

ASX Release**Oventus launches three additional US 'lab in lab' sites,
provides pipeline update****Key highlights:**

- **Three additional sites now launched in South Carolina, Illinois and Texas, bringing the total number of launched sites to 14 out of the 36 sites contracted**
- **Lead time to first patient bookings and revenue has been reduced for subsequent launches**
- **Current average rate of site launch is one per week, with minimal capital expenditure**
- **Strong growth expected quarter on quarter for CY 2020**
- **Cash burn forecast for Q3 FY20 reduced**
- **Deal pipeline now valued at over A\$33m, compared to A\$20m at end CY 2019**

Brisbane, Australia 13 February 2020: Obstructive Sleep Apnoea (OSA) treatment innovator, Oventus Medical Ltd (ASX: OVN) is pleased to announce the launch of its 'lab in lab' model across a further three clinical delivery sites in the United States and to provide an update on the status of total sites contracted under the Company's 'lab in lab' business model.

At the time of its last quarterly activities review (announced 14 January), Oventus stated it had converted significant increased demand for its O₂Vent Sleep Treatment Platform and its 'lab in lab' business model into customer contracts. The Company had 36 sites contracted and 11 sites deployed with five more in the implementation phase under 'lab in lab' business model.

Since then, a further three contracted sites have launched taking the total launched sites to 14. At the same time, many of the more recently launched sites are scheduling patients within 30 days of launch, compared to 60 days for the initial five sites launched in 2019. As indicated in the quarterly review, the initial five sites generated first revenues in December.

Early data also indicates that from initial consultation approximately 50% of patients move onto treatment over a 90-day period as they proceed with insurance pre-authorisation and then rebook for treatment. With approximately 140 unique patient consultations up to the end of January, the unit sales through the lab in lab program doubled from December to January and patients scheduled to be scanned in February is already sitting at more than double January unit sales.

At the same time, Oventus' deal pipeline has increased to more than A\$33 million from A\$20 million as at 31 December 2019.

CEO of Oventus, Dr Chris Hart commented, “We are very pleased that despite seasonal factors due to the holiday period, the number of sites online has doubled in the last month and revenue growth is expected to accelerate quarter on quarter through calendar 2020.”

“While this rapid growth is exciting, we have found that there is variability in the amount of time to reach minimum quotas. For this reason, our launch calendar is focusing on sites that will be faster to generate revenue. The launch program has been redesigned and streamlined to increase launch efficiency and reduce lead times to revenue, which along with a hub and spoke roll out approach in discrete geographic regions is reducing costs to launch and capital requirements. As a result, the forecast cash burn for Q3 FY 2019 has been reduced.”

Oventus expects to secure further agreements across its key markets over the coming months with the company currently in advanced negotiations with a large number of groups including some large regional and national sleep networks.

—ENDS—

For further information, please visit our website at www.o2vent.com or contact the individuals outlined below.

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About Oventus – see more at www.o2vent.com

Oventus is a Brisbane-based medical device company that is commercialising a unique treatment platform for sleep apnoea and snoring. The Company has a collaborative Sleep Physician/ Dental strategy that streamlines patients’ access to treatment. The Oventus lab model incorporates digital technology via intra oral scanning to achieve operational efficiencies, accuracy and ultimately patient outcomes.

Unlike other oral appliances, Oventus O2Vent devices manage the entire upper airway via a unique and patented built-in airway. O2Vent devices allow for airflow to the back of the mouth while maintaining an oral seal and stable jaw position, bypassing multiple obstructions from the nose, soft palate and tongue. The devices reduce airway collapsibility and manage mouth breathing while keeping the airway stable.

O2Vent 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 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™ 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 apnoea¹.

Continuous positive airway pressure (CPAP) is the most definitive medical therapy for obstructive sleep apnea, however many patients have difficulty tolerating CPAP². Oral appliances have emerged as an alternative to CPAP for obstructive sleep apnea treatment³. The O2Vent Optima and ExVent provide a discreet and comfortable alternative to CPAP for the treatment of OSA.

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.