

ASX Release

## **Oventus Medical Signs Strategic Collaboration Agreement with Chinese based, Zhuhai Blue Ocean Strategy**

### **Key Points:**

- **Oventus and Zhuhai Blue Ocean Strategy have executed a formal collaboration agreement in respect of Oventus' proprietary O<sub>2</sub>Vent™ T product**
- **Zhuhai Blue Ocean is a Chinese company with over 600 hospitals in their network, many of which have ENT sleep clinics – a key clinical location for OSA treatment**
- **Represents a major market opportunity for Oventus given sleep apnoea is a large and growing problem in China**

Brisbane, Australia 1st February 2017: Oventus Medical Ltd is pleased to announce it has today entered into a collaboration agreement with Chinese company, Zhuhai Blue Ocean Strategy Medical Co., Ltd (ZHBOS) (<http://www.zhbos.com>).

The collaboration agreement executed between Oventus and ZHBOS relates to Oventus' proprietary O<sub>2</sub>Vent T™ product, indicated for use during sleep to aid in the treatment of snoring and obstructive sleep apnoea (OSA). The agreement between the two parties details terms around clinical trials, training of relevant staff, achievement of relevant regulatory clearances and marketing preparations, as they pertain to the Chinese market.

ZHBOS is a Chinese company that has 633 network hospitals, spread throughout China in over 400 cities. Many of the hospitals have ENT sleep clinics some of which offer Continuous Positive Airway Pressure (CPAP) as the first line of treatment. Oventus' proprietary O<sub>2</sub>Vent™ T device is an innovative alternative to CPAP particularly advantaging patients with nasal obstruction, or those that cannot tolerate, or who refuse CPAP.

It is estimated that the Chinese market has in excess of 70 million OSA sufferers, and that OSA is likely to be a growing problem due to the effects of an aging population and similar health factors afflicting western countries, such as obesity.

Luo Zhilin, Chairman and Chief Executive Officer of Zhuhai Blue Ocean Strategy said: "We have a demonstrated track record in introducing new clinical solutions to hospitals, and therefore for the patients they treat. This success has facilitated our significant growth to date. We believe the Oventus O<sub>2</sub>Vent T device is a clinical solution that will meet the needs of the Chinese population and there is a significant opportunity for an innovative oral appliance to enter our market, especially with the growing prevalence of sleep apnoea in China. We look forward to working with Oventus Medical on this important project."

Oventus Managing Director and Chief Executive Officer, Neil Anderson said: “We are very pleased to have entered into a collaboration agreement with Zhuhai Blue Ocean Strategy. The Chinese market represents a significant and largely untapped market opportunity. We believe Zhuhai Blue Ocean Strategy will be an excellent partner for Oventus to work with in China, given their extensive hospital network and specialized knowledge in sleep apnoea treatments. The partnering with Oventus is a logical progression for them, given their track record and existing synergies between the dental and ENT departments in their cooperative hospitals.”

“We are proud that such a large organization has selected our products to deliver in their hospital network. This further increases our confidence in the commercial viability of our products.” Mr Anderson added.

A formal distribution agreement for the O<sub>2</sub>Vent™ T product in the Chinese market is intended to be executed by the parties in the second half of 2017.

**-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 O<sub>2</sub>Vent 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.<sup>1</sup>

Continuous positive airway pressure (CPAP) is the most definitive medical therapy for obstructive sleep apnoea, OSA, however many patients have difficulty tolerating CPAP<sup>2</sup>. Oral appliances have emerged as an alternative to CPAP for obstructive sleep apnoea treatment.<sup>3</sup>

<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*

<sup>3</sup> *Sutherland et al. Oral appliance treatment for obstructive sleep apnea: An updated Journal of Clinical Sleep Medicine. February 2014.*