

12 September 2022

## ASX Release

**Oventus Medical Ltd**  
**(Administrators appointed)**  
**ACN 608 393 282 ('Company' or 'Oventus')**

## Creditor update

We refer to the appointment of Michael McCann and Graham Killer of Grant Thornton as Administrators of Oventus and its Australian registered subsidiaries, Oventus Manufacturing Pty Ltd and Oventus CRM Pty Ltd, on 14 June 2022 (**Administrators**).

On 12 September 2022, the Administrators issued an update to the creditors of Oventus (**Creditor Update**). The Creditor Update is attached to this ASX Announcement.

## Shareholder Questions

For further information in relation to the external administration of Oventus or the information set out above, the contact details of the Administrators are given below:

Email: [Oventus@au.gt.com](mailto:Oventus@au.gt.com)

ENDS –

This announcement has been approved for lodgement by the Administrators.

While Oventus remains admitted to the ASX, the Administrators will continue to provide updates to shareholders over the course of the administration by way of announcements to the ASX.



To the Creditor as addressed

12 September 2022

Dear Sir / Madam

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**Grant Thornton Australia Limited**

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**Oventus Medical Ltd ACN 608 393 282, Oventus Manufacturing Pty Ltd ACN 163 851 287, Oventus CRM Pty Ltd ACN 608 397 726**  
**(All Administrators Appointed) (Collectively the “Companies”)**

**General update**

As previously advised:

- on 14 June 2022 Graham Robert Killer and I were appointed Joint and Several Administrators (“Administrators”) of the Companies;
- on 4 July 2022, the Administrators filed an application under section 439A of the Corporations Act 2001 (Cth), for orders granting a six-month extension of the convening period for the second meetings of creditors;
- on 8 July 2022, orders were made by the Federal Court of Australia that the convening period of the Companies be extended by six months to 12 January 2023; and
- the extension of the convening period was granted in order to provide sufficient time to allow the Administrators to pursue a recapitalisation of Oventus Medical Ltd (“Oventus”) or, failing that, a sale of the Companies’ business and/or assets.

The Administrators are now writing to you, to provide you with a general update regarding the progress of the Administration of the Companies and, in particular, the recapitalisation strategy.

**Recapitalisation strategy**

Shortly after their appointment, the Administrators conducted a process seeking expressions of interest in the purchase or acquisition of the Companies and / or their assets. Several parties expressed interest in various elements of the Companies. The preferred interest came from a party representing various new and existing shareholders wishing to recapitalise the Companies and maintain the business whilst operating through the existing structure including continuing the ASX listing of Oventus.

The Administrators are continuing to work with the preferred party on this recapitalisation strategy with the ultimate aim of paying in full claims of the creditors of the Australian entities, being the Companies, and returning value to shareholders. It is envisaged that a capital raise will occur concurrently with a

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Deed of Company Arrangement which, in due course, will be presented to creditors and voted on at the second meetings of creditors. It is anticipated that this meeting of creditors may be held between November and December 2022, subject to the timetable for the capital raising process.

In order to fund ongoing trading and the costs associated with implementing the recapitalisation strategy, Oventus has now entered into four convertible loan agreements with entities associated with the preferred party, borrowing funds totalling \$400,000 ("Convertible Loans"). Further details regarding the Convertible Loans may be found on the ASX website.

### **Operations**

The Administrators have reduced cost outlays and focused on preserving the value of the key assets of Oventus and its subsidiaries (the "Oventus Group") (namely its intellectual property and goodwill) and operational infrastructure.

In light of the recapitalisation strategy, the Administrators have undertaken a review of the trading arrangements of the Oventus Group and are taking active steps to adjust these arrangements, including the re-negotiation of key trading contracts. This is being pursued in order to better streamline the Oventus Group's workflow and improve the gross margin of the Oventus products in future.

Steps have also been taken to reduce the operational costs throughout the wider Oventus Group (including the US registered subsidiaries), again with the view to supporting future trading arrangements. In particular:

- certain functions which were previously carried out in-house by the Oventus Group are to be outsourced to third parties who can perform the same function at a lower cost;
- leases for underutilised premises have been terminated in Australia and the US, and operations in Canada have been scaled back; and
- the Group's CFO and CEO, who were both based in the US, have exited the Oventus Group and management of the Oventus Group has been returned to Australia.

### **Next Steps**

The Administrators are currently seeking to confirm the conditions the ASX will require Oventus to satisfy in order for it to be reinstated to trading. The Administrators will then turn their attention to the meeting of these conditions whilst progressing the capital raising process.

The next communication you are likely to receive from the Administrators will be with respect to the Administrators' report to creditors and the convening of the second meetings of creditors. The Administrators anticipate that the likely date for the circulation of this report will be in November 2022.

Should you require any further information, please direct your enquiry to [Oventus@au.gt.com](mailto:Oventus@au.gt.com).

Yours faithfully



Michael Gerard McCann  
Joint and Several Administrator