

RHINOMED TO LAUNCH REVOLUTIONARY NEW RECHARGEABLE, VAPOUR RELEASE TECHNOLOGY TARGETING SLEEP AND DECONGESTION

HIGHLIGHTS:

- Confirms launch of new Pronto™ range of dual action, rechargeable vapour release products in the second half of 2019.
- Pronto™ range comes in two formulation variants – Pronto Sleep and Pronto Clear – addressing unmet needs in the US\$49bn global sleep aid market and US\$34bn global nasal congestion, cough, cold and allergy market.
- Initial purchase orders for the Pronto Sleep aid product have now been received from one of America's leading drugstore chains – an existing Mute stockist – product shipping at the end of May and will be rolled out into 900 stores.
- Company to showcase the Pronto technology at the American Academy of Sleep Medicine Meeting in San Antonio, Texas in June.
- Delivers a major milestone and expansion of the Rhinomed nasal platform into a new category and markets.

April 15, 2019. Melbourne. Rhinomed (ASX:RNO), a leader in nasal technology and the developers of Mute™, is pleased to confirm that it will launch its revolutionary new Pronto™ rechargeable, dual action, vapour release technology in the second half of 2019 following the receipt of initial purchase orders from one of the USA's leading drug store chains.

Revolutionary new Pronto™ technology suite

Based on the company's existing BreatheAssist™ stenting technology – which has successfully seen the release of two variants Mute™ and Turbine™ – the new Pronto™ range includes the novel Airstream™ release system that allows a specific amount of a formulation to be released into the nasal airstream over a set period of time. By combining this new vapour release technology with the Mute's stenting action, Rhinomed provides users with a unique dual action medical device that not only improves nasal airflow, but also delivers the associated benefits of the specific formulation.

This unique and patented technology has a broad range of applications and can be tailored to suit specific formulations of drugs, while also being tailored to suit specific drug delivery profiles for example - low dose, long release, or high dose, fast acting.

Rhinomed has also developed a novel rechargeable system that recharges the device allowing it to be reused a set number of times –always releasing a set amount of the formulation upon recharge.

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Pronto roll out initially in USA

Following the completion of the product development program and initial consumer testing in 2018 and early 2019, the company presented the new Pronto™ technology range in prototype form to retailers at the recent ECRM Drug Store and Grocery sales show held in Chicago in early February 2019.

As a result of the positive reaction from retailers to both products the company began tooling and has commenced production with its China based production partner.



Rhinomed can confirm that it has now received an initial purchase order for the Pronto™ Sleep Aid product. The global sleep aid market was valued at US\$49 billion in 2016* and Pronto's strong appeal has seen one of Rhinomed's existing Mute stockists champion this innovation through an initial rollout in 900 stores. Rhinomed will ship product at the end of May and expects to see Pronto Sleep on shelf by August/September.

The Pronto Clear Nasal decongestant product - targeting nasal congestion, cough, cold and allergy issues – which had global retail value sales topping US\$34 billion in 2014# –will be released later in 2019 in time for the North American cough, cold, flu season.

Rhinomed can confirm that both Pronto products will initially be sold online and through select retail partners. An initial focus will be on the US market and the company anticipates that it will receive rolling notification of other stockists and stocking levels for both the Pronto™ Sleep Aid and the Pronto™ Clear Decongestant products over the coming months and will update investors as purchase orders are received.

The company notes that this initial purchase order is from one of America's leading drug store chains and a current stockist of the company's Mute technology. There are limitations under the order arrangements regarding the disclosure that Rhinomed can currently provide, as a guide it can provide the following information:

- The company has received initial purchase orders for one variant - the Pronto™ Sleep aid product.
- The initial purchase order is for over 2800 packs.
- Stock is anticipated to appear on the shelves of stores from July/August 2019.
- Revenues from this new product range are not expected to impact the business until FY20 Q2 at the earliest.

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- The purchase orders fall under the existing relationship Rhinomed has with this retailer.
- Pricing details remain confidential.
- The company expects to be able to inform investors as to the identify of this retailer when product appears on shelf.

Major Milestone and validation of Platform

Rhinomed notes that this is a clear 'milestone' and transformation from being a company with one technology range driven by 'door growth', to an innovation led business expanding into new and adjacent categories in its existing channel.

The licensing of its technology to Columbia Care (one of the US's largest medical cannabis companies) in late 2018 and the launch of this new Pronto product range is clear validation of the company's technology as a highly flexible, patented, drug delivery platform.

New Technology Showcase

The company will introduce this revolutionary new Pronto technology in June at the American Academy of Sleep Medicine (AASM) SLEEP meeting which is being held in San Antonio Texas, USA.

SLEEP is the premier world forum for the presentation and discussion of the latest developments in clinical sleep medicine and sleep and circadian science and provides an ideal opportunity to introduce the new Pronto brand, the technology's capability and its existing and potential applications to a major audience of influencers and key opinion leaders.

Delivering on the technology platform

Michael Johnson, Rhinomed CEO said, *"Rhinomed is delivering on its potential as a world leading innovator in the nasal, respiratory, sleep and drug delivery markets. We have become one of those rare Australian companies that has not only developed a technology, but has also now proven consumer and clinical adoption, established global distribution and shelf presence and established a product that is now one of the fastest growing brands in its category. Mute has now successfully delivered millions of nights of better sleep to customers across three continents.*

It's now time we start leveraging our platform to deliver drugs and formulations into specific target markets. The global sleep aid and decongestant market are multi-billion dollar markets that have a clear need for innovation. Rhinomed is continuing to deliver on its strategy of meeting the unmet needs of customers and disrupting incumbents through a focus on class leading innovation and design.

Mute has given Rhinomed an exceptional foothold into the retail pharmacy market in the USA. The Pronto range provides pharmacists with a new and truly innovative solution to customer's sleep and decongestion issues from a brand that they now know and trust.

The Pronto range is the culmination of an exciting product development program, but is also just the beginning of our drug delivery program. We have many more iterations in the

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pipeline including our work with Columbia Care - one of the US's largest medical cannabis companies.”

The company notes that while the expanded arrangement and receipt of purchase orders creates potential new market opportunities for Rhinomed and increases the retail reach of the company's products in the USA, it is not an assurance of ongoing or future retail sales. It is too early to accurately forecast the likely impact of revenues from the Agreement on Rhinomed financial results

For more information about Rhinomed's exciting technology, please visit www.rhinomed.global

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About Rhinomed Limited (ASX: RNO)

Rhinomed Limited is a Melbourne based technology firm with a focus on nasal, respiratory and breathing management technologies. The company is seeking to monetise applications of its technology portfolio in the Sport, Sleep, Wellbeing and Drug Delivery markets. For more information go to www.rhinomed.global

* Top 6 Things to Know About the \$28 Billion Sleep Market. Market research .com 2019

Trends in Cough, Cold and Allergy (Hay Fever) Remedies Euromonitor 2015