

Rhinomed Limited

Chairman's Address 2020

It is my pleasure to welcome you to the Rhinomed 2020 Annual General Meeting.

The 2020 financial year has been the most challenging for almost all companies globally, let alone for society more broadly.

The COVID19 pandemic was unforeseen and its impact continues to dominate the global landscape.

There has not been a region globally that has been unaffected, and the implications for Governments, companies, and most importantly individuals has been far reaching and devastating, a life changing moment.

This has been uncharted territory for all, not the least for Rhinomed and our people. I want to pause for a moment and thank Michael Johnson, our CEO, and his team for the way they responded to the crisis, shifted gear, pivoted to a work from home model, and managed to weather the storm and have now re-established momentum in our business. The first consideration for our Board and Management was the health and safety of our people.

Further, being able to secure the company through this pandemic was also a critical consideration for the Board and Management, and that was facilitated by a timely capital raise to ensure our financial viability during these uncertain times.

In that regard, we are indebted to our largest shareholder Mr Whitney George who underwrote our issue to ensure its success. Our other major shareholders also supported the issue, thank you.

Turning to our results for the year, our numbers through the first three quarters were tracking in line with our expectations with the third quarter producing a record, but as expected, the June quarter fell sharply due to the impact of the pandemic, albeit our twelve month revenues still rose by just under 10% over the previous corresponding year.

Shareholders will recall that at last year's Annual General Meeting we indicated that our expectations were that our financial performance would gain momentum in the second half of the financial year, and until the pandemic, struck that was indeed the case.

Despite the impact of the pandemic, Rhinomed managed to launch new natural oil products into the market, in particular the USA, and they are currently finding their way on to shelves or available for online sales. It is worth noting that our store count has moved from 12,000 last year to now over 20,000.

It should also be noted that whilst the development of our CBD, medical cannabis products were paused as a result of the pandemic, this is still an ongoing focus for us.

Finally, as it relates to products, since the end of the financial year you may have noticed we have announced the development of a product that we believe will be applicable to mass testing for COVID19 or other viral infections. More to come on this opportunity.

What this new product opportunity highlights, and is consistent with our long term strategy, Rhinomed is a technology platform that can be pivoted to delivering many different solutions to varying needs.

Turning to people matters, I wish to refer to the recommended issue of a meaningful number of options to our CEO Michael Johnson, that is subject to shareholder approval at this meeting. The Board wishes to highlight that this special grant of options is primarily in recognition of the significant amount of Intellectual Property that is reflected in the portfolio of patents we hold, that Michael has been pivotal in creating over the last 7 years, and is the cornerstone of the product set, and opportunities that Rhinomed is now seeing and pursuing.

Further, as it relates to the Board of Rhinomed, I wish to thank both Dr Eric Knight and Mr Brent Scrimshaw for the substantial increase in time commitment they made over the last year as we planned our way through this difficult year for all. I should further note that Mr Scrimshaw recently assumed the CEO of ASX listed company Enero Group Limited, for which we congratulate Brent, and note we are taking his new responsibilities into our consideration in our planning for the future composition of our Board.

Finally, I wish to thank all of our staff for their dedication and commitment through what has been a very challenging year, and ahead of what we hope will be an exciting 2021 for Rhinomed.