

ASX Release

Oventus successfully raises \$7.6 million for global roll out of products to sleep apnoea sufferers

Key points:

- Equity placement of \$7.6 million at \$0.55 per share to institutional and sophisticated investors
- Funds to strengthen the balance sheet, enabling the fast-tracked global roll out of Oventus' therapeutic devices for the treatment of sleep apnoea
- The placement was heavily over-subscribed with strong commitment from existing and new institutional investors. This follows growing body of clinical evidence showing Oventus' O₂Vent product range can compete with current standard of care devices for mild to moderate sleep apnoea, and promising clinical trial data for Oventus' soon to be launched CPAP connection technology to treat moderate to severe sleep apnoea

Brisbane, Australia 13th December 2017: Oventus Medical Ltd (ASX: OVN) is pleased to announce that it has completed a heavily oversubscribed equity capital raising (Placement) to raise gross proceeds of \$7.6 million at an issue price of \$0.55 per share. The Placement will strengthen Oventus' balance sheet and enable the fast-tracked global roll out of the Company's O₂Vent range of therapeutics for obstructive sleep apnoea, incorporating proprietary 'Airway Technology' and soon to be launched connection to CPAP devices.

Strong support was received from new and existing institutional and sophisticated investors.

Oventus' Chairman Dr Mel Bridges said, *"We have been thrilled with the level of interest in Oventus from institutions, which speaks to our strong execution focus and to the positive outcomes seen in clinical trials with the O₂Vent range to disrupt the market. Our proprietary 'Airway Technology' has proven a breakthrough for patients with Obstructive Sleep Apnoea and with it, we hope to bring many sufferers who have fallen out of care back into care.*

The additional funding will ensure we are well capitalised to support our entry into the global sleep apnoea market, through partnerships like the one we signed earlier this year with Modern Dental Group. We are grateful of the continued support from our existing shareholders and welcome the new institutions as shareholders."

The Placement follows a pivotal year for Oventus, which has included executing a manufacturing and distribution agreement with the world's largest supplier of dental prosthetics, Modern Dental Group, and subsequent focus on roll out with early stage activities including empowering Modern's sales and marketing team to sell the O₂Vent range.

In parallel, ongoing validation of the Company's 'Airway Technology' has occurred through clinical trials, with analysed data now covering over 50 patients. Results are showing between 30-50% improvement in sleep quality over existing oral appliances which use mandibular or "jaw" advancement alone. Substantial progress has also been made to develop a device which will connect the O₂Vent range to a CPAP device, a move which will enable treatment of moderate to

severe obstructive sleep apnoea sufferers and open up the sleep market substantially for the Company.

Raising details

The Placement, arranged by Bell Potter is being conducted pursuant to the Company's 15% placement capacity in accordance with ASX Listing Rule 7.1.

The Placement of \$7.6 million at \$0.55 per share, resulting in the issuance of 13.8 million new fully paid ordinary shares.

Use of funds

The net proceeds of the Placement will be used to

- Strengthen the Oventus team, to support with operational execution
- Further develop the 'dentist sales channel' in collaboration with Modern Dental Group, anticipating the acceleration of global sales in 2H calendar 2018
- Develop the go to market strategy into the 'sleep clinician sales channel' in Australia and the US
- Bring to market two new products nearing final stages of development: the O₂Vent Temporary Device and O₂Vent Connect PAP Connection

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About the Oventus O₂Vent airway technology

The Oventus O₂Vent is an oral appliance device which brings the lower jaw forward (a process commonly referred to as mandibular advancement) and incorporates an opening to the oral cavity to allow breathing through the device airway, minimising pressure swings during sleep.

Further information can be found on our website: <http://oventus.com.au/how-it-works/>.

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 O₂Vent 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.

A clinical study completed earlier this year showed the company's first generation product, the O₂Vent Mono™, is successful in treating Obstructive Sleep Apnoea (OSA) and that snoring was either eliminated or significantly reduced to 100 per cent of patients. The positive results included those people who had nasal obstructions and mainly breathed through their mouths, including when they were asleep. It also improves oxygen levels for patients.

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.¹

Continuous positive airway pressure (CPAP) is the most definitive medical therapy for obstructive sleep apnoea, however many patients have difficulty tolerating CPAP². Oral appliances have emerged as an alternative to CPAP for obstructive sleep apnoea treatment.³

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

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

³ *Sutherland et al. Oral appliance treatment for obstructive sleep apnea: An updated Journal of Clinical Sleep Medicine. February 2014.*