

ASX Release

Oventus December 2017 Investor Update

Brisbane, Australia 20th December 2017: Oventus Medical Ltd (ASX: OVN) is pleased to present its quarterly newsletter for December 2017 – the Oventus Investor Update which follows in this announcement.

It's been a busy and positive quarter for Oventus Medical. In our pre-Christmas update we cover the progress made with clinical trial data and the planning and activities underway for growing sales in the dental channel through our partnership with Modern Dental Group.

Major highlights for the quarter include:

- Significant clinical trial progress validating the 'Oventus Airway Technology'
- Dental Sleep Conferences Update - World Sleep Prague and Sleep DownUnder Auckland 2017
- Investment Leaders Conference - Sohn Hearts & Minds
- Product Pipeline Innovation Update
- Modern Dental Update
- Media Coverage: A Current Affair
- Oventus in Recent News
- Upcoming Dates

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Visit our website <http://oventus.com.au>

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 O₂Vent™, 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 O₂Vent™'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 O₂Vent™ allows for natural nasal breathing.

'O₂Vent™ Connect' Positive Airway Pressure (PAP) Connection: Severe sleep apnoea sufferers who have traditionally used a CPAP machine and full facemask can use Oventus' O₂Vent™ 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 'O₂Vent™ Connect'.

Oventus' O₂Vent™ Connect' attaches to the front of the O₂Vent™, 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' O₂Vent™ 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.¹

Continuous positive airway pressure (CPAP) is the most definitive medical therapy for obstructive sleep apnoea, however many patients have difficulty tolerating CPAP² due to discomfort caused from high operating pressure and low tolerance for a full face mask.

The Oventus oral appliance 'Airway Technology' in the O₂Vent™ when incorporated with Oventus' 'O₂Vent™ 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 O₂Vent™ oral appliance.

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

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.

INVESTOR UPDATE

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OVENTUS™

HIGHLIGHTS

Message from the CEO

Significant clinical trial progress validating the 'Oventus Airway Technology'

Conferences – World Sleep Congress (Prague) and Sleep DownUnder (Auckland)

Sohn 'Hearts & Minds' Investment Lenders Conference

Product Pipeline Innovation Update

Modern Dental Update

Media Coverage: A Current Affair

Oventus in Recent News

Upcoming Dates

IN EARLY DECEMBER, WE COMPLETED A HEAVILY OVER-SUBSCRIBED CAPITAL RAISING OF \$7.6 MILLION TO INSTITUTIONAL AND SOPHISTICATED INVESTORS.

1. Message from the CEO

Dear shareholders,

Since our last investor update highlighting the recently signed global manufacturing and distribution agreement with Modern Dental Group (Modern) in July, we have been busy working behind the scene with Modern on a number of fronts ensuring our relationship will prosper and deliver substantial sales into the dental sales channel globally.

Sales through the dental channel:

Dr Chris Hart, Clinical Director, has been supporting Modern as they develop their sales and marketing activities for bringing the O₂Vent™ through the dental sales channel to patients with Obstructive Sleep Apnoea (OSA). Modern are 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 Region. By way of example, this distribution agreement will provide access to 34,000 dental offices in North America. In Australia a phased rollout operating through Southern Cross Dental has already commenced. In January 2018, Modern Dental USA will commence their initial launch phase.

Further clinical validation: We have made significant headway in building clinical validation of the proprietary 'Oventus Airway Technology' to the O₂Vent™ product range. Clinical trial results were presented at two international conferences in October.

In Prague at the World Sleep Congress, Associate Professor Danny Eckert of Neuroscience Research Australia (NeuRA) presented an abstract on interim results of the OVEN-005 'Sydney' study. Interim results have shown an 80% reduction in sleep events by OSA patients. The novel oral appliance device with a built-in oral

airway significantly reduced OSA severity including comparable reductions in people with high nasal resistance. This study is fully funded by a CRC-P Australian Federal Government grant and will run over three years concluding with clinical trial results on 180 patients across three cohorts.

At Sleep DownUnder in Auckland, Dr Jennifer Walsh of the University of Western Australia presented interim results of the OVEN-004 'Perth' study. Results again showed a very significant 73% reduction in sleep events by patients with OSA when using an Oventus' O₂Vent™ oral appliance.

In total, data to date has been collected from 50 patients across four clinical studies, all consistently showing strong clinical efficacy of the O₂Vent™. We look forward to bringing further data in the new year from the OVEN-003 'Brisbane' Study and final data from the 'Perth' study. Data collection for these studies was recently completed on time in early December and are currently undergoing analysis for release in Q1 calendar 2018.

Product pipeline innovation: Oventus continues to innovate with its 'Airway Technology' remaining as the key point of difference and advantage. Two new products are being prepared to bring to market in 2018. The O₂Vent™ Trial Device will enable Oventus to immediately help OSA sufferers through same-day consultation and fitting by dentists. This innovation will allow patients to begin their O₂Vent™ journey through a fast and lower cost entry point and move across to the titanium custom fitted device, such as the O₂Vent™ W (wing) or T, at a later stage.

Also coming to market is the O₂Vent™ Connect Positive Airway Pressure (PAP) Connection. This device will bring a transformational level of comfort to sufferers of severe OSA through the provision of an alternative to the CPAP mask, encouraging them to remain in care.

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Send investor queries to:
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1. Message from the CEO (continued)

Working in combination with the O₂Vent™ oral device, patients will connect their device to the PAP Connection, to deliver a lower pressurised air flow. The unique PAP connector is an Oventus designed product. This combination will allow for simultaneous mask and strap free nasal PAP delivery while allowing physiologic mouth breathing and has been clinically shown to reduce PAP pressure requirements by 66%¹.

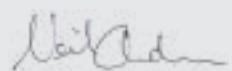
Media: The significant patient benefits of our products have been reported in the media recently. A live radio interview with Dr Chris Hart ran during the World Sleep Prague Congress on the Chris Smith show – Radio 4BC. Channel 9's A Current Affair also ran a story on Friday evening, 24 November. Both generated a large amount of calls to dentists from sufferers seeking the O₂Vent™ solution for their OSA or snoring condition.

We are very excited by the year ahead and the many activities running including the release of further clinical trial data in the near term. Importantly, the sales in the dental channel through Modern will kick in and build in a meaningful way as we approach the half year mark of calendar 2018. In the sleep channel, work remains ongoing on developing sales initiatives. We look forward to reporting on sales progress.

In early December, we completed a heavily over-subscribed capital raising of \$7.6 million to institutional and sophisticated investors. We were thrilled with the level of interest in Oventus. The funds will ensure we are well capitalised to support our entry into the global sleep apnoea market through partnerships like the one signed earlier in the year with Modern Dental Group.

Thank you for your continued support and we look forward to keeping you abreast of activities.

Yours sincerely,



Mr Neil Anderson
Chief Executive Officer



2. Significant clinical trial progress validating the 'Oventus Airway Technology'

Clinical trial validation to date: Overwhelmingly positive clinical trial data has now been collected for over 50 patients with varying levels of OSA severity, across four separate studies.

Results show that unlike other oral appliances patient outcomes are not adversely affected by the presence of nasal obstruction and/or soft palate collapse and additionally, results improve by an additional 30-50% when using O₂Vent™ as a mandibular advancement device with 'Oventus Airway Technology' built in, compared to a mandibular advancement device alone. This data plays an important role in driving clinical adoption of the 'Oventus Airway Technology'.

Interim trial results were released for the OVEN-005 NeuRA 'Sydney' study at the World Sleep Congress in Prague in early October and for the OVEN-004 'Perth' study at the Sleep DownUnder, ASA Conference in late October. Abstracts were presented at both conferences and released as ASX announcements which can be found on the Oventus website under the 'Investors' tab. Refer to links and more about conferences in Section 3 of this newsletter.

Clinical trial outcomes using the O₂Vent™ devices have shown to be consistent in patients with single and multiple levels of breathing obstruction (tongue, nose, soft palate). It is thought that multiple levels of breathing obstruction could normally be a reason for non-response or non-adherence to existing treatments.

For patients with moderate to severe sleep apnoea, clinical trials show positive results when using the O₂Vent™ in combination with Oventus' mask-less PAP interface - O₂Vent™ Connect. In addition, PAP pressures were able to be dramatically reduced by 66% when using O₂Vent™ in combination with O₂Vent™ Connect¹. The mask-less design and lower operating pressure requirements also overcome main discomfort reasons for patients currently falling out of care when using existing Continuous Positive Airway Pressure (CPAP) with a face mask.

On future trial results, patient data collection was recently completed in early December for the 'Perth' and 'Brisbane' studies across 23 and 31 patients respectively. Following analysis, final results are expected to be released in the first quarter of calendar 2018 by which time clinical trial data will have been collected across 104 OSA sufferers. Further clinical trial data can be expected from the 'Sydney' NeuRA trial in the first half of calendar 2018 which is running over three years and will test 180 patients in total. This trial is fully funded through a \$2.95 million CRC-P Australian Federal Government grant*.

1. Benjamin Tong, Jason Amatoury, Jayne Carberry and Danny Eckert. *The effects of posture and mandibular advancement on nasal resistance and obstructive sleep apnea treatment outcome with a novel oral appliance therapy device*. Neuroscience Research Australia (NeuRA) and the University of New South Wales, Sydney, Australia. Poster and Abstract presented at World Sleep Prague 2017.

*Data collected and on file



3. Conferences – World Sleep Congress (Prague) and Sleep DownUnder (Auckland)

World Sleep Congress (Prague)

At the biennial 'World Sleep Congress' held in Prague, Czech Republic on 7-11 October, an abstract was presented on the clinical trial of the Oventus O₂Vent™ 'Airway Technology' by Associate Professor and Principal Investigator Danny Eckert of Neuroscience Research Australia (NeuRA).

Interim results for phase 1 of the OVEN-005 NeuRA 'Sydney' study on 7 patients showed a 34.4% reduction in sleep events when using the O₂Vent™ with 'Airway Technology'. Results of phase 1 across 40 patients with OSA will be released in the first half of calendar 2018. The study has three phases consisting of 180 patients in total*.

The NeuRA 'Sydney' study is fully funded by the Australian Federal Government's \$2.95 million CRC-P grant. Oventus is the lead participant alongside Medical Monitoring Solutions Pty Ltd, NeuRA, Western Sydney University and CSIRO.

The results and a copy of the abstract titled *"The effects of posture and mandibular advancement on nasal resistance and obstructive sleep apnea treatment outcome with a novel oral appliance therapy device"* can be found on the Oventus website under the 'Investors' tab.

*Data collected and on file.



Sleep DownUnder (Auckland)

At the annual 'Sleep DownUnder' conference held in Auckland, New Zealand on 26-28 October, an abstract was presented on the clinical trial of the Oventus O₂Vent™ 'Airway Technology' by Principal Investigator Dr Jennifer Walsh, University of Western Australia.

Interim results of the OVEN-004 'Perth' study on 10 patients showed a 73% reduction in sleep events when using the O₂Vent™ with 'Airway Technology'. Clinical trial data for a further 13 patients has now been collected*. Analysis is underway and full results of the study across 30 patients with OSA will be released in the first calendar quarter of 2018.

The 'Perth' study is a collaboration between the University of Western Australia's Centre for Sleep Science and Oventus.

The interim results and a copy of the abstract titled *"The effect of a novel oral appliance therapy on obstructive sleep apnoea: preliminary results"* can be found on the Oventus website under the 'Investors' tab.

*Data collected and on file.

4. Sohn 'Hearts and Minds' Conference

Oventus was showcased by Thorney Investments, one of Oventus' institutional shareholders at the Sohn 'Hearts & Minds' Investment Leaders Conference at the Sydney Opera House on 17 November.

The conference is Australia's premier investor event and brings together the best and brightest investors from around the world. Funds raised support medical research with proceeds from this year's Sohn Hearts & Minds being dedicated to the prestigious Victor Chang Cardiac Research Institute, the Black Dog Institute, MS Research Australia and JDRF Australia.

The conference attracts the world's top money managers and investment thinkers who donate their time and ideas, luring attendees from around the world including former Australian Prime Minister The Hon. Paul Keating who was a speaker this year.

Alex Waislitz, Founder and Chairman, Thorney Investment Group presented on Oventus as his top stock pick for 2018 amongst their investee companies.

Dr Chris Hart, Oventus Clinical Director and inventor of the O₂Vent™ presented (on invitation) to investors at the Thorney Technologies Ltd AGM (ASX: TEK) on 24 November. The presentation was lodged with the ASX and can be found on the Oventus website under the 'Investors' tab.



Photo of Alex Waislitz (right hand side of stage), Chairman of investment fund Thorney Investment, presenting on Oventus – top stock selection for the coming year. In presentation photo view: Dr Chris Hart, Clinical Director and inventor of the Oventus O₂Vent™.

5. Product Pipeline Update

The Oventus O₂Vent™ product range incorporating our 'Airway Technology' continues to grow through innovation. Coming to market soon are two new devices, the O₂Vent™ Trial Device and O₂Vent™ Connect (PAP Connection).

O₂Vent™ Trial Device: The Trial Device is custom fitted by a dentist chairside. This means that patients can obtain a device on the same day and begin to reap the benefits immediately. At a later stage, patients have the option of moving to a fully custom fitted titanium device such as the O₂Vent™ T.



O₂Vent™ Trial Device

O₂Vent™ Connect PAP Connection: This device works in combination with the O₂Vent™ oral device and is designed for patients with severe OSA allowing simultaneous air pressure or PAP delivery and physiologic mouth breathing. This device and PAP connection provide a strap-free alternative to a CPAP mask, also allowing lower pressure PAP delivery**.

Clinical trial results have shown this device to lead to a reduction in PAP pressure requirements by 66%¹. This importantly leads to increased comfort levels and leads to patients staying in care.



O₂Vent™ Connect PAP Connection



6. Modern Dental Launch

The Modern Dental team in Australia (operating as Southern Cross Dental) implemented a launch into their dental sales channel in December.

This is being rolled out to their dentist network in phases based on dentist experience in sleep medicine. The US Modern Dental team are preparing for an initial phase launch in January 2018. Training of sales and customer support teams has been launched in both Australia and North America.

The agreement provides Oventus with access to the world's largest dental distribution channel, holding the top three positions by sales volume in each major world market. O₂Vent™ product range is the only premium oral appliance range that will be sold by Modern Dental globally.

Marketing communications materials have been updated and provided to Modern Dental for use while an online training platform developed for Oventus specific training has been launched and is now available to dentists via registration through the Oventus Dentist page on the website. Modern has a well developed educational capability given their experience in delivering Invisalign training. Oventus are also working with Modern Dental to finalise a phased training calendar year for 2018.

A partnership has been agreed with Tufts University Boston for dental sleep educational content and "independent" training in 2018.

A manufacturing and logistics partnership with Modern Dental has completed testing and is now operational following the November launch of device ordering in Australia, through Southern Cross Dental.

7. Media Coverage: A Current Affair

Oventus received media coverage appearing on Channel 9's A Current Affair on Friday evening, 24 November.

We are thrilled with the response including an increase in calls from sufferers of OSA and severe snoring. Our addition to the Oventus website of a "Find a Dentist" page featuring our top performing dentists also proved invaluable. We were able to track and follow up on clicks to individual dentist's practice details and monitor the number of "Request a callback" forms that were submitted.

A replay of the story can be viewed via this link



1. Benjamin Tong, Jason Amatoury, Jayne Carberry and Danny Eckert. *The effects of posture and mandibular advancement on nasal resistance and obstructive sleep apnea treatment outcome with a novel oral appliance therapy device*. Neuroscience Research Australia (NeuRA) and the University of New South Wales, Sydney, Australia. Poster and Abstract presented at World Sleep Prague 2017.

** Oventus devices may offer a suitable treatment to those who cannot tolerate Continuous Positive Airway Treatment (CPAP) therapy. Oral devices are not generally accepted as the first line treatment for sleep apnoea. Diagnosis and monitoring by a suitably qualified healthcare professional is required.

8. Oventus in Recent News

DATE	PUBLICATION	HEADLINE	JOURNALIST
27/09/2017	BioSpace	Oventus Investor Presentation	Staff writer
01/10/2017	The Courier Mail /The Daily Telegraph/ Herald Sun/The Advertiser : Body+Soul	Not sleeping? Best insomnia cure could be ignoring it	Helen Foster, Body+Soul
9/10/2017	4-traders.com	Oventus Medical : Presents Latest Clinical Trial Data at World Sleep Congress	Staff writer
9/10/2017	BioSpace	Oventus Release: Aussie First On Snoring On World Stage	Staff writer
9/10/2017	PR-Inside.com	Sleep Apnoea devices market – Global Industry Insights, Outlook, Size, Share and Opportunity Analysis 2017-2025.	Coherent Market Insights
12/10/2017	PRweb.com	CitiDent Treats Sleep Apnoea with Cutting-Edge Oventus O²Vent Technology	Staff writer
17/11/2017	The Australian	Geoff Wilson pitches for an upgrade at Sohn Hearts & Minds (Subscriber access only)	Will Glasgow, Christine Lacey
17/11/2017	The Courier Mail QLD Business	Oventus AGM 2017: Shares rise after Thorney speech, as sleep-device maker sticks by cash guidance (Subscriber access only)	Liam Walsh
20/11/2017	iCrowd Newswire	Snoring Control Devices Market Research CAGR of 5.3% Drivers, Trends, Challenges	360 Market Updates
24/11/2017	9News – A Current Affair	The device offering relief for sleep apnoea sufferers	Harry Clarke
3/12/2017	Baldwin Journal	Measuring Oventus Medical Limited (OVN.AX)'s Levels Via the Charts	Staff writer
11/12/2017	Proactiveinvestors Australia	Oventus Medical targets cash injection to commercialise sleep apnoea products	Staff writer
13/12/2017	HealthInvestor Asia	Australia: Oventus raises A\$7.6 million	Staff writer
15/12/2017	Finance News Daily	Oventus Medical Limited (OVN) Rise 1.49%	Darrin Black

9. Upcoming Dates

DATE	EVENT	DESCRIPTION
8-10 January 2018	Digital Medicine & Medtech Showcase 2018. Hilton Hotel, San Francisco	Dr Chris Hart will present at the event.
9 February 2018	Retail QLD Oventus Investor Event - Investor presentation by Chris Hart at Tattersalls Club, Brisbane	Further details will be disclosed on the Oventus investor website and invitations sent in January.
16-17 February 2018	North American Dental Sleep Symposium	Oventus attending event.
9-11 March 2018	7th AACP International Symposium - Sydney. Secrets of Success in Sleep and Pain	Oventus will have a stand at the event as a sponsor.

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