

ASX Release

Oventus receives firm commitments for approximately \$7m in a Placement and launches underwritten \$2.3m Entitlement Offer to support widespread roll out of O2Vent™ Sleep treatment platform for the treatment of Sleep Apnoea

Key points:

- Firm commitments received for a two tranche Placement to raise approximately \$7 million (before costs)
- A fully underwritten 1 for 20 pro-rata non-renounceable entitlement offer (Entitlement Offer) launched, to raise approximately \$2.3 million
- Funds strengthen the balance sheet and support widespread rollout of Oventus' O2Vent™ sleep treatment platform
- Funds underpin adoption of Oventus' 'lab in lab' business model in the sleep and dental channels
- The Placement heavily over-subscribed with strong support from existing and new professional and sophisticated investors
- Follows recent news of agreements signed with sleep groups in Canada and the US and synergistic agreements signed with VirtuOx, Carestream Dental and Lyon Dental to underpin broad adoption of the 'lab in lab' business model

Brisbane, Australia 26 July 2019: Oventus Medical Ltd ("Oventus" or "Company") (ASX: OVN), a company specialising in innovative oral therapeutics for the treatment of Obstructive Sleep Apnoea (OSA), is pleased to announce it has received firm commitments from institutional and sophisticated investors for a two tranche Placement of ordinary shares in Oventus. The two tranche Placement is expected to raise a total of approximately \$7 million (before costs).

A fully underwritten 1 for 20 pro-rata non-renounceable entitlement offer (Entitlement Offer) will also be offered to eligible shareholders in Australia and New Zealand to raise approximately \$2.3 million.

The capital raise will strengthen Oventus' balance sheet and enable the Company to further rollout its O2Vent™ range of therapeutics including its flagship device, the O2Vent™ Optima and the ExVent™ valve accessory, and enable adoption of its 'lab in lab' business model across sleep and dental channels.

The capital raise follows recent news announced on 24 June 2019, 15 July 2019 and 16 July 2019 that Oventus had signed material agreements with sleep groups in Canada and the US, as well as synergistic agreements with VirtuOx, Carestream Dental and Lyon Dental, which are expected to underpin the adoption of Oventus' new 'lab in lab' business model.

Oventus' Chairman Dr Mel Bridges said, *"Oventus is at a pivotal time in its history. We are starting to see strong support from both dentists and sleep physicians for our O₂Vent sleep treatment platform. The significant interest received from new and existing investors in this raise has been a terrific endorsement for our proprietary 'Airway Technology' and recently launched 'lab in lab' business model."*

Dr Chris Hart, CEO of Oventus added, *"With the growing momentum around our technology, we expect to announce further agreements with sleep groups over coming months in Canada and the US as we roll out O₂Vent™ Optima and ExVent™ in Canada and in anticipation of FDA approval, in the US."*

Signing material contracts ahead of FDA clearance in the US for our flagship O₂Vent™ Optima device, which has already launched in Canada and Australia, is testament to the demand for our products and for the 'lab in lab' business model."

About the two tranche Placement

The Placement was co-led by Bell Potter Securities Limited and Patersons Securities Limited.

The Placement is to be completed in the following two tranches, namely:

Tranche	Number of Shares	Price per share	Condition precedent to issue	Proposed issue date
Tranche 1 Placement	15,757,491 ordinary shares (Tranche 1 Placement Shares)	A\$0.38 per Tranche 1 Placement Share to raise a total of A\$5,987,846.58 (before costs)	Nil. To be issued under the Listing Rule 7.1 placement capacity.	The Tranche 1 Placement Shares are proposed to be issued on Thursday, 1 August 2019 following receipt of clear funds. Please refer to the timetable detailed in this Announcement under Key Dates below.
Tranche 2 Placement	2,747,922 ordinary shares	A\$0.38 per Tranche 2 Placement Share to raise a total of	The issue is subject to Shareholder	The Tranche 2 Placement Shares are proposed to be issued

	(Tranche 2 Placement Shares)	A\$1,044,210.36 (before costs)	approval under ASX Listing Rule 7.1	after Shareholder approval under ASX Listing Rule 7.1 is received. It is anticipated that the issue date will be on or about 17 September 2019. Please refer to the timetable detailed in this Announcement under Key Dates below.
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About the Entitlement Offer

Oventus is pleased to offer eligible shareholders with a registered address in Australia and New Zealand the opportunity to subscribe for Oventus shares under a fully underwritten 1 for 20 pro-rata non-renounceable Entitlement Offer at the price of \$0.38 per Oventus share (**Offer Price**) for approximately \$2.3 million, being the same price as for the Placement.

The Entitlement Offer of approximately \$2.3 million at \$0.38 per Oventus share, will result in the issue of approximately 6 million new fully paid ordinary shares, in addition to the Placement shares.

The Offer is fully underwritten by Bell Potter Securities Limited ACN 006 390 772 and Patersons Securities Limited ACN 008 896 311. The underwriting is subject to the Offer Booklet and the s 708AA cleansing notice being lodged with the ASX in accordance with the Key Dates detailed in this Announcement below.

The Offer Price equates to a discount of approximately 18.3% based on the share price of \$0.46 at close of trading on Tuesday 23 July 2019 and a discount of approximately 14.7% to the 5-day volume weighted average price up to and including Tuesday 23 July 2019.

Participation in the Entitlement Offer is open to all holders of Oventus shares with a registered address in Australia and New Zealand on the Record Date at 7:00pm (Melbourne time) on Monday 5, August 2019.

The shares issued under the Entitlement Offer will rank equally in all respects with Oventus' existing fully paid ordinary shares.

More information regarding the Entitlement Offer will be set out in the **Offer Booklet** to be circulated to eligible shareholders in accordance with the timetable of Key Dates below. The

Offer Booklet will be accessible from the ASX and Oventus' website, www.asx.com.au and www.o2vent.com respectively on Wednesday, 31 July 2019.

Option holders will not be able to participate in the Entitlement Offer unless they have become entitled to exercise their options in Oventus under the terms of their issue and do so, so they are registered as holders of Share (underlying those options) prior to the Record Date.

The Entitlement Offer will include the ability for Eligible Shareholders to apply for additional shares not taken up by other Eligible Shareholders.

Key Dates

Indicative Timetable for the Entitlement Offer and two tranche Placement	
Activity	Date
Announcement of the Entitlement Offer and lodgement of Appendix 3B	Friday, 26 July 2019
Lodgement of Offer Booklet and 708AA cleansing notice with the ASX	Wednesday, 31 July 2019
Issue of Tranche 1 Placement Shares under the Tranche 1 Placement	Thursday, 1 August 2019
Letter to Eligible and Ineligible Shareholders regarding the Entitlement Offer	Thursday, 1 August 2019
Trading on ex basis	Friday, 2 August 2019
Record Date for the Entitlement Offer (7.00pm Melbourne time)	Monday, 5 August 2019
Offer Booklet and Entitlement and Acceptance Form sent to Eligible Shareholders	Thursday, 8 August 2019
Offer opens	Thursday, 8 August 2019
Despatch Notice of Meeting to approve the issue of the Tranche 2 Placement Shares	Friday, 9 August 2019
Last day to extend the Closing Date	Friday, 16 August 2019
Closing Date for acceptances under the Entitlement Offer (5.00pm Melbourne time)	Wednesday, 21 August 2019

Indicative Timetable for the Entitlement Offer and two tranche Placement

Activity	Date
Quotation on deferred settlement basis	Thursday, 22 August 2019
ASX notified of shortfall	Friday 23 August 2019
Allotment of New Shares issued under the Entitlement Offer and lodgement of Appendix 3B and 708A cleansing notice (for the underwritten shortfall)	Wednesday, 28 August 2019
Expected despatch of Holding Statement and normal ASX trading for New Shares issued under the Entitlement Offer	Thursday, 29 August 2019
General meeting to approve the issue of the Tranche 2 Placement Shares	Monday, 9 September 2019
Issue of the Tranche 2 Placement Shares under the Tranche 2 Placement	Tuesday, 17 September 2019

The above timetable is subject to change and Oventus reserves the right to withdraw or vary the timetable for the Offer without notice. In particular, Oventus reserves the right to extend the Closing Date for the Entitlement Offer, to accept late applications whether generally or in particular cases or to withdraw the Entitlement Offer without prior notice.

Use of funds

The net proceeds of the Placement and Entitlement Offer will be used to:

- Strengthen Oventus' balance sheet to roll out the O2Vent™ sleep treatment platform, including its flagship device, the O2Vent™ Optima and ExVent™ valve accessory
- Strengthen the Oventus team to support with operational execution
- Enable adoption of its 'lab in lab' business model in the sleep and dental channels

Enquiries

For further information in relation to the Entitlement Offer, please contact the Company's Share Registry, Computershare, on 1300 850 505 or +61 3 9415 4000 (outside Australia) at any time between 8:30am and 5:30pm (AEST), Monday to Friday.

—ENDS—

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

Dr Chris Hart, Managing Director and CEO: M: +61 409 647 496

Jane Lowe, IR Department: M: +61 411 117 774 or jane.lowe@irdepartment.com.au

About Oventus – see more at www.o2vent.com

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

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

O2Vent® devices are particularly designed for the many people that have nasal obstruction. They allow nasal breathing when the nose is unobstructed, but when obstruction is present, breathing is supplemented via the airways in the appliance.

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

According to a report published by the Sleep Health Foundation Australia, an estimated 1.5 million Australians suffer with sleep disorders and more than half of these suffer with obstructive sleep apnoea.¹

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

¹ Deloitte Access Economics. Reawakening Australia: the economic cost of sleep disorders in Australia, 2010. Canberra, Australia.

² Beecroft, et al. Oral continuous positive airway pressure for sleep apnea; effectiveness, patient preference, and adherence. Chest 124:2200–2208, 2003

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