



**25th November 2022**

## **2022 Annual General Meeting**

### **Chairman's AGM address by Guy Russo**

Dear Shareholders

On behalf of the Board of Directors, I would like to welcome you to the 2022 Annual General Meeting for SomnoMed Limited.

It is an honour to address you today as your Chairman. It has now been two years since I joined as Chairman and I remain incredibly excited about the opportunities that lie ahead. SomnoMed changes peoples' lives – literally. SomnoMed gives people the opportunity to function again through its products and technology. This foundation provides a clear focus on the real commercial opportunities and the importance of our customers.

SomnoMed has had a challenging year once again, like many, due to the ongoing economic trading conditions and the aftermath of the COVID-19 pandemic. Despite this, SomnoMed has experienced increasing momentum across key markets due to a focus on addressing awareness, acceptance and adoption. SomnoMed maintains a cautious fiscal discipline while building a flexible working culture within the business and for all its staff. Our executive team has led by example once again and continues to “live” the strong culture that exists globally. The business grew its revenues in FY22 by 16% and exceeded the guidance provided to the market.

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 recently surpassed 750,000, 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 2022 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 and CEO AGM address by Neil Verdal-Austin**

Fiscal year 2022 began with the lingering uncertainty of the ongoing global pandemic as a result of COVID-19. As the year progressed, and as we witnessed the effects of COVID-19 wane in most markets in which we operate, we grew more optimistic that your underlying business was still strong and that the key drivers for growth were still in place. In the second half of the year, we began to see revenue growth momentum return to the business in almost all regions, allowing the company to achieve its guidance for FY22.

### **SomnoMed's market opportunity**

The opportunity to help treat the millions of sufferers of Obstructive Sleep Apnea ("OSA") remains a significant and growing market. Treating OSA with Continuous Open Airway Therapy ("COAT™") pioneered by SomnoMed, has enormous potential as a treatment solution. In many circumstances it is equally as effective as Continuous Positive Airway Pressure ("CPAP"), which is the predominant therapy used today, providing a clear opportunity for your Company. While non-adherence issues are common with CPAP therapy, SomnoMed provides an alternative that addresses this. SomnoMed's core strengths and competencies include product design and innovation that address patient comfort and therefore increases compliance, which significantly improves the long-term medical outcome for those patients.

SomnoMed's digital manufacturing platform is delivering quality milled products on a consistent basis. Our precision milled devices offer patients a "first time fit", significant comfort, better compliance, and therefore improved long term clinical effectiveness. The development of our connected oral appliance and our related approach to personalised medicine will further set this company apart.

### **Technology to drive our future**

SomnoMed continues on its journey of becoming "technology driven" via our Rest Assure® project. Rest Assure® will bring with it a smart product ecosystem that will set SomnoMed apart from its competitors and enable more sustainable future growth. This transformational technology, which will be applied to our existing milled products, allows SomnoMed to create a new category of connected oral appliance therapy for the future. It demonstrates true leadership in innovation and bonds both the medical and dental communities closer together for the ultimate benefit of the patient.

The Rest Assure® launch timeline indicates that the year ahead is a significant one for this industry changing technology. Manufacturing, final testing and the submission of all regulatory files to the relevant authorities is expected towards the end of calendar 2022 with commercial readiness expected around April 2023.

I will now turn your attention to the slide presentation in front of you.

### **Positioned for growth**

I remain very excited by SomnoMed's potential and its opportunities. The significant size of the Company's addressable market as well as the fantastic quality, passion and commitment of our team gives me great confidence in the future.

There is a desperate need for an effective alternative to CPAP and the COAT™ therapy is proven and preferred by patients. The long-term opportunity remains significant and further investments are being made to enhance SomnoMed's competitive advantage. There is a constant focus on growing our sales and marketing capabilities globally with targeted messaging to the broader medical community founded on the SomnoMed Effectiveness Equation™. This Effectiveness Equation™ highlights the critical message that to achieve an effective long-term medical outcome, both efficacy and compliance need to be considered when evaluating a treatment option. Using the SomnoDent® oral appliance, this equation demonstrates this long-term treatment effectiveness against CPAP.

We have started the 2023 Financial year with positive momentum in the September Quarter, including revenue growth of 19% versus the previous corresponding period. The momentum we have seen provides us with confidence on our 2023 guidance for revenue growth of at least 20%, and EBITDA<sup>1</sup> of at least \$2 million. The cash investment (non-P&L) in technology innovations is expected to be c\$3m included within a full CAPEX investment of c\$7m.

With available cash of \$12 million as at 30 September 2022, and further \$6 million of the new debt funding arrangement to be drawn down towards the end of Q2 FY23, the Company is well positioned to fund our growth opportunities and the development of Rest Assure®

I would like to thank the Board for their incredible effort, commitment and contribution to this company over the past 12 months. I would also like to extend our deepest thanks to our dedicated and talented management team and staff. Our global team has, once again, showed the attitude, passion and energy needed at SomnoMed that allows them to help change the lives of each and every patient that we have the pleasure to be able to treat. We also thank the many medical clinicians and dental specialists around the globe who support SomnoMed's long term effective treatment solution.

We are incredibly grateful for the ongoing support of our shareholders and are extremely excited about your Company's strong future ahead. It is our privilege to guide and lead a company that changes people's lives around the world and helps patients who suffer from OSA to achieve that through improved sleep.

This release has been approved by the Chairman and Managing Director of SomnoMed Limited.

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<sup>1</sup> EBITDA as adjusted does not include share-based payments, discontinued operations, and other expenses