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## INVESTOR UPDATE



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# INVESTMENT HIGHLIGHTS



Oventus O2Vent Optima® addresses needs of up to 80% of Obstructive Sleep Apnea (OSA) patients<sup>1</sup>



Total available US market opportunity of \$2.4 billion<sup>2</sup> for device sales alone



Significant traction gained with 'Lab in Lab' model: enables sleep physicians and dentists to deliver care to patients collaboratively and profitably



At the end of the September quarter, 15 out of 30 launched sites and 57 contracted sites were physically scanning patients



30 launched 'Lab in Lab' sites capable of generating \$6.6m annualized revenue at minimum quotas; 15 sites scanning capable of generating \$3.3m in annualized revenue at minimum quotas



Introduction of telehealth in response to COVID-19 increased sales conversion rates, supporting growth from June 2020 onwards

# OBSTRUCTIVE SLEEP APNEA OVERVIEW



Obstructive sleep apnea (OSA) is the most common type of 'sleep apnea'<sup>1</sup>



Compromises daytime functions leading to excessive sleepiness, memory impairment and depression



Co-morbidities include hypertension, heart disease, atrial fibrillation, stroke and diabetes



Occurs when a person's airway repeatedly becomes blocked despite efforts to breathe

**Risk factor for chronic disease**

**Cost burden US\$149.6B, US\$6,033<sup>1</sup> per person per year undiagnosed**

## HOW HAS OSA HISTORICALLY BEEN TREATED?

Efficacy	Treatment type	How it works	Comment
<b>100%</b> <sup>1</sup>	Standard of care is Continuous Positive Airway Pressure (CPAP)	Patient is connected to a machine while they sleep. The machine blows air through the airway to 'splint' it open.	Works 100% of the time but >50% of patients can't tolerate the mask and machine blowing pressure into their airway.
<b>56%</b>	Mandibular Advancement Devices (MAD)	Patient places in their mouth during sleep. The MAD opens the airway by positioning the jaw forward.	Works for some patients, but ~50% require more treatment. On average, the efficacy/Apnea Hypopnea Index (AHI) reduction across the range of OSA severity is around 50% <sup>2</sup> . Oventus data shows 56% <sup>3</sup> efficacy.
Mixed results	Surgery (upper respiratory tract)	May alleviate or reduce snoring but the apnea may still be present	Presents risk to individuals especially when a co-morbidity exists. There is no guarantee the patient will be free from wearing CPAP post surgery.
Mixed results	Weight loss	Losing weight can help with reducing apnea in some cases.	Not always readily achievable.
Mixed results	Other/behavioural modification	Sleep position, reduced alcohol consumption, medication.	Requires patient motivation, compliance and adherence.

<sup>1</sup>Australasian Sleep Association. (2009). Best Practice Guidelines for Provision of CPAP Therapy. Version, 2, 14. <sup>2</sup>Sutherland, K., & Cistulli, P. A. (2019). Oral Appliance Therapy for Obstructive Sleep Apnoea: State of the Art. Journal of Clinical Medicine, 8(12), 2121. <sup>3</sup>Lavery D, Szollosi I, Moldavtsev J, McCloy K, Hart C. Airway open-airway closed: The effect of mandibular advancement therapy for obstructive sleep apnoea with and without a novel in-built airway. Poster session presented at: Australasian Sleep Society Sleep DownUnder, 2018, October 17-20; Brisbane, Australia.



## THE TROUBLE WITH CPAP

**CPAP, the 'standard of care' works, but for many:**

Masks and straps are uncomfortable, leading to facial abrasion, strap marks, claustrophobia and limited ability to move in bed

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Air pressures are hard to tolerate and CPAP can be noisy

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Technology has an image problem

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Cleaning and maintenance required, masks and hoses must be regularly resupplied

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50%-60%<sup>1</sup> of patients quit CPAP within first year

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**Large US study<sup>2</sup> showed only 54% compliance long term**

## THE ALTERNATIVE TO CPAP

**Oventus O2Vent<sup>®</sup> Optima<sup>®</sup> is a patented airway that works independently of nasal congestion**

Oventus O2Vent<sup>®</sup> technology helps customers sleep normally at night

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It is comfortable and efficacious

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It could be the biggest innovation in sleep apnea treatment for decades

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O2Vent<sup>®</sup> is life changing



# A MAJOR MARKET OPPORTUNITY FOR OVENTUS

**Up to 80%**

The O2Vent Optima addresses needs of up to 80%<sup>1</sup> of OSA patients

**12%<sup>2</sup> of US adults**

More than 29 million suffer from OSA (US 55% of global market)

**~6 million adult patients**

are prescribed CPAP in the US alone

**50-60%**

of those patients quit CPAP

**~3 million existing patients**

in need of an alternative treatment

**A\$800/unit**

Average Oventus O2Vent Optima device wholesale price

**\$2.4b p.a.**

Total estimated available US Market for device sales alone

**Recurring revenue**

from valves, connector bands and other accessories

**Oral appliances currently have 10% share**

Predicted to grow a further 16% by 2025

Sources: <sup>1</sup>Based on success rates of O2Vent + ExVent. Refer clinical resources on O2Vent.com. <sup>2</sup>Based on 12% prevalence in adults within US suffering OSA as defined by having five or more sleep events per hour (AHI>5). Source: Sullivan, F. (2016). Hidden health crisis costing America billions: Underdiagnosing and undertreating obstructive sleep apnea draining healthcare system. American Academy of Sleep Medicine.



## O2VENT OPTIMA®: HOW IT WORKS



# OUTSTANDING CLINICAL SUCCESS REPORTED ACROSS RANGE

Conventional lower jaw  
advancement

**56%**<sup>1</sup> of patients  
treated  
successfully



Mandibular Advancement Devices

O2Vent® /  
O2Vent Optima®

**63%**<sup>2</sup> of patients  
treated  
successfully



O2Vent® + ExVent® PEEP valve  
technology

**80%**<sup>3,4</sup> of patients  
treated  
successfully



## CUMULATIVE SUCCESS RATES WITH OVENTUS AIRWAY TECHNOLOGY\*

\*Apnea-Hypopnea Index (AHI) reduction to less than 10 events per hour

Available outside of the  
US. 510k submission  
pending.

# OVENTUS IS DRIVING DISRUPTION IN THE SLEEP INDUSTRY

## Why do oral appliances only represent 10% of the therapeutic market?

- Variable effectiveness of current oral appliances
- Complex patient journey
- Competing economic imperatives between the sleep and dental channels

## Oventus is addressing these issues with new technology and a novel approach to care

- O2Vent Optima is the only oral appliance that treats the entire upper airway with success rates comparable to CPAP
- Digital workflow and simplified/virtual patient journey means that Oventus' unique treatment modality can be delivered in both the sleep and dental channels
- 'Lab in Lab' (LIL) program increases revenue and profit for both the sleep and dental channels

## 'LAB IN LAB' MODEL BRINGS MORE PATIENTS INTO CARE

**By enabling dentists to take oral scans of patients mouths within the sleep facility (under a low-cost equipment model), the patient is able to complete the whole care cycle at one location.**



Sleep doc consults/diagnoses/  
prescribes



Dentist within sleep centre\* scans  
patient for O2Vent Optima, delivers  
device, handles reimbursement



Patient returns to sleep doc for  
follow up consultations

**Reimbursed under existing CPT codes for both commercial payers and government funded Medicare patients**

# Q1FY21 HIGHLIGHTS

## Growth of Lab in Lab

57 sites contracted = \$13.2m potential annualised revenue.

30 sites launched = \$6.6m potential annualised revenue.

15 sites scanning = \$3.3m potential annualised revenue

## Business improvements

Telehealth implemented in response to COVID-19, resulting in increased conversion rates.

Homecare extension was successfully piloted to reduce the risk posed by protracted shutdowns

## Reduced Cash Burn

Cash burn has been further reduced to \$1.6M for the quarter and is forecast to remain low as revenue builds

## COVID Response

The short term impact of COVID-19 has been overcome by the evolution of the business model and continued virtual engagement with both patients and customers

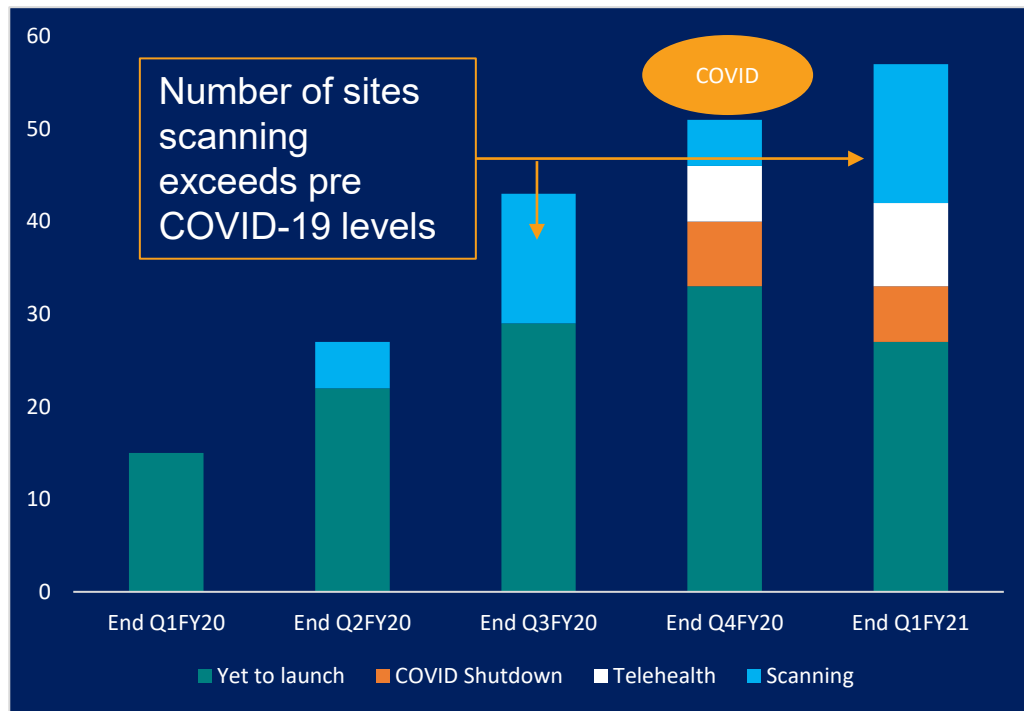
## Revenue Uplift: Q1FY21

Booked revenues increased 193% quarter on quarter and 189% compared to the previous corresponding period to \$248,912.

## Cash and funding

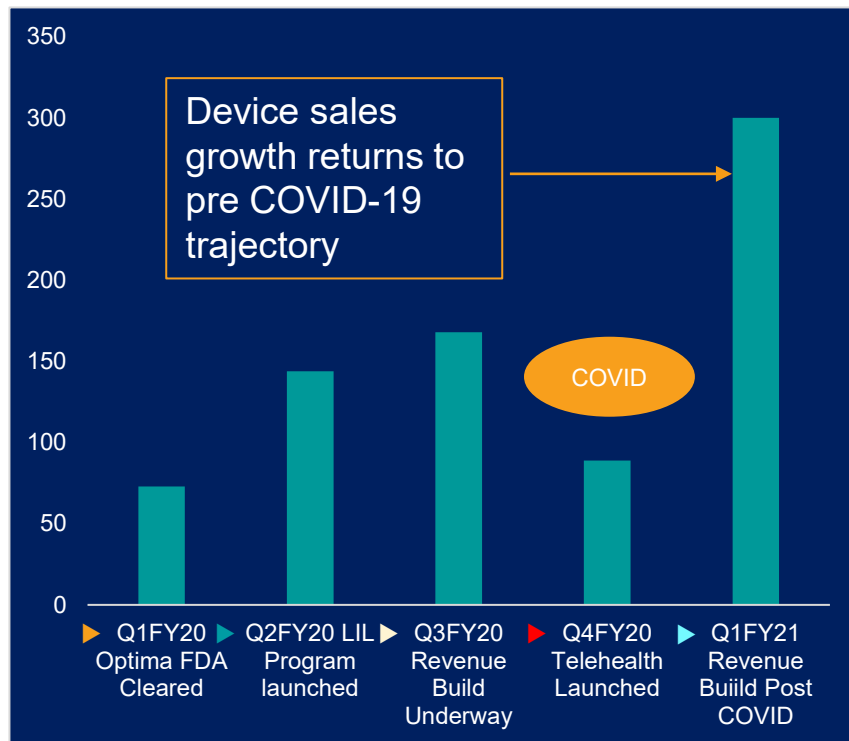
Cash of \$6.8 million, providing over four quarters of funding without the benefit of revenue improvement

# LAUNCHES AND RELAUNCHES ONGOING THROUGH COVID-19



- Once fully launched, 49 sites have monthly quotas of 20 units per site and 8 sites have a monthly quotas of 10 units per site with the potential to generate \$13.2m annualized revenue
- Telehealth and remote training were introduced during COVID-19 shutdowns to enable continuation of launches and patient engagement
- At the end of September, 30 sites had been launched representing \$6.6m in potential, annualized revenue
  - Of those launched sites, at the end of September, 15 sites were physically seeing patients representing \$3.3m in potential annualized revenue

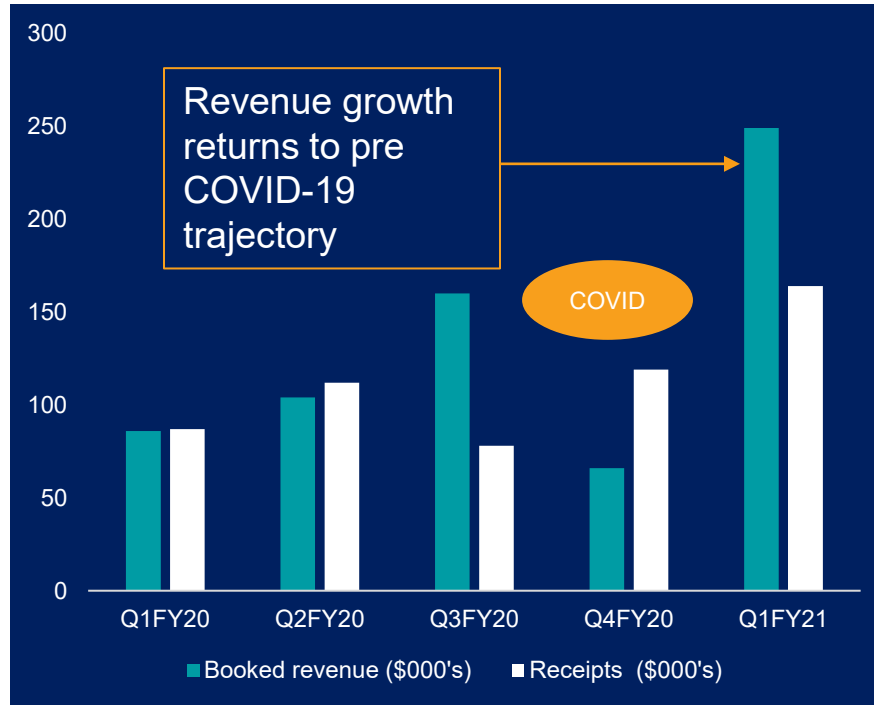
# Launch of Optima and 'Lab in Lab' Program Builds Revenue Through COVID-19



*Lab in lab contracts signed ahead of FDA clearance for O<sub>2</sub>Vent Optima*

- ▶ O<sub>2</sub> Vent Optima FDA clearance in September 2019
- ▶ First LIL sites launched in October 2019
- ▶ Additional sites launched and revenue building to mid March 2020
- ▶ COVID significantly reduced patient flow in Q4FY20 – OVN launches telehealth
- ▶ Device sales growing again Q1FY21, exceeding pre-pandemic revenue build

## REVENUE CYCLE FROM BOOKED REVENUE TO RECEIPTS



- Typically there is a 60-90 day lag between the sale of devices, services or accessories and the receipt of money associated with those sales
- This lag was temporarily dislocated during Q4FY21 but has now returned to normal
- The remaining money to be received from the invoiced sales for Q1FY21 is expected to be collected in the coming quarter along with some additional revenue from sales within Q2FY21
- As the revenue build is anticipated to continue, there is likely to be an ongoing lag between sales and receipts of two to three months to booked sales revenue.



## REOPENING AND 'LIL' EXPANSION - SIGNIFICANT GROWTH OPPORTUNITY

- At the end of the September quarter, 15 out of 30 launched sites and 57 contracted sites were physically scanning patients
- Patient flow is currently subdued, meaning that current sites are trending under their monthly quotas – this is expected to continue in the near term
- In response to this, the company is relaunching existing sites and launching additional sites to provide a broader base to build revenue from
- In the face of the risk of a continued reduction in patient flow to the clinic, the homecare model that was successfully piloted during COVID-19 will be offered as an extension to the Lab in Lab program
- The value of the potential deal funnel increased from \$70m to over \$80m in the last quarter
- This represents a significant growth opportunity as patient flow improves per site and additional sites are contracted and launched with the homecare extension if needed

## STRATEGIC FOCUS FY2021



Relaunching and launching additional LIL sites along with expansion of the telehealth/homecare extension



Maximising device sales from LIL sites, reducing lead times to revenue and driving to contracted quotas



Continue contract negotiations for additional LIL sites



Cost control combined with revenue build to increase cashflow from operations



Reduction of COGS targeting gross profit margins of ~80% on device sales



510k FDA approval for ExVent in the US



Launch 'LIL' program in other markets with strategic partners

# OVENTUS MEDICAL BOARD OF DIRECTORS

Experience in the health & medical industries and early stage companies



**DR MEL BRIDGES**  
Chairman and  
Non-Executive Director

Over 35 years' experience founding and building international life science, diagnostic and medical device companies and commercialising a wide range of Australian technology.



**SUE MACLEMAN**  
Non-Executive Director

Sue has more than 30 years' experience as a pharmaceutical, biotechnology and medical technology executive having held senior roles in corporate, medical, commercial and business development.



**PAUL MOLLOY**  
Non-Executive Director

Based in Southern California, Paul has considerable global and US medical device industry expertise, with twenty-five years' experience leading a range of public, private and venture capital funded healthcare companies. He is currently President and CEO of ClearFlow Inc., a US-based medical device company.



**DR CHRIS HART**  
Founder and CEO

As the inventor of the O2Vent technology, Chris is overseeing the launch of the O2Vent to patients and through clinicians via dentists and the 'Lab in Lab' model. Chris has relocated to the US to assist with roll-out of the Oventus Sleep Treatment Platform.



**SHARAD JOSHI**  
Non-Executive Director

Based in Boston, Sharad has worked in the medical technology industry for over 30 years. He has held senior positions including as a global entrepreneurial medical devices CEO, with experience in launching medical devices and a strong track record of driving rapid global growth.



**JAKE NUNN**  
Non-Executive Director

California based, Jake has more than 25 years' experience in the life science industry as an investor, independent director, research analyst and investment banker. Jake is currently a venture advisor at New Enterprise Associates (NEA).

# FINANCES: CORPORATE OVERVIEW, ASX: OVN

## Overview

Cash on hand 30 September 2020	\$6,760,000
Revenue Sep-2020 Qtr (up 193% from Jun-20 Qtr)	\$249,000
Customer receipts Sep 2020 Qtr (up 38% from Jun-20 Qtr)	\$164,000

## Capital structure (as at 26 October 2020)

Shares on issue	158.24m
Options	29.45m
Share price (26 October 2020)	\$0.230
Market Cap (26 October 2020)	\$36m

## Shareholders (as at 26 October 2020)

Dr Chris Hart	16.8%
Other directors and founders	7.2%
Other top 20 shareholders	32.0%
Remaining shareholders	44.0%

## ASX: OVN | share price history



## OVENTUS AIRWAY TECHNOLOGY



*"I wanted a treatment approach conducive to my lifestyle, as I travel frequently. CPAP and other oral appliances seemed too cumbersome to me.*

*The O2Vent Optima is comfortable and easy to use, which makes it easy to stick with it as a treatment. After only a few weeks of use, I've noticed my daytime alertness and energy have increased and my snoring, much to the relief of my wife, has decreased."*

***Ervin Magic***



**Dr Chris Hart**

Founder & CEO  
[chris@oventus.com.au](mailto:chris@oventus.com.au)

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# Addendum



# APPLIANCE VALIDATION - O2VENT

## (OVENTUS AIRWAY TECHNOLOGY)

Name	Study/ Investigation	Patients completed (per Nov 2018)	Results - reduction in AHI (sleep events per hour)*	Commentary	Events
<b>Sydney study (NeuRa) OVEN-005</b>	Pilot study	4	37 reduced to 8 = 78% reduction  Airway Technology increased efficacy by 50% cf Traditional oral appliance	In addition to AHI reduction, 66% reduction in CPAP pressure required when using Oventus CPAP connector	Presented at AADSM/AASM Sleep 2017 in Boston
<b>CRC-P funded (\$2.95m)</b>	Nasal Resistance Study	7	34.4 reduced to 7.0 = 80% reduction	Increased nasal resistance did not impact treatment outcomes	Interim results presented at Prague, World Sleep Congress (abstract) 9-12 October 2017. Expanded results presented at European Respiratory Society in Paris September 2018
		39	29 reduced down to 14.5 = 50% reduction		
<b>3 stages over 3 years</b>	PEEP Valve Study	22	21.6 reduced to 7.2 67% reduction In previous treatment failures	Success rates increased by 59% enabling over 75% of patients to be treated successfully without CPAP	Final results being presented at the ASA Sleep DownUnder Oct 2018. Published in <i>SLEEP</i> June 2019
<b>180 Patients in Total</b>	MAS Combo Study	16	CPAP Pressure requirements reduced by 35-40%	Patients able to breathe through the device while using nCPAP eliminating the need for full face masks	Interim results presented at European Respiratory Society in Paris September 2018. Expanded results presented at ASA Sleep DownUnder Oct 2018



# APPLIANCE VALIDATION

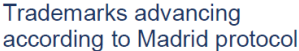
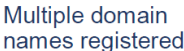
## O2Vent (Oventus Airway Technology)

Name	Study/ Investigation	Patients completed (per Nov 2018)	Results - reduction in AHI (sleep events per hour)*	Commentary	Peer Review
Perth study OVEN-004	Airway Open/Airway Closed	10	69.6 reduced to 19.4 = 72% reduction	Airway Technology increased efficacy by 30 %	Interim results: Auckland Sleep DownUnder, ASA Conference (abstract) 25 October 2017
Effect of Oventus Airway on Upper airway Physiology	Predictors of response to Oventus Airway	22**	53.6 reduced to 29.4 = 45% reduction	Physiologic Study showing females exhibited greater response to Oventus Airway Technology	Final results presented at the ASA Sleep DownUnder Oct 2018
Brisbane study OVEN-003	Effect of Oventus Airway on Efficacy & Compliance	32	24 reduced to 10 = 58% reduction	Airway Technology increased response rate by 40% and success rate by 20% Increased efficacy in nasal obstructers and previous treatment failures	Final results presented at the ASA Sleep DownUnder Oct 2018
Brisbane study OVEN-001	Efficacy of Oventus O2Vent	29	42 reduced to 16 = 62.5% reduction	Same response rate and efficacy with and without self reported nasal congestion	Journal of Dental Sleep Medicine, Vol 4, No. 3

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AU2012255625 EP2709572 (DK, FI, FR, DE, NL, NO, SE, GB) US10,010,444 US16/003,558	AU2015240431 AU2017228641 CA2944525 CN201580026949.1 EP15773894.9 JP2016-560790 KR10-2016-7028505 US15/300,865 MO J/4021	AU2016303791 CA2994175 CN2016800575152 EP16831973.9 HK18108763.8 JP2018-505470 NZ739363 US15/750,023	AU2017243874 CA3016209 CN201780022113.3 CN201621125219.5 CN201721839219.6 EP17772876.3 HK19127755.7 JP2018-545631 KR10-2018-7026715 NZ745767 US16/089,084	AU2017343672 CA3039830 CN201780076017.7 EP17860264.5 JP2019-518265 KR10-2019-7012830 NZ752624 US16/340,519	AU2017369738 CA344314 CN201780084588.5 EP17876938.6 JP2019-525808 NZ752621 KR10-2019-7017495 US16/465,023	PCT/AU2019/050223	PCT/AU2019/050402P CT/AU2018/051132
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As at 2 March, 2020



## ABOUT OVENTUS



Oventus is an Australian medical device company with a proprietary technology for the treatment of *obstructive sleep apnea (OSA)*. Our focus is on treating those patients that are not being, or cannot be treated effectively with existing treatment modalities.



There is a huge unmet need many times the size of the existing market due to the abandonment of existing treatments by the majority of patients



Oventus has a clinically proven ability to deliver superior outcomes for more than 80% of these patients with the first products in its treatment platform now available in the US with FDA clearance and existing reimbursement codes



Platform technology developed and company founded in 2013 by CEO, Dr Chris Hart B.Sc. B.D.Sc (Hons) M.Phil (Cantab), Oventus is listed on the Australian Securities Exchange (ASX:OVN)

**OSA IS A MASSIVE, MULTIBILLION DOLLAR AND FAST-GROWING MARKET**