

RHINOMED LAUNCHES FULLY UNDERWRITTEN RIGHTS ISSUE

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KEY HIGHLIGHTS:

- **Rhinomed to undertake a fully underwritten 1 for 2 pro rata renounceable rights issue to shareholders to raise approximately A\$6.5 million**
- **Funds raised will drive growth in the company's key market, the USA and support Rhinomed's leading products, including Mute Snoring, Pronto Sleep and Pronto Clear technology, and provide additional working capital.**
- **Issue fully underwritten by RNO's largest investor, subject to Foreign Investment Review Board (FIRB) approval**

May 11th 2020 Melbourne, Australia.

Rhinomed Limited (ASX:RNO; OTCQB:RHNMF), a leader in nasal airway and respiratory technology, today announces a fully underwritten renounceable rights issue of fully paid ordinary shares, to raise approximately A\$6.5 million.

The funds raised will be used to drive growth in the company's major markets, support Rhinomed's leading products including Mute Snoring, Pronto Sleep and Pronto Clear technology, provide working capital and support the introduction of the new product range.

Rhinomed's technology platform has driven product launches that target large addressable markets in sport, sleep disorders, allergy and congestion. The company's product range is stocked on approximately 15,000 shelves in leading pharmacies around the world, and Rhinomed expects to grow this number to 30,000 shelves by the end of 2021. The product range will be extended in 2020 and 2021 into the global cannabidiol (CBD) consumer health market, targeting clear unmet needs in this US\$18 billion market. The funds raised in this rights issue will play a crucial role in the roll-out of this brand and market expansion strategy.

"This rights issue comes at a time when Rhinomed is experiencing rapid growth around the world and is poised to enter the fast-growing global CBD market," said Rhinomed Chief Executive Officer, Michael Johnson. "We are on a path to double our footprint in retail stores by the end of 2021, and this capital raising is a major plank of Rhinomed's growth strategy.

"We are particularly heartened by the support for this raising from our largest shareholder, and we are confident that it will be similarly supported across the entire shareholder base," Johnson added.

The offer price of 7.7 Australian cents per new share represents a 2.5% discount to the theoretical ex-right price of 7.9 cents on 4 May 2020 (the last day of trading before the trading halt) and a 2.3%

discount to the 10 day volume-weighted average price (VWAP.) It is expected that approximately 84.6 million new shares will be issued under the rights issue, with all new shares ranking equally with existing Rhinomed shares.

The rights issue will *be pro rata* to all existing shareholders with a registered address in Australia, New Zealand and the Isle of Man. Existing shareholders who are US residents may only participate to the extent they are an “accredited investor” as defined in Rule 501(a) under the US Securities Act. Together, these categories comprise the “eligible shareholders.”

The rights issue is fully underwritten (subject to approval by the Australian government’s Foreign Investment Review Board (**FIRB**)) by the company’s largest shareholder, US-based investor Mr Whitney George, the Chief Investment Officer of Sprott Asset management (USA), who has also committed to subscribe for his entitlement under the rights issue. (FIRB approval for Mr George’s underwriting is required as a result of the Federal Treasurer’s decision on 29 March 2020 to reduce monetary thresholds under Australia’s foreign investment regime to \$0.) The prospectus for the rights issue, lodged with the Australian Securities & Investments Commission (ASIC) and the Australian Securities Exchange (ASX) today – and which is to be dispatched to eligible shareholders on Tuesday, 19 May 2020 – contains important information about the control implications of the underwriting.

Under the rights issue, eligible shareholders will be able to subscribe for 1 New Share for every 2 existing shares held at 7.00pm (Melbourne time) on Thursday 14 May 2020 (the record date) at the offer price. Eligible shareholders (other than Mr George) subscribing for their full entitlement will also have the opportunity to apply for additional new shares.

The entitlements are renounceable and will be tradable on the ASX or otherwise transferable. The number of existing shares held by eligible shareholders who do not take up or sell their entitlements will not be affected. The company has appointed a nominee to sell the entitlements to which ineligible shareholders (that is, shareholders who are not eligible shareholders) are entitled (refer to the prospectus for further details).

Eligible shareholders should consider the prospectus in deciding whether to acquire new shares under the rights issue and will need to complete the personalized entitlement and acceptance form that will accompany the prospectus.

The following are indicative dates in respect of the rights issue:

Event	Date
Lodgement of Prospectus, announcement of rights issue and lodgement of Appendix 3B with ASX	Monday, 11 May 2020
Shares quoted on an "EX" basis	Wednesday, 13 May 2020
Record date	Thursday, 14 May 2020
Rights issue opens Company sends Prospectus and entitlement and acceptance form to eligible shareholders Deferred settlement trading in rights ends at the close of trading	Tuesday, 19 May 2020
Rights trading ends at close of trading	Tuesday, 26 May 2020
Shares quoted on a deferred settlement basis from market open	Wednesday, 27 May 2020
Closing Date (5pm AEST)*	Tuesday, 2 June 2020
Announcement of results	Friday, 5 June 2020
Last date for issue of the new shares	Wednesday, 10 June 2020
Anticipated date for commencement of new shares trading on a normal settlement basis	Thursday, 11 June 2020

*All dates (other than the date of the Prospectus and the date of lodgment of the Prospectus with ASIC and ASX) are indicative only. The Directors may extend the closing date by giving at least three business days' notice to ASX. The company reserves the right, subject to the Corporations Act and Listing Rules and other applicable laws, to vary any other date of the rights issue, including accepting late applications, either generally or in particular cases, without notice.

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This announcement has been authorized for release by the Board.

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About Rhinomed Limited (ASX: RNO, OTCQB:RHNMF)

Rhinomed Limited is a Melbourne based ASX listed airway technology company that has developed a simple and innovative nasal stent to improve air flow to the lungs and deliver therapeutic agents.

With its initial product Turbine, Rhinomed has established a leading position in sports performance enhancement, as testified by athletes including two-time Tour de France winner Chris Froome. With its variant called Mute, the company has also entered the sleep sector to tackle the global snoring market, while its third product, the Pronto range, tackles nasal congestion and sleep disturbance issues. The company is developing applications for the delivery of medical cannabis and for conditions including anxiety, pain, allergies, nausea, anxiety and coughs and colds.

Rhinomed's devices are sold in nearly 15,000 stores worldwide including Walgreens, CVS, Boots and online with Amazon; and are approved in major markets including the US, Europe and Australia.