

LEADING USA PHARMACY CHAIN EXPANDS MUTE NATIONALLY INTO 4300+ STORES

KEY HIGHLIGHTS:

- MUTE expands from 891 to 4,300 Walgreens pharmacy/drug stores.
- Expansion follows successful trial program that began in May 2016.
- Purchase orders received and all 3 product sizes and Trial pack will be on shelf from August 2017.
- Major distribution milestone, reflecting a 5 fold increase in USA door distribution vs 12 months ago.

July 19, 2017. Melbourne, Australia.

Respiratory technology company Rhinomed Limited (ASX:RNO) is delighted to inform investors that it has received purchase orders confirming U.S. pharmacy giant Walgreens has core ranged all 4 SKU's (Trial pack, Small, Medium and Large) of the MUTE sleep and breathing technology in approximately 4,300 pharmacy/drugstores throughout the continental USA.

Having received the purchase orders, the Company has commenced shipping with MUTE expected to begin appearing on Walgreens shelves from late August 2017. A promotional program supporting MUTE will be rolled out in the second quarter FY18.

This is a USA nationwide expansion of MUTE's existing shelf presence in one of the world's largest and most iconic pharmacy/drug store chains. This 5 fold increase in USA door distribution has occurred 12 months after the start of the initial trial that began in 107 Duane Reade stores and 891 Walgreens stores in May 2016.

Walgreens decision to expand its ranging of MUTE reflects the growing adoption of MUTE in the USA consumer health market and follows a review carried out by Walgreens.

This is a major milestone event for the company. MUTE is now available Australia wide through the Sigma and Symbion pharmacy networks, in the UK through Boots pharmacies, in the US through Walgreens, GNC, Bartells Drug Stores, Discount Drug Mart and limited CVS stores. The recently announced inclusion of MUTE in the Hamacher planogram opens up access to a further 10,000 independent pharmacies.

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The addition of these 4,300 Walgreens stores means that MUTE will be accessible to over 18,000 stores globally, up from approximately 2,400 stores as at the same time last year.

This store expansion with a major existing customer clearly validates the demand for MUTE in the USA and its appeal to both retailers and consumers alike. The company is delighted at the progress that has been made in such a short period of time.

While recognised revenues will lag product distribution announcements, these milestones reflect strong retailer support for the MUTE technology.

One in four people suffer from nasal obstruction or congestion. MUTE provides a drug free alternative to steroid sprays and drug based decongestants by dilating the nose and increasing airflow, helping people to breath more, snore less and sleep better. The global anti-snoring and sleep apnea devices market was valued at US\$7,399 million in 2015 and is forecast to grow to US\$10,122 million by 2020¹. MUTE is Rhinomed's first sleep-related application from its nasal technology platform.

Walgreens (www.walgreens.com) is one of the largest pharmacy chains in the USA and is part of the Walgreens Boots Alliance, Inc. (Nasdaq: WBA), which is the first global pharmacy-led, health and well-being enterprise. More than eight million customers interact with Walgreens each day in communities across America. Walgreens also manages more than 400 Healthcare clinics and provider practice locations around the country.

Media Enquiries

Michael Johnson, CEO & Director

+61 (0) 3 8416 0900

mjohnson@rhinomed.global

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About Rhinomed Limited (ASX:RNO)

Rhinomed Limited is a Melbourne, Australia based technology firm with a focus on nasal, respiratory and breathing management technologies. The company is developing and commercialising applications of its technology portfolio in the sport, sleep, cough/cold and allergy, and drug delivery markets. The company has two products in market (the Turbine for sports and exercise and Mute for snoring and better sleep) and has recently completed a pilot Phase I clinical trial of its new INPEAP technology targeting mild to moderate sleep apnea. For more information, go to www.rhinomed.global.

About Mute™

Mute™ is a unique nasal respiratory technology that has been found to reduce the volume and frequency of snoring in 75% of users*. Mute is easy to use, drug free and fits discreetly inside the nose. Made from ultra-soft polymers, Mute gently expands each nostril to increase the volume of air in each breath. By doing so, Mute encourages nasal breathing and reduces the need to open the mouth during sleep, factors critical to a reduction in snoring and better sleep. For more information or to purchase online, visit www.mutesnoring.com

* Mute in-home user trial, 2014. n=118 couples.

1 Spearhead Acuity Business Research and Consulting (SA-BRC) 'Global Anti-Snoring and Sleep Apnea Devices Market Assessment Forecast 2016-2020 Report. April 2016.