



AGM Presentation

25 November 2022

**Treatment focused.
Technology driven.**



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Some of the statements contained in this release are forward-looking statements. Forward looking statements include but are not limited to, statements concerning estimates of future sales, expected revenues and costs, statements relating to the continued advancement of the Company's operations and other statements which are not historical facts. When used in this document, and on other published information of the Company, the words such as "aim", "could", "estimate", "expect", "intend", "target", "forecast", "future", "will", "may", "potential", "should" and similar expressions are forward-looking statements.

Although the company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results and projections of future performance to differ from these forward-looking statements as a result of known and unknown risks, uncertainties and other factors not anticipated by the Company or disclosed in the Company's published material. Many of these factors are beyond the control of SomnoMed Limited and may involve subjective judgement and assumptions as to future events, which may or may not be correct.

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SomnoMed's vision and mission

Our vision is to lead in the treatment of patients suffering from obstructive sleep apnea and relevant adjacent conditions

Our mission is to advance the adoption, acceptance and treatment of oral sleep apnea therapies by medical specialists, dentists, patients and insurers



Highly qualified and supportive board of directors



Guy Russo
Chairman

Highly accomplished business leader with strong commercial & customer oriented background



Amrita Blickstead
Non-Executive

Former COO & CMO for eBay Australia
Trained biomedical engineer



Michael Gordon
Non-Executive

Currently CFO of Different Technologies, a property technology company



Karen Borg
Non-Executive

Currently CEO of Catholic Healthcare
Former CEO of Healthdirect and President APAC, ResMed



Hilton Brett
Non-Executive

Currently operating partner at TDM Growth Partners, with extensive consumer retail experience



Hamish Corlett
Non-Executive

Founder and director of TDM Growth Partners
TDM made its first investment in SomnoMed in 2010 and has been a substantial shareholder since 2012



Neil Verdall-Austin
Managing Director

28+ years experience with various medical distribution and manufacturing companies
CEO since 2018; previously CFO for 10 years

Experienced management team



Hervé Fiévet
CFO

Joined SomnoMed in April 2019
Extensive experience in managing all aspects of managing finance, IT, supply chains, global purchasing, legal and HR



Neil Verdal-Austin
CEO

28+ years experience with various medical distribution and manufacturing companies
CEO since 2018; previously CFO for 10 years



Mark Harding
VP, Global Marketing

Joined SomnoMed in July 2019
Strong track record of executing sales & marketing strategies in APAC, Europe and Australia



Marco van Kleef
VP, Sales & Marketing Europe

Joined recently with vast medical device and sleep experience of 22+ years in the European region



Paul Cottee

VP, Sales & Marketing APAC
Joined SomnoMed in April 2018
Marketing and sales leader with extensive medical device experience
Proven history of successfully managing orthopaedic, capital equipment and surgical consumable businesses



Matthew Conlon
EVP, Sales & Marketing North America
Joined SomnoMed in October 2019
Extensive experience in the medical devices industry and technologies sector, and possesses broad expertise in scaling organisations, working through involved and complex strategy, and navigating change



Christopher Bedford
VP, Research & Development

18+ years at SomnoMed
Appointed VP of R&D in August 2017

FY22 financial highlights

Total revenue

A\$72.6m

+16% vs FY21

Exceeded FY22 guidance

North America

+33% vs FY21

Europe¹

+15% vs FY21

APAC

+1% vs FY21

EBITDA²

A\$1.3m

Stable product gross margin of 70%

EBITDA² above guidance despite investment for growth

Investments include new technology initiatives and increased sales & marketing activities

Cash

A\$15.6m

Secured net \$11m in new debt funding post FY22

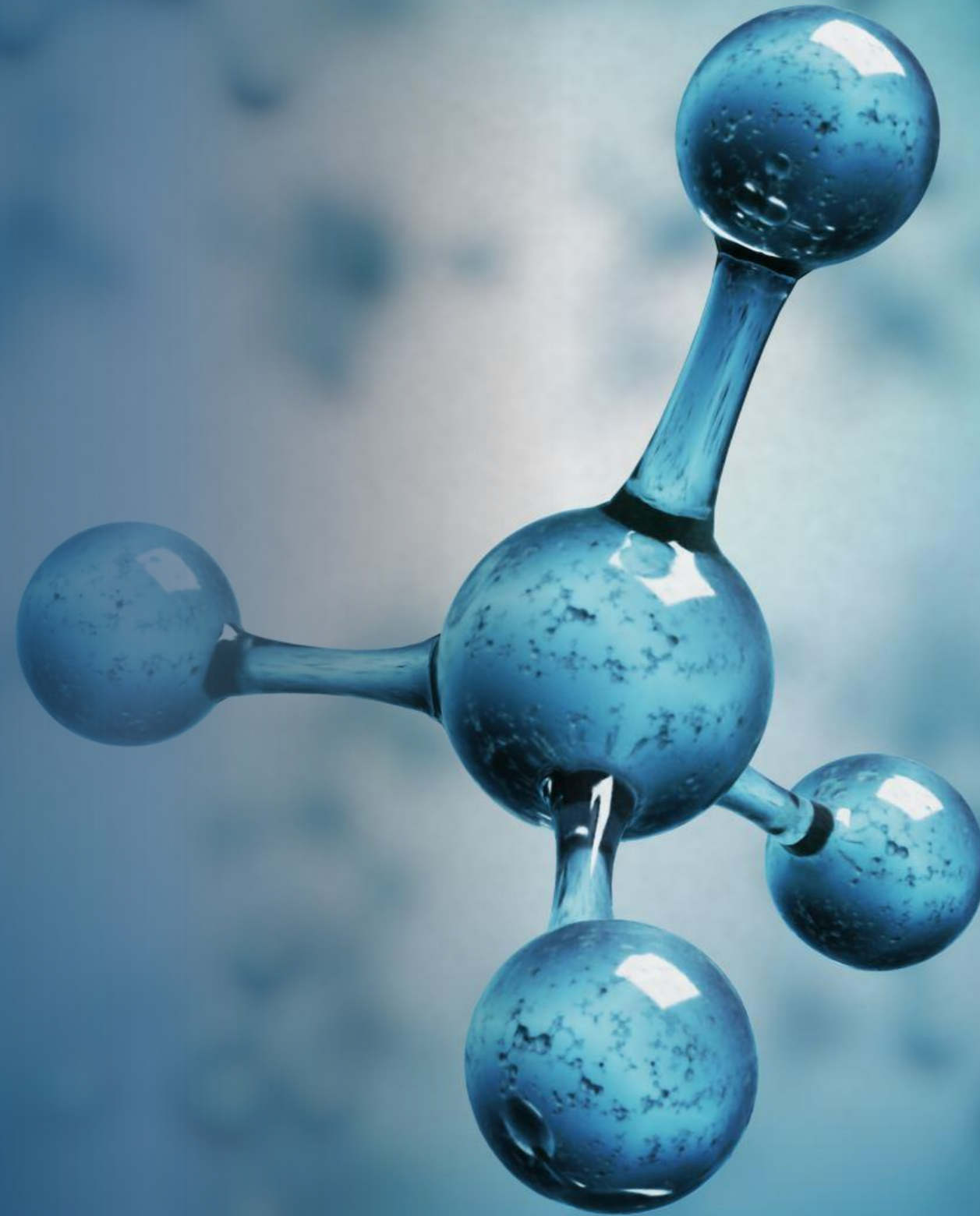
Positive net operating cash flow

Sufficient capital to support ongoing growth initiatives

¹ Excludes HIC (Health Care Companies) Revenue which is associated with allowances received in the Netherlands which compensates SOM for a portion of lost managed care income in the country due to COVID-19

² EBITDA does not include share/option expenses, unrealised forex gain/(loss) and discontinued operations

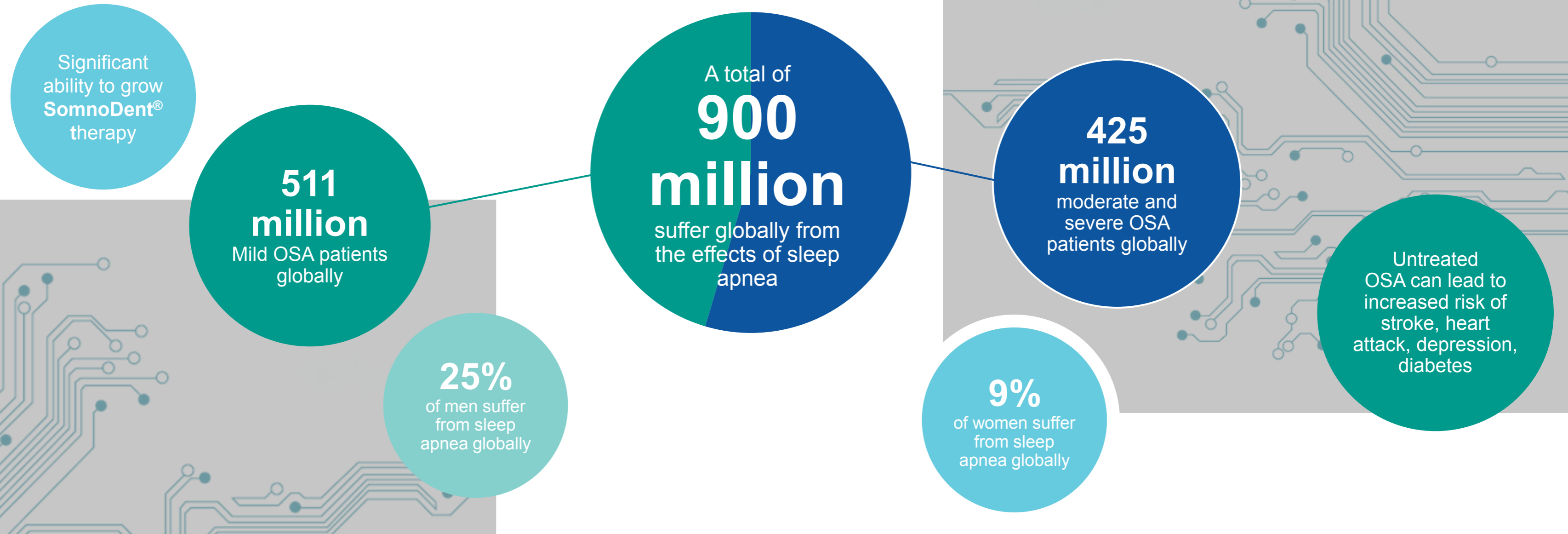
SomnoMed's market opportunity



Significant addressable markets globally

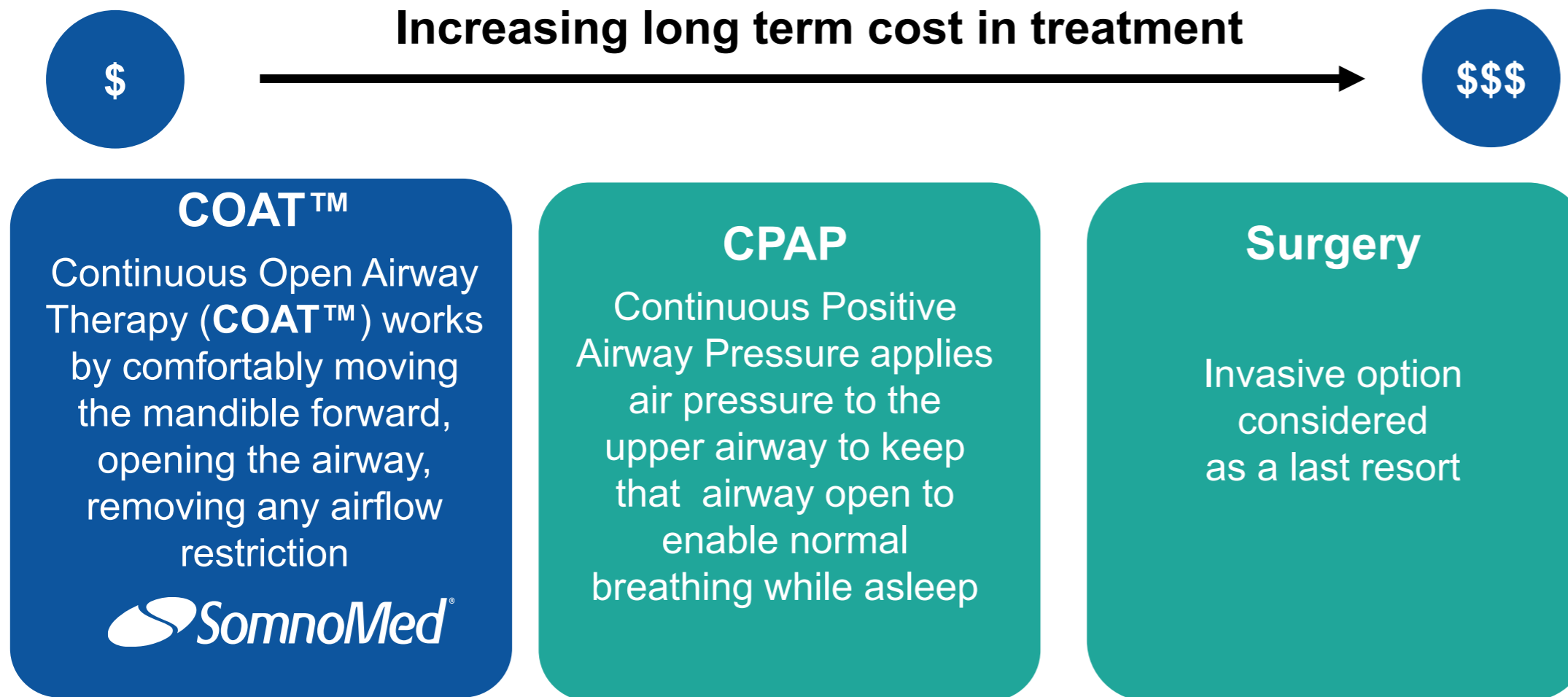
Obstructive sleep apnea, a growing burden on the medical system affecting a significant portion of the population

Obstructive sleep apnea (OSA) is a disorder that occurs when a person's breathing is interrupted during sleep because the airway becomes blocked

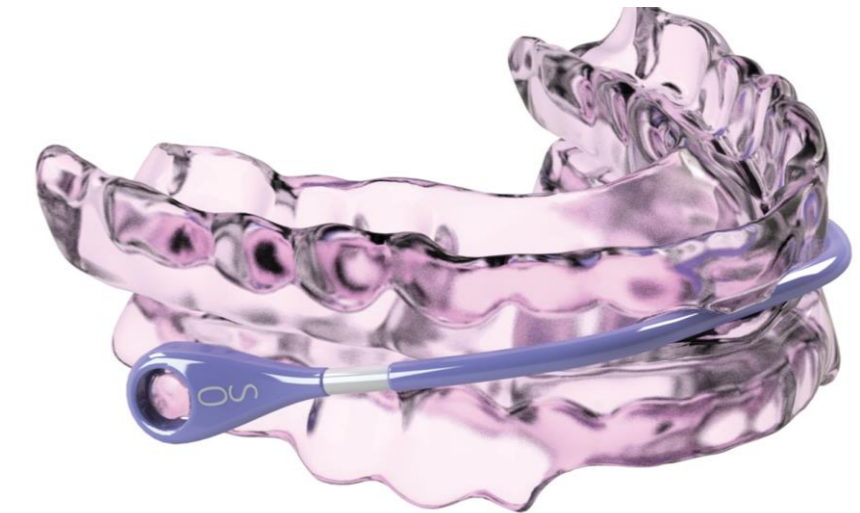


1. Benjafield et.al : Estimation of the global prevalence and burden of obstructive sleep apnoea: a literature-based analysis, *Lancet Respir Med* 2019

Improving treatment options for OSA patients



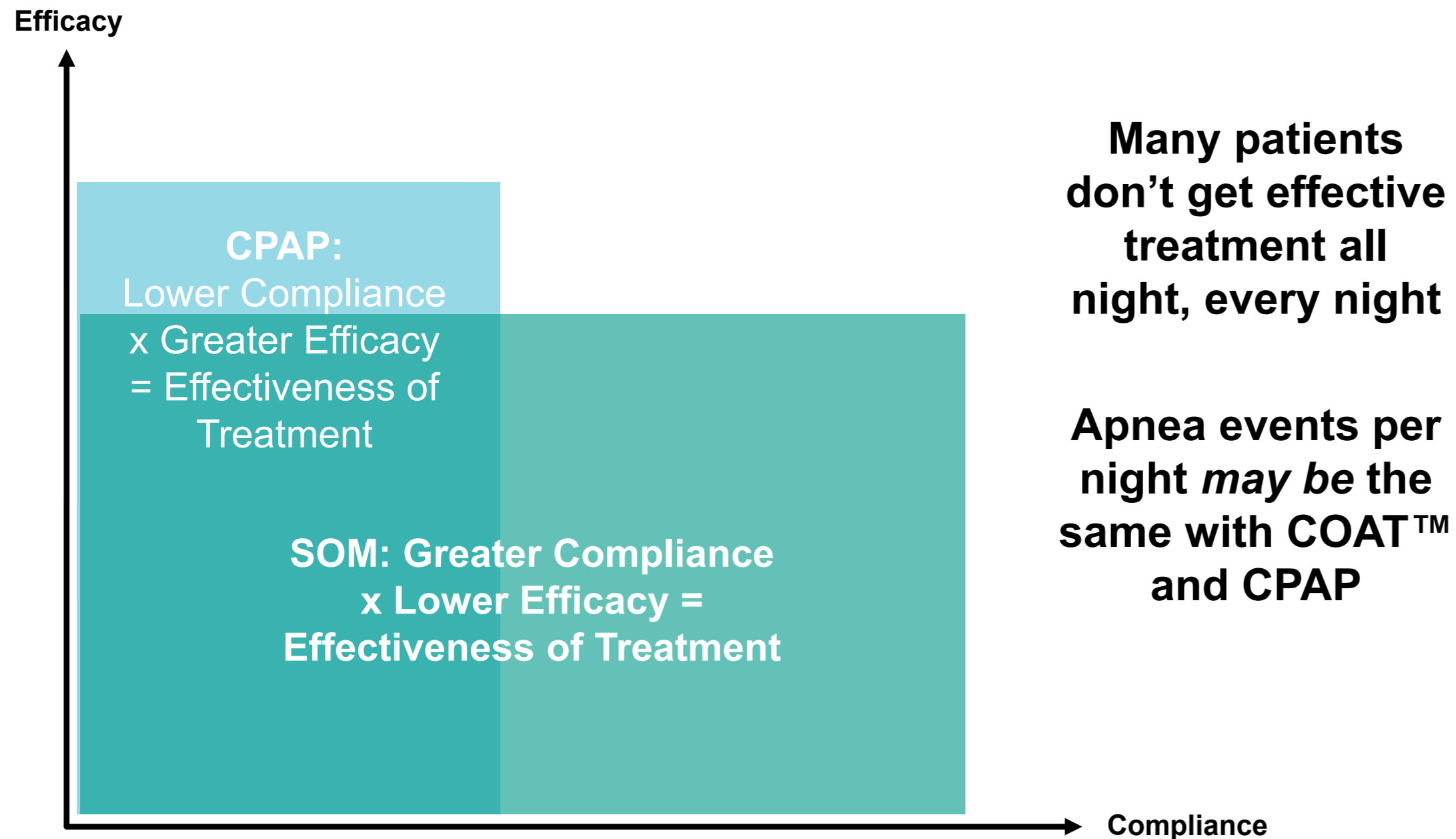
SomnoDent® AVANT™
SLEEP APNEA APPLIANCE



- ✓ Superior comfort
- ✓ Technologically advanced
- ✓ Permits normal mouth opening
- ✓ Allows speech and drinking
- ✓ Professionally fitted
- ✓ Safe and effective
- ✓ Easily adjustable
- ✓ Clinically proven

COAT™ provides an alternative treatment option with reduced invasiveness, increased comfort and improved tolerability

Improving treatment effectiveness for OSA patients

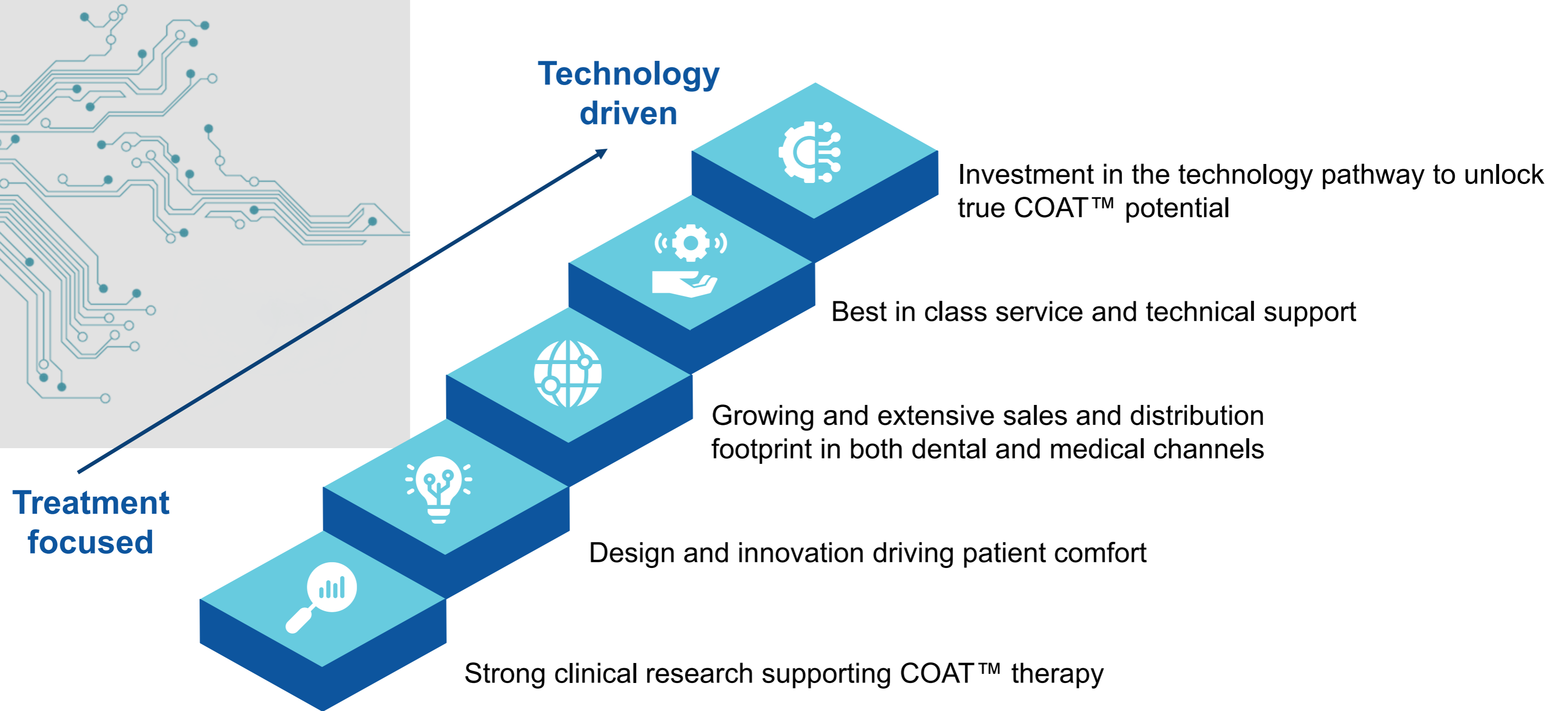


Clinical Insight

The findings are sobering. Our data suggest that despite numerous changes to machine and mask dynamics as well as behavioral interventions, CPAP adherence remains a severe problem for management of patients with OSA - the concept of CPAP as gold standard for OSA therapy is no longer valid.¹

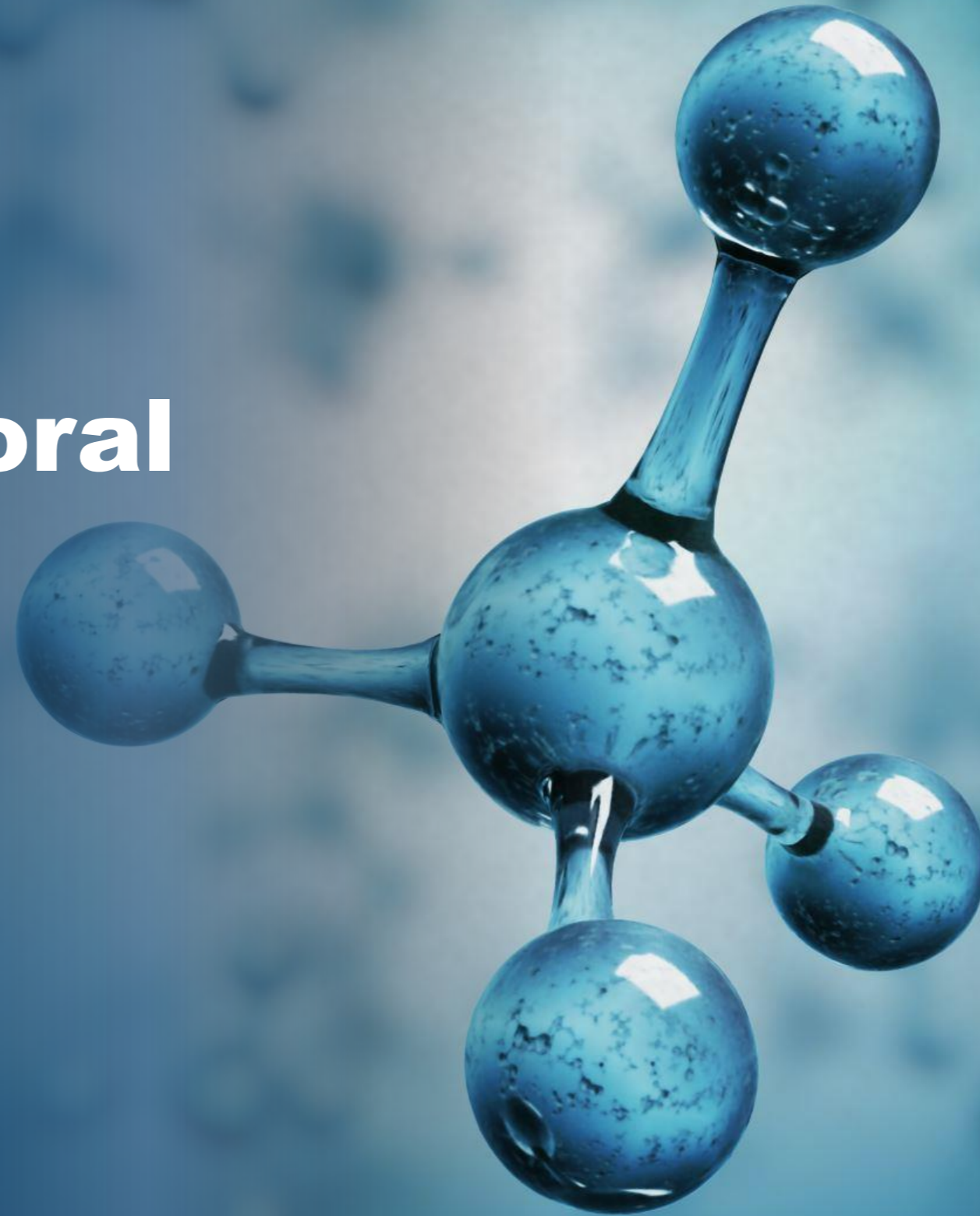
1. Rotenberg et al. Journal of Otolaryngology - Head and Neck Surgery (2016) 45:43

Positioned for future growth



Rest Assure[®]

**SomnoMed's
technology-enabled oral
appliance**

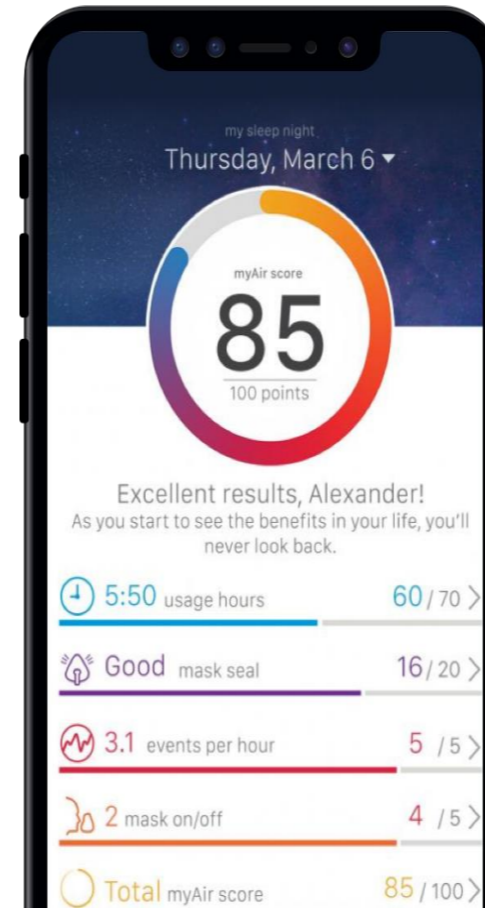
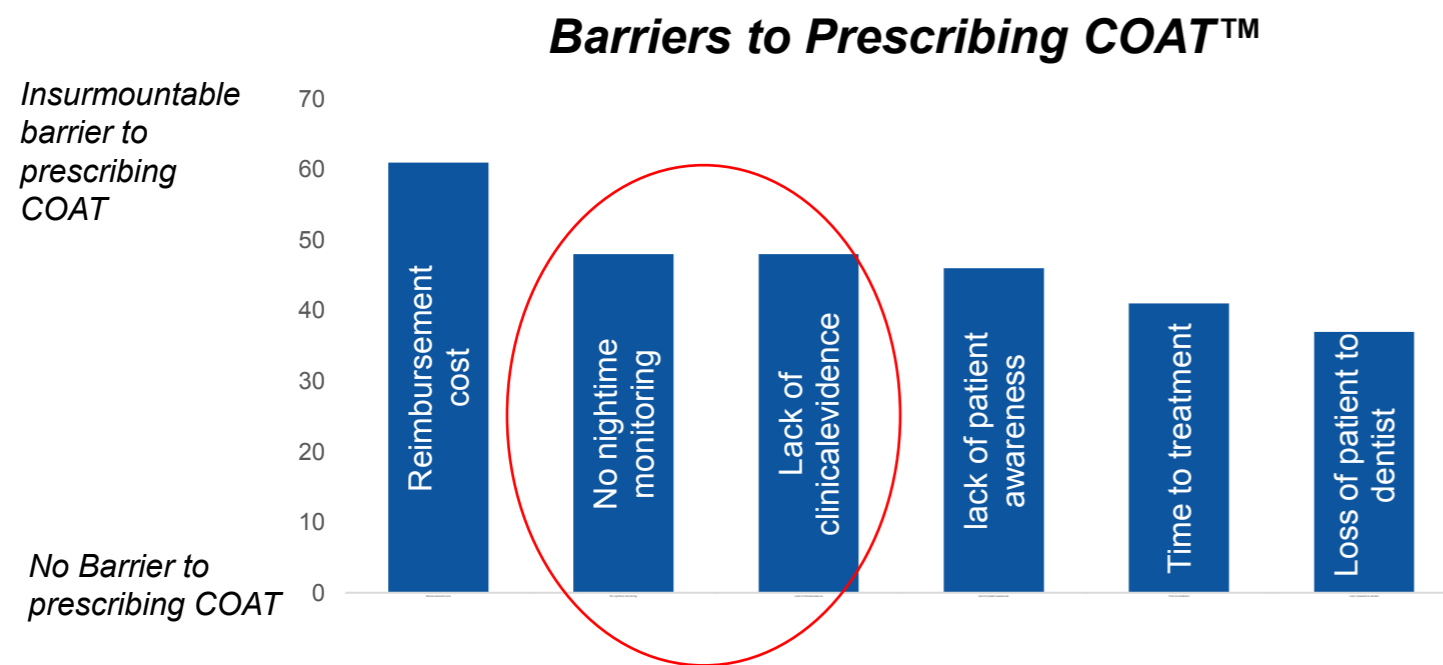


We listened to Sleep Physician feedback

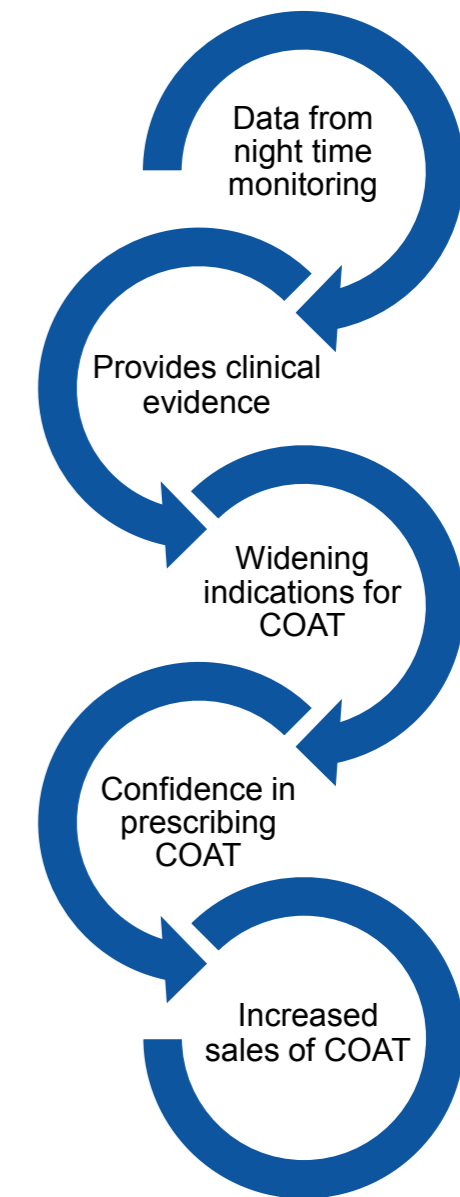
CPAP patient apps provide:

- Overnight monitoring of effectiveness and compliance
- Ongoing clinical evidence and scientific publications

Lack of night-time monitoring and lack of clinical evidence are major barriers to prescribing COAT in the USA



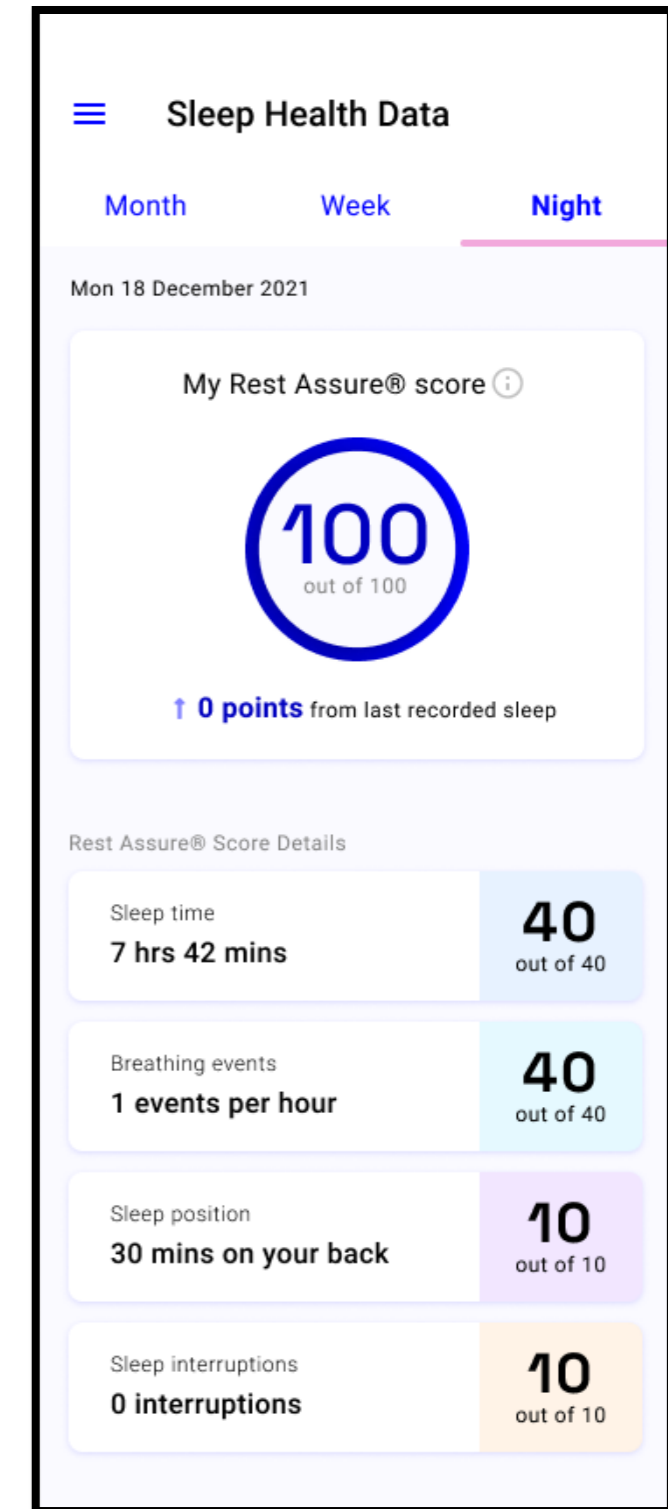
Addressing device night-time monitoring provides data to address other barriers to prescription:



MyAir is a trademark of ResMed, image from www.resmed.com.

Rest Assure[®] will provide data to remove prescription barriers

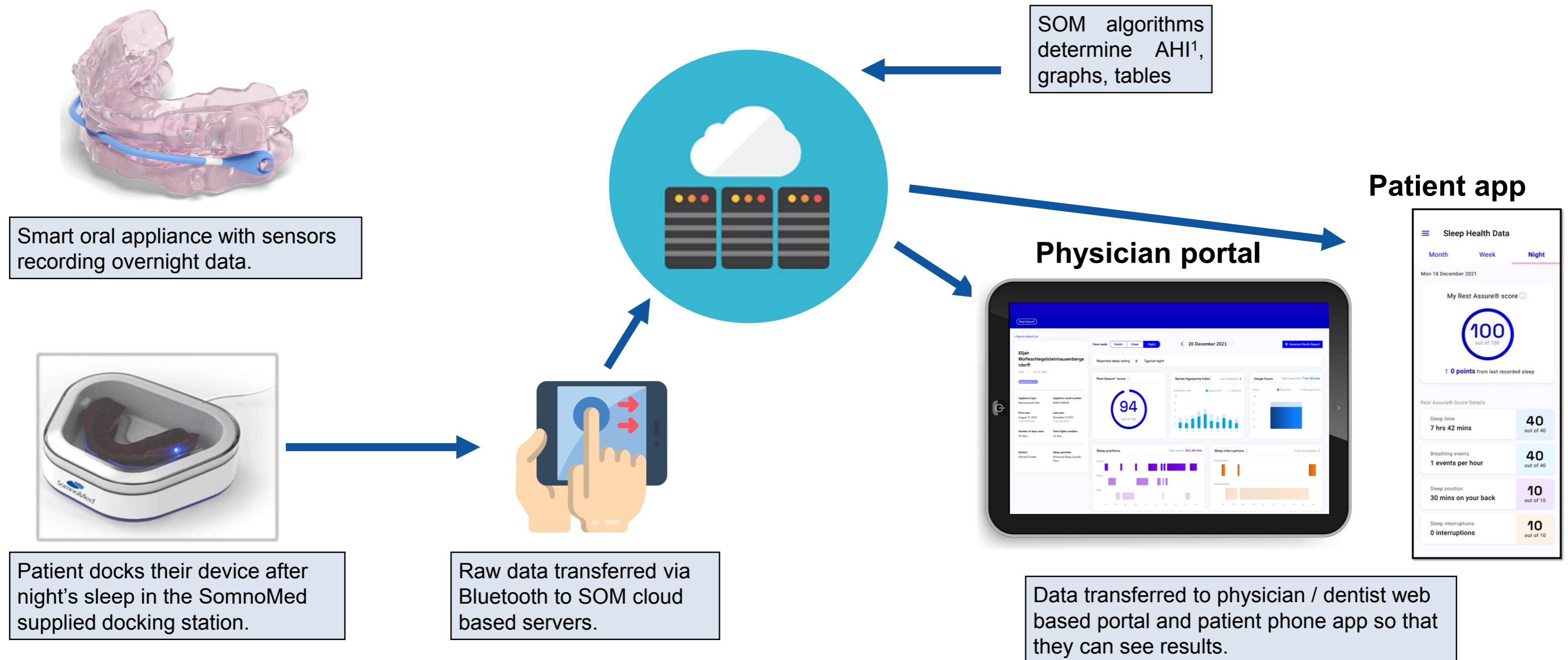
- Rest Assure[®] technology will determine in-mouth efficacy and compliance for COAT[™]
- SOM, patients, sleep physicians and sleep dentists will have access to each night's data 7-10 minutes after patient wakes up*
- Data will provide Sleep Physicians with confidence that patient is using the device and it is providing effective therapy **for each patient**
- Greater understanding and knowledge of COAT[™] effectiveness will drive greater levels of medical reimbursement, recommendation and ultimately increase COAT[™] therapy share vs. CPAP



* Patient places device in docking station, triggering data exchange.

Rest Assure[®] technology – how does it work?

Smart oral appliance and cloud based infrastructure



Rest Assure®

Enabling sensor technology for COAT™

Rest Assure®

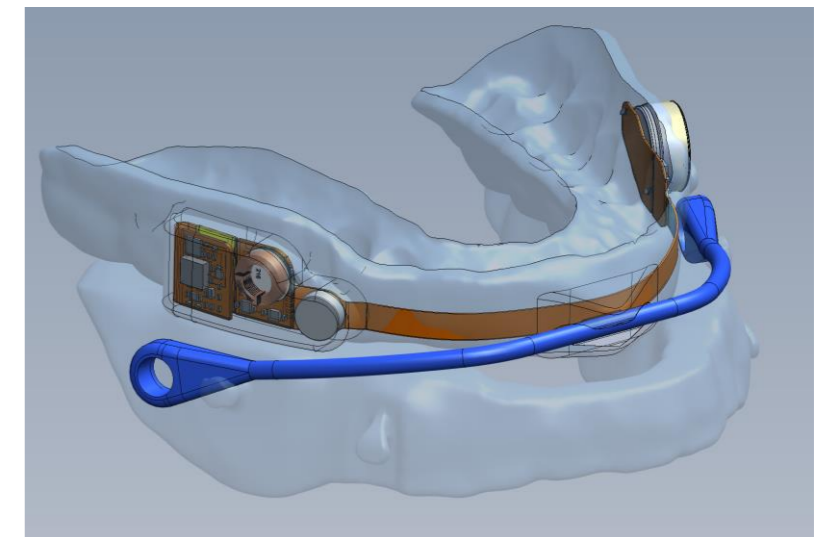
- SOM's brand that encompasses the technology (sensors, docking station, software) that allows the continuous monitoring when worn and data capture
- Incorporated into SOM's existing milled COAT™ devices Herbst Advance Elite and AVANT™
- Designed to have no impact to “first time fit” success and patient comfort

Manufacturing Rest Assure® enabled COAT™ devices:

- Sensors added to device in SOM manufacturing facility using current equipment and similar processes to existing milled devices
- Cloud based systems and software developed by Planet Innovation and will be operated by SOM
- Increased cost of production offset by regional sales price adjustments in line with market conditions and insurer/managed care contracts
- Expectations are to maintain overall group MAS margin over time





Rest Assure Avant prototype with sensors included.



Cut away showing electronics/ magnets built into Rest Assure Avant

Rest Assure® measurements vs. CPAP

Multiple in-mouth sensors providing objective, personalised data

	Usage (adherence)	Efficacy	Sleep Position - Prone / Supine	Treatment Interruptions	Respiratory Rate
 <p>Rest Assure®</p>	Remove from dock, temperature sensor detects device in mouth, other sensors activated	Surrogate AHI, validated by comparing to diagnostic sleep test (validation study in progress)	Comfortable sleeping position, monitored by sensors in device	Patient moving into a vertical position (sitting or standing up), removing the device from mouth	Jaw movement algorithm
 <p>CPAP</p>	Time the device is connected to patient (software algorithm detects breathing)	Surrogate AHI from ventilation, validated by comparing to diagnostic sleep test	Restricted sleeping position	Mask removal	Breathing algorithm

Timeline for commercial readiness

Rest Assure[®] - overnight compliance and efficacy monitoring for COAT[™]

Delivered in FY22:

- Finalise patent strategy
- Presented at World Sleep meeting
- Completion of second patient validation study
- Final design completed for docking station and sensor package
- Selection and validation of sensor and docking station manufacturers

FY23 focus:

- First production run for internal testing
- End-to-end validation of hardware, software and cloud based systems
- Preparation and submission of regulatory documentation to FDA, CE and TGA
- Commercialisation pending review by regulatory authorities

Rest Assure[®]

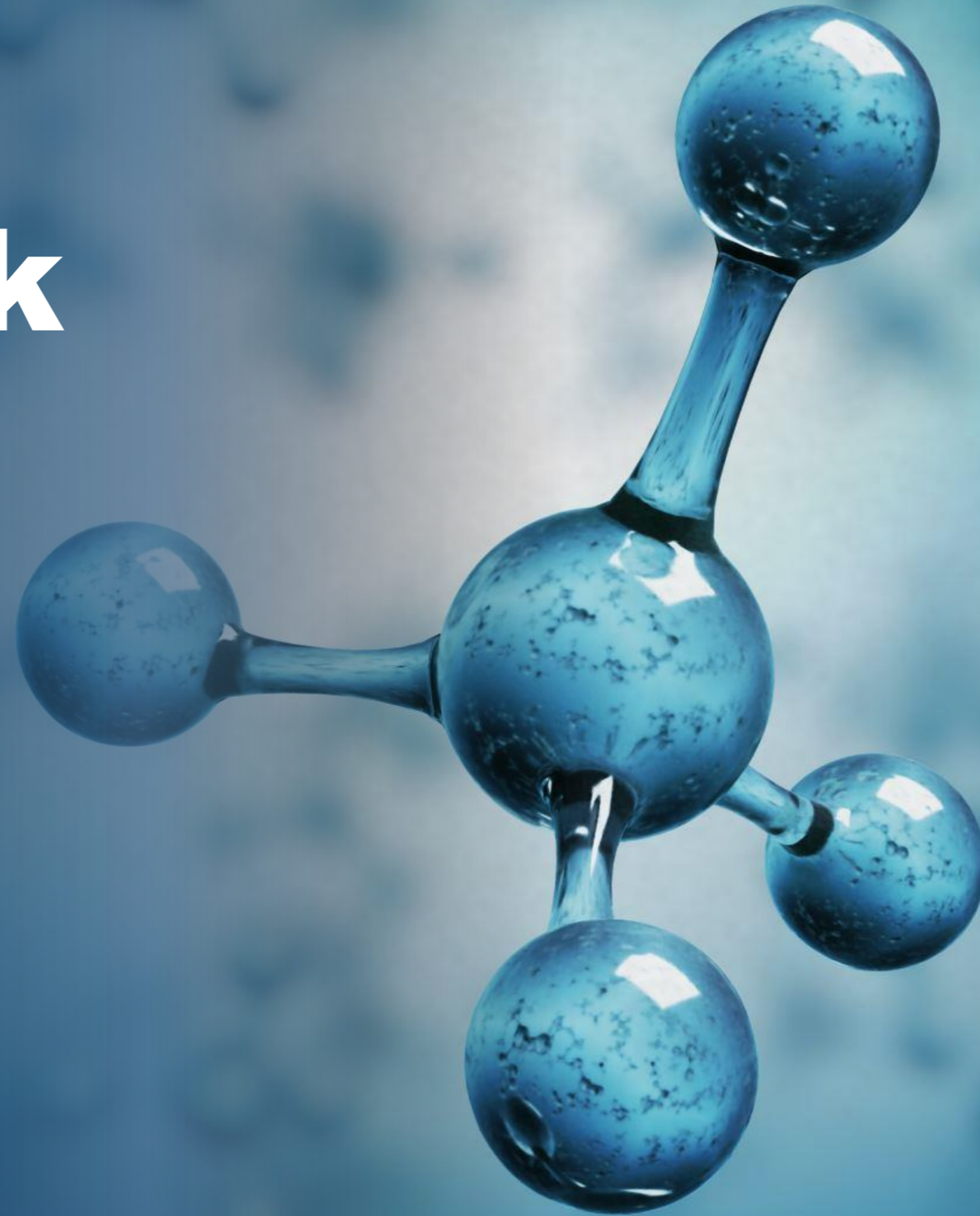
Empowering Sleep



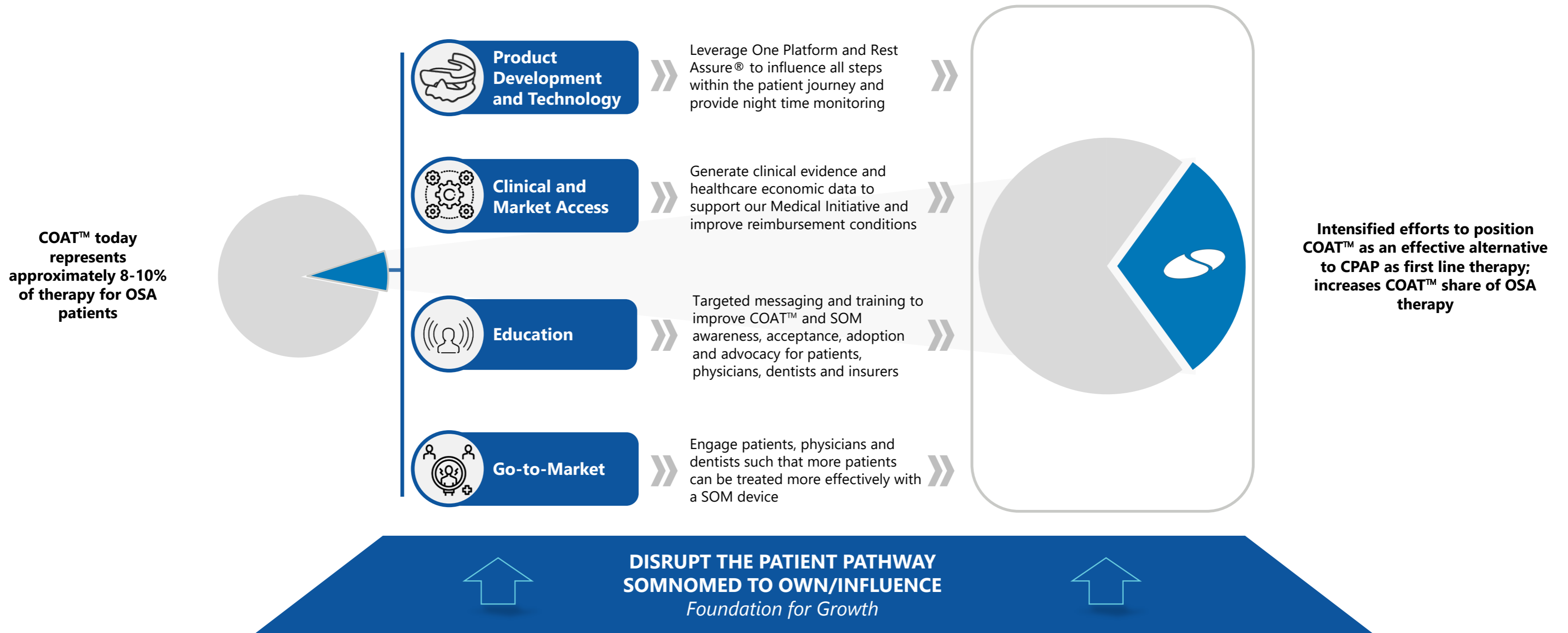
Imagine the dawn of a new era in OSA Therapy
Where treatment is connected yet untethered

 SomnoMed

Future Outlook

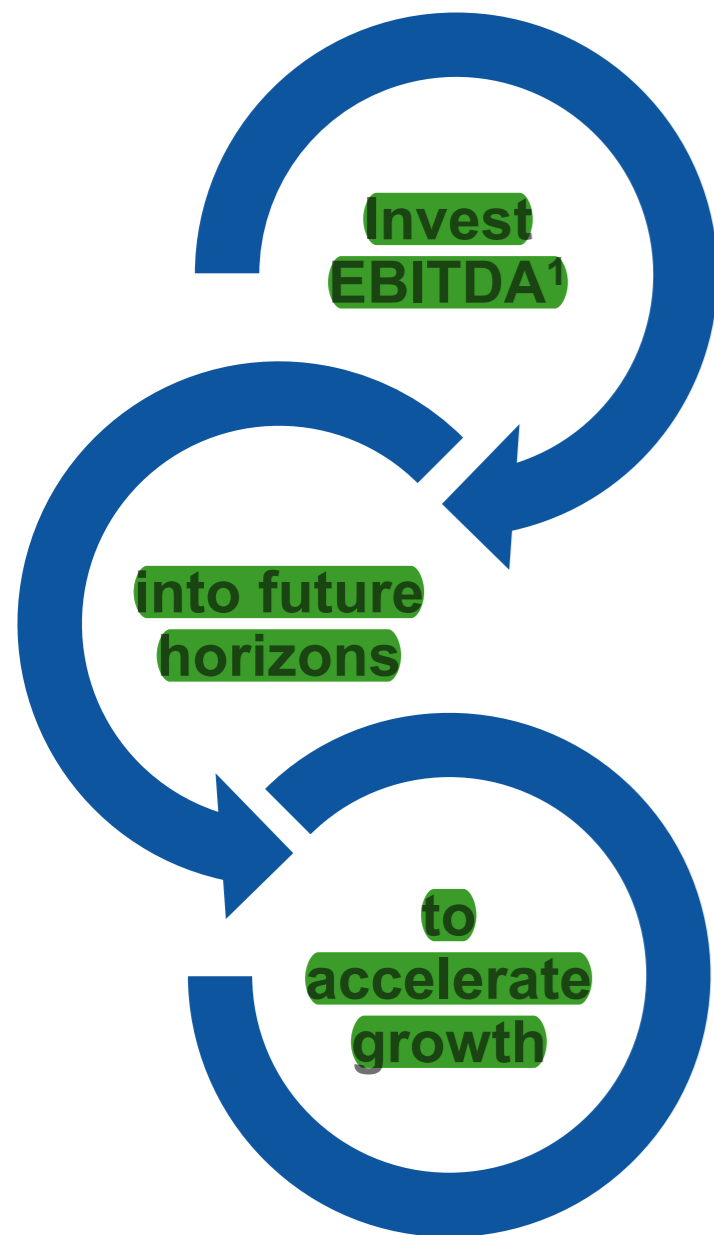


Growing the sector through positioning the patient's alternative



Outlook

Advance the acceptance and adoption of technology enabled oral appliance treatment solution for OSA patients



FY23 guidance	Operational initiatives	Strategic objectives	FY2026 aspiration ²
<ul style="list-style-type: none"> Revenue growth of at least 20% EBITDA¹ of at least \$2m CAPEX investment c.\$7m of which technology innovation spend expected to be c.\$3m 	<ul style="list-style-type: none"> Drive medical initiative program Build and expand sales and marketing teams globally Secure supply chain and mitigate negative impact of inflation and cost pressures 	<ul style="list-style-type: none"> Remain patient centric and multidisciplinary in approach Execute on “treatment focused / technology driven” Build a long-term sustainable medical device company 	<ul style="list-style-type: none"> Over 1.5 million patients treated >20% CAGR revenue growth to c.\$150m Stable product gross margin Target EBITDA¹ margin >10% of total revenue to c.\$15m

¹ EBITDA does not include share/option expenses, unrealised forex gain/(loss) and discontinued operations

² All statements in relation to future revenue, margins, EBITDA aspirations are based on management estimates and reflect management’s internal goals and should not be taken as forecasts or guidance in any way



For further information please contact:

Corporate

Mr. Neil Verdal-Austin

CEO SomnoMed

+61 406 931 477

Nverdal-austin@somnomed.com

Investors

Mr. Craig Sainsbury

Automic Group

+61 428 550 499

Craig.sainsbury@automicgroup.com.au