

**ASX Release****Oventus delivers H1 growth, launches US virtual Lab in Lab program; signs new sites and provides update on VGM agreement****Key highlights:**

- H1 FY21 booked revenue up 192% vs the prior corresponding period (pcp) to A\$550k and cash receipts up 109% to A\$415k
- Strong quarter on quarter (QoQ) growth across all leading indicators since Sept 2020 quarter, despite COVID-19 driven interruptions
- New Lab in Lab contracts signed covering four additional sites – two of which are an extension to an earlier agreement with Canada’s Careica Health
- Including newly contracted sites and optimisation of existing agreements, 68 Lab in Lab sites are now contracted, 40 have launched and 24 are scanning
- Onboarding complete and the first member groups expected to go live under agreement with VGM & Associates in the next 90 days, ahead of timing expectations
- Homecare extension with dentist-guided remote impressions now successfully piloted in the direct-to-consumer market; launched in the US via website, GoPAPfree.com

Brisbane, Australia 22 February 2021: Obstructive Sleep Apnea (OSA) treatment innovator, Oventus Medical Ltd or the Company (ASX: OVN) is pleased to release its half yearly report for the period ended 31 December 2020 and announce agreements covering four new Lab in Lab sites; progress on the agreement with VGM & Associates and a summary of current contracts.

**Oventus delivers H1 growth, driven by adoption of Lab in Lab model and telehealth**

Booked revenues for the six-month period were \$550,232, up 192% over the prior period with the growth driven by a mix of Lab in Lab sites that remained operational, continuing to scan patients, an expansion of the telehealth extension of the Lab in Lab program and an increase in direct sales to dentists who are delivering Oventus treatments in their own dental practices as well as being involved in the Lab in Lab program. The Q2 FY21 was the best quarter of O2Vent Optima device sales on record, even though the bricks and mortar patient treatment environment remained heavily hampered by the COVID-19 pandemic.

Cash receipts to the six months ended 31 December 2020 totalled \$415,560, up 109% over the prior period. The booked revenue is greater than the collected revenue due to the significant increase in booked revenue during the half and the longer sell cycle (up to 90 days)<sup>1</sup>

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<sup>1</sup> See ASX Announcement dated 11 October 2019.

from booked revenues to collection of cash receipts. The difference is expected to be collected in the coming quarter as has previously been the case.

During the six months ended 31 December 2020 the Group received \$265,243 in various COVID-19 related Government stimulus targeted at maintaining staffing levels in Australia and Canada where the Group operates. Stimulus measures have been recognised as an offset to staff costs.

Loss from ordinary activities was (\$4.68m), down 9% on pcp.

### **New sites signed under physical Lab in Lab model**

Four new sites have signed onto Oventus' Lab in Lab model, which enables sleep clinicians and dentists to work together in a collaborative and profitable manner to deliver care to patients. Two newly signed sites are with existing customer, Careica Health; one with Specialized Sleep in California and one with PEAKsleep in London, Ontario.

The new sites with Careica Health, one of Western Canada's largest privately owned providers of diagnostics and treatment for OSA and home oxygen services, follow an initial agreement put in place to cover four sites, announced on 18 May 2020. Strong results under the Lab in Lab model, performance of Oventus technology and positive patient experience at those initial sites has driven these new agreements with sites in Red Deer, Alberta and Saskatoon, Saskatchewan.

Cory McArthur, Careica's President & CEO commented, "We are pleased that the Oventus device offers our clients an additional way to treat their sleep apnea and snoring."

### **Onboarding complete with VGM & Associates**

Further to the announcement on 23 November 2020 that Oventus had secured an agreement with VGM & Associates, the largest sleep and respiratory support organisation in the United States, the Company has completed onboarding with VGM as preferred provider of oral appliance therapy for its 2,500 members.

Outbound marketing of Oventus' O2Vent Sleep Treatment Platform is underway to VGM members and first contracts have been issued to members to sign on to Oventus' virtual Lab in Lab model.

The first VGM member group is expected to go live with Oventus in the next 90 days. As has been the case with the implementation of previous agreements, there is a lead time to revenue of several months. However, the number of groups and patients involved is very significant and is expected to make a large contribution to growth in CY2021.

### Lab in Lab – contracted sites update and launch of GoPAPfree.com

At the time of writing, including the newly contracted four sites, a total of 68 Lab in Lab sites were under current contract. 40 had been launched and 24 were physically scanning patients. Seven previously contracted sites have been terminated and removed from the above summary due to COVID-19 related impacts or performance concerns.

Oventus Founder and CEO, Dr Chris Hart commented, “We are very pleased with how our Lab in Lab model has performed through what has been one of the most volatile and unprecedented respiratory pandemics in history. Despite the significant hampering of footfall across North America, we’ve still managed to grow device sales by 143% when compared to the same period last year.

“Based on what we currently know and correlated with a drop in the rate of infection, we see an improved outlook for physical patient appointments in North America. To protect ourselves against further volatility, our homecare extension of Lab in Lab has been elevated and we’ve just launched a new direct to consumer site, goPAPfree.com, where patients in North America can access treatment completely virtually.

“This fully virtual model is the same one that is being made available to VGM’s member-base. While it’s a nascent part of our business, with very low patient acquisition costs, no CAPEX, higher margins and no physical barriers, we expect the homecare model to become a very exciting part of our strategy.”

Oventus looks forward to keeping the market updated with further material progress.

—ENDS—

### Authorised for release by the Oventus Medical Ltd Board of Directors

For further information, please visit our website at [www.o2vent.com](http://www.o2vent.com) or contact the individuals outlined below.

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**About Oventus – see more at [www.o2vent.com](http://www.o2vent.com)**

Oventus is a Brisbane-based medical device company that is commercialising a unique treatment platform for obstructive sleep apnea (OSA) 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, O2Vent Optima devices manage the entire upper airway via a unique and patented built-in airway. O2Vent Optima devices allow for airflow to the back of the mouth while maintaining an oral seal and stable jaw position, avoiding multiple obstructions from the nose, soft palate and tongue. The devices reduce airway collapsibility and manage mouth breathing while keeping the airway stable.

O2Vent Optima devices are designed for any patient that is deemed appropriate for oral appliance therapy, but especially beneficial for the many people that suffer with nasal congestion, obstruction and mouth breathing. The O2Vent Optima allows nasal breathing when the nose is unobstructed, but when obstruction is present, breathing is supplemented via the airway integrated 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 stabilizing 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 apnea<sup>[1]</sup>.

Continuous positive airway pressure (CPAP) is the most definitive medical therapy for obstructive sleep apnea, however many patients have difficulty tolerating CPAP<sup>[2]</sup>. Oral appliances have emerged as an alternative to CPAP for obstructive sleep apnea treatment<sup>[3]</sup>. The O2Vent Optima and ExVent provide a discreet and comfortable alternative to CPAP for the treatment of OSA.

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<sup>[1]</sup> Deloitte Access Economics. Reawakening Australia: the economic cost of sleep disorders in Australia, 2010. Canberra, Australia.

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

<sup>[3]</sup> Sutherland, Kate, et al. "Oral appliance treatment for obstructive sleep apnea: an update." Journal of Clinical Sleep Medicine 10.2 (2014): 215-227.