

ASX release

Appendix 4C – Quarter Ended 30 September 2016

Key Highlights:

- **Commercialisation plans on track with two major milestones delivered - FDA clearance of next generation O₂Vent™ T and first strategic collaboration signed with Australian dental group 1300SMILES Ltd**
- **Early sales revenue generated following launch of O₂Vent™ T in Australia, US sales expected in December quarter**
- **Funding to support acceleration of commercial plans, following successful IPO raising \$12 million**
- **Australian Multidisciplinary Scientific Advisory Committee formed**
- **First patient with obstructive sleep apnoea (OSA) recruited for clinical trial of O₂Vent™ T**

Brisbane, Australia 28th October 2016: Sleep apnoea device maker and developer Oventus Medical Ltd. (OVN:ASX) has today released its Appendix 4C – Quarterly cash flow report for the period ended 30 September 2016.

Following a period of intense corporate activity which saw the company list on the ASX raising \$12 million and achieve FDA clearance for its next generation O₂Vent™ T device, the company has delivered early sales revenue with \$73,000 of receipts from customers generated by sales of its devices, received during the quarter. A further \$150,000 income from sales generated in September is due for payment in the December quarter, along with an R&D tax credit estimated to be approximately \$450,000.

Oventus has \$8.3 million cash as at 30 September 2016.

The company is now focused on its commercialisation in Australia and the US, with plans on track. In Australia, the company launched its next generation titratable device O₂Vent™ T and is now embarking on a market and geographic expansion strategy to expedite the registration and training of clinicians. The first of this type of agreement was signed this week, with the company announcing it had entered a strategic collaboration with 1300SMILES Ltd, which has 20 dental practices across Australia. The collaboration allows Oventus to actively market to dentists in this group, with the two companies collaborating to provide training, marketing and patient management.

During the quarter, over 40 dentists in Australia, were registered and trained to provide Oventus devices. The company also executed regional area marketing and PR campaigns, which have resulted in significant increase in enquiries from prospective patients.

Following the receipt of FDA clearance of O₂Vent™ T, the focus on the US market has increased, and first US sales are planned this quarter.

Oventus CEO Neil Anderson said “This has been a very successful and productive quarter for Oventus. In addition to making the successful transition from a privately-owned company to a publicly listed company, and securing the funding that will enable us to move forward with our commercial plans.

“With the Australian launch and FDA clearance of O₂Vent™ T now in place, we are focused on immediate generation of sales in these markets, but also building the product portfolio, clinical evidence, manufacturing capacity, and partnerships that will drive meaningful sales growth in the future and see Oventus’ suite of devices used by a growing number of patients impacted by sleep apnoea.”

Oventus continues to focus on increasing its manufacturing capacity and building clinical evidence. During the quarter, Oventus enrolled the first patient in a 40 patient clinical trial of the O₂Vent™ T device. This trial will produce valuable data around the comfort, safety and efficacy of the product.

A Scientific Advisory Committee of sleep, dentistry and ear, nose and throat experts has been established in Australia to advise on clinical trial design for Oventus’ current and future products.

-ENDS-

For more information please contact:

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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

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

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

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

OVENTUS MEDICAL LIMITED

ABN

12 608 393 282

Quarter ended ("current quarter")

30th September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	74	74
1.2 Payments for		
(a) research and development	(373)	(373)
(b) product manufacturing and operating costs	(258)	(258)
(c) advertising and marketing	(158)	(158)
(d) leased assets	-	-
(e) staff costs	(668)	(668)
(f) administration and corporate costs	(727)	(727)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(10)	(10)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(2,118)	(2,118)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(138)	(138)
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) intellectual property	(79)	(79)
	(e) other non-current assets	(83)	(83)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(300)	(300)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	12,000	12,000
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(753)	(753)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(762)	(762)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	10,485	10,485

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	161	161
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,118)	(2,118)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(300)	(300)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10,485	10,485

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	8,228	8,228

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,228	161
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,228	161

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
34
-

Payment of directors' fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

N/A

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
-	-

N/A

9. Estimated cash outflows for next quarter

\$A'000

9.1 Research and development

(756)

9.2 Product manufacturing and operating costs

(231)

9.3 Advertising and marketing

(266)

9.4 Leased assets

-

9.5 Staff costs

(727)

9.6 Administration and corporate costs

(428)

9.7 Intellectual property and equipment

(95)

9.8 Total estimated cash outflows

(2,503)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)

Acquisitions

Disposals

10.1 Name of entity

-

-

10.2 Place of incorporation or registration

-

-

10.3 Consideration for acquisition or disposal

-

-

10.4 Total net assets

-

-

10.5 Nature of business

-

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 28 October 2016

Print name: Stephen Denaro

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.