



The Manager
Company Announcements Office
Australian Securities Exchange Limited
20 Bridge St
Sydney NSW 2000

Chairman's AGM address by Guy Russo
2021 Annual General Meeting
25 November, 2021

Dear Shareholders

It is an honour to address you today as your Chairman. It has now been just over a year since I joined as Chairman and I remain incredibly excited about the opportunities that lie ahead. The global market size and the amazing passion and commitment of our teams give me that confidence. SomnoMed changes peoples' lives – literally. SomnoMed gives people the opportunity to function again through its effective technology. This completely aligns with my own business passions, a clear focus on real commercial opportunities and the direct satisfaction of our customers.

SomnoMed has had a challenging year once again, due to the ongoing COVID-19 pandemic. SomnoMed focused on maintaining cautious fiscal discipline while instilling confidence within the business and within all its staff. Our executive team has led by example and re-enforced the strong culture that exists globally. The business grew its revenues in FY21 by 9% (15% in constant currency) and although this was affected by COVID-19, the Company is now looking towards a more “managed COVID” situation in the future.

The opportunity to help treat millions of patients suffering from OSA (Obstructive Sleep Apnea) remains large and growing. Treating OSA with COAT™ (“Continuous Open Airway Therapy”), which has been pioneered by SomnoMed, has enormous potential because it is the “patients' choice”. SomnoMed offers a wide range of clinically validated and researched oral appliances that are comfortable to wear, durable and highly effective. SomnoMed operates under all the necessary medical manufacturing regulations around the world to ensure the delivery of a high-quality medical device to the patients of our clinical partners.

Neil and his team continue to work tirelessly to promote stronger clinical guidelines, as well as investing in and supporting clinical research, which validates our treatment option. The number of patients throughout the world treated with a SomnoDent® device surpassed 650,000 recently, while the company drives greater acceptance and adoption of its technology within all medical and dental communities.

I would like to thank the Board for their efforts and input throughout the past year. Our board is engaged, insightful and extremely hard working. I would like to thank Ms Amrita Blickstead, Ms Karen Borg, Mr Michael Gordon, Mr Hilton Brett and Mr Hamish Corlett for their tireless contribution to this company.

Before I hand over to Neil to give you more colour on the current trading conditions and future directions, allow me to thank you for your support during 2021 and express the Board's full confidence in Neil and his team. Your business has never been stronger.

It is now my pleasure to introduce our Managing Director and CEO, Mr Neil Verdal-Austin.

Managing Director's address by Mr Neil Verdal-Austin
2021 Annual General Meeting
25 November, 2021

It is indeed an honour to address you today and provide you with an update on the business.

It is now three years ago that I was appointed as your CEO and we began a new journey for SomnoMed Limited. Throughout my 13 years at SomnoMed and especially during this past, very difficult COVID effected period, it has become even clearer to me that our Company is an incredible organisation. Incredible, simply because of what we do for patients who suffer from Obstructive Sleep Apnea ("OSA") and how we positively affect their lives. Incredible also, because of the people who *are* SomnoMed. I have many stories that depict and evidence the true attitude, passion and energy which exists at SomnoMed. Our employees and partners all know what it means and how it feels when we help treat OSA patients. It is this mind-set and culture that will ensure that this business will achieve its potential in the future. It is that future that I want to address today.

Firstly, I would like to provide a quick trading update.

As you know our Company finished the FY21 year on revenues of \$63million (+9% to prior year) and posted an underlying EBITDA¹ profit of just under \$4million. We have also recently posted the results for Q1. The Q1 numbers confirmed the improving sales momentum, with revenues of \$15.6million and up 14% (16% constant currency) to prior year. It is anticipated that Q2 will continue with this momentum seen in Q1.

SomnoMed has achieved many of the goals I had set the organization for the year:

- A return to strong sales growth in the US, where the restructured teams are seeing great results in all aspects of the business, with leading digital product offerings with the proprietary BFlex comfort liner material
- In Europe, we continue to invest in the developing markets where we see positive reimbursement trends changing in our favour with incredible results
- In APAC, we are focused on growing our network of medical referrers, who are accepting COAT™ more regularly as the most comfortable and effective alternative to CPAP
- We continue on our digital manufacturing journey and explore ways to bring this closer to the sales regions and our customers
- We continue to build on our Human Resources, Finance and Operations capabilities on a global basis to enable to deliver an unparalleled customer experience in the 28 countries in which we trade.

Secondly, I would now like to turn to the future of our Company. SomnoMed has an exciting and long-term opportunity to invest in a transformational technology to build on its competitive advantage. We are now at the start of this journey. While we always focus on our treatment offering and the investment in sales and marketing resources on a regional basis, SomnoMed is also developing a new smart ecosystem for the future. We will announce further details of this technology in early 2022.

The slide presentation which will come up on your screens provides further detail on a number of the matters contained in my address.

Finally, I would like to thank you, our shareholders for the support over these past 12 months. My thanks also go to the many new shareholders who joined us during the year and invested in SomnoMed as we embark on a new era.

Thank you all for your trust and support in our Company, in me as your Managing Director and CEO and to the executive team who have helped me to achieve the results that we have seen during the past 12 months. We look forward to continued growth in the current financial year and beyond.

Thank you for the opportunity to lead this company and change people's lives.

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This release has been approved by the Board of SomnoMed Limited



AGM Presentation

25 November 2021

**Treatment focused.
Technology driven.**

SomnoMed's Vision/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 experienced and supportive board of directors



Guy Russo

Non-Executive Chairman

Highly accomplished business leader with strong commercial & customer oriented background



Amrita Blickstead

Non-Executive

Currently COO & CMO for eBay Australia
Trained biomedical engineer



Michael Gordon

Non-Executive

Currently CFO of Rokt, a high growth technology business



Karen Borg

Non-Executive

Currently CEO of Healthdirect Australia
Former 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 Verdal-Austin

Managing Director

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

Passionate and driven management team



Hervé Fiévet
CFO

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



Neil Verdal-Austin
CEO

27+ years experience with various medical device, distribution and manufacturing companies

CEO since 2018; previously CFO for 10 years



Mark Harding
Senior 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



Matthew Conlon
EVP, Sales & Marketing North America

Joined SomnoMed in October 2019
Extensive experience in the medical devices industry and technologies sector and navigating strategic change



Christopher Bedford
VP, Research & Development

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

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

511 million
mild OSA patients globally

A total of
900+ million
patients suffer globally from the effects of sleep apnea

425 million
moderate and severe OSA patients globally

25%
of men suffer from sleep apnea globally

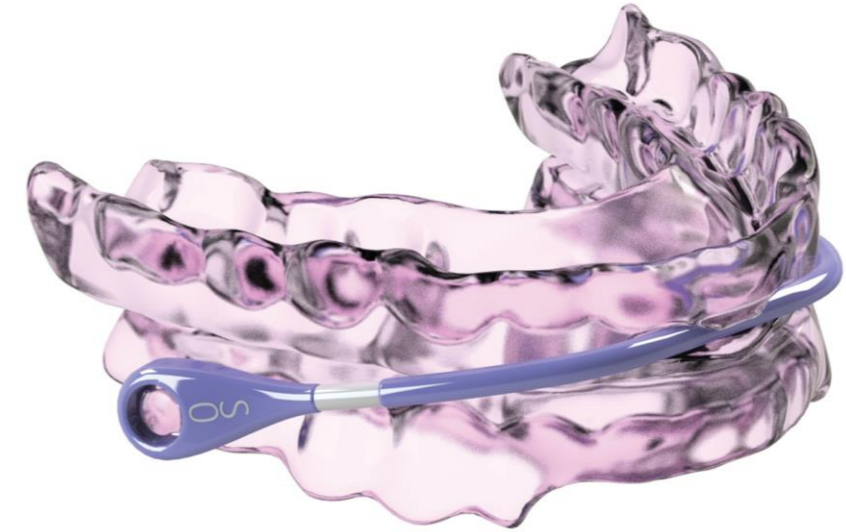
9%
of women suffer from sleep apnea globally

Untreated OSA can lead to increased risk of stroke, heart attack, depression, diabetes

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

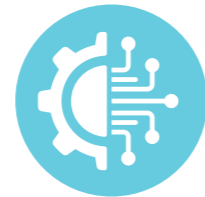
The SomnoMed product difference

SomnoDent[®] AVANT[™]
SLEEP APNEA APPLIANCE



SomnoMed delivers the highest level COAT[™] comfort and quality

Technologically Advanced



Materials that improve patient comfort and product function

Cost Effective Solution



Lower cost to fit, maintain and retain customers for sleep physicians, dentists and insurers

Superior Comfort



Designed with proprietary materials, SomnoDent[®] devices are known for their custom fit

Customised

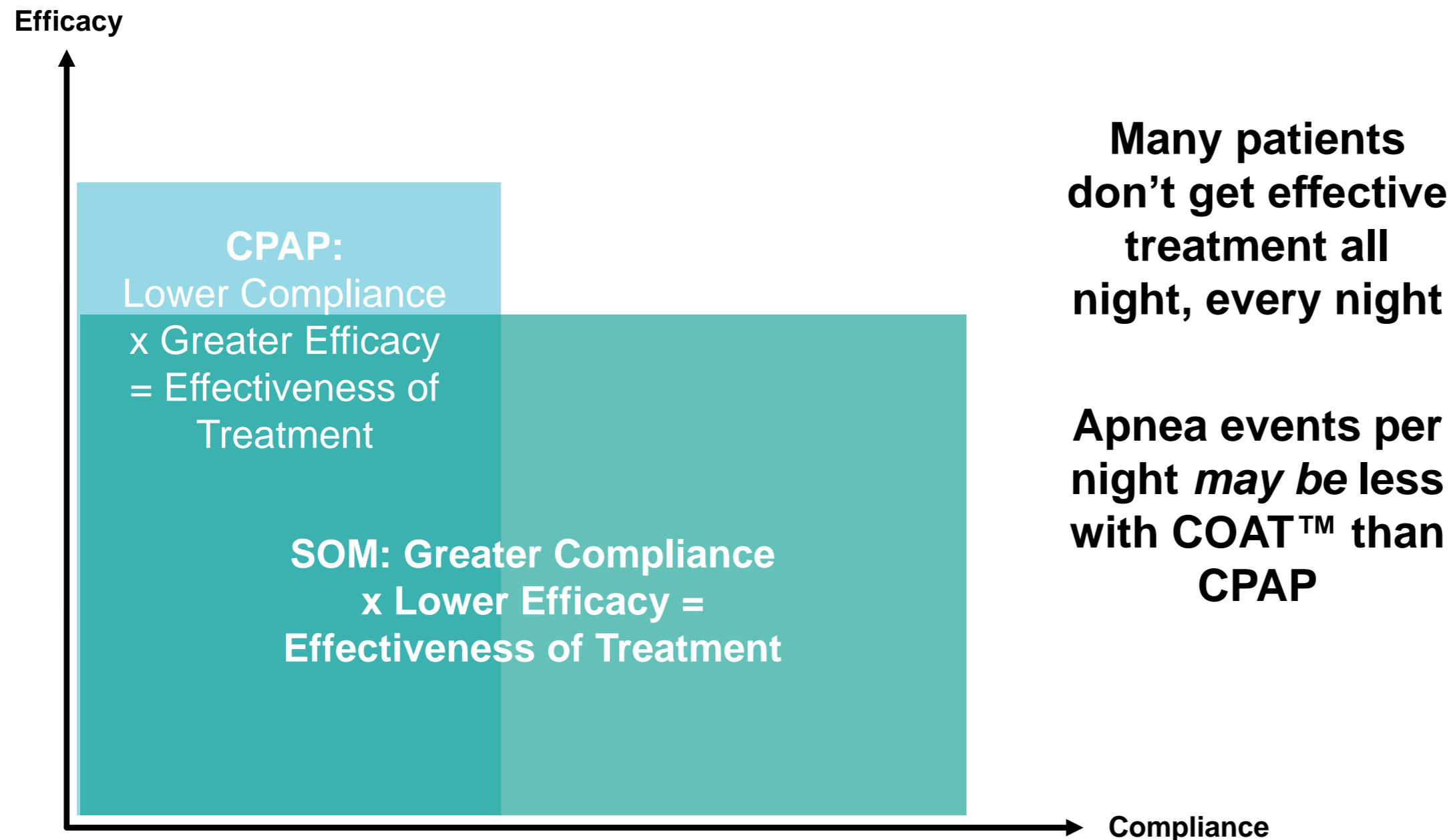


Patient-specific and fitted by a qualified sleep dentist

SomnoMed[®]

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

Improving treatment effectiveness for OSA patients

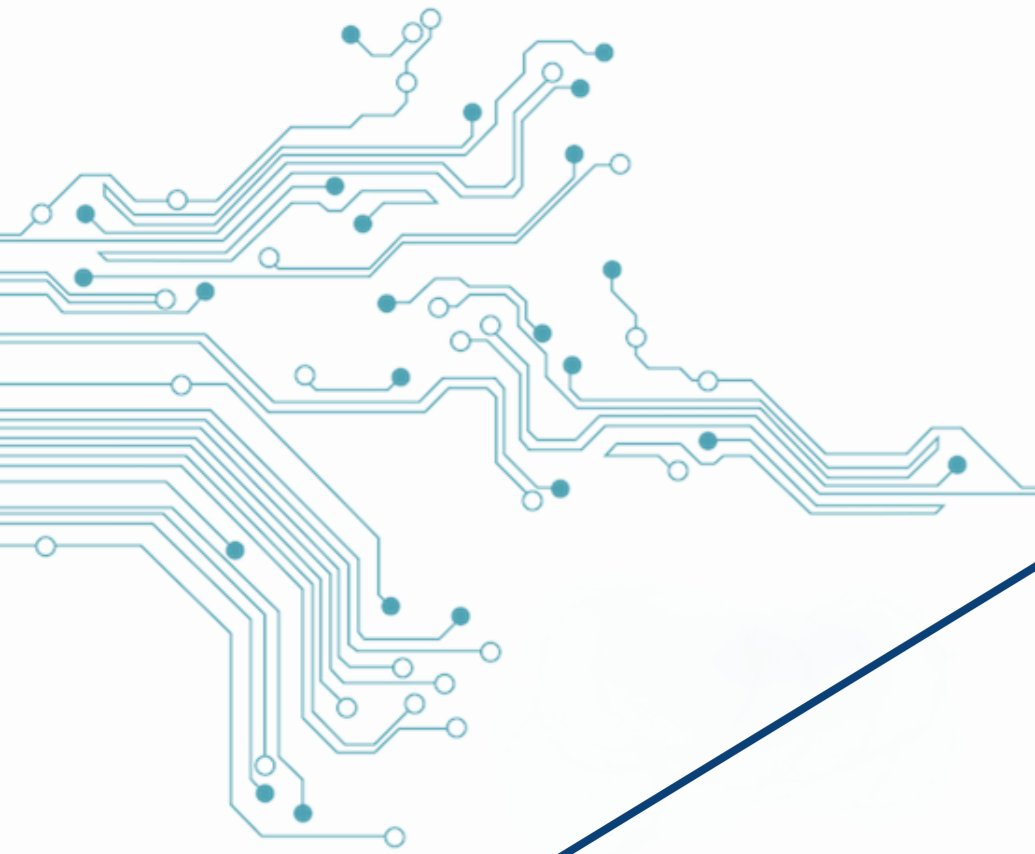


Clinical Insight

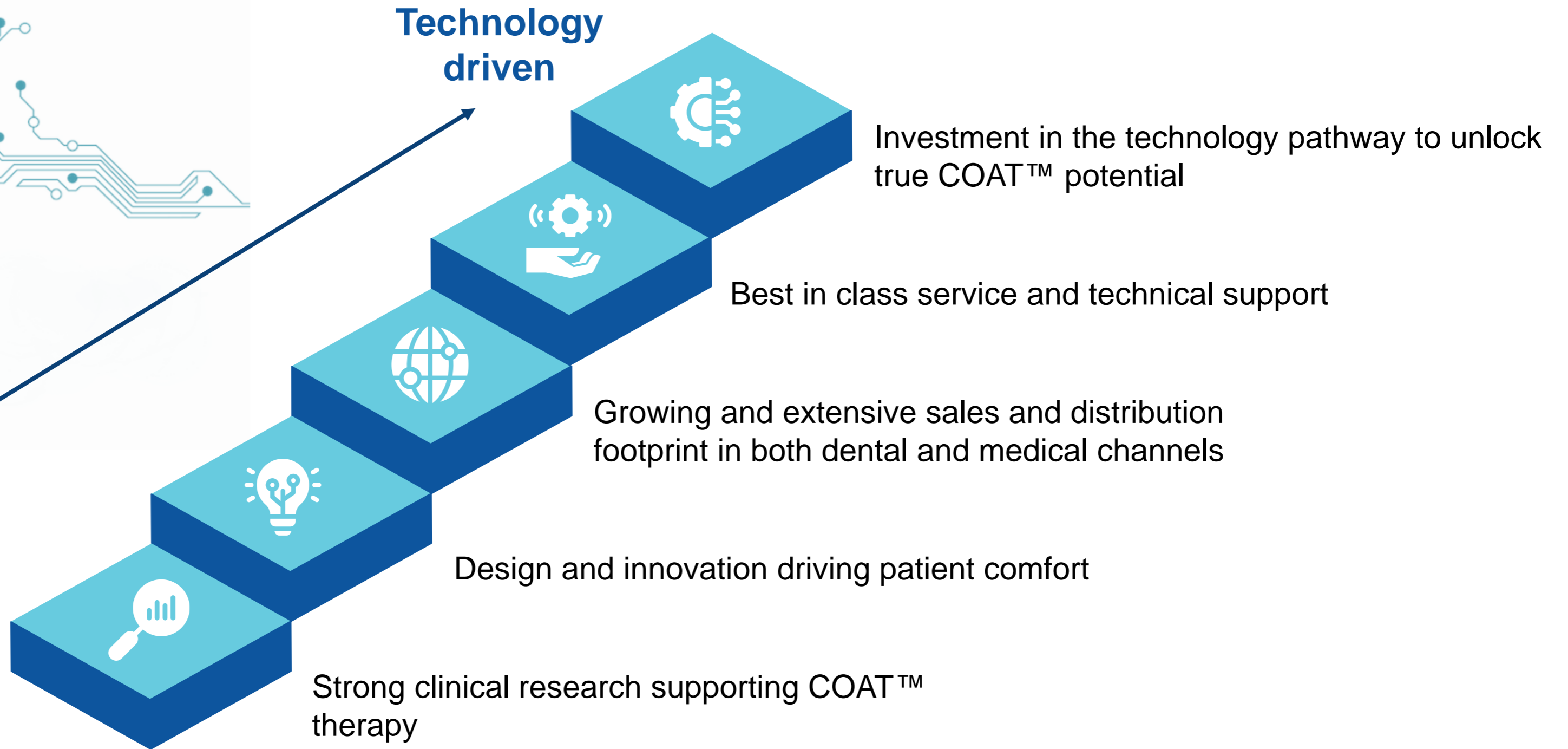
The findings are sobering. Our data suggest that despite numerous changes to machine and mask dynamics as well as behavioral interventions, CPAP adherence remains a severe problem for management of patients with OSA - the concept of CPAP as gold standard for OSA therapy is no longer valid.¹

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

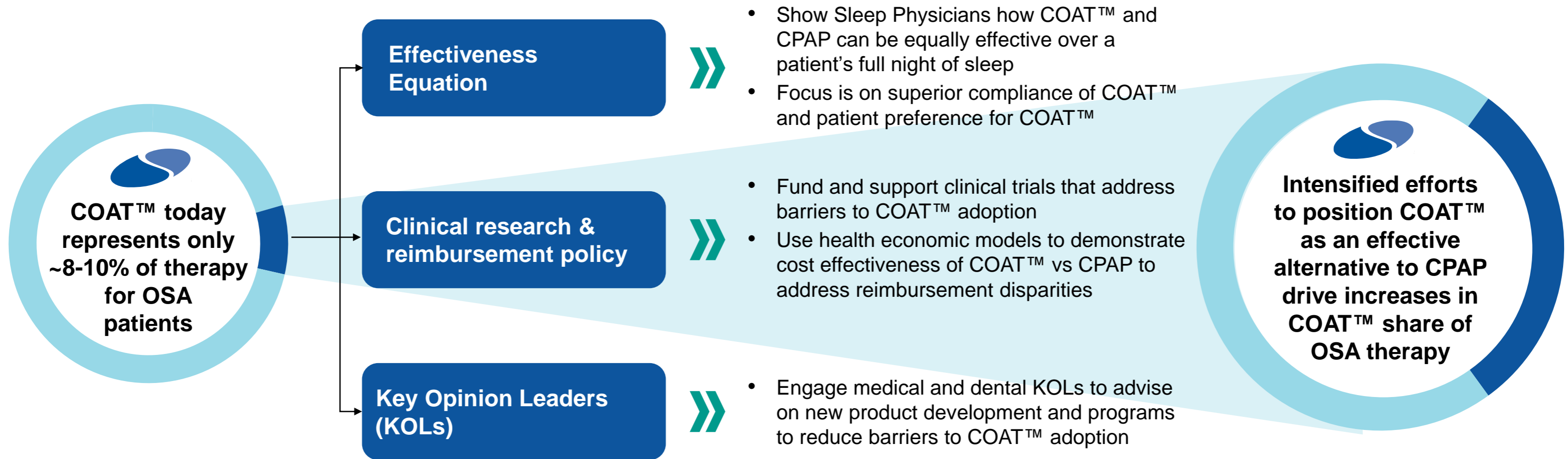
Positioned for future growth



**Treatment
focused**



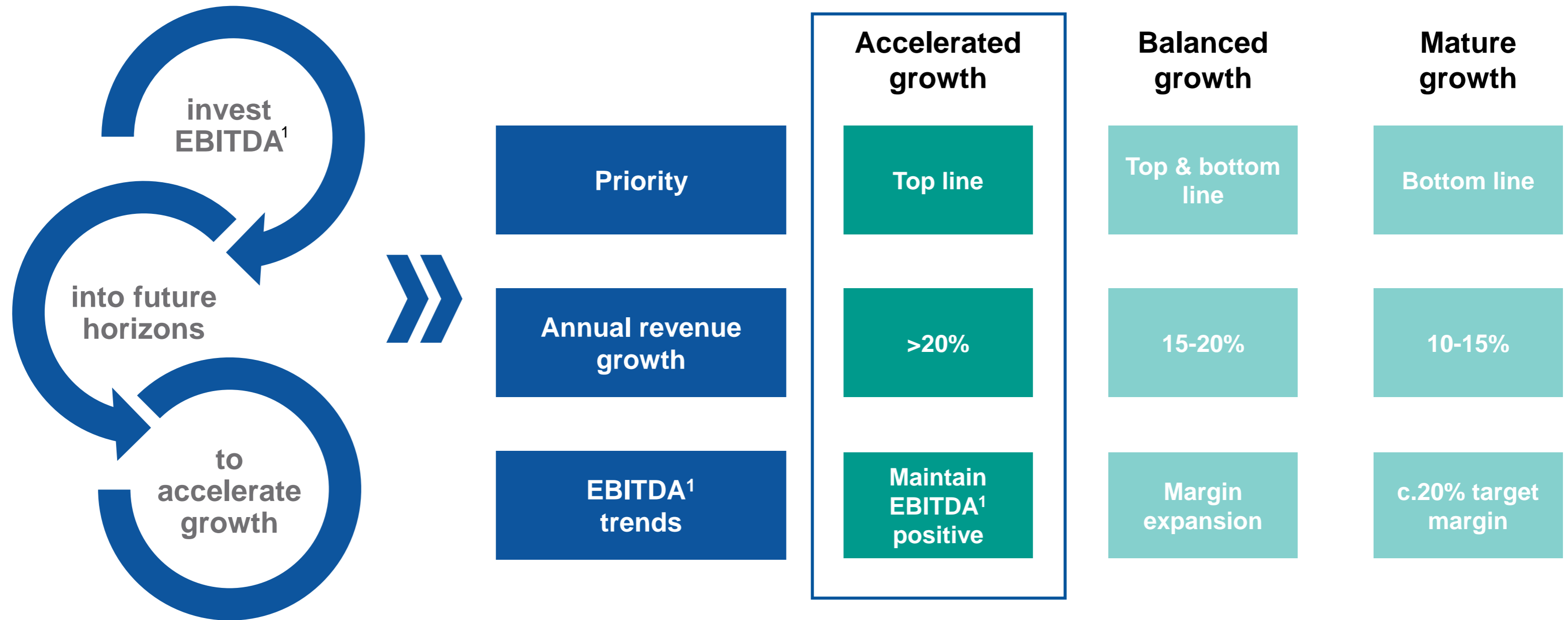
Growing the sector through positioning the patient's alternative



~ 900+ million sleep apnea patients globally

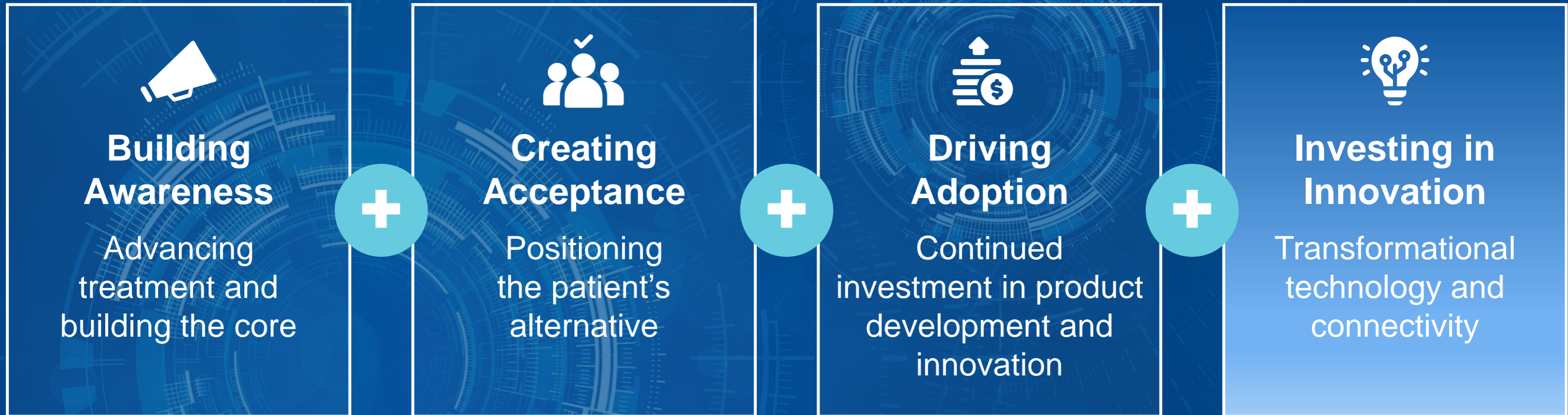
Investing to achieve category leadership

Financial framework for future growth and profitability



¹ EBITDA as adjusted does not include share based payments, discontinued operations and other expenses.

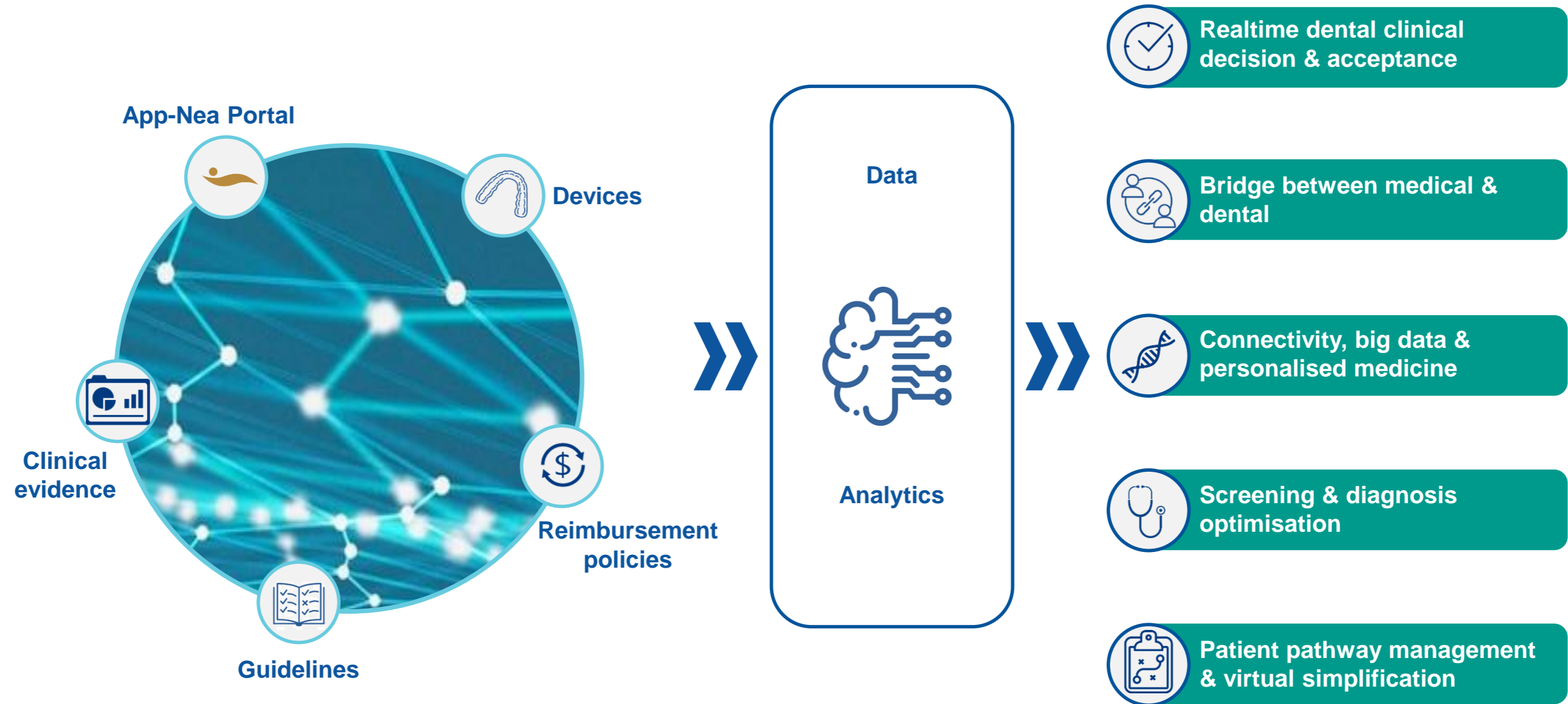
SomnoMed future horizons



Category leadership in a multi-billion dollar opportunity

Technology driven

One integrated and automated technology platform



Outlook



FY22 guidance

- Revenue growth of at least 15%²
- EBITDA¹ break even as we invest for future growth (expected to rebound in FY23 and beyond)²
- Cash investment (non P&L) in technology innovations expected to be c\$8m
- Credit facility of \$10m close to finalization



Key considerations

- Continue to respond to changing market conditions
- Drive growth opportunities
- Build and expand sales and marketing teams globally



Key strategic objectives

Treatment focused

- Focus on Medical Initiative in all three regions
- Continue digital product precision
- Drive Effectiveness Equation

Technology driven

- One Platform Project
- Transformational connectivity development

¹ EBITDA as adjusted does not include share based payments, discontinued operations and other expenses

² Assumes no change to the current COVID-19 lockdowns and restrictions in all trading markets



Thank you