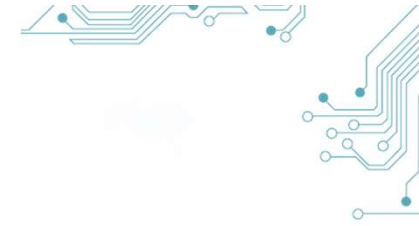




Investor Presentation

Half Year 2023 results

**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.

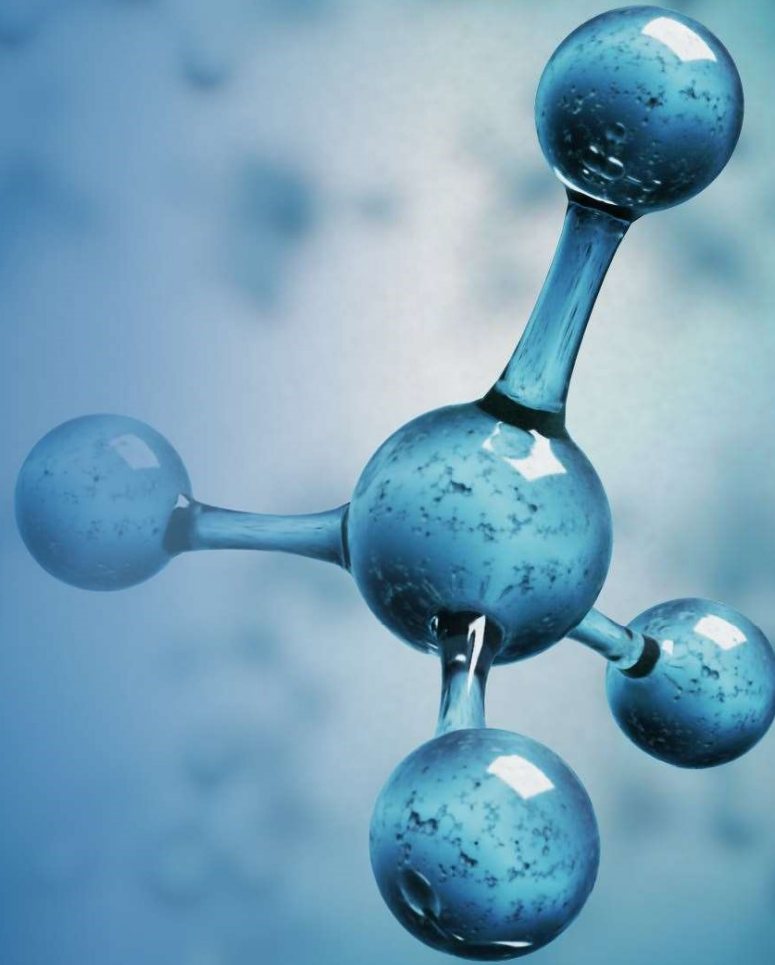
Recipients of this document should carefully consider whether the securities issued by the Company are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position.

Agenda

- **1H FY23 highlights**
- **Vision and market opportunities**
- **Financial information**
- **Rest Assure® connected technology**
- **Future outlook**



1H FY23 highlights



1H23 financial highlights

Total revenue

A\$40.0m

+18% vs 1H22

North America

+28% vs 1H22

Europe¹

+11% vs 1H22

APAC

+18% vs 1H22

EBITDA²

A\$0.8m

Increased product gross margin to 72%

EBITDA² trending above guidance despite investment for growth

Investments include new technology initiatives and increased sales & marketing activities

Cash

A\$16.9m

Secured net \$11m in new debt funding post FY22

Sufficient capital to support ongoing growth initiatives

¹ 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

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

1H23 strategic & operational highlights



- Revenue momentum in 1H23 underlies the **strength of the core business** and SomnoMed's growing reputation and leading position in oral appliance solutions in the treatment of obstructive sleep apnea (OSA)
- **Strong result in Europe** with record 1H23 revenue of \$21.6m. European market benefiting from **growing patient demand for COAT™ technology** as well as positive **reimbursement trends**
- North America experienced a challenging end to Q2 **impacted by increased lower priced competition, supply chain issues** and reduced availability of logistics staff but still delivered revenue growth for the half of 28%
- **Maintained the development momentum of Rest Assure®**, an inbuilt technology-enabled device to address the lack of overnight monitoring in COAT™ applications
- Continued to **invest in the business** in the areas of new technology development and business operations
- Proactively **delivered a range of initiatives to secure supply chain costs** with the aim to limit any negative impact of inflation pressure on our cost structures to protect margins and cash flow

Vision and market opportunity

The image features a dark blue background with a complex network of glowing blue nodes and connecting lines, resembling a digital or neural network. A hand is visible in the lower-left quadrant, with the index finger pointing towards the center of the network. The text "Vision and market opportunity" is overlaid in white, bold, sans-serif font on the left side of the image.

SomnoMed's vision and mission

Our vision is to lead in the treatment of patients suffering from obstructive sleep apnea and relevant adjacent conditions

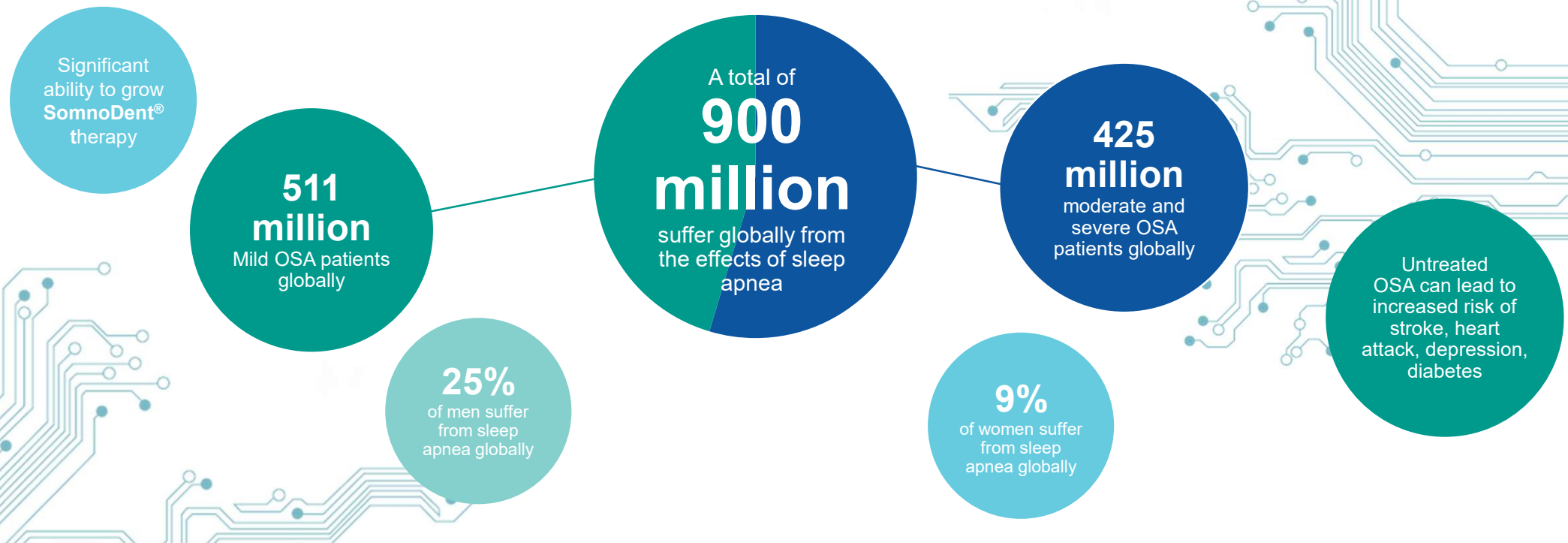
Our mission is to advance the adoption, acceptance and treatment of oral sleep apnea therapies by medical specialists, dentists, patients and insurers



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

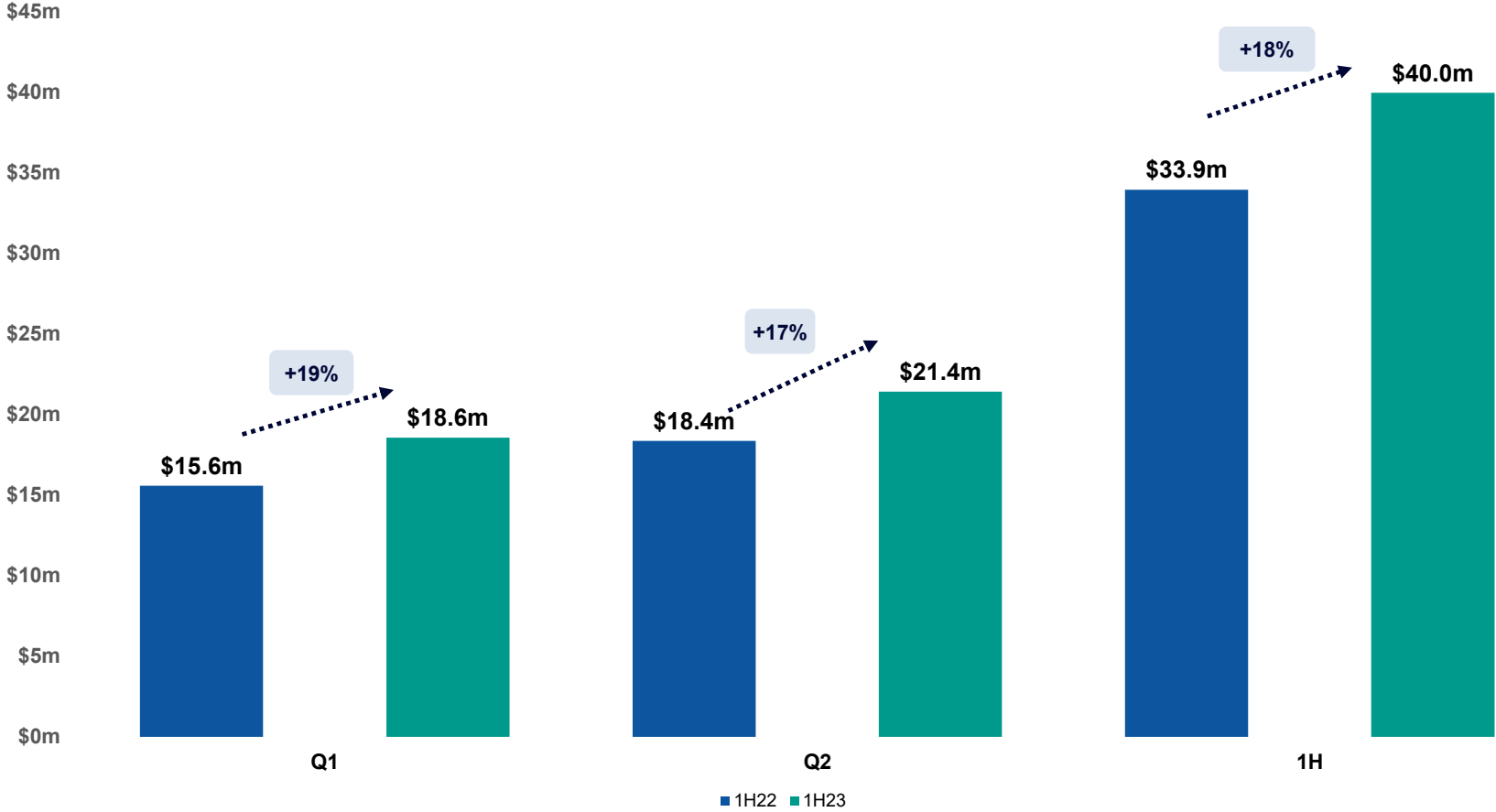


1. Benjafield et al. : Estimation of the global prevalence and burden of obstructive sleep apnoea: a literature-based analysis, *Lancet Respir Med* 2019

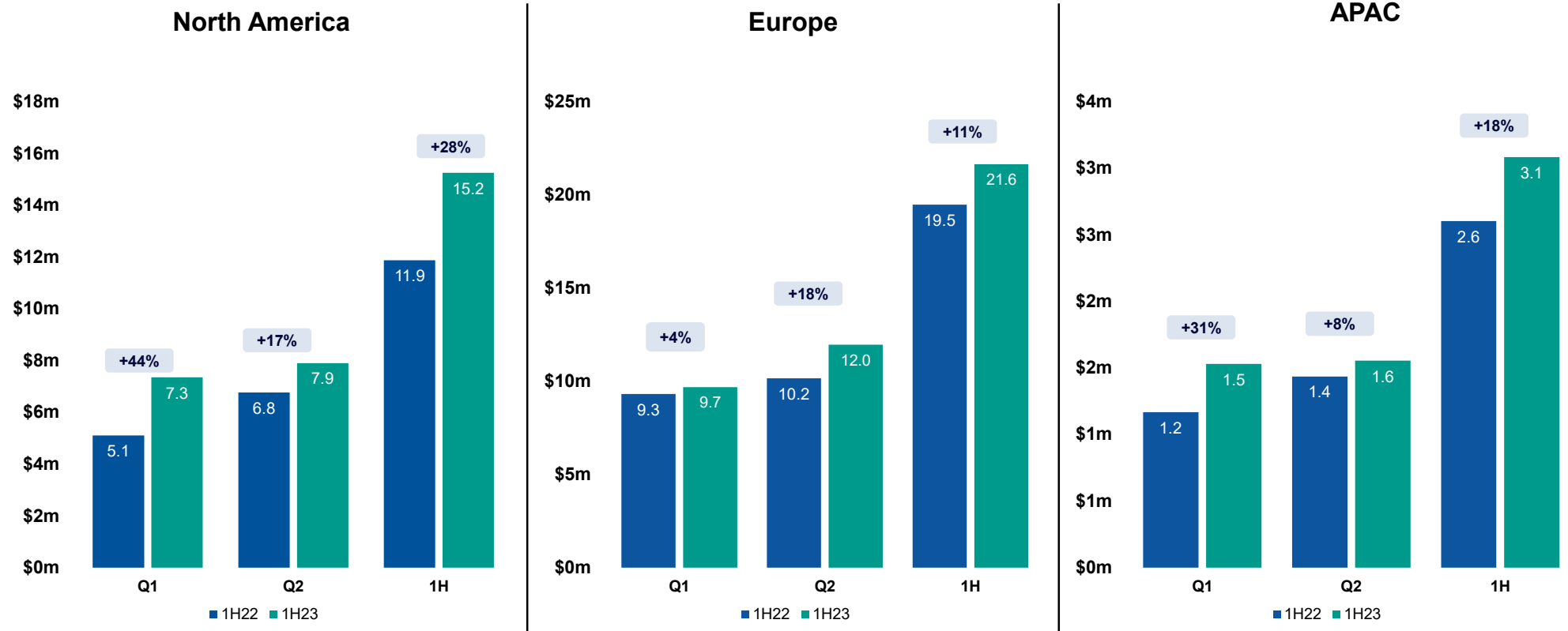
Financial information



Total group revenues



Total regional revenues

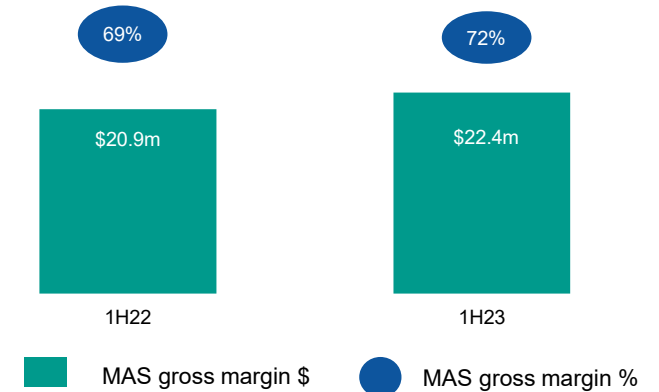


EBITDA¹ and margin analysis

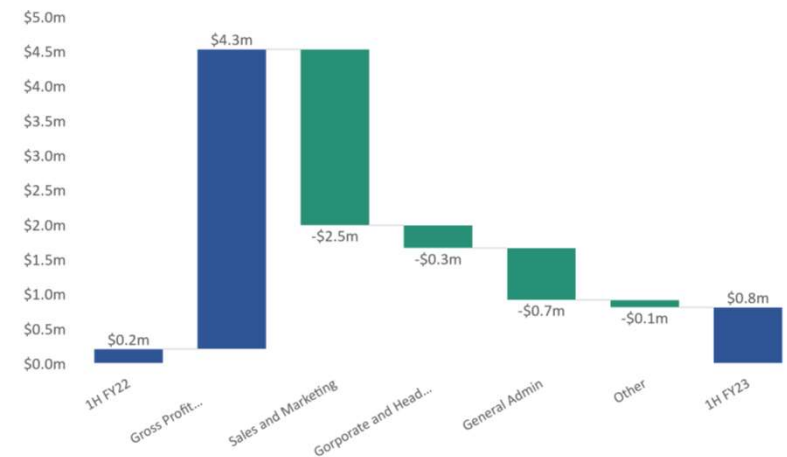
- Gross margin grew by \$4.3m vs 1H22, reflecting increased revenues driven by growth initiatives. The MAS product gross margin of 71.6% increased by 2.4 percentage points from 1H22, thanks to production efficiencies and favorable product mix
- The result is a positive EBITDA¹ despite investing into growth initiatives
- The main areas into which the increased gross margin was reinvested include:
 - Expansion of sales and marketing resources globally
 - Investment in R&D, strategic marketing teams, One Platform licences and IT infrastructure to support in-device technology
 - Increase in medically targeted advertising and communications

¹ EBITDA does not include share/options expenses, unrealised forex gain/(loss) and discontinued operations

Product gross margin



EBITDA¹ Waterfall



Profit and loss summary

A\$m	1H23	1H22	%
Revenue	40.0	33.9	18%
Gross margin	25.2	20.9	20%
Regional sales & marketing expenses	(12.0)	(9.5)	26%
Regional administrative expenses	(6.7)	(5.9)	12%
Operating profit <small>(before corporate, research and business development)</small>	6.5	5.5	18%
Corporate & head office expenses	(5.7)	(5.6)	2%
<i>Government assistance</i>		0.3	
EBITDA¹	0.8	0.2	299%

Regional sales and marketing expenses including:

- \$1.8m on sales and marketing resources to drive organic growth as well as to support new product initiatives
- \$0.7m in travel and medically targeted advertising and communications

Key metrics	1H23	1H22
MAS gross margin %	71.6%	69.2%
Group gross margin	63.0%	61.7%

¹ EBITDA does not include share/options expenses, unrealised forex gain/(loss) and discontinued operations

Summary balance sheet and cash flow

Statement of financial position

A\$m	Statutory 31 Dec 2022	Statutory 30 Jun 2022
Cash and cash equivalents	16.9	15.6
Inventories	3.9	3.1
Trade and other receivables	11.6	11.6
Plant and equipment	5.8	4.4
Goodwill & intangibles	17.3	15.4
Right of use asset (AASB16)	5.9	4.7
Deferred tax assets	3.0	3.0
Other assets	0.3	0.3
Total Assets	64.6	58.0
Payables	11.7	12.9
Borrowings – commercial	15.5	4.6
Borrowings – governments	1.3	2.3
Provisions	4.4	4.3
Income tax payable	0.5	1.1
Lease liability (AASB16)	6.2	5.1
Other liabilities	(0.0)	0.0
Total Liabilities	39.6	30.3
Net Assets	25.0	27.7
Net Cash	0.1	8.8

Statement of cash flows

A\$m	Statutory 31 Dec 2022	Statutory 30 Jun 2022
EBITDA⁽¹⁾	0.80	1.32
Movement in working capital & other non-cash	(2.39)	1.65
Tax paid	(1.20)	(0.74)
Net finance costs paid	(0.58)	(0.38)
Net cash flow from operating activities	(3.37)	1.85
Proceeds from term deposits	-	0.31
Payments for intangible assets	(2.25)	(7.78)
Payments for property, plant and equipment	(1.85)	(1.01)
Operating cash flow	(7.47)	(6.63)
Proceeds from issue of shares	-	-
Borrowings / (repayment of borrowings)	9.75	4.54
Other (AASB16 leased assets payment)	(1.23)	(2.45)
Net cash flow	1.05	(4.54)

Net cashflow from operating activities, notably:

Utilisation of cash in operating activities: -\$1.4m annual licenses and subscription, -\$1.4m Rest assure related payments, -\$0.3m legal, audit & statutory payments, -\$0.2m Epsilon interest (Q1)

Payments for intangible assets:

-\$1.9m Rest Assure®
-\$0.35m on systems implementation to support Rest Assure® including eCommerce platform, CRM, and business intelligence module

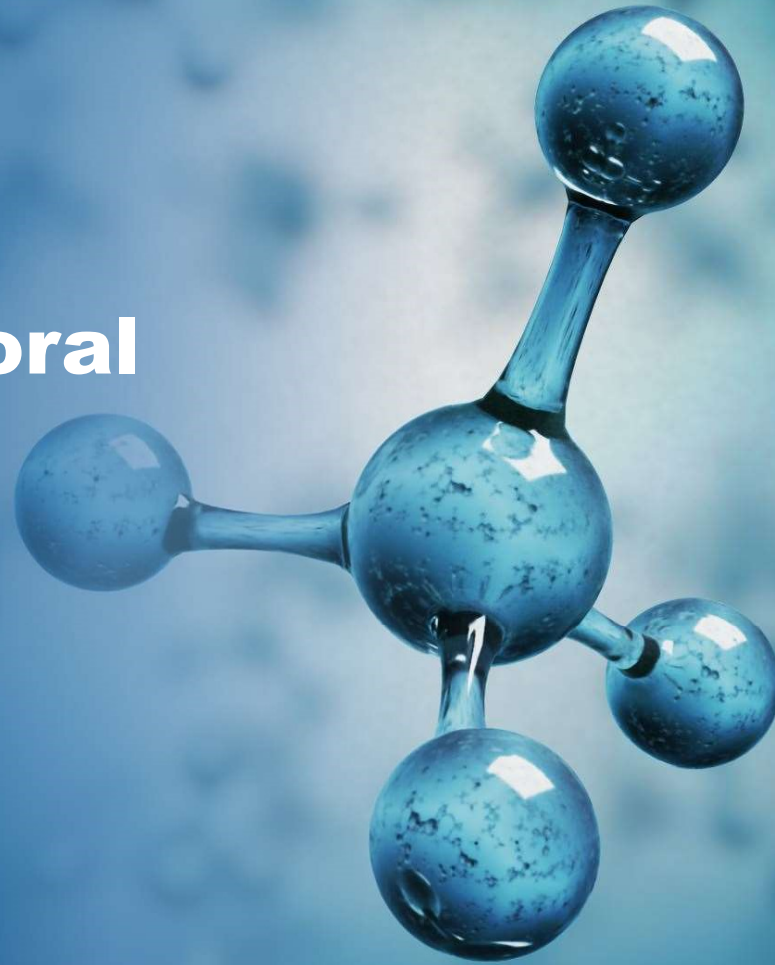
Borrowings:

+\$16m fully drawn loan of from Epsilon Direct Lending in Q2 FY23, repayment of HSBC credit facility -\$4.5m, expenses for securing the loan -\$1.0m and Swiss government loan -\$0.7m

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

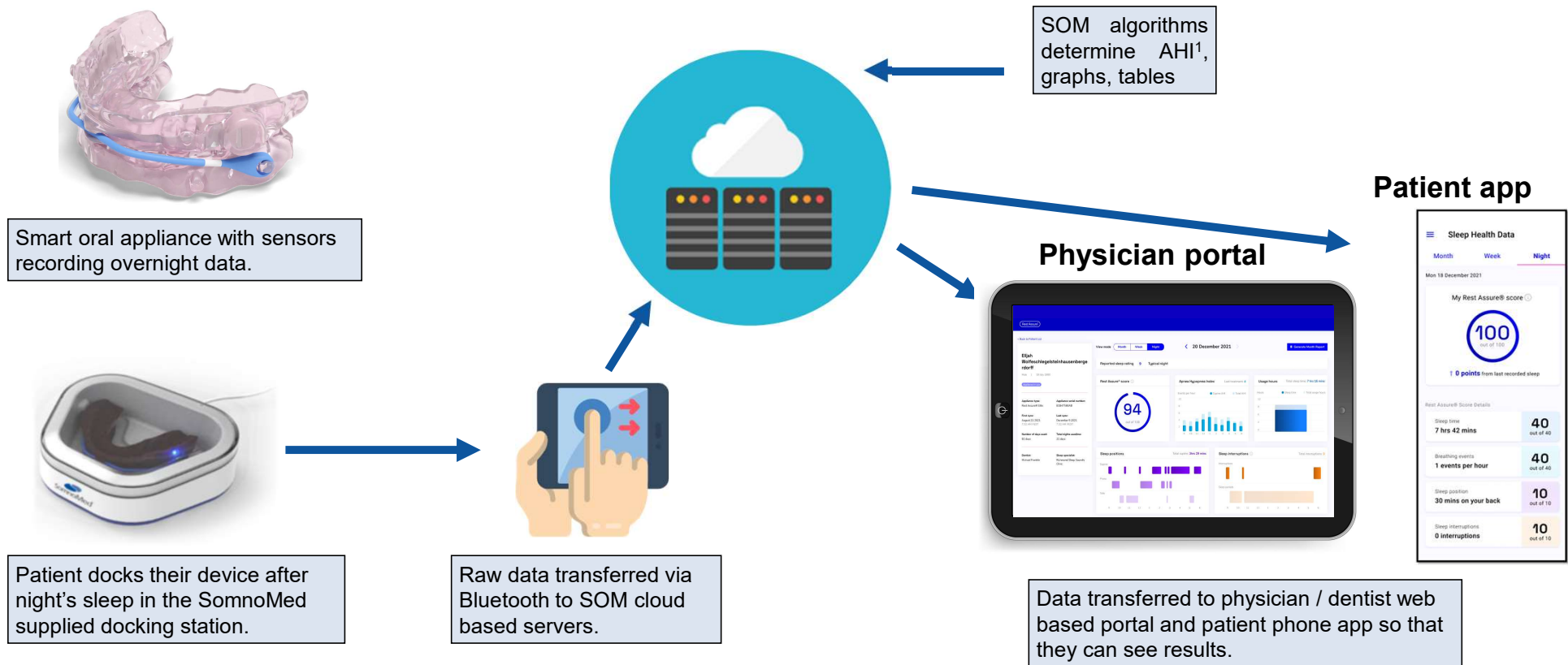
Rest Assure[®]

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



Rest Assure[®] technology – how does it work?

Smart oral appliance and cloud based infrastructure



¹ 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

Pursuing commercial readiness

Rest Assure® - overnight compliance and efficacy monitoring for COAT™

Delivered in 1H23:

- Patient App, HCP portal and cloud based systems completed
- First production run of 400+ devices completed
- 30 internal safety tests completed and results written up
- Components secured for 1st commercial production
- Submissions to external test houses for review of biocompatibility, electromagnetic interference and electric safety

2H23 focus:

- Finalise reports and complete documentation for Design History File
- Preparation of regulatory submissions for FDA, CE and TGA
- Commercialisation pending review by regulatory authorities
- Complete manufacturing readiness activities at central production facility

Rest Assure®

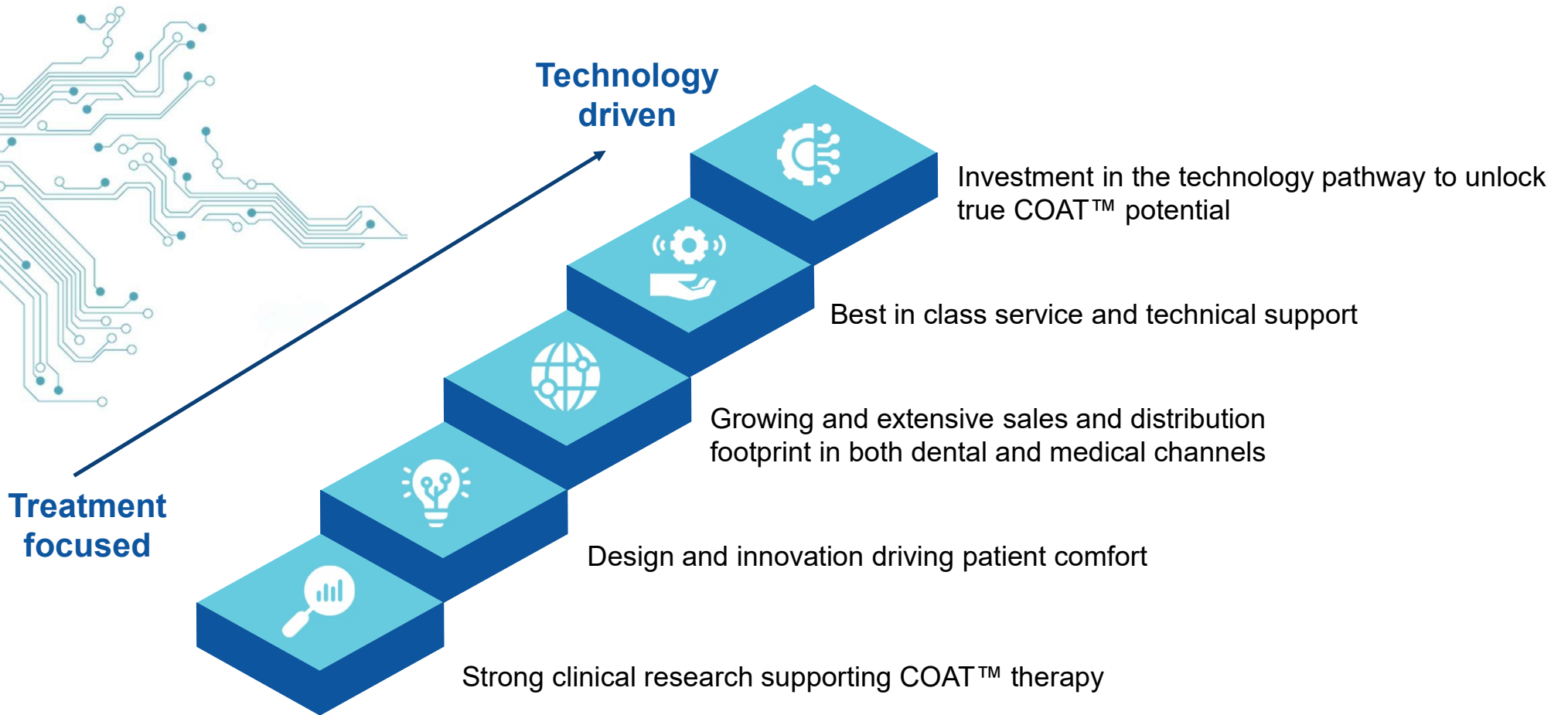
Empowering Sleep



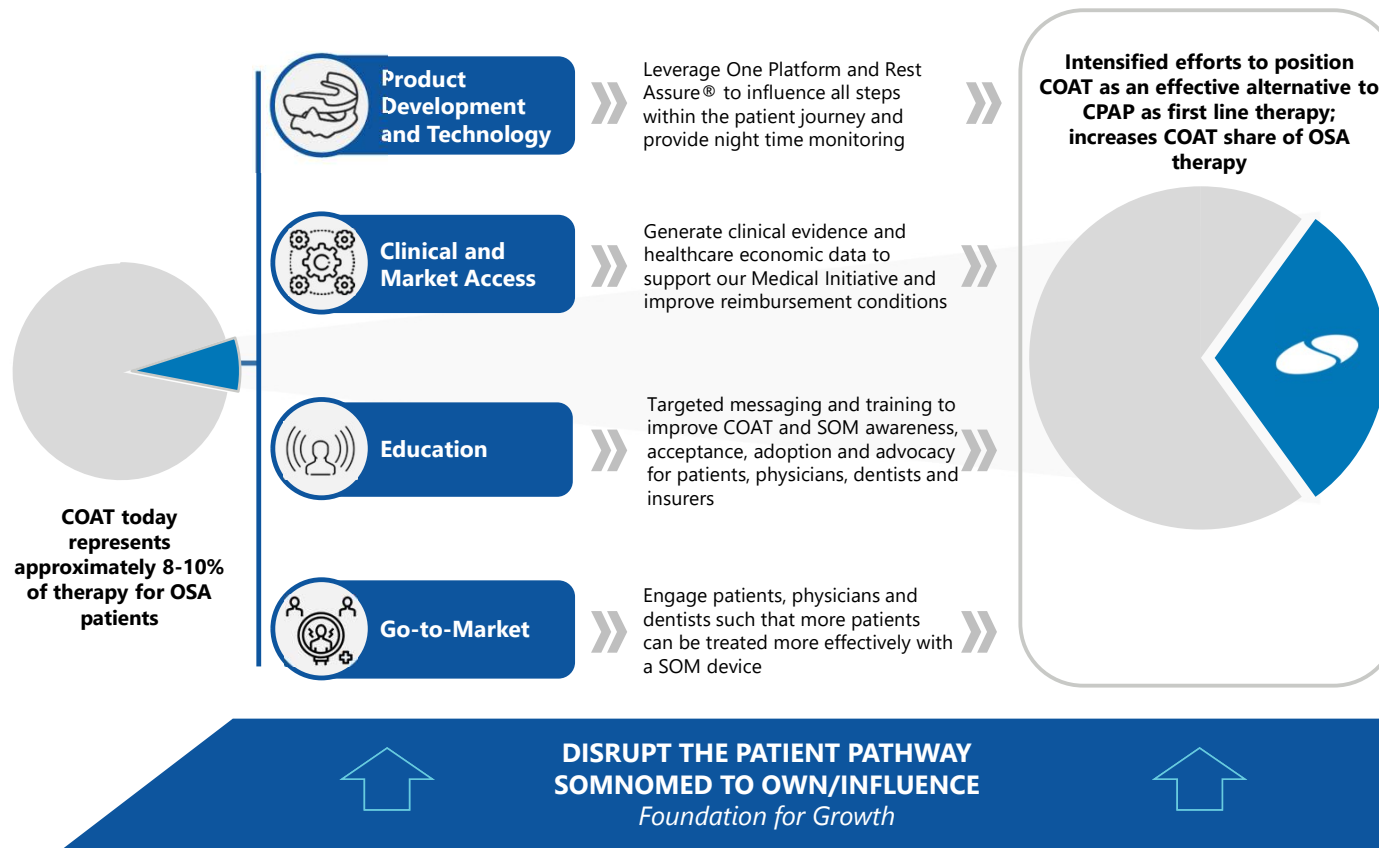
Future Outlook



Positioned for future growth

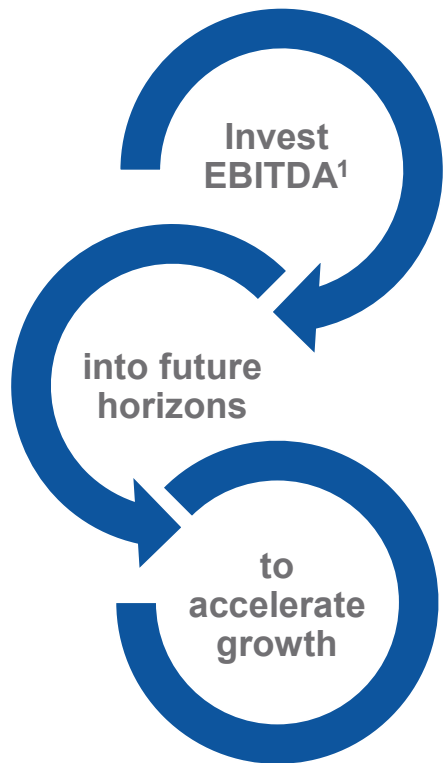


Growing the sector through positioning the patient's alternative



Outlook

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



FY23 guidance	Operational initiatives	Strategic objectives	FY2026 aspiration ²
<ul style="list-style-type: none"> Revenue growth between 15% - 20% EBITDA¹ of at least \$2m CAPEX investment c.\$7m of which technology innovation spend expected to be c.\$3m 	<ul style="list-style-type: none"> Drive medical initiative program Build and expand sales and marketing teams globally Secure supply chain and mitigate negative impact of inflation and cost pressures 	<ul style="list-style-type: none"> Remain patient centric and multidisciplinary in approach Execute on “treatment focused / technology driven” Build a long-term sustainable medical device company 	<ul style="list-style-type: none"> Over 1.5 million patients treated >20% CAGR revenue growth to c.\$150m Stable product gross margin Target EBITDA¹ margin >10% of total revenue to c.\$15m

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

² 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 Verdal-Austin
CEO SomnoMed
+61 406 931 477
Nverdal-austin@somnomed.com

Investors

Mr. Craig Sainsbury
Automic Group
+61 428 550 499
Craig.sainsbury@automicgroup.com.au