

**Investor
Presentation
FY2019**



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**Treatment focused
Technology driven**



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1. Vision
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Vision/Mission

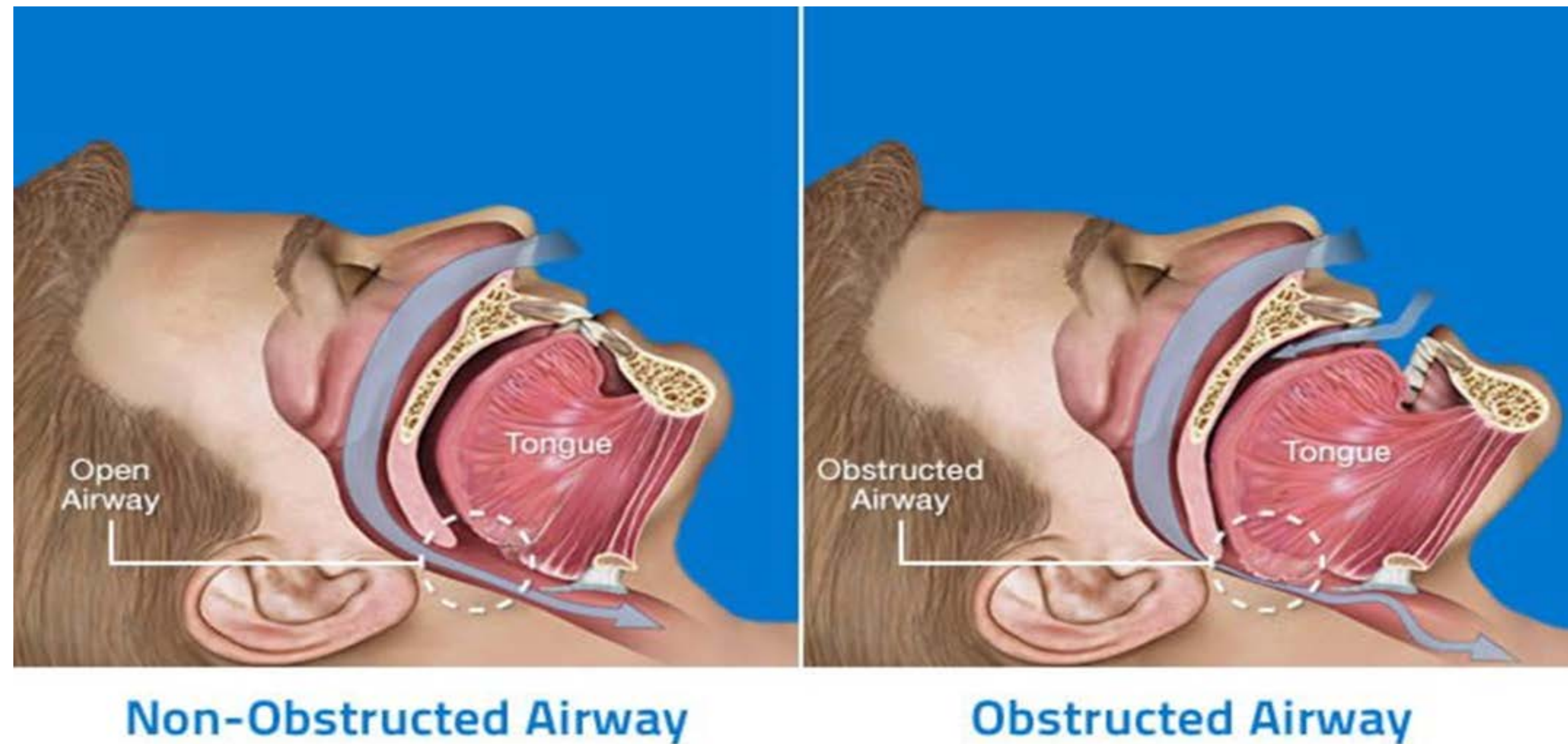


Vision: SomnoMed will be a leader in the treatment of patients suffering from obstructive sleep apnea and relevant adjacent conditions

Mission: Advancing the adoption and acceptance of the treatment therapies by medical specialists, dentists, patients and insurers

SOMNOMED

Obstructive Sleep Apnea



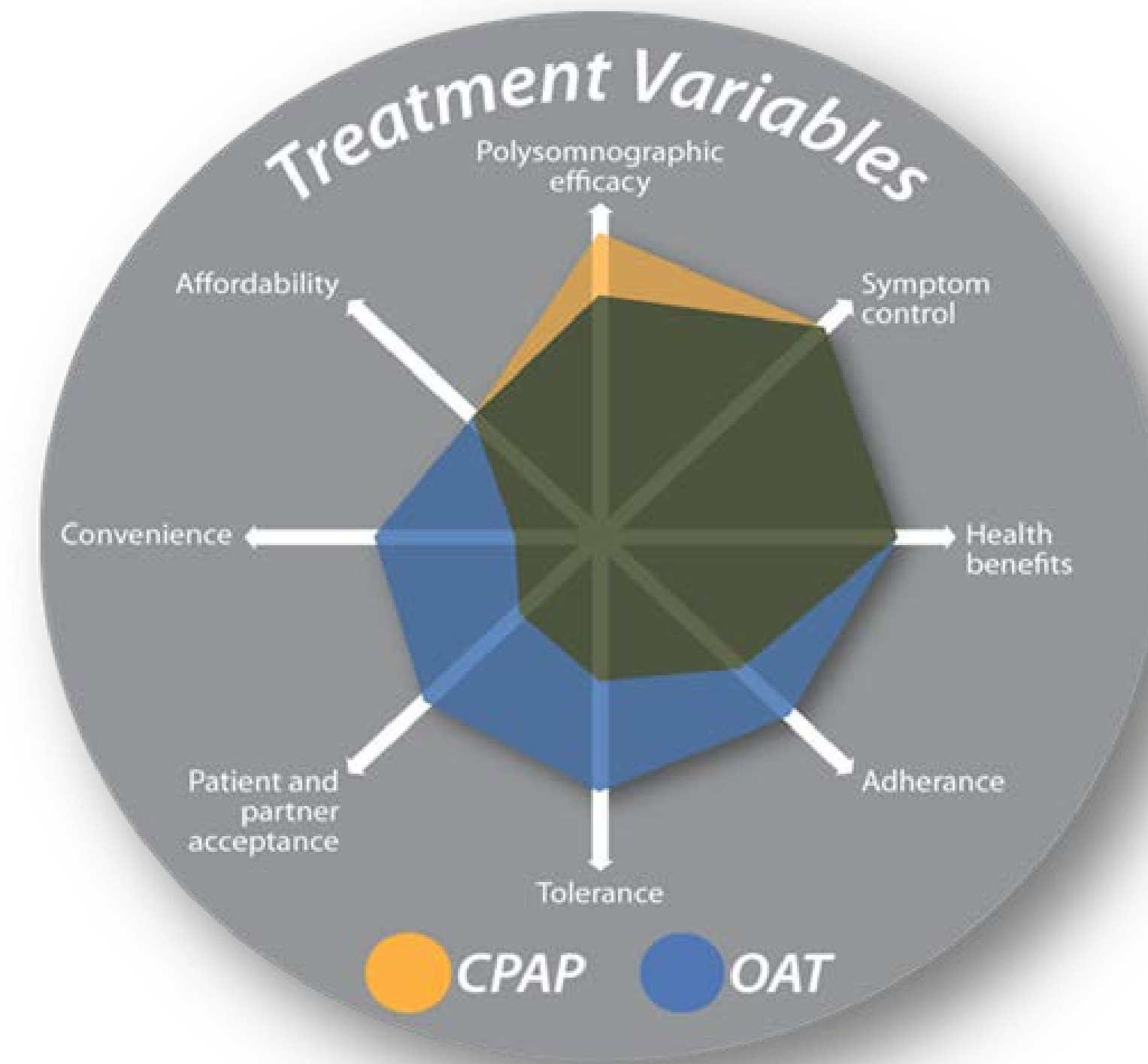
Obstructive sleep apnea is a disorder that occurs when a person's breathing is interrupted during sleep because the airway becomes blocked

SOMNOMED

Global market opportunity is large



The global market for Sleep Apnea is approximately \$7-8B. and growing at 6-8% pa



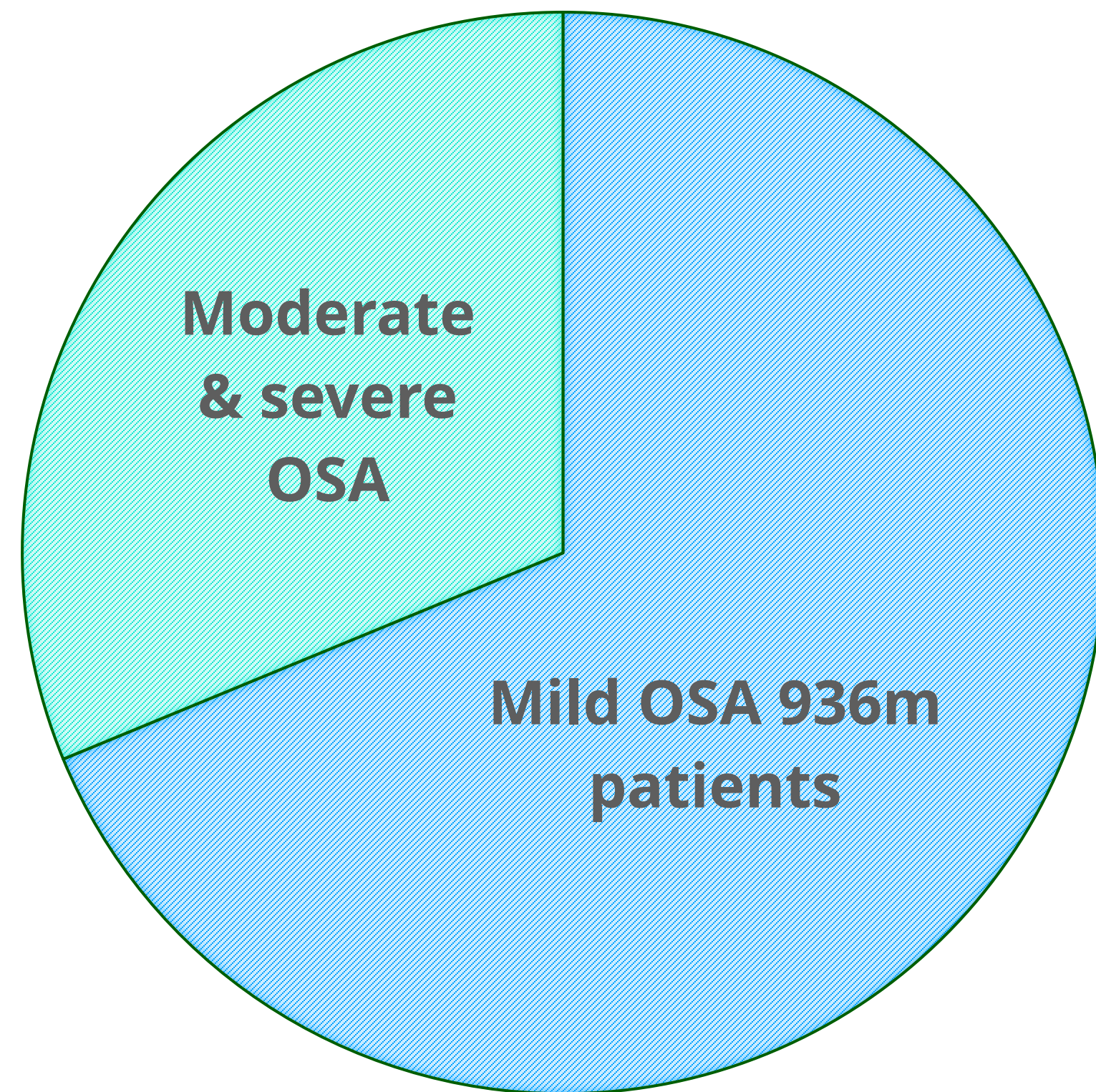
Oral Appliance Therapy (OAT*) is equally effective to CPAP particularly in mild to moderate patients and is better tolerated

Source: Oral Appliance Treatment of OSA: an update : Chan/Cistulli : Pulmonary Medicine November 2009

OSA MARKET

1.36 billion patients globally suffer with OSA*

Affects 9% of women and 25% of men globally



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

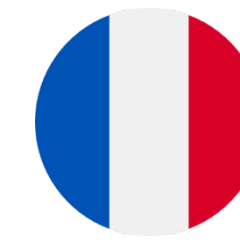
Large addressable markets:



54m mild OSA sufferers



26m mild OSA sufferers



23m mild OSA sufferers



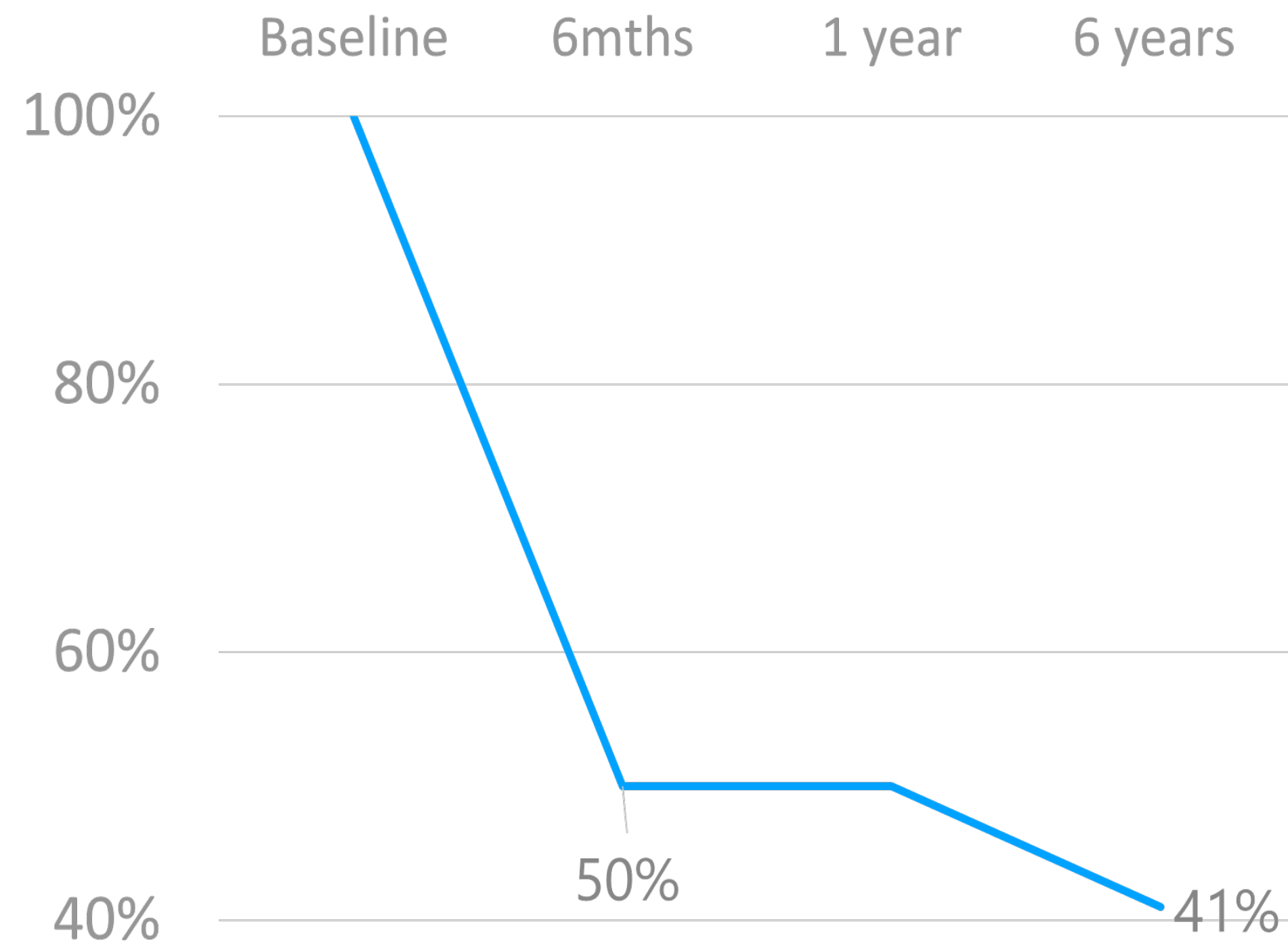
22m mild OSA sufferers



3m mild OSA sufferers

The CPAP therapy dilemma

50% of patients do not use CPAP after 6 months*



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**”.

Rotenberg et al. *Journal of Otolaryngology - Head and Neck Surgery* (2016) 45:43
DOI 10.1186/s40463-016-0156-0

Journal of Otolaryngology -
Head & Neck Surgery

ORIGINAL RESEARCH ARTICLE

Open Access

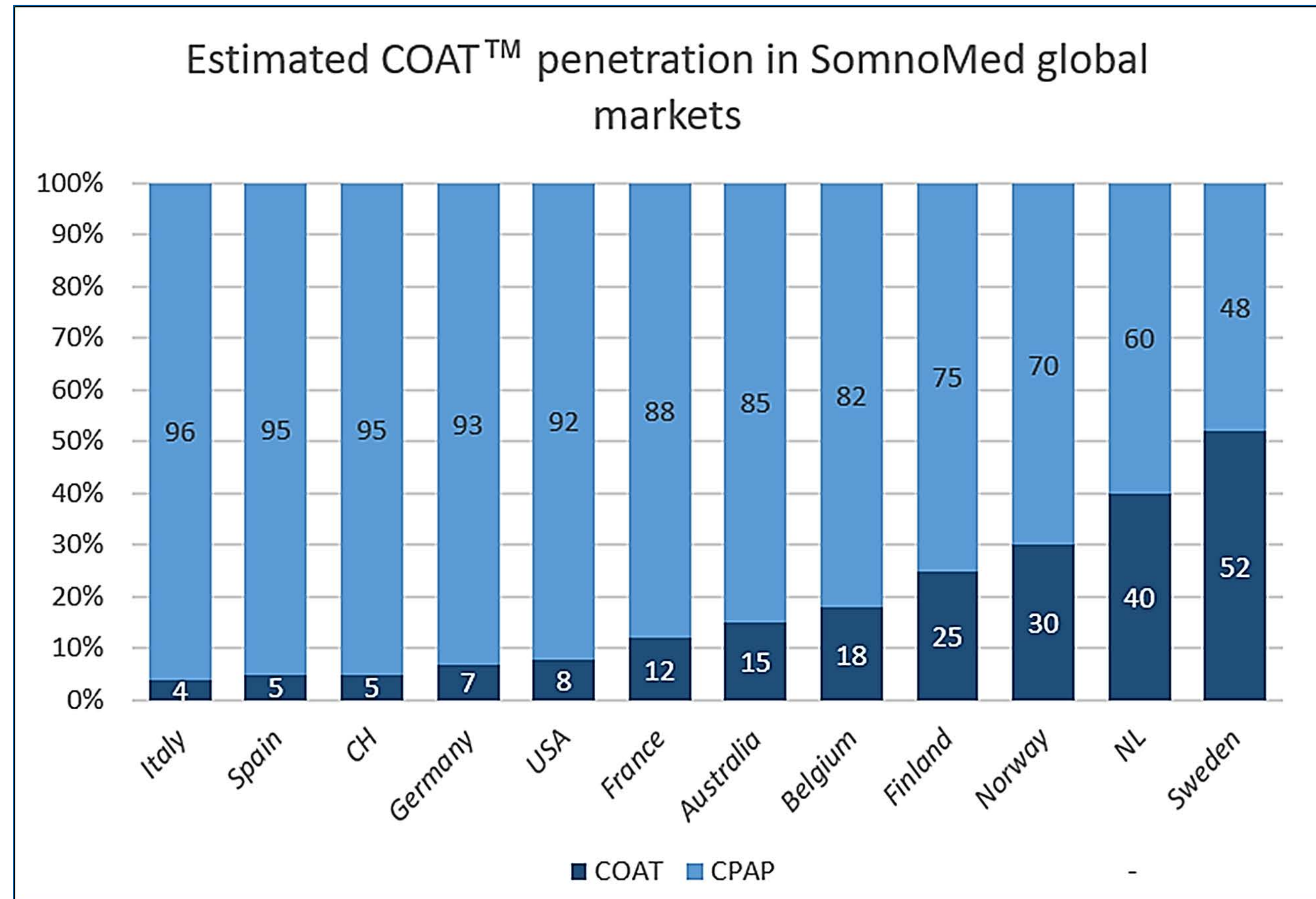
Trends in CPAP adherence over twenty years of data collection: a flattened curve



Brian W. Rotenberg¹, Dorian Murariu¹ and Kenny P. Pang^{2*}

SOMNOMED

There is a high ceiling for COAT™ growth



SomnoMed core strengths

Leader in the oral appliance treatment of Obstructive Sleep Apnea

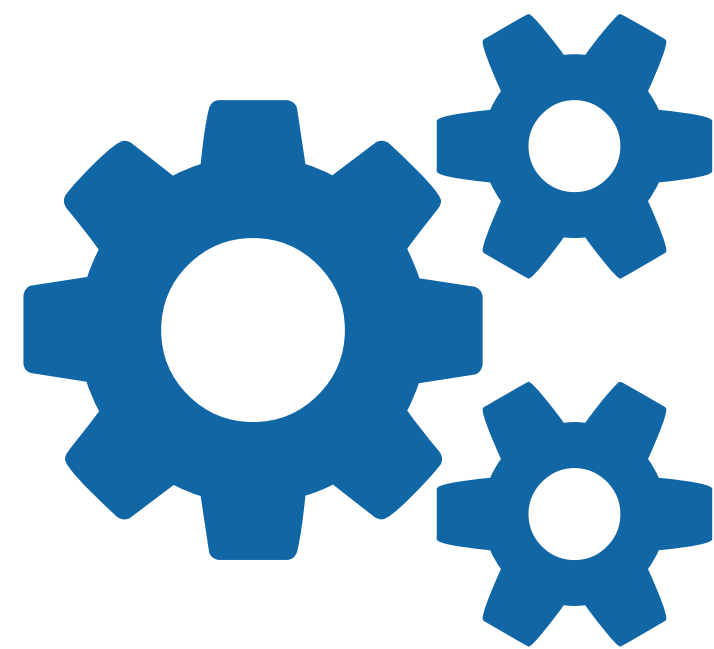


Design and innovation

Titration methodology

Product range

Proprietary materials



Manufacturing

Traditional

Digital done right

Artificial Intelligence



Sales and distribution

Strong market brand

Direct global footprint

Own sales teams



Service and support

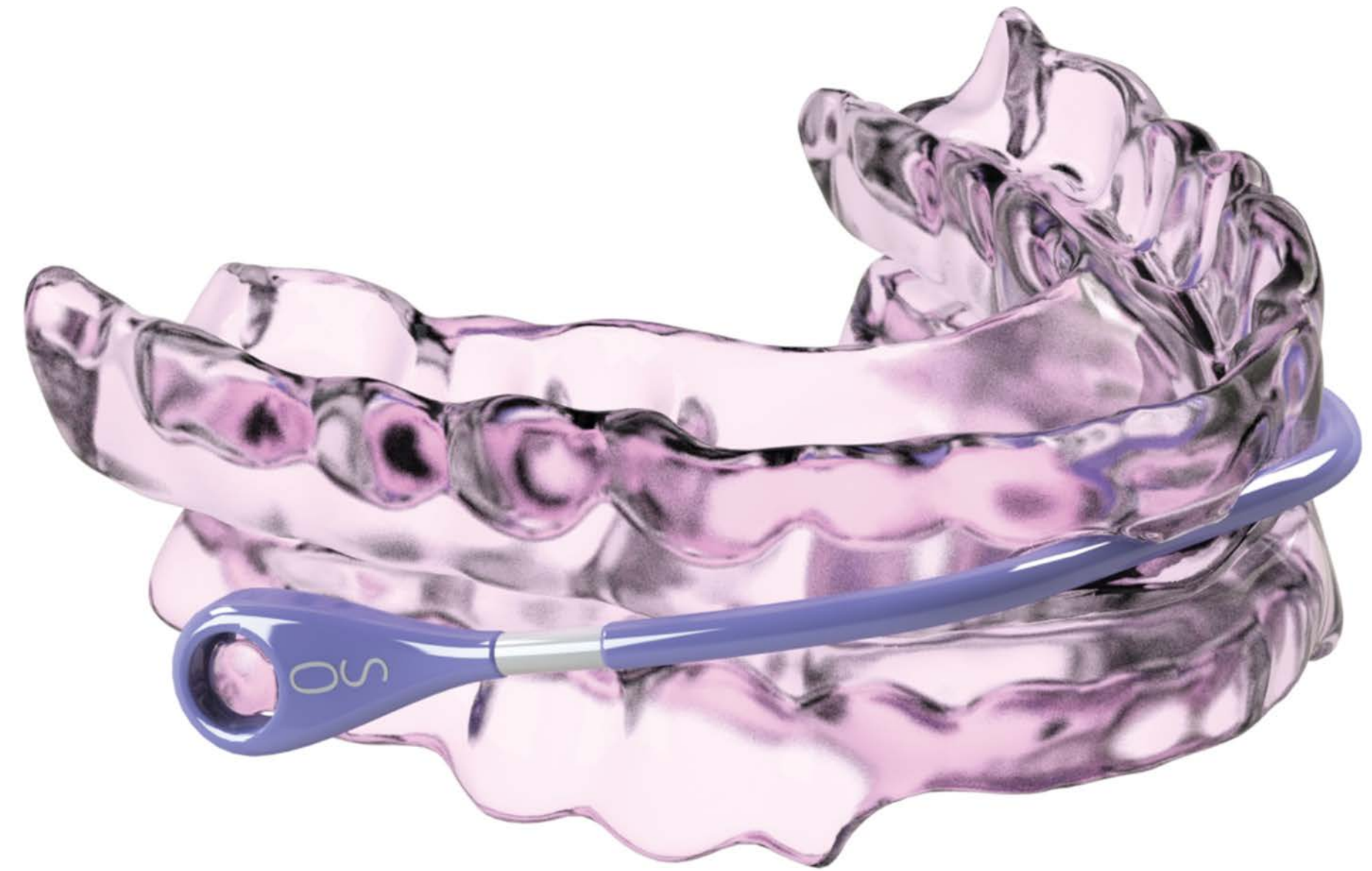
Technical support

Best in class service

The patient preferred alternative

SomnoMed is the world leader in oral appliances with over 500,000 patients treated worldwide

- ✓ More comfortable
- ✓ Greater compliance
- ✓ Clinical effectiveness



SomnoDent[®] AVANT[™]
SLEEP APNEA APPLIANCE

FY2019 Summary

✓ SomnoMed's core revenue growth +12% over prior year to \$59m

North America +11%

Europe +13%

APAC +16%

✓ North America Q4 direct dental revenue growth of +31% over prior year

✓ Underlying EBITDA \$5m and +27% over prior year

✓ Digital manufacturing platform in place with first fully digitally made product soon to be launched

✓ Cash on hand \$8m and ahead of forecast, with long term banking facility now in place

✓ Treated >500,000 patients world-wide

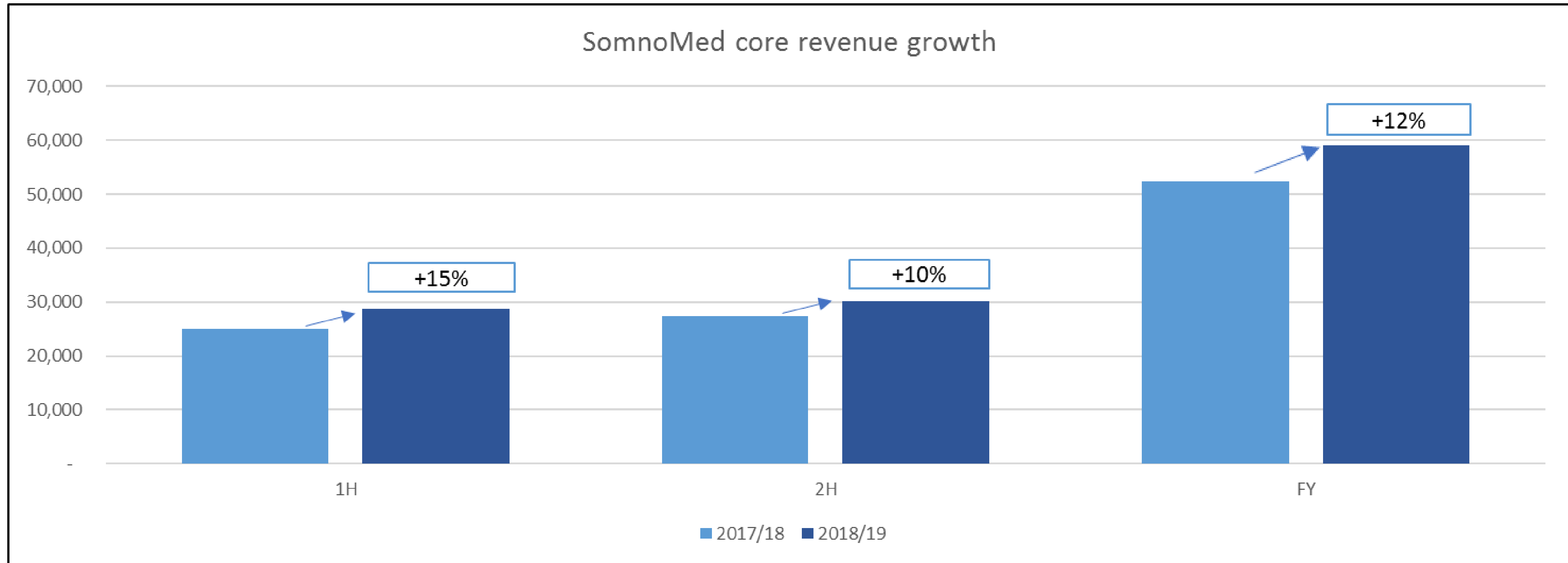
✓ First managed healthcare contract signed with large German insurer

✓ RSS now closed within the promised cash range

✓ Management team in place to achieve strategic objectives

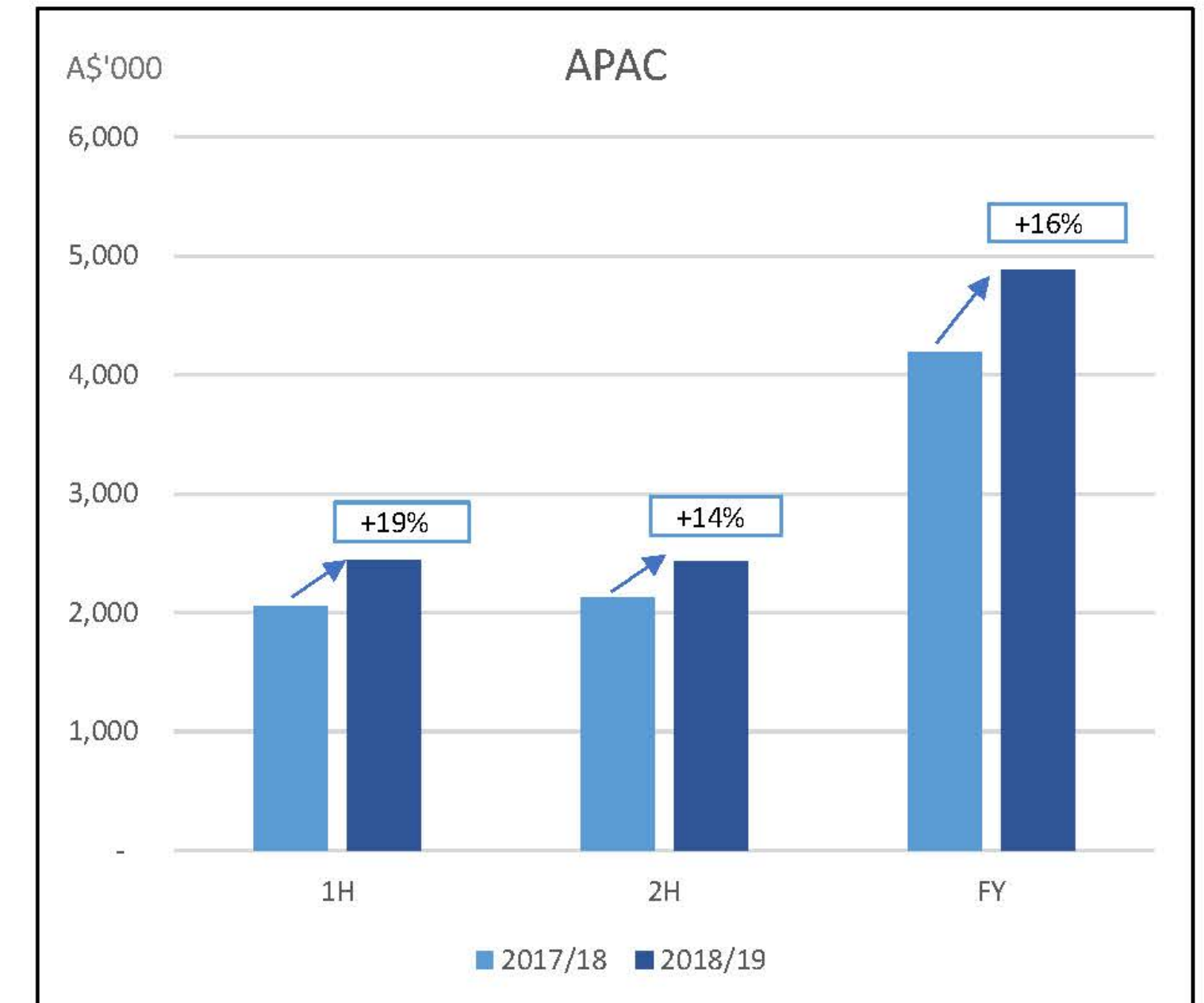
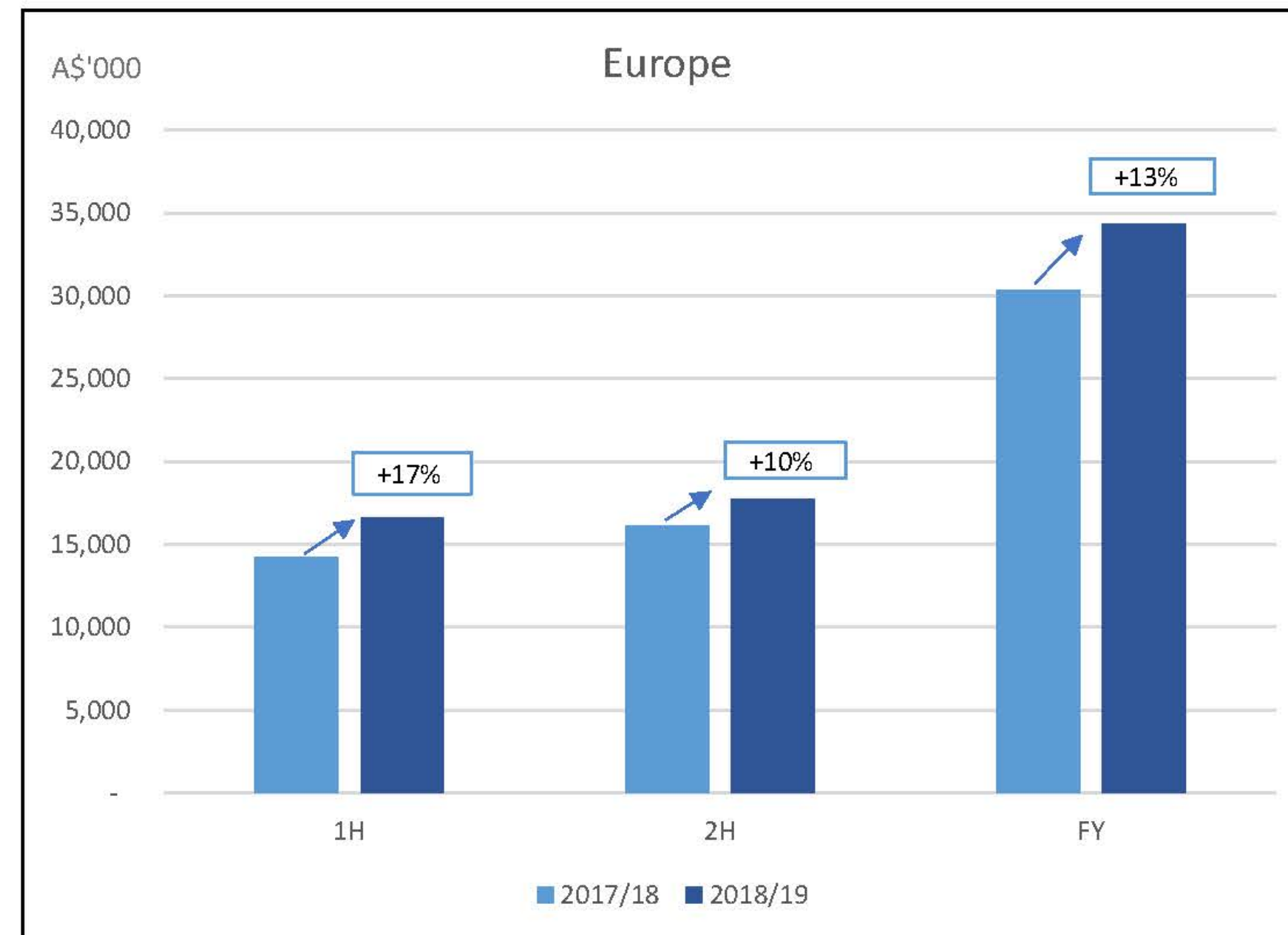
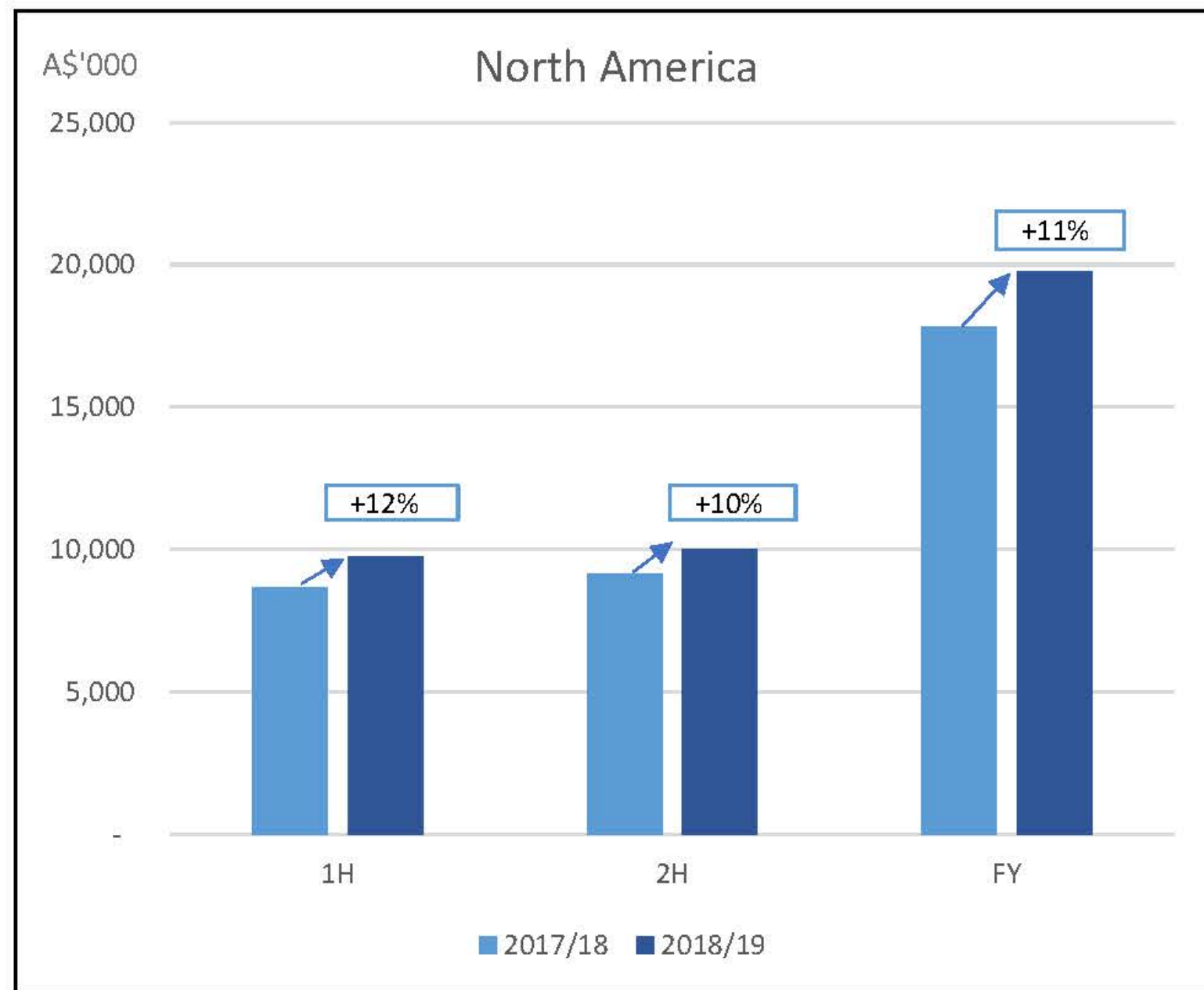
Financials

Revenue growth



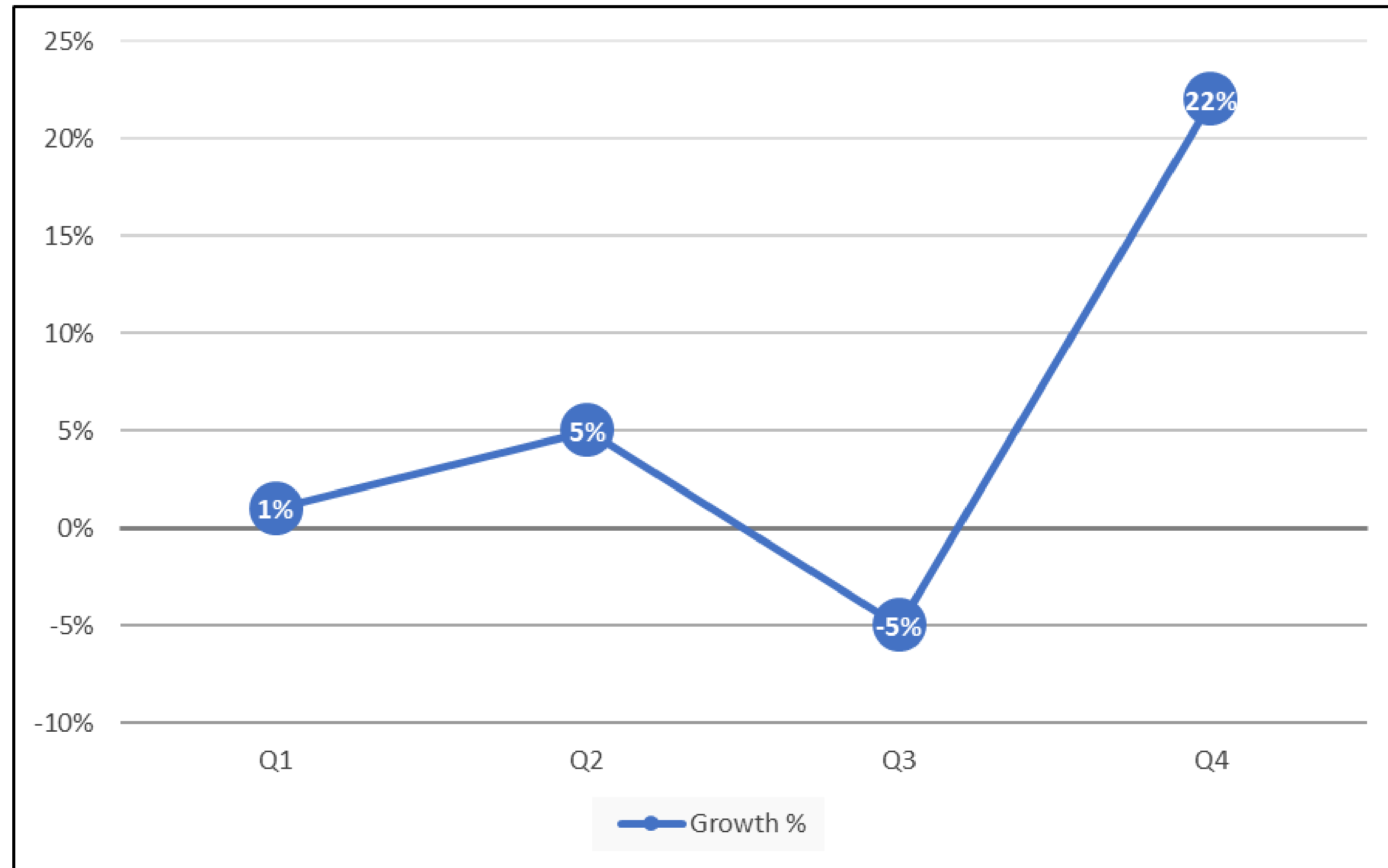
Financials

Core revenue growth by region



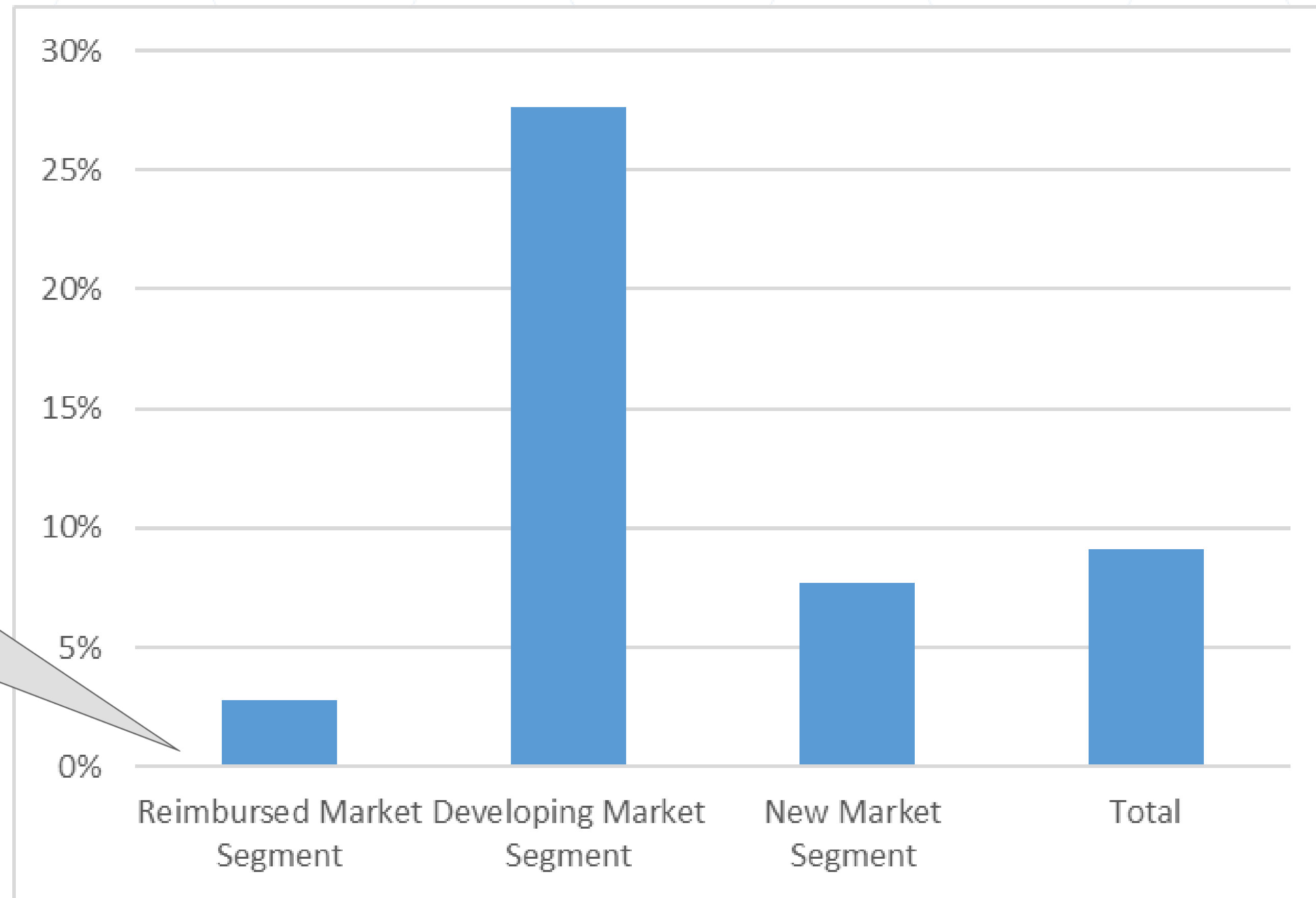
Financials

North America FY19 direct dental revenue % growth by quarter (in US\$)



Financials

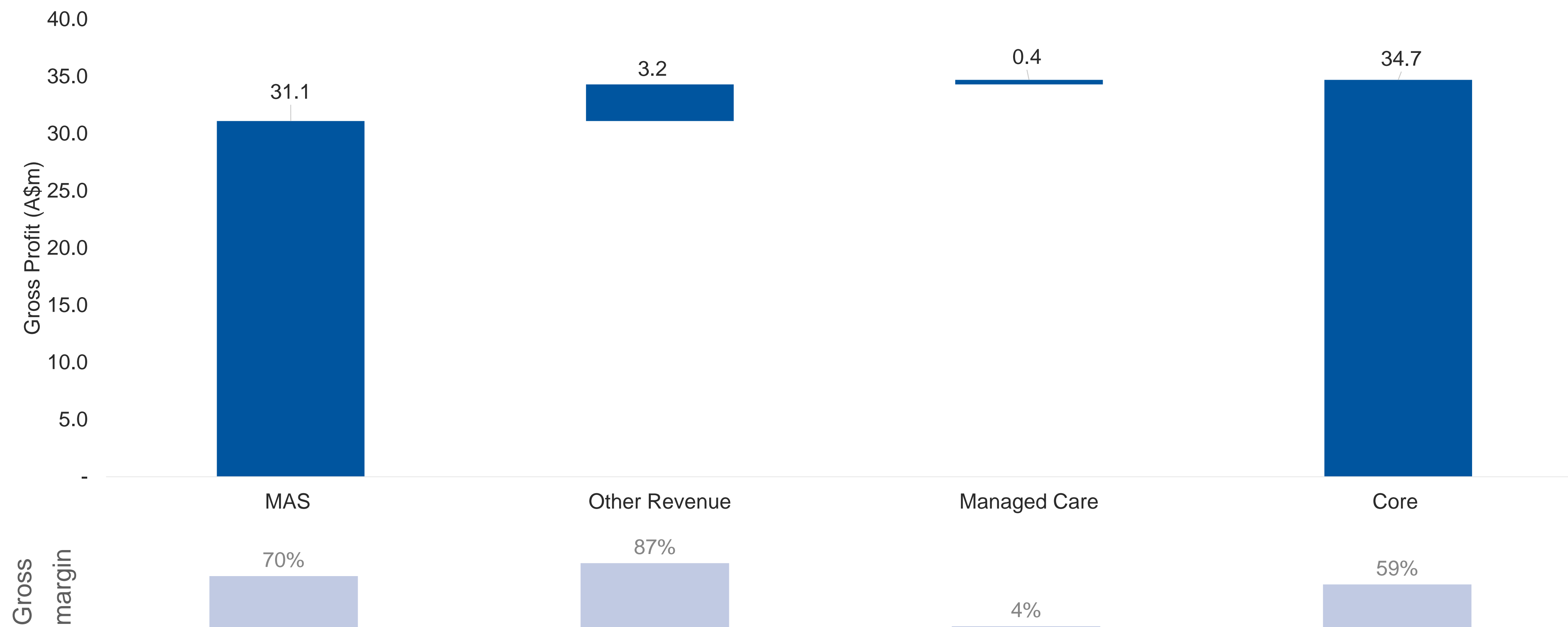
Europe FY19 revenue % growth by market segment (in EURO)



Lower growth caused by external factors in both Holland (hospital capacity) and Sweden (Stockholm tender)

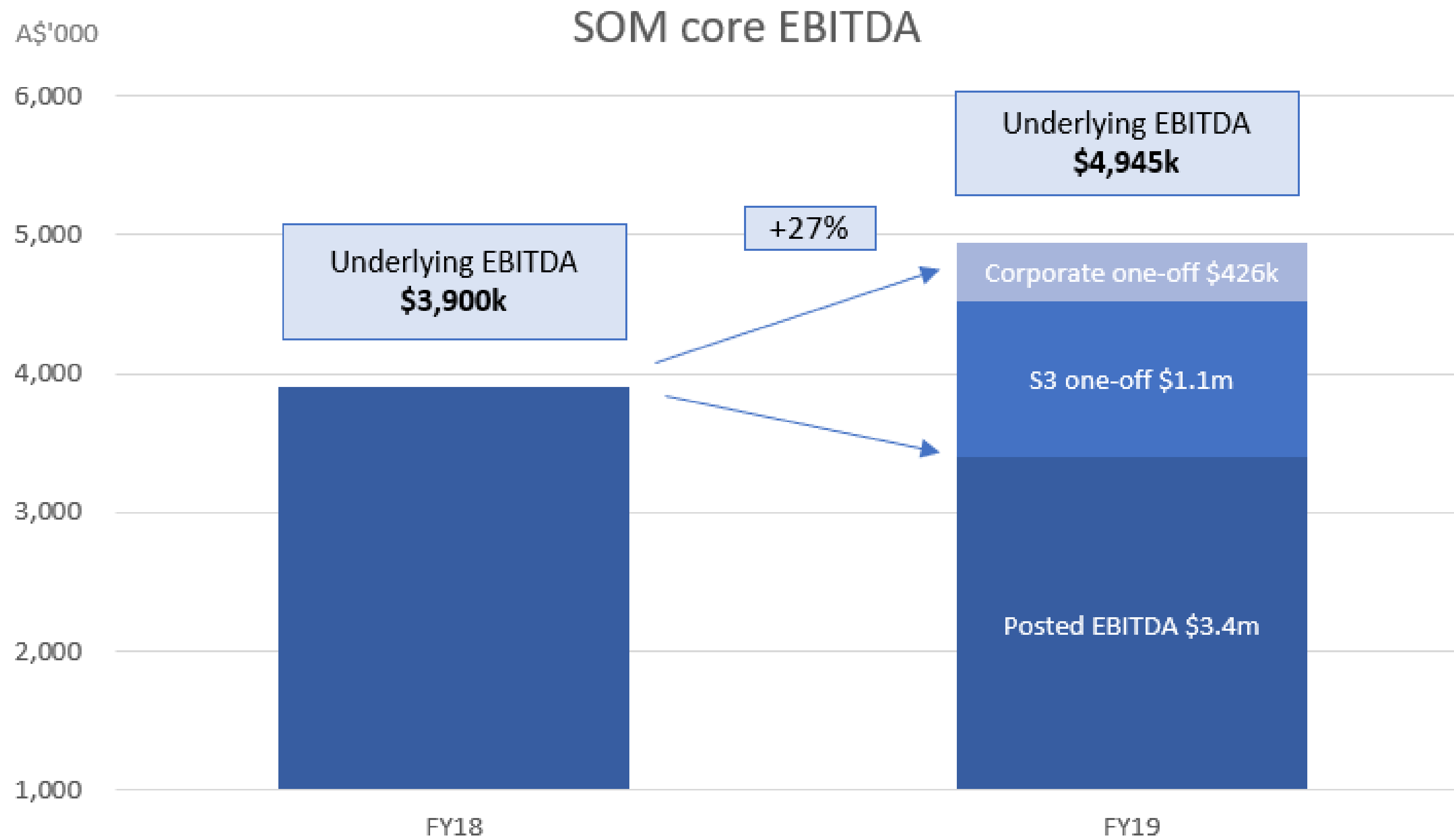
Financials

Gross margins underpinned by strong MAS margin



Financials

EBITDA



Financial Summary - AUD \$'000's

	SomnoMed core		
	FY19	FY18*	%
Revenue	58,892	52,394	12%
Gross margin	34,572	31,856	9%
Regional sales and marketing expenses	(14,967)	(13,789)	9%
Regional administrative expenses	(11,195)	(9,381)	19%
Operating profit before corporate, research and business development	8,410	8,686	-3%
Corporate and headoffice expenses	(5,018)	(4,786)	5%
EBITDA**	3,392	3,900	-13%
Add back: One-off debtor impairment for S3	1,127	-	
Add back: One-off corporate cost	426	-	
Underlying EBITDA	4,945	3,900	27%
Key Metrics			
MAS gross margin %	70%	73%	
Group gross margin % SOM core	59%	59%	

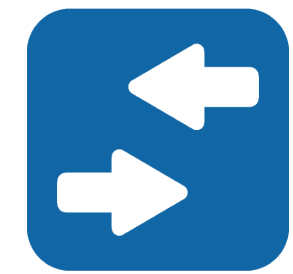
+15% over prior year excluding one-off costs

Underlying EBITDA growth shows run rate of \$5m and +27% over prior year

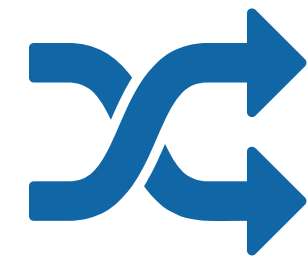
* restated

** EBITDA as adjusted does not include share and option expense, gain on contingent consideration payable and impairment of goodwill

Our future horizons



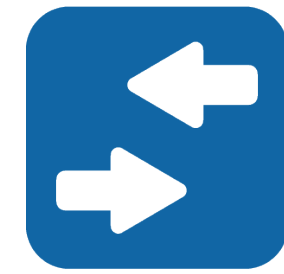
**Advancing
treatment
and building
the core**



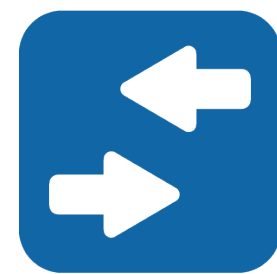
**Positioning
“the patient’s
alternative”**



**Technology
driven**



Advancing Treatment and building the core



Relationship bridge

Restore relationships with
USA dentists

Build on medical
relationships globally



Digital strength chain

Unique digital manufacturing
platform to drive future
growth

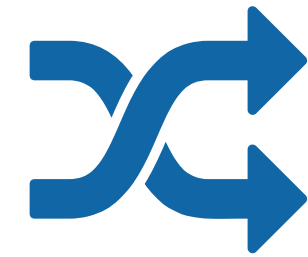


Launch of SomnoDent Avant™

Improved comfort

Innovative design

Early clinical results
look promising



Positioning “the patient’s alternative”



Redefining effective medical outcomes with prescribers

If you don’t use it, it doesn’t work

1. Compliance research & data
2. Medical community advocacy
3. Key Opinion Leaders (KOL)



Guide Physicians to find “responders”

Target specific mild and moderate patient profile through the Sleep Apnea Profiles Campaign



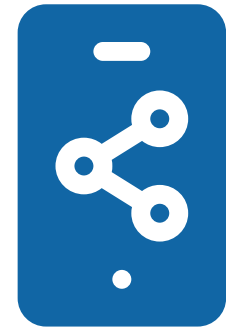
Drive patient demand

Strongly position COAT™ as the alternative to CPAP

1. Refine consumer education on the “alternative” treatment option
2. Re-directing and targeting CPAP failures

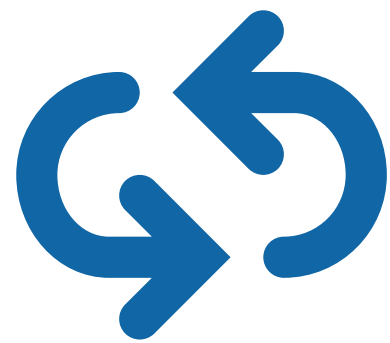


Technology driven



Technology bridge

Exclusive software platform connecting medical specialists to qualified dentists using SomnoMed devices



Connected health

Use of immense database and AI to add value to both medical and dental partners

Compliance measure

Further technology advances



Patient pathway management

Upfront patient pathway management and optimization before treatment decision

FY20 Outlook and guidance

- Broadening the sales and marketing focus in all regions
- SomnoDent Avant™ launch
- Digital done right and next steps
- Reimbursement policy
- Horizon development
- Guidance:

Revenues from \$59m to between \$67m and \$69m (growth between 14% and 17%)

EBITDA from \$5m to between \$6.3m and \$6.7m (growth between 26% and 34%)



**Treatment focused
Technology driven**



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