ASX Release

Brisbane 29th July 2016: Oral medical device company, Oventus Medical Limited (ASX: OVN) is pleased to release a copy of the presentation being delivered by Founder and Clinical Director, Dr Chris Hart at the 2016 Bioshares Investment Summit, in Queenstown, New Zealand.

Dr Hart was invited to deliver a presentation to an audience of Australian, New Zealand and international investors and life science analysts.

The Bioshares Annual Investment Summit is considered one of the leading forums for the life science industry.

-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 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.

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, OSA, however many patients have difficulty tolerating CPAP². Oral appliances have emerged as an alternative to CPAP for obstructive sleep apnoea treatment.³


About Oventus

Oventus is an Australian medical device company with a proprietary oral appliance for the treatment of obstructive sleep apnoea* (OSA).

Our mission is to be a global leader in the treatment of OSA with an initial focus on those that cannot, or are not, treated effectively with existing treatments.

Oral appliances with a revolutionary airway that addresses limitations with existing obstructive sleep apnoea* (OSA) treatments including:

• Nose related issues such as irritation, congestion and obstruction
• High pressures from CPAP** which can cause discomfort and dry mouth for patients
• Claustrophobia and leakage from CPAP masks leading to high non-compliance by patients.

* Obstructive Sleep Apnoea (OSA) – repeated episodes of airway obstruction during sleep – is commonly associated with snoring but also has a direct link to more serious health issues
** CPAP= Continuous Positive Airway Pressure
*** Titratable – the lower part of the appliance can be adjusted by the patient to optimise lower jaw position

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Treatment
Sources of Obstructions

Structures in the airways

Collapse occurs here due to negative pressure created by increased respiratory effort to overcome resistance of the upper airway.

It is estimated that 50% of OSA sufferers also suffer from nasal congestion and nasal congestion is implicated in the aetiology of OSA and is a major reason for non-response to and non-compliance with existing treatments.
Our competitive edge

Oventus O₂Vent™
Clinical Trial Results

AHI at baseline and with Oventus treatment

![Graph showing AHI at baseline and with Oventus treatment]

Response Rate by Nasal Congestion

![Bar chart showing response rates by nasal congestion]

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Comparison to other treatments (Oventus 62.5% reduction in AHI)

- MAD review (Marklund ERJ 2012)
  - MAD - 19 studies reduction in AHI of 55%
  - CPAP – 8 studies reduction in AHI of 83%

- CPAP non-adherence rate (< 4 h of nightly use 70% of nights) between 46–83% (Weaver 2008)

- Surgical Modifications Review (Caples Sleep 2010)
  - UPPP – 13 studies reduction in AHI of 33%
  - RFA – 8 studies reduction in AHI of 34%
  - Maxillo-Mandibular Advancement – 9 studies reductions in AHI of 87%
  - Multilevel surgery – 34 studies reduction in AHI of 56% (Verse 2008)
Market Overview & Opportunity
The total addressable market in US

- 22 million people with sleep apnoea in USA compared to 800,000 in Australia
- 80% of these not treated
- nasal obstructers are a large unmet need

- USA is 56% of current global sleep apnoea device market (Australia is 2%)
- estimate is 3 million people in US currently using CPAP
  - In 2015 673,000 in were sold with CAGR to 2020 forecast to be 7.3%
- 0.5-0.8 million with an oral appliance
  - In 2015 164,000 were sold with CAGR to 2020 forecast to be 24.4%

*From Sleep Apnea Diagnostic & Therapeutic Devices Market – Global End-user Analysis, Competitive Landscape & Forecast to 2020 MarketsandMarkets 2015*
Product Positioning

There is a growing need for an alternative to CPAP

Current oral appliances gaining acceptance but not suitable for severe sleep apnoea OR nasal obstrucers

**O₂vent device can bridge this gap**

Standalone oral appliance for mild to moderate / severe CPAP Intolerant sleep apnoea – Better comfort, reduced apnoeas

CPAP connection instead of a mask for severe to very severe sleep apnoea – (in development)
No mask, lower pressures

Oral appliances:
Mandibular advancement devices for mild to moderate sleep apnoea

Unmet customer needs – nasal obstrucers and non compliant CPAP users

CPAP:
CPAP equipment including masks for moderate to severe sleep apnoea
# Current Business Overview

<table>
<thead>
<tr>
<th>Department</th>
<th>Product/Activity</th>
<th>4Q2015-16</th>
<th>1Q2016-17</th>
<th>2Q2016-17</th>
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</thead>
<tbody>
<tr>
<td>Product Development</td>
<td>O₂Vent Trial</td>
<td>In select clinics in Australia</td>
<td>On market in Australia</td>
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<td></td>
<td>O₂Vent Titratable</td>
<td>In select clinics in Australia</td>
<td>On market in Australia</td>
<td>On market in USA</td>
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<td></td>
<td>O₂Vent Plus (Tongue Retaining)</td>
<td>In select clinics in Australia</td>
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<tr>
<td></td>
<td>O₂Vent PAP (CPAP connection)</td>
<td>Proof of concept</td>
<td>Development</td>
<td>Development</td>
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<tr>
<td>Manufacturing</td>
<td>New facility Brisbane</td>
<td>Plan developed for overseas rollout</td>
<td>Begin execution of overseas plan</td>
<td>Execution of overseas plan</td>
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<td></td>
<td>ISO Accreditation</td>
<td>Audit</td>
<td>Accreditation</td>
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<tr>
<td></td>
<td>3D printing setup</td>
<td>Printer delivered</td>
<td>In production</td>
<td></td>
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<tr>
<td>Regulatory</td>
<td>510k first product submitted</td>
<td>510k approval of Mono appliance</td>
<td>Titratable submitted in US</td>
<td>Titratable approved in US</td>
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</tbody>
</table>

- **O₂Vent™ Mono (on market)** – a stand-alone oral appliance for the treatment of sleep apnoea and snoring and can be adjusted in the clinic by the clinician
- **O₂Vent™ (delivered to first patients)** - a stand-alone oral appliance for the treatment of sleep apnoea and snoring and can be adjusted by the patient as well as the clinician
- **O₂Vent™ Plus (advanced stage of development)** – a stand-alone device with an incorporated tongue retaining component for patients with specific tongue anatomy
- **O₂Vent™ PAP** (early stage of development) – an oral appliance that connects to a Continuous Positive Airway Pressure (CPAP) machine for severe sleep apnoeics
Products and Manufacturing

Scalable Manufacturing

- Digital records
- Proprietary appliance design software
- 3D printing of appliances
  - Current titanium printer now in-house
  - Contract manufacturing discussions underway to enhance scalability
- Insert manufacture

Proprietary Design Software

Titanium 3D printer

Insert Manufacture
Intellectual Property – Strong IP position

- Proprietary design software
- Online portal for patient management
- Patient data/registry
- Trade Mark lodged: O₂Vent™

Core patent issued in Aust & National phase overseas:
WO 2012/155214
Inventor
Dr Chris Hart
Title: Breathing assist device

PCT / AU2015 /050144:
Breathing Assist Device covers numerous design aspects and additive manufacturing

Provisional July 2015:
Breathing Assist Device with Tongue Retaining Device

Provisional March 2016:
Titratable design with an airway – allows lower jaw adjustment by the patient
Regulatory and Reimbursement

Regulatory

- TGA Class 1 in Australia - allows access to European and some Asian markets (registration in November 2014)
- FDA 510k (Class II) clearance in USA (secured in March 2016)

Reimbursement

- Partially covered by private insurance in Australia (dental) – rebate of 30-50%
- Separate code for USA reimbursement
- Opportunity to apply for dedicated code in USA
- Favourable reimbursement in specific European countries
Value Chain

- Oventus conducts marketing programs through online presence, relationships with sleep groups and direct dentist interaction to raise awareness of device
- Dentist prescribes Oventus device for patient
- Oventus sells device to dentist for ~$895 per device with anticipated GP of 75% (once scaled)
- Dentist sells device to patient for $1800-$2200 including clinical delivery

“… clinical data has shown that the O₂ Vent is more effective in treating OSA…and has an effect on oxygen levels comparable to CPAP”

– Dr Chris Hart, Oventus founder and Clinical Director
Path to Market – pilot → scale-up → expansion

- **Pilot**
  - Market insight
  - Engagement of Key Opinion Leaders
  - Trial Sites
    - Direct to patient marketing to closed network of clinicians by geographic region

- **Scale-up**
  - Engagement of physicians and clinician's using clinical evidence
  - Scale up Manufacturing & channel development

- **Expansion**
  - Engagement with insurance providers
  - Multiple delivery channels / Unique Reimbursement Code (US)
## Path to Market – indicative timing

<table>
<thead>
<tr>
<th>Region</th>
<th>Stage</th>
<th>2H2016</th>
<th>1H2017</th>
<th>2H2017</th>
<th>1H2018</th>
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<tr>
<td>Australia</td>
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<td></td>
<td>Expansion</td>
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<tr>
<td>USA</td>
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<td>Expansion</td>
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<td>Europe</td>
<td>Pilot</td>
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<td>From 2019</td>
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<td></td>
<td>Expansion</td>
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<tr>
<td>Asia Pacific</td>
<td>Pilot</td>
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<td>From 2019</td>
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<tr>
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<td>Scale-up</td>
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<td></td>
<td>Expansion</td>
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## Capital Structure

<table>
<thead>
<tr>
<th>Terms of Offer</th>
<th>Details</th>
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<tr>
<td>Offer Price per Share</td>
<td>$0.50</td>
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<tr>
<td>Total number of Shares offered under this Prospectus*</td>
<td>24,000,000</td>
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<tr>
<td>Total number of Shares on issue following the Offer*</td>
<td>72,000,000</td>
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<tr>
<td>Amount to be raised under the Offer*</td>
<td>$12,000,000</td>
</tr>
<tr>
<td>Market capitalisation at the Offer Price Post-IPO*</td>
<td>$36,000,000</td>
</tr>
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</table>

* anticipated and without reference to the prospectus
### Shareholding Information

<table>
<thead>
<tr>
<th>Shareholding</th>
<th>Pre IPO</th>
<th>IPO</th>
<th>Post–IPO</th>
<th>%</th>
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<tbody>
<tr>
<td>Dr Chris Hart Founder (1)</td>
<td>26,126,513</td>
<td>0</td>
<td>26,126,513</td>
<td>36.3%</td>
</tr>
<tr>
<td>Board &amp; Management</td>
<td>7,778,315</td>
<td>*</td>
<td>7,778,315</td>
<td>10.8%</td>
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<tr>
<td>Pre IPO Investors (2)</td>
<td>14,095,171</td>
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<td>14,095,171</td>
<td>19.6%</td>
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<td>IPO Investors</td>
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<td>24,000,000</td>
<td>24,000,000</td>
<td>33.3%</td>
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<tr>
<td>Total</td>
<td>48,000,000</td>
<td>24,000,000</td>
<td>72,000,000</td>
<td>100.0%</td>
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</table>

- * To Be Advised regarding shares to be acquired at IPO
- 39,061,024 Shares (which represent 54.25% of the Shares on issue following completion of the Offer) are subject to mandatory escrow for 24 months from the date of Oventus’ listing on the ASX (in respect of founders) and until 19 November 2016 (in respect of other shareholders). 8,938,976 Shares (which will represent 12.42% of the Shares on issue following completion of the Offer) are subject to voluntary escrow until 1 March 2017.
## Use of Funds

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>$ spend</th>
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<tbody>
<tr>
<td>Manufacturing</td>
<td>$1,750,000</td>
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<tr>
<td>Working Capital</td>
<td>$1,500,000</td>
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<tr>
<td>Administration &amp; Corporate</td>
<td>$1,600,000</td>
</tr>
<tr>
<td>Product Development* &amp; Regulatory</td>
<td>$2,650,000</td>
</tr>
<tr>
<td>Sales &amp; Marketing &amp; IT</td>
<td>$3,000,000</td>
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<tr>
<td>IPO</td>
<td>$900,000</td>
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<tr>
<td>Loan Repayment to Chris Hart</td>
<td>$600,000</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$12,000,000</strong></td>
</tr>
</tbody>
</table>

* ~78% clinical trials and ~22% product development

- The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including trial success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.
- In addition to funds raised under the Offer, Oventus has access to a range of sources to meet its anticipated expenditure, including cash at bank, net cash flows from manufacturing and selling the Company’s products, debt and equity funding options available to it as an ASX listed company following the Offer. Oventus may also seek additional funding in the form of state and federal government grants and concessions to assist with the development of its medical devices.
## Board and Management

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Experience/Qualifications</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr Mel Bridges</td>
<td>Non-executive Chairman</td>
<td>Extensive experience as an Executive and Company Director in healthcare, agricultural technology, drug development, pathology, diagnostics and medical devices. Has successfully raised in excess of $300M investment capital in the healthcare/biotech sector and been directly involved in over $1B in merger and acquisition and related transactions</td>
</tr>
<tr>
<td>Ms Sue MacLeman</td>
<td>Non-executive Director</td>
<td>Very broad commercial experience in multiple companies – currently CEO of the Medical Technology and Pharmaceutical Industry Innovation Growth Centre. Underpinned by graduate qualifications in pharmacy and post graduate qualifications in corporate governance, commercial law, business administration and marketing.</td>
</tr>
<tr>
<td>Mr Steve Denaro</td>
<td>Company Secretary</td>
<td>Experienced Company Secretary and Chief Financial Officer of various public companies and with major chartered accountancy firms in Australia and the UK. Bachelor of Business in Accountancy, Graduate Diploma in Applied Corporate Governance and is a member of the Institute of Chartered Accountants in Australia &amp; New Zealand,</td>
</tr>
</tbody>
</table>
Dr Chris Hart, Clinical Director

- Experienced dentist with extensive business experience
- Heads up clinician engagement for the delivery of the Oventus appliances
- Inventor of the core design
- Executive Director

Mr Neil Anderson, Managing Director & Chief Executive Officer

- Experienced CEO, project manager, materials scientist and entrepreneur
- In-depth skills and knowledge of medical device commercialisation – in the field for over 30 years
- Has managed the R&D, manufacturing process and regulatory
- Executive Director

Ms Elise Hogan, VP of Sales and Marketing

- Elise has over 20 years’ experience as a medical device executive leading the sales, marketing and commercialisation teams in Australia, New Zealand, UK, and Asia
- Previously Vice President, Oceania and Asia for LivaNova and was responsible for the establishment and growth of the Australian subsidiary, and numerous product launches and geographical expansion throughout Asia and Australia/New Zealand