



# **AGM Presentation**

25 November 2022

**Treatment focused.  
Technology driven.**



# Disclaimer

This document has been prepared as a summary only and does not contain all information about the Company's assets and liabilities, financial position and performance, profit and losses and the rights and liabilities attaching to the Company's securities. This document should be read in conjunction with any public announcements and reports (including financial reports and disclosure documents) released by SomnoMed Limited. The securities issued by the Company are considered speculative and there is no guarantee that they will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

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.

The Company does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this document.

Recipients of this document should carefully consider whether the securities issued by the Company are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

# 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 Verdal-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

Europe<sup>1</sup>

+15% vs FY21

APAC

+1% vs FY21

## EBITDA<sup>2</sup>

A\$1.3m

Stable product gross margin of 70%

EBITDA<sup>2</sup> 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

<sup>1</sup> 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

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

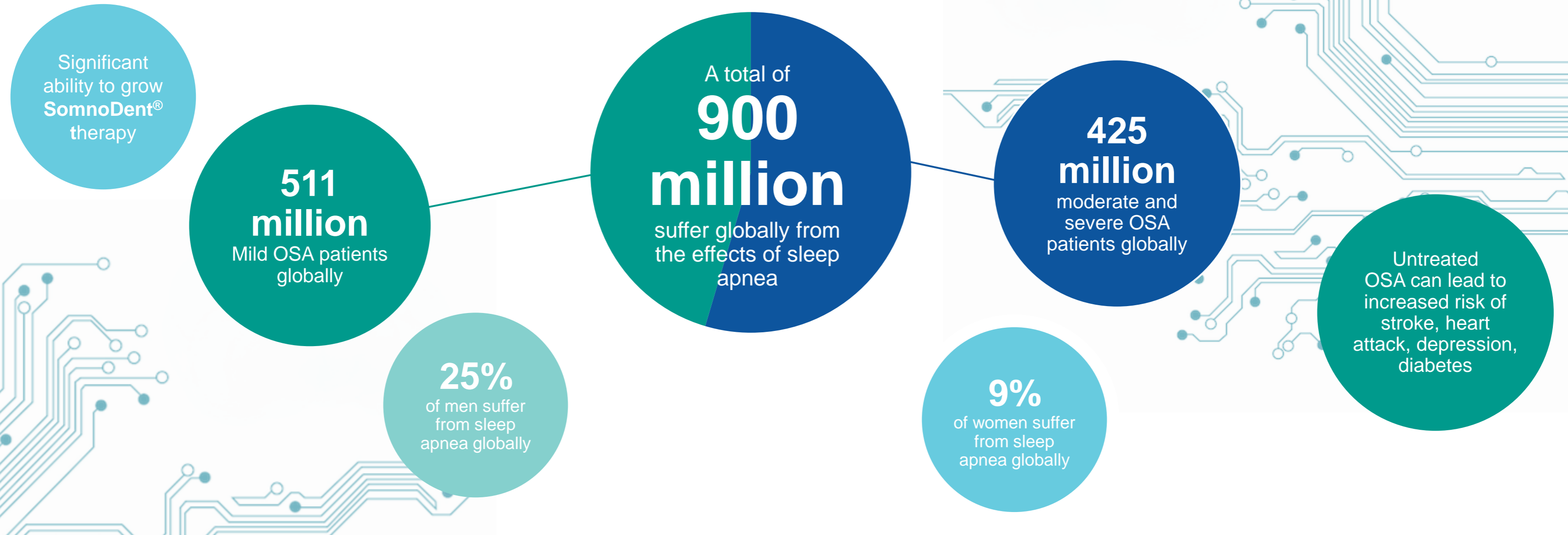
# SomnoMed's market opportunity



# Significant addressable markets globally

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

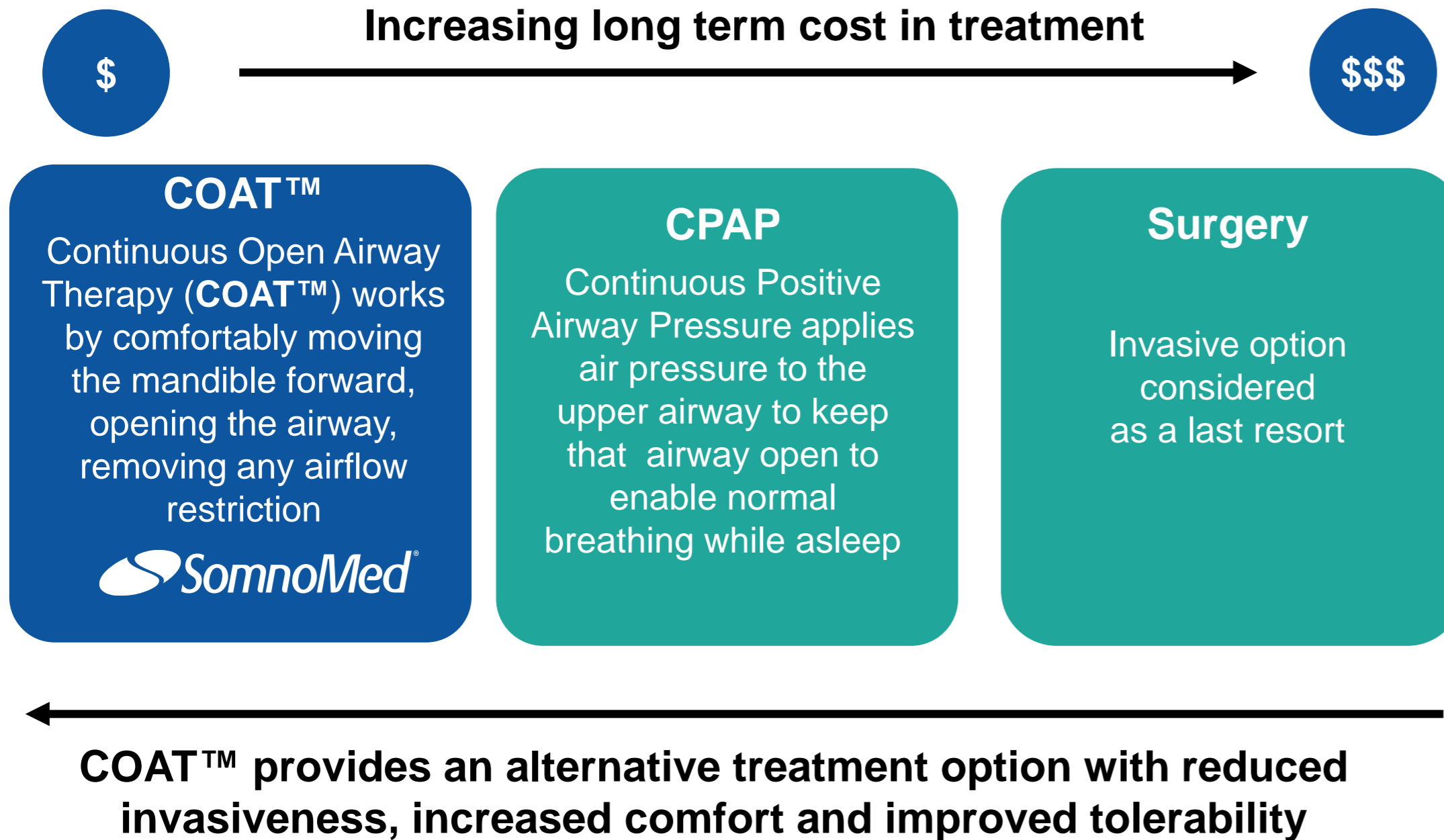
Obstructive sleep apnea (OSA) is a disorder that occurs when a person's breathing is interrupted during sleep because the airway becomes blocked



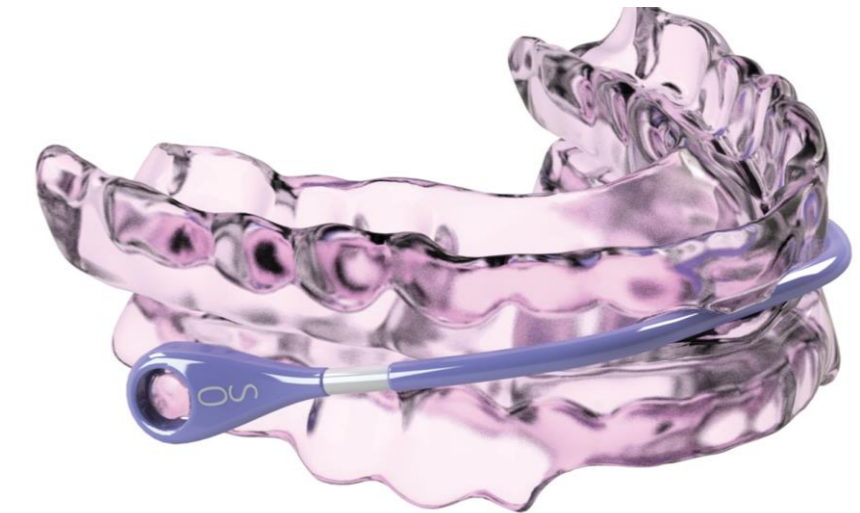
1. Benjafiel et.al : Estimation of the global prevalence and burden of obstructive sleep apnoea: a literature-based analysis, *Lancet Respir Med* 2019



# Improving treatment options for OSA patients

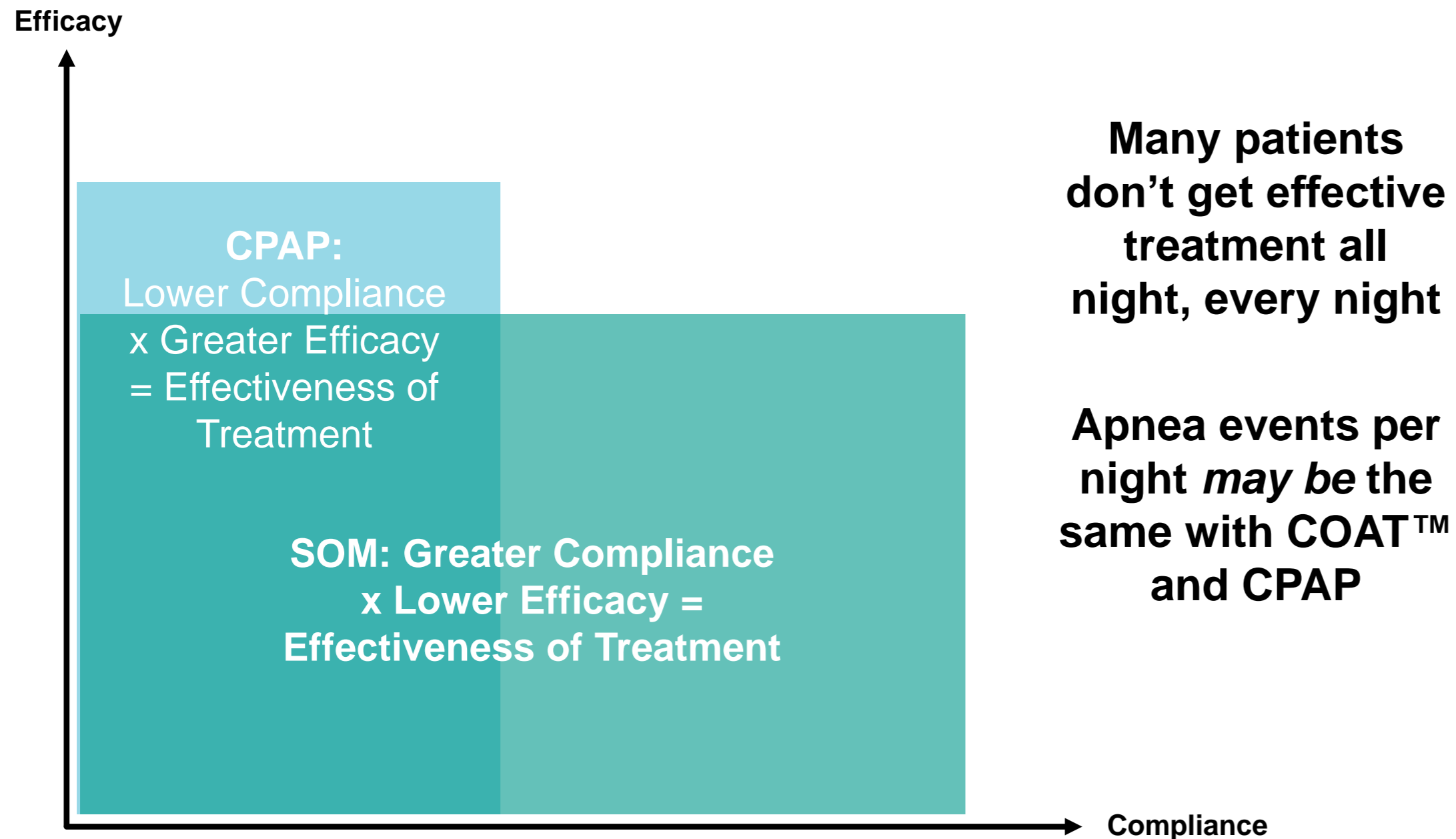


**SomnoDent® AVANT™**  
SLEEP APNEA APPLIANCE



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

# 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.<sup>1</sup>*

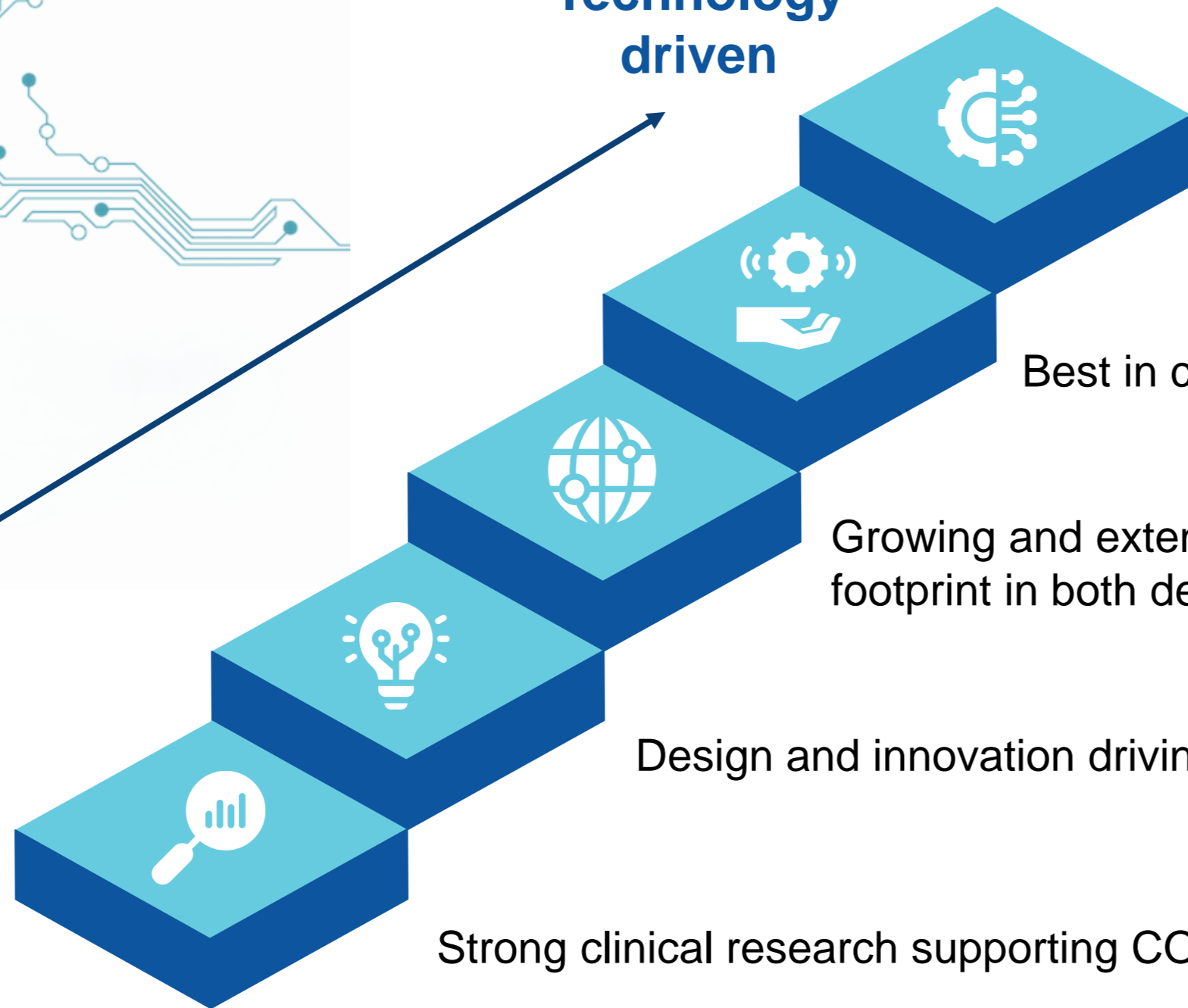
1. Rotenberg et al. Journal of Otolaryngology - Head and Neck Surgery (2016) 45:43

# Positioned for future growth



Technology driven

Treatment focused



Investment in the technology pathway to unlock true COAT™ potential

Best in class service and technical support

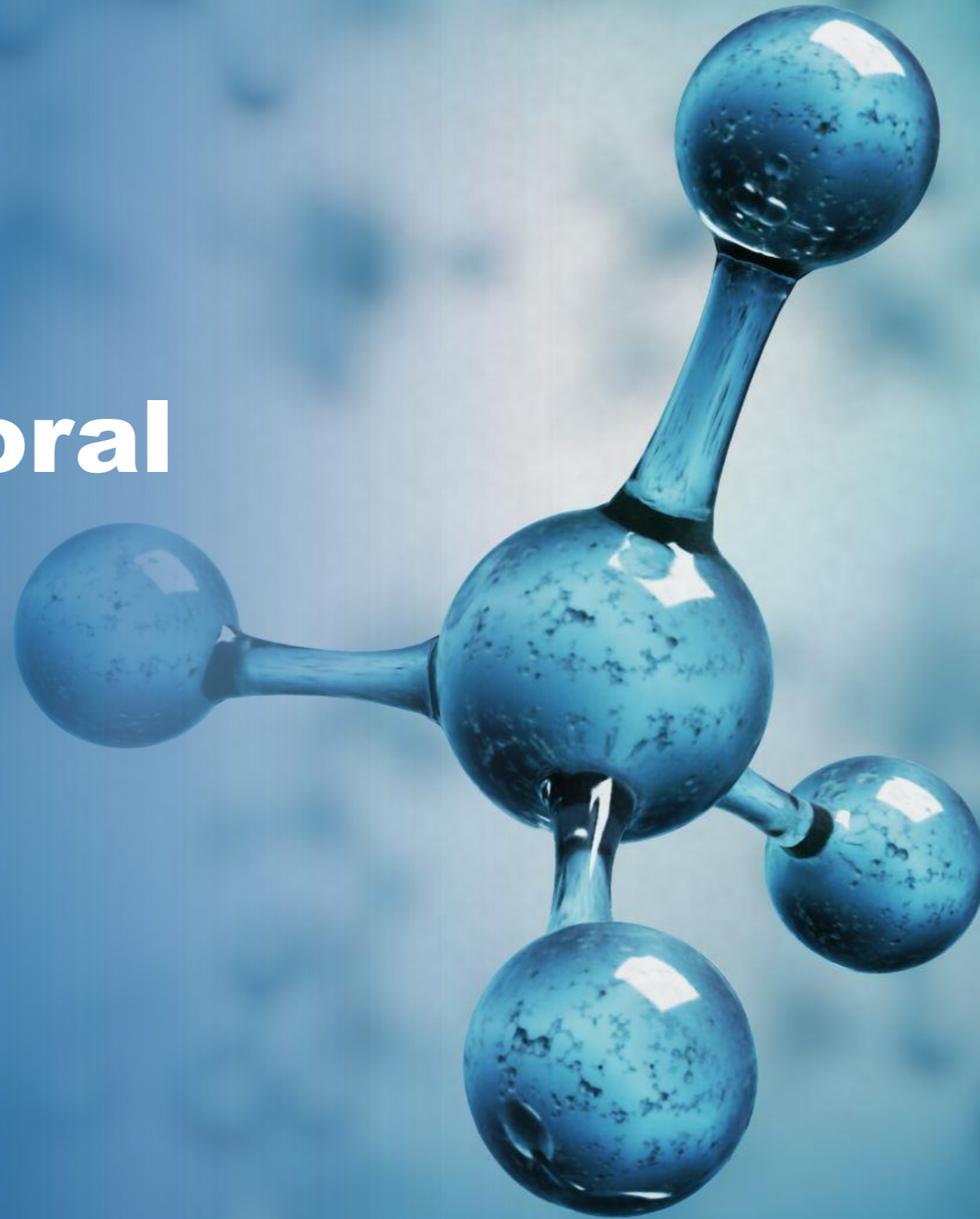
Growing and extensive sales and distribution footprint in both dental and medical channels

Design and innovation driving patient comfort

Strong clinical research supporting COAT™ therapy

**Rest Assure<sup>®</sup>**

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

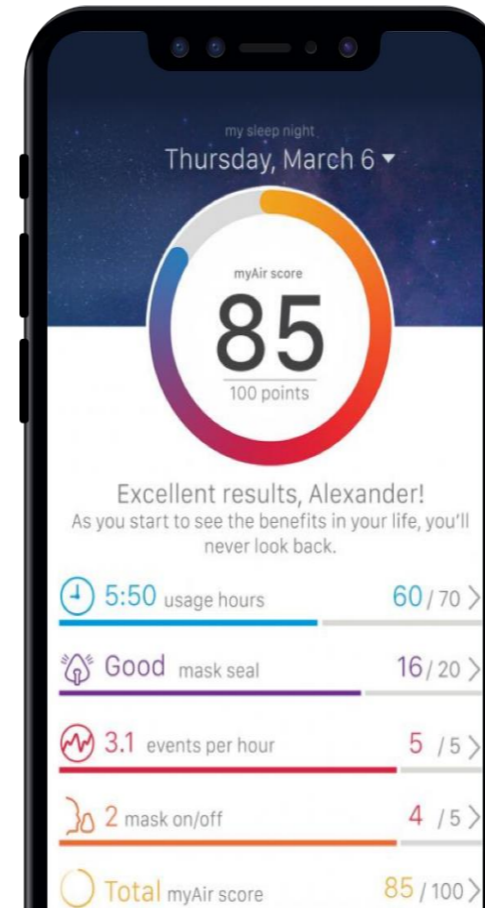


# We listened to Sleep Physician feedback

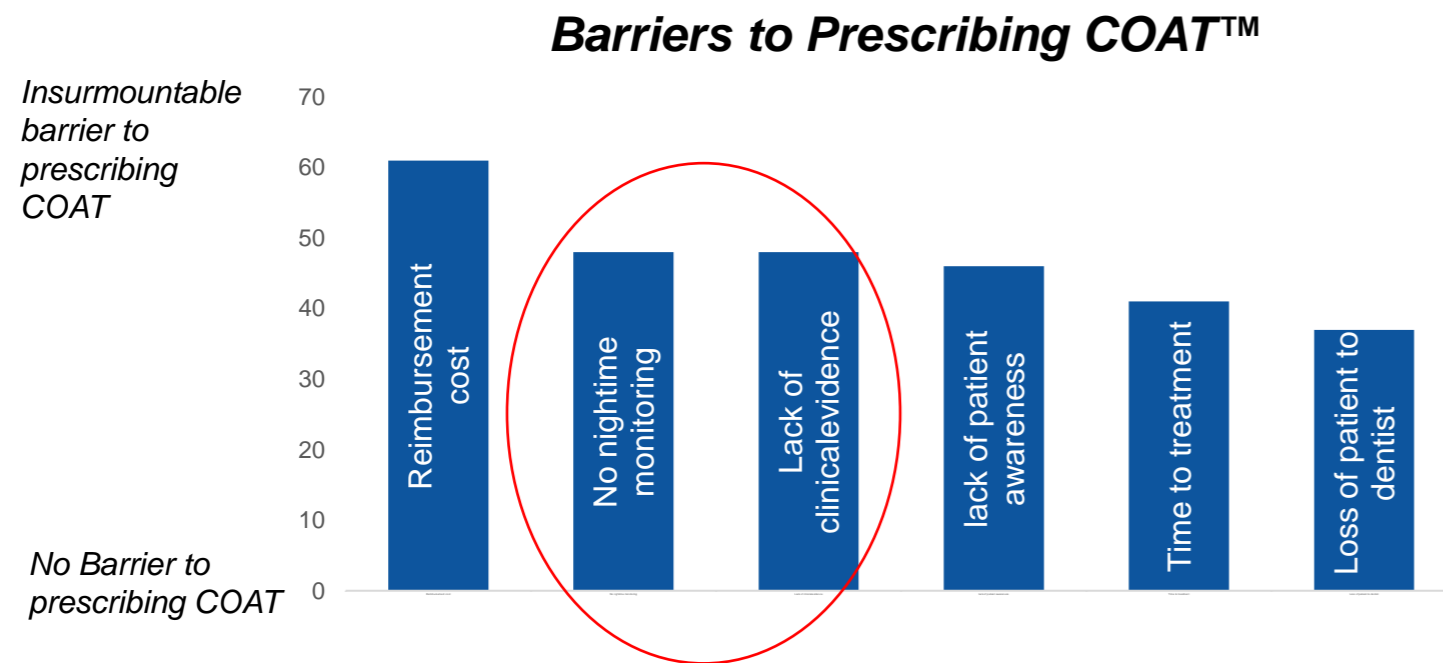
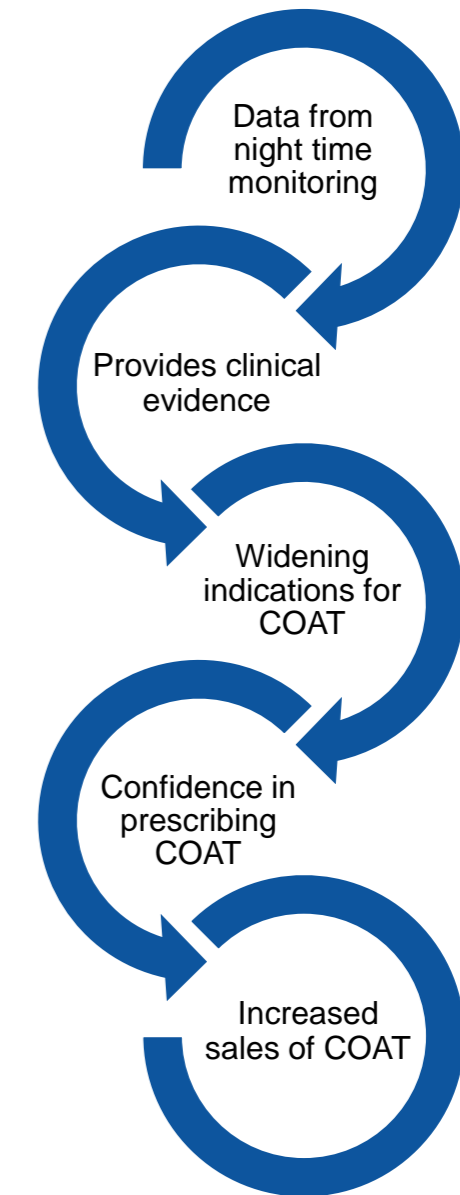
CPAP patient apps provide:

- 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**



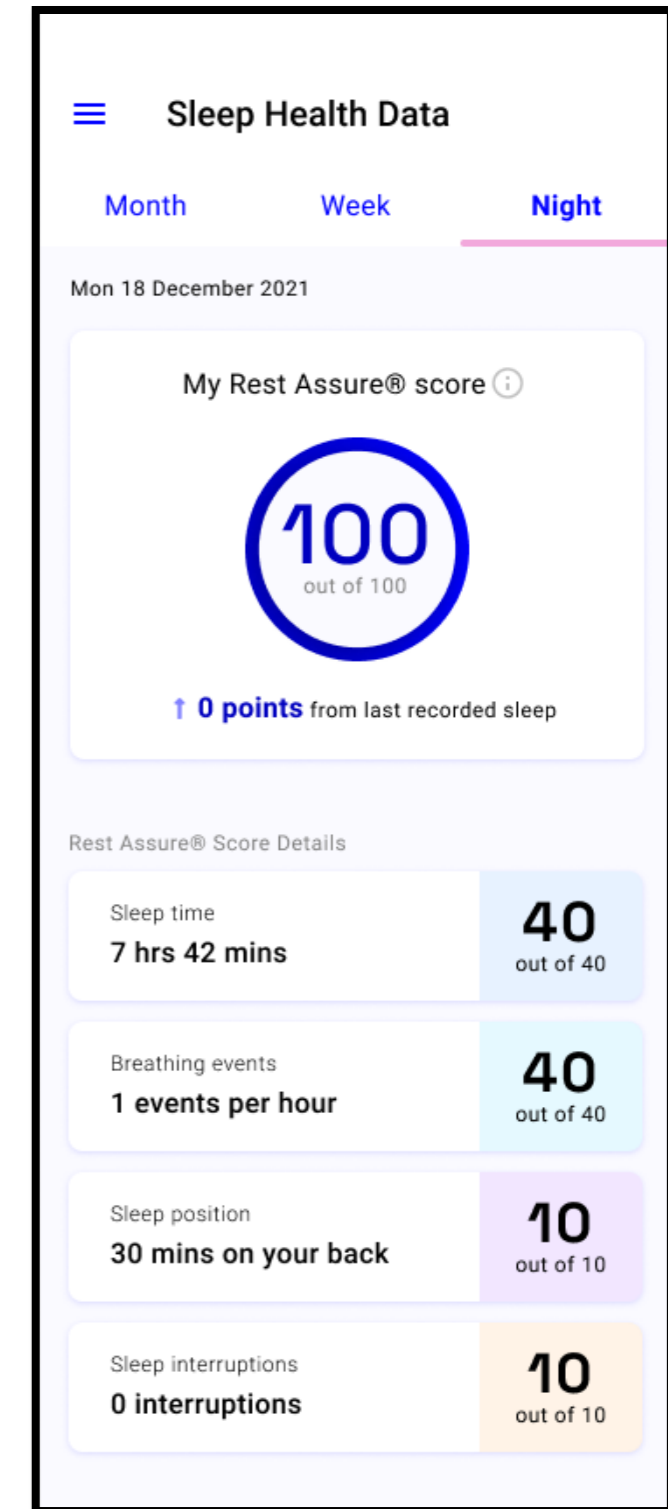
Addressing device night-time monitoring provides data to address other barriers to prescription:



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

# Rest Assure<sup>®</sup> will provide data to remove prescription barriers

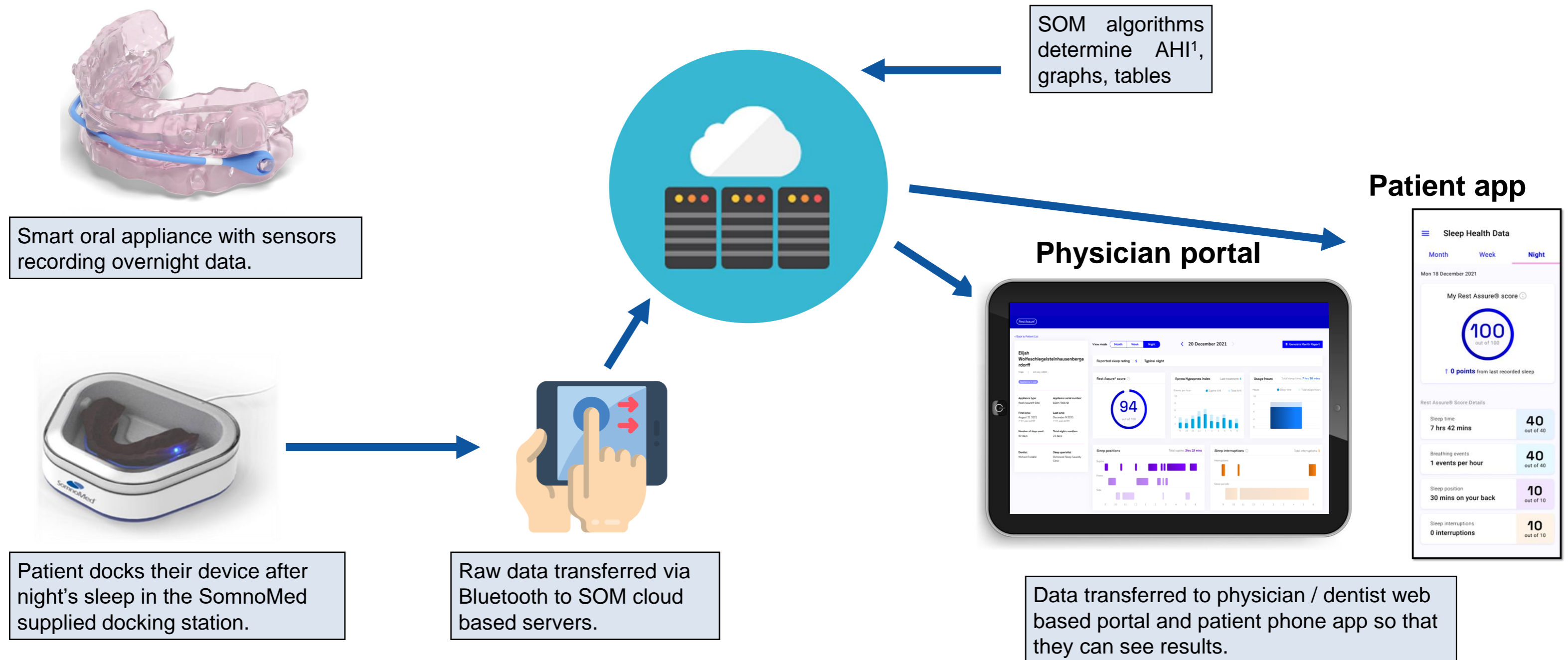
- Rest Assure<sup>®</sup> technology will determine in-mouth efficacy and compliance for COAT<sup>™</sup>
- SOM, patients, sleep physicians and sleep dentists will have access to each night's data 7-10 minutes after patient wakes up\*
- Data will provide Sleep Physicians with confidence that patient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



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

# Rest Assure<sup>®</sup> technology – how does it work?

Smart oral appliance and cloud based infrastructure



<sup>1</sup> Apnea Hypopnea Index (AHI), an Index used to indicate the severity of sleep apnea represented by the number of apnea events per hour of sleep

# Rest Assure®

## Enabling sensor technology for COAT™

### Rest Assure®

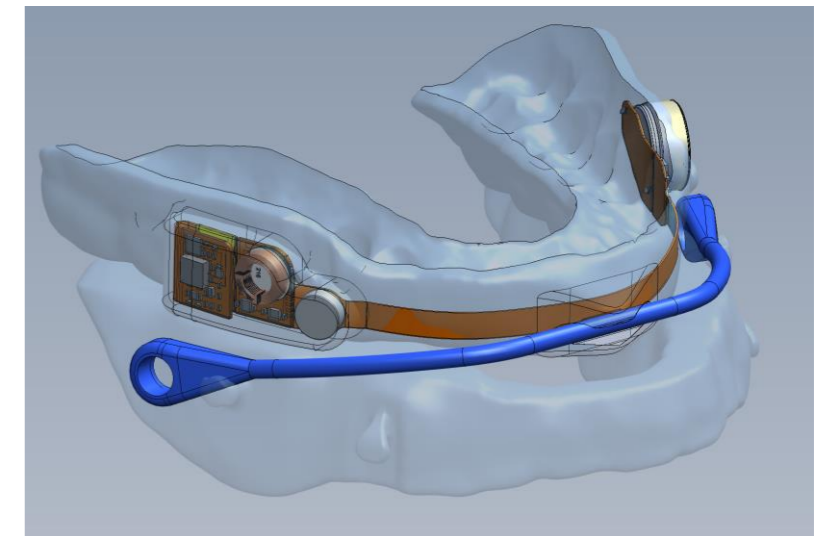
- SOM's brand that encompasses the technology (sensors, docking station, software) that allows the continuous monitoring when worn and data capture
- Incorporated into SOM's existing milled COAT™ devices Herbst Advance Elite and AVANT™
- Designed to have no impact to “first time fit” success and patient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

## 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<sup>®</sup>

Empowering Sleep



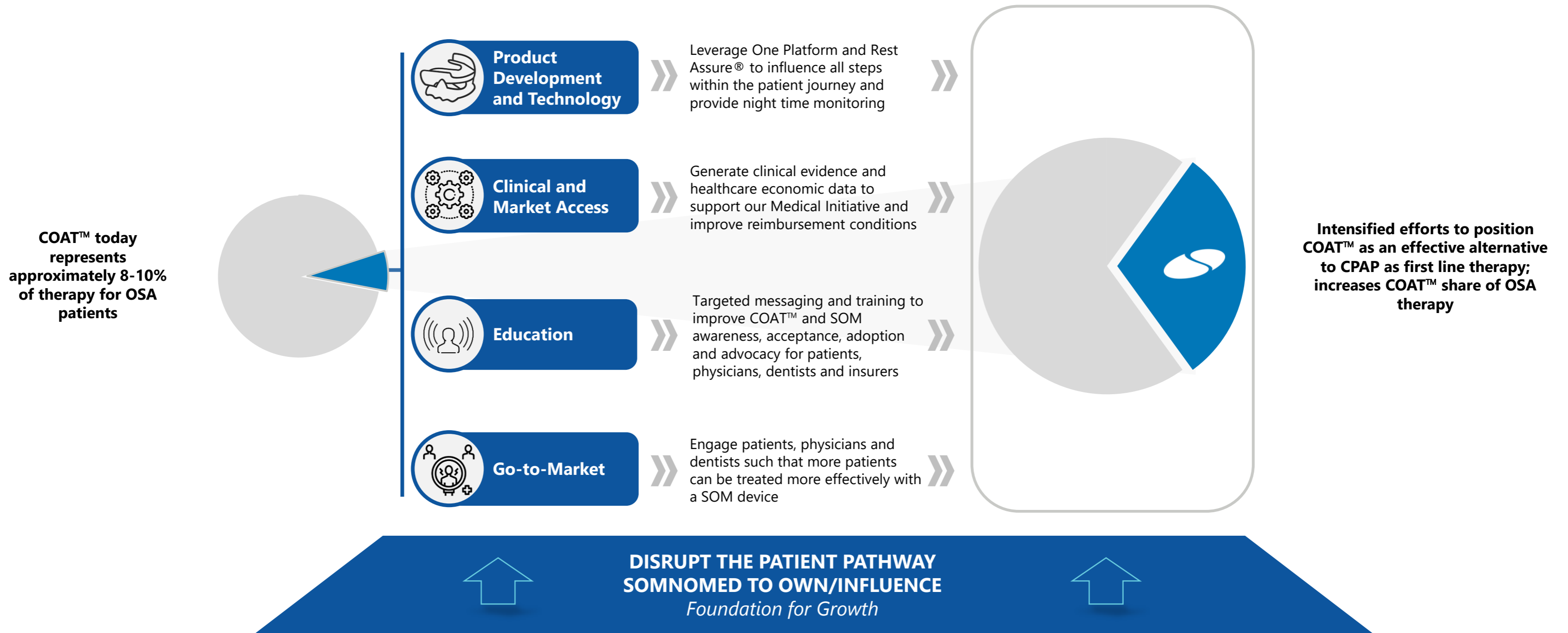
Imagine the dawn of a new era in OSA Therapy  
Where treatment is connected yet untethered

 SomnoMed

# Future Outlook

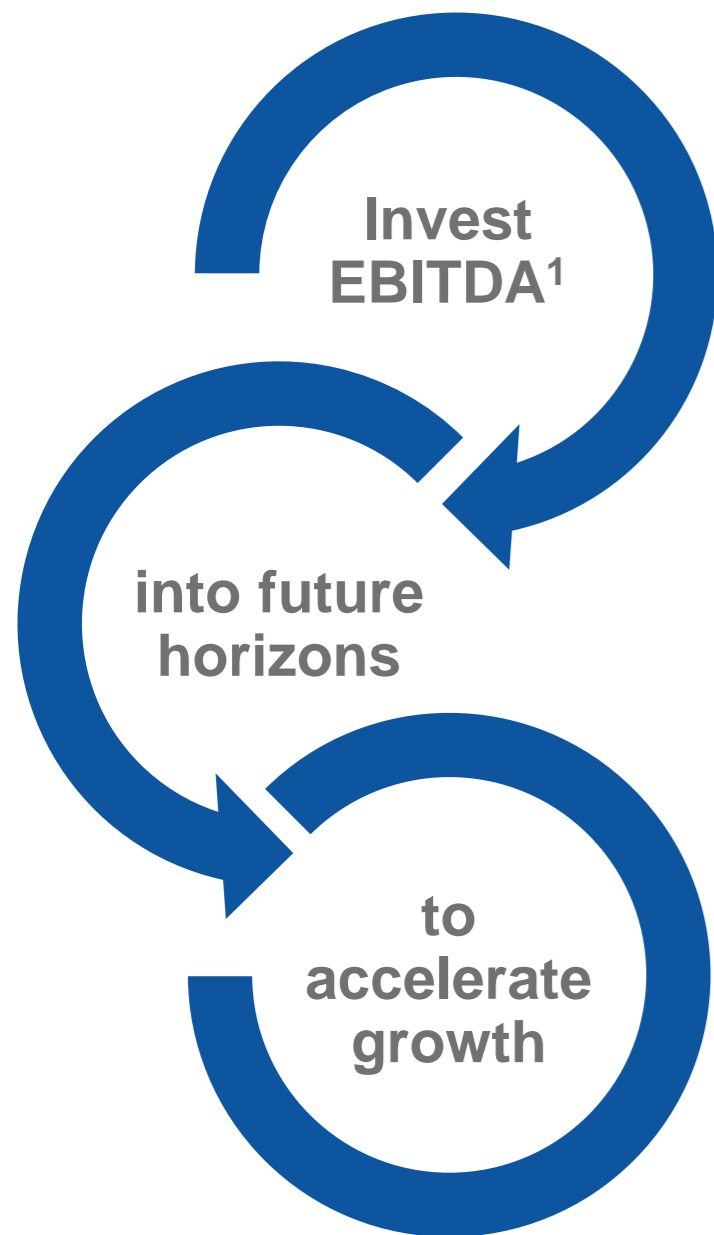


# Growing the sector through positioning the patient's alternative



# Outlook

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



FY23 guidance	Operational initiatives	Strategic objectives	FY2026 aspiration <sup>2</sup>
<ul style="list-style-type: none"> <li>Revenue growth of at least 20%</li> <li>EBITDA<sup>1</sup> of at least \$2m</li> <li>CAPEX investment c.\$7m of which technology innovation spend expected to be c.\$3m</li> </ul>	<ul style="list-style-type: none"> <li>Drive medical initiative program</li> <li>Build and expand sales and marketing teams globally</li> <li>Secure supply chain and mitigate negative impact of inflation and cost pressures</li> </ul>	<ul style="list-style-type: none"> <li>Remain patient centric and multidisciplinary in approach</li> <li>Execute on “treatment focused / technology driven”</li> <li>Build a long-term sustainable medical device company</li> </ul>	<ul style="list-style-type: none"> <li>Over 1.5 million patients treated</li> <li>&gt;20% CAGR revenue growth to c.\$150m</li> <li>Stable product gross margin</li> <li>Target EBITDA<sup>1</sup> margin &gt;10% of total revenue to c.\$15m</li> </ul>

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

<sup>2</sup> 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 Verdahl-Austin  
CEO SomnoMed  
+61 406 931 477  
[Nverdahl-austin@somnomed.com](mailto:Nverdahl-austin@somnomed.com)

### **Investors**

Mr. Craig Sainsbury  
Automic Group  
+61 428 550 499  
[Craig.sainsbury@automicgroup.com.au](mailto:Craig.sainsbury@automicgroup.com.au)