



Oventus Medical

INVESTOR BRIEFING

21 January, 2021



Oventus Medical is leading a new paradigm of sleep apnea care

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Traction building for Oventus' OSA therapy

Disrupting the **\$2.4B US¹** obstructive sleep apnea (OSA) treatment landscape

Oventus' **O2Vent oral appliance therapy** is a discrete, portable, highly efficacious and competitive alternative to CPAP

Lab in lab ('LIL') model enables dentists and sleep groups to work collaboratively and profitably, **to the benefit of patients**

Q2 FY21 booked revenue **up 20% QoQ to A\$301k** and cash receipts **up 53% to A\$251k**, despite COVID-19 driven interruptions

64 **Lab in Lab sites** contracted, 36 launched and 24 scanning. Telehealth and **remote treatment model** driven via relationship with US national member organisation, VGM & Associates

LIL contract **pipeline valued above A\$100m annualised**, excluding opportunity from VGM agreement



Source: ¹Sullivan, F. (2016). Hidden health crisis costing America billions: Underdiagnosing and undertreating obstructive sleep apnea draining healthcare system. American Academy of Sleep Medicine.

Obstructive Sleep Apnea overview



Obstructive sleep apnea (OSA) is the most common type of 'sleep apnea'¹



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

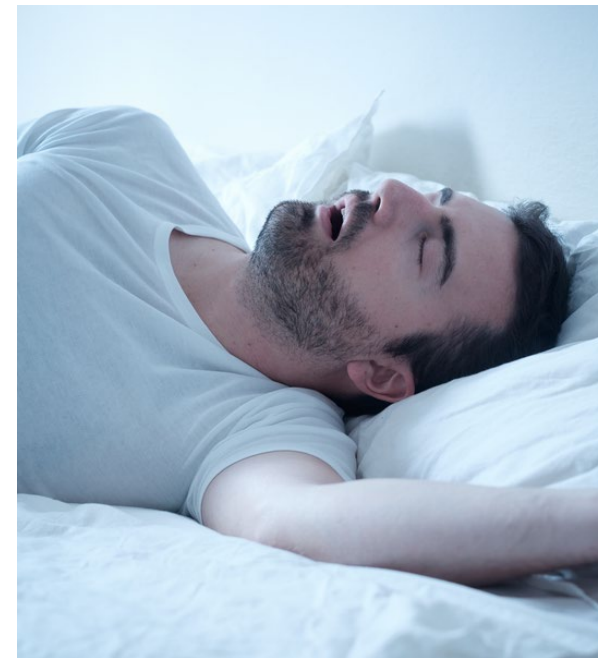
Cost burden US\$149.6B, US\$6,033¹ per person per year undiagnosed

Source: ¹Sullivan, F. (2016). Hidden health crisis costing America billions: Underdiagnosing and undertreating obstructive sleep apnea draining healthcare system. American Academy of Sleep Medicine.

Oventus O2Vent® addresses the needs of 80%¹ of OSA patients



- ~6M adult patients prescribed CPAP in the US
 - 50-60% of those patients quit CPAP
- **~3M existing patients in need of an effective alternative treatment:**
 - Oventus devices sold wholesale for an average of ~A\$800/unit
 - Valves/other accessories drive recurring revenues
- **Diagnosed patients not using CPAP – \$2.4B opportunity in the US alone**
- Given current rates of prevalence and CPAP abandonment, US addressable market = >\$12B
- More patients seeking a non-CPAP solution – oral appliance market forecast to grow at 16% CAGR
- ~80% of OSA sufferers remain undiagnosed²



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

The trouble with CPAP



CPAP, the 'standard of care' works, but for a significant percentage:

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

Air pressures are hard to tolerate and CPAP can be noisy

Technology has an image problem

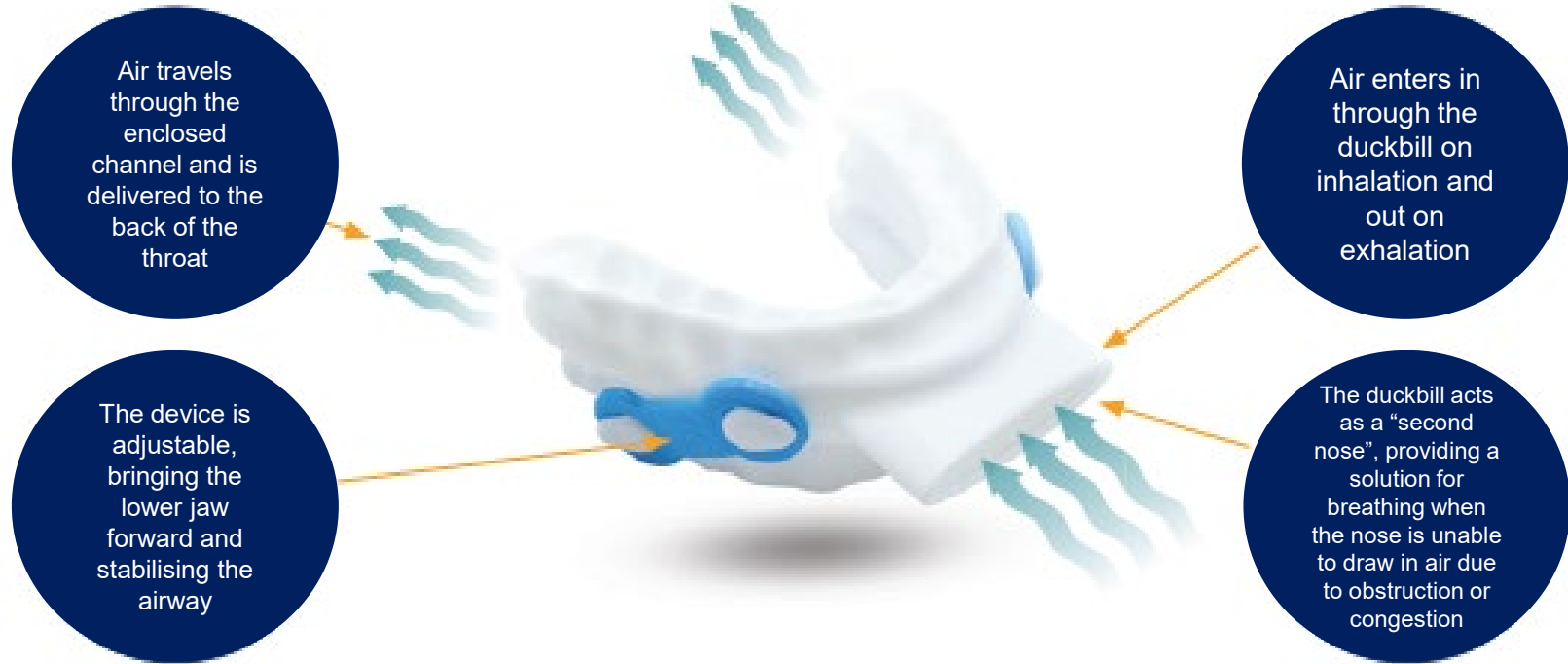
Cleaning and maintenance required, masks and hoses must be regularly resupplied

50%-60%¹ of patients quit CPAP within first year

Large US study² showed only 54% compliance long term

Sources: ¹ Ballard RD, Gay PC, Strollo PJ. Interventions to improve compliance in sleep apnoea patients previously non-compliant with continuous positive airway pressure (CPAP), JCSM 2007, Vol 3, No7, 706-12 ² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC2679572/>

O2Vent Optima® : How it works



Outstanding clinical success reported across range

Conventional lower jaw advancement

56%¹ of patients treated successfully



Mandibular Advancement Devices

O2Vent[®] / O2Vent Optima[®]

63%² of patients treated successfully



O2Vent[®] + ExVent[®] PEEP valve technology

80%^{3, 4} 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

1 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 2 Lai, V, Tong, B, Tran, C, Ricciardiello, A, Donegan, M, Murray, N, Carberry, J, Eckert, D. 'Combination therapy with mandibular advancement and expiratory positive airway pressure valves reduces obstructive sleep apnea severity', Sleep, vol 42, no. 8, August 2019, zsz 119. 3 Tong B, Tran C, Ricciardiello A, Donegan, Murray N, Chiang A, Szollosi I, Amatoury J, Eckert D. Combination therapy with CPAP plus MAS reduces CPAP therapeutic requirements in incomplete MAS responders. Poster session presented at: Australasian Sleep Society Sleep DownUnder, 2018, October 17-20; Brisbane Australia 4 ExVent available in Oventus' key markets of Australia and Canada, not yet approved in the US.

Oventus is driving disruption in the sleep industry



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

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

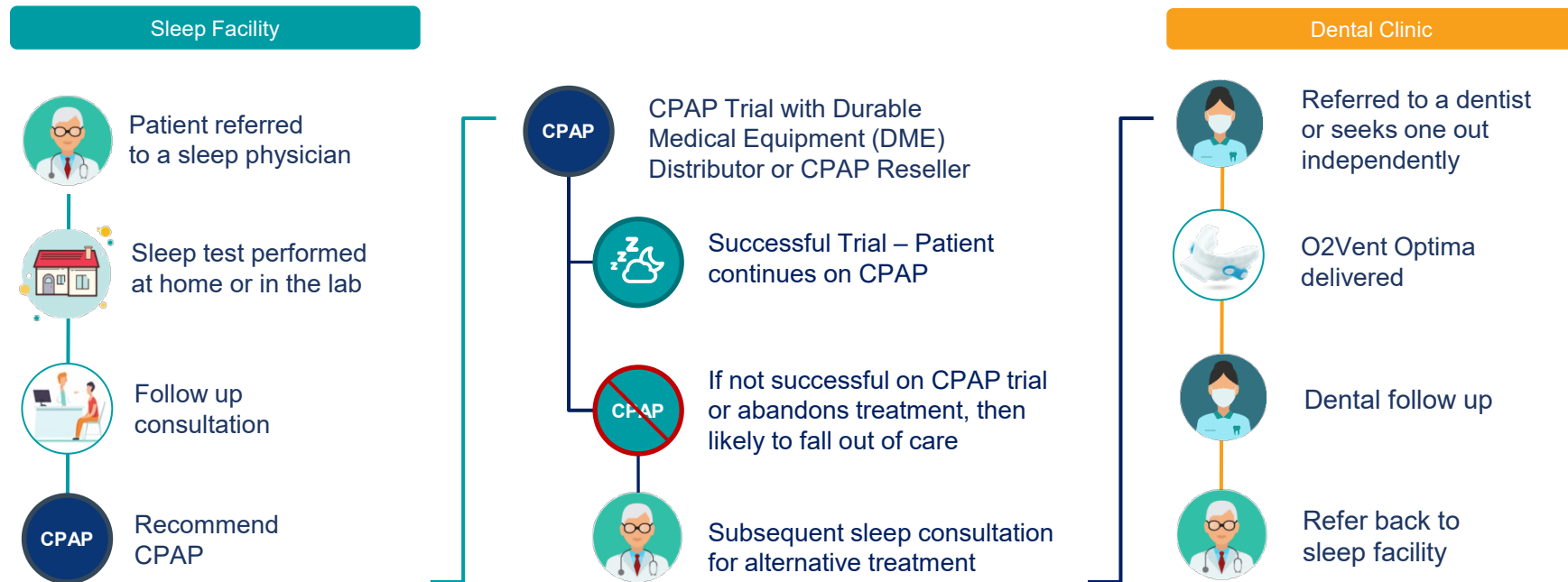


Oventus is addressing these issues with new technology and a novel approach to care

- Clinically validated to be the most effective oral appliance with success rates comparable to CPAP^{1,2,3}
- Digital workflow and virtual patient journey mean that Oventus' unique treatment modality can be delivered in both the sleep and dental channel
- 'Lab in Lab' (LIL) program increases revenue and profit for both the sleep and dental channel

1 McCloy K, Lavery D, Moldavtsev J, Airway open-airway closed: The effect of mandibular advancement therapy for obstructive sleep apnoea with and without a novel in-built airway. Abstract Submitted ASA Brisbane 2018. 2 Lai V, Tong B, Tran C, Ricciardiello A, Donegan M, Murray N, Carberry J and Eckert D. Combination therapy with mandibular advancement and expiratory positive airway pressure valves reduces OSA severity. Abstract Submitted ASA Brisbane 2018. 3 Tong B, Tran C, Ricciardiello A, Donegan M, Murray N, Chiang A, Szollosi I, Amatoury A and Eckert D. Combination therapy with CPAP plus MAS reduces CPAP therapeutic requirements in incomplete MAS responders. Abstract submitted ASA Brisbane 2018.

Patients struggle with traditional treatment pathways



Oventus' LIL network of mini clinics inside sleep facilities simplifies the patient journey and brings more patients into care



By enabling dentists to take oral scans of patients mouths within the sleep facility, 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



Ongoing patient management shared by the sleep physician and dentist

*Reimbursed in the US under existing HCPC codes for both commercial payers and government funded Medicare patients

Oventus positioned for telehealth growth surge

COVID-19-related concerns in treating OSA:

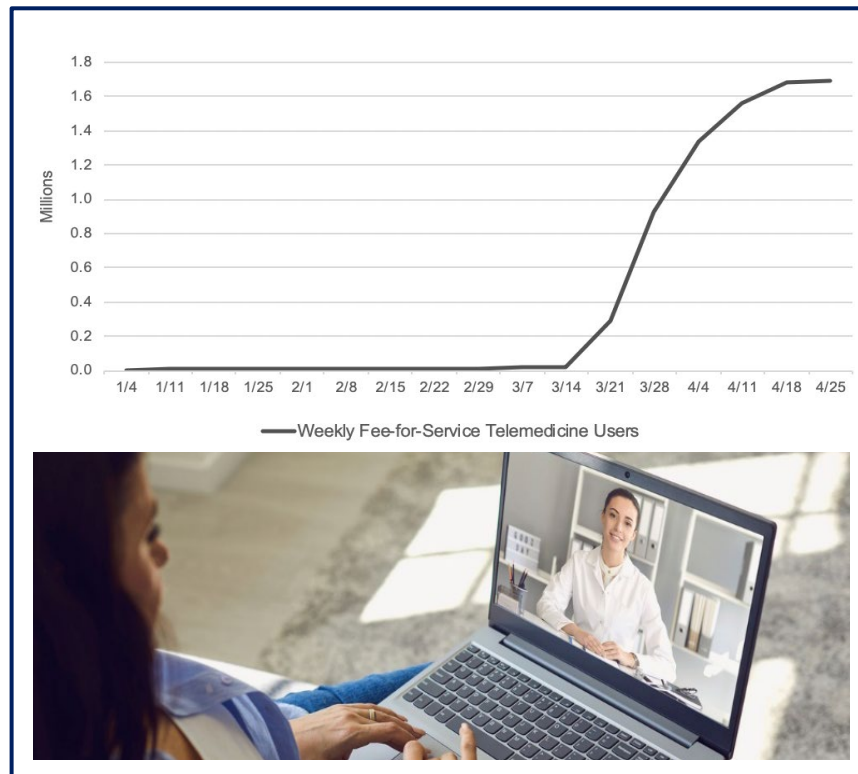
- CPAP aerosol droplets thought to spread virus
- Sleep centre in-lab services 50% reduced with many suspended
- Increase in home sleep studies
- Reduced patient visits (dental and medical)

Telemedicine emerges and is here to stay:

- Over 9 million beneficiaries have received a telehealth service during the public health emergency, mid-March through mid-June

Teledentistry service providing oral appliance treatment and management:

- Convenient
- Low cost
- Virtual collaboration: Help Sleep MD and dentist keep patients in care
- Solution for patients that cannot use CPAP



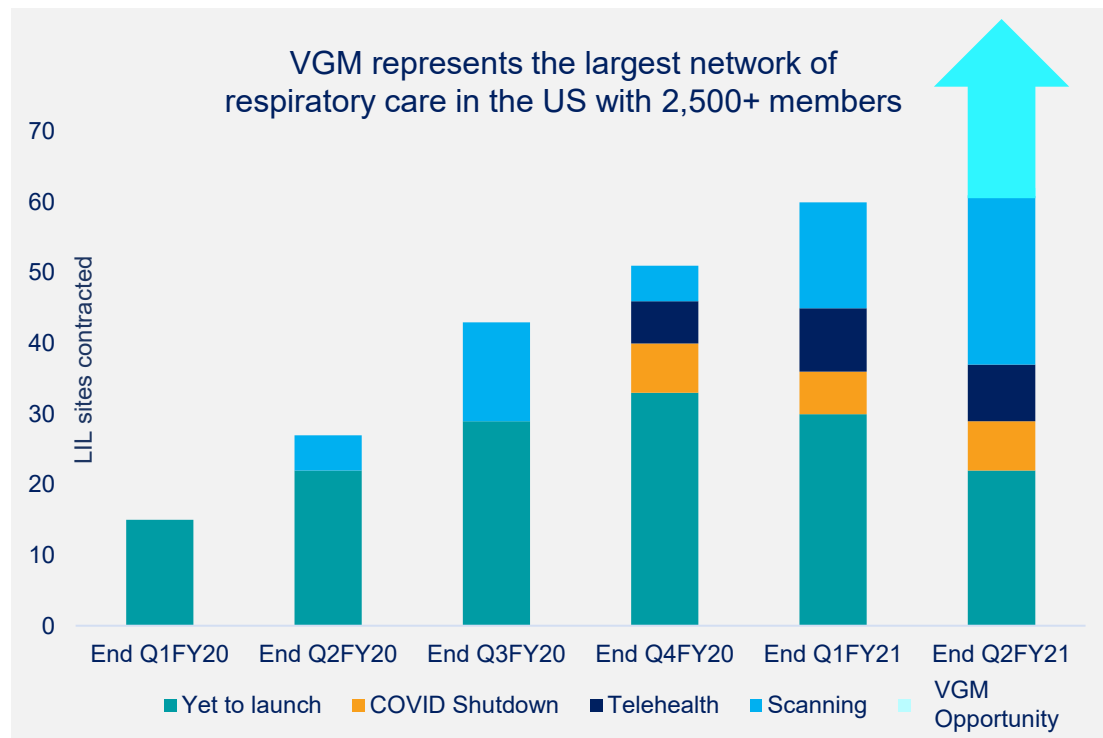
Source: Internal CMS analysis of Medicare FFS claims data, March 17, 2020 through June 13, 2020 (using data processed through June 19, 2020)

National LIL marketing agreement signed with VGM – USA's largest network of respiratory care providers



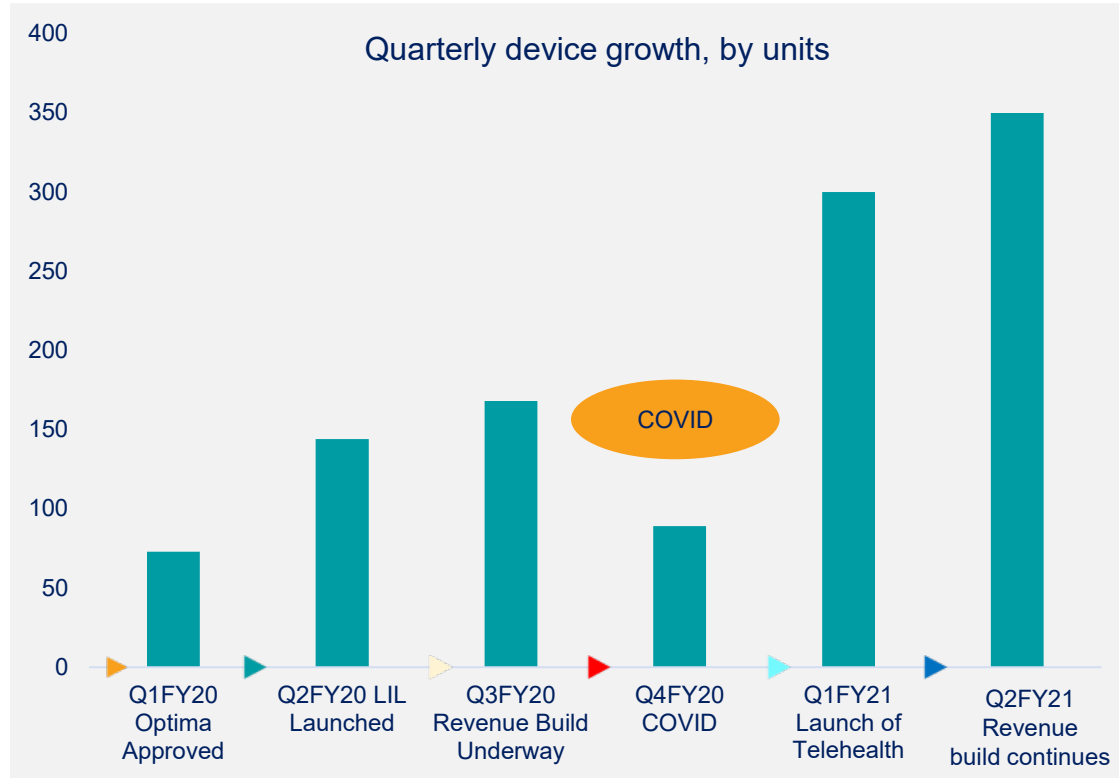
- Largest and most comprehensive Member Service Organisation (MSO) in the US for post-acute healthcare including DME/Home Medical Equipment (HME), Respiratory and Sleep
- VGM Respiratory is an end-to-end business solution available to 2,500+ VGM members who either specialise in providing respiratory-related equipment to their patients or would like to add a new service to their business
- Onboarding of Oventus as a preferred vendor complete and marketing of Oventus technology to members underway
- First dentist-supervised oral appliance program offered in the DME setting on a national basis – watershed moment in the evolution of the LIL program
- Initial launch sites identified with very positive early feedback
- Small level of adoption represents an opportunity many times the size of the current LIL program

Contract negotiations, launches and relaunches ongoing through COVID-19



- Once fully launched, 49 sites have monthly quotas of 20 units per site and 15 sites have monthly quotas of 10 units per month with the potential to generate A\$13.6m annualised revenue
- At the time of writing, 36 sites had been launched representing A\$7.9m in potential revenue
- At the time of writing 24 sites were physically seeing patients representing A\$5.2m in potential annualized revenue
- The evolution of the 'LIL' program into a virtual platform has enabled the signing of a marketing agency agreement as the preferred provider of oral appliance therapy with VGM, the largest network of respiratory care providers in the US

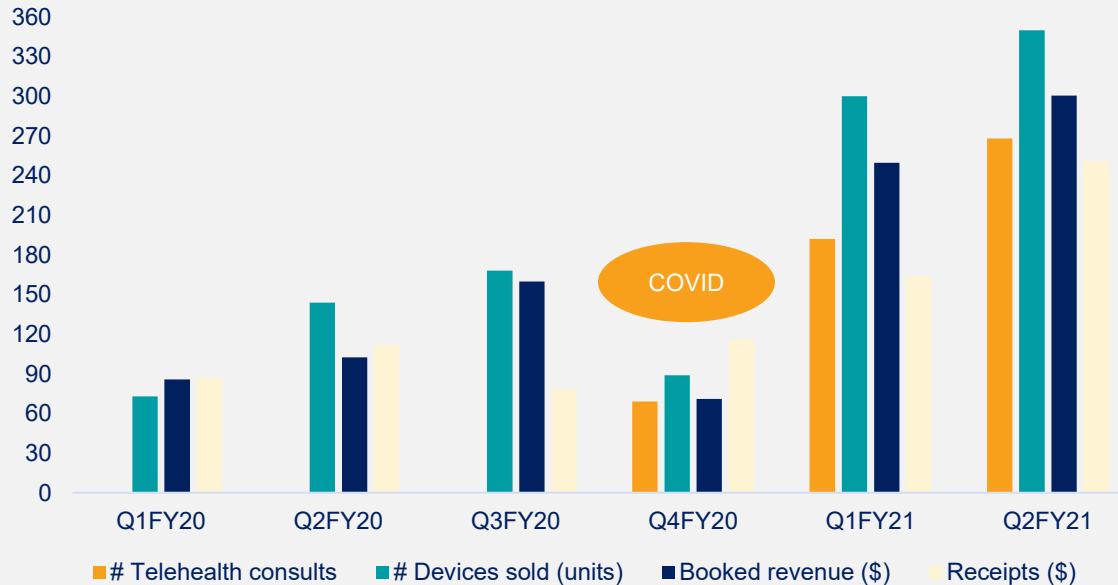
Launch of Optima and LIL program builds revenue through pandemic



- ▶ O2Vent Optima FDA clearance in September 2019
- ▶ First LIL sites launched in October 2019
- ▶ Additional sites launched and revenue building to mid March 2020
- ▶ OVN launches telehealth in the face of significantly reduced patient flow to the clinics
- ▶ Device sales growing again Q1FY21. Exceeded pre-COVID revenue build
- ▶ First national contracts signed with traditional CPAP distributors. Revenue build continued in Q2 amidst challenging market

Oventus shows growth across all key performance indicators

Telehealth consults undertaken, device sales (units), booked revenue and cash receipts



- Oventus shows steady growth from Q4FY20
- Telehealth program launched in Q4 FY20 as response to restricted patient access to physical venues
- Consults undertaken by Oventus' Telehealth team have grown steadily from 69 in Q4 FY20 to 268 in Q2 FY21
- Device sales, booked revenue and cash receipts have grown at corresponding rates

Q2FY21 highlights

Growth of Lab in Lab

- 64 sites contracted = A\$13.6m potential annualised revenue
- 36 sites launched = A\$7.9m potential annualised revenue
- 24 sites scanning = A\$5.2m potential annualised revenue

Business improvements

- Telehealth implemented in response to COVID resulting in increased conversion rates
- Homecare extension has led to adoption by the largest network of respiratory care providers in the US

Reduced Cash Burn

The previously reduced cash burn has been maintained at A\$1.6M for the quarter ahead of sales ramping through CY21

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

- Cash receipts increased 53% QoQ to A\$251k and 124% compared to the previous corresponding period
- Booked revenue increased 20% QoQ to A\$301k and 192% compared to the previous corresponding period

Cash and funding

Cash of A\$4.8 million, providing a further three quarters of funding at the current burn rate with further revenue growth expected through CY2021

Reopening and LIL expansion – significant opportunity

At the current time, 24 out of 36 launched sites and 64 contracted sites are scanning

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

The value of the potential deal funnel stood at A\$100m at the end of the quarter and has increased significantly again as a result of the recent agreement with VGM representing 2,500+ potential LIL sites.

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

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



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 and implementation of first national LIL agreement in the US



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



SUE MACLEMAN
Chair and
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.



DR MEL BRIDGES
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.



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.



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).



STEVE DENARO
Company
Secretary

Experienced Company Secretary and Chief Financial Officer of various public companies and with major chartered accountancy firms in Australia and the UK.

Experience in the health and medical industries and early stage companies



"The O2Vent Optima has made such a difference to my quality of sleep and I no longer wake in the night with that 'drowning feeling'.

It channels air to the back of my throat allowing me to breathe easily and sleep through the night.

I now wake more refreshed and can concentrate better during the day without feeling drowsy."

Sarah Atkins

Corporate overview, ASX: OVN



Overview

Cash on hand 31 December 2020	A\$4,833,000
Revenue Dec-2020 Qtr (up 20% from Sep-20 Qtr)	A\$301,000
Customer receipts Dec 2020 Qtr (up 53% from Sep-20 Qtr)	A\$251,000

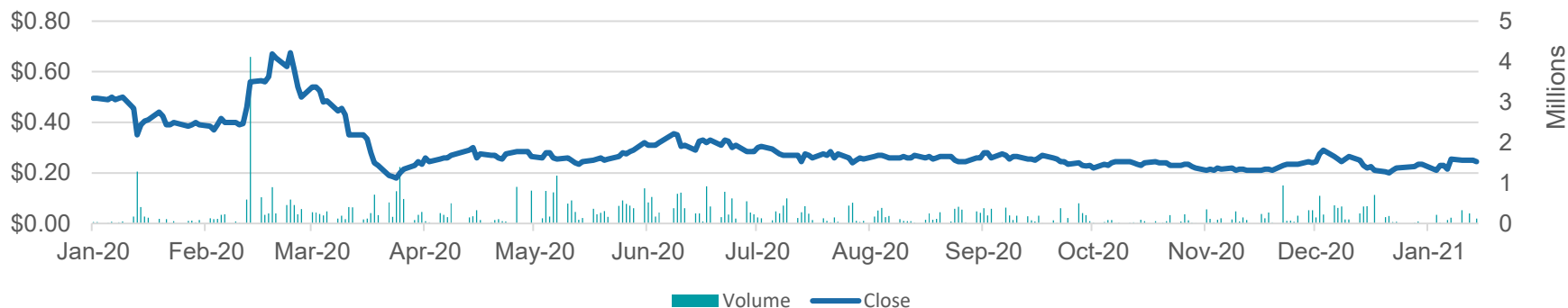
Capital structure (as at 15 Jan 2021)

Shares on issue	158.26m
Options	29.48m
Share price (15 January 2021)	A\$0.245
Market Cap (15 January 2021)	A\$38.8m

Shareholders (as at 15 Jan 2021)

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





Dr Chris Hart

Founder & CEO

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