

**ASX Release****Oventus channel update and new Virtual Lab in Lab agreement**

- **Telehealth continues strong quarter on quarter growth – the number of new patients scheduling telehealth consultations increasing 25% quarter to date**
- **Direct-to-consumer channel emerging as largest referral source for patients – now 60% of all referrals**
- **Oventus assisting sleep channel partners after major recall of CPAP devices by a leading provider**
- **Oventus signs Sleep Clinic Services as a new Australian Virtual Lab in Lab customer**
- **Improving market conditions, recent restructure, capital raising position Oventus for growth.**

Brisbane, Australia 21 June 2021: Obstructive Sleep Apnea (OSA) treatment innovator, Oventus Medical Ltd (ASX: OVN) is pleased to provide a trading update following the recent capital raising.

**Channel development update**

Oventus' direct-to-consumer channel, where patients can seek their own treatment directly with Oventus and via channel partners at [gopapfree.com](http://gopapfree.com) and [o2vent.com](http://o2vent.com), continues to grow as part of the Company's omni-channel customer acquisition strategy. Current data indicates that 60% of all patient referrals are coming from these internet assets, with telehealth consultations continuing strong growth. Compared to the previous quarter, the number of unique telehealth consultations scheduled has increased 25%, quarter to date.

Since Oventus launched its telehealth initiative as a result of COVID-19, the patient funnel has captured more than 2,000 patients. This growing database of interested patients looking to access Oventus Airway Technology informs the Company's marketing strategy and underpins future growth. As this program matures over the coming months and digital assets are redeveloped with improved visibility on conversion rates and customer acquisition costs, the return on investment into this channel will become more predictable, and investment into this channel can be prioritised to accelerate sales growth.

Oventus' initiative to take ownership of the patient journey is changing marketing momentum for the company and its clinical partners. Where previously, investment into marketing was to generate sales through partners, direct-to-consumer marketing enables Oventus to generate the sale and deliver value to its partners through the Company's collaborative care

model. At the same time, this improves the overall experience of the patient, helps maintain control of brand message, and in the end increases the value retained by Oventus.

### **Improving market conditions**

The decline of COVID cases in Oventus' key markets is leading to a reduced number of lockdowns and other restrictions. While the market has changed significantly as a result of COVID-19 and a number of sites have had contracts terminated, Oventus expects activity at many of the sites launched before or during the pandemic period to improve over the next few months. In the last month, three additional sites have been launched, one physical Lab in Lab contract has been signed, and one physical Lab in Lab site has terminated their agreement. The post COVID reopening and potential supply constraints for CPAP therapy (see below) may result in improved market dynamics for the Lab in Lab program and the Virtual Lab in Lab program in particular.

### **Recall of Philips CPAP devices**

Leading medical equipment manufacturer Philips Respironics recently announced<sup>1</sup> a recall of an estimated 3-4 million CPAP devices related to sound abatement foam used in such devices. Following the news, Oventus is working with its sleep channel partners to provide an alternate therapy option for patients that may face challenges in accessing therapy due to CPAP supply constraints. While this recall adds to current challenges in the sleep industry, Oventus offers clinicians and patients a proven alternative to CPAP that is available now, with a value proposition unrivalled by CPAP. Oventus' O2Vent Optima is the only custom-made oral appliance offered in the durable medical equipment and home medical equipment setting on a national basis in the U.S. and the Company is in a unique position to assist these CPAP suppliers get more patients into care and retain them when CPAP is not tolerated or is not available.

### **Sleep Clinic Services signs on as Virtual Lab in Lab customer**

Brisbane headquartered Sleep Clinic Services has signed on to Oventus' Virtual Lab in Lab program. Sleep Clinic Services is a leading provider of telehealth diagnostics and treatments for OSA, serving patients in capital cities through to mining camps and remote rural properties. Under the agreement, Clinical Sleep Services will market and distribute Oventus' O2Vent therapy to patients through the company's virtual lab in lab program.

Sleep Clinic Services CEO Brett Chamberlain commented, *"Until recently, our ability to offer oral appliance therapy was restricted by the availability of nearby, suitably qualified dentists. Partnering with Oventus means we can now help patients arrange an alternate therapy regardless of where they are located."*

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<sup>1</sup> <https://www.philips.com.au/healthcare/e/sleep/communications/src-update>

Dr Chris Hart, CEO and Founder of Oventus added, *“Oventus has never been better positioned to grow sales and revenue. Our recent fundraising puts us in the position to capitalise on the reopening of pandemic-affected markets and continue to build our funnel of patients and clinical partners. While unexpected, the opportunity in front of us due to the CPAP recall may be significant and early conversations hold considerable potential for Oventus. After an extremely challenging year, we are very appreciative of the support we have received from investors and incredibly excited about the year ahead.”*

### **Capital raise and restructure**

During the quarter Oventus completed a capital raise and a complete top-to-bottom restructuring to align the organisation with current market conditions and reduce overhead costs. The Company ceased all non-essential research and development, reduced headcount, reduced executive and board remuneration and restructured the sales and marketing team to allow for investment into digital omni-channel marketing. While this restructuring activity has provided some impediments to sales growth this quarter and created one-off restructuring costs, it has allowed for increased investment into customer acquisition and lower ongoing quarterly operating costs. This gives the Company an extended runway from the recent capital raise. Now, with the prioritisation of customer acquisition across all channels, and the ability to treat patients anywhere, anytime at lower acquisition cost, Oventus is positioned well for the improving market conditions and changing landscape of the sleep apnea market.

Oventus looks forward to keeping the market updated with further material progress.

—ENDS—

### **Authorised for release by the Oventus Medical Limited Board of Directors.**

For further information, please visit our website at [www.o2vent.com](http://www.o2vent.com) or contact the individuals outlined below.

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### **About Oventus – see more at [www.o2vent.com](http://www.o2vent.com)**

Oventus is a Brisbane-based medical device company that is commercialising a unique treatment platform for obstructive sleep apnea (OSA) and snoring. The Company has a collaborative Sleep Physician/Dental strategy that streamlines patients’ access to treatment.

Unlike other oral appliances, O2Vent Optima devices manage the entire upper airway via a unique and patented built-in airway. O2Vent Optima devices allow for airflow to the back of the mouth while maintaining an oral seal

and stable jaw position, avoiding multiple obstructions from the nose, soft palate and tongue. The devices reduce airway collapsibility and manage mouth breathing while keeping the airway stable.

O2Vent Optima devices are designed for any patient that is deemed appropriate for oral appliance therapy, but especially beneficial for the many people that suffer with nasal congestion, obstruction and mouth breathing. The O2Vent Optima allows nasal breathing when the nose is unobstructed, but when obstruction is present, breathing is supplemented via the airway integrated in the appliance.

The ExVent®<sup>2</sup> is a valve accessory that fits into the open airway of the O2Vent Optima device, to augment traditional oral appliance therapy by stabilizing the airway. The ExVent valve contains air vents that open fully on inhalation for unobstructed airflow. The valve closes on exhalation, directing the air through the vents, creating the mild resistance or airway support required to keep the airway stable (known as PEEP, positive end expiratory pressure).

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 apnea<sup>3</sup>.

Continuous positive airway pressure (CPAP) is the most definitive medical therapy for obstructive sleep apnea, however many patients have difficulty tolerating CPAP<sup>4</sup>. Oral appliances have emerged as an alternative to CPAP for obstructive sleep apnea treatment<sup>5</sup>. The O2Vent Optima and ExVent provide a discreet and comfortable alternative to CPAP for the treatment of OSA.

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<sup>2</sup> Not yet cleared for sale in the US.

<sup>3</sup> Deloitte Access Economics. Reawakening Australia: the economic cost of sleep disorders in Australia, 2010. Canberra, Australia.

<sup>4</sup> Beecroft, et al. Oral continuous positive airway pressure for sleep apnea; effectiveness, patient preference, and adherence. Chest 124:2200–2208, 2003

<sup>5</sup> Sutherland, Kate, et al. "Oral appliance treatment for obstructive sleep apnea: an update." Journal of Clinical Sleep Medicine 10.2 (2014): 215-227.