

# R H I N O M E D

## TURBINE<sup>TM</sup> SALES RECOVER & MUTE<sup>TM</sup> DISTRIBUTION SECURED

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- **New Turbine<sup>TM</sup> released to market**
- **Australian pharmacy roll out for Mute<sup>TM</sup>**
- **FY15Q3 revenues increase to \$159k**
- **European distribution agreement for Mute<sup>TM</sup> in negotiation**
- **Company to divest Vibrovein<sup>TM</sup> technology**

### **Melbourne, Australia, April 30, 2015:**

Rhinomed (ASX:RNO) is pleased to announce it has seen strong progress in the commercialisation of its nasal technology platform during FY15Q3.

Revenue recovered during the quarter to \$159,000, up from \$31k in Q2. This result was generated predominantly from the Turbine<sup>TM</sup> sports technology and follows a substantial redesign resulting from feedback from customers and distributors.

Following regulatory clearance in December 2014, the company has entered negotiations with leading Australian pharmacy wholesalers for distribution of its Mute<sup>TM</sup> snoring technology. Towards the end of the quarter the company announced that Symbion (part of the EBOS group) would commence distribution of Mute<sup>TM</sup> with other distributors expected to follow. During the quarter, the company has also commenced negotiations for distribution of Mute<sup>TM</sup> into the global sleep market.

The company is now awaiting ethics approval for the clinical trial of its new Obstructive Sleep Apnea technology, developed during the quarter. This technology seeks to provide a well-tolerated solution for patients suffering mild to moderate sleep apnea, a market comprising some 70% of all patients.

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## **Quarterly sales**

The introduction of the new Turbine™ design has generated a positive response. Sales for the quarter were \$159,000, generated predominantly by existing distributors within the Turbine™ network. This is an increase of 513% from \$31,000 in the second quarter and 45% from \$110,000 in the first quarter. With shipping of the new generation product beginning in mid February, the results are in line with expectations.

“The new Turbine™ design responds directly to customer feedback - better grip and positioning within the nose. The response from our distributors has been great and we expect to see clear sustainable growth from the Turbine™ business unit over the coming quarters.” said COO Justine Heath.

Having established a presence in Asia, the company will focus on opening up the US and UK markets. Strong response from elite athletes continues to provide the company with clear guidance as to adoption in its key markets. Just prior to Christmas, the company began an independent trial of its Turbine™ technology at the University of Western Australia School of Exercise Science. This program will report mid year.

## **Quarterly highlights**

The company continues to invest heavily in building a valuable intellectual property position. In the past two years, the company has grown its intellectual portfolio to include over 60 patents consisting of utility, method and design patents. Our objective is to create a significant and protected position in the global breathing and sleep market. We remain committed to investing in identifying areas where we can create real value and valuable solutions to clear unmet patient and customer needs.

We have invested in creating branded technology. We firmly believe that a clearly defined and differentiated brand assists customers to identify and adopt compelling technology.

Increasingly, the need for powerful, clearly differentiated, branded technology is being recognised by large pharma and medical technology companies.

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The company has appointed a VP North America to facilitate entry into the North American market and will focus on opening up this important market for the Turbine™ and Mute™ technologies.

## **International Distribution program**

Snoring and poor sleep quality affects tens of millions of people worldwide. Rhinomed is continuing to build strong relationships with leading companies in the sleep, breathing and pharmacy categories.

As a result of these ongoing discussions, the company continues to assess distribution opportunities that position Mute™ as the premium OTC solution for snoring and improved sleep quality, with the global sleep category currently estimated at over US\$32 billion.

“The expansion of our footprint within the Australian market builds the proposition for distribution into bigger offshore markets,” said Rhinomed CEO Michael Johnson. “We have received strong interest in the Mute™ technology from companies with strong market positions in the global sleep category and will update investors as this dialogue matures.”

## **Current Position**

The company has \$2.8 million in cash as at the end of the quarter and anticipates that growing revenues will offset cash burn in the coming quarters.

The company is pursuing an aggressive growth strategy to advance its core technology platform across multiple market segments, both in local and global markets. We are developing strategic long-term relationships with major international companies in the global sleep category, which will open new valuable markets. The company looks forward to communicating the results of these activities to shareholders in due course.

## **Divestment of Vibroveil™ Asset**

The company has assessed the strategic fit of its assets and taken the decision to divest the Vibroveil™ technology. This move will allow resources to be focused on its core respiratory technology.

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The company has received an expression of interest in purchasing the Vibrovein™ “Marxman™ brand” technology. The Marxman™ technology has been designed to alternate the vibrational frequency of a needle in response to a range of external stimuli. The Marxman™ is controlled through a tablet device and has been successfully prototyped.

“While we believe the Marxman™ represents a very real opportunity with commercial potential across a range of markets, the company is focused on building its respiratory technology in multiple market segments and geographies. The company will focus on its area of strength and use its resources to demonstrate the market potential of these core assets,” commented Rhinomed CEO, Michael Johnson.

“This decision reflects our commitment to create a significant business within the respiratory and sleep markets where we believe we can add the most value and define strategies that will maximise shareholder value.”

“The Vibrovein™ technology has a unique, proprietary differentiation through its Marxman™ application. We are determined to ensure that the sales process recognises the unique value of the brand and provides the opportunity for shareholder upside,” added Johnson.

Enquiries regarding Vibrovein™ can be directed to Justine Heath COO/CFO on +61 (03) 8416 0900.

## **Media Enquiries**

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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 platform in the Sport, Sleep, Wellbeing and Drug Delivery markets. For more information go to: <http://www.rhinomed.global>

Rhinomed has two applications of its technology on market. Turbine™ is a sports breathing technology available in leading sports store and at [www.theturbine.com](http://www.theturbine.com). In a little over 12 months, Turbine™ has been accepted by elite athletes as the leading breathing aid to assist in sport and exercise. Mute™ is a nasal stenting technology shown to reduce the incidence of snoring and improve sleep quality. Mute™ is available in pharmacies and at [www.mutesnoring.com](http://www.mutesnoring.com)