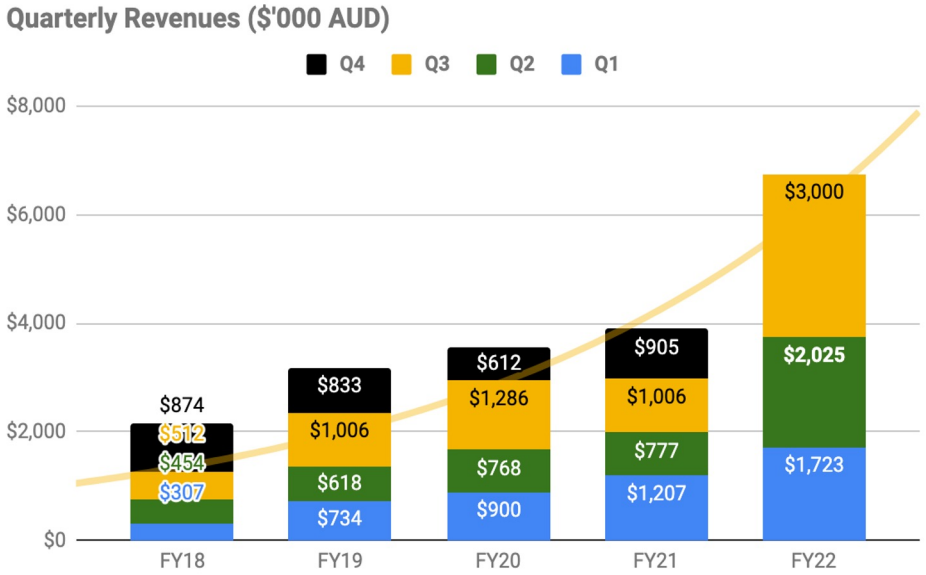
GROUP TRADING PERFORMANCE

GROWTH MOMENTUM CONTINUES IN FY22 Q3

- FY22 Q3 Revenues growing across the business - $3.00m (f) up 198% pcp
- Strong revenue growth from consumer health business unit driven by online revenue contribution
- FY22 Q3 revenues at 88% of FY21 full year results

Growing Quarterly Momentum					
	Q1	**Q2**	**Q3**	**Q4**	**Full Year**
2021	$1.2m	$0.777m	$1.006m	$0.906m	$3.89m
2022	$1.7m	$2.002m	***$3.00m (f)***	***$2.2m (f)***	***$8.9m (f)***
	41%	158%	***198%***	***143%***	***129%***



(f)= forecast figures. All Fy22 figures are presented on an unaudited basis)

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RHINOMED CORPORATE SNAPSHOT

ASX: RNO; OTCQB: RHNMF

- Melbourne, Australia based medical device company specialising in novel wearable nasal medical technology.
- Offices In Melbourne, Australia and New York, USA.
- Manufacturing partners in Shenzhen, China and Melbourne, Australia.

Key Metrics	
Market Cap	~AU$53m
Current Stock price	A$0.205
Shares on issue	~260 m
Top 20 Investors	77%
Debt	Nil

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
Mr John Ende	EVP Sales and Marketing
Mr Peter Jordan	VP Business Development

Top Investors	
Mr Whitney George (US)	39.2%
Prof John McBain (Aust)	18.5%
Mr Ron Dewhurst (Aust)	6.9%
Citicorp Nominees	2.4%
HSBC Custody Nominees	1.5%

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BUSINESS OVERVIEW

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RHINOMED

COMMERCIALISING A PROPRIETARY NASAL MEDICAL TECHNOLOGY PLATFORM

- Developed novel & proprietary nasal medical technology platform.
- Protected by family of 60+ patents (granted and pending) & over 50+ design patents.
- Applications in market & generating revenues.
- Technology registered as Class 1 medical devices allowing sale in Europe (CE Mark) the USA (FDA), Australia (TGA) and Canada (Health Canada).
- 'Mute' technology worn comfortably and safely since 2016 with 30 million + nightly user experiences.
- Consumers, patients and clinicians can buy our technology online & through some of the world's leading pharmacies.

Consumer Health	Mute	
	Turbine	
Point of Care Diagnostics	Rhinoswab	
	Rhinoswab Junior	
Drug Delivery	Pronto	

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EXECUTING A COGENT COMMERCIALISATION STRATEGY

WHICH IS GAINING SIGNIFICANT TRACTION

- Our mission is to radically improve the way we breathe, sleep, take medication and maintain our health.
- Rhinomed identifies clear unmet needs that can be met by solutions developed via our proprietary nasal technology platform.
- Our go to market strategy seeks to:
  - Socialise 'wearing' a device in the nose to solve a specific need in the consumer health market,
  - De-risk more sophisticated parts of the program by establishing the technology with clinicians, customers and regulators in adjacent markets
  - Drive acceptance and adoption in further high value diagnostic and drug delivery opportunities.

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KEY MARKETS

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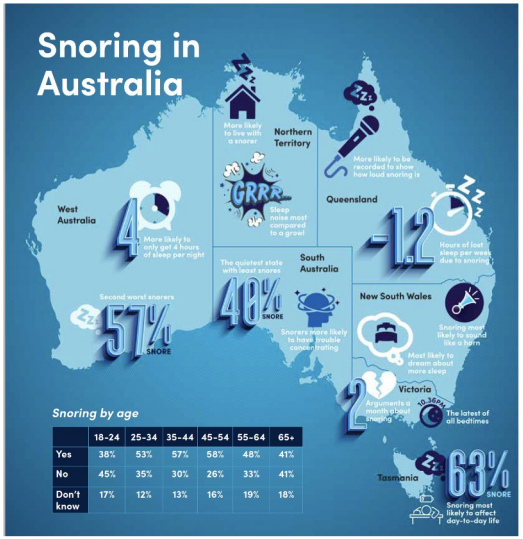
KEY MARKETS – SNORING AND SLEEP

A CLEAR UNMET NEED IMPACTING MILLIONS OF PEOPLE GLOBALLY

- Rhinomed's Mute technology competes in the global snoring and sleep market.

40% of people across the three countries reported disturbed sleep on between two to four nights each week[ix].



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- Global burden of upper respiratory infections in 204 countries and territories, from 1990 to 2019 THE LANCET June 28, 2021

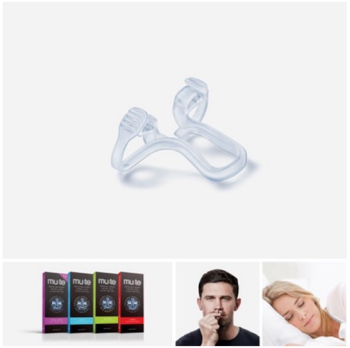
CREATING CATEGORY LEADING SOLUTIONS

BUILDING A HIGH-VOLUME, HIGH MARGIN CONSUMER HEALTH FRANCHISE

Presence on 20,000+ pharmacy shelves globally

Growing brand awareness

Substantial online sales growth



SNORING

SPORT/EXERCISE

ALLERGY/SLEEP/ CONGESTION

BuzzFeed martha stewart NEW YORK POST The Sun Daily Telegraph Better Homes and Gardens Woman's Day

McKESSON Sigma Healthcare symbion giant eagle RITE AID Boots AmerisourceBergen BED BATH & BEYOND Walgreens cvs pharmacy amazon dsn OTC REX 2019 dsn NATURAL PRODUCTS REX 2020 dsn OTC REX 2020 Health SLEEP AWARD WINNER 2021

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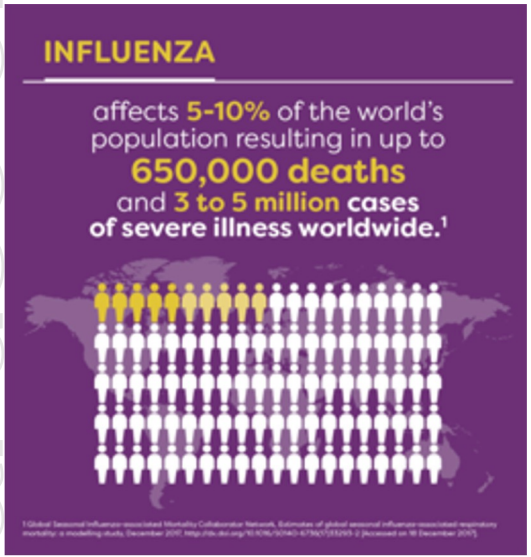
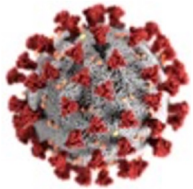
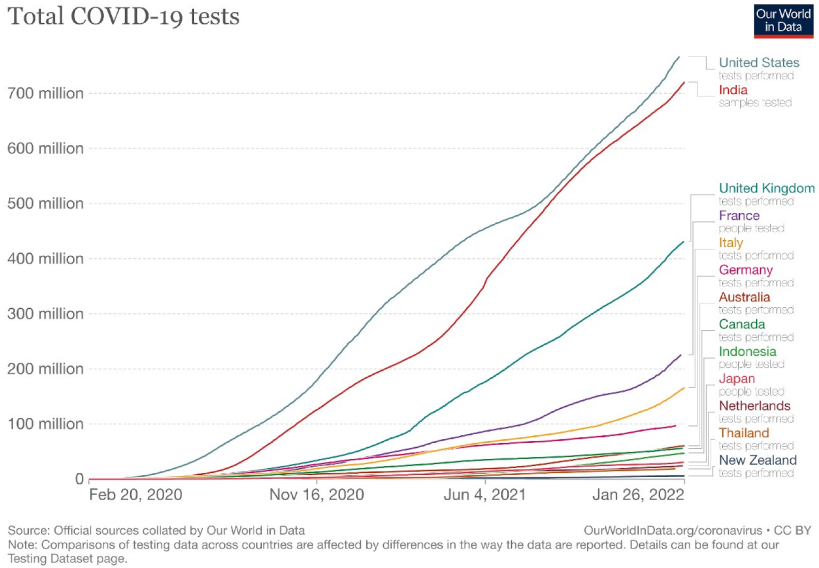
KEY MARKETS – UPPER RESPIRATORY INFECTION (URI)

A COMPELLING OPPORTUNITY IN A GLOBAL HIGH GROWTH MARKET

- Incidence of URIs reached 17+ billion in 2019*. Covid-19 has further increased numbers.
- Testing to identify specific URIs is growing significantly to help identify appropriate treatments – 6+ billion COVID tests~ since 2020.
- Better testing of URIs decreases risk of antibiotic resistance due to misuse of antibiotics. Quick, easy, mass high frequency testing ensures patients receive the right care at the right time.







* Global burden of upper respiratory infections in 204 countries and territories, from 1990 to 2019 THE LANCET June 28, 2021 ~https://ourworldindata.org/coronavirus-testing

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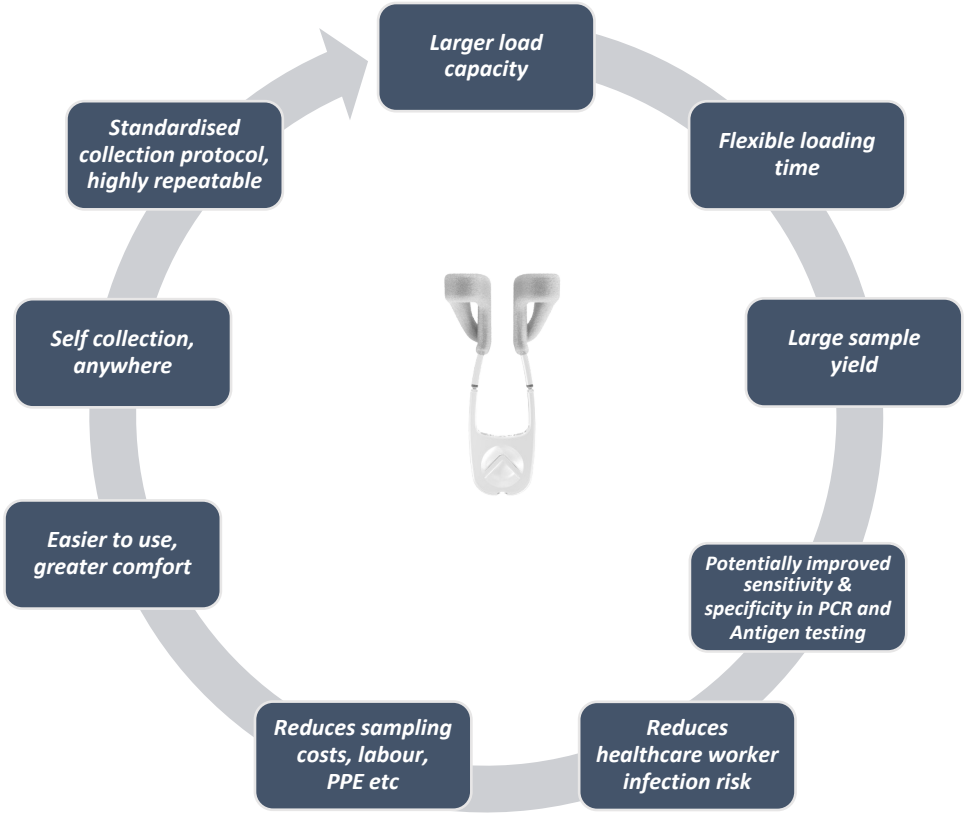
THE RHINOSWAB

A NEW ‘STANDARD SETTING’ RESPONSE TO COVID SAMPLING



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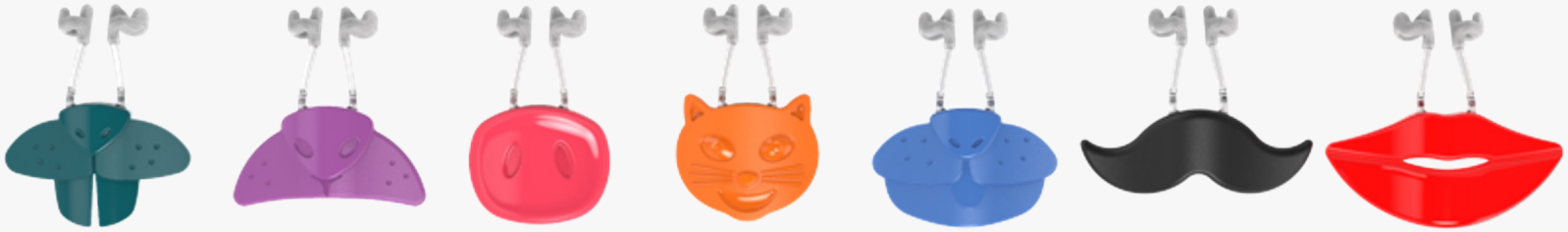
RHINOSWAB JUNIOR

THE FIRST NASAL SWAB DESIGNED SPECIFICALLY FOR CHILDREN

- Successful trials at MCRI & Royal Children's Hospital Melbourne
  - Met all primary endpoints
  - Clinically comparable to the more invasive combined nose & throat swabs (96.2% sensitivity, 99.6% specificity)*
  - 82% of children preferred Rhinoswab Junior
  - 79% of parents want their children to be tested with the Rhinoswab Junior
  - 82% of nursing staff would prefer to test children with the Rhinoswab Junior.
- Reduces fear & anxiety in children and their parents over testing.
- Empowers children to take their own sample under supervision.
- Less intrusive, more comfortable & pain free.



*MCRI/RCH trial 2021

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BOTH RHINOSWABS WORK WITH EXISTING ANTIGEN AND PCR PLATFORMS

DELIVERING A SUPERIOR AND STANDARDISED SPECIMEN COLLECTION PROCESS

Standardised sample collection

Easy integration into PCR & RAT systems

Molecular RT-PCR testing platforms

Antigen Point of Care testing platforms

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RHINOSWAB IS GAINING MARKET ADOPTION AND ACCEPTANCE

NEW SUPPLY AGREEMENT WITH BTNX - CREATING THE FIRST RAT KIT FOR CHILDREN

Supply Agreement with BTNX Inc. (Canada):

- Supply of Rhinoswab /Rhinoswab Junior to BTNX for use in rapid antigen test kits
- Exclusive in Canada, nonexclusive in other markets
- 24-month agreement, minimum orders of 22.5 million swabs
- Rapid Response with Rhinoswab Junior awaiting regulatory approval in Canada and Australia

Rhinomed rapidly progressing dialogue with other Rapid Antigen test companies in other geographies

Substantial sales pipeline - USD$120m+

Qualification stage	Needs Analysis Stage	Proposal Stage	Negotiation stage
•USD $39.9m	•USD $3.3m	•USD $35.4m	•USD $49.9m

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SCALING PRODUCTION AND MANUFACTURING

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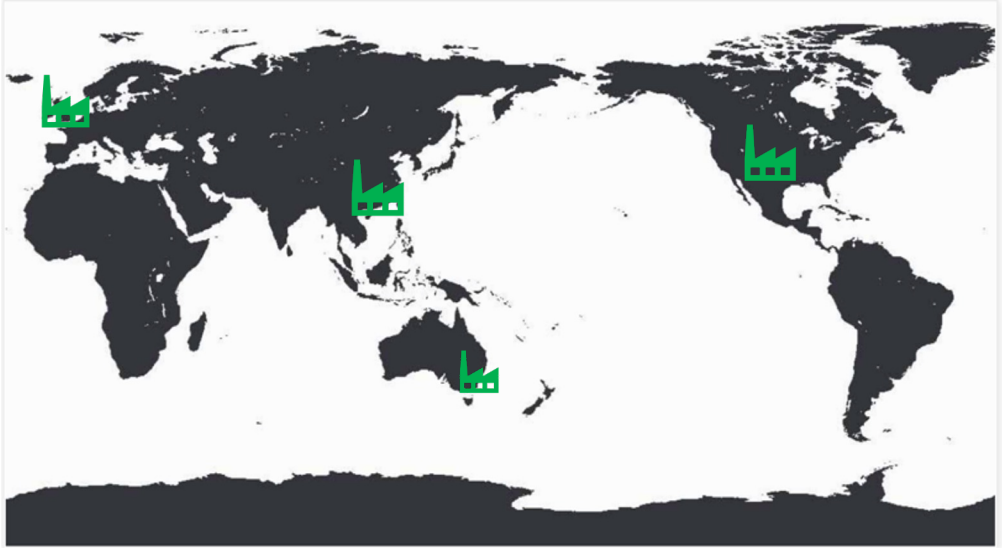
BUILDING A NEAR TO MARKET PRODUCTION CAPABILITY

FLEXIBLE AND SCALABLE PRODUCTION CAPACITY

- Global supply chains experiencing significant pressure during pandemic.
- In response to increasing demand Rhinomed is building a global production network:
  - Multiple production sites
  - Close to high volume markets
  - 100+ million swab pa production capacity
  - Existing Chinese production partner is now online
  - Scoping two additional production sites in UK & USA to come on line late 2022/early 2023
  - Potential for Australian based manufacturing facility should government support be forthcoming
  - This production capability to improve/increase Mute, Turbine & Pronto production capacity – lowering cost of goods & improving margins across the business



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OFFER OVERVIEW

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OFFER OVERVIEW

A$5.0M ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER

Offer Structure

Offer Pricing

- A 1 for 9.87 accelerated non-renounceable entitlement offer of new shares to existing shareholders to raise up to approximately A$5.0M
- Entitlement offer will comprise an Institutional Entitlement Offer and a Retail Entitlement Offer. The Retail Entitlement Offer will include a top up facility. Approximately A$3.228M of the Institutional Entitlement Offer is underwritten by Bell Potter Securities.
- Record date to identify shareholders entitlement: Monday 11th April 2022
- Offer Price of A$0.19 per share, which represents:
  - A discount of 7.3% to the last close of A$0.205 per share on 6 April 2022
  - A discount of 7.7% to the 5-day VWAP of A$0.206 per share to 6 April 2022

Use of Funds

- Offer proceeds will fund an expansion of manufacturing capacity to meet BTNX and sales pipeline production requirements and provide additional working capital

Substantial Shareholder Participation

- Substantial shareholders, Whitney George, John McBain and Chairman, Ronald Dewhurst have committed to take up their entitlements under the Offer

Ranking

- New shares under the Offer will rank pari passu with existing ordinary shares in Rhinomed

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OFFER OVERVIEW

Offer Timetable[1]

Event	AEST
Trading halt & Announcement of Entitlement Offer	Thursday, 7 April 2022
Announcement of Institutional Entitlement Offer results and trading halt lifted	Monday, 11 April 2022
Record Date for eligibility in the Entitlement Offer	7.00pm on Monday, 11 April 2022
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Wednesday, 13 April 2022
Settlement of the New Shares issued under the Institutional Entitlement Offer	Thursday, 14 April 2022
Allotment and normal trading on ASX of New Shares issued under the Institutional Entitlement Offer	Tuesday 19 April 2022
Retail Entitlement Offer closes	5.00pm on Friday, 29 April 2022
Announce results of Retail Entitlement Offer; Settlement of the New Shares issued under the Retail Entitlement Offer	Wednesday, 4 May 2022
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 6 May 2022
Normal trading on ASX of New Shares issued under the Retail Entitlement Offer	Monday, 9 May 2022

[1] The timetable is indicative only and subject to change by the Company and Lead Manager, subject to the Corporations Act and other applicable laws

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OFFER OVERVIEW

INTERNATIONAL OFFER RESTRICTIONS

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New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (**FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2021*. Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United States

- This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

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KEY RISKS

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Risks

Key Risks
This list is not intended to be an exhaustive list of the risk factors to which Rhinomed is exposed.

1. Transaction Risks
1.1 Commercial, manufacturing and distribution risk
Rhinomed's success is dependent upon its ability to manufacture its products on a commercial scale with outsourced manufacturers, with continuity of supply and in accordance with current good manufacturing practices prescribed by regulatory authorities. Any delays or difficulties in the future manufacture of products, including as a result of unexpected termination of key agreements with Rhinomed's manufacturers or the on-going impact of the COVID-19 pandemic may continue to have an adverse effect on Rhinomed. Should Rhinomed's outsourced manufacturing facilities be further disrupted or agreements terminate unexpectedly, it may not be able to source alternate methods of creating its products within a reasonable time and could suffer reputational damage. Rhinomed's distribution arrangements may be terminated at the discretion of the counterparties, which could, in cases of material distribution agreements, materially adversely affect Rhinomed. Further, the BTNX Supply Agreement will require Rhinomed to expand its manufacturing capabilities, further increasing the critical nature of this risk to deal delivery.

2. Risks specific to Rhinomed
2.1 Additional requirements for capital
The funds raised under the Offers are considered sufficient to meet the immediate objectives of Rhinomed. Additional funding may be required to meet any unanticipated liabilities or expenses which Rhinomed may incur. Further additional financing will be required for the continued development of Rhinomed's technology and to effectively implement Rhinomed's business and operational plans in the future.
Rhinomed may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for Rhinomed's activities may result in delay and indefinite postponement of its activities and potential research and development programmes. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to Rhinomed and might involve substantial dilution to Shareholders.

2.2 Early stage products and market risks
Some of Rhinomed's products are still at an early stage of development or commercialisation. Investors should consider the inherent risks encountered by an emerging company with early stage products, particularly in the fast-moving global consumer health and medical devices industry. With a limited trading and product sales history, rapidly changing International and domestic macro-economic environments and uncertain nature of the global consumer retail markets, there remains low visibility and a level of uncertainty on the future demand for Rhinomed's products, within Australia or overseas. The sales potential of Rhinomed's products is still at a relatively early commercial stage. The ongoing and future demand for Rhinomed's products, in existing and target markets, is still being established and remains uncertain. There is a risk that there may not be sufficient demand for Rhinomed's products for their sustainable commercial exploitation.

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Risks

2.3 Liquidity and realisation risk

There can be no guarantee that an active market in Rhinomed's Shares will develop or continue and that the price of the Shares will not decrease. There may be relatively few potential buyers or sellers at any given time and this may increase the volatility of the market price of the Shares, making them illiquid and as a consequence, investors may be unable to readily exit or realise their investment in Rhinomed.

2.4 Clinical trial risk

The successful commercialisation of some of Rhinomed's products is dependent on Rhinomed's ability to conduct further user and clinical trials and the results of those trials being positive. There is no guarantee these trials will return positive results. Moving from discovery to development and subsequent commercialisation of technology typically involves multiple and progressively larger and increasingly robust clinical trials. Such trials can be expensive, time consuming, may be delayed or may fail. Clinical trial success can be impacted by a number of factors, including obtaining ethics approval, incomplete or slower than expected recruitment of patients, failure to meet trial end points, lack of product effectiveness during the trial, safety issues and modifications to trial protocols or changes to regulatory requirements for trials. There is no guarantee that any future clinical trials will demonstrate that Rhinomed's products are successful or useful. Failure or material delay at any point of the clinical trial process will reduce Rhinomed's ability to commercialise its intellectual property and generate revenues and could materially adversely affect Rhinomed.

2.5 Inherent risks in medical device development

The development and commercialisation of medical devices is subject to the inherent risk of failure, including the possibility that products may:

a) be found to be unsafe or ineffective;
b) fail to demonstrate any material benefit or advancement in safety and/or efficacy of an existing product;
c) fail to receive necessary regulatory approvals;
d) be difficult or impossible to manufacture on the necessary scale;
e) be uneconomical to market or otherwise not commercially exploitable;
f) fail to be developed prior to the successful marketing of a similar product by competitors;
g) compete with products marketed by third parties that are superior; and
h) fail to achieve the support or acceptance of medical practitioners, patients or the medical community.

All of the above factors could materially adversely affect Rhinomed and impede the achievement of its commercialisation objectives.

2.6 Product liability risk

Rhinomed may be adversely impacted by any manufacturing defects or unknown risks in its products. Rhinomed's products on sale have been registered with relevant authorities such as the Australian Therapeutic Goods Administration (**TGA**) and hence it believes that they meet basic safety standards. Despite this, there may still be risks inherent in or risks caused by defective manufacturing of Rhinomed's products. In the medical devices market, such defects may give rise to claims against Rhinomed that could materially adversely affect its business to a degree that insurance may either not compensate or for which insurance is not economically available to Rhinomed.

Rhinomed maintains insurance to cover product liability risks, but there is no guarantee that adequate insurance coverage will be available at an acceptable cost (or in adequate amounts), if at all, or that product liability or other claims will not materially and adversely affect the operations and condition of Rhinomed. A product liability claim may give rise to significant liabilities as well as damage Rhinomed's reputation.

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Risks

2.7 Regulatory risk
Rhinomed operates in an industry which is subject to laws, regulatory restrictions and certain government directives, recommendations and guidelines relating to, amongst others, occupational health and safety, laboratory practice, use and handling of hazardous materials, prevention of illness and injury and environmental protection. Any changes to the regulatory environment may increase the cost of compliance and may have an impact on Rhinomed's profitability in the future.
Many of Rhinomed's products are subject to strict regulation by the *Therapeutic Goods Act 1989* (Cth) and associated legislation, the US Food and Drug Administration (**FDA**) and equivalent legislation in other overseas jurisdictions where the products are sold. Any material changes in these regulations, or relevant legislation or policies may have the potential to affect the viability, profitability and progress of Rhinomed's business.
Data obtained from pre-clinical and clinical activities are susceptible to varying interpretations, which could delay, limit or prevent regulatory approval or clearance. Before Rhinomed can market and sell its products, it must demonstrate that the products are safe and effective and must obtain necessary approvals from market regulators (for example, the TGA and the FDA). Such approval may take longer than anticipated, require additional trials to be undertaken or may not be provided at all. As a result, Rhinomed may require additional funding to clear the regulatory pathway. No assurance can be given that future funding will be available, or that it will be available on terms acceptable to Rhinomed.
As a result, Rhinomed's ability to complete its development programs may be delayed or halted until such funds are raised (if at all), preventing Rhinomed from commercialising its intellectual property and generating revenues. Further, should Rhinomed's products that must be registered as medical devices under regulatory regimes in Rhinomed's markets cease to be registered for any reason, Rhinomed's sales of those products may be materially reduced.

2.8 Regulatory approval of products under development
Rhinomed continues to develop and expand its range of products and new applications for the nasal stent platform. Any developed products will need to be registered by the TGA and the other relevant overseas authorities before they can be sold in Australia and overseas markets. Under the TGA and overseas regulatory regimes, medical devices must undergo a comprehensive and highly regulated development and review process before receiving clearance for sale. Any further medical devices developed by Rhinomed will also need to obtain the requisite registrations before they can be sold to customers in Australia and overseas markets. There is no guarantee that such registrations will be obtained.

2.9 Competition
The medical device and medical cannabis industries are highly competitive and subject to rapid change. Rhinomed competes or will in due course compete with other businesses. Some of these companies have greater financial and other resources than Rhinomed and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that Rhinomed will compete effectively with these companies, or with new companies that enter the industry. There is also a risk that Rhinomed's competitors may develop a product or products that causes Rhinomed's products to become obsolete or unattractive to its current customers or potential consumers, with adverse effects on Rhinomed.

2.10 Intellectual Property
As Rhinomed relies upon its own intellectual property to conduct its business it will need to protect its intellectual property. There may be circumstances where Rhinomed's intellectual property cannot be protected or is subject to unauthorised disclosure, infringement or challenge by a third party. Rhinomed may incur significant costs in asserting its rights in such circumstances. Even a registered patent can be invalidated in certain circumstances. Although Rhinomed will seek to protect its intellectual property, there can be no assurance that these measures will be successful. There is always a risk of third parties claiming involvement in technological and medical discoveries. Further, competition in retaining and sustaining protection of intellectual property and the complex nature of intellectual property can lead to expensive and lengthy patents disputes, for which there can be no guaranteed outcome. Some parties may be able to utilise their greater financial resources to sustain the costs of litigation or proceedings.
Securing rights to intellectual property, and in particular patents, is an integral part of securing potential product value in the outcomes of medical device research and development. The granting of a patent does not guarantee that the rights of others are not infringed or that a competitor will not develop competing intellectual property that circumvents such patents. The patent position of medical device companies can be highly uncertain and frequently involves complex legal and scientific evaluation. The breadth of claims allowed in medical device patents and their enforceability cannot be predicted.

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Risks

2.11 Dependence on key personnel
The success of Rhinomed depends to a significant extent on the ability, performance and experience of its key personnel. The loss of key personnel or an inability to recruit or retain suitable replacement or additional personnel may impact Rhinomed's ability to develop and implement its strategies, which may have an adverse effect on its future financial performance.
There can be no assurance that Rhinomed will be able to attract or retain sufficiently qualified scientific and management personnel or maintain its relationship with key scientific organisations and contractors. The loss of key scientific and management personnel and the associated corporate knowledge of those people could have a detrimental impact on Rhinomed and may adversely affect Rhinomed by impeding the achievement of its research, product development and commercialisation objectives.

2.12 Development of new markets
Rhinomed's ability to manufacture and sell its products in countries beyond those in which it is currently authorised, is dependent upon regulatory clearances in target markets. If and when Rhinomed seeks to expand into additional markets, Rhinomed may not obtain the regulatory clearances that it requires for sale of its products in those markets or such approvals may be subject to delay.

2.13 Innovation risk
Should Rhinomed fail to develop new technologies, or anticipate or react to changes in existing technologies, either within or outside of its industry, development of new products may be materially delayed, which could result in a reduction in net sales and a loss of market share, with materially adverse impacts on Rhinomed.

2.14 Currency risk and lack of hedging
Rhinomed is exposed to foreign currency risk, mainly through its foreign currency cash balances, receivables and payables denominated in foreign currencies. The Group's exposures are mainly against the US dollar (USD) and European euro (EUR) and are managed through continuous monitoring of movements in exchange rates, and by settling foreign currency purchases with proceeds from foreign currency income.
Currently, Rhinomed does not have any currency hedging arrangements in place, but this may change if the Directors form the view that the cost of such arrangements is appropriate. This means Rhinomed does not currently have measures in place to soften the adverse effect of currency movements.

2.15 Reputational risk
Rhinomed's reputation and brand and its products are important to Rhinomed's standing in its industry. Reputational damage could arise due to a number of circumstances, including:

a) inadequate services or unsatisfactory clinical outcomes for patients;
b) error, malpractice or negligence of Rhinomed's employees; or
c) error, malpractice or negligence of the licensed medical specialists recommending Rhinomed's products.

Any reputational damage or negative publicity around Rhinomed or its products could adversely impact its business, by preventing it from attracting and retaining high calibre professionals, reducing its attractiveness to licensing partners and adversely impacting on its ability to raise funds in the broader market, all of which would adversely affect Rhinomed and impede the achievement of its commercialisation objectives.

2.16 Uncertainty of future profitability or dividends
In light of nature of Rhinomed's early stage business and the specific risks facing it as disclosed in this Section, the extent of future profits, if any, of Rhinomed and the time required to achieve a sustained profitability, is necessarily uncertain. Moreover, the level of such profitability cannot be predicted.
If Rhinomed is in the future in a position to pay dividends, the amount, timing and payment of future dividends is dependent on a range of factors including future capital and research and development requirements, as well as the overall financial position of Rhinomed. The Directors are unable to give any assurance regarding the payment of dividends in the future, if at all.

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Risks

2.17 Infectious disease pandemics
Infectious disease pandemics such as the coronavirus have the potential to interrupt Rhinomed's operations, impair deployment of its products to customers and prevent suppliers or distributors from honouring their contractual obligations. Such pandemics could also cause hospitalisation or death of Rhinomed's existing and potential customers and staff.

3. General risks

3.1 Securities investments and share market conditions
There are risks associated with any securities investment. The prices at which the securities trade may fluctuate in response to a number of factors. Furthermore, the stock market may experience extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of companies. These factors may materially adversely affect the market price of the securities of Rhinomed regardless of Rhinomed's operational performance. Neither Rhinomed nor the Directors warrant the future performance of Rhinomed, or any return of an investment in Rhinomed.
Share market conditions are affected by many factors, including:

a) general economic outlook;
b) interest rates and inflation rates;
c) currency fluctuations;
d) political instability;
e) short selling and other trading activities;
f) the demand for, and supply of, capital; and
g) force majeure events.

3.2 Economic risk
Changes in both Australia and world economic conditions may adversely affect the financial performance of Rhinomed. Factors such as inflation, currency fluctuations, interest rates, industrial disruption, general economic outlook and economic growth may impact on future operations and earnings.

3.3 Government policy or regulatory change
Any material changes in government policies or relevant legislation of the countries in which Rhinomed may operate have the potential to affect the viability, profitability and progress of Rhinomed's business.

3.4 Force majeure
Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats – or natural disasters - such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt Rhinomed's operations and impair deployment of its products to customers, interrupt critical functions, reduce demand for Rhinomed's products, prevent suppliers from honouring their contractual obligations to Rhinomed or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of Rhinomed's products, its business, results of operations and financial condition could be harmed.

3.5 Taxation
There may be tax implications arising from applications for New Shares and on the future disposal of Shares. Potential investors should consult their professional tax adviser before deciding whether to apply for New Shares.

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