



19 February 2018

ASX Limited

Dear Sirs,

SomnoMed Limited ACN 003 255 221 (ASX:SOM) – ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER

SomnoMed (SOM) is pleased to announce a 1 for 17 accelerated pro-rata non-renounceable entitlement offer to raise gross proceeds of approximately \$10.4 million.

SomnoMed has successfully commenced the rollout of its “Direct to Patient” Obstructive Sleep Apnea (“OSA”) model through its Renew Sleep Solutions (“RSS”) centres across North America and wishes to continue this expansion, which requires additional working capital. Funds raised from the Entitlement Offer will be used for this purpose.

SomnoMed announces an Offer price of \$3.00 per New Share (Offer Price), which represents a 1% discount to the closing price on 16 February 2018 (the last trading day before this announcement) on a 1 for 17 accelerated pro rata non-renounceable entitlement offer of fully paid ordinary shares in SomnoMed to raise approximately \$10.4 million (Entitlement Offer).

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 New Share for every 17 existing shares held at 7.00pm (Sydney Time) on 21 February 2018 (Record Date) at the Offer Price (Entitlements), with fractions rounded up. The total number of shares to be issued pursuant to the Entitlement Offer is approximately 3,455,825 fully paid ordinary shares.

TDM Asset Management Pty Ltd (“TDM”) has advised it is their intention to subscribe for the shortfall of Entitlement Offer up to a maximum of 3,445,000 shares. TDM is not (through itself or its affiliates) required to take up shortfall to the extent that doing so would result in TDM or any of its affiliates breaching section 606 of the Corporations Act 2001 (Cth).

Entities associated with the Company’s Chairman Dr Peter Neustadt will subscribe for their full entitlement under the Offer, totalling 179,807 shares.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value for those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value for the Entitlements they would have received had they been eligible.

It is expected that approximately 3,455,825 New Shares will be issued as part of the Entitlement Offer. New Shares issued under the Entitlement Offer will rank equally with existing SomnoMed shares.

The Entitlement Offer includes an institutional component (Institutional Entitlement Offer) and a retail component (Retail Entitlement Offer). Eligible institutional shareholders will be invited to participate in the Institutional Entitlement Offer which will take place from today, Monday 19 February 2018 to Tuesday, 20 February 2018. Eligible institutional shareholders may opt to take up all, part or none of their Entitlement.

Eligible retail shareholders will be invited to participate in the Retail Entitlement Offer, on Monday 26 February 2018 and the offer will close at 5.00pm (Sydney Time) on Thursday, 15 March 2018. Retail shareholders will be notified by the Company as to their eligibility to participate in the Retail Entitlement Offer. Eligible shareholders will be sent an information booklet including a personalised entitlement and acceptance form on Monday 26 February 2018. The information booklet will provide the details of how to participate in the Retail Entitlement Offer. A copy of the Information Booklet will also be lodged with the ASX on 21 February 2018.

All dates and times are indicative only and subject to change. Unless otherwise specified, all dates and times refer to time in Sydney, Australia. SomnoMed and the Lead Manager reserve the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, SomnoMed reserves the right to extend the closing date for the Retail Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the allotment date for New Shares under the Retail Entitlement Offer.

Procedure step	Date
Trading halt	19 February 2018
Announcement of Entitlement offer	19 February 2018
Appendix 3B	19 February 2018
Cleansing Notice	19 February 2018
Ineligible Shareholder Letter	19 February 2018
Institutional Offer Opens	19 February 2018
Institutional Offer Closes	20 February 2018
Announce Results of Institutional Offer	21 February 2018
Release Retail Offer Documents to ASX	21 February 2018
Trading Halt Lifted – Trading is on ex-entitlement basis	21 February 2018
Record date for holders	21 February 2018
Information Booklet and Acceptance Form Sent to Retail Investors	26 February 2018
Announce offer documents sent to shareholders	26 February 2018
Retail Entitlement Offer Opens	26 February 2018
Institutional Offer Settlement	26 February 2018
Updated Appendix 3B	26 February 2018
Issue and Quotation of New Shares	27 February 2018
Retail Offer Closes	15 March 2018
Announce Results of Retail Offer	19 March 2018
Retail Offer Settlement	21 March 2018
Updated Appendix 3B	22 March 2018
Issue New Shares	22 March 2018
Quotation of New Shares	23 March 2018
Dispatch Holding Statements	26 March 2018

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this document have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. This document may not be distributed or released in the United States.

Yours faithfully



Terry Flitcroft
Company Secretary
SomnoMed Limited

About SomnoMed

SomnoMed is a public company providing diagnostic and treatment solutions for Sleep-related Breathing Disorders including obstructive sleep apnea, snoring and bruxism. SomnoMed was commercialised on the basis of extensive clinical research. Supporting independent clinical research, continuous innovation and instituting medical manufacturing standards has resulted in SomnoDent® becoming the state-of-the-art and clinically proven medical oral appliance therapy for obstructive sleep apnea. SomnoDent® is the most comfortable and effective design and treatment solution for almost 400,000 patients in 28 countries. For additional information, visit SomnoMed at <http://www.somnomed.com.au>