

INVESTOR UPDATE

ISSUE 03

JUL 2017



OVENTUS™

HIGHLIGHTS

Message from the CEO

Oventus ventures into Hong Kong through manufacturing agreement with Modern Dental Group

Oventus inks global distribution agreement with Modern Dental Group

Oventus announces successful raise to fund growth

Significant clinical trial progress for the validation of Oventus Airway Technology

The Oventus team presenting at the annual SLEEP 2017 Boston Conference

Product Pipeline

Oventus in Recent News

Past and Upcoming Dates

1. Message from the CEO

Dear shareholders,

The most recent quarter was a busy and productive one as we made steady progress by expanding our international footprint into the Hong Kong market, as a result of signing a manufacturing agreement with Hong Kong based Modern Dental Group.

This agreement for the manufacture of O₂Vent™ products for the treatment of snoring and obstructive sleep apnoea (OSA) follows on from the Company's strategic partnership announcement with China based Zhuhai Blue Ocean Strategy Medical back in February 2017, which further strengthens our Asian presence.

Following the manufacturing agreement, we also signed a world-wide distribution agreement with Modern Dental Group, in what is a landmark moment for Oventus. The agreement for Oventus' proprietary O₂Vent™ product range is exclusive for the USA and non-exclusive elsewhere.

Modern Dental is the world's largest dental prosthetic device provider with over 70 sales and customer service centres covering North America, Europe, Australia, and the Greater China regions. Modern Dental recently acquired Microdental, one of the largest dental laboratories in the United States covering one quarter of local dentists.

This month we worked with Bell Potter to raise \$7.0 million as part of a capital raising initiative, with an initial placement at \$0.36 per share and will be conducting a share purchase plan, for eligible shareholders at the same price per share. Funds raised will be utilised to increase working capital, build sales

momentum, complete R&D, regulatory approval and clinical trials for products currently in development.

We have also heightened the Company's positioning in the current dental marketing channel through a 510k submission to the US FDA for the O₂Vent™ W, which has now been accepted. This is a major milestone for the Company as FDA clearance allows us to further penetrate the massive US market. It is estimated that 22 million

adults in the US have sleep apnoea with up to 80% of these estimated to be outside of care or not currently being treated effectively with other therapies.

The O₂Vent™ W device was created in response to meet the demands of the dental market where a number of dentists requested a winged version of the existing O₂Vent™ T device. This will assist patients who prefer this type of mandibular advancement mechanism while still receiving the benefits of Oventus' proprietary airway technology. The O₂Vent™ W received Therapeutic Goods Administration (TGA) clearance in early March and Australian clinicians have already started ordering and delivering the devices.

In this quarter, Oventus further advanced the validation of Oventus Airway Technology through significant clinical progress made with its proprietary hybrid therapy, Oventus Connect. This hybrid system – combining an O₂Vent™ appliance with a mask-less, low pressure Positive Airway Pressure (PAP) connection – was designed to bridge the gap between current oral appliances, delivered by dentists and Continuous Positive Airway Pressure (CPAP) therapy, typically delivered by sleep clinicians.

Continued next page.

WE SIGNED A WORLD-WIDE DISTRIBUTION AGREEMENT WITH MODERN DENTAL GROUP, IN WHAT IS A LANDMARK MOMENT FOR OVENTUS.

Send us your email address for future correspondence: reception@oventus.com.au

1. Message from the CEO (continued)

Following the promising results of the initial pilot study which were presented and well received at the American Academy of Dental Sleep Medicine meeting in Boston on June 2nd 2017, we have optimised the connector and commenced recruitment for the expanded trial. Notably, this pilot study is the first study as part of the CRC-P, a \$2.95 million grant from the Australian government where Oventus is the lead participant. Additionally, Oventus has had our first peer reviewed article on the O₂Vent™ Mono published by the Journal of Dental Sleep Medicine (JDSM).

Oventus continues to forge ahead with clinical trials around the country to form part of a growing body of clinical evidence-based support for the use of Oventus Airway Technology, either as a standalone appliance or as mask-less low pressure CPAP therapy. This is critical for Oventus products to be accepted by sleep specialists and for the many patients that are non-compliant with current CPAP therapy.

For the next quarter, we hope to continue in the development and validation of our ever-expanding range of sleep apnoea solutions featuring Oventus Airway Technology and to increase our footprint into the US and Asian markets.

Thank you for your continued support of the Company and we look forward to keeping you updated with another eventful quarter ahead.

Yours sincerely,



Mr Neil Anderson
Chief Executive Officer

2. Oventus ventures into Hong Kong through manufacturing agreement with Modern Dental

As part of our efforts to be able to easily and more rapidly scale up manufacturing to meet expected future demand and at a lower cost, we have partnered with the world's leading dental prosthetics provider, Modern Dental Group.

Hong Kong based Modern Dental is listed on the Hong Kong stock exchange trading as 3600:HK. Most importantly, Modern Dental holds the required quality management certifications to manufacture a medical device, as well as being a registered contract manufacturer with the FDA.

Oventus will continue to design and 3D print the O₂Vent™ device proprietary titanium component, before sending to Modern Dental for completion using traditional dental laboratory techniques. This is an important step to give us the capacity needed to meet future orders.

At the moment, the agreement will be used for manufacturing relatively small volumes for the Australian market prior to the manufacturing for the US market, expected later in the year.



3. Oventus inks global distribution agreement with Modern Dental Group

On the back of Oventus' Hong Kong manufacturing contract, the Company has signed a global distribution agreement with Modern Dental Group. Incorporating the whole O₂Vent™ product range, it provides Modern Dental exclusivity in the US and is non-exclusive for the rest of the world.

With Modern Dental having recently acquired Microdental, one of the largest dental laboratories in the US, the agreement provides access to approximately 34,000 dental offices in North America. In Europe, Modern Dental is in the top three by market share in all major European countries, and operate Asia Pacific's largest dental laboratory network.

Modern Dental Group is the world's largest prosthetic device provider with over 70 sales and customer service centres covering North America, Europe, Australia, New Zealand and the greater China region. With the oral appliance market growing at an estimated 24% per year, Oventus intends to grow this market further by bringing untreated patients into care.

4. Oventus announces successful raise to fund growth

In June, Oventus announced it has successfully completed the first tranche of a placement for 18 million shares to sophisticated and institutional investors at \$0.36, raising approximately \$6.5 million.

The second tranche of \$0.5 million is subject to shareholder approval at the Company's EGM in August.

In addition to this, eligible shareholders will be able to participate in the share purchase plan to raise up to \$2.0 million. The raise follows the signing of the global distribution agreement with Modern Dental Group.

Funds from the raising will be used to increase working capital, build sales momentum by co-marketing with Modern Dental and other distributors and complete R&D, clinical trials and regulatory approvals for Oventus' pipeline of proprietary products in the sleep apnoea market.

5. Significant clinical trial progress for the validation of Oventus Airway Technology

Significant clinical progress has been made in advancing Oventus Connect, the O₂Vent™ PAP connection.

The hybrid technology combines mask-less and lower Positive Airway Pressure (PAP) with Oventus' proprietary airway technology. Following the promising results of the pilot study announced in January this year, demonstrating clinical results comparable to traditional CPAP as just the oral appliance and, when used in combination with a CPAP interface, significantly decreasing mask and pressure related complications - often the causal factor of CPAP failure or non-adherence. **Key highlights of this trial:**

As a stand-alone oral appliance

- 78% Reduction in AHI
- Negative pressure swings in the throat reduced by 52% to the same level as optimised CPAP

When used as a CPAP interface

- Pressures were reduced by 67%
- No mask was required

The process to optimise the connector is nearing completion and the first patients have been recruited in the expanded trial.

This hybrid design addresses the following critical issues: the effectiveness of oral appliances for moderate to severe sleep apnoeics; non-compliance of CPAP-patients to current therapy; and the amount of time patients use PAP.

Additionally, a paper outlining the results of the pilot clinical trial into the Oventus O₂Vent™ Mono appliances was published as a peer reviewed article in the Journal of Dental Sleep Medicine (JDSM). This is a significant validation of Oventus' technology and provides further recognition by both industry and academics.

Key highlights of the article:

- 100% of patients in the trial experienced a significant improvement in snoring
- In 82% snoring was eliminated completely
- The study also found the O₂Vent™ Mono also reduced the time under 90% O₂ saturation

Further clinical trials have been set up in Brisbane and Perth for the clinical validation of O₂Vent™ oral appliances and the validation of the benefit of Oventus Airway Technology.

In Brisbane, a clinical trial is assessing the value of mandibular advancement with Oventus Airway technology. This trial is fully recruited and underway.

In Perth, a clinical trial at University of Western Australia is set to examine the physiologic effect of Oventus Airway technology, focussing on specific pressure and flow measurements in the device and patient's airway at various levels of advancement. This trial is currently underway.

Both trials are expected to be completed over the coming six months.

6. The Oventus team presenting at the annual SLEEP 2017 Boston Conference

On June 2nd, 2017, the Oventus team presented positive clinical data from the initial pilot O₂Vent™ PAP study and held an exhibit at the American Academy of Dental Sleep Medicine Event in Boston, SLEEP 2017.

SLEEP is the premier world forum for the presentation and discussion of the latest developments in clinical sleep medicine and sleep and circadian science. The meeting provides evidence based education to clinical practices and promotes the translation of science into practice.

As the results indicated a major advancement in the range of sleep apnoea solutions through Oventus Airway Technology, the clinical trial results from the study could potentially change the paradigm of care for non-compliant CPAP users and OSA sufferers who do not wish to wear face masks.

CPAP is a multi-billion-dollar industry, with massive unmet needs due to issues associated with current treatment options. Oventus' pilot study could be a game changer in the treatment of sleep apnoeic patients as results from the initial study support the use of the O₂Vent device as a CPAP alternative either as a standalone device or in combination with CPAP.

The results from the initial pilot study generated significant interest when presented at the conference with over 200 sleep dentists and sleep physicians registering to be involved in a wider roll out of Oventus Airway Technology in clinical practice as well as further research.

7. Product Pipeline

In addition to what has been reported in this newsletter, Oventus Airway Technology is enabling additional exciting opportunities for alternative treatment options and combination therapy. This includes:

- **Temporary devices for immediate therapy** - will provide clinicians with the option to deliver immediate therapy to patients prior to progressing to a customised device.
- **CPAP Connection** - Attaching to the front of the Oventus Airway the connector enables mask-less low pressure delivery of positive air pressure addressing the main reasons for patients failing treatment and bringing more patients into care. Can be used in conjunction with the temporary device as an alternative CPAP interface in the sleep clinic setting or home care setting.
- **Compliance and airflow monitoring** - this inbuilt monitor technology will enable the recording of compliance and efficacy data, all easily accessible on an Oventus App.
- **In Built Level III Home Sleep Test** - Sensor chips in the PAP Connection combined with a finger pulse oximeter will provide Level III home sleep study data, allowing remote patient management to save time and expense.
- **Miniaturised CPAP pumps** - with minimal pressure and flow requirements, Oventus Airway Technology enables the re-engineering of CPAP pumps to provide a more compact and portable solution.

8. Oventus in Recent News

DATE	PUBLICATION	HEADLINE	JOURNALIST
27/06/2017	The Weekly Review	7 ways to get a better night's sleep	Chris Kerr
27/06/2017	Mass Device	Sleep apnea dev Oventus Medical raises \$6m	Fink Densford
23/06/2017	Health Investor Asia	Analysis: Oventus pushes forward	Staff writer
22/6/2017	Proactive Investors	Oventus Medical cashes up to commercialise sleep apnoea device	Staff writer
21/6/2017	Gold Coast Bulletin	Oventus teams up with Hong Kong distributor (Print – pg 22)	Liam Walsh
21/06/2017	The Courier Mail	Despite risks, some biotechs flourish as listed companies (Print pg 58)	Liam Walsh
20/06/2017	Nine.com.au	Oventus secures distributor for O₂Vent	Staff writer
8/6/2017	The Tuckerman Times	Volume moving the tape for Oventus Medical Ltd (OVN.AX)	William Abels
2/6/2017	Lab + Life Scientist	MTPConnect's Sue MacLeman receives leadership award	Staff writer
31/05/2017	Nine.com.au	Oventus signs O₂Vent manufacturing deal	Staff writer
30/5/2017	3ders	Modern Dental to co-manufacture Oventus' 3D printed O₂Vent for sleep apnea	Staff writer
11/05/2017	Australian Financial Review	The key to getting a good night's rest (Print – pg 39)	Staff writer
01/05/2017	Proactive Investors	Oventus Medical advancing unique sleep apnoea appliance	Staff writer

9. Past and Upcoming Dates

DATE	EVENT	DESCRIPTION
19 April 2017	3D Heals Inaugural 3D Printing for Healthcare conference in San Francisco	Dr Chris Hart was as a guest speaker.
2-5 June 2017	AADSM – American Academy of Dental Sleep Medicine in Boston	The 26th annual meeting of the AADSM was attended by over 1,100 dental sleep medicine professionals in the city of Boston.
4-7 June 2017	SLEEP 2017 – a joint meeting of the American Academy of Sleep Medicine and the Sleep Research Society in Boston	The premier world forum for the presentation and discussion of the latest developments in clinical sleep medicine and sleep and circadian science.
28 July 2017	Monash Lung and Sleep Institute: State of the Art 2017 – Sleep Medicine in Melbourne	Experts discuss research in sleep medicine. Oventus are sponsoring this event, attended by both sleep physicians and dentists. http://mlsi.org.au/upcoming-events
15-16 September 2017	ASA Dental Sleep Medicine Annual Course, SMC Conference & Function Centre in Sydney	The course emphasises the multidisciplinary approach to the treatment of sleep disorders. Oventus are sponsoring this event, attended by dentists. http://www.sleep.org.au/conferences/dental-sleep-medicine-course-2017
7-11 October 2017	World Sleep Congress 2017, Prague	The best of sleep medicine and research is coming to Prague in October for the first-ever joint congress of World Association of Sleep Medicine (WASM) and World Sleep Federation (WSF) as World Sleep Society. http://worldsleepcongress.com/
25-28 October 2017	Sleep DownUnder, Auckland NZ	The 29th Annual Scientific Meeting of the Australasian Sleep Association (ASA) and Australasian Sleep Technologists Association (ASTA), at the SkyCity Convention Centre in Auckland, NZ. https://www.sleep.org.au/conferences/sleep-downunder-2017

**Contacts: Any investor queries,
contact Amanda Loh at aloh@bucanwe.com.au
Phone 03 8866 1215**

**Want to receive future newsletters via email?
Send us your email address for future correspondence:
reception@oventus.com.au**