

ASX Release

## **Oventus Medical Signs World-wide Distribution Agreement with Modern Dental Group**

### **Key Points:**

- **Hong Kong Stock Exchange listed Modern Dental Group (HKG:3600) is the world's largest dental prosthetic device provider with over 70 sales and customer services centres covering North America, Europe, Australia, and the Greater China regions.**
- **Global agreement for distribution of the Oventus proprietary O<sub>2</sub>Vent product range –exclusive for the USA and non-exclusive for the rest-of-the-world.**
- **Modern Dental recently acquired Microdental – one of the largest dental laboratories in the United States. Microdental covers one quarter of local dentists (approximately 34,000 dental offices).**
- **In Europe, they are number one, two or three in all major European countries by market share.**
- **In Australia, Modern Dental operates the largest dental laboratory network via its subsidiary, Modern Dental Pacific.**
- **This agreement is a key milestone for Oventus as it scales up its global rollout plans and follows the company's recent announcement regarding the co-manufacturing agreement with Modern Dental.**

Brisbane, Australia 20<sup>th</sup> June 2017: Oventus Medical Ltd (ASX: OVN) is pleased to announce it has entered into a world-wide distribution agreement with Hong Kong based Modern Dental Group. This is in addition to the recent announcement of the co-manufacturing agreement between Oventus and Modern Dental.

The distribution agreement executed between Oventus and Modern Dental relates to Oventus' proprietary O<sub>2</sub>Vent™ products that are delivered through the dental channel and are indicated for use during sleep to aid in the treatment of snoring and obstructive sleep apnoea (OSA). The agreement between the two parties, details terms around pricing, volumes and regions. The agreement is exclusive for the USA and non-exclusive in other regions including Australia.

Modern Dental Group is listed on the Hong Kong Stock Exchange and is the world's largest dental prosthetic device provider with over 70 sales and customer service centers covering North America, Europe, Australia, and the Greater China regions. Modern Dental recently acquired Microdental – one of the largest dental laboratories in the USA. Microdental covers one quarter of US dentists (approximately 34,000 dental offices). In Australia, its local division, Modern Dental Pacific has the largest dental laboratory network in the region.

Mr Godfrey Ngai, Chief Executive Officer of Modern Dental said: “With our recent acquisition of Microdental in the USA, we have an unmet need to supply an oral appliance for the treatment of sleep apnoea to our dentist customers. We believe the Oventus O<sub>2</sub>Vent™ range of devices provide the required features and benefits and clinical outcomes to meet the needs of our customers. We have selected the O<sub>2</sub>Vent™ range as the premium oral appliances that we take to market and distribute in the US.”

He added: “We also look forward to distributing these products in other key global markets such as Europe and Australia, through our substantial global proprietary sales and distribution network, as well as partnering for manufacturing scale up.”

Oventus Managing Director and Chief Executive Officer, Neil Anderson said: “We are very pleased to have entered into a distribution agreement with such a large and well-respected dental laboratory group as Modern Dental. It is a significant achievement for us that they have chosen our oral appliance products to sell to their extensive global network of dentists.

“The agreement will accelerate our sales and allow us to continue to commercialise the product range for the sleep clinician channel over the coming year. At that point we will be well advanced in achieving our goal of bridging the gap between dentists and sleep clinicians. The oral appliance market is estimated to be growing in the order of 24% per year. It is our objective to grow this market further by bringing more patients into care,” Mr Anderson added.

The two companies plan to work together in various marketing and training activities in each geography over the next six months leading to a scale up in sales later in 2017.

**-ENDS-**

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### **About Oventus**

Oventus is a Brisbane based medical device company that is commercialising a suite of oral appliances for the treatment of sleep apnoea and snoring. Unlike other oral appliances, the Oventus devices have a unique and patented airway within the device that delivers air to the back of the mouth bypassing multiple obstructions from the nose, soft palate and tongue. They are particularly designed for the many people that have nasal obstructions and consequently tend to mainly breathe through their mouth. While it may seem counterintuitive, the device actually prevents oral breathing. The O<sub>2</sub>Vent is designed to allow nasal breathing when the nose is unobstructed, but when obstruction is present, breathing is supplemented via the airways in the appliance.

According to a report published by the Sleep Health Foundation Australia, an estimated 1.5 million Australians suffer with sleep disorders and more than half of these suffer with obstructive sleep apnoea.<sup>1</sup>

Continuous positive airway pressure (CPAP) is the most definitive medical therapy for obstructive sleep apnoea, OSA, however many patients have difficulty tolerating CPAP<sup>2</sup>. Oral appliances have emerged as an alternative to CPAP for obstructive sleep apnoea treatment.<sup>3</sup>

<sup>1</sup> *Deloitte Access Economics. Reawakening Australia: the economic cost of sleep disorders in Australia, 2010. Canberra, Australia.*

<sup>2</sup> *Beecroft, et al. Oral continuous positive airway pressure for sleep apnoea; effectiveness, patient preference, and adherence. Chest 124:2200–2208, 2003*

<sup>3</sup> *Sutherland et al. Oral appliance treatment for obstructive sleep apnoea: An updated Journal of Clinical Sleep Medicine. February 2014.*