



PROSPECTUS

Oventus Medical

ACN 608 393 282

Prospectus for an offer of 24,000,000 shares
in Oventus Medical Limited ACN 608 393 282
at \$0.50 per share

Legal Advisers

Lawyers | **McCullough
Robertson**

Lead Manager and Underwriter

BELL POTTER

ACN 006 390 772 AFSL No. 243480

Important Notices

GENERAL

This Prospectus is dated 8 June 2016. A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC or ASX takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. No Shares will be allotted or transferred on the basis of this Prospectus after the expiry date. This Prospectus expires on 8 July 2017.

No person is authorised to give any information or make representations about the Offer, which is not contained in this Prospectus. Information or representations not contained in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the Offer.

This Prospectus provides information for investors to decide if they wish to invest in Oventus. Read this document in its entirety. Examine the risk factors that could affect the financial performance of Oventus. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Offer does not take into account the investment objectives, financial situation or needs of particular investors. An investment in Oventus should be considered speculative.

AUSTRALIAN RESIDENTS ONLY

The Offer is available to Australian residents in each state and territory of Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law. Seek advice on and observe any restrictions. This Prospectus is not an Offer in any place where, or to any person to whom, it would not be lawful to make the Offer.

DEFINED TERMS

Some terms used in this Prospectus are defined in the Glossary.

ELECTRONIC PROSPECTUS

This Prospectus is available electronically at www.ventus.com.au. The Application Form attached to the electronic version of this Prospectus must be used within Australia. Electronic versions of this Prospectus should be downloaded and read in their entirety. Obtain a paper copy of the Prospectus (free of charge) by telephoning 1300 783 639 (within Australia) or +61 3 9415 4243 (outside Australia). Applications for Shares may only be made on the Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from www.ventus.com.au.

EXPOSURE PERIOD

Under the Corporations Act Oventus must not process Application Forms during the seven day period after the date of lodgement of this Prospectus with ASIC. This period may be extended by ASIC for up to a further seven days. This exposure period enables the Prospectus to be examined by market participants. Application Forms received during the exposure period will not be processed until after the expiry of that period. No preference will be given to Application Forms received during the exposure period.

PRIVACY

If you complete an Application Form you will be giving Oventus personal information. The Company and the share registry collect, hold and use that personal information to assess your application and to communicate and provide services to you as a Shareholder. The Company may disclose information to its agents, service providers (such as the share registry) and government bodies. The Company's privacy policy sets out how you may access, correct and update the personal information that we hold about you (by contacting the share registry), how you can complain about privacy related matters and how the Company responds to complaints.

CURRENCY

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

PHOTOGRAPHS AND DIAGRAMS

Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

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CORPORATE DIRECTORY	Inside Back Cover

Letter from the Chairman

8 June 2016

Dear Investor

On behalf of the Board, it gives me great pleasure to offer you this opportunity to invest in Oventus Medical Limited.

Through this Prospectus, the Company is inviting investors to subscribe for 24,000,000 Shares, at an Offer Price of \$0.50 per Share. The Offer is fully underwritten by Bell Potter Securities Limited.

Oventus is a medical device company with an innovative oral appliance for the treatment of sleep disordered breathing, including sleep apnoea and snoring. A number of propositions make Oventus an attractive investment, including:

- A well validated growing global market;
- Regulatory clearance already in place in Australia (TGA) and the USA (FDA) for the Company's initial device (O₂Vent™ Mono);
- Initial device launched in Australia and generating sales;
- Manufacturing in place and scalable to meet demand;
- Deep product pipeline of additional devices in development;
- Protected by a patent portfolio with the first of a series of patent families granted in Australia; and
- International roll out strategy in place.

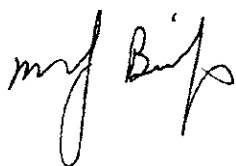
The funds raised by this Offer will provide Oventus with working capital to support its growth strategy. An ASX listing will provide Oventus with access to equity capital markets, facilitate corporate transactions by the issue of shares, give employees an opportunity to participate in the ownership of the Company and provide liquidity for Existing Shareholders.

This Prospectus contains detailed information about the Company's operations, financial performance, experienced board and management team and future plans. It also outlines Oventus' business model and key dependencies relevant to the business model. I encourage you to read and understand the Prospectus, and seek independent professional advice as necessary, before making an investment decision.

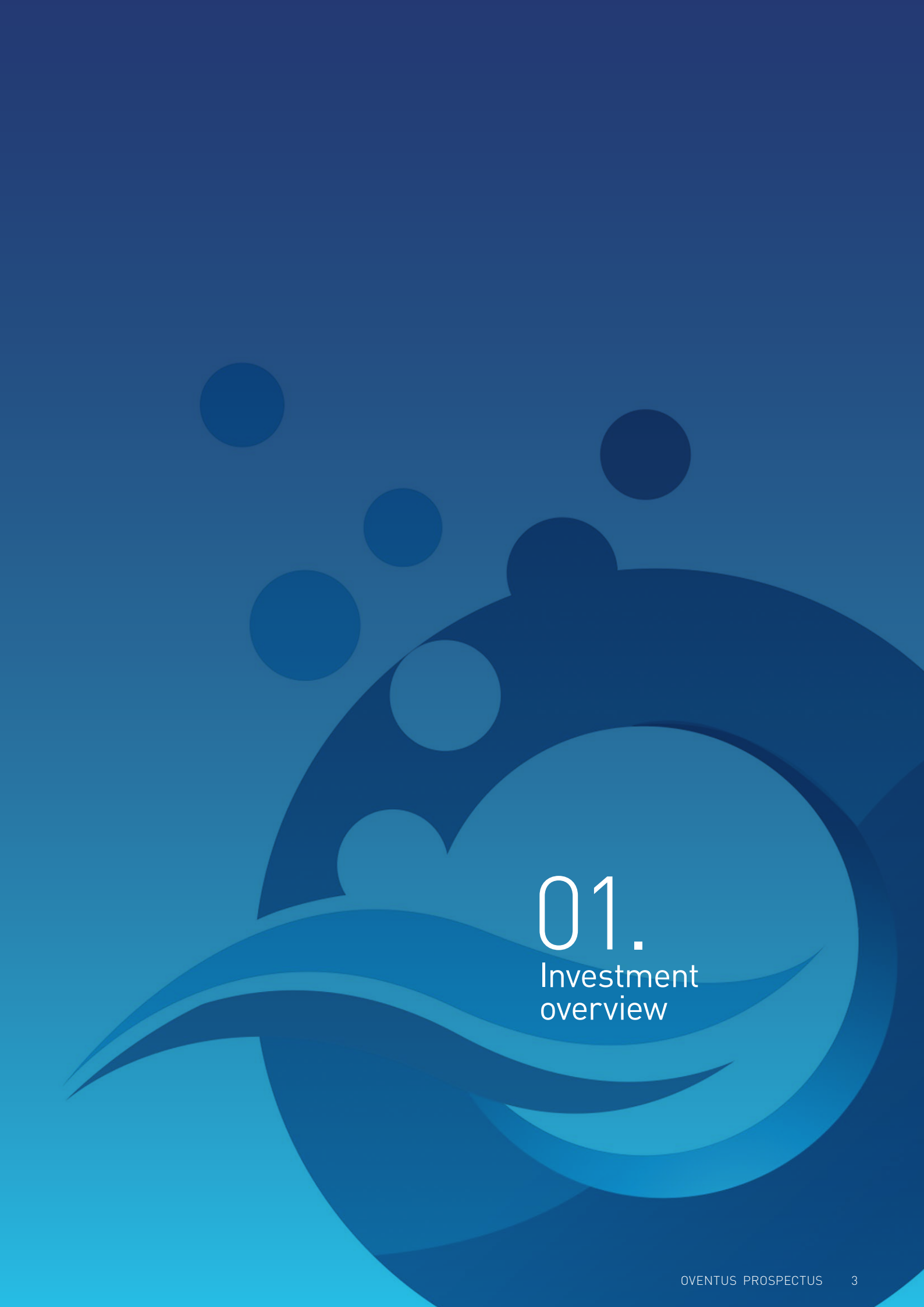
In particular, the risks of investing in an early stage medical device company must be considered in full and the key risks for Oventus are set out in section 6. Any investment in Oventus should be considered speculative.

I look forward to welcoming you as a shareholder.

Yours faithfully



Dr Mel Bridges
Chairman
Oventus Medical Limited

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller light blue circle overlapping it, and a series of dark blue circles of varying sizes scattered in the upper left. A large, light blue wave-like shape sweeps across the bottom left, partially overlapping the large circle on the right.

01.

Investment
overview

01. Investment overview

1.1 SUMMARY OFFER DETAILS

TERMS OF OFFER	DETAILS
Offer Price per Share	\$0.50
Total number of Shares offered under this Prospectus	24,000,000
Total number of Shares on issue following the Offer ¹	72,000,000
Total number of options on issue	3,362,258 ²
Amount to be raised under the Offer	\$12,000,000
Market capitalisation at the Offer Price ³	\$36,000,000

1.2 IMPORTANT DATES

EVENT	DATE
Prospectus date	8 June 2016
Offer opens	16 June 2016
Offer closes	30 June 2016
Anticipated date of allotment	8 July 2016
Shareholding statements expected to be dispatched	8 July 2016
Anticipated commencement of ASX trading	13 July 2016

All dates and times are subject to change and are indicative only. All times are Australian Eastern Standard Time. The Company, with the consent of the Lead Manager and Underwriter, reserves the right to vary these dates and times without notice. It may close the Offer early, withdraw the Offer, or accept late applications.

1. See section 9.9 for details of Shares that will be subject to escrow arrangements.

2. See sections 9.12 and 11.3 for details of option terms.

3. Market capitalisation is determined by multiplying the number of Shares on issue by the price at which Shares trade on the ASX from time to time. Shares may not trade at the Offer Price after the Company's listing. If Shares trade below the Offer Price, the market capitalisation may be lower. Investors should note the risks set out in section 6.

		SECTION
INTRODUCTION		
Oventus' aims and objectives	Oventus is an Australian medical device company with a proprietary oral appliance for the treatment of sleep apnoea and snoring. Oventus' mission is to be a global leader in the treatment of obstructive sleep apnoea (OSA) with an initial focus on those who cannot be, or are not, treated effectively with existing treatments. OSA (repeated episodes of airway obstruction during sleep) is commonly associated with snoring but also has a direct link to more serious health issues. Oventus has released its first product, the O₂Vent™ Mono, in Australia and the funds raised under the Offer will be used to continue the commercialisation and distribution of this device in Australia, develop additional devices, as well as commence expansion into other jurisdictions. Oventus' medical devices are manufactured using 3D printing technology.	section 3
BUSINESS MODEL		
Summary of business and revenue model	Oventus' business model involves: (a) developing and patenting medical devices to treat OSA and snoring; (b) developing distribution networks both in Australia and in other jurisdictions to facilitate the sale of Oventus' medical devices; (c) controlling the manufacture of medical devices initially through owned 3D in-house printing capabilities (following a recent acquisition of a 3D printer) and specific contract manufacturers where volume and location requirements need to be met; and (d) revenue earned primarily from product sales of devices to dentists, sleep clinicians and other third parties.	section 3
What is obstructive sleep apnoea?	Sleep apnoea is a common disorder in which a person has one or more pauses in breathing or shallow breaths while they are asleep. Breathing pauses can last from a few seconds to minutes. They may occur many times in an hour and vary in severity. OSA affects the way people breathe when they are sleeping, where breathing is briefly interrupted or becomes very shallow during sleep. OSA is the most common type of sleep apnoea which occurs when the soft tissue in the back of the throat relaxes during sleep and blocks the airway, often causing snoring.	section 2.2
Product description	The O₂Vent™ range is comprised of 3D printed titanium mandibular (lower jaw) advancement devices fitted in a patient's mouth. Each device has an 'airway' that directs air to the back of the throat and bypasses nasal, soft palate obstructions and prevents tongue obstructions. A clinical trial has shown that the device works equally well for patients with or without nasal obstruction.	section 3.2

01. Investment overview

		SECTION
Product range	(a) O₂Vent™ Mono (released in Australia in November 2014) – a stand-alone oral appliance for the treatment of sleep apnoea and snoring and can be adjusted in the clinic by the clinician (b) O₂Vent™ Titratable (proposed to be released second half CY2016) – a stand-alone oral appliance for the treatment of sleep apnoea and snoring and can be adjusted by the patient as well as the clinician (c) O₂Vent™ Plus (advanced stage of development) – a stand-alone device with an incorporated tongue retaining component specifically for patients whose tongue tends to be a major cause of breathing obstructions and for those patients that may have difficulty advancing the lower jaw due to pain or discomfort (d) O₂Vent™ Trial Device (proposed to be released second half CY2016) – this product enables patients to trial the device before committing to a purchase, thus confirming efficacy and increasing success rates and patient satisfaction. It gives the patient an immediate result and ongoing care while their custom device is manufactured (e) O₂Vent™ PAP (early stage of development) – an oral appliance that connects to a continuous positive airway pressure (CPAP) machine for severe sleep apnoeics who are mask intolerant	sections 3.2 and 3.5
Intellectual property	The O₂Vent™ range is subject to four patent families. The first patent family, covering the platform technology, has been granted in Australia, and a number of patent applications are at various stages of the patent registration process (i.e. provisional through to national phase). The Company also has proprietary design software that allows customised devices to be printed for each individual patient. For further details of Oventus' intellectual property protection, refer to the Intellectual Property Report in section 8.	sections 3.7, 8, and 9.14
Regulatory	The original O₂Vent™ Mono device has been registered as a class I device with the TGA since November 2014. It also received FDA 510k clearance (as a class II device) in March 2016. This clearance was strategically important for the Company as future versions that also have an 'airway' can use this device as a predicate, to enable a more efficient and lower risk clearance process. The O₂Vent™ Titratable, which has the ability for the patient to move the lower part of the device relative to the upper part, is at an advanced stage of development and is anticipated to be on the market in Australia and the USA in the second half of CY2016.	section 3.8
Market opportunity	The global market size for sleep related oral appliances was estimated to be \$124 million⁴ in 2015 (forecast CAGR 25.6% for next 5 years) and in the order of \$666 million for CPAP masks (CAGR 8.4% for next 5 years).⁵ These existing markets do not include many of the patients that have nasal obstructions and/or are CPAP intolerant – estimated to be up to 50% of the market⁶ – which, in the Directors' opinion, is consequently a large unmet market need.	sections 2.4, 2.5, 3.8 and 3.9

4. From Sleep Apnea Diagnostic & Therapeutic Devices Market – Global End-user Analysis, Competitive Landscape & Forecast to 2020 MarketsandMarkets 2015 [Calculated using a conversion of USD\$1= AUD\$1.30].

5. Ibid.

6. Collen, J., Lettieri, C., Kelly, W., and Roop, S. Clinical and polysomnographic predictors of short-term continuous positive airway pressure compliance. Chest.2009; 135: 704–709.

		SECTION
Market opportunity continued	Oventus aims to penetrate the oral appliance market for mild to moderate sleep apnoea patients and also target the CPAP market by treating CPAP/mask intolerant patients. Oral appliance therapy (OAT) for the treatment of sleep apnoea is partially covered by private insurance in Australia and has its own reimbursement codes in the USA. Europe is also a major market and, in a number of jurisdictions, has paths to favourable reimbursement opportunities.	sections 2.4, 2.5, 3.8 and 3.9
Go-to-market	The O₂Vent™ Mono has been on the market in Australia since November 2014. The pre-marketing activities directed patients to dentists throughout Australia. More than 1,100 patients fitted with appliances to date were as a result of direct-to-patient marketing. As a result of the pre-marketing activities, new products are under development and new clinician partners – including non-dentists – are intended to be engaged for the launch of the O₂Vent™ Titratable (anticipated to be in the second half of CY2016). This planned roll-out strategy of pre-marketing, scale and then expansion will be replicated in major markets, including the USA, Europe and Asia.	section 3.9
Manufacturing	Oventus currently operates two manufacturing facilities – one in Brisbane which undertakes device design, manufacture of the polymer inserts, packaging and dispatch, and one in Melbourne which has titanium 3D printing and polishing equipment. The latter is located at facilities at the CSIRO in Clayton. This equipment is intended to be supplemented when needed by outsourced third parties.	section 3.9.7
Business model dependencies	The key dependencies for the commercialisation of Oventus' products include: (a) no major development, regulatory or reimbursement hurdles arising; (b) continuing to maintain and prosecute the Company's intellectual property portfolio in key jurisdictions; (c) ongoing take up of the O₂Vent™ devices by customers at commercially sufficient levels to support the ongoing operations of Oventus and further product development and sales; (d) market recognition and clinician acceptance; and (e) ability to source and commission key equipment and materials for the manufacture of the O₂Vent™ devices.	section 3.10.2

01. Investment overview

		SECTION
RISKS		
Key risks to Oventus' business	The key specific risks associated with Oventus' business are:	
	Pipeline products in development are not approved for commercial sale	While the O ₂ Vent™ Mono is registered for sale in Australia (allowing sales in Europe and some Asian countries) and cleared for sale in the USA, other products, including the O ₂ Vent™ Titratable, O ₂ Vent™ Plus and O ₂ Vent™ PAP, are still in development. Oventus has not yet generated substantial sales from the O ₂ Vent™ Mono and there is no guarantee that it, or other Oventus products, will be commercially successful and achieve sufficient sales. The Company does not currently generate profits from its operations.
	Regulatory clearance and reimbursement risk	Oventus' ability to manufacture and sell its products is dependent upon regulatory clearances in target markets. Oventus may not obtain the regulatory clearances that it requires for sale of its products, or the reimbursement approvals required for sales growth, or such clearances and/or approvals may be subject to delay.
	Clinical trial risk	The commercialisation of Oventus' products is dependent on the Company's ability to conduct successful clinical trials, which depend on enrolment of sufficient subjects and regulatory clearances. There is no guarantee these trials will return efficacious results.
	Commercial, manufacturing and distribution capability risk	Oventus' ultimate success is dependent upon its ability to manufacture its products on a commercial scale, with continuity of supply and in accordance with current good manufacturing practices prescribed by regulatory authorities. Any delays or difficulties in the future manufacture of products may have a material adverse effect on the Company.
	Competition	The medical device industry and, more specifically, the OAT market, is intensely competitive and subject to rapid change. Oventus may face competitors that are better resourced or develop superior products. Oventus may also be slower to adopt new technology than potential competitors, each of which would be likely to have a material adverse impact on the Company's competitive position.
		section 6

		SECTION
Key risks to Oventus' business continued	Dependence on key relationships and personnel	section 6
	Oventus depends on the performance of its commercial partners, and the retention of key personnel, to successfully grow its business. The loss of any such relationships may have a material adverse effect on the Company.	
	Delay risk	
	The potential for delay of any of Oventus' key milestones presents a number of risks (including achieving revenue within anticipated timeframes and potential cost overruns). Delays may be caused by various factors, including delays in obtaining regulatory clearances for Oventus' products.	
	Growth and potential market failure	
	The Company may not be able to manage its growth successfully and Oventus' business is also dependent on commercially attractive markets remaining available to it. Commercial sales may not fund sufficient revenue for growth and, potentially, continued operations.	
	Intellectual property	
	To leverage innovation the Company will need to protect its intellectual property. There may be circumstances where the Company's intellectual property cannot be protected or is subject to unauthorised disclosure, infringement or challenge by a third party. The Company may incur significant costs in asserting its rights in such circumstances.	
	Further capital requirements and dilution risk	
	The Company may be required to raise further additional equity or debt capital in the future, which could dilute Shareholders. There is no assurance that the Company will be able to raise further capital when required or, if available, the terms may be unsatisfactory. If Oventus is unsuccessful in obtaining funds when they are required, it may need to delay or scale down its operations.	
	Limited operating history	
	Investors should consider the inherent risks encountered by an emerging company, particularly in a fast-moving medical devices industry. With a limited operating history there is low visibility on the future demand for Oventus' products, within Australia or overseas.	
Oventus' business is also subject to general risk factors.		
The specific risks identified above and additional general risks associated with Oventus are set out in further detail in section 6.		
Any investment in Oventus should be considered speculative.		

01. Investment overview

		SECTION																		
PROPOSED USE OF FUNDS AND FINANCIAL INFORMATION																				
Use of funds	The Offer will raise new capital for Oventus which will be used to fund the activities set out below, as well as for working capital.	section 10.7																		
	The Offer proceeds will be applied as follows:																			
	<table><tr><th>USE OF PROCEEDS</th><th>\$ RAISED</th></tr><tr><td>Manufacturing</td><td>\$1,750,000</td></tr><tr><td>Administration & corporate</td><td>\$1,600,000</td></tr><tr><td>R&D & regulatory</td><td>\$2,650,000</td></tr><tr><td>Sales, marketing & IT</td><td>\$3,000,000</td></tr><tr><td>Offer costs</td><td>\$900,000</td></tr><tr><td>Loan repayment to Chris Hart</td><td>\$600,000</td></tr><tr><td>Working capital</td><td>\$1,500,000</td></tr><tr><td>Total funds raised</td><td>\$12,000,000</td></tr></table>		USE OF PROCEEDS	\$ RAISED	Manufacturing	\$1,750,000	Administration & corporate	\$1,600,000	R&D & regulatory	\$2,650,000	Sales, marketing & IT	\$3,000,000	Offer costs	\$900,000	Loan repayment to Chris Hart	\$600,000	Working capital	\$1,500,000	Total funds raised	\$12,000,000
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Total funds raised	\$12,000,000																			
The Company has sufficient working capital to carry out its objectives, as detailed in this Prospectus.																				
The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including trial success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.																				
In addition to funds raised under the Offer, Oventus has access to a range of sources to meet its anticipated expenditure, including cash at bank, net cash flows from manufacturing and selling the Company's products, and debt and equity funding options available to it as an ASX listed company following the Offer. Oventus may also seek additional funding in the form of state and federal government grants and concessions to assist with the development of its medical devices.																				
Oventus' financial position	The Company's financial position is set out in detail in section 5 of this Prospectus. In summary, as at 31 December 2015, total assets were approximately \$5.2 million (including cash and cash equivalents of \$3.2 million), with total liabilities of \$1.6 million, resulting in net assets of \$3.6 million. A pro forma balance sheet is also included at section 5 to show the effect of the Offer. The Investigating Accountant's Report is provided in section 7 of this Prospectus.	sections 5 and 7																		
Oventus' financial performance	Oventus' operations commenced on 20 May 2013. To fund its operations to date, Oventus has primarily relied upon seed capital and loans from directors. For the financial years ended 30 June 2014 and 30 June 2015, and the half-year ended 31 December 2015, Oventus has incurred an operating loss. During these periods the Company operated mainly as a research and development company and sold products in a pre-marketing phase. For further information on the Company's financial performance refer to section 5 of this Prospectus.	sections 5 and 7																		

		SECTION			
Oventus’ financial performance continued	An abridged historical financial performance summary is included in the table below.				sections 5 and 7
		FROM 20 MAY 2013 TO 30 JUNE 2014 (AUDITED) \$	YEAR ENDED 30 JUNE 2015 (AUDITED) \$	HALF YEAR ENDED 31 DECEMBER 2015 (AUDITED) \$	
	Sales revenue	–	56,303	171,586	
	Less total expenses	(10,240)	(237,493)	(833,055)	
	EBIT	(10,240)	(181,190)	(661,469)	
	Interest revenue	–	611	3,611	
	Loss before income tax expense	(10,240)	(180,579)	(657,858)	
	Income tax expense	–	–	–	
	Loss for the period	(10,240)	(180,579)	(657,858)	
BOARD AND MANAGEMENT					
Board	Oventus’ Directors collectively have significant depth of executive and non-executive board experience in the health and medical device industries and early stage companies, combined with publicly listed company, capital market, financial and commercial expertise.				section 4.1

01. Investment overview

		SECTION																																																
Board continued	Sue has very broad commercial experience in multiple companies. Her qualifications are underpinned by graduate qualifications in pharmacy and post graduate qualifications in corporate governance, commercial law, business administration and marketing. Further details on the experience and qualifications of each of the Directors are set out in section 4.1.	section 4.1																																																
Management team	Mr Neil Anderson (Managing Director and CEO) Dr Chris Hart (Clinical Director) Ms Elise Hogan (Vice President of Global Sales, Marketing and Commercialisation) Mr Stephen Denaro (Company Secretary) Further details on the experience and qualifications of each member of the management team are set out in section 4.2. Certain functions are also outsourced to appropriate service providers.	section 4.2																																																
Corporate structure	The corporate structure of the Oventus group is summarised in section 4.3.	section 4.3																																																
Shareholding Structure	<table><tr><th></th><th>NUMBER OF SHARES AT PROSPECTUS DATE</th><th>NUMBER OF OPTIONS AT PROSPECTUS DATE</th><th>NEW SHARES ISSUED*</th><th>SHARE- HOLDING FOLLOWING COMPLETION OF THE OFFER</th><th>% POST OFFER</th></tr><tr><td>Chris Patrick Hart</td><td>26,126,513 Shares</td><td>401,464 Options</td><td>Nil</td><td>26,126,513 Shares</td><td>36.28</td></tr><tr><td>Neil Lawrence Anderson</td><td>5,598,477 Shares</td><td>401,464 Options</td><td>Nil</td><td>5,598,477 Shares</td><td>7.77</td></tr><tr><td>Mobius Medical Investments Pty Ltd</td><td>3,732,390 Shares</td><td>Nil</td><td>Nil</td><td>3,732,390 Shares</td><td>5.18</td></tr><tr><td>Ceralius Pty Ltd</td><td>1,866,195 Shares</td><td>Nil</td><td>Nil</td><td>1,866,195 Shares</td><td>2.59</td></tr><tr><td>Other Existing Shareholders</td><td>10,676,425 Shares</td><td>2,559,330 Options</td><td>Nil</td><td>10,676,425 Shares</td><td>14.82</td></tr><tr><td>New Shares or Options</td><td>Nil</td><td>Nil</td><td>24,000,000 Shares</td><td>24,000,000 Shares</td><td>33.33</td></tr><tr><td>Total</td><td>48,000,000 Shares</td><td>3,362,258 Options</td><td>24,000,000 Shares</td><td>72,000,000 Shares</td><td>100</td></tr></table>		NUMBER OF SHARES AT PROSPECTUS DATE	NUMBER OF OPTIONS AT PROSPECTUS DATE	NEW SHARES ISSUED*	SHARE- HOLDING FOLLOWING COMPLETION OF THE OFFER	% POST OFFER	Chris Patrick Hart	26,126,513 Shares	401,464 Options	Nil	26,126,513 Shares	36.28	Neil Lawrence Anderson	5,598,477 Shares	401,464 Options	Nil	5,598,477 Shares	7.77	Mobius Medical Investments Pty Ltd	3,732,390 Shares	Nil	Nil	3,732,390 Shares	5.18	Ceralius Pty Ltd	1,866,195 Shares	Nil	Nil	1,866,195 Shares	2.59	Other Existing Shareholders	10,676,425 Shares	2,559,330 Options	Nil	10,676,425 Shares	14.82	New Shares or Options	Nil	Nil	24,000,000 Shares	24,000,000 Shares	33.33	Total	48,000,000 Shares	3,362,258 Options	24,000,000 Shares	72,000,000 Shares	100	section 11.7
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				SECTION	
Benefits and interests of Directors	DIRECTOR	SHARES HELD ON COMPLETION	% POST OFFER	OPTIONS HELD ON COMPLETION	sections 11.3 and 11.8
	Mel Bridges	501,829	0.69	200,732	
	Neil Anderson	5,598,477	7.77	401,464	
	Chris Hart	26,126,513	36.28	401,464	
	Sue MacLeman	Nil	Nil	200,732	
	The above table does not take into account any New Shares the Directors may acquire under the Offer. Directors are entitled to remuneration and fees on commercial terms.				
Directors' interests and remuneration are set out in more detail in sections 11.8 and 11.10, and the option terms are summarised in section 11.3.					
What Share escrow arrangements are in place?	Certain Existing Shareholders have entered into ASX mandatory and voluntary escrow arrangements under which they will be restricted from dealing with the escrowed Shares they hold on completion of the Offer until the expiration of the relevant escrow period of up to 24 months.				section 9.9
Related party transactions and benefits for other parties	Further details of current arrangements between Oventus and its Directors and other related parties are set out in sections 5, 9 and 11, which include: (a) loan agreement between Oventus Manufacturing and Chris Hart, the outstanding balance of which is to be repaid with the proceeds of the Offer; (b) executive employment contract between the Company and Chris Hart; (c) executive employment contract between the Company and Neil Anderson; (d) standard terms and conditions regarding the supply of Oventus' products between the Company and a related party, Breathing Assist Solutions; and (e) arrangements for Breathing Assist Solutions to utilise part of Oventus' premises on a sessional basis. Advisers and other service providers are entitled to fees for services as set out in this Prospectus.				sections 5, 9, 11.6, 11.8 and 11.9
KEY TERMS AND CONDITIONS OF THE OFFER					
Who is the issuer of the Prospectus?	Oventus Medical Limited ACN 608 393 282				Front cover
What is the Offer?	Oventus is offering to issue 24 million New Shares at \$0.50 per New Share to raise gross proceeds of \$12 million (before costs and expenses of the Offer). All New Shares issued pursuant to this Prospectus will, from the time they are issued, rank equally with all existing Shares. The Offer is to be conducted in Australia and only residents of Australia (or certain other eligible jurisdictions) are eligible to participate in the Offer. Bell Potter Securities Limited is acting as Lead Manager and Underwriter to the Offer.				section 10.1

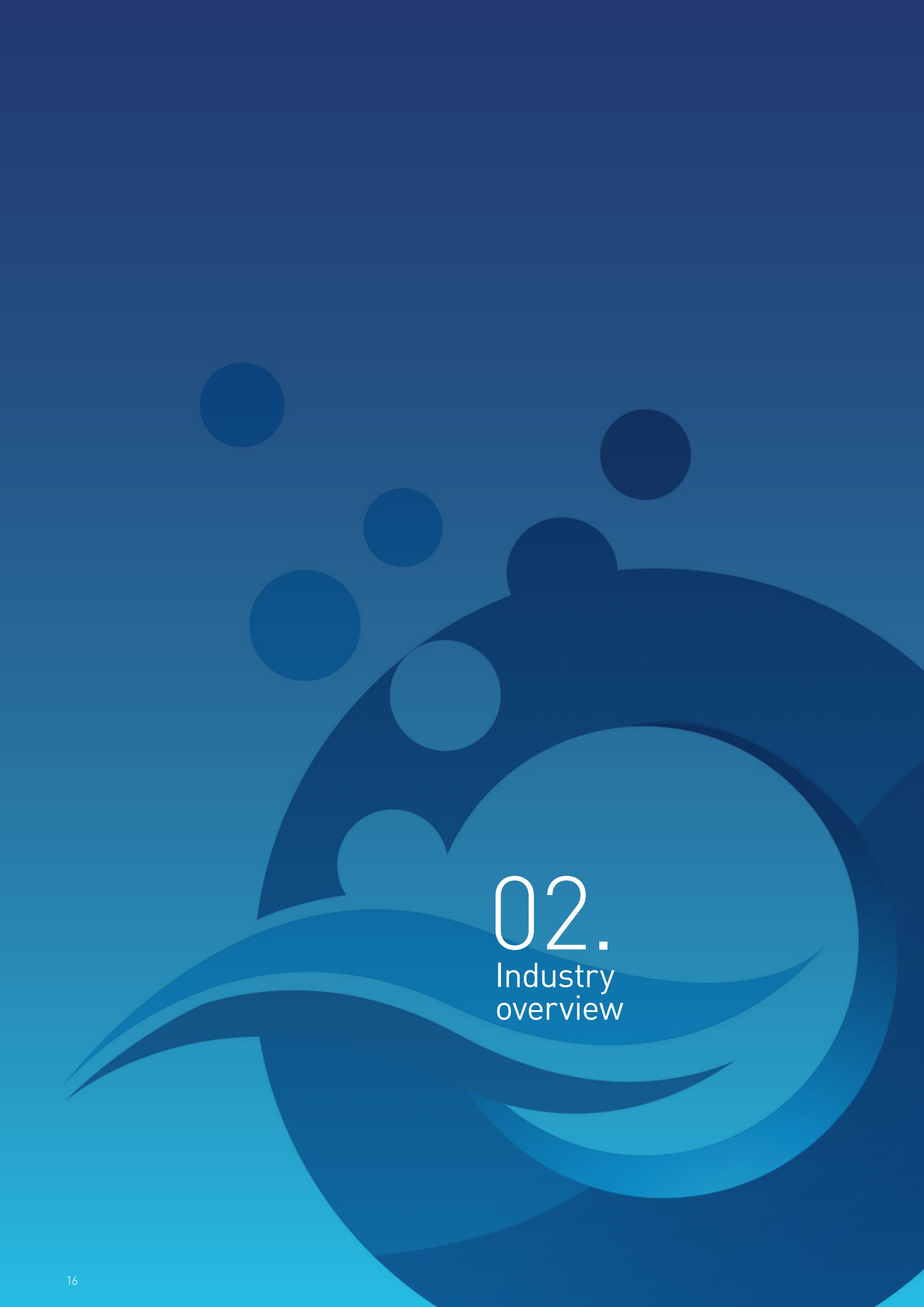
01. Investment overview

		SECTION
How is the Offer structured?	The Offer comprises: (a) the Broker Firm Offer, which consists of an invitation from the Lead Manager and Underwriter to investors; (b) the Institutional Offer, which consists of an invitation to acquire New Shares made to institutional investors in Australia and certain other eligible jurisdictions; and (c) the General Offer, which consists of an invitation to retail investors in Australia to apply for Shares.	section 10.2
Will the Shares be listed?	Oventus will apply to the ASX for admission to the Official List and quotation of Shares under the code OVN. Completion of the Offer is conditional on the ASX approving the Company's listing application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all Application Monies received will be refunded without interest as soon as practicable in accordance with the requirements of the Corporations Act.	section 10.10
Is the Offer underwritten?	Yes. The Offer is fully underwritten by the Lead Manager, subject to the terms of the underwriting agreement.	section 9.3
What is the allocation policy?	The allocation of New Shares between the General Offer, Broker Firm Offer and the Institutional Offer will be determined by the Lead Manager and Oventus having regard to the allocation policy outlined in section 10.8. With respect to the Broker Firm Offer, it will be a matter for the Lead Manager as to how it allocates New Shares among its clients.	section 10.8
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty is payable by Applicants on acquisition of New Shares under the Offer.	section 10.2
What are the tax implications of investing in the New Shares?	The tax consequences of any investment in the New Shares will depend upon any investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.	section 10.13
When will I receive confirmation that my application has been successful?	It is expected that initial holding statements will be despatched by standard post on or around 8 July 2016.	section 10.10

		SECTION
What is Oventus' dividend policy?	The payment of dividends by the Company, if any, subject to law, is at the complete discretion of the Directors, and the Directors do not provide any assurance about the payment of dividends and the level of franking of such dividends. The ability to pay dividends will depend on a number of factors, many of which are beyond the control of the Company. In determining whether to declare future dividends, the Directors will have regard to Oventus' earnings, overall financial condition, capital requirements and the level of franking credits available. It is not intended that a dividend will be paid following the Company's listing in respect of the 2016 financial year.	sections 5.8 and 9.2
How can I apply?	You may apply for New Shares by completing a valid Application Form (attached to or accompanying this Prospectus). To the extent permissible by law, an application by an Applicant under the Offer is irrevocable.	section 10.9
Can the Offer be withdrawn?	Oventus reserves the right not to proceed with the Offer at any time before the issue of New Shares to successful Applicants. If the Offer does not proceed, the share registry, your broker or Oventus will refund Application Monies. No interest will be paid on any Application Monies refunded as a result of the withdrawal of the Offer.	section 10.12
Where can I find more information?	Call the Oventus Information Line on 1300 783 639 (from within Australia) or +61 3 9415 4243 (outside Australia) between 9:00am and 5:00pm AEST if you require assistance to complete the Application Form, require additional copies of this Prospectus or have any questions in relation to the Offer. If you are unclear in relation to any matter or are uncertain as to whether obtaining New Shares in Oventus is a suitable investment for you, you should seek professional advice from your lawyer, stockbroker, accountant, tax adviser or other independent and qualified professional adviser before deciding whether or not to invest.	section 10.9

IMPORTANT NOTICE

This section is not intended to provide full details of the investment opportunity. Investors must read this Prospectus in full to make an informed investment decision. The Shares offered under this Prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Shares.

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller dark blue circle at the top right, and several other circles of varying sizes and shades of blue scattered across the upper half. In the lower half, there are stylized, overlapping waves in different shades of blue, creating a sense of movement and depth.

02.

Industry
overview

02. Industry overview

2.1 KEY TERMS AND ACRONYMS

CAGR	means compound annual growth rate
CPAP	means continuous positive airway pressure
OAT	means oral applicable therapy
OSA	means obstructive sleep apnoea
PAP	means positive airway pressure

2.2 WHAT IS OBSTRUCTIVE SLEEP APNOEA?

Obstructive sleep apnoea (OSA) affects the way people breathe when they are sleeping, where breathing is briefly interrupted or becomes very shallow during sleep. OSA is the most common type of sleep apnoea which occurs when the soft tissue in the back of the throat relaxes during sleep and blocks the airway, often causing snoring.

OSA can be mild, moderate, or severe, based on the number of times an hour a person stops breathing, or where airflow to the lungs is reduced. The three stages of severity are outlined below:

- (a) mild apnoea – 5 to 14 episodes of apnoea or reduced airflow to the lungs every hour;
- (b) moderate apnoea – 15 to 29 episodes of apnoea or reduced airflow to the lungs every hour. Symptoms may include drowsiness or falling asleep during activities that require some attention, such as attending a meeting. These symptoms may cause moderate problems with work or social functioning; and
- (c) severe apnoea – 30 or more episodes of apnoea or reduced airflow to the lungs every hour. Symptoms may include drowsiness or falling asleep during activities that require active attention, such as eating, talking, driving, or walking. These symptoms may cause severe problems with work or social functioning.

In addition, there are a number of well recognised co-morbidities that exist together with sleep apnoea. These common conditions include drug resistant hypertension, obesity, congestive heart failure, atrial fibrillation and diabetes.

2.3 OVERVIEW OF THE MARKET PREVALENCE

The number of OSA patients is increasing with the aging population and growing levels of obesity. The prevalence of OSA is approximately 3% to 7% in adult men and 2% to 5% in adult women in the general population.⁷ Additionally, up to 50% of the adult population are snorers, which is an indicator of the presence of OSA and a significant social problem.⁸ Studies suggest that about 100 million people worldwide are suspected to have OSA, of which more than 80% remain undiagnosed.⁹

7. Sleep Apnoea Diagnostic & Therapeutic Devices Market – Market Overview & Market By Products: Global Forecast Up till 2017 – Markets and Markets 2014.

8. Noal RB, Menezes AM, Canani SF, Siqueira FV. Habitual snoring and obstructive sleep apnea in adults: population-based study in Southern Brazil. Rev Saude Publica. 2008 Apr;42(2):224-33.

9. Sleep Apnoea Diagnostic & Therapeutic Devices Market – Market Overview & Market By Products: Global Forecast Up till 2017 – Markets and Markets 2014.

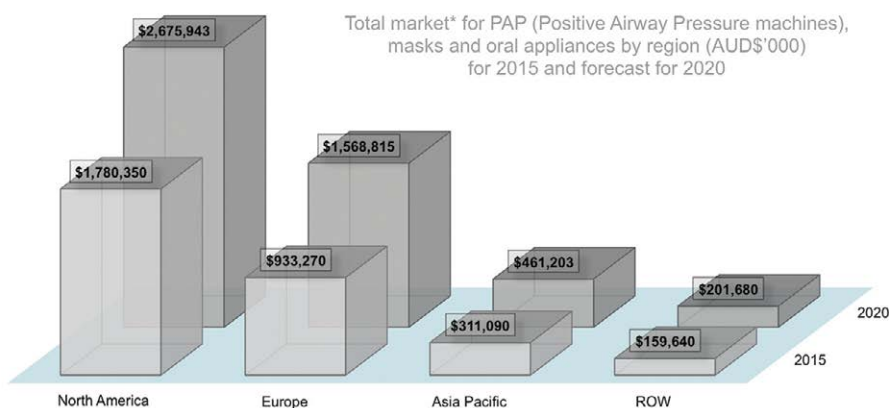
02. Industry overview

2.4 MARKET AND INDUSTRY OVERVIEW

The current global sleep apnoea market for therapeutic devices has been estimated at USD\$3.5 billion and is predicted to grow at 7.4% CAGR. North America has been estimated to be 56.1% of this total market, Europe 30.4%, Asia Pacific 9.1% and Rest of the World (ROW) 4.4%.¹⁰

The figure below shows the estimated market size for PAP, masks and oral appliances by region for 2015 and forecast for 2020.¹¹ The graph shows the relative size of the markets in the four key regions emphasising the relative size of the North American and European market.

MARKET SIZE FOR SLEEP APNOEA TREATMENT DEVICES BY REGION IN 2015 AND THE FORECAST SIZE IN 2020 (AUD\$'000)



* From Sleep Apnea Diagnostic & Therapeutic Devices Market – Global End-user Analysis, Competitive Landscape & Forecast to 2020 MarketsandMarkets 2015
Calculated using a conversion of \$US1=\$Aust1.30

2.5 UNMET MARKET NEED

CPAP is considered the current gold standard for moderate to severe sleep apnoea patients. For mild to moderate sleep apnoea, oral appliances are gaining increasing acceptance, but have been shown to have issues with the need for ongoing adjustment, jaw pain, teeth loosening and teeth wear and low compliance due to nasal obstruction. Up to 50% of adults suffer from nasal obstruction.¹² Non-compliance of CPAP and other sleep apnoea devices is estimated at up to 50% after the first year of use.^{13, 14} Nasal obstruction is attributed as a major cause of non-compliance across all sleep apnoea treatment modalities.¹⁵ Mask discomfort and nose and mouth dryness remain the most common side effects of CPAP treatment and non-compliance to CPAP.¹⁶ The Directors consider that the 'airway' incorporated into the O₂Vent™ device range deals with these objections to treatment and as such, may enable many patients out of care to receive treatment.

10. Sleep Apnea Diagnostic & Therapeutic Devices Market – Global End-user Analysis, Competitive Landscape & Forecast to 2020 Markets and Markets 2015.

11. Ibid.

12. Jessen M, Malrn L. Definition, prevalence and development of nasal obstruction. Allergy 1997; 52 [suppl40]: 3-6. OMunksgaard 1997.

13. Ballard RD, Gay PC, Strollo PJ. Interventions to improve compliance in sleep apnoea patients previously non-compliant with continuous positive airway pressure. JCSM 2007;Vo 13,No7,706-12.

14. Collen, J., Lettieri, C., Kelly, W., and Roop, S. Clinical and polysomnographic predictors of short-term continuous positive airway pressure compliance. Chest.2009; 135: 704–709.

15. Lazard DS, Blumen M, Lévy P, Chauvin P, Fragny D, Buchet I, Chabolle F. The tongue-retaining device: efficacy and side effects in obstructive sleep apnoea syndrome. J Clin Sleep Med. 2009 Oct 15;5(5):431-8.

16. BaHamam A., et. al., Long-term compliance with continuous positive airway pressure in Saudi patients with obstructive sleep apnea A prospective cohort study. Saudi Med J. 2015 Aug; 36(8): 911–919. doi: 10.15537/smj.2015.8.11716.

2.6 WHAT ARE THE CURRENT TREATMENT OPTIONS FOR OBSTRUCTIVE SLEEP APNOEA?

2.6.1 CPAP for obstructive sleep apnoea

CPAP is the most common treatment for moderate to severe OSA. The CPAP device is a mask-like machine that provides a constant stream of air that keeps the patient's breathing passages open while they sleep. The main reasons patients fail at CPAP is due to high air pressure, claustrophobia, mask-related issues and nasal obstruction/congestion.

A future development for Oventus may involve connecting CPAP devices directly to the 'airway' of the O₂Vent™ appliance, which in many patients will eliminate the need for a mask as well as reduce CPAP pressure required.

2.6.2 Dental devices for obstructive sleep apnoea

Most existing dental devices fit inside the patient's mouth, much like an athletic mouth guard. Others fit around the head and chin to adjust the position of the lower jaw. These devices open the airway by bringing the lower jaw or the tongue forward during sleep, addressing obstructions caused by the tongue.

The Oventus device has the benefit in that it bypasses all three levels of obstruction: the nose, soft palate and tongue.

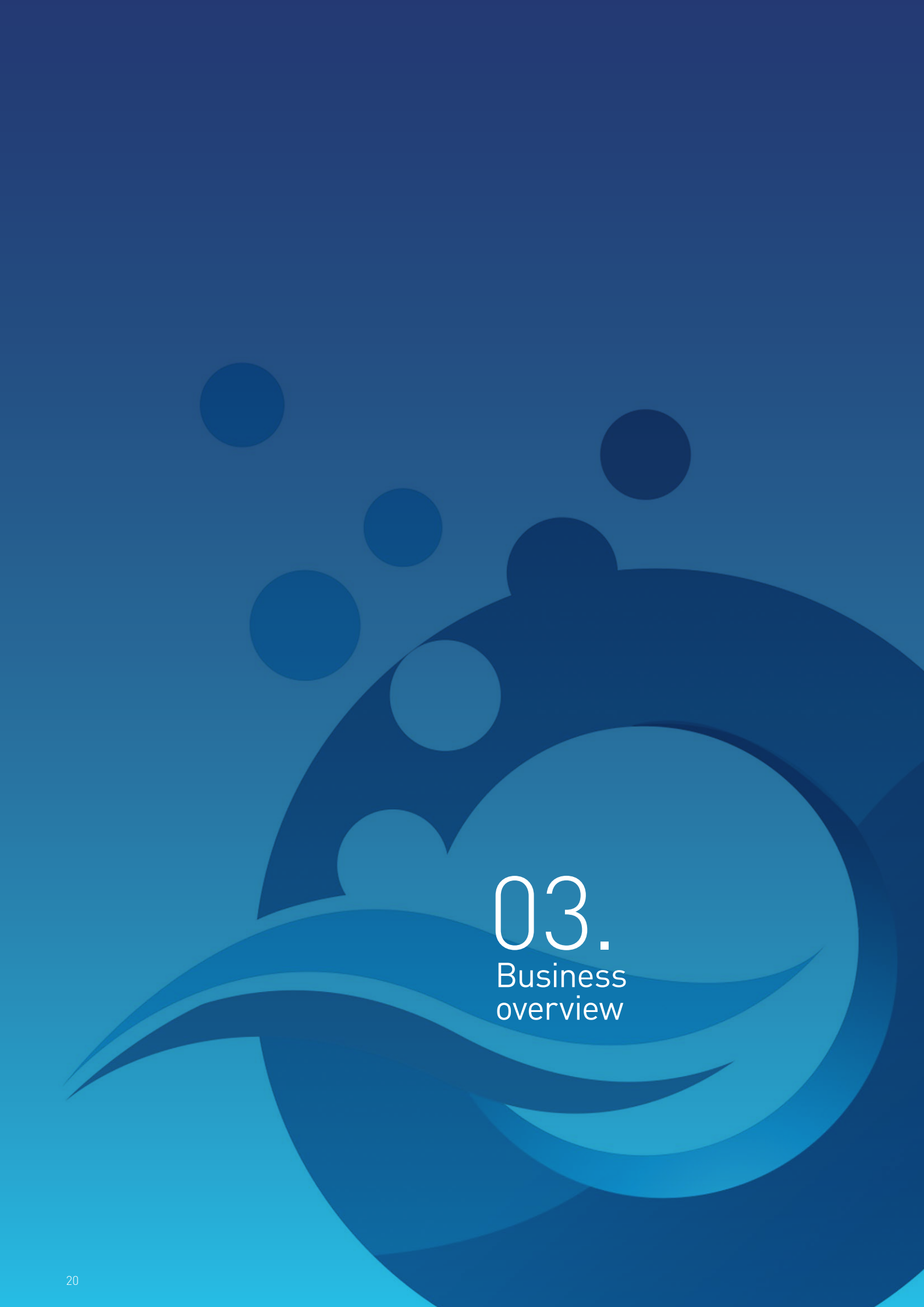
2.6.3 Surgery as treatment for obstructive sleep apnoea

Currently if patients have exhausted other apnoea treatment options, they may consider surgical options with their doctor or sleep specialist. Surgery can increase the size of the airway, thus reducing episodes of sleep apnoea. Surgery is invasive, expensive and has considerable risk of morbidity.

The Oventus device has the benefit of bypassing levels of obstructions that have been traditionally addressed by surgery.

2.7 WHO CURRENTLY PROVIDES THESE SERVICES?

There are a number of providers of CPAP including ResMed, Philips, and Fisher and Paykel. Surgical options are undertaken by Ear Nose and Throat (**ENT**) surgeons or Oral and Maxillofacial surgeons. There are over 50 oral appliances on the market, a number of which are bespoke dentist delivered appliances with FDA approval, TGA registration and/or CE Marking.

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03.

Business
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03. Business overview

Oventus is an Australian-based medical device company that was established by Dr Chris Hart in May 2013, as a result of the development of the O₂Vent™, an innovative, customised oral appliance designed for snorers and OSA sufferers. Oventus is subsequently continuing to develop a pipeline of products to treat segments of the sleep disordered breathing market currently outside of care. These segments include those that do not comply or adhere to existing treatment options due to nasal obstruction and/or inability to utilise the CPAP mask.

3.1 KEY ELEMENTS OF OVENTUS' BUSINESS

Oventus' business is driven by its personnel, processes and systems, and is enabled by:

- (a) intellectual property, including patents or patents pending and proprietary software;
- (b) an initial product launch and revenues, with a product development pipeline;
- (c) manufacturing capability and facilities;
- (d) relevant regulatory documentation and clearances; and
- (e) an established market need, with supportive clinical evidence.

3.2 PRODUCT OVERVIEW

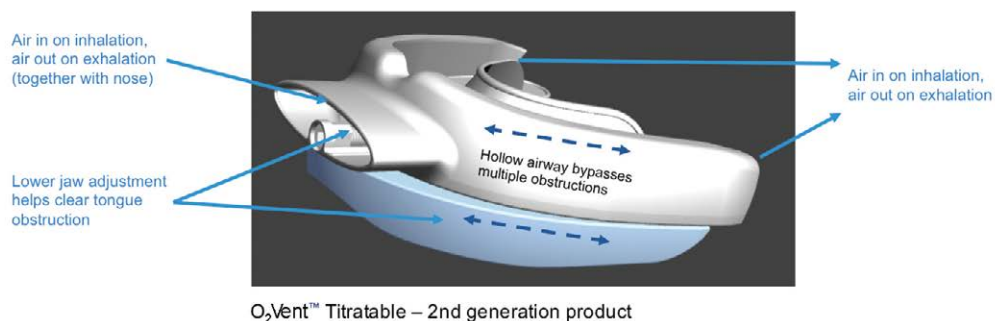
The key design features of the product portfolio include the use of an 'airway' (see figure below) in the appliance for breathing, in addition to mandibular (lower jaw) advancement, which bypass multiple areas of obstruction that contribute to sleep apnoea including the nose, soft palate and tongue (see figure on page 22). Traditionally patients with nasal congestion have experienced difficulty in using a CPAP mask and existing oral appliances only treat obstructions caused by the tongue. The inclusion of the 'airway' enables Oventus to treat the many patients who are currently out of care because of these issues. Clinical evidence including a recent clinical trial (see section 3.3) supports the use of the Oventus device in the presence of nasal congestion or for patients that are CPAP intolerant.

Oventus uses the latest in innovative design and manufacturing, taking advantage of the benefits of 3D printing technology and digital imaging.

Features and benefits of the Oventus O₂Vent™ range

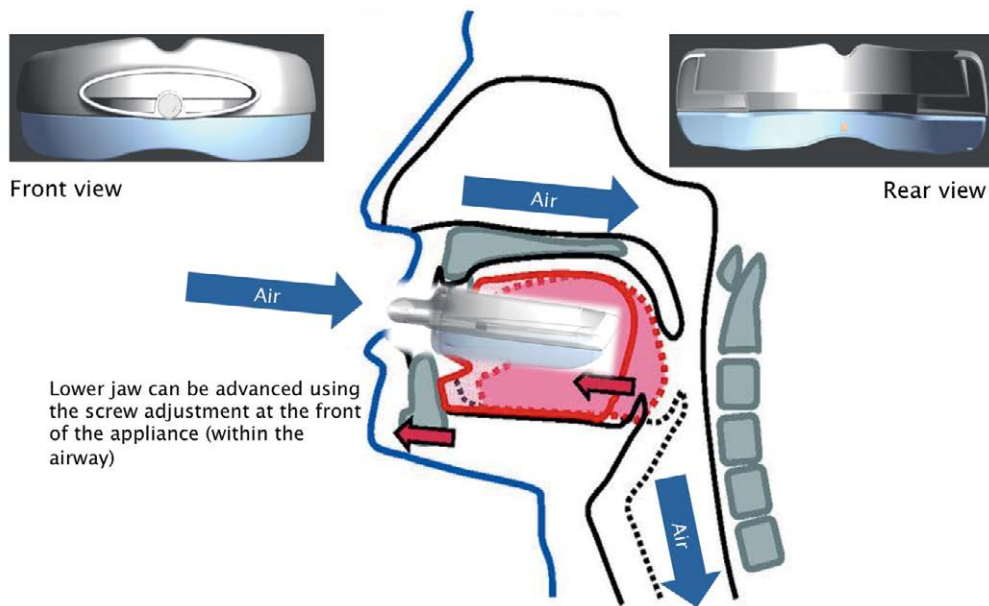
The Oventus O₂Vent™ device range:

- Are 3D printed titanium mandibular devices fitted in a patient's mouth
- Provides patients with an additional airway which bypasses multiple obstructions of the nose, tongue and soft palate
- Significantly reduces apnoeic events and also leads to more consistently normal blood oxygen (O₂) levels
- Designed to treat a large, and varied, patient population



03. Business overview

How does the O₂VENT™ Work?



3.3 HOW DO WE KNOW IT WORKS?

Clinical trial results show the O₂Vent™ Mono is a promising, non-surgical, long term solution for snorers and OSA patients. Furthermore, the O₂Vent™ Mono is shown to be effective for nasal obstructors and CPAP intolerant patients experiencing severe OSA. Importantly, the majority of patients who participated in the trial had previously failed treatment with CPAP and/or other oral appliances.

This recent clinical trial, involving an independent sleep testing group and biostatistician, demonstrated that, in the Directors' opinion, the O₂Vent™ Mono:

- (a) can treat nasal obstructors as effectively as those with no nasal obstruction;
- (b) may be more effective in the moderate to severe range of sleep apnoea compared to other oral appliances with promising trial results showing consistent efficacy and response rate well above the accepted cut off for OAT;
- (c) may have a higher mean disease alleviation (a combination of efficacy and compliance) than CPAP^{17,18}; and
- (d) has a lower time under a blood oxygen saturation of 90% – an accepted critical level.

17. Vanderveken OM, Dieltjens M, et.al. Objective measurement of compliance during oral appliance therapy for sleep-disordered breathing. Thorax. 2013 Jan;68(1):91-6. doi: 10.1136/thoraxjnl-2012-201900. Epub 2012 Sep 19.

18. Craig L. Phillips, Ronald R. Grunstein, et.al Health Outcomes of Continuous Positive Airway Pressure versus Oral Appliance Treatment for Obstructive Sleep Apnea – A Randomized Controlled Trial. Am J Respir Crit Care Med Vol 187, Iss. 8, pp 879–887, Apr 15, 2013.

3.4 WHAT CAN IT DO FOR SNORERS?

100% of patients that participated in the recent Oventus clinical trial reduced their snoring significantly and 82% experienced complete elimination of snoring. This is a substantial improvement compared to other peer reviewed devices.¹⁹ Given that up to 50% of the adult population are habitual snorers, this represents a significant market opportunity.²⁰

3.5 WHAT OTHER PRODUCTS ARE IN THE PIPELINE?

Oventus has a pipeline of products due for market release over the next two years to increase the reach of the Oventus product line, reducing dependency on CPAP and potentially reducing the need for masks for those who continue to use CPAP. This represents a significant increase in the addressable market as well as the creation of new markets. The products include:

- (a) O₂Vent™ Titratable – this product allows the patient to modify their own amount of mandibular advancement which enables greater comfort and compliance for the patient and reduced clinician time. This is expected to be the most commonly used device in the Oventus pipeline;
- (b) O₂Vent™ Trial Device – this product enables patients to trial the device before committing to a purchase, thus confirming efficacy and increasing success rates and patient satisfaction. It gives the patient an immediate result and ongoing care while their custom device is manufactured. It deals with the objection from sleep physicians that CPAP can be trialled but oral appliances cannot;
- (c) O₂Vent™ Plus – this product has an incorporated tongue retaining component specifically for patients whose tongue anatomy tends to be a major cause of breathing obstructions and for those patients who may have difficulty advancing the lower jaw due to pain or discomfort; and
- (d) O₂Vent™ PAP – this product will be suitable for connection to CPAPs. The product is designed to eliminate the need for a mask in many patients and facilitate the delivery of air to the back of their mouth. As well as enabling maskless CPAP, early testing has shown a significant drop in CPAP pressure requirements.

3.6 WHAT ABOUT COMPETITORS?

Oventus operates within the highly competitive medical device and oral appliance industry. There are numerous competitors of varying sizes and resources, with over 50 oral appliances in the market. Key competitors include ResMed and SomnoMed, both well-established companies in the industry. However, the Company considers it benefits from the following key differentiators:

- (a) Oventus is entering the market with a new product that includes design features which, in combination, uses an 'airway' within the appliance to assist breathing, together with mandibular (lower jaw) advancement to bypass multiple areas of obstruction that cause snoring and sleep apnoea problems;
- (b) the design of the O₂Vent™ Mono and other pipeline products allows Oventus to access a broader spectrum of the total sleep apnoea market, beyond oral devices that are traditionally focused on the smaller market of mandibular advancement alone. This includes the nasal obstructer and severe CPAP intolerant segments of the market which, in the opinion of the Directors, are not effectively addressed by competitors;
- (c) certain key competitors have made significant investments in research, increasing clinical evidence that demonstrates the efficacy of OAT, which is an advantage to all companies utilising mandibular advancement to treat OSA (including Oventus);
- (d) clinical evidence has demonstrated that the Oventus device may be indicated for a broader patient population than competitor devices; and
- (e) the Oventus device is an enabling technology with the ability to grow patient treatments in existing markets and develop new markets for untreated patients, including via the treatment of nasal obstructers (with or without CPAP), assisting with reduced CPAP pressure, and the potential for maskless CPAP.

19. Hoffstein V. Review of oral appliances for treatment of sleep-disordered breathing. *Sleep Breath*. 2007 Mar; 11(1): 1–22. Published online 2006 Nov 29. doi: 10.1007/s11325-006-0084-8.

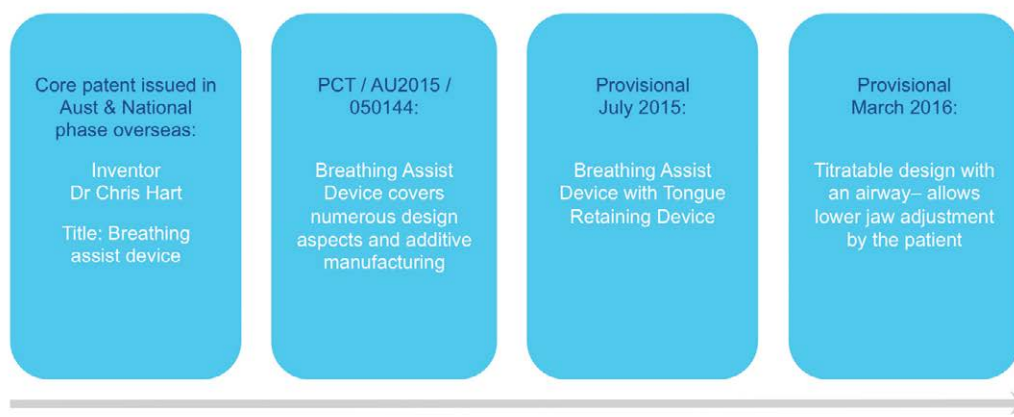
20. Noal RB, Menezes AM, Canani SF, Siqueira FV. Habitual snoring and obstructive sleep apnea in adults: population-based study in Southern Brazil. *Rev Saude Publica*. 2008 Apr; 42(2):224–33.

03. Business overview

3.7 WHAT INTELLECTUAL PROPERTY DOES OVENTUS HAVE?

Oventus has a strong IP position with the first family of patents around the inclusion of an 'airway' to the back of the throat in national phase, and subsequent provisional patents around design of the device, its manufacture and ensuing devices in development.

Intellectual Property – Strong IP position



Additionally, Oventus has proprietary software for the design of devices and smart manufacturing know-how in terms of device design and 3D printing.

For further details, refer to the Intellectual Property Report in section 8.

3.8 REGULATORY AND REIMBURSEMENT

3.8.1 What is the regulatory landscape for Oventus devices?

Oventus devices are class I devices in Australia, some Asian countries and Europe, and class II devices in the USA. The O₂Vent™ Mono currently has:

- (a) FDA clearance as a class II device to treat snoring and OSA; and
- (b) TGA registration as a class I device.

A number of devices in the development pipeline are planned to be registered with the TGA in CY2016/17, and the O₂Vent™ Mono is the predicate device for future FDA 510K applications.

3.8.2 Is there currently reimbursement for Oventus devices?

Reimbursement from third-party payers is an important component of Oventus' business. Reimbursement is already available in Australia, USA, and some European countries, while others will require the recent clinical results to enable scheduling by their local agencies. These payers, which include government agencies and private health insurance plans, typically reimburse all or part of the costs and fees based on equivalence to existing codes.

3.9 MARKET STRATEGY

3.9.1 Marketing

Due to the competitive advantage of the O₂Vent™ for the treatment of nasal obstructers and severe CPAP intolerant patients, initial marketing will target patients who are often diagnosed but not in treatment due to the lack of compliance with and response to CPAP and other oral appliance therapies. To this end, a direct-to-patient marketing campaign will be utilised to recruit and refer patients for treatment by clinicians who work with Oventus.

Over time it is anticipated that marketing will broaden to target a wider patient base by the use of clinical evidence to engage clinicians to choose the O₂Vent™ device range as a first choice solution for nasal obstructers and CPAP intolerant severe apnoea patients initially, and then a wider range of patients as the clinical evidence and device range indicates it is appropriate.

3.9.2 What are the delivery channels?

The traditional delivery channel for the treatment of OSA requires the diagnosis of a patient by a sleep physician and subsequent referral of the patient to a clinician for the delivery of OAT (if it is indicated). To streamline delivery, the Oventus technology and platform potentially enables multiple delivery channel capabilities, subject to applicable regulatory, reimbursement and market requirements in relevant jurisdictions. These delivery channels may include:

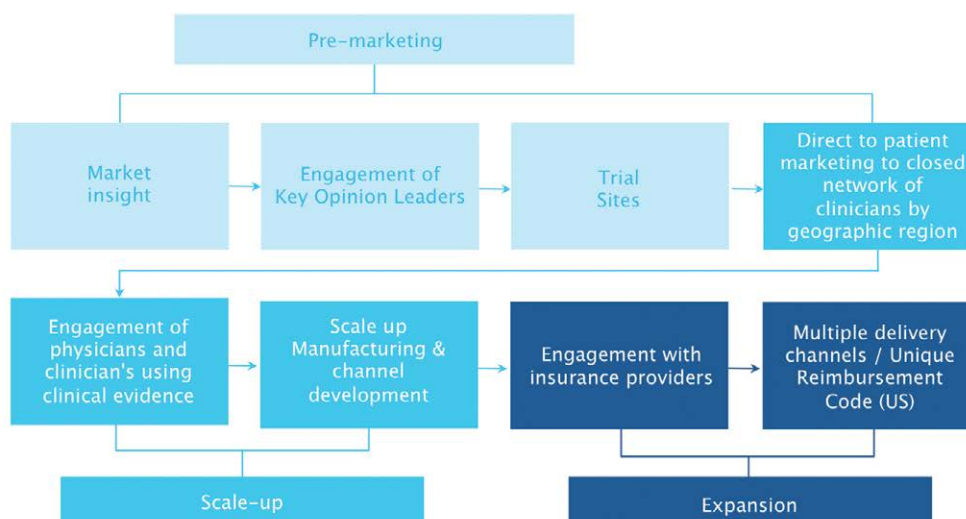
- (a) dental clinics;
- (b) sleep clinics;
- (c) GP clinics;
- (d) physicians' rooms; and
- (e) pharmacies.

These delivery channels can also be utilised to deliver devices directly to patients for the treatment of snoring.

3.9.3 What is the roll-out strategy?

The overarching strategy for roll-out by geographic jurisdiction is to conduct market research, undertake a pre-marketing launch and then controlled scale-up in conjunction with engagement with the clinical community and insurance providers.

Path to Market – pre-marketing → scale-up → expansion



03. Business overview

3.9.4 Australian pre-market launch

Positive results from initial market insight in late 2014 were the impetus for a successful Australian pre-market launch in 2015. With minimal direct-to-patient marketing support and no prior clinician engagement, over 4,000 patients registered online, 1,300 patients started the process of receiving a device and over 1,100 devices were delivered to patients. Manufacturing constraints at the time led to the first capital raising for Oventus in late 2015. The recent release of the successful clinical trial data now enables Oventus to start engaging more widely with the clinical community to further develop delivery channels.

Path to Market

Pre-marketing launch in Australia now complete

Marketing Mix

- Direct to patients via digital and broadcast media
- Through partner clinicians – both dentists and non-dentists eg sleep physicians/ sleep groups
 - 19 dentists currently trained
 - Currently expanding network through dentists and non-dentists – in discussions with >50 clinicians

Preparations advanced for ramp up in Australia and pilot launch in US, Europe and Asia

- Products
- Manufacturing
- Clinical web portal
- Enterprise Resource Planning (ERP)
- Strategic marketing
- Initial clinical partners

3.9.5 Australian expansion

The O₂Vent™ Mono is now available in all capital cities and some regional centres in Australia. Over the next two years, this network is intended to expand to cover all regional areas.

As Oventus continues to build its clinical network, with increasing clinical evidence and patient awareness, it is anticipated that device orders arising from clinician recommendations and patient referrals will increase which will complement direct-to-patient marketing.

3.9.6 Global expansion

The main global markets for sleep apnoea and its treatment with oral appliances are North America, Asia and Europe. Once the Australian model is fully developed, clinical delivery partners will be sought in targeted regions in the USA and selected European countries.

There is a growing body of clinical evidence to support the use of oral appliances over CPAP due to greater compliance, and as such, higher disease alleviation.²¹ In most of Europe and North America, oral appliance therapy is indicated initially for mild to moderate sleep apnoeic patients or as a second line of treatment for severe OSA.

Clinical evidence supports the use of the O₂Vent™ Mono in the mild, moderate and severe disease population and preferentially in nasal obstructers. The patient population that are intolerant to CPAP, often due to nasal obstruction, is large and growing. There is an existing and favourable reimbursement landscape for OAT in most of Europe and North America.

As in Australia, international roll-out will be executed using a dual-track marketing strategy in the early stages of roll-out. The Board will actively monitor roll-out and market opportunities, and tailor its strategy accordingly.

3.9.7 Manufacturing scale-up

To date, the 3D printing of titanium and subsequent polishing of Oventus' appliances has been outsourced to approved suppliers with the appropriate equipment. Oventus is currently commissioning its own equipment to help manage supply. This equipment is located at the CSIRO in Melbourne adjacent to Lab 22, Australia's largest additive manufacturing facility. This manufacturing capability will be supplemented by ongoing partnerships with key contractors.

The manufacture of certain components using soft polymers is currently undertaken at the Company's Brisbane facility. The finished products are then packaged and dispatched to the appropriate customer.



21. Vanderveken OM, Dieltjens M, et.al. Objective measurement of compliance during oral appliance therapy for sleep-disordered breathing. Thorax. 2013 Jan;68(1): 91-6. doi: 10.1136/thoraxjnl-2012-201900. Epub 2012 Sep 19 and Craig L. Phillips, Ronald R. Grunstein, et.al Health Outcomes of Continuous Positive Airway Pressure versus Oral Appliance Treatment for Obstructive Sleep Apnea – A Randomized Controlled Trial. Am J Respir Crit Care Med Vol 187, Iss. 8, pp 879–887, Apr 15, 2013.

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3.10 FUTURE PLANS AND KEY DEPENDENCIES

3.10.1 Future business plans

To enable the manufacturing scale up and to prepare for the international roll-out of its products, Oventus plans to undertake several activities within the next two years including:

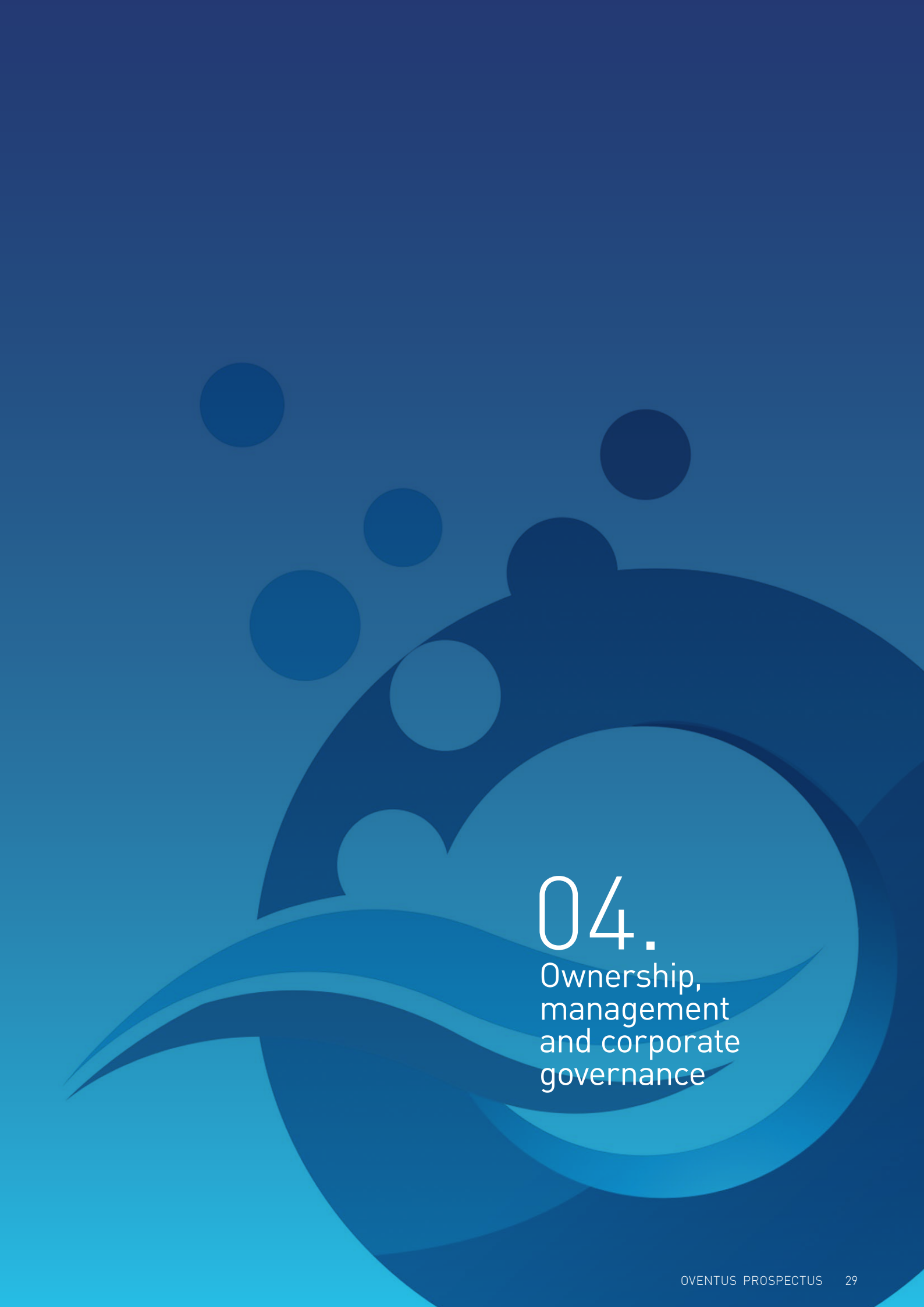
- (a) finalising the commercialisation of products currently in development;
- (b) undertaking further clinical trials and data collection to engage key opinion leaders;
- (c) developing additional manufacturing facilities in-house to complement current outsourced activities;
- (d) increasing manufacturing capacity to meet demand;
- (e) developing marketing channels in North America and Europe (through clinical groups and distribution partners); and
- (f) engaging with insurance providers for reimbursement in Europe and North America.

3.10.2 Key dependencies

The Oventus business has the following key dependencies:

- (a) no major development, regulatory or reimbursement hurdles arising;
- (b) continuing to maintain and prosecute the Company's intellectual property portfolio in key jurisdictions;
- (c) ongoing take up of the O₂Vent™ devices by customers at commercially sufficient levels to support the ongoing operations of Oventus and further product development and sales;
- (d) market recognition and clinician acceptance; and
- (e) ability to source and commission key equipment and materials for the manufacture of the O₂Vent™ devices.

The Company is also subject to the general and specific risks set out in section 6.

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller dark blue circle at the top right, and several other circles of varying sizes and shades of blue scattered across the upper half. In the lower half, there are stylized, overlapping waves in shades of blue, creating a sense of movement and depth.

04.

Ownership,
management
and corporate
governance

04. Ownership, management and corporate governance

4.1 BOARD

The Company's Board and senior team has a broad background of executive and non-executive board experience in the health and medical device industries and early stage companies, combined with publicly listed company, capital market, financial and commercial expertise. The board comprises:



Dr Mel Bridges

Chairman and Non-Executive Director

Mel has over 35 years' experience founding and building international lifescience, diagnostic and medical device companies and commercialising a wide range of Australian technology. He is responsible for numerous commercial and M&A transactions and liquidity events, including listings on the ASX.

Mel has received national and state business awards including the 2005 AusBiotech Chairman's Industry Medal and 2004 Queensland Entrepreneur of the Year. Mel has founded and developed medical device and diagnostic companies, including Pacific Diagnostics (acquired by Baxter), PanBio Ltd (acquired by Inverness Medical), and ImpediMed Ltd (ASX: IPD).

Mel is currently a director of ASX 100 Company ALS Ltd, and co-founder and chairman of Anantara Lifesciences Ltd.



Mr Neil Anderson

Managing Director and Chief Executive Officer

An experienced company executive and biomaterial scientist, Neil started working with Dr Chris Hart three years ago, to develop and commercialise the O₂Vent™ and bring it to market. Neil has been responsible for managing the collaboration process with the CSIRO to develop a remotely-managed computer aided detection (CAD) imaging and 3D printing manufacturing platform, as well as the patent portfolio, quality systems and regulatory clearances for the product to date.

Neil has 30 years' experience in commercialising medical devices and managing the process from conception to market release including applied research, developing prototypes and testing, product development, manufacturing, regulatory submissions and clinical trials.

Prior to taking on the role with Oventus, Neil founded and held the role of chief executive officer of CathRx for 10 years. In this role, Neil managed the process from the invention of the company's technology through to commercialising a range of products leading to sales in Europe.

Neil has a Bachelor of Applied Science (Hons) and a Diploma of Management and is a Graduate of the Institute of Company Directors (GAICD).



Dr Chris Hart

Founder and Clinical Director

Chris is the founder of the Company and inventor of the O₂Vent™ design concept. Chris is overseeing the launch of the O₂Vent™ to patients and through clinicians by providing support and guidance to the management team in terms of patient management and clinician training.

Chris graduated from the University of Queensland in 1998 with a Bachelor of Dental Science with Honours and a Bachelor of Science in Biochemistry. He has studied at Cambridge University where he graduated with a Master of Philosophy in Biomedical Science in 1999.

Prior to establishing Oventus, Chris owned and managed a multi-site national dental practice, training institute and management consultancy which he sold to private equity investors.

Chris also acts as an adviser to various bodies within the dental industry as well as the health care sector more broadly on the commercial aspects of health care delivery.



Ms Sue MacLeman

Non-Executive Director

Sue is the CEO of the Medical Technology and Pharmaceutical Industry Innovation Growth Centre. She is also a non-executive director at Reproductive Health Sciences Ltd. Previously she has served as Mesoblast Ltd Head of Commercial and Senior Vice President Corporate. She has more than 20 years' experience as a pharmaceutical executive with roles in corporate, medical, marketing, business development, and sales management at Schering-Plough Corporation (now Merck), Amgen and Bristol-Myers Squibb. Sue has also served as CEO and director of several ASX and NASDAQ listed companies.

4.2 MANAGEMENT TEAM

In addition to Neil Anderson and Chris Hart, the management team includes the persons below.



Ms Elise Hogan

Vice President of Global Sales, Marketing and Commercialisation

After a clinical role as a cardiovascular perfusionist, Elise commenced her commercial career in sales and marketing with Baxter Healthcare. Through roles of expanding responsibility and geographies, Elise lead the spin off of Edwards Lifesciences in Australia and established the local direct sales and marketing organisation.

Elise has over 20 years' experience as a medical device executive leading the sales, marketing and commercialisation teams in Australia, New Zealand, UK, and Asia.

Prior to joining the Oventus team, Elise held the position of Vice President, Oceania and Asia for LivaNova. In this position, Elise was responsible for the establishment and growth of the Australian subsidiary, and numerous product launches and geographical expansion throughout Asia and Australia/New Zealand.

Elise has a Bachelor of Science and an MBA (Advanced) from the University of Queensland, and is a Graduate of the Institute of Company Directors (GAICD).

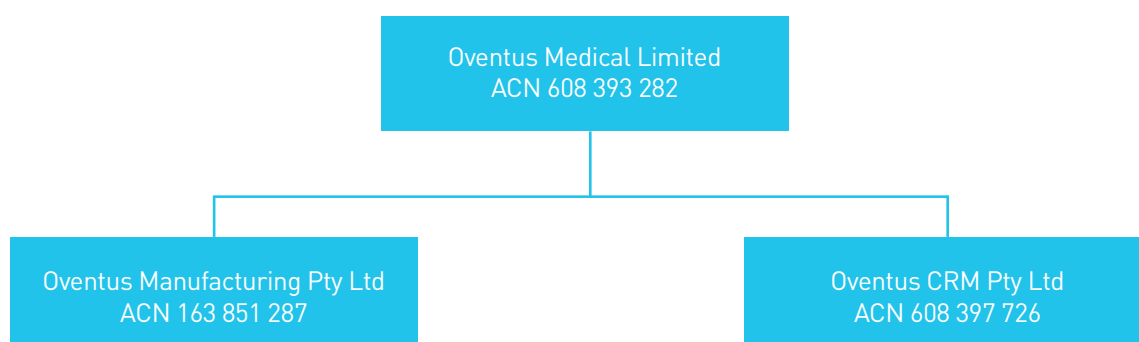


Mr Stephen Denaro

Company Secretary

Steve has extensive experience in mergers and acquisitions, business valuations, accountancy and income tax compliance services, as well as board corporate governance. Steve provides company secretary services for a number of biotech and software companies. Steve is also a member of the Institute of Chartered Accountants in Australia, and the Australian Institute of Company Directors.

4.3 ORGANISATIONAL STRUCTURE



Oventus Medical Limited was incorporated in September 2015 for the purposes of it being the entity to be listed on the ASX Official List. Oventus Medical Limited also owns Oventus' intellectual property.

Oventus Manufacturing was incorporated in May 2013. It is the founding company and the operating entity responsible for the development and manufacture of Oventus' devices.

Oventus CRM was also incorporated in September 2015 and is the entity that holds Oventus' patient and clinical data.

04. Ownership, management and corporate governance

4.4 RESPONSIBILITY OF THE BOARD

The Board is responsible for the Company's proper corporate governance. To carry out this obligation, the Board must act:

- (a) honestly, conscientiously and fairly;
- (b) in accordance with the law;
- (c) in the interests of the Shareholders (with a view to building sustainable value for them); and
- (d) in the interests of employees and other stakeholders.

The Board's broad function is to:

- (a) chart strategy and set financial targets for the Company;
- (b) monitor the implementation and execution of strategy and performance against financial targets; and
- (c) appoint and oversee the performance of executive management and generally to take and fulfil an effective leadership role in relation to the Company.

Power and authority in certain areas is specifically reserved to the Board – consistent with its function described above. These areas include:

- (a) providing leadership and setting the strategic objectives of the Company;
- (b) composition of the Board itself including the appointment and removal of the Chairman or deputy chairman (if applicable);
- (c) oversight of the Company including its control and accountability system;
- (d) appointment and removal of senior management (including the CEO or equivalent) and the company secretary;
- (e) reviewing, ratifying and monitoring the risk management framework and setting the risk appetite within which the Board expects management to operate;
- (f) approving and formulating company strategy and policy;
- (g) approving and monitoring operating budgets and major capital expenditure;
- (h) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (i) monitoring industry developments relevant to the Company and its business;
- (j) developing suitable key indicators of financial performance for the Company and its business;
- (k) overseeing corporate strategy and performance objectives developed by management;
- (l) overseeing the Company's compliance with its continuous disclosure obligations;
- (m) approving the Company's remuneration framework;
- (n) monitoring the overall corporate governance of the Company (including its strategic direction and goals for management, and the achievement of these goals); and
- (o) oversight of the Company's various committees.

4.5 COMPOSITION OF BOARD

The Board is comprised of four directors. At least half of the Board are non-executive directors independent from management. The chairman of the Board is a non-executive director.

4.6 BOARD CHARTER AND POLICY

The Board has adopted a charter which formally recognises its responsibilities, functions, power and authority and composition. This charter sets out other things which are important for effective corporate governance including:

- (a) a detailed definition of 'independence';
- (b) a framework for the identification of candidates for appointment to the Board and their selection (including undertaking appropriate background checks);
- (c) a framework for individual performance review and evaluation;
- (d) proper training to be made available to Directors both at the time of their appointment and on an on-going basis;
- (e) basic procedures for meetings of the Board and its committees including frequency, agenda, minutes and private discussion of management issues among non-executive Directors;
- (f) ethical standards and values (in a detailed code of conduct);
- (g) dealings in securities (in a detailed code for securities transactions designed to ensure fair and transparent trading by Directors and senior management and their associates); and
- (h) communications with Shareholders and the market.

The purpose of the charter is to 'institutionalise' good corporate governance and to build a culture of best practice both in Oventus' internal practices and its dealings with others.

4.7 AUDIT AND RISK MANAGEMENT COMMITTEE

The purpose of this committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Company. Its current members are:

- (a) Sue MacLeman (committee chair); and
- (b) Mel Bridges.

The committee performs functions relevant to risk management and internal and external reporting and reports to the Board following each meeting. The committee's responsibilities include:

- (a) setting Board and committee structures to facilitate a proper review function by the Board;
- (b) internal control framework including management information systems;
- (c) corporate risk assessment (including economic, environmental and social sustainability risks) and compliance with internal controls;
- (d) management processes supporting external reporting practices;
- (e) review of financial statements and other financial information distributed externally;
- (f) review of the effectiveness of the audit function;
- (g) review of management corporate reporting processes supporting external reporting, including the appropriateness of the accounting judgments;
- (h) review of the performance and independence of the external auditors;
- (i) review of the external audit function to ensure prompt remedial action by management, where appropriate, in relation to any deficiency in or breakdown of controls;
- (j) assessing the adequacy of external reporting for the needs of Shareholders;
- (k) reviewing any proposal for the external auditor to provide non-audit services and whether it might compromise the independence of the external auditor; and
- (l) monitoring compliance with the Company's code of conduct.

Meetings will be held at least two times each year. A broad agenda is laid down for each regular meeting according to an annual cycle. The committee invites the external auditors to attend each of its meetings.

04. Ownership, management and corporate governance

4.8 REMUNERATION COMMITTEE

The purpose of this committee is to assist the Board and report to it on remuneration and related policies and practices (including remuneration of senior management and non-executive Directors). Its current members are:

- (a) Mel Bridges (committee chair); and
- (b) Sue MacLeman.

The committee's functions include:

- (a) review and evaluation of market practices and trends on remuneration matters;
- (b) recommendations to the Board about the Company's remuneration policies and procedures;
- (c) oversight of the performance of senior management and non-executive Directors;
- (d) recommendations to the Board about remuneration of senior management and non-executive Directors; and
- (e) reviewing the Company's reporting and disclosure practices in relation to the remuneration of Directors and senior executives.

Meetings will be held at least once a year and more often as required.

4.9 NOMINATION COMMITTEE

The purpose of this committee is to assist the Board and make recommendations to it about the appointment of new Directors (both executive and non-executive) and senior management. Its current members are:

- (a) Mel Bridges (committee chair);
- (b) Sue MacLeman;
- (c) Neil Anderson; and
- (d) Chris Hart.

The committee's functions include:

- (a) development of criteria (including skills, qualifications and experience) for Board candidates;
- (b) identification and consideration of possible candidates, and recommendation to the Board;
- (c) ensuring appropriate induction and continuing professional development programs are implemented for Directors;
- (d) review of processes for succession planning for the Board, CEO and other senior executives;
- (e) establishment of procedures, and recommendations to the Chairman, for the proper oversight of the Board and management; and
- (f) ensuring the performance of each Director, and of senior management, is reviewed and assessed each year using procedures adopted by the Board.

Meetings will be held at least once a year and more often as required.

4.10 POLICIES

Securities trading policy

A securities trading policy (**Trading Policy**) has been adopted by the Board to provide guidance to Directors, identified employees including senior management, and other employees of Oventus, where they are contemplating dealing in Oventus' securities or the securities of entities with whom Oventus may have dealings. The Trading Policy is designed to ensure that any trading in Oventus' securities is in accordance with the law and minimises the possibility of misperceptions arising in relation to Directors' and employees' dealings in Oventus' securities or securities of other entities.

The Trading Policy is directed at dealing in Oventus' securities by the Directors and employees, dealings through entities or trusts controlled by a relevant person, or in which they have an interest, and encouraging family or friends to so deal. It also extends to addressing dealings in the securities of other entities that may be transacting with, or be counterparties of, Oventus.

Any non-compliance with the Trading Policy will be regarded as an act of serious misconduct. The Trading Policy is available on Oventus' website at www.ventus.com.au.

Continuous disclosure and communications policy

The Board has adopted a continuous disclosure and communications policy (**Disclosure Policy**), which sets out procedures to be adopted by the Board to ensure Oventus complies with its continuous disclosure obligations to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities and to correct any material mistake or information in the market.

The Board is responsible for determining whether information is such that it would have a material effect on the price or value of Oventus' securities. The Disclosure Policy provides a framework for the Board and officers of Oventus to internally identify and report information which may need to be disclosed and sets out practical implementation processes in order to ensure any identified information is adequately communicated to ASX and Shareholders. The Disclosure Policy also sets out the exceptions to the disclosure requirements.

Any non-compliance with the Disclosure Policy will be regarded as an act of serious misconduct. The Disclosure Policy is available on Oventus' website at www.ventus.com.au.

Diversity policy

Oventus is committed to complying with the diversity recommendations published by ASX and promoting diversity among employees, consultants and senior management, and has adopted a policy in relation to diversity (**Diversity Policy**).

Oventus defines diversity to include, but not be limited to, gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity.

The Diversity Policy adopted by the Board outlines Oventus' commitment to fostering a corporate culture that embraces diversity and provides a process for the Board to determine measurable objectives and procedures to implement and report against to achieve its diversity goals.

Oventus' Nominations Committee is responsible for implementing the Diversity Policy, setting the Company's measurable objectives and benchmarks for achieving diversity and reporting to the Board on compliance with the Diversity Policy.

As part of its role, Oventus' Remuneration Committee is responsible for formulating and implementing a Company remuneration policy. Under the Diversity Policy, a facet of this role will include reporting to the Board annually on the proportion of men and women in Oventus' workforce and their relative levels of remuneration.

The Board will assess and report annually to Shareholders on Oventus' progress towards achieving its diversity goals.

The Diversity Policy is available on Oventus' website at www.ventus.com.au.

04. Ownership, management and corporate governance

4.11 COMPLIANCE WITH ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS

The ASX document, 'Third Edition Principles of Good Corporate Governance and Best Practice Recommendations' (**Guidelines**) was published by the ASX Corporate Governance Council with the aim of enhancing the credibility and transparency of Australia's capital markets. Oventus' corporate governance charter has been drafted in light of the Guidelines.

The Board has assessed Oventus' current practice against the Guidelines and outlines its assessment below:

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT		
1.1 Establish the functions expressly reserved to the Board and those delegated to management, and disclose those functions.	The Board is responsible for the overall corporate governance of the Company. The Board has adopted a Board charter that formalises its roles and responsibilities and defines the matters that are reserved for the Board and specific matters that are delegated to management.	Complies
1.2 Undertake appropriate checks before appointing a person as a director, and provide shareholders with all material information relevant to a decision on whether or not to elect or re-elect a director.	The Company will conduct police checks, solvency and banned director searches in relation to all appointed and future nominated directors. The Company will publish Director profiles on the Company's website outlining biographical details, other directorships held, commencement date of office and level of independence.	Complies
1.3 Have a written agreement with each director and senior executive setting out the terms of their appointment.	The Company has written agreements with each director and senior executive. On appointment of directors and senior executives the Company will issue necessary written agreements outlining the terms of their appointment.	Complies
1.4 The company secretary should be accountable directly to the board on all matters to do with the proper functioning of the board.	This is consistent with the charter and corporate structure of the Company. The company secretary has a direct relationship with the Board in relation to these matters.	Complies

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
1.5 Establish a diversity policy and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity and for the Board to assess annually both the objectives and progress in achieving them, for reporting against in each reporting period.	The Board has adopted a diversity policy that outlines objectives to ensure that the Company has as diverse a workforce as practicable. The Board determined that given the Company's size and structure, it is not appropriate or possible to mandate a fixed number of women at any given level within the organisation, so no measurable objectives have been set at this time. As a measurement of gender diversity, the proportion of women working within Oventus as at 8 June 2016 is as follows: • Women on the Board – 25% • Women in Senior Executive positions – 25% • Women in the organisation – 58%	Partially complies
1.6 Have a process for periodically evaluating the performance of the Board, its committees and individual directors, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	The Company conducts the process for evaluating the performance of the Board, its committee and individual directors as outlined in the Board Charter.	Complies
1.7 Have a process for periodically evaluating the performance of the Company's senior executives, and disclose that process and, at the end of each reporting period, whether such performance evaluation was undertaken in that period.	A summary of the processes for performance evaluation of key executives, directors and the Board is available on the Company's website. The CEO reviews the performance of the senior executives. The Board reviews the CEO's performance. These reviews occur annually.	Complies

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

2.1 The Company should have a nomination committee, which has at least three members, a majority of independent directors and is chaired by an independent director.	A Nominations Committee has been established with its own charter and consists of: • Mel Bridges (committee chair); • Sue MacLeman; • Neil Anderson; and • Chris Hart.	Partially complies
The functions and operations of the nomination committee should be disclosed.		The Board is equally weighted between independent and executive Directors. The size of the Company does not justify the cost of appointing additional independent Directors at this stage.

04. Ownership, management and corporate governance

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
2.2 Have and disclose a board skills matrix, setting out what the board is looking to achieve in its membership.	The Company has established charter rules for the Nominations Committee as a guide for Board deliberations. Together, the Directors have a broad range of experience, expertise, skills, qualifications and contacts relevant to the Company and its business.	Does not presently comply, however the Board intends to formalise a skills matrix.
2.3 Disclose the names of the directors that the Board considers to be independent directors, and an explanation of why the Board is of that opinion if a factor that impacts on independence applies to a director, and disclose the length of service of each director.	The Board considers Dr Mel Bridges (appointed 23 September 2015) to be independent. The Board also considers Sue MacLeman (appointed 27 November 2015) to be an independent director. The Board notes the following directors are deemed not independent for the purposes of the Guidelines: Chris Hart (appointed 23 September 2015) – Chris is a founding shareholder of Oventus and is also an executive director of the Company. Neil Anderson (appointed 23 September 2015) – Neil is a founding shareholder of Oventus and is also an executive director of the Company.	Complies
2.4 A majority of the Board should be independent directors.	The Board currently comprises four Directors, of which two are independent non-executive Directors.	Partially Complies. The Board is equally weighted between independent and executive Directors. The size of the Company does not justify the cost of appointing additional independent Directors at this stage.
2.5 The chair of the Board should be an independent director and should not be the CEO.	The chairman, Dr Mel Bridges, is a non-executive and independent director.	Complies
2.6 There should be a program for inducting new directors and providing appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as a director effectively.	This is consistent with the Board Charter.	Complies

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY		
3.1 Have a code of conduct for the Board, senior executives and employees, and disclose that code or a summary of that code.	The Company has adopted a code of conduct, which sets out a framework to enable Directors to achieve the highest possible standards in the discharge of their duties and to give a clear understanding of best practise in Corporate Governance.	Complies
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING		
4.1 The Company should have an audit committee, which consists of only non-executive directors, a majority of independent directors, is chaired by an independent chairman who is not chairman of the Board, and has at least three members. The functions and operations of the audit committee should be disclosed.	The Board has established an Audit and Risk Committee which operates under an audit and risk committee charter. The Audit and Risk Committee members are: • Sue MacLeman (committee Chair); and • Mel Bridges. The committee includes two independent directors and is chaired by an independent director.	Partially complies
4.2 The Board should, before approving financial statements for a financial period, receive a declaration from the CEO and CFO that, in their opinion, the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company, formed on the basis of a sound system of risk management and internal controls, operating effectively.	This is consistent with the approach adopted by the Audit and Risk Committee and the Board.	Complies
4.3 The Company's auditor should attend the AGM and be available to answer questions from security holders relevant to the audit.	Oventus' auditors will be requested to attend the AGM and shareholders will be entitled to ask questions in accordance with the Corporations Act and these guidelines.	Complies

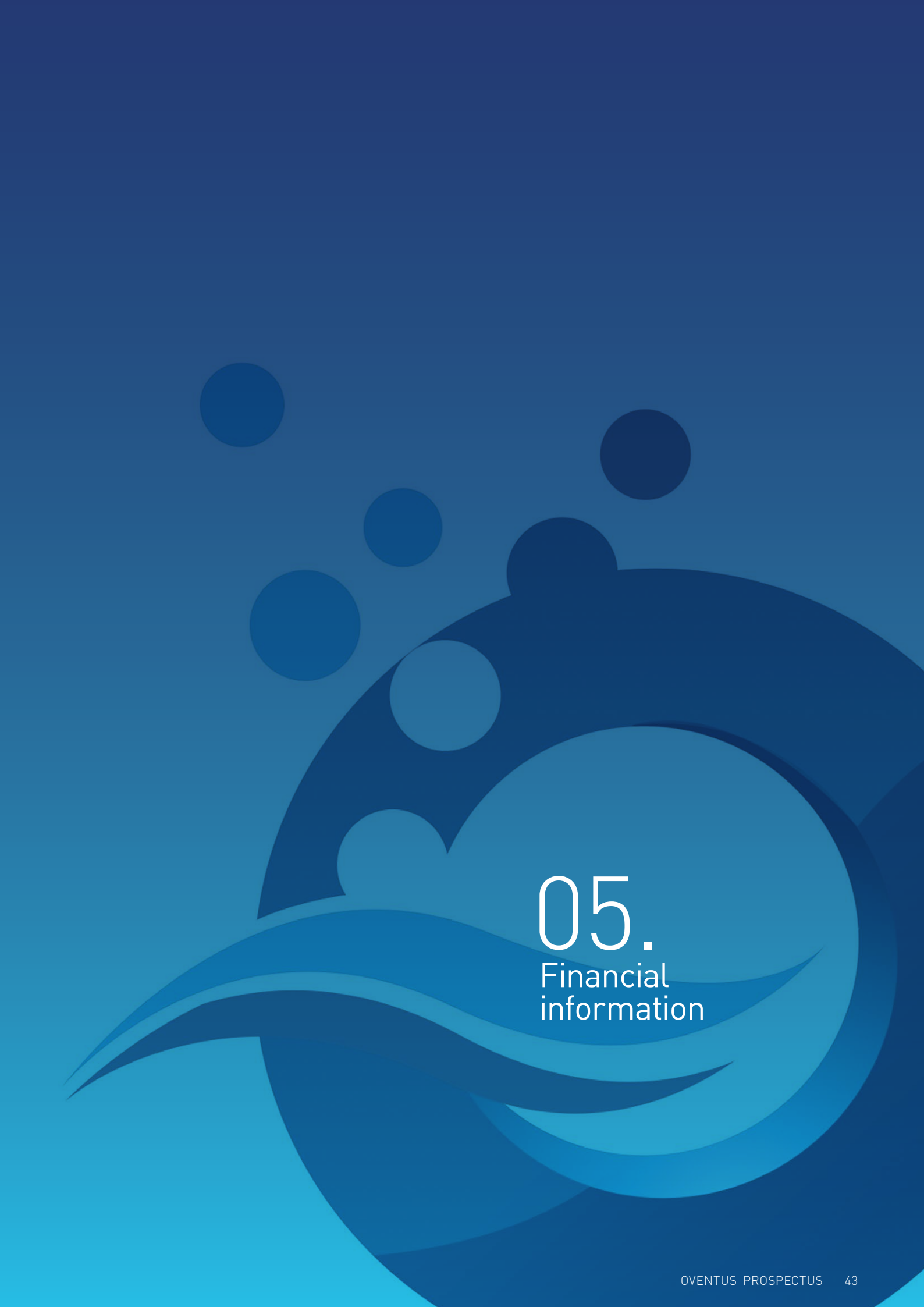
04. Ownership, management and corporate governance

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURES		
5.1 Have a written policy for complying with continuous disclosure obligations under the Listing Rules, and disclose that policy or a summary of it.	The Company has a written continuous disclosure and communications policy which is designed to ensure that all material matters are appropriately disclosed in a balanced and timely manner and in accordance with the requirements of the Listing Rules.	Complies
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS		
6.1 Provide information about the Company and its governance to investors via its website.	The Board Charter and other applicable policies are available on the Company's website.	Complies
6.2 Design and implement an investor relations program to facilitate effective two-way communication with investors.	The Company's continuous disclosure and communications policy provides that the Company will use its website, half year and annual reports, market announcements and media disclosures to communicate with its shareholders, as well as encourage participation at general meetings.	Complies
6.3 Disclose the policies and processes in place to facilitate and encourage participation at meetings of security holders.	The Company intends to facilitate effective participation in the AGM, as well as the ability to submit written questions ahead of the AGM. The Company intends to adopt appropriate technologies to facilitate the effective communication and conduct of general meetings.	Does not comply. The Company has not disclosed a formal policy or process, but it has engaged a recognised and reputable share registry service provider to further these objectives.
6.4 Give security holders the option to receive communications from, and send communications to, the Company and its share registry electronically.	The Company has instructed its share registry to facilitate this option for shareholders.	Complies

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK		
7.1 The Board should have a risk committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the risk committee should be disclosed.	The Company has a combined Audit and Risk Committee. See 4.1 above.	Partially complies
7.2 The Board or a committee of the Board should review the entity's risk management framework with management at least annually to satisfy itself that it continues to be sound, and disclose, in relation to each reporting period, whether such a review has taken place.	The charter establishes the role of the committee. The committee will establish the risk management framework.	Complies
7.3 Disclose if the Company has an internal audit function, how the function is structured and what role it performs, or if it does not have an internal audit function, that fact and the processes the Company employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Due to the Company's limited number of employees and relative nature and scale of its operations, the costs of an independent internal audit function would be disproportionate. The Company has an external auditor and the Audit and Risk Committee will monitor the Company's internal control processes and evaluate material or systemic issues.	Does not comply due to the nature and scale of operations, however the Board believes it and the Audit and Risk Committee, together with senior management, have adequate oversight of the existing operations.
7.4 Disclose whether the Company has any material exposure to economic, environmental and social sustainability risks and, if so, how it manages those risks.	The Board does not believe that the Company has any such material risks. All risks will be re-evaluated at least annually in accordance with the Audit and Risk Committee Charter.	Complies.

04. Ownership, management and corporate governance

PRINCIPLES AND RECOMMENDATIONS	COMPLIANCE	COMPLY
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY		
8.1 The Board should have a remuneration committee which is structured so that it consists of a majority of independent directors, is chaired by an independent director, and has at least three members. The functions and operations of the remuneration committee should be disclosed.	A Remuneration Committee has been established with its own charter and consists of: • Mel Bridges (committee chair); and • Sue MacLeman.	Partially complies
8.2 The policies and practices regarding the remuneration of non-executive directors, and the remuneration of executive directors and other senior executives, should be separately disclosed.	The Remuneration Committee charter is available on the Company's website.	Complies
8.3 If the Company has an equity-based remuneration scheme, it should have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme, and disclose that policy or a summary of it.	The Company operates an employee share option plan. In accordance with the Company's Securities Trading Policy participants are not permitted to enter into transactions which limit economic risk without written clearance.	Complies

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05.

Financial
information

05. Financial information

5.1 INTRODUCTION

This section sets out the Historical Financial Information and Pro-forma Financial Information (together “the **Financial Information**”) and the basis for preparation and presentation.

The Directors are responsible for the preparation and fair presentation of the Financial Information including the determination of the pro-forma adjustments which have been prepared in accordance with Australian Accounting Standards and Interpretations and other mandatory professional reporting requirements in Australia (AGAAP), which ensure compliance with IFRS. The Financial Information has been reviewed and reported on by PKF Hacketts Audit as set out in the Investigating Accountants Report (“**IAR**”) in section 7 of this Prospectus. Investors should note the scope and limitations of the IAR.

Oventus was incorporated on 23 September 2015. At the same time Oventus CRM was incorporated as a wholly owned subsidiary of Oventus. On 28 September 2015 Oventus acquired all the issued shares in Oventus Manufacturing, the consideration being the issue of 74,375,000 fully paid shares in Oventus (“the **Restructure**”). These Shares were subsequently consolidated to 37,323,575.

Oventus Manufacturing was incorporated on 20 May 2013 and has developed devices in the nasal obstructer segment of the sleep apnoea market. The purpose of interposing Oventus was to facilitate capital raisings and the listing of the Company’s shares on the ASX as contemplated under this Prospectus. Under the new structure, Oventus CRM holds the database relating to patient details.

5.2 FINANCIAL INFORMATION

The Historical Financial Information comprises:

- (a) the Historical Consolidated Statements of Financial Performance for the period from incorporation of Oventus Manufacturing on 20 May 2013 to 30 June 2014 (**FY14**) and the year ended 30 June 2015 (**FY15**);
- (b) the Historical Consolidated Statement of Performance of the Company for the half year ended 31 December 2015 (**1HY16**); and
- (c) the Historical Consolidated Balance Sheet as at 31 December 2015.

As the shareholders of Oventus Manufacturing prior to the Restructure were the same as the shareholders of the Company on completion of the Restructure, the Restructure has been treated as a “common control transaction” which does not meet the requirements of a “business combination” as set out in AASB 3 Business Combinations. Accordingly, no additional intangible assets (including any goodwill) have been recognised on completion of the Restructure.

The Historical Consolidated Statements of Financial Performance for FY14, FY15 and 1HY16 illustrate what the financial performance of the Company would have been had the Restructure occurred on 20 May 2013.

The Historical Consolidated Statements of Financial Performance for FY14 and FY15 have been based on the audited financial statements of Oventus Manufacturing. The financial statements for FY14 and FY15 were audited by Pitcher Partners Brisbane Partnership who issued unqualified opinions.

The Historical Consolidated Statement of Financial Performance for 1HY16 and Historical Consolidated Balance Sheet as at 31 December 2015 have been based on the audited consolidated financial statements of the Company. The consolidated financial statements of the Company for 1HY16 were audited by PKF Hacketts Audit who issued an unqualified opinion. The Historical Financial Information has been presented in Australian Dollars which is the functional currency of the Company.

No adjustment has been made in the Historical Consolidated Statements of Financial Performance for corporate costs associated with Oventus operating as a listed company. However, the Directors estimate the additional corporate costs as a listed company to be approximately \$500,000 per annum.

The Pro-forma Financial Information comprises:

- (a) the Pro-forma Consolidated Balance Sheet as at 31 December 2015; and
- (b) selected notes to the Pro-forma Balance Sheet.

The Pro-forma Consolidated Balance Sheet is based on the audited consolidated balance sheet of the Company as at 31 December 2015, after adjusting for certain pro forma transactions as outlined in section 5.5.

The Financial Information included in this section has been prepared and presented in accordance with the recognition and measurement principals described in Australian Accounting Standards. Compliance with these standards ensures that the Financial Information complies with the recognition and measurement principles of the International Financial Reporting Standards as adopted by the International Accounting Standards Board. The Historical and Pro-forma Financial Information included in the Prospectus are presented in an abbreviated form and do not include all the disclosures required by AGAAP, applicable to annual financial reports prepared in accordance with the Corporations Act.

Oventus' significant accounting policies have been consistently applied throughout the periods and are set out in section 5.9.

Investors should be aware that past performance is not an indication of future performance.

Due to its nature, the Pro-forma Financial Information does not represent the Company's actual or prospective financial position.

Explanation of certain non-IFRS financial measures

Oventus uses certain measures to manage and report on its business that are not recognised under the Australian Accounting Standards. These measures are collectively referred to as non-IFRS financial measures.

The principal non-IFRS financial measures used in this Prospectus are as follows:

EBIT is earnings before interest and taxation

Gross profit is calculated as sales revenue less cost of sales

Working capital is defined by Oventus as the total of current assets less current liabilities

Although the Directors believe that these measures provide useful information about Oventus' financial performance, they should be considered as supplements to the statements of financial performance that have been presented in accordance with the Australian Accounting Standards and not as a replacement for them. Because these non-IFRS financial measures are not based on Australian Accounting Standards, they do not have standard definitions, and the way Oventus calculates these measures may differ from similarly titled measures used by other companies. You should therefore not place undue reliance on these non-IFRS financial measures.

05. Financial information

5.3 HISTORICAL CONSOLIDATED STATEMENTS OF FINANCIAL PERFORMANCE

	FROM 20 MAY 2013 TO 30 JUNE 2014 (AUDITED) \$	YEAR ENDED 30 JUNE 2015 (AUDITED) \$	HALF YEAR ENDED 31 DECEMBER 2015 (AUDITED) \$
Sales revenue	–	56,303	171,586
Less: Expenses			
Manufacturing costs – Pre-marketing phase	–	63,043	299,926
Marketing, website and logo expense	–	41,325	98,155
Accounting and legal fees	9,662	29,702	62,330
Employee and contractor expenses	–	45,821	191,244
Premises rental expense	–	6,383	36,144
Information technology costs	–	12,839	17,376
Insurance expense	–	12,086	17,497
Depreciation and amortisation	17	6,490	11,495
Other expenses	561	19,804	98,888
Total expenses	10,240	237,493	833,055
EBIT	(10,240)	(181,190)	(661,469)
Interest revenue	–	611	3,611
Loss before income tax expense	(10,240)	(180,579)	(657,858)
Income tax expense	–	–	–
Loss for the period	(10,240)	(180,579)	(657,858)
Other comprehensive income for the period	–	–	–
Total comprehensive loss	(10,240)	(180,579)	(657,858)

The Historical Consolidated Statements of Financial Performance should be read in conjunction with the following notes set out in section 5.5.

5.4 HISTORICAL CONSOLIDATED AND PRO-FORMA BALANCE SHEET

		ACTUAL		PRO-FORMA
	NOTES (SECTION 5.5)	31 DECEMBER 2015 (AUDITED) \$	EFFECTS OF THE OFFER \$	31 DECEMBER 2015 \$
Assets				
Current assets				
Cash and cash equivalents	(b)	3,249,304	10,506,018	13,755,322
Trade and other receivables		222,221	–	222,221
Other Assets		208,936	–	208,936
		3,680,461	10,506,018	14,186,479
Non-current assets				
Intangible assets				
– Development costs		1,019,778	–	1,019,778
– Patents and other		138,742	–	138,742
– Software		2,029	–	2,029
		1,160,549	–	1,160,549
Plant and equipment		328,750	–	328,750
		1,489,299	–	1,489,299
Total assets		5,169,760	10,506,018	15,675,778
Liabilities				
Current Liabilities				
Payables		482,448	–	482,448
Loans from directors and related entities	(d)(vi)	694,857	(601,982)	92,875
		1,177,305	(601,982)	575,323
Non-current liabilities				
Deferred income – R&D tax concession		414,428	–	414,428
Total liabilities		1,591,733	(601,982)	989,751
Net assets		3,578,027	11,108,000	14,686,027
Equity				
Share capital	(c)	4,426,703	11,185,000	15,611,703
Accumulated losses		(848,676)	(77,000)	(925,676)
Total equity		3,578,027	11,108,000	14,686,027

The Historical Consolidated and Pro-forma Balance Sheets should be read in conjunction with the following notes set out in section 5.5.

05. Financial information

5.5 NOTES TO THE HISTORICAL CONSOLIDATED AND PRO-FORMA BALANCE SHEET

a) Pro-Forma adjustments

The Pro-Forma Balance Sheet as at 31 December 2015 has been prepared by adjusting the audited Consolidated Balance Sheet as at that date to reflect the financial effects of the following transactions as if they had occurred at 31 December 2015:

- i) *Consolidation of share capital* – one share for approximately every 1.993 shares held.
- ii) *Shares issued under the Offer* – The issue of 24,000,000 Shares at \$0.50 each to raise \$12,000,000.
- iii) *Share transaction costs* – Estimated costs associated with the Offer of \$892,000 are assumed to have been paid. Of this amount, \$77,000 has been expensed to the profit or loss.
- iv) *Repayment of Director related loans* – The Company repays the loan of \$601,982 owing to Chris Hart, a Director of the Company.

b) Cash and Cash Equivalents

	\$
Cash at 31 December 2015 – actual	3,249,304
Pro-forma adjustments:	
– Shares issued under the Offer	12,000,000
– Share issue transaction costs	(892,000)
– Repayment of director related loans	(601,982)
Pro-forma cash at 31 December 2015	13,755,322

c) Share Capital

	NO. OF SHARES	\$
Movement in share capital – Oventus Manufacturing		
–Shares issued for cash – 20 May 2013	1	1
–Shares issued for cash – 30 June 2014	239,999	239,999
–Share based payments for services provided – 30 June 2014	102,857	102,857
Total Oventus Manufacturing share capital prior to Restructure	342,857	342,857
Movement in share capital – Oventus Medical Limited		
–Shares issued in consideration of initial investment on Restructure	74,375,000	342,857
–Shares issued for cash at 16c each – September 2015	625,000	100,000
–Shares issued for cash at 20c each – November 2015	20,650,000	4,130,000
–Share issue costs	–	(146,154)
	95,650,000	4,426,703
Pro-forma adjustments		
–Share consolidation – 1 for every 1.993 shares	(47,650,000)	–
–Shares issued under the Offer at 50c each	24,000,000	12,000,000
–Share issue transaction costs	–	(815,000)
Pro-forma Issued capital 31 December 2015	72,000,000	15,611,703

d) Related Party Disclosures

i) Directors – The Directors of Oventus Manufacturing and Oventus are as follows:

	OVENTUS MANUFACTURING		OVENTUS	
	DATE APPOINTED	DATE RESIGNED	DATE APPOINTED	DATE RESIGNED
Dr Chris Hart	20 May 2013	–	23 Sept 2015	–
Neil Anderson	30 June 2014	–	23 Sept 2015	–
Michael Slater	30 June 2014	24 Sept 2015	–	–
Sue MacLeman	–	–	27 Nov 2015	–
Dr Mel Bridges	30 Sept 2015	–	23 Sept 2015	–

Details of Directors' holdings of Shares, Directors' remuneration and other interests are set out in section 11.8 of the Prospectus.

- ii) *Product sales* – Certain sales to date by Oventus Manufacturing have been to Breathing Assist Solutions (formerly known as Oventus Clinical Pty Ltd), a company controlled by Chris Hart and owned by entities associated with Chris Hart and Neil Anderson. At 31 December 2015, amounts owed by Breathing Assist Solutions was \$130,320 (included in trade and other receivables).
- iii) *Executive contract with Neil Anderson* – The Company executed an executive contract with Neil Anderson as Chief Executive Officer on 11 February 2016, effective as at 1 November 2015. Prior to the execution of the executive contract, remuneration paid to Neil Anderson as Chief Executive Officer was through a consultancy agreement with NGCT Pty Ltd, a company controlled by Neil Anderson. For the half year ended 31 December 2015 Oventus Manufacturing paid NGCT Pty Ltd \$59,000 (30 June 2015: \$162,250) for services provided by Neil Anderson. These costs were capitalised as development costs. At 31 December 2015, amounts owed to NGCT Pty Ltd was \$Nil (30 June 2015: \$Nil) and is included in payables. In addition, Neil Anderson is reimbursed for out of pocket costs in the normal course of business.
- iv) *Executive contract with Chris Hart* – Remuneration paid to Chris Hart as Clinical Director is through an executive contract executed on 11 February 2016, effective as at 1 November 2015. Prior to execution of the executive contract, remuneration paid to Chris Hart as Clinical Director was through a consultancy agreement with Breathing Assist Solutions. For the half year ended 31 December 2015 Oventus Manufacturing paid Breathing Assist Solutions \$Nil (30 June 2015: \$150,110) for services provided by Chris Hart. These costs were capitalised as development costs. At 31 December 2015, amounts owed to Breathing Assist Solutions was \$92,875 (included in other current liabilities) (30 June 2015: \$44,898). In addition, Chris Hart is reimbursed for out of pocket costs in the normal course of business.
- v) *Loan facility* – Chris Hart – On 30 June 2014 Oventus Manufacturing entered into a facility agreement with Chris Hart to provide a funding facility for Oventus Manufacturing. Interest accrues on the principal balance after 12 months from the date of the agreement and can be added to the principal. The interest rate is to be no more than the rate borrowed by the lender on similar loans. The debt is unsecured and the repayment date is to be agreed by the parties. At 31 December 2015, the amount owed to Chris Hart under the facility agreement was \$601,982 (30 June 2015: \$501,982). This amount, and any further advances up to completion of the Offer, are to be repaid by proceeds received under the Offer.
- vi) *Shared resources* – For the year ended 30 June 2015, Breathing Assist Solutions employed a quality control manager whose employment costs were shared with Oventus Manufacturing on a 50/50 basis. For the year ended 30 June 2015 Oventus Manufacturing paid Breathing Assist Solutions \$36,144 which was allocated 70% to development and 30% to manufacturing expenses. This arrangement ceased from 1 July 2015 when Oventus Manufacturing employed the quality control manager directly.
- vii) *Shared premises* – For the half year ended 31 December 2015 Oventus Manufacturing occupied premises leased by Breathing Assist Solutions, to which it contributed 50% of the premises costs. This arrangement ceased in January 2016 when Oventus entered into a lease at new premises. As at the date of this Prospectus, Breathing Assist Solutions shares premises leased by Oventus on a sessional basis for a rate of \$30 per hour.

05. Financial information

e) Subsequent Events

- i) On 17 February 2016 the Company's subsidiary, Oventus Manufacturing, entered into an agreement to acquire a three dimensional titanium printer. The printer has been installed and is fully operational. Under the terms of the agreement Oventus Manufacturing paid a total of EURO 670,000 (\$AUD 1,027,113).
- ii) On 24 February 2016 and 14 April 2016, the Company issued 6,100,000 (Tranche 1) and 800,000 (Tranche 2) options respectively to certain employees in accordance with the terms of the Employee Share Option Plan. After issue, 200,000 Tranche 1 options were rescinded as a result of employees ceasing employment with the Company, leaving 5,900,000 Tranche 1 options on issue. The options were subsequently consolidated on a 1 for approximate 1.993 basis (refer paragraph e) iii) below) resulting in 2,960,794 Tranche 1 and 401,464 Tranche 2 options on issue. The total value of the options was calculated to be \$306,800 for Tranche 1 and \$56,606 for Tranche 2. The value of the options will be brought to account over the vesting period, being three years for Tranche 1 and two years for Tranche 2.
- iii) On 19 May 2016, the Board resolved to consolidate the Company's issued Shares and options on a 1 for an approximate 1.993 basis. The effect of the consolidation reduced the total amount of current Shares on issue (prior to the Offer) from 95,650,000 to 48,000,000 and reduced the options on issue from 6,700,000 to 3,362,258.

Apart from the matters noted above and elsewhere in this Prospectus, there have been no material transactions or events outside of the ordinary business of Oventus that have come to the Company's attention that would require comment on, or adjustment to, the information referred to in section 5.

f) Commitments for expenditure

As at the date of this Prospectus, the Company has entered into two non-cancellable operating property leases and one licensing arrangement for the use of property. Minimum lease payments contracted for but not recognised in the financial information are payable as follows:

	\$
Not later than 1 year	214,430
Later than 1 but not later than 5 years:	364,030
Later than 5 years	–
Total	578,460

The Taringa office property lease is a non-cancellable lease with a 3-year term. Minimum lease payments shall be increased by fixed rate of 4% per annum.

The Sydney office property lease is a non-cancellable lease with a 2-year term. Minimum lease payments shall be increased by fixed rate of 4% per annum.

The licence agreement with Commonwealth Scientific and Industrial Research Organisation (CSIRO) is for the use of property and is for a licence period of 2 years, with licence and service fees payable monthly in advance. Contingent provisions within the licence agreement require that the licence and services fees shall be increased by the consumer price index (CPI) per annum.

5.6 DISCUSSION AND ANALYSIS OF THE FINANCIAL INFORMATION GENERAL FACTORS AFFECTING THE OPERATING RESULTS OF OVENTUS

The following section will discuss the key factors affecting Oventus' operating and financial performance in FY14, FY15 and 1HY16.

It should be noted that the following discussion is intended to provide a brief summary and does not detail all factors that affected Oventus' historical operating and financial performance, or everything that may affect the Company's operations and financial performance in the future. The information in this section should be read in conjunction with the risk factors set out in section 6 and other information contained in this Prospectus.

For the periods FY14, FY15 and 1HY16 the Company has recorded an operating loss. During these periods the Company operated mainly as a research and development company. During this pre-marketing phase the Company has been focussed on the development of the O₂Vent™ device, ensuring it meets the relevant technical requirements for sale as a medical device in Australia and overseas, and can be manufactured on an efficient and quality assured basis while meeting the targeted gross profit margin.

Development expenditure has been capitalised in the Historical Consolidated Balance Sheet in accordance with the accounting policy noted at section 5.9(i).

Other factors contributing to the operating losses include:

- manufacturing during the pre-marketing phase was mainly outsourced. Commercial manufacturing will be brought in-house which will reduce costs; and
- there has been limited marketing of the Company's product during the pre-marketing phase. A comprehensive marketing strategy will be undertaken to drive sales going forward.

Sales revenue

Sales revenue disclosed in the Historical Consolidated Statements of Financial Performance represent sales of the Company's product. Sales of the Company's product up to end of 1HY16 have been on a pre-marketing basis. Oventus does not sell directly to the end user patient. Product sales are made to third parties including dentists, sleep clinicians and other parties.

Manufacturing costs – pre-marketing phase

During the relevant periods the manufacturing process has been focused on quality of production rather than striving for efficiencies that will come with experience and scale. During this pre-marketing phase, direct and indirect manufacturing costs have not been allocated to individual devices and the Company's policy was to expense all manufacturing costs as incurred. As the Company exits the development phase and transitions into commercial manufacturing, direct and indirect manufacturing costs will be allocated to individual products. Capitalised work-in-progress will be recorded during the manufacturing process with Cost of Sales recorded when products are sold.

Marketing, website and logo expense

The increase in marketing, website and logo expenses in the 1HY16 period was as a result of the Company commencing its branding and marketing strategy. Marketing costs are expected to increase significantly when the Company begins commercialisation of its products.

Employee and contractor expenses

The increase in employee and contractor expenses for the period 1HY16 is a result of an increased number of employees and contractors engaged to perform administration tasks and undertake the progression of the Company from predominately research and development activities to commercialisation.

Operating expenses

Operating expenses include rent and associated costs, insurance, legal and accounting expenses, information technology expenses, Board costs, external consultants costs, staff amenities, printing and stationery and associated minor expenses.

As noted in section 5.2 above, operating expenditure excludes incremental costs of Oventus operating as a listed company. The Directors estimate that these costs will be \$500,000 per annum and will include Directors' and executive remuneration, additional audit and tax costs, listing fees, directors' and officers' insurance premiums, annual general meeting and annual report costs.

As the volume of sales and manufacturing increase over time, it can be expected that operating expenses decline as a percentage of Oventus revenue.

Depreciation and amortisation

Depreciation and amortisation expense represents amortisation of capitalised intangible assets as well as general depreciation of property, plant and equipment. For 1HY16 amortisation was in relation to the capitalised patent costs. Patents are being amortised over a period of the life of the patent, being 20 years. Capitalised development costs have not been amortised in the periods FY14, FY15 or 1HY16 as the development process in relation to the capitalised costs had not been completed. Future financial reports of the Company are expected to include amortisation of capitalised development costs. As at the date of this Prospectus the useful life over which the development costs will be amortised had not been determined.

05. Financial information

Interest revenue

Interest revenue comprises interest earned on existing cash held. As at 31 December 2015 Oventus held \$3.25m in cash and cash equivalents, all in interest bearing bank accounts.

5.7 FORECAST FINANCIAL INFORMATION

As Oventus is at an early stage of development, there are significant uncertainties associated with forecasting the future revenues and expenses of the Company. On this basis the Directors believe that there is no reasonable basis for the inclusion of financial forecasts in this Prospectus.

5.8 DIVIDEND POLICY

Payment of dividends by the Company depends upon the availability of distributable earnings, and the Company's franking credit position, operating results, available cash flows, financial condition, taxation position, future capital requirements, general business and financial conditions, and other factors the Directors consider relevant. The Directors give no assurances about the payment of dividends, the extent of payout ratios or the future level of franking of dividends.

It is not intended that a dividend will be paid following the Company's listing in respect of the 2016 financial year.

5.9 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Historical and Pro-forma Financial Information has been prepared in accordance with the measurement and recognition requirements, but not all of the disclosure requirements of the Corporations Act 2001, including applicable Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board for the presentation of financial information for inclusion in a prospectus.

Significant financial accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied, unless otherwise stated.

a) Basis of preparation

The Historical and Pro-forma Financial Information has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

b) Principles of consolidation

The Historical Consolidated Statement of Financial Performance and Historical Consolidated Balance Sheet as at 31 December 2015 incorporates the assets, liabilities and results of the Company and its controlled entities. A subsidiary is any entity over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

All intercompany balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of controlled entities are consistent with the policies adopted by the parent unless otherwise stated below.

c) Revenue

Revenue from sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

d) Manufacturing costs – pre-marketing phase

Manufacturing costs incurred during the pre-marketing phase of manufacturing have been expensed as incurred.

e) Government grants

Grants from government, including Australian research and development tax offsets, are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Where a grant is received relating to research and development costs that have been expensed, the grant is recognised as other income when the grant becomes receivable.

When the grant relates to an asset, the fair value is credited to a deferred income account and is released to the Statement of Financial Performance over the expected useful life of the relevant asset by equal annual instalments.

f) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

g) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

h) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses. Plant and equipment is measured on a cost basis. The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

i) Intangible assets

Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

05. Financial information

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Patents, trade marks and licences

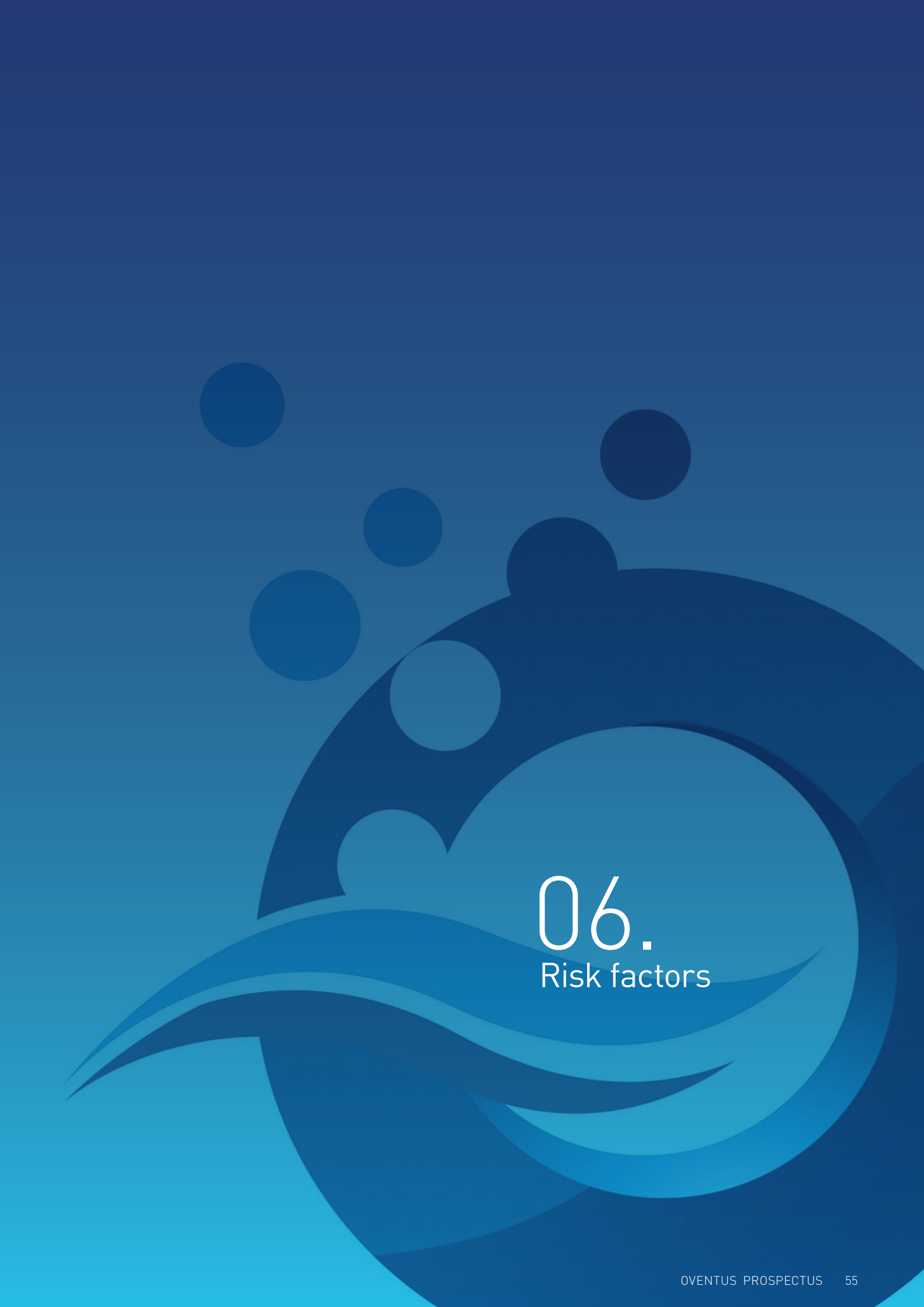
Patents, trade marks and licences are recognised at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

j) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight line basis over the term of the lease.

k) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller light blue circle overlapping it, and a series of overlapping, curved shapes at the bottom that resemble waves or a stylized 'S' shape. There are also several smaller, solid blue circles of varying sizes scattered in the upper left and center areas.

06.

Risk factors

06. Risk factors

6.1 FACTORS INFLUENCING SUCCESS AND RISK

Introduction

This section identifies the major risks the Board believes are associated with an investment in Oventus.

The Oventus business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of Oventus and the value of an investment in the Company. There can be no guarantee that Oventus will achieve its stated objectives or that any forward looking statements will eventuate. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on Oventus' operating performance and profits, and the market price of the Shares.

Before deciding to invest in the Company, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the risk factors that could affect the financial performance of Oventus;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

6.2 SPECIFIC INVESTMENT RISKS

Pipeline products in development are not approved for commercial sale

Oventus' ability to achieve profitability is dependent on a number of factors, including its ability to complete successful clinical trials and obtain regulatory approval for its products and successfully commercialise those products. There is no guarantee that Oventus' products will be commercially successful.

While the O₂Vent™ Mono is approved for sale in Australia, Europe and the United States, other products are still in development. Oventus has not yet generated substantial sales from the O₂Vent™ Mono, and there is no guarantee that it, or other products, will perform as anticipated or, if successful, be manufactured in commercial quantities at reasonable costs.

There are many reasons why initially promising products fail to be successfully commercialised. For example, clinical trials may be suspended for safety or efficacy reasons, following development it may prove difficult or impossible to manufacture the product on a large scale, or during the period of development competitors (including those with greater resources) may emerge with competing or alternative treatments.

Regulatory clearance and reimbursement approvals

The research, development, manufacture, marketing and sale of products using Oventus' technology are subject to varying degrees of regulation by a number of government authorities in Australia and overseas including, but not limited to, the FDA and European Competent Authorities.

Medical devices developed using Oventus' technology must undergo a comprehensive and highly regulated development and review process before receiving clearance for marketing. The process includes the provision of data relating to the quality, safety and effectiveness of the products for their proposed use.

Products may also be submitted for reimbursement approval. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions.

Furthermore, any of the products utilising Oventus' technology may be shown to cause adverse events or to be non-effective, uneconomical to market, compete with superior products marketed by third parties or not be as attractive as alternative treatments.

Clinical trial risk

Oventus may be unable to secure necessary clearance or registrations from regulatory agencies, ethics committees and institutional bodies (clinics and hospitals) to conduct future clinical trials. There is also no assurance that products developed using Oventus' technology will prove to be completely safe and efficacious in clinical trials, or that the regulatory clearance to manufacture and market its products will be received. Clinical trials might also potentially expose Oventus to product liability claims in the event its products in development have unexpected effects on clinical subjects.

To the extent it is available on reasonable terms, Oventus intends to maintain clinical trial insurance, however there is no guarantee such insurance will be held valid or be sufficient to cover any liability which may arise.

Clinical trials undertaken by Oventus have many associated risks which may impact the Company's profitability and commercial potential. They may prove unsuccessful or non-efficacious, impracticable or costly. The clinical trials could be terminated and this would likely have a significant adverse effect on the Company, the value of its securities and the future commercial development of Oventus' products, including the O₂Vent™ range.

Commercial manufacturing and distribution capability

Oventus' products, including the O₂Vent™ Mono, have not yet been produced on a large scale. Oventus' success is dependent upon its ability, and the ability of any commercial partners, to manufacture those products (following regulatory clearance) on a commercial scale, with continuity of supply and in accordance with current good manufacturing practices, prescribed by applicable regulatory authorities. In the event that Oventus or any of its commercial partners discontinue operations, are subject to product recall, or have insufficient capacity, for any reason, this may result in substantial cost and delay.

Oventus currently only has operations in Australia and may therefore face difficulties in managing and controlling the commercialisation of its products in other countries.

Product liability and insurance

In carrying out its work Oventus will potentially face contractual and statutory claims, or other types of claims from customers or suppliers. In addition, Oventus is exposed to potential product liability risks that are inherent in the manufacturing of medical devices. Consumers, healthcare providers or persons selling products based on Oventus' technology may be able to bring claims against Oventus based on the use of such products, including in clinical and marketing trials, and the sale of products based on Oventus' technology.

As Oventus' business exposes it to potential product liability and professional indemnity risks, which are inherent in the process development and manufacturing of medical devices, it will be necessary for Oventus to secure certain levels of insurance. There can be no assurance that any future necessary insurance cover will be available to Oventus at an acceptable cost, if at all, or that, in the event of any claim, the level of insurance carried by Oventus now or in the future will be adequate or that a product liability or other claim would not have a material adverse effect on Oventus' profitability and financial condition.

Intellectual property

The Company's ability to leverage its innovation and expertise depends upon its ability to protect its intellectual property and any improvements to it. The intellectual property may not be capable of being legally protected, it may be the subject of unauthorised disclosure or be unlawfully infringed, or the Company may incur substantial costs in asserting or defending its intellectual property rights. This includes the Company's ability to obtain commercially valuable patent claims.

Although the Company has a registered (granted) patent for the O₂Vent™ platform in Australia, other patent applications are still pending, and additional patent applications may need to be filed to provide more extensive intellectual property protection. Examination of patents may be expensive and time-consuming, with no guarantee that lodged patent applications will result in granted patents. It may also take longer than expected for patents to be granted and, even if successful, the claims of any patents that are granted may not provide meaningful protection.

Although the Company has itself conducted patent searches on publicly available databases, there are limitations on searching. Searches are dependent on the accuracy and effectiveness of the searching method used and the accuracy and scope of the records held.

Even if the accuracy of the records is guaranteed, any search strategy involves a compromise between scope and costs. For this reason, the Company's searches were restricted to reveal the most relevant disclosures. Another limitation is that in most major jurisdictions, patent applications are not published until 18 months from the earliest priority date. This means that for

06. Risk factors

any given search, it is generally not possible to detect patent applications filed within the previous 18 months. No search can ever be entirely inclusive or exhaustive because some forms of disclosure such as prior public use, oral disclosure, prior commercial exploitation or prior publication in non-patent literature cannot be searched systematically.

If patents are not granted to Oventus, then the value of the Company's intellectual property rights may be significantly diminished. Further, any information contained in patent applications will become part of the public domain, and so will not be protected as confidential information.

Competition regulation and loss of reputation

The industry in which the Company operates is intensely competitive and subject to rapid and significant change. A number of companies, both in Australia and abroad, may be pursuing the development of products that target the same markets that Oventus is targeting.

The Company's products may compete with existing products that are already available to customers. The Company may face competition from parties who have substantially greater resources than the Company. An analysis of Oventus' competitive landscape is set out in section 3.6.

Dependence upon key personnel

Oventus depends on the talent and experience of its personnel as its primary asset. There may be a negative impact on Oventus if any of its key personnel leave. It may be difficult to replace them, or to do so in a timely manner or at comparable expense. Additionally, any key personnel of the Company who leave to work for a competitor may adversely impact the Company.

In summary, Oventus' ability to attract and retain personnel will have a direct correlation upon its ability to deliver its project commitments and achieve targeted revenues. Additionally, increases in recruitment, wages and contractor costs may adversely impact upon the financial performance of the Company.

Risk of delay and continuity of operations

Oventus may experience delay in achieving a number of critical milestones, including manufacturing, completion of clinical trials, obtaining regulatory clearances, obtaining reimbursement approvals, securing commercial partners and product launch and sales. Any material delays may impact adversely upon the Company, including the timing of any revenues under milestone or sales payments.

Oventus may also experience business continuity problems arising from extreme events. As with most businesses, Oventus is reliant on a number of systems in its day-to-day operations. An inability to operate such systems would impact the business.

Requirement to raise additional funds

The Company may be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise that capital when it is required or, even if available, the terms may be unsatisfactory. If the Company is unsuccessful in obtaining funds when they are required, the Company may need to delay or scale down its operations.

Growth

There is a risk that the Company may be unable to manage its future growth successfully. The ability to hire and retain skilled personnel as outlined above may be a significant obstacle to growth.

Market failure

The Company is also dependent on commercially attractive markets remaining available to it during the commercialisation phase and there is a risk that, once developed and ready for sale, commercial sales, to fund sufficient revenues for continued operations and growth, may not be achieved.

Capital structure risk

Following completion of the Offer, the Directors and management team will retain a significant holding in Oventus and will therefore have a significant influence over the Company, including in relation to resolutions requiring the approval of Shareholders. This collective interest may also have an impact on liquidity (particularly having regard to the escrow arrangements referred to below), as well as acting as a potential deterrent to corporate transactions.

Specifically, Chris Hart will hold approximately 38% of the Shares in the Company following completion of the Offer (assuming that he does not participate in the Offer). This will give him a significant influence on the outcome of resolutions of the Company at a general meeting, including the ability for him to block special resolutions.

Escrow arrangements

Certain shareholders of the Company will be subject to escrow requirements, designed to protect the integrity of the market and allow the Company to develop a track record. This means that certain Shareholders (including the Directors and management team) will not be able to deal with escrowed Shares for a period of up to 24 months. At the end of the escrow period, these Shares will be released from escrow at the same time, which may impact the Company's share price if relevant persons seek to trade their Shares at that time.

Limited operating history

An investment in Oventus should be evaluated in light of the risks and difficulties often encountered by emerging companies and particularly by such companies in a rapidly evolving and technologically advanced medical devices industry. As there is a limited operating history, there is low visibility and predictability of demand for products offered by Oventus within Australia and in any expansion to other countries.

Speculative nature of investment

Any potential investor should be aware that subscribing for Shares involves various risks. The Shares to be issued pursuant to the Offer carry no guarantees with respect to the payment of dividends, return of capital or market value. The success of the Company is dependent on regulatory processes in Australia and other countries, commercialisation of the O₂Vent™ range, and market adoption of those products. An investment in Oventus should therefore be considered speculative in nature.

6.3 GENERAL INVESTMENT RISKS

Share market investments

Before the Offer there has been no public market for the Shares. It is important to recognise that, once the Shares are quoted on ASX, their price might rise or fall and they might trade at prices below or above the Offer Price. There can also be no assurance that an active trading market will develop for the Shares.

Factors affecting the price at which the Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of many listed entities' securities are affected by factors that might be unrelated to the operating performance of the relevant company. Those fluctuations might adversely affect the price of the Shares.

General economic conditions

Oventus' operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, exchange rates, interest rates and government fiscal, monetary and regulatory policies. Prolonged deterioration in general economic conditions could be expected to have a corresponding adverse impact on the Company's operating and financial performance.

Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside the Directors' and Oventus' control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in Oventus' financial statements.

06. Risk factors

Taxation risks

Changes to the rate of taxes imposed on Oventus (including in overseas jurisdictions in which Oventus operates now or in the future) or tax legislation generally may affect Oventus and its Shareholders. If the research and development tax rebate is reduced or qualifying conditions are changed, this would have an adverse impact on the Company and may delay the commercialisation of its products. In addition, an interpretation of Australian taxation laws by the Australian Taxation Office that differs to Oventus' interpretation may lead to an increase in Oventus' taxation liabilities and a reduction in Shareholder returns.

Personal tax liabilities are the responsibility of each individual investor. Oventus is not responsible either for taxation or penalties incurred by investors.

No guarantee of dividend or capital return

The ability of Oventus to pay dividends in the future is dependent on many factors, and in particular the outcome of Oventus' product development, commercialisation and uptake of the O₂Vent™ range. This, together with a number of other factors, will impact on the Company's ability to pay a dividend or capital return. The Board cannot give any assurance regarding the payment of dividends or capital returns in the future.

Litigation

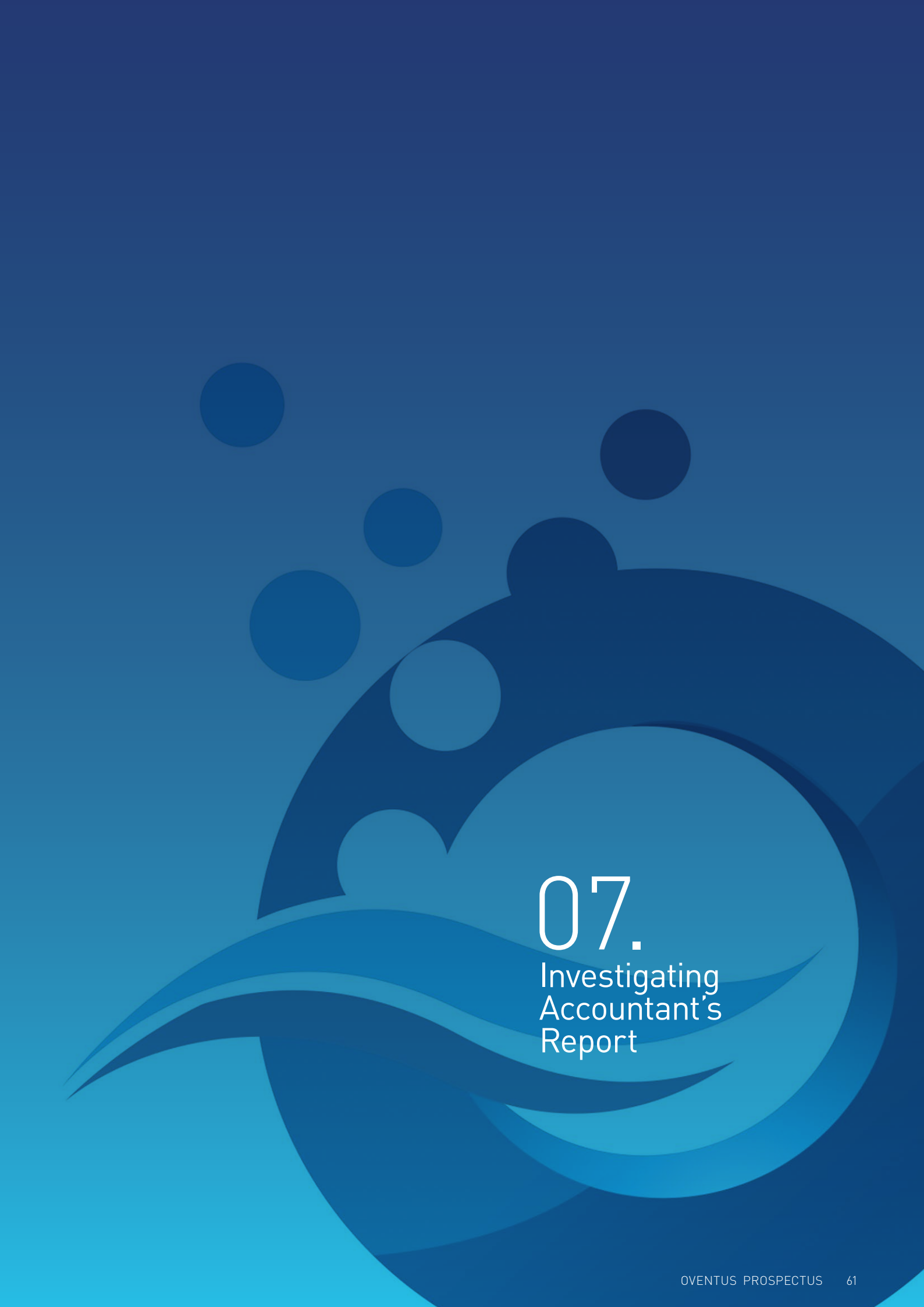
There is a risk that the Company may in future be the subject of or required to commence litigation. There is, however, no litigation currently underway or threatened.

6.4 CAUTIONARY STATEMENT

Statements contained in this Prospectus may be forward-looking statements.

Forward-looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis, including without limitation, based on the examination of historical operating trends, data contained in the Company's records and other data available from third parties. There can be no assurance, however, that their expectations, beliefs or projections will give the results projected in the forward-looking statements. Investors should not place undue reliance on these forward-looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward-looking statements are discussed earlier in this section.

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07.

Investigating
Accountant's
Report

07. Investigating Accountant's Report

PKF Hacketts



8 June 2016

Board of Directors
Oventus Medical Limited
c/- McCullough Robertson Lawyers
Level 11, 66 Eagle Street
BRISBANE QLD 4000

Dear Directors

INVESTIGATING ACCOUNTANT'S REPORT

INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION

Introduction

The directors of Oventus Medical Limited ("Oventus Medical" or "the Company") have engaged PKF Hacketts Audit ("PKF") to prepare an Independent Limited Assurance Report on the Financial Information as set out below for inclusion in the Prospectus to be dated on or about 8 June 2016 ("the Prospectus") relating to the issue of 24 million new fully paid ordinary shares in the Company to raise \$12m (the "Offer").

Expressions and terms defined in the Prospectus have the same meaning in this report, unless otherwise specified.

Scope

You have requested PKF to review the following Financial Information of Oventus Medical included in Section 5 of the Prospectus:

- Historical Financial Information consisting of:
 - the Historical Consolidated Statements of Financial Performance for the period from incorporation of Oventus Manufacturing Pty Ltd on 20 May 2013 to 30 June 2014 (FY14) and the year ended 30 June 2015 (FY15);
 - the Historical Consolidated Statement of Financial Performance of the Company for the half year ended 31 December 2015 (1HY16); and
 - the Historical Consolidated Balance Sheet as at 31 December 2015.
- Pro-forma Financial Information consisting of:
 - the Pro-forma Consolidated Balance Sheet as at 31 December 2015; and
 - selected notes to the Pro-forma Balance Sheet.

The Financial Information has been prepared in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, other mandatory professional reporting requirements in Australia, and the significant accounting policies summarized in Section 5.9 of the prospectus.

The Historical Consolidated Statements of Financial Performance for FY14 and FY15 have been based on the audited financial statements of Oventus Manufacturing. The financial statements for FY14 and FY15 were audited by Pitcher Partners Brisbane partnership in accordance with the Australian Auditing Standards. Unqualified audit opinions were issued on the financial reports for each of the above years.

PKF Hacketts Audit
ABN 33 873 151 348

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Liability limited by a scheme approved under Professional Standards Legislation. PKF International Limited administers a network of legally independent firms which carry on separate business under the PKF Name. PKF International Limited is not responsible for the acts or omissions of individual member firms of the network. For office locations visit www.pkf.com.au

The Historical Consolidated Statement of Financial Performance for 1HY16 and Historical Consolidated Balance Sheet as at 31 December 2015 have been based on the audited consolidated financial statements of the Company. The consolidated financial statements of the Company for 1HY16 were audited by PKF Hacketts Audit who issued an unqualified opinion.

The Pro-forma Consolidated Balance Sheet as at 31 December 2015 is based on the Historical Consolidated Balance Sheet as at 31 December 2015 adjusted to reflect pro forma adjustments as if they occurred on or before 31 December 2015 including:

- Receipt of proceeds from the Offer of \$12,000,000
- Payment of costs associated with the offer of \$892,000
- Repayment of \$601,982 loans from directors of the company

The Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Directors' Responsibility

The Directors of the Company are responsible for the preparation of the Financial Information, including the selection and determination of Pro-forma adjustments made to prepare the Pro-forma Financial Information and included in the Financial Information.

This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Financial Information that is free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements Involving Corporate Fundraisings and/ or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the Financial Information of Oventus Medical as described in Section 5 of the Prospectus is not presented fairly, in all material respects, in accordance with the stated basis of preparation as described in Section 5.2 of the Prospectus.

Prospective investors should be aware of the material risks and uncertainties in relation to an investment in the Company, which are detailed in the Prospectus. Accordingly, prospective investors should have regard to the investment risks as described in Section 6 of the Prospectus. We express no opinion as to the future financial performance of the Company.

07. Investigating Accountant's Report

PKF Hacketts



We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Information to which it relates, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of the Company, that all material information concerning the prospects and proposed operations of Oventus Medical have been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Restrictions on Use

Without modifying our conclusions, we draw attention to Section 5 of the Prospectus, which describes the purpose of the Financial Information, being for inclusion in the Prospectus. As a result, the Financial Information may not be suitable for use for another purpose.

Consent

PKF Hacketts Audit has consented to the inclusion of this Independent Limited Assurance Report in the Prospectus in the form and context in which it is included.

Liability

The liability of PKF Hacketts Audit is limited to the inclusion of this report in the Prospectus. PKF Hacketts Audit makes no representation regarding, and has no liability, for any other statements or other material in, or omission from the Prospectus.

Independence & Disclosure of Interest

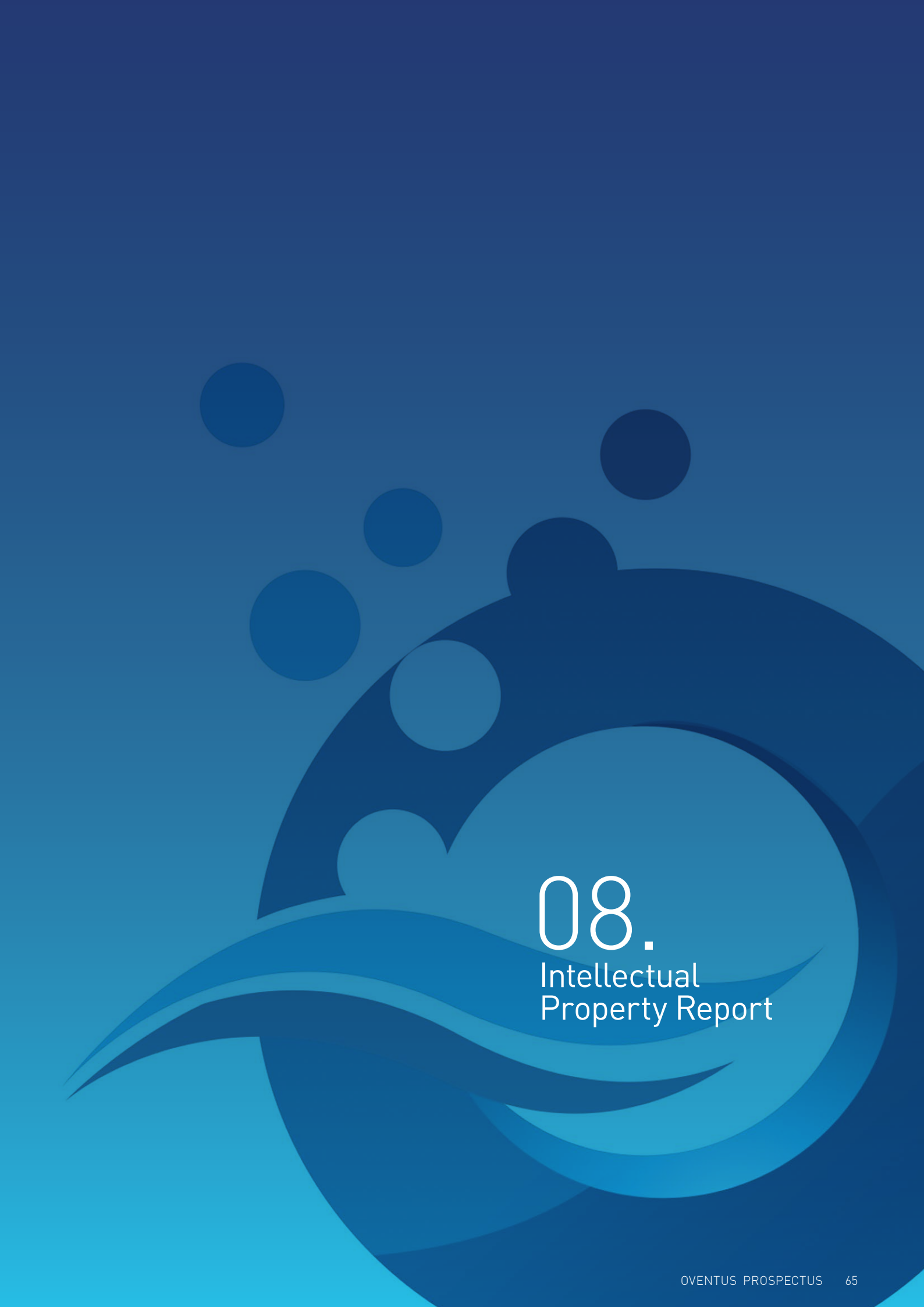
PKF Hacketts Audit does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. PKF Hacketts Audit will receive a professional fee for the preparation of this Independent Limited Assurance Report and participation in due diligence procedures.

Yours faithfully

PKF HACKETTS AUDIT

A handwritten signature in black ink, appearing to read 'Liam Murphy', is written over a horizontal line.

Liam Murphy
Partner

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller dark blue circle at the top right, and several other circles of varying sizes and shades of blue scattered across the upper half. A large, light blue wave-like shape curves across the bottom half of the page, partially overlapping the large circle on the right.

08.

Intellectual Property Report

08. Intellectual Property Report

Via E-mail Only
chris@oventus.com.au

1 June 2016

Oventus Medical Limited
Level 11, 66 Eagle Street
Brisbane QLD 4000
Australia

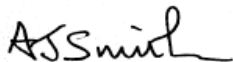
DCC Ref: 35235929/AJS/STP
Re: Oventus Medical Limited
IP Report

Dear Sirs,

As requested we are providing an attached intellectual property (IP) report on behalf of Oventus Medical Limited ("**Oventus**").

This report has been prepared by Davies Collision Cave for inclusion in a prospectus to be issued by Oventus, and Davies Collision Cave provides permission for the report to be used in this regard.

Yours sincerely,
DAVIES COLLISION CAVE



Alistair Smith
Partner
asmith@davies.com.au



**Patent and Trade Mark Attorneys
Australia and New Zealand**

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In association with
Davies Collision Cave Law

AUSTRALIA
NEW ZEALAND
SINGAPORE
ASIA PACIFIC

IP Report – Oventus Medical Limited

About Davies Collison Cave

Davies Collison Cave is one of Australia's leading intellectual property firms. It specialises in providing advice relating to protecting and enforcing intellectual property rights. Davies Collison Cave has over 250 employees and can trace its history back more than 130 years, making it one of Australia's longest established IP firms.

The services provided by Davies Collison Cave covers aspects of IP including patents, registered designs, trade marks, copyright and plant breeders' rights, and is provided by attorneys possessing a diverse range of technical skills in areas including chemistry and materials, clean energy, engineering, physics and electronics, information technology, life sciences, pharmaceuticals, medical devices, nanotechnology and plant innovation.

Intellectual Property Overview

Intellectual property is a collective term used to refer to a number of different rights including patents, registered designs, trade marks, copyright and trade secrets.

Davies Collison Cave is currently engaged to manage patent related matters on behalf of Oventus and accordingly this report will focus on patent rights only.

Patents

A patent is a legally enforceable and exclusive right to commercially exploit an invention for a defined period of time in a particular territory.

In Australia, where the invention is a product, exploitation includes making, hiring, selling or otherwise disposing of the product, or offering to make, sell, hire or otherwise dispose of the product, using or importing the product, or keeping the product for the purpose of doing any of those things. For a method or process, exploitation includes using the method or process or exploiting a product resulting from performing the method or process. Other territories have their own laws regarding the rights afforded by a granted patent, and advice should be sought on a country by country basis if further information is required.

A patent is granted for inventions that meet defined criteria. Each territory in the world has its own patent laws and different countries therefore generally have different criteria, and hence make their own assessment as to the patentability of an invention. In general, the requirements include that the claimed invention is novel, involves an inventive step and meets subject matter eligibility requirements.

Patent Application Process

In order to obtain patent protection, it is ultimately necessary for an application to be filed with a Patent Office in each country where protection is to be sought. However, International conventions exist that enable applications to be initially filed in a single country, with subsequent applications being filed individually in each country within a defined time limit.

For example, the Paris Convention provides a mechanism that allows patent applications to be filed to cover additional countries within 12 months of the date of lodging a first patent application in Australia. Thus, one or more provisional patent applications can be filed in Australia, and then subsequent applications can be filed covering other countries within 12 months of the earliest provisional application, in a process known as claiming priority.

The subsequent applications can be separate applications in each country of interest. Alternatively, a single International Patent Cooperation Treaty (PCT) application can be filed covering a number of contracting states. The PCT application does not ultimately

08. Intellectual Property Report

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1 June 2016

get granted as a patent, but rather allows the filing of national patent applications in individual countries to be deferred up to a set date, typically 30 months from the filing date of the first patent application, such as the first provisional patent application.

Once filed, the International (PCT) application undergoes an assessment process, in which a designated patent office performs a search and issues an International Search Report and associated International Search Opinion, providing a preliminary view on whether the patent application meets novelty, inventive step and industrial applicability requirements. Responses to the International Search Opinion can be optionally filed during a subsequent examination process, before an International Preliminary Report on Patentability issues, providing an opinion of patentability.

It should be noted however that the outcome of this process is not binding and subsequent assessment is typically performed by patent offices in each country, after individual national patent applications have been filed. In this regard, each country will typically perform an independent search, and then assess whether the patent application meets the patentability requirements, additionally taking into account their own local law.

Whilst most countries require a local patent application to be filed, in some cases regional patent applications can be filed covering a group of individual countries. For example, a European patent application can be filed, which can allow subsequent patents to be granted in up to 38 countries.

Assuming any objections are overcome, the patent application can then be granted allowing this to be subsequently enforced to prevent third parties exploiting the invention.

Oventus Patent Portfolio

Details of patent applications owned by Oventus Medical Limited are provided in the Patent Schedule below.

The information has been prepared based on our records and information supplied by Patent Offices in relevant jurisdictions through publication on official Patent Office databases. The Firm cannot take responsibility for missing or erroneous data that is provided by Patent Office databases.

In summary, the patent applications form four families of related applications.

Family 1

This family includes pending national applications in Australia, Europe and the US, which based on PCT/AU2012/000565 filed on 18 May 2012 and which in turn claim priority from an Australian provisional patent application AU2011901952 filed on 19 May 2011.

The Australian application has recently been accepted by the Australian Patent Office, and publication of the Notice of Acceptance occurred on 31 March 2016.

Family 2

The second family is currently pending as a PCT International application PCT/AU2015/050144, which was filed on 31 March 2015, claiming priority from three Australian provisional applications, namely AU2014901181 filed on 1 April 2014, AU2014901655 filed on 6 May 2014 and AU2014903083 filed on 8 August 2014.

Family 3

The third family includes two pending Australian provisional applications, namely AU2015903079 and AU2015904963 filed on 3 August 2015 and 30 November 2015, respectively, each of which is currently pending.

Family 4

The fourth family includes a single pending Australian provisional application, namely AU2016901171 filed on 30 March 2016, which is currently pending.

A summary of families 1 and 2 is set out below, based on the abstract of the International application of these families.

PCT/AU2012/000565

PCT/AU2012/000565 relates to apparatus for providing breathing assistance, the apparatus including a body including a recess for receiving teeth of a user to thereby position the body within an oral cavity of the user, a first opening extending beyond lips of a user to allow air from outside the oral cavity to be drawn in through the opening, a second opening provided in the oral cavity to allow air to be directed into a posterior region of the oral cavity and a channel connecting the first and second openings, the channel extending through at least part of a buccal sulcus of the user.

PCT/AU2015/050144

PCT/AU2015/050144 relates to apparatus for providing breathing assistance, the apparatus including a body for positioning within an oral cavity of a user, the body defining at least one first opening for allowing airflow between lips of the user, two second openings provided in the oral cavity to allow air flow into and out of a posterior region of the oral cavity and two channels, each channel connecting a respective second opening to the at least one first opening and each channel passing at least one of at least partially along the buccal cavity and at least partially between the teeth to thereby provide an airway for the user, the airway at least partially bypassing the nasal passage and acting to replicate a healthy nasal passage and pharyngeal space.

08. Intellectual Property Report

PATENT SCHEDULE OVENTUS PTY LTD PATENT PORTFOLIO MAY 2016

Family 1

JURISDICTION	APPLICATION NUMBER	FILING DATE	REGISTERED OWNER
Australia	2012255625	18 May 2012	Oventus Medical Limited
Europe	12785448.7	18 May 2012	Oventus Medical Limited
United States of America	14/118416	18 May 2012	Oventus Medical Limited

Family 2

JURISDICTION	APPLICATION NUMBER	FILING DATE	REGISTERED OWNER
PCT	PCT/AU2015/050144	31 March 2015	Oventus Medical Limited

Family 3

JURISDICTION	APPLICATION NUMBER	FILING DATE	REGISTERED OWNER
Australia	2015903079	3 August 2015	Oventus Medical Limited
Australia	2015904963	30 November 2015	Oventus Medical Limited

Family 4

JURISDICTION	APPLICATION NUMBER	FILING DATE	REGISTERED OWNER
Australia	2016901171	30 March 2016	Oventus Medical Limited

Limitations

Patent Office Information

The schedule has been prepared based on information supplied by patent offices in relevant jurisdictions, either through official communications or through publication on official patent office databases. We cannot take responsibility for missing or erroneous data that is provided by the patent office databases and as such Davies Collison Cave is not responsible for the accuracy of the information provided.

Scope of Patents

Davies Collison Cave can provide no assurance that any of the patent applications listed in the Schedule will result in the grant of a patent, or that the scope of protection provided by any patent that is granted will be identical to the scope of the claims in an application as originally filed.

Validity of Patents

It is important to understand that granting of a patent is not a guarantee of validity and patents can be held subsequently unenforceable, for example during court proceedings or third party oppositions in some jurisdictions. Davies Collison Cave can provide no assurance as to the validity of the patent applications or any patent granted based thereon.

Commercial Activities

We can provide no assurance that any patents granted on the patent applications listed in the Schedule, even if valid, will cover the commercial activities of the Oventus companies, or that exploitation of the inventions described and claimed in the patent applications listed in the Schedule, or any patents granted thereon, will not infringe any rights held by third parties.

It is important to understand that granting of a patent provides a monopoly right to prevent exploitation of the invention by third parties, but provides no guarantee that the invention can be commercialised without infringing other third party rights. Davies Collison Cave can therefore provide no assurances as to the freedom to operate of Oventus in respect to their commercial activities.

Patent Searches

Searches may be conducted in respect of patent applications to ascertain their validity or to identify other third party patent rights. No search can provide completely comprehensive results and it is not possible to guarantee the accuracy of any such results, conducted by any parties, due to a range of limitations. Davies Collison Cave cannot therefore provide assurances as to the accuracy of any searches that may have been performed.

Limitations of searches include:

1. It is possible that a relevant patent publication will not be located. One possible reason is that inaccuracies or omissions in the patent office or commercial database records exist. The accuracy of the information contained in a database depends upon the integrity of the database and the data extraction service used. Whilst commercial databases generally have a reasonable standard of accuracy, they are nonetheless secondary sources of information and may contain errors which are impossible to identify without cross checking against the records of the relevant national patent office. There can also be a significant delay before the information in a particular commercial database is updated following a change in the records of a national patent office database.

08. Intellectual Property Report

- 7 -

1 June 2016

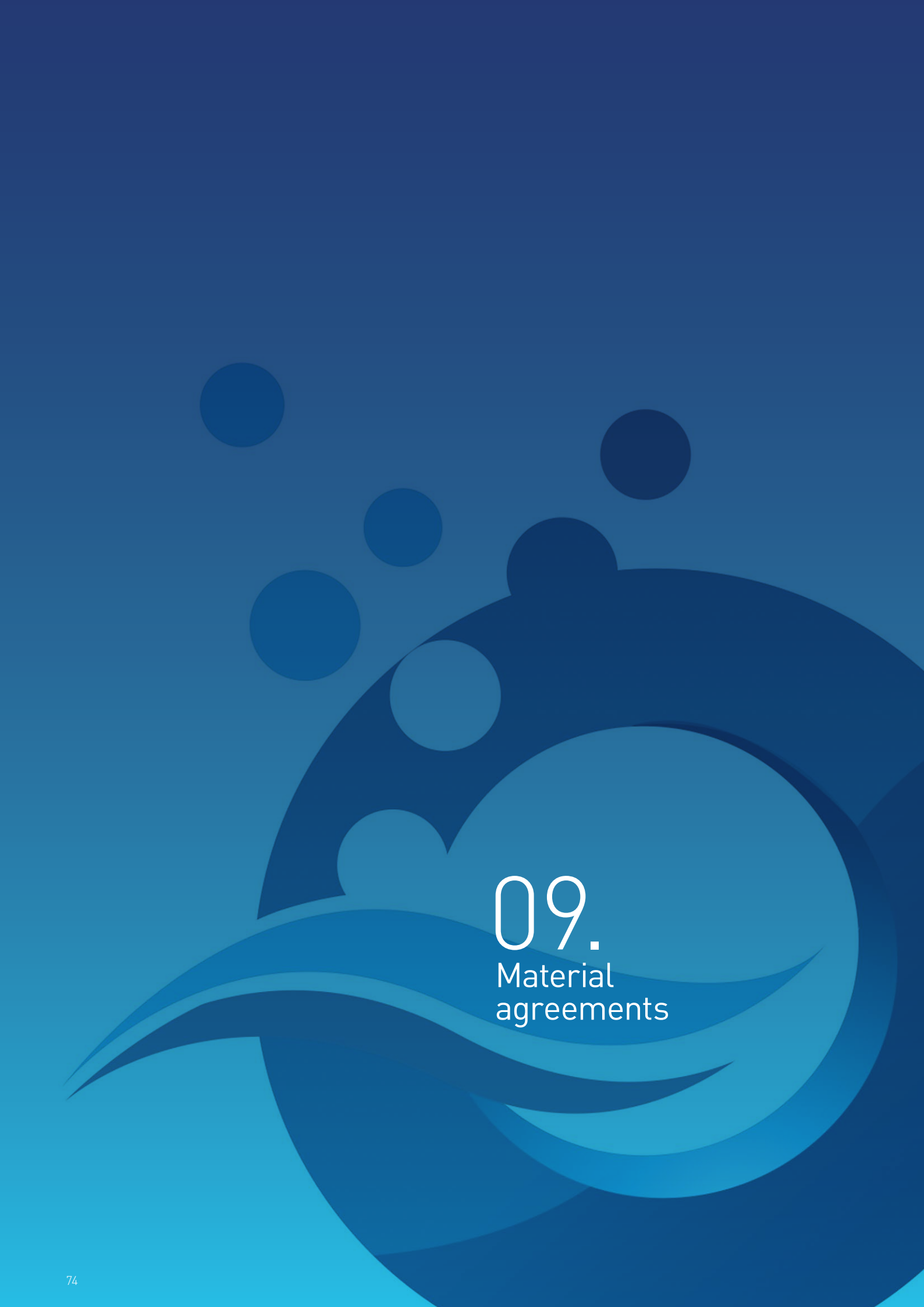
2. In conducting a patent publication search, often patent classification codes such as the International Patent Classification codes are searched. Although classification codes are highly useful in locating relevant publications, certain limitations do exist. Accurate classification searching relies heavily on both the selection of the codes to be searched and whether each patent document has been properly and consistently classified by the patent office. Also, classification of the technology in a patent document is open to interpretation and different codes can be applied to the same document by different patent offices. Sometimes, a patent document can be completely misclassified. A patent document can also be only assigned an incomplete class code or have no code at all. It is possible, therefore, that potentially relevant documents may not be located because of such incomplete classification or misclassification of patent documents.
3. Patent publication searching can involve keyword searching and there are many limitations associated with keyword based searches. Keyword searching is possible by the conversion of text into a machine searchable form through the use of optical recognition software. Thus, relevant publications may not be located due to the errors and limitations arising from the conversion process. A keyword search may also not retrieve a relevant document if the keyword being searched is in a particular section of a patent specification (for example, the description), but that particular section of the document cannot be searched due to database limitations or for other reasons. Additionally, some commercial database only enable full text Latin based searching of patent publications, including the claims, from a select number of jurisdictions. Thus, a full text based search can only be conducted for these available patent publications. For patent publications from other countries, only the title or abstract will be searched if available.

Searching for patent publications containing phrases or keywords in the English language will not retrieve potentially relevant publications that are in a language other than English. Also, a keyword search may not find records within which the keyword sought is misspelled in the original document. Only documents that include the exact combination of keywords or truncations thereof will be retrieved using this approach. It is therefore quite possible for potentially relevant publications to be in existence that do not include the keywords searched.

4. Unpublished patent applications are unlikely to be located when searching either a patent office database or a commercial patent database. In most countries, a patent application is not published until 18 months has elapsed from its earliest priority date or filing date, depending upon the patent laws of the particular jurisdiction. In New Zealand, a patent application arising from a PCT application is not published until after 18 months has elapsed from the earliest priority date. New Zealand patent applications not arising from a PCT application and filed before 13 September 2014 are not published until grant. In contrast, Australian patent applications are normally published after 18 months has elapsed from the earliest priority date. Also, the publication of some patent applications relating to particular fields of technology may be the subject of an order prohibiting the publication of the invention. At the expiry of this period or order, the patent specifications are published and copies are placed in publicly accessible records. However, there is always a delay in including the information in the publicly accessible records and there can be a further delay before the commercial patent databases are updated to include the information.
5. A name search involves keyword searching and such searching is possible by the conversion of text into a machine searchable form through the use of optical recognition software. Thus, relevant publications may not be located due to the

errors and limitations arising from the conversion process. Further, a name search may not find records within which the name sought is misspelled in the original document. The name search will also not find records for which no applicant/patentee information is available. Only documents that include the exact combination of keywords or truncations thereof will be retrieved using this approach. It is therefore quite possible for potentially relevant publications to be in existence that do not include the names searched.

6. Searching for, or according to, status information concerning patent applications is heavily reliant on the accuracy of the patent office records. We cannot take responsibility for missing or erroneous data that is provided by the patent office databases.

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller dark blue circle at the top right, and several other circles of varying sizes and shades of blue scattered across the upper half. In the lower half, there are stylized, overlapping waves in shades of blue, creating a sense of movement and depth.

09.

Material
agreements

09. Material agreements

9.1 KEY DOCUMENTS

The Board considers that certain agreements relating to Oventus are significant to the Offer, the operations of Oventus or may be relevant to investors. A description of material agreements or arrangements, together with a summary of the more important details of each of these agreements is set out below.

9.2 CONSTITUTION

Below is a summary of the key provisions of Oventus' Constitution. This summary is not exhaustive, nor does it constitute a definitive statement of a Shareholder's rights and obligations.

Shares

The Directors are entitled to issue and cancel Shares in the capital of Oventus, grant options over unissued shares and settle the manner in which fractions of a Share are to be dealt with. The Directors may decide the persons to whom, and the terms on which, Shares are issued or options are granted as well as the rights and restrictions that attach to those Shares or options.

The Constitution also permits the issue of preference shares on terms determined by the Directors.

Oventus may also sell a Share that is part of an unmarketable parcel of shares under the procedure set out in the Constitution.

Variation of class rights

The rights attached to any class of Shares may, unless their terms of issue state otherwise, only be varied with the consent in writing of members holding at least three-quarters of the Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of Shares of that class.

Restricted securities

If the ASX classifies any of Oventus' share capital as restricted securities, then the restricted securities must not be disposed of during the escrow period and Oventus must refuse to acknowledge a disposal of the restricted securities during the escrow period, except as permitted under the Listing Rules or by the ASX.

Share certificates

Subject to the requirements of the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules, Oventus need not issue share certificates if the Directors so decide.

Calls

The Directors may, from time to time, call upon Shareholders for unpaid monies on their shares. The Directors must give Shareholders notice of a call at least 30 business days before the amount called is due, specifying the time and place of payment. If a call is made, Shareholders are liable to pay the amount of each call by the time and at the place specified.

A call is taken to have been made when a Directors' resolution passing the call is made or on any later date fixed by the Board. A call may be revoked or postponed at the discretion of the Directors.

Forfeiture and lien

Oventus may forfeit shares to cover any call, or other amount payable in respect of shares, which remains unpaid following any notice to that effect sent to a Shareholder. Forfeited Shares become the property of Oventus and the Directors may sell, reissue or otherwise dispose of the Shares as they think fit.

A person whose shares have been forfeited may still be required to pay Oventus all calls and other amounts owing in respect of the forfeited Shares (including interest) if the Directors so determine.

Oventus has a first and paramount lien for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a Shareholder's Shares. The lien extends to all distributions relating to the Shares, including dividends.

Oventus' lien over Shares will be released if it registers a transfer of the Shares without giving the transferee notice of its claim.

09. Material agreements

Share transfers

Shares may be transferred by any method permitted by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules or by a written transfer in any usual form or in any other form approved by the Directors. The Directors may refuse to register a transfer of Shares where it is not in registrable form. Oventus has a lien over any of the Shares to be transferred or where it is permitted to do so by the Listing Rules or the ASX Settlement Operating Rules.

General meetings

Each Shareholder, Director and auditor is entitled to receive notice of and attend any general meeting of Oventus. Two Shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a chair and the adjournment of the meeting, unless a quorum is present when the meeting proceeds to business.

Voting rights

Subject to any rights or restrictions attached to any Shares or class of shares, on a show of hands each Shareholder present has one vote and, on a poll, one vote for each fully paid share held, and for each partly paid share, a fraction of a vote equivalent to the proportion to which the share has been paid up. Voting may be in person or by proxy, attorney or representative.

Remuneration of Directors

Each Director is entitled to remuneration from Oventus for his or her services as decided by the Directors but the total amount provided to all Directors for their services as Directors must not exceed in aggregate in any financial year the amount fixed by Oventus in general meeting. The remuneration of a Director must not include a commission on, or a percentage of, profits or operating revenue.

Remuneration may be provided in the manner that the Directors decide, including by way of non-cash benefits. There is also provision for Directors to be paid extra remuneration (as determined by the Directors) if they devote special attention to the business of Oventus or otherwise perform services which are regarded as being outside of their ordinary duties as Directors or, at the request of the Directors, engage in any journey on Oventus' business.

Directors are also entitled to be paid all travelling and other expenses they incur in attending to Oventus' affairs, including attending and returning from general meetings or Board meetings, or meetings of any committee engaged in Oventus' business.

Interests of Directors

A Director who has a material personal interest in a matter that is being considered by the Board must not be present at a meeting while the matter is being considered nor vote on the matter, unless the Corporations Act allows otherwise.

Election and retirement of Directors

There must be a minimum of three Directors and a maximum of 12 Directors unless Oventus in general meeting resolves otherwise.

Where required by the Corporations Act or Listing Rules, Oventus must hold an election of directors each year. No Director, other than the managing Director, may hold office without re-election beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected. A Director appointed to fill a casual vacancy, who is not a managing Director, holds office until the conclusion of the next annual general meeting following his or her appointment. If there would otherwise not be a vacancy, and no Director is required to retire, then the Director who has been longest in office since last being elected must retire.

If a number of Directors were elected on the same day, the Director to retire is (in default of agreement between them) determined by ballot.

Dividends

If the Directors determine that a final or interim dividend is payable, it is (subject to the terms of issue on any Shares or class of Shares) paid on all shares proportionate to the amount for the time being paid on each Share. Dividends may be paid by cash, electronic transfer or any other method as the Board determines.

The Directors have the power to capitalise and distribute the whole or part of the amount from time to time standing to the credit of any reserve account or otherwise available for distribution to Shareholders. The capitalisation and distribution must be in the same proportions which the Shareholders would be entitled to receive if distributed by way of a dividend.

Subject to the Listing Rules, the Directors may pay a dividend out of any fund or reserve or out of profits derived from any source.

Proportional takeover bids

Oventus may prohibit registration of transfers purporting to accept an offer made under a proportionate takeover bid unless a resolution of Oventus has been passed approving the proportional takeover bid under the provisions of the Constitution.

The rules in the Constitution relating to proportional takeover bids cease on the third anniversary of the adoption of the Constitution, or the renewal of the rules, unless renewed by a special resolution of Shareholders.

Indemnities and insurance

Oventus must indemnify current and past Directors and other executive officers (**Officers**) of Oventus on a full indemnity basis and to the fullest extent permitted by law against all liabilities incurred by the Officer as a result of their holding office in Oventus or a related body corporate.

Oventus may also, to the extent permitted by law, purchase and maintain insurance, or pay or agree to pay a premium for insurance, for each Officer against any liability incurred by the Officer as a result of their holding office in Oventus or a related body corporate.

9.3 UNDERWRITING AGREEMENT

Oventus and the Lead Manager and Underwriter have entered into the Underwriting Agreement. In accordance with the terms of the Underwriting Agreement, the Lead Manager and Underwriter has agreed to manage the Offer and to underwrite the application for new Shares under the Offer by subscribing for any Shares the subject of the Offer for which valid applications are not received. The Lead Manager and Underwriter may also appoint sub-underwriters.

Fees and costs

Oventus must pay the Lead Manager and Underwriter a fee of 5% (comprising an underwriting fee of 4% and a management fee of 1%) of the underwritten Offer proceeds of \$12,000,000 million, as well as a one-off fee of \$15,000.

In addition to the fees described above, Oventus has agreed to pay the Lead Manager and Underwriter for reasonable out of pocket expenses (including legal fees) in relation to the Offer.

Termination

As is normal for agreements of this nature, the Lead Manager and Underwriter may terminate its obligations under the Underwriting Agreement if certain events occur before the Shares are issued (**Unqualified Termination Events**). In respect of the occurrence of certain other events, the Lead Manager and Underwriter's ability to terminate is limited to circumstances in which the Lead Manager and Underwriter is of the opinion that the event has had or could be expected to have a material adverse effect on certain factors including (but not limited to) the financial condition of Oventus, the ability of the Lead Manager and Underwriter to market or promote the Offer or the price or likely price at which the Shares are likely to trade on ASX (**Qualified Termination Events**).

09. Material agreements

The Unqualified Termination Events include (but are not limited to):

- (a) **(index fall)** the S&P/ASX All Ordinary Index published by ASX falls to a level that is 90% or less of the level as at the close of trading on the date of the agreement and is at or below that 90% level at the close of trading:
 - (i) for two consecutive business days during any time during the Offer period; or
 - (ii) on the business day immediately prior to the settlement date of the Offer;
- (b) **(supplementary prospectus)** a supplementary prospectus is required to be lodged with ASIC because of the operation of Section 719(1) Corporations Act;
- (c) **(material adverse change)** a material adverse change, or any development involving a prospective material adverse change, occurs in relation to Oventus and its related bodies corporate in the reasonable opinion of the Lead Manager and Underwriter, including a change that could result in the success of the Offer being affected to a material degree;
- (d) **(offer documents)** an Offer Document (defined in the Underwriting Agreement to mean any documents issued or published by or on behalf of the Company in respect of the Offer, including the Prospectus, the Application Form, any supplementary prospectus, any written materials that are presented or provided to prospective investors (including roadshow presentations) and any Publication (defined in the Underwriting Agreement to include media statements, announcements and other similar materials)) contains a statement which is misleading or deceptive (whether by inclusion or omission);
- (e) **(material contracts)** any contract, deed or other agreement which is material to the business of Oventus, is terminated or breached or ceases to have effect;
- (f) **(timetable)** any event specified in the Offer timetable is delayed for more than two business days without the prior written approval of the Lead Manager and Underwriter; and
- (g) **(insolvency)** Oventus or any of its related bodies corporate becomes insolvent.

The Qualified Termination Events include (but are not limited to):

- (a) **(hostilities)** in respect of any one or more of Australia, the United States of America, any member state of the European Union or the People's Republic of China:
 - (i) hostilities not presently existing commence,
 - (ii) a major escalation in existing hostilities occurs, or
 - (iii) a terrorist act is perpetrated;
- (b) **(material adverse change in financial markets)** any of the following occurs:
 - (i) any material adverse change or disruption to the political conditions or financial markets of Australia, the United Kingdom or the United States of America, or a general moratorium on commercial banking activities is declared in those countries; or
 - (ii) trading on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading;
- (c) **(failure to comply)** Oventus fails to comply with a provision of its constitution, any statute or the Listing Rules;
- (d) **(change in law)** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia or any State or Territory of Australia adopts or announces a proposal to adopt a new policy; and
- (e) **(legal proceedings)** the commencement of legal proceedings against Oventus or any Director or any regulatory inquiry or public action against a Director or announcement that such action may be taken.

Representations, warranties and undertakings

The Underwriting Agreement contains various representations and warranties made by Oventus and the Lead Manager and Underwriter, which are customary in such an agreement. Oventus also provides certain undertakings under the Underwriting Agreement regarding the conduct of Oventus prior to, and for limited periods of time following, the Shares being issued.

Indemnity

Oventus agrees to indemnify the Lead Manager and Underwriter, each of its related bodies corporate and affiliates and each of its officers, directors, employees, representatives, agents and advisers, against all losses, liabilities, claims, damages, costs, charges and expenses whatsoever (including reasonable legal costs on a full indemnity basis) incurred or suffered directly or indirectly arising out of or in connection with the Offer or the Underwriting Agreement, other than losses caused directly by the gross negligence, recklessness, wilful misconduct or fraud of any indemnified party or the Lead Manager and Underwriter, except to the extent that the breach is caused or contributed to by Oventus, its related bodies corporate or their directors, officers, advisers, agents or employees.

9.4 TERMS AND CONDITIONS WITH DENTAL CLINICIANS

Oventus enters into arrangements with dental clinicians for the supply of its product on a 'per order' basis. The clinicians then fit the device to their patients. These arrangements are subject to standard terms and conditions, which impose obligations on clinicians to ensure Oventus' devices are fitted to patients adequately, and in compliance with any regulatory requirements imposed on the applicable clinician. The terms also include intellectual property protections and confidentiality provisions in favour of Oventus, as well as standard warranties, representations and indemnities given by clinicians in favour of Oventus.

These arrangements are also in place between the Company and Breathing Assist Solutions (see section 11.9).

This is a summary only and the provisions of the terms and conditions are not fully described. To fully understand all rights and obligations pertaining to the terms and conditions Oventus has with its clinicians, it would be necessary to read them in full.

9.5 RESEARCH AGREEMENTS WITH CSIRO

Oventus Manufacturing has entered into numerous agreements with the Commonwealth Scientific and Industrial Research Organisation (**CSIRO**), pursuant to which the parties work together in respect of:

- (a) the development of software and design options for 3D printing of Oventus' appliances and associated research; and
- (b) investigating the viability of improved manufacturing technologies in Oventus' product development and manufacturing plans.

All intellectual property developed by the parties pursuant to the activities governed by the terms of these agreements (other than some specific legacy software belonging to CSIRO) is owned by the Company.

9.6 PURCHASE AGREEMENT FOR 3D PRINTER

Oventus Manufacturing recently entered into a purchase agreement for the supply of an Arcam AB Q10 3D printer and associated equipment required to print the oral devices. The agreement includes a one year warranty that is available to Oventus Manufacturing for all repairs and replacement parts to the 3D printer in the event that they are required, subject to some standard exclusions.

The printer has been provided to Oventus Manufacturing and is fully operational. All costs associated with the purchase of the printer and associated equipment have been paid in full by Oventus.

9.7 SERVICES AGREEMENTS

Oventus Manufacturing is party to a number of material service agreements for the provision of services including:

- (a) usual consulting services;
- (b) input into the design and testing of Oventus appliances, preparation of the product designs and arrangements for the manufacturing of its appliances; and
- (c) investigations into the use of polymer 3D printing of inserts of Oventus' appliances.

The agreements each contain standard intellectual property protections in favour of Oventus Manufacturing, and ensure that any intellectual property that comes into existence as a result of the performance of those agreements belongs to Oventus Manufacturing. Each of the service agreements also include basic warranties and indemnities in favour of Oventus Manufacturing.

09. Material agreements

This is a summary only and the provisions of each contract are not fully described. To fully understand all rights and obligations pertaining to the service agreements, it would be necessary to read them in full.

9.8 LOAN FACILITY AGREEMENT BETWEEN OVENTUS MANUFACTURING AND CHRIS HART

A description of the loan facility agreement between Oventus Manufacturing and Chris Hart is set out at sections 5.5 and 11.9.

9.9 ESCROW ARRANGEMENTS

Certain Existing Shareholders have been asked to enter into both mandatory restriction deeds (to comply with requirements under the Listing Rules) and voluntary restriction deeds with the Company, restricting them from dealing in the Shares held by them at the date of this Prospectus.

39,061,024 Shares (which represent 54.25% of the Shares on issue following completion of the Offer) are subject to mandatory escrow for 24 months from the date of Oventus' listing on the ASX (in respect of founders) and until 3 December 2016 (in respect of other Shareholders). 8,938,976 Shares (which will represent 12.42% of the Shares on issue following completion of the Offer) are subject to voluntary escrow until 1 March 2017.

All Shares held by directors are subject to mandatory or voluntary escrow.

The restriction deeds are in a form consistent with the Listing Rules and restrict applicable Existing Shareholders from disposing of, creating any security interest in, or transferring effective ownership or control of, the restricted Shares.

9.10 EXECUTIVE SERVICE CONTRACTS

The Company has entered into executive service agreements with key executives, which contain standard terms and conditions for agreements of this nature, including confidentiality, restraint on competition and retention of intellectual property provisions. The agreements are expressed to cover periods specific to individual appointments, but may generally be terminated by notice by either party, or earlier in the event of certain breaches of the terms and conditions.

Dr Chris Hart, as the Clinical Director, will be paid a total salary of \$280,000. In addition, a bonus payment (capped at \$80,000) may be payable, subject to performance hurdles being satisfied.

Neil Anderson, as the Company's Chief Executive Officer and Managing Director, will be paid a total salary of \$280,000. In addition, a bonus payment (capped at \$80,000) may be payable, subject to performance hurdles being satisfied.

Elise Hogan, as the Company's Vice President of Global Sales, Marketing and Commercialisation, will be paid a total salary of \$330,000. In addition, a bonus payment (capped at \$80,000) may be payable, subject to performance hurdles being satisfied.

Each executive is also eligible to participate in the Company's ESOP.

Details of fees payable to the Directors are set out in section 11.10.

9.11 DEEDS OF INDEMNITY AND ACCESS

The Company has entered into standard deeds of indemnity and access with the Directors.

The Company has undertaken, consistent with the Corporations Act, to indemnify each Director in certain circumstances and to maintain directors' and officers' insurance cover in favour of the Director for seven years after the Director ceases to be a Director.

The Company has further undertaken with each Director to maintain a complete set of the Company's board papers and to make them available to the Director for seven years after the Director ceases to be a Director.

In addition, Oventus may enter into standard deeds of access, insurance and indemnity, on similar terms to those offered to the Directors, with appropriate executives of the Company.

9.12 EXECUTIVE SHARE OPTION PLAN (ESOP)

Eligibility criteria

The ESOP will be open to eligible participants (including full-time and part-time employees, executives, Directors and consultants) of the Company or any of its subsidiaries who the Board designates as being eligible.

Grant of options

All options are to be offered to participants for no consideration. The offer must be in writing and specify, amongst other things, the number of options for which the participants may apply, the period within which the options may be exercised and any conditions to be satisfied before exercise, the option expiry date (as determined by the Board) and the exercise price for the options.

Exercise

The options may be exercised, subject to any exercise conditions, by the participant giving a signed notice to the Company and paying the exercise price in full. The Company will apply for official quotation of any Shares issued on exercise of any options.

Lapse

The options shall lapse upon the earlier of the date specified by the Board or events contained in the ESOP rules in certain circumstances.

Rights of participants

Once Shares are allotted upon exercise of the options, the participant will hold the Shares free of restrictions. The Shares will rank for dividends declared on or after the date of issue but will carry no right to receive any dividend before the date of issue.

Should the Company undergo a reorganisation or reconstruction of capital or any other such change, the terms of the options will be correspondingly changed to the extent necessary to comply with the Listing Rules. In the event of a change of control, the Board shall have discretion to deal with the options, including allowing accelerated vesting or the issue of options in the substituted corporation. A holder of options is not entitled to participate in a new issue of Shares or other securities made by the Company to Shareholders merely because he or she holds options.

Quotation

The Company will not apply for the official quotation of options on the ASX, but the Company must apply for official quotation of any Shares issued.

Assignment

The options are not transferable or assignable without the prior written approval of the Board.

Administration

The ESOP will be administered by the Board which has an absolute discretion to determine appropriate procedures for its administration and resolve questions of fact or interpretation and formulate special terms and conditions (subject to the Listing Rules) in addition to those set out in the ESOP.

Termination and amendment

The ESOP may be terminated or suspended at any time by the Board. The ESOP may be amended at any time by the Board except where the amendment reduces the rights of the holders of options.

Outstanding options

Further details on the options issued pursuant to the ESOP are set out in sections 11.3 and 11.8.

09. Material agreements

9.13 LEASES

Oventus Manufacturing is a party to each of the leases set out below.

The leases contain standard form terms and conditions under which Oventus Manufacturing is required to pay outgoings in addition to rental fees, which are subject to rental review on a predetermined basis. The leases may be terminated earlier in the event of default of Oventus Manufacturing, such as failure to pay rent in accordance with the terms, certain insolvency events or if Oventus Manufacturing fails to meet its obligations under the leases.

ENTITY	LOCATION	COMMENCEMENT DATE	EXPIRY DATE	OPTION TO RENEW	COMMENTS
Oventus Manufacturing	Taringa, Brisbane	1 November 2015	31 October 2018	Nil	Secured by a \$69,093 bank guarantee with Commonwealth Bank of Australia Limited
Oventus Manufacturing	St Leonards, Sydney	1 December 2015	30 November 2017	1 × 2 years	Nil

Oventus is also party to a licencing agreement with CSIRO for the use of property (including the housing of Oventus' 3D printer). The licence is for a period of two years, with licence and service fees payable monthly in advance. Contingent provisions within the licence agreement require that the licence and services fees shall be increased by the consumer price index (CPI) per annum.

9.14 INTELLECTUAL PROPERTY

The Company currently has the following intellectual property protections in place:

Patents granted

JURISDICTION	APPLICATION NUMBER	OWNER	FILING DATE	STATUS
Australia	2012255625	Oventus Medical Limited	18 May 2012	Accepted

Patents pending

JURISDICTION	APPLICATION NUMBER	OWNER	FILING DATE	STATUS
Australia	2015903079	Oventus Medical Limited	3 August 2015	Filed
Australia	2015904963	Oventus Medical Limited	30 November 2015	Filed
Australia	2016901171	Oventus Medical Limited	30 March 2016	Filed
Europe	12785448.7	Oventus Medical Limited	18 May 2012	Filed
PCT	PCT/AU2015/050144	Oventus Medical Limited	31 March 2015	Filed
USA	14/118416	Oventus Medical Limited	18 May 2012	Filed

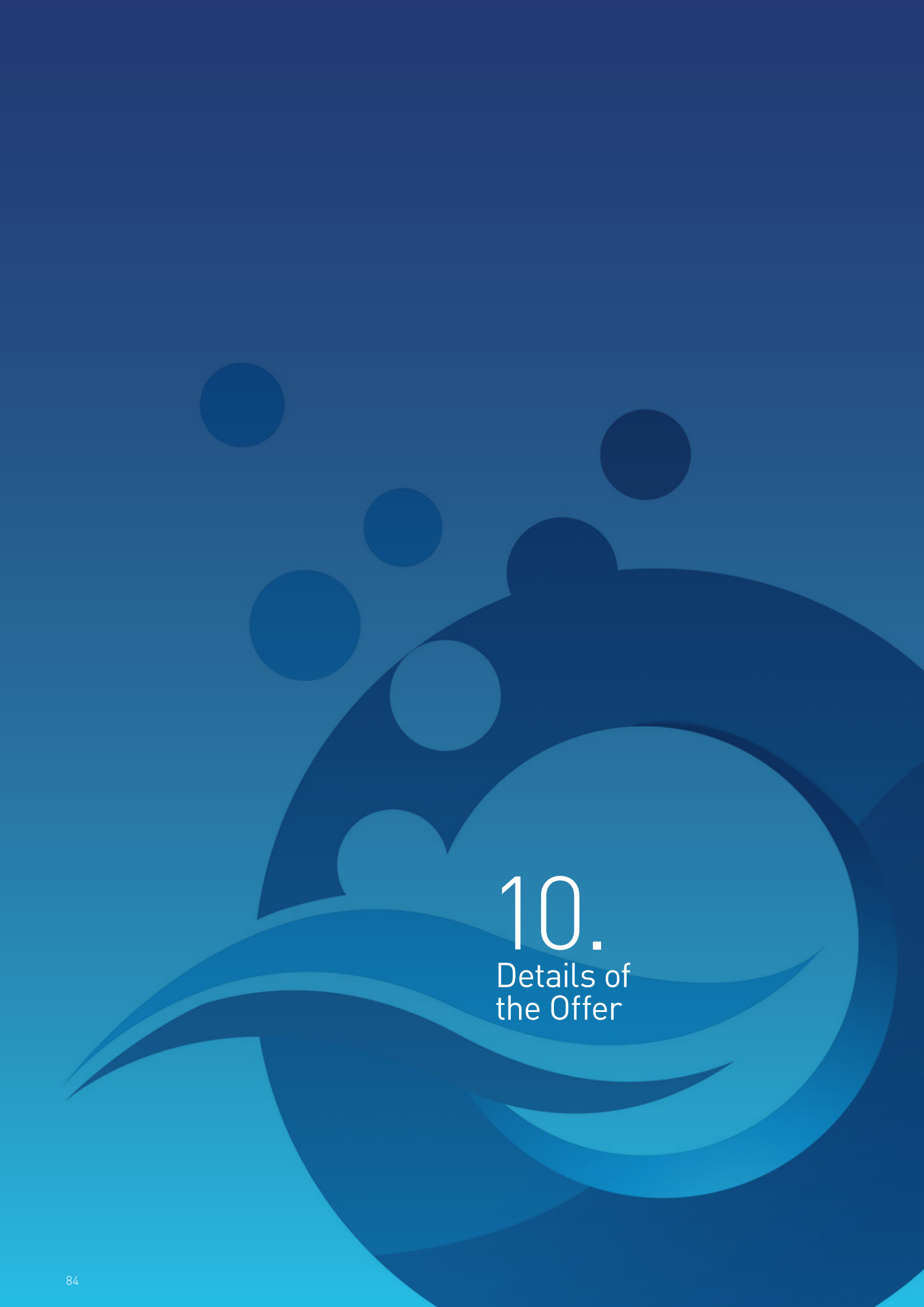
Trade marks

Trade mark applications have also been lodged for O₂Vent, Oventair and the O₂Vent logo.

9.15 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this Prospectus:

- (a) the constitution of Oventus; and
- (b) the consents to the issue of this Prospectus.

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller dark blue circle at the top right, and several other circles of varying sizes and shades of blue scattered across the upper half. In the lower half, there are stylized, overlapping wave-like shapes in different shades of blue, creating a sense of movement and depth.

10.

Details of
the Offer

10. Details of the Offer

10.1 DESCRIPTION OF THE OFFER

The Offer comprises a capital raising of \$12 million, by way of an issue of 24,000,000 Shares at \$0.50 per Share.

The process for applying for Shares under the Offer is set out in section 10.9.

Allocations must be for a minimum of 4,000 Shares (\$2,000), and incremental multiples of 1,000 Shares thereafter (\$500).

The Shares will rank equally in all respects with the Shares held by the Existing Shareholders. The rights and liabilities attaching to all Shares are detailed in the Company's constitution. A summary of the constitution is set out in section 9.2.

10.2 STRUCTURE OF THE OFFER

The Offer comprises:

- (a) Broker Firm Offer, which is open to investors in Australia who have received a firm allocation of Shares from their broker;
- (b) Institutional Offer, which consists of an invitation to certain institutional investors in Australia and a number of overseas jurisdictions to apply for Shares; and
- (c) General Offer, which consists of an invitation to retail investors in Australia to apply for Shares.

The allocation of Shares between the Broker Firm Offer, the Institutional Offer and the General Offer will be agreed between the Lead Manager and Underwriter and the Company having regard to the allocation policies described in sections 10.3, 10.4, 10.5 and 10.8.

No brokerage, commission or stamp duty is payable by Applicants on acquisition of New Shares under the Offer.

10.3 BROKER FIRM OFFER

Who can apply in the Broker Firm Offer?

The Broker Firm Offer is open to investors in Australia who have received a firm allocation of Shares from their broker. You should contact your broker to determine whether they may allocate Shares to you under the Broker Firm Offer. For further details, refer to section 10.9.

How do I apply in the Broker Firm Offer?

You should contact your broker for information about how to submit your broker firm Application Form which accompanies this Prospectus and for payment instructions. Your broker will act as your agent and it is your broker's responsibility to ensure that your Application Form and Application Monies are submitted before 5:00pm AEST on the Closing Date or any earlier closing date as determined by your broker. The Company, the Lead Manager and Underwriter, and the share registry take no responsibility for any acts or omissions on the part of your broker in connection with your application.

Allocations under the Broker Firm Offer

It is a matter for each broker as to how they allocate Shares amongst their clients, and they (and not the Company or the Lead Manager and Underwriter) will be responsible for ensuring that Australian investors who have received a firm allocation from them receive the relevant Shares. Applicants under the Broker Firm Offer will be able to confirm their allocations through the broker from whom they received those allocations. However, investors who sell Shares before receiving an initial statement of holding do so at their own risk, even if they have obtained details of their holding from their broker.

10.4 INSTITUTIONAL OFFER

The Institutional Offer consists of an invitation to certain institutional investors in Australia and certain overseas jurisdictions to apply for Shares.

Institutional investors will be advised of the application procedures by the Lead Manager and Underwriter.

The allocation of Shares among Applicants in the Institutional Offer will be determined by the Lead Manager and Underwriter in consultation with the Company. The Lead Manager and Underwriter will have absolute discretion regarding the basis of allocation of Shares, and there is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.

10. Details of the Offer

10.5 GENERAL OFFER

The General Offer consists of an invitation to retail investors in Australia to apply for Shares.

Retail investors should follow the application procedures described in section 10.9.

The allocation of Shares among Applicants in the General Offer will be determined by the Lead Manager and Underwriter in consultation with the Company. The Lead Manager and Underwriter will have absolute discretion regarding the basis of allocation of Shares, and there is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which it has applied.

10.6 UNDERWRITING

The Offer is underwritten by Bell Potter Securities Limited.

Further details of the Underwriting Agreement, including the circumstances in which the Lead Manager and Underwriter may terminate its obligations, are set out in section 9.3.

10.7 WHAT WILL THE PROCEEDS OF THE OFFER BE USED FOR?

The table below sets out the proposed use of the proceeds from the Offer. This represents current intentions of the Company based on its current business plan and business conditions. The amounts and timing of the actual expenditure may vary and will depend upon numerous factors.

USE OF PROCEEDS	\$ RAISED
Manufacturing	\$1,750,000
Administration & corporate	\$1,600,000
R&D & regulatory	\$2,650,000
Sales, marketing & IT	\$3,000,000
Offer costs	\$900,000
Loan repayment to Chris Hart	\$600,000
Working capital	\$1,500,000
Total funds raised	\$12,000,000

The Company has sufficient working capital to carry out its objectives, as detailed in this Prospectus.

The above table is a statement of current intentions as at the date of this Prospectus. As with any budget, intervening events (including trial success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

In addition to funds raised under the Offer, Oventus has access to a range of sources to meet its anticipated expenditure, including cash at bank, net cash flows from manufacturing and selling the Company's products, and debt and equity funding options available to it as an ASX listed company following the Offer. Oventus may also seek additional funding in the form of state and federal government grants and concessions to assist with the development of its medical devices.

10.8 ALLOCATION OF SHARES

The Lead Manager and Underwriter, after consultation with the Company, may allocate Shares to Applicants under the Offer at its discretion.

The Company may allocate all, or a lesser number, of Shares for which an application has been made, accept a late application or decline an application. Where applications are scaled back, there may be a different application of the scale-back policy to each Applicant.

Where no allocation is made to a particular Applicant or the number of Shares allocated is less than the number applied for by an Applicant, surplus Application Money is returned to that Applicant. No interest is paid on refunded Application Money. Any interest earned on Application Money is the property of the Company.

Successful Applicants are given written notice of the number of Shares allocated to them as soon as possible after the Closing Date. It is the responsibility of Applicants to confirm the number of Shares allocated to them before trading in Shares. Applicants who sell Shares before they receive notice of the Shares allocated to them do so at their own risk.

If the Company's application for admission to ASX is denied, or for any reason this Offer does not proceed, all Application Money is refunded in full without interest.

10.9 HOW TO APPLY

Applications may only be made on the Application Form attached to or accompanying this Prospectus or in its paper copy form as downloaded in its entirety from www.ventus.com.au. Detailed instructions on how to complete the Application Form are set out on the reverse of the Application Form.

The Offer Price is \$0.50 per Share. Applications must be for a minimum of 4,000 Shares (\$2,000), and incremental multiples of 1,000 Shares thereafter (\$500).

You may complete a paper copy of the Application Form or, alternatively, may apply for Shares online by following the instructions on the website, www.ventus.com.au.

Paper copy Application forms must be sent, with payment in Australian currency, to be received by the Closing Date to:

Post:

Oventus Medical Limited
c/- Computershare Investor Services Pty Limited
GPO Box 52, Melbourne, VIC 3001

Hand delivery:

Oventus Medical Limited
c/- Computershare Investor Services Pty Limited
117 Victoria Street, West End, Brisbane, QLD 4001

Cheques or bank drafts must be made payable to 'Oventus Medical Limited' and should be crossed and marked 'Not Negotiable'.

Applicants with questions on how to complete the Application Form, or who require additional copies of the Prospectus, can contact 1300 783 639 (within Australia) or +61 3 9415 4243 (outside Australia) or visit the website, www.ventus.com.au, to download a copy of the Prospectus.

Apply Online or pay by BPAY

If you are applying online, you must complete your Application by making a BPAY payment. If you apply using a paper Application Form, you cannot pay for Shares using BPAY. Instead you must pay by cheque, bank draft or money order.

Using the BPAY details provided when you complete your online Application Form, you need to:

- (a) access your participating BPAY financial institution either through telephone banking or internet banking;
- (b) select BPAY and follow the prompts;
- (c) enter the biller code supplied;
- (d) enter the unique Customer Reference Number supplied for each Application;
- (e) enter the total amount to be paid which corresponds to the number of Shares you wish to apply for under each Application (i.e. a minimum of \$2,000 (4,000 Shares) and incremental multiples of \$500 (1,000 Shares) after that). Note that your financial institution may apply limits on your use of BPAY. You should enquire about the limits that apply in your own personal situation;
- (f) select the account you wish your payment to be made from;
- (g) schedule your payment. Note that Applications without payment cannot be accepted; and
- (h) record your BPAY receipt number and date paid. Retain these details for your records.

10. Details of the Offer

BPAY payments must be made from an Australian dollar account of an Australian financial institution. You will need to check with your financial institution in relation to their BPAY closing times to ensure that your Application Money will be received by 5:00pm (AEST) on the Closing Date. If you do not pay the Application Money, your Application will be incomplete and will not be accepted.

If you complete your Application by making a BPAY payment, you do not need to complete or return the paper Application Form.

Apply by post and pay by cheque, bank draft or money order

If you do not wish to pay by BPAY, the Application Form must be completed in accordance with its accompanying instructions. Once completed, please lodge your Application Form and Application Money so that they are received at the following address by 5:00pm AEST on the Closing Date.

By mail to:
Oventus Medical Limited
c/- GPO Box 52
Melbourne VIC 3001

Broker firm applicants

If you have received a firm allocation of Shares from your broker, your application and payment procedures differ in two important respects from those described above:

- (a) your application cheque must be made payable to the broker (not to 'Oventus Medical Limited'); and
- (b) your completed Application Form and cheque must be delivered to the broker directly (not to the share registry).

Applicants who receive a firm allocation of Shares must lodge their Application Form and Application Money with the relevant broker under the relevant broker's directions in order to receive their firm allocation. Your broker acts as your agent in submitting your application.

The Company, the share registry and the Lead Manager and Underwriter take no responsibility for any acts or omissions by your broker in connection with your Application, Application Form or Application Money.

The procedure should be explained to you in further detail by your broker. If you have a firm allocation of Shares and are in any doubt about what action to take, you should immediately contact the broker who has made you the firm offer.

Investor Directed Portfolio Service

An investor directed portfolio service (**IDPS**) is an investment reporting service offered by an operator. People who invest through an IDPS are indirect investors.

Investors who gain exposure to the Company through an IDPS master trust or wrap account do not themselves become Shareholders in the Company. It is generally the operator of the investing IDPS (or its custodian or nominee) that becomes a Shareholder. It then exercises its rights as Shareholder under its arrangements with the investor.

Indirect investors complete the application form for the IDPS and receive reports from the operator, not the Company.

When investing through an IDPS master trust or wrap account, indirect investors must complete the documents required by the operator of these services. They are not required to complete the Application Form. Enquiries should be directed to the IDPS operator.

Validity of Application Forms

An Application Form may only be distributed with, attached to or accompany a complete and unaltered copy of this Prospectus.

By completing and lodging an Application Form received with this Prospectus, the Applicant represents and warrants that the Applicant has personally received a complete and unaltered copy of this Prospectus before completing the Application Form.

The Company does not accept a completed Application Form if it has reason to believe the Applicant has not received a complete copy of the Prospectus or it has reason to believe that the Application Form has been altered or tampered with in any way.

An Application Form is an irrevocable acceptance of the Offer.

10.10 ASX LISTING

An application will be made to ASX not later than seven days after the date of this Prospectus for the Company to be admitted to ASX, and for official quotation of the Shares. Acceptance of the application by ASX is not a representation by ASX about the merits of the Company or the Shares. Official quotation of Shares, if granted, commences as soon as practicable after the issue of initial shareholding statements to successful Applicants.

It is expected that trading of the Shares on ASX will commence on or about 13 July 2016.

If permission is not granted for official quotation of the Shares on ASX within three months of the date of this Prospectus, all Application Money received is refunded without interest as soon as practicable under the requirements of the Corporations Act.

10.11 CHESS

The Company will apply for the Shares to participate in CHESS. Applicants who are issued Shares under this Offer will receive shareholding statements in lieu of share certificates. They set out the number of Shares issued to each successful Applicant.

The shareholding statement also provides details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

In future, Shareholders need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the share registry. Further statements are given to Shareholders showing changes in their shareholding during a particular month. Additional statements may be requested at any time, although the Company reserves the right to charge a fee for them.

10.12 WITHDRAWAL

The Company reserves the right to withdraw the Offer, at any time before the allotment of Shares. If the Offer does not proceed, the Application Money is refunded. No interest is paid on any Application Money refunded as a result of the withdrawal of the Offer.

10.13 TAXATION CONSIDERATIONS

The taxation consequences of an investment in the Company depend upon the investor's particular circumstances. Investors should make their own enquiries about the taxation consequences of an investment in the Company. If you are in doubt as to the course you should follow, you should consult your accountant, stockbroker, lawyer or other professional adviser.

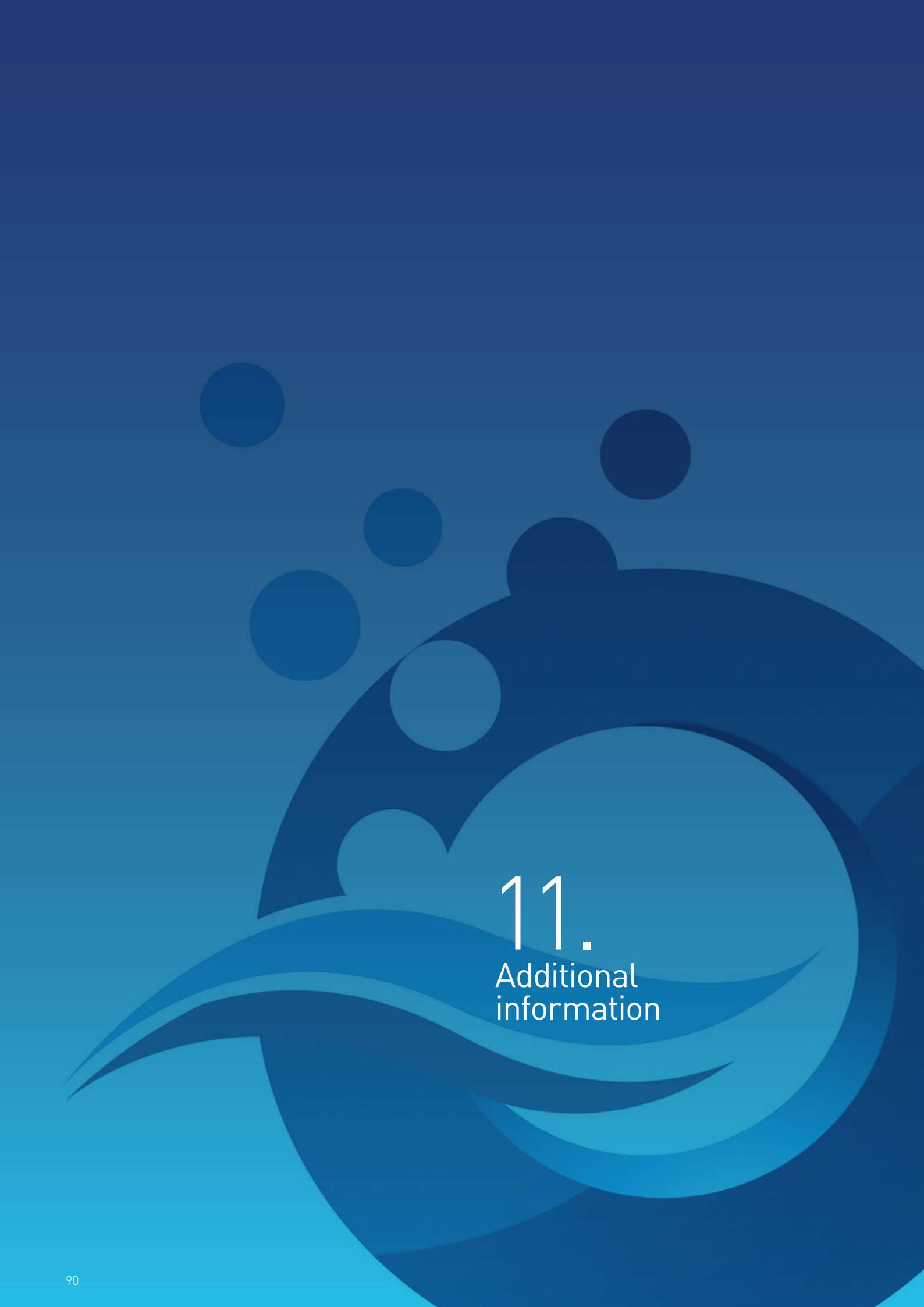
10.14 FOREIGN SELLING RESTRICTIONS

No action has been taken to register or qualify the Shares or the Offer in any jurisdiction outside Australia, or otherwise to permit a public offering of the Shares outside Australia.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

Each Applicant warrants and represents that:

- (a) the Applicant is an Australian citizen or resident in Australia, is located in Australia at the time of the application and is not acting for the account or benefit of any person in the United States or any other foreign person; and
- (b) the Applicant will not offer or sell the Shares in the United States or in any other jurisdiction outside Australia or to a United States person, except in transactions exempt from registration under the *US Securities Act 1933* as amended, and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller dark blue circle at the top right, and several other circles of varying sizes and shades of blue scattered across the upper half. At the bottom, there are stylized, overlapping waves in different shades of blue, creating a sense of movement.

11.

Additional
information

11. Additional information

11.1 RIGHTS ATTACHING TO SHARES

The rights attaching to Shares in Oventus are set out in the constitution and summarised in section 9.2 of this Prospectus.

11.2 SHAREHOLDING QUALIFICATIONS

Directors are not required under the constitution to hold any Shares.

11.3 OPTIONS

The Company has issued 3,362,258 options under the ESOP. Details of the options are set out in the table below:

TRANCHE	NUMBER OF OPTIONS	ISSUE DATE	VESTING START DATE	EXERCISE PRICE	EXPIRY DATE	NUMBER OF OPTIONS VESTED	NUMBER OF OPTIONS REMAINING
1	2,960,794	24 February 2016	17 February 2017	\$0.57	23 February 2021	Nil	2,960,794
2	401,464	14 April 2016	14 April 2016	\$0.72	13 April 2021	133,821	267,643

Vesting and lapsing of options

The options may be exercised at any time after their date of vesting but prior to the respective Expiry Date. The options will vest as follows:

Tranche 1 options:

- (a) 33.33% will vest on 17 February 2017;
- (b) 33.33% will vest on 17 February 2018; and
- (c) 33.33% will vest on 17 February 2019.

Tranche 2 options:

- (a) 33.33% vested on 14 April 2016;
- (b) 33.33% will vest on 14 April 2017; and
- (c) 33.33% will vest on 14 April 2018.

All unvested options are forfeited and will automatically lapse if the holder ceases to be engaged by the Company or any of its related bodies corporate prior to the date of vesting. For vested options, unless the Board decides otherwise, the options will lapse in accordance with the terms of the ESOP.

Other terms of options

The other terms of the options are summarised in section 9.12.

Options issued to directors and escrow arrangements

Further details on the options issued to Directors are set out in section 11.8. Options held by Directors are also subject to mandatory escrow for 24 months from the date of the Company's listing on ASX.

11.4 LITIGATION

To the best of the Directors' knowledge and belief, no litigation is currently underway or threatened against the Company.

11. Additional information

11.5 CONSENTS AND DISCLAIMERS OF RESPONSIBILITY

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

Bell Potter Securities Limited has given, and has not withdrawn, its written consent to be named as Lead Manager and Underwriter to the Offer in the form and context in which it is named.

McCullough Robertson has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

PKF Hacketts Audit has given, and has not withdrawn, its written consent to be named as Investigating Accountant, in the form and context in which it is named and for the inclusion of its Investigating Accountant's Report in section 7 in the form and context in which it is included.

PKF Hacketts Audit has given, and not withdrawn, its consent to be named as auditor in the form and context in which it is named.

Davies Collison Cave has given, and not withdrawn, its consent to be named in the form and context in which it is named.

Computershare Investor Services Pty Limited has given, and not withdrawn, its written consent to be named as share registrar in the form and context in which it is named.

Pitcher Partners has given, and not withdrawn, its consent to be named as auditor in the form and context in which it is named.

11.6 INTERESTS OF EXPERTS AND ADVISERS

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus:

- (a) has any interest or has had any interest during the last two years, in the formation or promotion of Oventus, or in property acquired or proposed to be acquired by Oventus in connection with its formation or promotion, or the Offer of the Shares; and
- (b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any of those persons in connection with the services provided by the person in connection with the formation or promotion of Oventus, or the Offer of the Shares.

Bell Potter Securities Limited has acted as Lead Manager and Underwriter to the Offer. Bell Potter Securities Limited will be paid a management and underwriting fee, details of which are disclosed in section 9.3 of this Prospectus.

McCullough Robertson has acted as legal adviser to the Company in relation to the Offer and has been involved in undertaking due diligence enquiries and providing legal advice on the Offer. McCullough Robertson will be paid an amount of \$95,000 for these services.

PKF Hacketts Audit has acted as Investigating Accountant to the Offer and has prepared the Investigating Accountant's Report in section 7 and performed work on due diligence enquiries. PKF Hacketts Audit will be paid an estimated fee of \$25,000 for these services. Further amounts may be paid to PKF Hacketts Audit in accordance with their normal time-based charges.

PKF Hacketts Audit has acted as Independent Auditor to the Company. PKF Hacketts Audit will be paid an estimated fee of \$8,000 (GST exclusive) for the audit of the financial report for the half-year ended 31 December 2015. Further amounts may be paid to PKF Hacketts Audit in accordance with their normal time-based charges.

Davies Collison Cave has prepared the Intellectual Property Report in section 8 on behalf of the Company. Davies Collison Cave will be paid an estimated fee of \$3,520 (GST exclusive) for its work in connection with the Intellectual Property Report. Further amounts may be paid to Davies Collison Cave in accordance with their normal time-based charges.

Pitcher Partners has acted as independent auditor to the Company. Pitcher Partners will be paid an estimated fee of \$7,500 (GST exclusive) for the audit of the financial reports for the years ended 30 June 2014 and 30 June 2015.

11.7 SUBSTANTIAL SHAREHOLDERS

It is expected that the following Shareholders will have a substantial holding in Oventus following completion of the Offer:

SHAREHOLDER	SHARES	PERCENTAGE INTEREST
Chris Patrick Hart	26,126,513	36.28%
Neil Lawrence Anderson	5,598,477	7.77%
Mobius Medical Investments Pty Ltd	3,732,390	5.18%

The above assumes no additional participation by these Shareholders in the Offer.

Final holdings of all substantial Shareholders will be notified to the ASX on the Company's listing.

11.8 INTERESTS OF DIRECTORS

Other than set out above or elsewhere in this Prospectus:

- (a) no Director or proposed Director of Oventus has, or has had in the two years before lodgement of this Prospectus, any interest in the formation or promotion of Oventus, or the Offer of Shares, or in any property proposed to be acquired by Oventus in connection with information or promotion of the Offer of the Shares; and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of Oventus either to induce him or her to become, or to qualify him or her as a Director, or otherwise for services rendered by him or her in connection with the promotion or formation of Oventus or the Offer of Shares.

Shareholdings

The Directors of the Company, other related parties, or their associates have a beneficial interest in the following Shares and options in the Company at the date of this Prospectus:

DIRECTOR	SHAREHOLDER	SHARES	OPTIONS UPON COMPLETION OF THE OFFER
Mel Bridges	Parma Corporation Pty Ltd	439,100	200,732
Mel Bridges	Parma Corporation Pty Ltd as trustee of the Bridges Family Trust	62,729	Nil
Mel Bridges	Mrs Lucille Mayse Bridges	37,637	Nil
Neil Anderson	Neil Anderson as trustee for the Anderson Family Trust	5,598,477	401,464
Chris Hart	Chris Hart as trustee for the CHD (IP) Trust	26,126,513	401,464
Chris Hart	Ms Tiffany Ann Hart	25,092	Nil
Sue MacLeman	N/A	Nil	200,732

The Directors reserve their right to apply for further Shares under the Offer.

11. Additional information

11.9 TRANSACTIONS WITH RELATED PARTIES

A summary of the arrangements between Oventus and its Directors, or other related parties, is as follows (and is also set out in section 5.5):

- (a) *product sales* – certain sales to date by Oventus have been to Breathing Assist Solutions (formerly known as Oventus Clinical Pty Ltd), a company controlled by Chris Hart and owned by entities associated with Chris Hart and Neil Anderson (see section 9.4). At 31 December 2015, amounts owed by Breathing Assist Solutions to Oventus was \$130,320;
- (b) *executive contract with Neil Anderson* – the Company executed an executive contract with Neil Anderson as Chief Executive Officer on 11 February 2016. Prior to the execution of the executive contract, remuneration paid to Neil Anderson as Chief Executive Officer was through a consultancy agreement with NGCT Pty Ltd, a company controlled by Neil Anderson. In addition, Neil Anderson is also reimbursed for out of pocket costs in the normal course;
- (c) *executive contract with Chris Hart* – remuneration paid to Chris Hart as Clinical Director is through an executive contract executed on 11 February 2016. Prior to execution of the executive contract, remuneration paid to Chris Hart as Clinical Director was through a consultancy agreement with Breathing Assist Solutions. As at 31 December 2015, amounts owed to Breathing Assist Solutions was \$92,875;
- (d) *loan facility agreement between Oventus Manufacturing and Chris Hart* – on 30 June 2014, Oventus Manufacturing entered into a facility agreement with Chris Hart to provide a funding facility for Oventus Manufacturing. Interest accrues on the principal balance after 12 months from the date of the agreement and can be added to the principal. The interest rate is to be no more than the rate borrowed by the lender on similar loans. The debt is unsecured and the repayment date is to be agreed by the parties. At 31 December 2015 the amount owed to Chris Hart under the facility agreement was \$601,982. This amount, and any further advances up to completion of the Offer, are to be repaid by proceeds received under the Offer;
- (e) *shared premises arrangements* – Breathing Assist Solutions shares premises leased by Oventus on a sessional basis at a cost of \$30 per hour. Oventus also intends to offer the use of a portion of its premises to other clinicians on the same terms.

The Board considers that each of the arrangements listed above are on arm's length terms and, in the case of the executive contracts with Neil Anderson and Chris Hart, are for reasonable remuneration. Accordingly, Shareholder approval has not previously been sought for the Company's entry into these arrangements.

Given that the arrangements are on arm's length terms, each of the arrangements are subject to the usual risks associated with contracts that Oventus enters into with other third parties or the employees (as applicable).

11.10 PAYMENTS TO DIRECTORS

The constitution of Oventus provides that the Directors may be paid, as remuneration for their services, a sum set from time to time by Shareholders in general meeting, with that sum to be divided among the Directors as they agree.

The maximum aggregate amount which has been approved by Shareholders for payment to the Directors is \$400,000 per annum. The current non-executive directors fees are \$75,000 per annum for the Chairman and \$50,000 per annum for each of the non-executive directors, in addition to \$5,000 per annum for each non-executive director's role on a committee.

11.11 EXPENSES OF THE OFFER

The total estimated expenses of the Offer payable by the Company including ASX and ASIC fees, underwriting fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be approximately \$892,000.

11.12 ELECTRONIC PROSPECTUS

This Prospectus is available in electronic form at www.oventus.com.au. Any person receiving this Prospectus electronically will, on request, be sent a paper copy of the Prospectus by Oventus free of charge during the period of the Offer.

The Application Form may only be distributed attached to a complete and unaltered copy of the Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus before completing the Application Form.

Oventus will not accept a completed Application Form if it has reason to believe that the Applicant has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While Oventus believes that it is extremely unlikely that during the period of the Offer the electronic version of the Prospectus will be tampered with or altered in any way, Oventus can not give any absolute assurance that this will not occur. Any investor in doubt about the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from Oventus or a financial adviser.

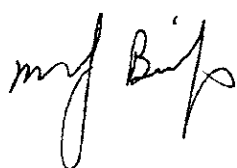
11.13 PRIVACY

When applying for Shares in the Company, Applicants will be asked to provide personal information to Oventus directly, and through the share registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the share registry collect, hold and use that personal information to assess Applications, provide facilities and services to Applicants and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the Privacy Act 1988 (Cth). If the personal information provided is incomplete or inaccurate applications may not be processed. The Company's privacy policy sets out how Applicants may request access to and correction of their personal information held by or on behalf of the Company (by contacting the share registry), how Applicants can complain about privacy related matters and how the Company responds to complaints.

11.14 AUTHORISATION

This Prospectus is issued by the Company. Each Director has consented to the lodgement of the Prospectus with ASIC.

Dated 8 June 2016

A handwritten signature in black ink, appearing to read 'Mel Bridges', is positioned above the printed name and title.

Dr Mel Bridges
Chairman

The background is a gradient of blue, transitioning from a darker shade at the top to a lighter shade at the bottom. It features several abstract elements: a large, dark blue circle on the right side, a smaller dark blue circle at the top right, and several other circles of varying sizes and shades of blue scattered across the upper half. In the lower half, there are stylized, overlapping waves in different shades of blue, creating a sense of movement.

12.

Glossary

12. Glossary

In this document:

510K	means a premarket submission made to FDA to demonstrate that the device to be marketed is at least as safe and effective, that is, substantially equivalent, to a legally marketed device that is not subject to premarket approval.
AEST	means Australian Eastern Standard Time.
AGAAP	means the Australian generally accepted accounting principles.
Applicant	means a person or entity who submits an Application Form.
Application	means an application for Shares under the Offer.
Application Form	means an application form attached to this Prospectus.
Application Money	means the money received by the Company under the Offer, being the Offer Price multiplied by the number of Shares applied for.
ASIC	means Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Settlement	means ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Operating Rules	means the ASX Settlement Operating Rules, being the operating rules of the Settlement Facility for the purposes of the Corporations Act.
Board	means the board of directors of the Company.
Broker Firm Offer	means the invitation to investors in Australia who have received a firm allocation of Shares from their broker, as described in section 10.3.
Breathing Assist Solutions	means Breathing Assist Solutions Pty Ltd ACN 600 736 481.
CAGR	means compound annual growth rate.
CE Marking	means the mandatory conformity marking for certain products sold within Europe declaring that the product complies with the essential requirements of the relevant health, safety and environmental protection legislation.
CHES	means Clearing House Electronic Subregister System, operated by ASX Settlement.
Closing Date	means the date on which the Offer closes, being 30 June 2016, or another date nominated by the Company in consultation with the Lead Manager and Underwriter.
Company or Oventus	means Oventus Medical Limited ACN 608 393 282.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
CPAP	means continuous positive airway pressure.
CSIRO	means the Commonwealth Scientific and Industrial Research Organisation.
CY	means calendar year.
Directors	means the directors of the Company.

12. Glossary

EBIT	means earning before interest and taxation.
ESOP	means the Company's executive share option plan.
Existing Shareholders	means the holders of Shares before the date of this Prospectus.
FDA	means the US Food and Drug Administration.
FY	means financial year.
General Offer	means the invitation to retail investors, described in section 10.5.
IAR	means the investigating accountant's report prepared by PKF Hacketts Audit.
IFRS	means the international financial reporting standards.
Institutional Offer	means the invitation to institutional investors in Australia and certain overseas jurisdictions, described in section 10.4.
Listing Rules	means the listing rules of ASX.
New Shares	means new Shares offered under this Prospectus.
OAT	means oral appliance therapy.
Offer	means the offer of Shares under this Prospectus.
Offer Price	means \$0.50 per Share.
OSA	means obstructive sleep apnoea.
Oventus Manufacturing	means Oventus Manufacturing Pty Ltd ACN 163 851 287.
PAP	means positive airway pressure.
Prospectus	means this prospectus.
R&D	means research and development.
Settlement Facility	has the meaning specified in the ASX Settlement Operating Rules.
Shareholders	means shareholders in Oventus.
Shares	means fully paid ordinary shares in Oventus.
TGA	means the Therapeutic Goods Administration.
Underwriter or Lead Manager and Underwriter	means Bell Potter Securities Limited ACN 006 390 772.
Us or we	means the Company.
You	means the investors under this Prospectus.

A Shares applied for
Enter the number of Shares you wish to apply for. The application must be for a minimum of 4,000 Shares (\$2,000) or a greater number in multiples of 1,000 Shares (\$500). The Offer Price of the Shares is payable in full on Application.

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the issue price of \$0.50 per Share. The minimum amount of Application monies is \$2,000 and applications for less than this amount may be rejected.

C Applicant Name(s)
Enter the full name you wish to appear on the register of Shares and statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this application.

F CHES
The Company participates in CHES. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment
Make your cheque, money order or bank draft payable to '**Oventus Medical Limited IPO A/C**' in Australian currency and cross it '**Not Negotiable**'. Your cheque, money order or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.
Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented any may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. No receipt for payment will be forwarded to Applicants. Please note that funds are unable to be directly debited from your bank account.

Lodgement of Application

Return the Application Form with cheque(s) attached to:

GPO Box 52

Neither CIS nor the Company accepts any responsibility if you lodge the Application Form at any other address or by any other means. If you have any enquiries concerning your application, please contact Computershare Investor Services Pty Limited on 1300 783 639 (within Australia) or +61 3 9415 4243 (outside Australia).

Personal information is collected on this form by CIS for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the Company may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf or to third parties upon direction by the Company where related to their administration of your securityholding, or where you have otherwise agreed we may disclose it. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Note that ONLY legal entities are allowed to hold Shares. Application Forms must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. Application Forms cannot be completed by persons less than 18 years of age. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual: Use given names in full, not initials	Mr John Alfred Smith	JA Smith
Company: use the company's full title, not abbreviations	ABC Pty Ltd	ABC P/L or ABC Co
Joint Holdings: use full and complete names	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts: use the trustee(s) personal name(s)	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates: use the executor(s) personal name(s)	Ms Jane Mary Smith & Mr Frank William Smith <Est John Smith A/C>	Estate of late John Smith or John Smith Deceased
Minor (a person under the age of 18): use the name of a responsible adult with an appropriate designation	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships: use the partners personal names	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son
Long Names	Mr John William Alexander Robertson-Smith	Mr John W A Robertson-Smith
Clubs/Unincorporated Bodies/Business Names: use office bearer(s) personal name(s)	Mr Michael Peter Smith <ABC Tennis Association A/C>	ABC Tennis Association
Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

A Shares applied for
Enter the number of Shares you wish to apply for. The application must be for a minimum of 4,000 Shares (\$2,000) or a greater number in multiples of 1,000 Shares (\$500). The Offer Price of the Shares is payable in full on Application.

B Application Monies
Enter the amount of Application Monies. To calculate the amount, multiply the number of Shares by the issue price of \$0.50 per Share. The minimum amount of Application monies is \$2,000 and applications for less than this amount may be rejected.

C Applicant Name(s)
Enter the full name you wish to appear on the register of Shares and statement of shareholding. This must be either your own name or the name of a company. Up to 3 joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applications using the wrong form of names may be rejected. Clearing House Electronic Subregister System (CHES) participants should complete their name identically to that presently registered in the CHES system.

D Postal Address
Enter your postal address for all correspondence. All communications to you from the Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.

E Contact Details
Enter your contact details. These are not compulsory but will assist us if we need to contact you regarding this application.

F CHES
The Company participates in CHES. If you are a CHES participant (or are sponsored by a CHES participant) and you wish to hold Shares allotted to you under this Application on the CHES Subregister, enter your CHES HIN. Otherwise, leave this section blank and on allotment, you will be sponsored by the Company and allocated a Securityholder Reference Number (SRN).

G Payment
Make your cheque, money order or bank draft payable to '**Oventus Medical Limited IPO A/C**' in Australian currency and cross it '**Not Negotiable**'. Your cheque, money order or bank draft must be drawn on an Australian Bank. Complete the cheque details in the boxes provided. The total amount must agree with the amount shown in box B.
Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented any may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Application Form. Cash will not be accepted. No receipt for payment will be forwarded to Applicants. Please note that funds are unable to be directly debited from your bank account.

Lodgement of Application

Return the Application Form with cheque(s) attached to:

GPO Box 52

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Superannuation Funds: use the name of the trustee of the fund	Jane Smith Pty Ltd <Super Fund A/C>	Jane Smith Pty Ltd Superannuation Fund

Corporate directory

COMPANY

Oventus Medical Limited

ACN 608 393 282
Suite 1, 1 Swann Road
Indooroopilly, Queensland 4068
www.ventus.com.au

DIRECTORS

Dr Mel Bridges (Non-executive Chairman)
Mr Neil Anderson (Chief Executive Officer and Managing Director)
Dr Chris Hart (Clinical Director)
Ms Sue MacLeman (Non-executive Director)

EXECUTIVES

Mr Stephen Denaro (Company Secretary)
Ms Elise Hogan (Vice President of Global Sales, Marketing and Commercialisation)

SHARE REGISTRY

Computershare Investor Services Pty Limited

ACN 078 279 277
117 Victoria St
West End, QLD 4101
www.computershare.com.au

LEAD MANAGER AND UNDERWRITER TO THE OFFER

Bell Potter Securities Limited

ACN 006 390 772
Level 38, Aurora Place
88 Phillip Street
Sydney, New South Wales 2000
www.bellpotter.com.au

AUDITOR

PKF Hacketts Audit

ABN 33 873 151 348
Level 6, 10 Eagle Street
Brisbane QLD 4000
www.pkf.com.au

INVESTIGATING ACCOUNTANT

PKF Hacketts Audit

ABN 33 873 151 348
Level 6, 10 Eagle Street
Brisbane QLD 4000
www.pkf.com.au

LAWYERS TO THE OFFER

McCullough Robertson

ABN 42 721 345 951
Level 11, Central Plaza Two
66 Eagle Street
Brisbane QLD 4000
www.mccullough.com.au

