

**ASX Release**

**Progress Update – Product Roll Out**

Brisbane, Australia 28 March 2018: Oventus Medical Ltd (ASX: OVN) is pleased to provide an update on the commercialisation and distribution progress of its sleep treatment platform, incorporating the patented O<sub>2</sub>Vent ‘Airway Technology’.

**Dental channel – product roll out with Modern Dental**

In mid 2017, Oventus announced that it had appointed Modern Dental Group (‘Modern’, HKSE: 3600) to be its distribution partner, under a worldwide distribution agreement. An agreement was also put in place whereby Modern would co-manufacture Oventus’ range of O<sub>2</sub>Vent oral dental devices for the treatment of obstructive sleep apnoea. Modern is the world’s largest provider of dental prosthetics, with over 70 sales and customer service centres, covering North America, Europe, Australia and greater China regions.

Execution of the Modern agreements in the United States and Australia is well underway, with roll-out activities being completed under a three phased approach.

Phases 1 and 2 of the Modern Dental Group (‘Modern’) manufacturing and distribution agreements were completed in the December 2017 quarter. Phase 1 testing of the manufacturing and logistics process under this agreement has been completed and this has now moved into production. As a result of the Phase 1 activities, manufacturing of polymer inserts for Oventus devices fitted with the O<sub>2</sub>Vent airway is now being managed by Modern and finished devices are being shipped by Modern directly to customers.

Phase 2 activities have included updating marketing collateral, training of sales representatives and setting up for continuation of service with Oventus’ existing dental customers who will now be managed through Modern. While this is a continuing process of ongoing training and implementation, Modern is now well positioned in the US and Australia to support customers in their delivery of Oventus devices to patients.

Phase 3 of the manufacturing and distribution agreements is currently being executed, with Modern commencing initial sales and marketing of Oventus products in January 2018. The products have been well received and early sales were booked under the agreement in Australia and in the US in late calendar 2017.

Founder and Clinical Director, Dr Chris Hart commented, “We expect to see a continued modest increase in sales revenue in the second calendar quarter of 2018, followed by sales accelerating in the second calendar half of 2018 through the Dental channel.”

**Sleep clinician channel – product roll out**

Initial discussions with sleep clinicians about Oventus’ sleep treatment platform in both the Australian and US markets have proven positive. Licensing and partnering discussions for Oventus’ technologies are underway to reduce the costs associated with launching and to provide a streamlined path to market.

Training and education of clinicians is key to ensuring optimal outcomes for patients using the Oventus O<sub>2</sub>Vent ‘Airway Technology’. Oventus has been working closely with Tufts University in Boston to bring a best practice training curriculum which will educate clinicians in North America and Australia as to the indications and benefits of the Oventus ‘Airway Technology’.

Dr Chris Hart commented, “We are pleased with the current status of our partnership with Modern. While it’s taken longer than originally anticipated to roll product out into the market, the agreement is progressing well through its three phase deployment in the US.

Oventus is building out its operational, sales and marketing capability in North America to support the Modern dental implementation and the introduction of the sleep channel products.”

**Clinical trials**

Analysis of data collected from the conclusion of clinical trials across 104 patients is underway, additional to the 50 patients who have undergone trials to date who showed between 30-50% improvement over standard ‘mouthguard-type’ therapeutics on the market.

Results of these trial data across three sites will become available as follows:

<b>Trial name</b>	<b>Final trial data release</b>
OVEN-003 ‘Brisbane’ study	Calendar 1H 2018
OVEN-004 ‘Perth’ study	Calendar 1H 2018
OVEN-005 ‘Sydney’ study	Calendar 1H 2018

Dr Chris Hart commented, “We have more work to do to fully analyse all the data from these additional trials, however initial results indicate that a very large portion of patients, around half, benefit from the O<sub>2</sub>Vent sleep treatment device with incorporated ‘Airway Technology’, over the standard mouthguard-type technology with mandibular advancement alone.

It appears that Oventus’ ‘Airway Technology’ benefit may be particularly beneficial to patients with nasal obstruction. This is in line with past clinical trial results and strengthens the proposition that Oventus ‘Airway Technology’ can help a large percentage of patients, particularly those that are struggling with existing treatment options. It also reiterates that Oventus delivers new treatment modalities for both sleep physicians and dentists”

**Appointment of Clinical Director (US) to champion growth in North America**

Dr Gandis Mazeika has been appointed to the role of Clinical Director (US) and will work across product roll out in both the Dental and Sleep clinician channels. Initially Dr Gandis will be focused on the ongoing scale up in the US through the Dental channel, working with our distribution partner, Modern and as additional products come to market, will spearhead the North American scale up in the Sleep clinician channel.

Dr Mazeika is a Medial Doctor (UC Davis School of Medicine) and was the founder of ‘Sound Sleep Health’, a US-based, multi-centre practice of sleep medicine specialists. He completed a joint residency in Psychiatry and Neurology through Harvard Medical School and Duke University Medical Center, followed by a Neurology and Sleep Disorders fellowship at Duke. He is Board Certified in Sleep Medicine.

Dr Chris Hart commented, “The US market represents enormous opportunity for us and we are very pleased with this new appointment. Dr Mazeika brings a strong pedigree to complement the Oventus team and will work closely with management to set and deploy our US strategy.

He will support Modern in its phased scale-up across North America and will be heavily involved in the development of relationships with dental sleep medicine clinicians, sleep physicians and respiratory physicians to champion the roll out of our range into the sleep channel.”

#### **Cost reduction program**

With Oventus’ clinical trial program nearing a pivotal point and future product development and clinical trials supported by the government-funded \$2.95M CRC-P for sleep apnoea, research and development (R&D) expenditure is set to reduce significantly over the remainder of calendar year 2018.

The reduction in R&D costs and rationalisation of fixed costs throughout calendar 2018 will enable Oventus to focus funds raised in our recent December 2017 capital raising on the go-to-market approach for both Dental and Sleep channels in Australia and the US. A European launch is planned by the second half of calendar 2018.

Oventus has put in place a restructured sales and marketing team in Australia with the addition of two new national account managers in Belinda Ilijevski and Mark Wardman with over 30 years of sleep channel sales experience between them and an innovative plan to penetrate the market with these new paradigm-changing technologies.

A progress update on R&D and product development will be provided during the next quarter.

The Oventus team is looking forward to a successful 2018.

—ENDS—

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#### **About Oventus**

Oventus is a Brisbane, Australia, based medical device company that has commercialized and brought to market a new **sleep treatment platform** for the treatment of sleep apnoea and snoring that enhances the treatment outcomes of both oral appliance therapy and CPAP therapy through increased efficacy and greater adherence.

**Oral appliance:** Oventus’ unique and patented ‘Airway Technology’ incorporated into an oral appliance, the O<sub>2</sub>Vent™, bypasses multiple levels of breathing obstruction including the nose, soft palate and tongue.

Our appliances are particularly designed for sufferers with nasal obstructions, soft palate collapse and who consequently tend to breathe through their mouth while sleeping.

In action, when nasal obstruction is present, breathing is supplemented through the O<sub>2</sub>Vent™'s integrated 'Airways' delivering air to the back of the mouth while maintaining an oral seal, stabilizing the tongue base, bypassing obstructions in the nose and soft palate and reducing the collapsibility of the upper airway. However, when the nose is unobstructed, the O<sub>2</sub>Vent™ allows for natural nasal breathing.

**'O<sub>2</sub>Vent™ Connect' Positive Airway Pressure (PAP) Connection:** Severe sleep apnoea sufferers who have traditionally used a CPAP machine and full facemask can use Oventus' O<sub>2</sub>Vent™ oral appliance to interface with CPAP reducing operating pressure by around 66%, eliminating the need for straps and allowing physiologic mouth breathing while delivering CPAP. This has allowed for a re-design of the CPAP delivery system which is far less intrusive (without full face mask and straps), called the 'O<sub>2</sub>Vent™ Connect'.

Oventus' O<sub>2</sub>Vent™ Connect' attaches to the front of the O<sub>2</sub>Vent™, thereby doing away with the full face mask, while bringing air from the CPAP machine to the nasal opening at lower pressure.

**Clinical trials:** Over 50 patients to date have shown Oventus' O<sub>2</sub>Vent™ is successful in treating Obstructive Sleep Apnoea (OSA) by an additional 30-50% and that snoring was either eliminated or significantly reduced, when compared to mandibular or "jaw" advancement oral appliances which primarily reduce tongue based breathing obstruction. The positive results included those sufferers who had nasal obstructions and mainly breath through the mouth.

**Market:** 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, however many patients have difficulty tolerating CPAP<sup>2</sup> due to discomfort caused from high operating pressure and low tolerance for a full face mask.

**The Oventus oral appliance 'Airway Technology' in the O<sub>2</sub>Vent™ when incorporated with Oventus' 'O<sub>2</sub>Vent™ Connect' allows sufferers to breathe physiologically through the mouth or through the nose whilst simultaneously delivering CPAP. Mild sufferers are able to solely wear the O<sub>2</sub>Vent™ oral appliance.**

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

<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 apnea; effectiveness, patient preference, and adherence. Chest 124:2200–2208, 2003.*