

## ASX ANNOUNCEMENT

28 August 2025

### 2025 Full Year Report and Appendix 4E

In accordance with the requirements of the ASX Listing Rules, attached for release to the Market are the 2025 SomnoMed Limited (SomnoMed) Full Year Report and Appendix 4E.

The following will be released in conjunction with today's announcement:

- 2025 SomnoMed Full Year Results ASX Announcement;
- 2025 SomnoMed Full Year Results Presentation; and
- 2025 SomnoMed Corporate Governance Statement and Appendix 4G.

Karen Borg and Amrita Blickstead, Co-CEOs, and Ye-Fei Guo, CFO, will host an investor presentation and Q&A on the FY25 Results via a webinar commencing at 11am today AEST. Participants are invited to register for the webinar via the following link:

[https://us06web.zoom.us/webinar/register/WN\\_3g78RWgYRRWnQhJx6By36w](https://us06web.zoom.us/webinar/register/WN_3g78RWgYRRWnQhJx6By36w)

Authorised by the Company Secretary of SomnoMed Limited

**About SomnoMed** SomnoMed is a public company providing treatment solutions for sleep-related breathing disorders including obstructive sleep apnea, snoring and bruxism. SomnoMed was commercialised on the basis of extensive clinical research. Supporting independent clinical research, continuous innovation and instituting medical manufacturing standards has resulted in SomnoDent® becoming the state-of-the-art and clinically proven medical oral appliance therapy for more than 1 million patients in over 20 countries. For additional information, visit SomnoMed at <http://www.somnomed.com.au>

### Investor Enquiries

Investor Relations

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**SOMNOMED LIMITED**  
**ACN 003 255 221**  
**YEAR ENDED 30 JUNE 2025**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

	<b>2025</b>	<b>2024</b>	<b>Movement</b>	<b>Increase/ (Decrease)</b>
<b>Revenue from ordinary activities</b>	\$111,492,941	\$91,651,069	\$19,841,872	21.6%
<b>Revenue from ordinary activities, interest revenue and other income</b>	\$111,515,522	\$91,681,137	\$19,834,385	21.6%
<b>Loss from ordinary activities before tax attributable to members</b>	(\$763,863)	(\$11,270,626)	\$10,506,763	(93.2%)
<b>Loss from ordinary activities after tax attributable to members</b>	(\$3,456,329)	(\$12,241,726)	\$8,785,397	(71.8%)

**Commentary on results and other significant information**

The Annual Report contains commentary on the year's results and the Company's operations and financial performance.

The Annual Report contains the Company's accounts and Remuneration Report, which have both been audited.

**Additional dividend/distribution information**

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2025 are as follows:

<b>Dividends/distributions</b>	<b>Amount per security</b>	<b>Franked amount per security</b>	<b>Record date for determining entitlements to the dividend</b>
Final dividend	Nil	Nil	N/A
Interim dividend	Nil	Nil	N/A

The Board has resolved that no dividend will be paid for the year ended 30 June 2025.





Over 1 million patients treated globally

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ANNUAL REPORT

2025

[www.somnomed.com](http://www.somnomed.com)

A decorative graphic at the bottom of the page consisting of a network of white dots connected by thin white lines, forming a complex, web-like pattern.

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# SOMNOMED LIMITED

## CHAIRMAN AND Co-CEO's REPORT

Dear Shareholder,

FY25 has been an exceptional year for SomnoMed, one in which we achieved record performance, strengthened our operations, and reached a global industry milestone. For the first time, the Company generated more than \$100 million in annual revenue, finishing the year at \$111.5 million, a 21.6% increase on FY24. We also returned to delivering positive EBITDA<sup>1</sup> of \$9.2 million and free cash flow (FCF)<sup>2</sup> of \$0.8 million while continuing to invest for long-term growth. During the year, we achieved the milestone of becoming the first oral appliance company in the world to have treated more than one million patients to date, a testament to the trust placed in SomnoMed by clinicians and patients worldwide.

### Operational and Financial Highlights

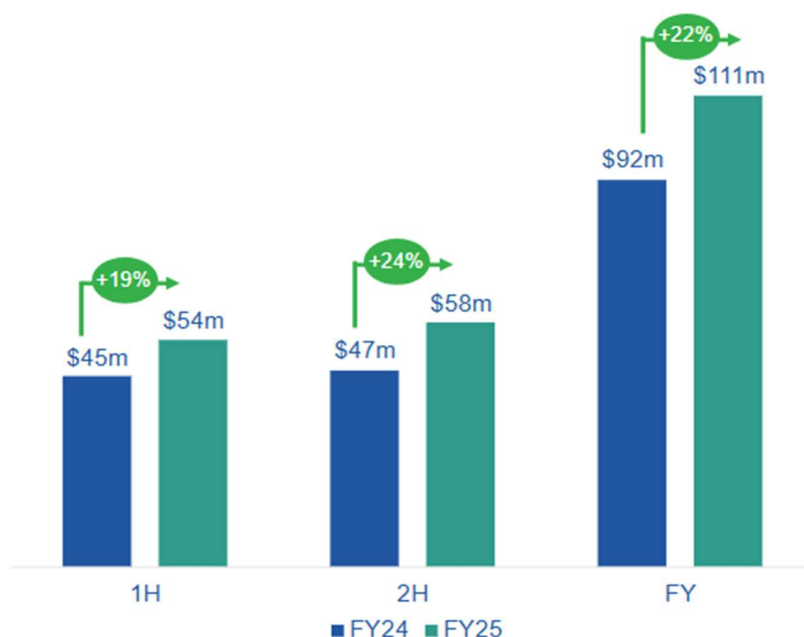
The operational improvement program launched in FY24 continued to deliver strong results in FY25. We increased production capacity through investment in new equipment, hiring, and process optimisation, enabling us to significantly improve turnaround times and reduce our order backlog to negligible levels. This has allowed us to better meet the growing global demand for our oral appliance therapies while enhancing customer satisfaction.

The Company has demonstrated disciplined capital investments, with \$4.0 million of FY25 capex in FY25 directed across manufacturing equipment and facility upgrades, ongoing Rest Assure® developments and other investments back into the business to ensure our operational capabilities remain scalable and efficient into the future.

This focus on building for the future, combined with effective cost management and our growth momentum, enabled the business to deliver EBITDA<sup>1</sup> of \$9.2 million, marking a return to a positive EBITDA<sup>1</sup> and demonstrating the benefits of the operational and strategic changes made over the past 18 months.

Innovation remains central to our growth strategy. In October 2024, we achieved Food and Drug Administration (FDA) clearance for compliance tracking and the supporting systems for Rest Assure®, the first oral appliance with inbuilt compliance monitoring. This achievement underscores our leadership in advancing Obstructive Sleep Apnea (OSA) treatment technology and work is now underway for a US-based clinical trial in FY26 to support a planned FDA 510K submission for efficacy monitoring.

### Revenue growth



<sup>1</sup> EBITDA excludes lease payments (\$3.0m), share/option expenses, unrealised foreign exchange gain/(loss), one off costs and discontinued operations FY25 one off costs include a provision for resolution of legacy tax matters outstanding and tranche 2 restructure costs.

<sup>2</sup> FCF represents operating cash flow including lease costs less capex spend.

# SOMNOMED LIMITED

## CHAIRMAN AND Co-CEO's REPORT (CONTINUED)

### Europe

Europe remains our largest market, generating \$61.4 million in revenue, up 17% on the prior year (+15% in constant currency). Growth was driven by strong performances in France, Germany, and Sweden, supported by backlog tailwinds in the first half and further boosted by national tender wins in the Nordics and the UK. Reimbursement in most Western European jurisdictions continues to underpin strong adoption of our clinically proven products.

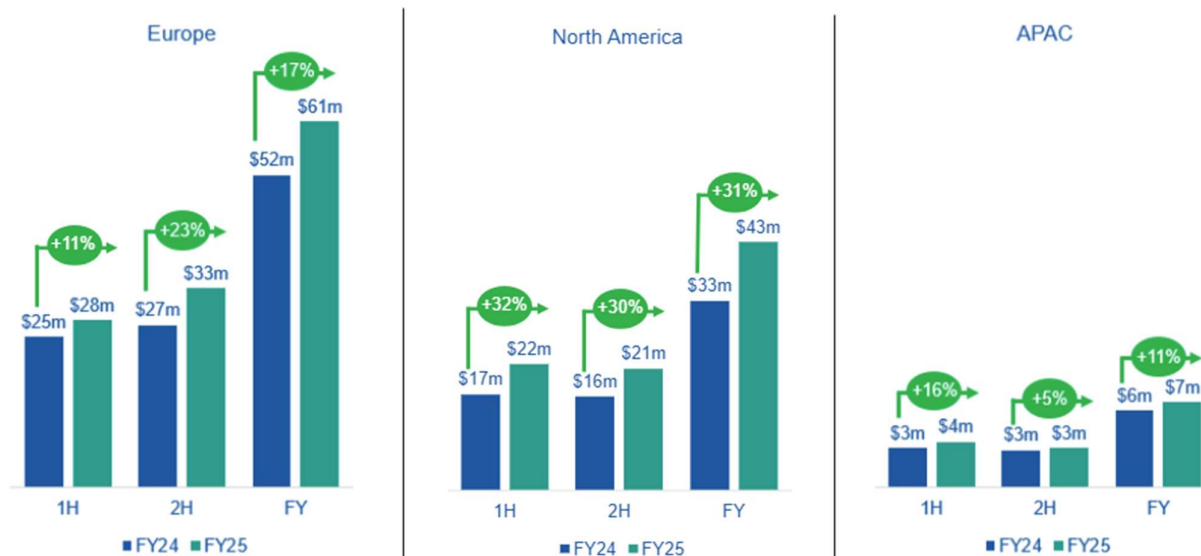
### North America

North America delivered an exceptional year, with revenue up 31% to \$43.0 million (+29% in constant currency). The USA and Canada benefited from faster turnaround times, disciplined cost control, and strong commercial engagement with both new and existing customers. Increased public awareness of sleep apnea, aided by GLP-1 usage and new market entrants' advertising activity, provided favourable market tailwinds. Revenue seasonality, associated with the annual uplift of patients seeking to claim within year-end insurance windows, contributed to milestone performance outcomes in Q2, particularly in December.

### Asia Pacific

Asia Pacific recorded revenue growth of 11% to \$7.0 million, with Australia accounting for more than 80% of the region's total. While demand moderated in the final quarter following a price increase, brand loyalty and the network of medical referrals remains strong.

## Regional revenue highlights



## SOMNOMED LIMITED

### CHAIRMAN AND Co-CEO's REPORT (CONTINUED)

#### Strategic Initiatives & Outlook

Looking ahead, the Company will remain focused on sustainable revenue and margin growth, expanding manufacturing capacity to support growing demand, and continuing the development of Rest Assure®.

During FY25, we commenced work to further increase the capacity of our existing manufacturing facility, and we expect this to deliver at least 25% of additional capacity in FY26. This investment will enable us to scale efficiently and support growth in all regions.

Innovation remains a key driver of SomnoMed. In October 2024, we achieved FDA clearance for compliance tracking and the supporting systems for Rest Assure®, the first oral appliance with inbuilt compliance monitoring. This pioneering technology represents a step change in OSA treatment, giving clinicians real-time insights into patient usage. Preparations are well advanced for a US-based clinical trial in FY26, which will underpin a planned FDA 510K submission for efficacy monitoring. We believe Rest Assure® will further strengthen our leadership position and open new opportunities in both existing and emerging markets.

For FY26, SomnoMed provides the following guidance:

- Revenue: between \$119 million and \$126 million
- EBITDA<sup>3</sup>: between \$10 million and 12 million
- Capex: between \$6 million and \$8 million

With a strengthened operational base and a proven ability to deliver growth, SomnoMed is well positioned to create long-term value for shareholders while improving the lives of patients around the world.

#### Thank You

On behalf of the Board, we thank our employees for their dedication, expertise, and unwavering commitment throughout the year. The progress we have made in FY25 has been made possible by the skill and determination of our team. We also acknowledge our clinical partners, whose trust and collaboration are essential to our mission of improving the lives of people living with OSA.

We also thank Mr Hamish Corlett, who served as a Director of the Company between 1 May 2018 and 8 October 2024, for his outstanding service to the Company over the past six years.

We are equally grateful to our shareholders for their ongoing confidence in our strategy. FY25 has demonstrated what SomnoMed can achieve through disciplined execution, and we are excited to build on this momentum in the years ahead. With a clear focus, strong operational foundations, and a commitment to delivering long-term value, we look forward to continuing to provide life-changing solutions for patients worldwide.



Mr Guy Russo  
Chairman



Ms Amrita Blickstead  
Co-Chief Executive Officer



Ms Karen Borg  
Co-Chief Executive Officer

<sup>3</sup> EBITDA excludes lease payments (\$3.0m), share/option expenses, unrealised foreign exchange gain/(loss), one off costs and discontinued operations. FY25 one off costs include a provision for resolution of legacy tax matters outstanding and tranche 2 restructure costs.

## SOMNOMED LIMITED

### FY25 FINANCIAL PERFORMANCE

Adjusted versus reported results <sup>4</sup>	FY25 results \$	FY25 one-off adjustment <sup>5</sup> \$	FY25 results excluding one-off adjustments \$
Total income	111,492,941	-	111,492,941
EBITDA <sup>6</sup>	7,356,238	1,838,884	9,195,122
EBIT <sup>7</sup>	(387,942)	1,838,884	1,450,942
Loss after tax	(3,456,329)	1,838,884	(1,617,445)

<sup>4</sup> This table details adjustments made to the reported results for the current period to reflect the adjusted performance of the business on the basis on which we provided guidance to the market. EBITDA and EBIT are non-IFRS profit measures.

<sup>5</sup> Includes a provision for resolution of legacy tax matters outstanding and tranche 2 restructure costs.

<sup>6</sup> EBITDA excludes lease payments (\$3.0m), share/option expenses, unrealised foreign exchange gain/(loss), one off costs and discontinued operations.

<sup>7</sup> EBIT represent earnings before interest including finance facility fees and tax.

## SOMNOMED LIMITED

### MATERIAL BUSINESS RISKS

SomnoMed Limited is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2025 comprise the Company and its controlled entities (together referred to as the Consolidated Entity).

The management of the Company and the execution of its growth strategies are subject to a number of risks which could adversely affect the Company's future development. The following is not an exhaustive list or explanation of all risks and uncertainties associated with the Consolidated Entity but those considered by management to be the principal material risks:

Customer base	The Company needs new and repeat customers in sufficient numbers to grow the business, especially in markets where the Company already has a degree of market penetration. In order to do so, the Company is keeping in close contact with its core customer base and is targeting customers who have historically used other suppliers and channels to purchase products. The Company's strategy also assists existing customers to grow their business and make repeat purchases of products. If these strategies fail, the revenue may be reduced which could have an adverse effect on the financial results.
Competition and product mix	The Company monitors competitors in its markets and seeks to differentiate itself from competitors by selling quality products and providing quality services to its customers. The Company's business could suffer if competitors increase their market share.
Product research and development	The Company invests in research and technology and continues to develop its products and materials used in them. Should these products fail to meet the demands of the market or cost more in research and development than the Company anticipated, this could have an adverse effect on the financial results and overall image of the Company.
Patents, trademarks and brand reputation	Maintaining and enhancing the brand is critical to the Company's strategies going forward. If the Company fails to meet customer expectations, negative publicity and complaints on social media platforms could damage the brand and ultimately reduce customers' willingness to buy from the Company. If the Company fails to maintain its brand or if excessive expenses are incurred in this effort, the Company's business, results of operations, financial condition and financial results may be materially and adversely affected. As with all brands, the Company is exposed to risk from unauthorised use of its trademarks and other intellectual property.
Cash and other financial risk	The management of cash is of fundamental importance. At the reporting date the Consolidated Entity had a cash balance of \$17,293,446 (2024: \$16,178,843). The working capital will be used to carry out the Company's growth and expansion plans. The Company is also exposed to financial risks such as foreign currency risk. Refer to the 'Financial Instrument' note to the financial statements for further information on these risks and how they are managed.
Loss of people	The Company's senior executive team is instrumental in implementing the Company's strategies and executing business plans which support the business operations and growth. Service agreements are in place and the risk of the loss of key personnel is mitigated by regular reviews of remuneration packages (including short-term and long-term incentive schemes) and succession planning within the team.
Interruption of Production	The Company is aware that an extended interruption to the manufacturing of the Company's products at its main production facility would be extremely disruptive and could have an adverse impact on the financial results and overall image of the Company. To mitigate this risk the Company has put in place a number of measures, including the insurance for "Loss of Profits" arising from such an event, and the formulation of a Disaster Recovery Plan, should it be required, for the Company's main production facility. These and other relevant measures are reviewed for adequacy as circumstances require.
Equal opportunity	The Company is committed to an active equal opportunities policy. It is the Company's policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, colour, ethnic or national origin, disability, age, marital status, sexual orientation or religion. Employment practices are applied which are fair, equitable and consistent with the skills and abilities of the employees and the needs of the Company.

## SOMNOMED LIMITED

### MATERIAL BUSINESS RISKS (CONTINUED)

Financing and liquidity risk and interest rate risk

In May 2020, SomnoMed France SAS (France) secured a €515,000 Government backed unsecured loan facility with Société Générale. The interest payable is 0.3% plus a fixed guaranteed amount of €5,000 per annum. This loan expires on 20 May 2026. The drawn amount at the end of 30 June 2025 was €129,329 (A\$232,068).

In June 2020, SomnoMed Germany GmbH (Germany) secured a €500,000 Government-backed unsecured loan facility with Commerzbank. The interest payable is 3% per annum and the loan expires on 30 June 2030. The drawn amount at the end of 30 June 2025 was €312,500 (A\$560,750).

Whilst the Company monitors cashflow management and cashflow forecasts, in the event that the Company does not maintain sufficient cash reserves to meet the requirements of its business, there is a risk that it could face a shortage of working capital or fail to pay its creditors on time. The Company's ability to operate depends on maintaining a strong reputation for creditworthiness.

If the Company were to breach any of its obligations under any of its financing facilities, it could face actions that have an adverse impact on the Company's cashflow. The inability to obtain funding to finance current and future activities may result in reduced financial liquidity, which may adversely impact the Company's ability to fund its operations and new business initiatives.

United States of America (US) tariff policies

Whilst the United States' (US) recent release of updated 'Reciprocal' tariff rates provides more clarity and stability, continued investigations into sectoral tariffs and frequent changes in policies continue to pose a potential risk. Changes in trade regulations or the introduction of new tariffs could increase the cost of imported materials and components, disrupt established supply chains, and complicate pricing strategies. These factors may diminish the Company's competitiveness in key markets and exert pressure on profit margins.

The Consolidated Entity has commenced leveraging duty-free treatments for medical devices imported into the US through a self-assessment mechanism under the Nairobi Protocol Agreement, which is incorporated under the Harmonised Tariff Schedule of the US. The Consolidated Entity is currently working with advisors to seek formal ruling with the US Customs and Border Protection as next steps. While the Nairobi Protocol offers possible relief by exempting certain medical devices from US import tariffs, the Company remains vulnerable due to the evolving nature of tariff policies.



## SOMNOMED LIMITED

### MATERIAL BUSINESS RISKS (CONTINUED)

Regulatory approvals	<p>The Company operates within a highly regulated industry, relating to the manufacture, distribution and supply of oral appliance treatment solutions for sleep-related breathing disorders and obstructive sleep apnea. There is no guarantee that the Company will obtain or maintain the required approvals, licences and registrations from all relevant regulatory authorities in all jurisdictions in which it operates. Further clinical trials may be delayed, and the Company may incur further costs if the Food and Drug Administration (FDA) and other regulatory agencies observe deficiencies that require resolution or request additional studies be conducted in addition to those that are currently planned. Furthermore, the Company is exposed to the risk of changes to existing, or the introduction of new, government policies, regulations and legislation in all jurisdictions in which it operates. A failure to obtain or maintain any required approvals, licences and registrations or any change in regulation or an adverse audit outcome may adversely affect the Company's ability to commercialise and manufacture its treatments.</p> <ul style="list-style-type: none"> <li>a) The Company received FDA clearance for Rest Assure® with in-built compliance monitoring in October 2024. An additional feature, the monitoring of efficacy via an Apnea-Hypopnea Index (AHI) measurement within the Rest Assure® cloud-based system, was not cleared.</li> <li>b) A new FDA 510k submission is underway for oral device efficacy for treated AHI centred on a US clinical trial. The Company will conduct an FDA pre-submission to confirm regulatory approach and is targeting commencement of clinical trial in FY26.</li> <li>c) Reimbursement changes can impact market dynamics significantly. In FY24, the Company's AVANT® product was submitted to US Pricing, Data Analysis and Coding (PDAC) for Medicare reimbursement approval, however this submission was not endorsed. A reconsideration was submitted for the Avant product which is currently in review and awaiting a decision. In January 2025, PDAC approval was also received from the SomnoDent® Flex product which can now be billed with insurances that follow Medicare guidelines; and</li> <li>d) The SomnoMed, Inc. office located in Texas, US underwent a routine surveillance audit in May 2025 and the Company's quality and regulatory function is currently working to address the observations raised. In addition, the manufacturing facility in Manila is undergoing an ISO 13485 recertification audit.</li> </ul>
Cyber security	<p>There is a risk of security breaches of data (whether that of the Company's or that of its clients) by unauthorised access, theft, destruction, loss of information or misappropriation or release of confidential customer data. Any data security breaches or the Company's failure to protect confidential information could cause significant disruption to its business and trigger mandatory data breach notification obligations. Such an event may adversely impact the Company's operations and financial performance, exposing the Company to reputational damage and regulatory scrutiny and fines as well as potentially material costs associated with remediation and other costs and payments relating to such a breach.</p>
Disruption to technology systems	<p>The Company's technology systems may be inadequate or fail to perform as expected or be adversely impacted by factors outside its control, including disruption, failure, service outages or data corruption that could occur as a result of computer viruses, malware, cyber-attacks, including external malicious interventions such as hacking or denial of service attacks, or other disruptions including natural disasters, power outages or other similar events. Any such disruption could have a material adverse impact on the Company's operations.</p>
Changes affecting prices charged and cost of supply / distribution	<p>There can be no guarantee that the Company's products will continue to be successful in the market nor that the Company will continue to receive significant revenues from the sale of its products or services. Unexpected expenses or downward pressure on the prices the Company charges as a result of changes in regulations by national health authorities, emergence of alternative treatments for Obstructive Sleep Apnea (OSA) delivering a higher level of efficacy and patient compliance as well as better health economics, competitive pressures, or levels of reimbursement provided health insurers in the places in which the Company operates, may affect the profitability of that business.</p>

## **SOMNOMED LIMITED**

### **MATERIAL BUSINESS RISKS (CONTINUED)**

Competition	<p>There is a risk that the competitive landscape might change, and new competitors might emerge, or existing competitors might be taken over by larger and better resourced companies which may offer services that compete with the products and services provided by the Company. There can be no assurance that a competitor of the Company will not develop or achieve commercialisation of services that compete with, or supersede, the Company services or products. The Directors believe that the potential market size for the services to be provided by the Company is large enough to absorb a number of competitors.</p>
Product safety and efficacy	<p>Serious or unexpected health, safety or efficacy concerns with products may expose the Company to reputational harm or reduced market acceptance of its products and may lead to product recalls and/or product liability claims and resulting liability and increased regulatory reporting. There can be no guarantee that unforeseen adverse events or manufacturing defects will not occur. The Company has product liability insurance to seek to minimise its liability to such claims, however there can be no assurance that adequate insurance coverage will always be available at an acceptable cost or that it will respond. Any health, safety or efficacy concerns are likely to lead to reduced customer demand and impact on the potential future profitability of the Company.</p>
Intellectual property	<p>Securing rights in technology and patents is an integral part of securing potential product value in the outcomes of medical device research and development. Competition in retaining and sustaining protection of technology and the complex nature of technologies can lead to patent disputes. The Company's success depends, in part, on its ability to obtain patents, maintain trade secret protection and operate without infringing the proprietary rights of third parties. The patent position of medical device companies can be highly uncertain and frequently involves complex legal and factual questions, neither the breadth of claims allowed in medical device patents, nor their enforceability can be predicted. There can be no assurance that any patents which SomnoMed may own, access or control will afford the Company commercially significant protection of its technology or its products or have commercial application, or that access to these patents will mean that the Company will be free to commercialise its products.</p> <p>The granting of a patent does not guarantee that the rights of others are not infringed or that competitors will not develop technology or products to avoid the Company's patented technology. Patenting strategies do not cover all countries which may lead to generic competition arising in those markets.</p>

## **SOMNOMED LIMITED**

### **MATERIAL BUSINESS RISKS (CONTINUED)**

#### **Manufacturing**

There are numerous risks associated with manufacturing the Company's products. Technical difficulties could include the inability to produce products that meet approved regulatory specifications, or that production volumes may be insufficient to support revenue as currently forecasted, or products may not meet the expectations of key customers from a quality standpoint. SomnoMed may from time-to-time experience delays in finding appropriate manufacturers for specific components, raw materials, machinery or systems. Any unforeseen difficulty relating to manufacturing, including changes in methods of manufacturing, disruption to supply, shortages of input materials, delays in locating appropriate manufacturers or changes to arrangements with, or capacity of, any third-party manufacturers, may negatively impact the Company's ability to support revenue as currently forecasted.

The Company relies on the Central Manufacturing Facility in the Philippines for the production of all of its products at present and the following issues (amongst others) may impact production at this site:

1. under staffing/inexperience of staff;
2. equipment shortages and breakdowns;
3. elevated levels of remakes;
4. reliance upon single suppliers for a number of key components;
5. seasonal typhoons and floods affecting access to the site;
6. key software within the plant is at end of life; and
7. a negative audit outcome leading to an immediate need for improvement of the quality management systems in place.

The Company from time-to-time receives strong demand for the Company's products, which can place additional strain on the manufacturing facility. If from time-to-time the capacity of the facility is not capable of manufacturing enough volume to satisfy the increasing demand for the Company's products, the future revenues of the Company would be impacted in the short term and that this would have a consequential impact on the results, profitability and cash flow generation of the Company. If such issues persist in the future for an extended period of time, there is a risk that this could have a material impact on the ongoing operations and financial performance of the Company, particularly as a result of:

- (i) an inability to scale Rest Assure® to meet anticipated customer demand; and
- (ii) further loss of customers due to longer lead-times in the production of the product.

This, in-turn, may also impact the ability of the Company to continue to meet its revised earnings guidance given the Company has issued such guidance on the key assumption that a number of these aforementioned issues, such as customer turnaround times and manufacturing capability, do not deteriorate further and remain at consistent levels.

# **SOMNOMED LIMITED**

## **DIRECTORS' REPORT**

The Directors present their report, together with the financial statements, on the Consolidated Entity (referred to hereafter as the 'Consolidated Entity') consisting of SomnoMed Limited (ACN 003 255 221) (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

### **Directors**

The names of Directors in office at any time during or since the end of the year are:

Guy Russo (Chairman)

Amrita Blickstead

Karen Borg

Benjamin Gisz (appointed 3rd October 2024)

Michael Gordon

Andrew Price (appointed 17th January 2025)

Hamish Corlett (resigned 3rd October 2024)

Directors have been in office since the start of the financial year to the date of this report, unless otherwise stated.

### **Principal Activity**

The principal activity of the Consolidated Entity during the financial year was the commercialisation of the SomnoDent® Mandibular Advancement Splint ('MAS') and other oral devices for sleep related disorders in Australia and overseas.

There were no significant changes in the nature of the Consolidated Entity's principal activities during the financial year.

### **Operating Results**

The loss of the Consolidated Entity amounted to \$3,456,329 (2024: \$12,241,726). A more detailed review of the operations is contained on pages 28 to 31 of the Annual Report, which accompanies this Directors' Report.

### **Dividends Paid or Recommended**

There are no dividends paid, declared or recommended for the year ended 30 June 2025 (2024: Nil).

### **Significant Changes in State of Affairs**

Other than as stated in the accompanying Chairman and Co-CEO's Report and financial report, there were no significant changes in the state of affairs of the Consolidated Entity during the reporting year.

### **After Reporting Date Events**

The Directors have not become aware of any matter or circumstance that has arisen since the end of the year to the date of this report that has significantly affected or may affect:

- (i) The operations of the Company and the entities that it controls
- (ii) The results of those operations, or
- (iii) The state of affairs of the Company in subsequent years.

### **Future Developments**

The Company will continue to produce and sell devices for the oral treatment of sleep related disorders in Australia and overseas.

## **SOMNOMED LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Directors**

##### **Guy Russo**

##### **Chairman, Non-Executive Director, member of the Remuneration Committee**

Guy Russo is an accomplished business leader with a strong commercial and customer-focussed background working in Australia and internationally. In addition to Chairman of SomnoMed, he is Chairman of Guzman y Gomez Mexican Kitchen (ASX: GYG), Australia's fastest growing restaurant business. He is a Non-Executive Director of Scentre Group (ASX: SCG) which owns and operates Westfield Living Centres in Australia and New Zealand and Chairman of OneSky, an international charity for children living in poverty in Asia.

Previously, Guy has served as CEO, Wesfarmers Department Store Division (Kmart & Target); Managing Director, Kmart Australia & NZ; President, McDonald's Greater China; CEO McDonald's Australia Ltd and Chairman of Ronald McDonald House Children's Charities.

Guy is perhaps most well known in Australia for his leadership in turning Kmart into the largest and most profitable retail department store in the country. He has been a member of YPO since 2006, served as a member of the Business Council of Australia, and won industry awards for leadership in diversity in employment.

##### **Amrita Blickstead**

##### **Executive Director and Co-CEO**

Amrita was a Non-Executive Director of the Company until her appointment as Co-CEO on 23 February 2024.

Amrita was the Chief Operating and Marketing Officer at eBay Australia & New Zealand, where she led business areas across strategy, operations, marketing, sales, and pricing over her ten-year tenure. Prior to these executive roles, Amrita built her foundation as a Management Consultant and a Biomedical Engineer. Amrita currently serves as a Non-Executive Director at ASX listed Audinate, Genea and Vision Beyond Aus as well as a Venture Partner at One Ventures.

Amrita holds a Master of Business Administration from Harvard Business School and a Bachelor of Mechanical (Biomedical) Engineering from the University of Sydney. Amrita won the Australian Financial Review BOSS Awards for Young Executive of the Year in 2019.

##### **Karen Borg**

##### **Executive Director and Co-CEO**

Karen was a Non-Executive Director of the Company until her appointment as Co-CEO on 23 February 2024.

Karen has held senior roles in FTSE 100-250 medical device, technology, consumer products and government services organisations.

Karen was most recently the Chief Executive Officer for Catholic Healthcare Ltd and prior to this was the CEO of Healthdirect and the inaugural CEO of Jobs for NSW. She was also the former President (Asia Pacific & Middle East) of ResMed (ASX: RMD) and held several senior roles with Johnson & Johnson Medical Devices in Australia and the United States. Karen began her career in the fast-moving consumer goods sector and worked for Goodman Fielder, Nestle and Revlon in global business development and marketing.

Karen is on the Board of Optiscan Ltd (ASX: OIL) and KOPWA Aged Care Services and was previously on the Board of The North Foundation and Interim Chair of the Australian Vaccine Research Alliance.

Karen has a Bachelor of Arts from the University of Sydney and was a NSW finalist for Telstra Business Woman of the Year 2017.

##### **Benjamin (Ben) Gisz**

##### **Non-Executive Director (appointed 3<sup>rd</sup> October 2024), Chairman of the Remuneration Committee & member of Audit & Risk Committee**

Ben is a Director and member of the investment team at TDM Growth Partners, an investment firm specialising in long term investments in high growth companies globally. Ben has extensive investing, corporate advisory and financial markets experience, including prior roles with Investec Group and Credit Suisse.

Ben is a current Non-Executive Director at Australian pet supplies ecommerce business Pet Circle and previously served as a Non-Executive Director on the board of ASX listed dental group Pacific Smiles Limited.

Ben holds a Bachelor of Commerce (Finance and Accounting) from the University of Sydney.

## **SOMNOMED LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Michael Gordon**

##### **Non-Executive Director, Chairman of the Audit & Risk Committee, member of the Remuneration Committee**

Michael is a Director of Koala Company Limited ("Koala"), a direct-to-consumer household goods retailer. Michael was previously the CFO of Rokt, a high-growth marketing technology company and CFO of Different Technologies, a property technology company.

Prior to these, Michael was the Group CFO and MD Group Services for Greenlit Brands Pty Limited. Greenlit Brands grew from a turnover of A\$250m (Freedom) to a A\$2.4 billion vertically integrated retailer based in Australia and New Zealand and included the brands, Freedom, Snooze, Fantastic, Plush, OMF, Best & Less and Harris Scarfe.

Michael started his career with PricewaterhouseCoopers, spending 10 years with them in South Africa, the United Kingdom and Australia specialising in the retail and pharmaceutical industries with experience in audit, taxation, and corporate finance.

Michael is a Chartered Accountant and holds a Bachelor of Commerce and Bachelor of Accounting from the University of Witwatersrand (South Africa).

#### **Andrew Price**

##### **Non-Executive Director (appointed 17th January 2025), member of Audit & Risk Committee**

Andrew, a seasoned executive in the medical device industry, has spent the last 25 years at ResMed in various senior roles. Prior to finishing his employment with ResMed, Andrew was Chief Supply Chain Officer, leading all functions of the end-to-end supply chain including supplier management, manufacturing, logistics, distribution, quality assurance and regulatory affairs.

Andrew held roles at ResMed across product development, project management and business development globally.

Andrew holds an Industrial Design Degree from University of Technology, Sydney, has completed the Advanced Management Program (AMP) with INSEAD Singapore and is a Graduate of the Australian Institute of Company Directors (GAICD).

#### **Company Secretary**

##### **Terence Flitcroft**

Terence has been Company Secretary since 1995.

Terence is a Chartered Accountant with broad commercial and financial experience and has acted as Director and company secretary for a number of private and public companies.



## SOMNOMED LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Board Member's Directorships

Listed below are details of other listed public company directorships held by Board Members over the last three years.

Director	Directorship of	Date Appointed	Date Resigned
Guy Russo	The Scentre Group	1 September 2020	-
	Guzman Y Gomez Limited	20 June 2024 <sup>(1)</sup>	-
Amrita Blickstead	Audinate Group Limited	1 January 2023	-
Karen Borg	Optiscan Imaging Limited	29 July 2021	-
Benjamin Gisz <sup>(2)</sup>	No other listed public company directorship	-	-
Michael Gordon	No other listed public company directorship	-	-
Andrew Price <sup>(3)</sup>	No other listed public company directorship	-	-

<sup>(1)</sup> Guzman Y Gomez Limited became a listed public company on 20 June 2024.

<sup>(2)</sup> Benjamin Gisz was appointed on 3 October 2024.

<sup>(3)</sup> Andrew Price was appointed on 17 January 2025.

#### Directors' Interests in Securities

As at the date of this report, details of Directors who hold shares or options in the Company for their own benefit or who have an interest in holdings through a third party are detailed below.

Director	Shares	Options over Ordinary Shares
Guy Russo <sup>(1)</sup>	2,055,220	1,070,000
Amrita Blickstead <sup>(1)(2)</sup>	2,392,364	1,785,000
Karen Borg <sup>(1)(2)</sup>	1,264,023	2,360,000
Benjamin Gisz (Appointed 3 October 2024) <sup>(1)</sup>	67,716,079	485,000
Michael Gordon <sup>(1)</sup>	225,061	685,000
Andrew Price (Appointed 17 January 2025) <sup>(3)</sup>	-	300,000

<sup>(1)</sup> Held by the Director or entities associated with the Director and in which the Director has a financial interest.

<sup>(2)</sup> On 27 June 2025 1,000,000 options were granted conditional upon shareholder approval. These options have an exercise price of \$0.65 will vest on the first anniversary of the Grant Date and expire two years after Grant Date.

<sup>(3)</sup> A total of 300,000 options are to be issued conditional upon shareholder approval, pursuant to the terms of his engagement as a Non-Executive Director, with a commencement date of 17 January 2025. These options will have a 4-year expiry from commencement date and a \$0.69 exercise price. The options will vest on the first anniversary of the Grant Date.

## SOMNOMED LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Meetings of Directors

The number of meetings of the Company's Board of Directors and each board committee held during the year to 30 June 2025 and the number of meetings attended by each Director were:

	DIRECTORS' MEETINGS		COMMITTEE MEETINGS			
			AUDIT COMMITTEE		REMUNERATION COMMITTEE	
	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended	Number eligible to attend	Number Attended
Guy Russo	9	9	1	1	3	3
Amrita Blickstead	9	9	-	-	-	-
Karen Borg	9	9	-	-	-	-
Benjamin Gisz <sup>(1)</sup>	7	7	1	1	2	2
Michael Gordon	9	9	2	2	3	3
Andrew Price <sup>(2)</sup>	5	4	1	1	-	-
Hamish Corlett <sup>(3)</sup>	2	2	1	1	1	1

<sup>(1)</sup> Benjamin Gisz was appointed on 3 October 2024.

<sup>(2)</sup> Andrew Price was appointed on 17 January 2025.

<sup>(3)</sup> Hamish Corlett resigned 3 October 2024.

#### Indemnifying Directors or Officers

Each Director has entered into a Deed with the Company under which the Director is given access to documentation and in addition is:

- indemnified by the Company to the full extent permitted by law against all liabilities sustained or incurred through acting as a Director (under the Corporations Act the indemnity does not extend to a liability owed to the Company or its related bodies corporate, or which arises out of conduct involving a lack of good faith, or is for a pecuniary penalty order under section 1317G of the Corporations Act or a compensation order under section 1317H of the Corporations Act);
- indemnified by the Company to the full extent permitted by law against legal costs and expenses incurred in defending an action for a liability incurred as an officer of the Company (under the Corporations Act the indemnity does not extend to costs incurred in circumstances where the Director is found to have a liability for which the Director cannot be indemnified, or costs of defending or resisting criminal proceedings in which the Director is found guilty or defending proceedings brought by ASIC or a liquidator for a court order where the court holds that the grounds for making the order are established, or costs of proceedings seeking relief for the Director under the Corporations Act where the court denies relief);
- entitled to a loan to meet the costs of defending or responding to any such claim or proceeding; and
- entitled to have the Company maintain and pay premiums in respect of directors' and officers' insurance.

Premiums paid excluding GST in respect of this insurance were \$122,037.

#### Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of SomnoMed Limited support and have adhered to key principles of corporate governance.

Refer to the Corporate Governance Statement of SomnoMed Limited on our website for more information <https://somnomed.com/au/about-us/corporate-governance/>.

#### Environmental regulations

The Company's operations are not materially affected by environmental regulations.

## **SOMNOMED LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Proceedings on Behalf of Company**

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

#### **Options**

At the date of this report there were 11,124,000 (2024: 5,069,000) unissued ordinary shares of the Company under option. A total of 4,198,500 (2024: 4,198,500) shares issued by the Company pursuant to the Company's Executive Share and Option Plan have been treated as share-based payments (exercise price equals issue price) in the accounts accompanying this Directors' Report, in accordance with the Company's accounting policies and Australian Accounting Standards (refer Note 20 to the accompanying accounts). During the year ended 30 June 2025, 8,080,000 options were granted to directors and employees pursuant to Share Option Plans as part of their remuneration. No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

# SOMNOMED LIMITED

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED

This remuneration report details the nature and amount of remuneration for each Director and Key Management Personnel (KMP) of the Company.

#### Remuneration Policy

The remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives, was developed by the Remuneration Committee, which consists of three Non-Executive Directors. The policy has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short-term incentives (STIs) and/or long-term incentives (LTIs) based on key performance areas impacting the Consolidated Entity's financial results. The Board of the Company believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the Consolidated Entity, as well as create goal congruence between directors, executives and shareholders.

The following table shows the gross revenue and results for the last five years for the listed entity, as well as the share price at the end of the respective financial years.

	2021	2022	2023	2024	2025
Revenue	62,706,352	72,580,403	83,616,164	91,651,069	<b>111,492,941</b>
Net loss	(1,083,061)*	(4,426,303)*	(7,866,900)*	(12,241,726)*	<b>(3,456,329)</b>
Share price at year end	\$2.21	\$1.21	\$0.96	\$0.25	<b>\$0.65</b>
Earnings per share (cents)	(1.38)**	(5.63)**	(10.01)**	(10.14)**	<b>(1.63)**</b>

\* The 2021, 2022, 2023 and 2024 amounts have been adjusted to exclude the discontinued operations of Renew Sleep Solutions, which ceased operations in December 2018.

\*\* Earnings per share – continuing operations

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Consolidated Entity is as follows:

All executives receive a total remuneration package, which may include a base salary (commensurate with their expertise and experience), superannuation, fringe benefits, options and performance incentives. The remuneration committee reviews executive packages annually by reference to the Consolidated Entity's performance and executive performance.

The performance of each executive is measured based on the achievement against set performance indicators, as well as the forecasted growth of the Company's financial performance, the achievement of the annual budget for their respective areas and shareholders' value. The policy is designed to attract and retain the highest calibre of executives taking into consideration the size, nature and complexity of the operation, and reward them for performance that results in the achievement of annual targets and building long-term growth in shareholder wealth.

Directors and executives are also entitled to participate in the employee option arrangements. Share Option Plans for both employees and non-executives were approved by shareholders at the General Meeting held in June 2021. The approval of both plans was refreshed at the Annual General Meeting on 27 November 2024. The issue of zero exercise price options to the Co-CEO's pursuant to the terms of their employment contracts was approved by shareholders at a General Meeting held in June 2024.

Senior executives in Australia receive a superannuation guarantee contribution required by the government, which was 11.5% for FY25, and do not receive any other retirement benefits.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed. Options are valued using the Black-Scholes methodology and/or Monte-Carlo methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. The Remuneration Committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Entity. However, to align Directors' interests with shareholder interests, the Directors may hold options in the Company.

# SOMNOMED LIMITED

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED (continued)

#### Performance Based Remuneration

As part of senior executives' remuneration packages there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between executives with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with executives. The measures are specifically tailored to the areas each executive is responsible for and has a level of control over but are also linked to the overall results achieved by the Company. KPIs target areas typically linked drive results which will improve the performance of the Company, covering financial and non-financial as well as short-term and medium-term goals. The level set for each KPI is based on budgeted figures for the Consolidated Entity.

Performance in relation to the KPIs is assessed annually, with incentives being awarded depending on the KPIs and overall financial performance achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Consolidated Entity's goals and shareholder wealth, before the KPIs are set for the following year.

The long-term incentives (LTIs) for employees are related to equity and options granted to senior executives pursuant to the Company's Employee Share Option Plan. Employees are invited to participate in this plan on an annual basis. The Remuneration Committee sets the overall quantum of shares to be issued and approves the allocation to each individual on the basis of recommendations it receives from the Co-CEO's. The performance of the employee in the previous financial year is an important factor taken into consideration in determining the allocation as well as the criticality and retention of key skills for the future development of our company. Vesting conditions apply to units issued under the Company's Employee Share Trust and units vest progressively over a number of years. This provides employees with a long-term incentive to continue to add value to the Company's operations and remain employed with SomnoMed.

In determining whether or not a KPI has been achieved, the Company bases the assessment on audited figures where appropriate.

At the date of this report, a total of 13,199,000 (2024: 5,069,000) options had been granted under the Employee Share Option Plan and Non-Executive Share Option Plan, approved by shareholders in June 2021. This excludes options that have lapsed due to employees no longer being employed. 2,075,000 of these options were exercised on 6 August 2025, therefore 11,124,000 remain outstanding. Details of options issued to Directors and KMP are contained on page 23 of this report.

The options issued under these plans vest across six profiles:

1. A total of 2,419,000 options issued in 2021 vesting over 5 years from their Issue Date, provided that the volume weighted average price of an ordinary share in the Company for the 20 day period ending on the Test Date is at least equal to \$3.50 (the Threshold):
  - a) in respect of the first tranche comprising 1/3 of the Options (First Tranche), the First Tranche will vest on the third anniversary of the Issue Date;
  - b) in respect of the second tranche comprising 1/3 of the Options (Second Tranche), the Second Tranche will vest on the fourth anniversary of the Issue Date; and
  - c) in respect of the third tranche comprising 1/3 of the Options (Third Tranche), the Third Tranche will vest on the fifth anniversary of the Issue Date,

If on a Test Date for a particular tranche of Options, the Threshold is not met on the Test Date, but the Threshold is met on a subsequent Test Date, then that tranche of Options will vest on that subsequent Test Date. For example, if the Threshold for the First Tranche is not met until the fourth anniversary of the Issue Date, then both the First Tranche and the Second Tranche, being 2/3 of the Options, will vest on the fourth anniversary of the Issue Date. None of the First or Second Tranche Options had vested as at 30 June 2025.

# SOMNOMED LIMITED

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED (continued)

#### Performance Based Remuneration (continued)

2. Zero exercise price options issued to the Co-CEO's that were approved by shareholders at the General Meeting on 27 June 2024.
  - a) Tranche 1 of 1,500,000 issued on 28 June 2024 vested on 23 February 2025; all these options were exercised on 6 August 2025;
  - b) Tranche 2 of 1,150,000 issued on 1 July 2024 vested on 1 July 2025; 575,000 were exercised on 6 August 2025; and
  - c) Tranche 3 of 1,200,000 issued on 1 July 2025 will vest on 1 July 2026.
3. A total of 1,500,000 options issued to Non-Executive Directors under the Non-Executive Share Option Plan 2021, approved at the Annual General Meeting on 27 November 2024 with an exercise price of \$0.60, a 4-year expiry and a vesting date of 28 August 2025.
4. A total of 300,000 options are to be issued to Andrew Price conditional upon shareholder approval, pursuant to the terms of his engagement as a Non-Executive Director, with a commencement date of 17 January 2025. These options will have a 4-year expiry from commencement date and a \$0.69 exercise price. The options will vest on the first anniversary of the Grant Date.
5. A total of 3,130,000 zero exercise price options granted to employees on 20 December 2024 will vest on 20 December 2025 subject to the employee being employed with the Company on vesting date.
6. A total of 2,000,000 options were granted to the Co-CEO's on 27 June 2025, upon shareholder approval. These options will have a two-year expiry from the Grant Date and a \$0.65 exercise price. The options will vest on the first anniversary of the Grant Date.

#### Company Performance, Shareholder Wealth and Directors' and Executives' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and Directors and executives. There have been two methods applied in achieving this aim, the first being a performance-based bonus based on key performance indicators, and the second being the issue of options to Directors and executives to encourage the alignment of personal and shareholder interests. The Company believes this policy is effective in increasing shareholder wealth over the medium term.

The Board will review its remuneration policy annually to ensure it is effective.

#### Employment Contracts of Directors and Senior Executives

The employment conditions of specified executives are formalised in contracts of employment or its wholly owned subsidiary as set out below:

Name and Role	Term of Agreement	Notice Periods by either party
Amrita Blickstead, Co-CEO	3 Year Term Contract ending 23 February 2027	3 months
Karen Borg, Co-CEO	3 Year Term Contract ending 23 February 2027	3 months
Ye-Fei Guo, CFO	No fixed term	3 months

All executives are permanent employees of the Company.

#### Performance Income as a proportion of Total Remuneration

Senior executives are paid performance-based bonuses based on a proportion of their total remuneration package. The Remuneration Committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and financial performance of the Consolidated Entity. The Remuneration Committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods. All senior executives' remuneration for the year ended 30 June 2025 had a fixed component and a variable component of their overall remuneration, with the variable part of their remuneration paid subject to a performance condition.



## **SOMNOMED LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

#### **Options granted as part of remuneration for the year ended 30 June 2025**

A total of 5,160,000 options were granted to Non-Executive Directors and KMP during the year based on terms noted above.

#### **Change in recognition of Key Management Personnel (KMP)**

The Board has approved a revision to the classification of KMP to continue alignment with the definition outlined in AASB 124 Related Party Disclosures. According to paragraph 9 of AASB 124, KMP are individuals who have authority and responsibility for planning, directing, and controlling the activities of the entity, either directly or indirectly, including any Director (Executive or Non-Executive).

In line with this definition, the Company classifies an employee as KMP only if they have the authority and the responsibility for planning, direction, and controlling the activities of the entire organisation. At the date of this report, and since 1 July 2024 this includes the Co-CEO's and the CFO.

# SOMNOMED LIMITED

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED (continued)

#### Directors' remuneration

The following table discloses the remuneration of Directors of the Company for the year ended 30 June 2025. The information contained in this table is audited.

Director	Short-term Benefits		Post-employment Benefits		Long-term Benefits		Total
	Salary & Fees \$	Other <sup>(1)</sup> \$	Superannuation \$	Long Service Leave <sup>(2)</sup> \$	Termination Benefits \$	Equity Settled Share Based Payment <sup>(3)</sup> \$	
Guy Russo <sup>(4)</sup>							
- 2024	67,333	-	9,167	-	-	84,458	160,958
- 2025	-	-	-	-	-	181,670	181,670
Amrita Blickstead <sup>(5)</sup>							
- 2024	30,303	-	3,333	-	-	-	33,636
- 2025	-	-	-	-	-	-	-
Karen Borg <sup>(5)</sup>							
- 2024	101,975	-	833	-	-	-	102,808
- 2025	-	-	-	-	-	-	-
Benjamin Gisz <sup>(6)</sup>							
- 2024	-	-	-	-	-	-	-
- 2025	37,500	-	-	-	-	49,289	86,789
Michael Gordon							
- 2024	50,000	-	-	-	-	42,229	92,229
- 2025	50,000	-	-	-	-	115,480	165,480
Andrew Price <sup>(7)</sup>							
- 2024	-	-	-	-	-	-	-
- 2025	20,472	-	2,354	-	-	25,008	47,834
Neil Verdal-Austin <sup>(8)</sup>							
- 2024	350,431	(193,185)	76,244	(123,062)	517,568	(368,781)	259,215
- 2025	-	-	-	-	-	-	-
Hilton Brett <sup>(9)</sup>							
- 2024	13,258	-	1,666	-	-	(89,029)	(74,105)
- 2025	-	-	-	-	-	-	-
Hamish Corlett <sup>(10)</sup>							
- 2024	29,382	-	3,232	-	-	41,090	73,704
- 2025	11,364	-	1,307	-	-	-	12,671
<b>TOTAL 2024</b>	<b>642,682</b>	<b>(193,185)</b>	<b>94,475</b>	<b>(123,062)</b>	<b>517,568</b>	<b>(290,033)</b>	<b>648,445</b>
<b>TOTAL 2025</b>	<b>119,336</b>	<b>-</b>	<b>3,661</b>	<b>-</b>	<b>-</b>	<b>371,447</b>	<b>494,444</b>

<sup>(1)</sup> Other includes net movements in accrued annual leave during the period.

<sup>(2)</sup> Long service leave includes net movements in accrued long service leave during the period.

<sup>(3)</sup> The amounts disclosed are based on the assessed fair value at the date of grant using the Black-Scholes model or Monte Carlo model and allocated to each reporting period evenly over the period from grant date to vesting date.

<sup>(4)</sup> Guy Russo has forgone any cash remuneration for his services as a Non-Executive Director since 1 July 2024.

<sup>(5)</sup> Amrita Blickstead and Karen Borg ceased earning Non-Executive Director's fees upon their appointment as Co-CEO's on 23 February 2024.

<sup>(6)</sup> Benjamin Gisz was appointed on 3 October 2024.

<sup>(7)</sup> Andrew Price was appointed on 17 January 2025.

<sup>(8)</sup> Neil Verdal-Austin held the position of CEO until his resignation on 22 February 2024. The amounts disclosed reflect the profit and loss impact of his termination. Termination benefits included payment of unworked notice. The 2024 Remuneration disclosure has been restated to reflect the profit & loss impact of movements in the provisions for annual leave, long service leave and termination benefits.

<sup>(9)</sup> Hilton Brett resigned on 12 October 2023.

<sup>(10)</sup> Hamish Corlett resigned on 3 October 2024.

# SOMNOMED LIMITED

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED (continued)

#### Shareholdings

Number of shares held by the Directors and Key Management Personnel, including shares held by associated entities as at 30 June 2025.

	Balance 1 July 2024	Held at date of appointment/ resignation	Issued/ Acquired	Sold	Balance 30 June 2025
Guy Russo	1,390,220	-	665,000	-	2,055,220
Amrita Blickstead	1,067,364	-	-	-	1,067,364
Karen Borg	476,191	-	37,831	-	514,022
Benjamin Gisz <sup>(1)</sup>	-	67,716,079	-	-	67,716,079
Michael Gordon	225,061	-	-	-	225,061
Andrew Price <sup>(2)</sup>	-	-	-	-	-
Hamish Corlett <sup>(3)</sup>	67,716,079	(67,716,079)	-	-	-
Ye-Fei Guo <sup>(4)</sup>	-	-	-	-	-
Darren Collins <sup>(5)</sup>	-	-	-	-	-
Mark Harding <sup>(6)</sup>	-	-	-	-	-
Marco Van Kleef <sup>(7)</sup>	-	-	-	-	-
<b>Total shareholding</b>	<b>70,874,915</b>	<b>-</b>	<b>702,831</b>	<b>-</b>	<b>71,577,746</b>

<sup>(1)</sup> Benjamin Gisz was appointed on 3 October 2024.

<sup>(2)</sup> Andrew Price was appointed on 17 January 2025.

<sup>(3)</sup> Hamish Corlett resigned on 3 October 2024.

<sup>(4)</sup> Ye-Fei Guo was appointed as CFO on 27 November 2024.

<sup>(5)</sup> Darren Collins was appointed as CFO on 1 August 2023 and resigned as CFO on 31 July 2024.

<sup>(6)</sup> Mark Harding holds the position of Senior Vice President – Global Marketing. From 1 July 2024 was no longer classified as KMP.

<sup>(7)</sup> Marco Van Kleef holds the position of President Europe. From 1 July 2024 was no longer classified as KMP.

No options were exercised during the year by the Directors and Key Management Personnel.

# SOMNOMED LIMITED

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED (continued)

#### Options and Rights Holdings

Number of options held by the Directors and Key Management Personnel, including options held by associated entities.

	Balance 1 July 2024	Held at date of appointment/ resignation	Granted as Remuneration	Exercised or Lapsed or Sold	Balance 30 June 2025	Total Vested 30 June 2025	Total Exercisable	Total Un-exercisable
Guy Russo <sup>(1)</sup>	370,000	-	700,000	-	1,070,000	-	-	1,070,000
Amrita Blickstead <sup>(2)</sup>	935,000	-	1,575,000	-	2,510,000	750,000	750,000	1,760,000
Karen Borg <sup>(1) (2)</sup>	935,000	-	1,575,000	-	2,510,000	750,000	750,000	1,760,000
Benjamin Gisz <sup>(1)</sup>	-	185,000	300,000	-	485,000	-	-	485,000
Michael Gordon <sup>(1)</sup>	185,000	-	500,000	-	685,000	-	-	685,000
Andrew Price <sup>(3)</sup>	-	-	300,000	-	300,000	-	-	300,000
Hamish Corlett <sup>(4)</sup>	185,000	(185,000)	-	-	-	-	-	-
Ye-Fei Guo <sup>(5)</sup>	-	-	210,000	-	210,000	-	-	210,000
Darren Collins <sup>(6)</sup>	-	-	-	-	-	-	-	-
Mark Harding <sup>(7)</sup>	-	-	-	-	-	-	-	-
Marco Van Kleef <sup>(7)</sup>	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2,610,000</b>	<b>-</b>	<b>5,160,000</b>	<b>-</b>	<b>7,770,000</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>6,270,000</b>

<sup>(1)</sup> Held by associated entities.

<sup>(2)</sup> A total of 1,000,000 options were granted on 27 June 2025 to Amrita Blickstead and Karen Borg, conditional upon shareholder approval. These options will have a two-year expiry from the Grant Date and a \$0.65 exercise price. The options will vest on the first anniversary of the Grant Date.

<sup>(3)</sup> A total of 300,000 options are to be issued to Andrew Price conditional upon shareholder approval, pursuant to the terms of his engagement as a Non-Executive Director, with a commencement date of 17 January 2025. These options will have a 4-year expiry from commencement date and a \$0.69 exercise price. The options will vest on the first anniversary of the Grant Date.

<sup>(4)</sup> Held directly by Hamish Corlett. Hamish Corlett resigned 3 October 2024.

<sup>(5)</sup> Ye-Fei Guo was appointed as CFO on 27 November 2024.

<sup>(6)</sup> Darren Collins was appointed as CFO on 1 August 2023 and resigned on 31 July 2024.

<sup>(7)</sup> Mark Harding and Marco Van Kleef although still employed by the Company, ceased being classified as KMP for the purposes of this reporting effective 1 July 2024.

# SOMNOMED LIMITED

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED (continued)

#### Executives' remuneration

The following table discloses the remuneration of the specified executives of the Company and the Consolidated Entity for the year ended 30 June 2025. The information in this table is audited.

Executive	Salary & Fees \$	Bonuses \$	Other <sup>(1)</sup> \$	Superannuation \$	Long service leave <sup>(2)</sup> \$	Share-based payment <sup>(3)</sup> \$	Termination Benefits \$	Total \$
Amrita Blickstead <sup>(4)</sup>								
-2024	166,622	-	27,167	12,182	301	106,664	-	312,936
-2025	470,068	375,000	18,260	29,932	763	339,538	-	1,233,561
Karen Borg <sup>(4)</sup>								
-2024	166,622	-	27,167	12,182	301	106,664	-	312,936
-2025	470,068	375,000	25,492	29,932	763	339,538	-	1,240,793
Ye-Fei Guo <sup>(5)</sup>								
-2024	-	-	-	-	-	-	-	-
-2025	175,577	27,520	(419)	17,657	233	46,948	-	267,516
Darren Collins <sup>(6)</sup>								
-2024	266,973	-	20,402	17,927	600	-	-	305,902
-2025	93,333	-	(24,133)	10,733	-	-	-	79,933
Matthew Conlon <sup>(7)</sup>								
-2024	437,738	-	32,813	21,723	-	(152,512)	-	339,762
-2025	-	-	-	-	-	-	-	-
Hervé Fiévet <sup>(8)</sup>								
-2024	29,167	-	(47,016)	3,208	-	(191,280)	129,500	(76,421)
-2025	-	-	-	-	-	-	-	-
Mark Harding <sup>(9)</sup>								
-2024	349,013	39,750	13,181	27,500	2,389	64,716	-	496,549
-2025	-	-	-	-	-	-	-	-
Marco Van Kleef <sup>(9)</sup>								
-2024	428,136	59,824	34,251	35,255	-	31,705	-	589,171
-2025	-	-	-	-	-	-	-	-
<b>Total 2024</b>	<b>1,844,271</b>	<b>99,574</b>	<b>107,965</b>	<b>129,977</b>	<b>3,591</b>	<b>(34,043)</b>	<b>129,500</b>	<b>2,280,835</b>
<b>Total 2025</b>	<b>1,209,046</b>	<b>777,520</b>	<b>19,200</b>	<b>88,254</b>	<b>1,759</b>	<b>726,024</b>	<b>-</b>	<b>2,821,803</b>

<sup>(1)</sup> Other includes net movements in accrued annual leave during the period.

<sup>(2)</sup> Long service leave includes net movements in accrued long service leave during the period.

<sup>(3)</sup> The amounts disclosed are based on the assessed fair value at the date of grant using the Black-Scholes model or Monte Carlo model and allocated to each reporting period evenly over the period from grant date to vesting date.

<sup>(4)</sup> Amrita Blickstead and Karen Borg appointed as Co-CEO's on 23 February 2024.

<sup>(5)</sup> Ye-Fei Guo appointed as CFO on 27 November 2024.

<sup>(6)</sup> Darren Collins appointed CFO on 1 August 2023 and resigned on 31 July 2024.

<sup>(7)</sup> Matthew Conlon resigned on 30 April 2024.

<sup>(8)</sup> Hervé Fiévet resigned 31 July 2023.

<sup>(9)</sup> Mark Harding and Marco Van Kleef although still been employed by the Company, ceased being classified as KMP as of 1 July 2024.

Where appropriate the 2024 Remuneration disclosure has been restated to reflect the profit & loss impact of movements in the provisions for annual leave, long service leave and termination benefits.

For the year ended 30 June 2025 the Company had three (30 June 2024 – five) persons employed who were deemed to be specified executives. The key management personnel of the Consolidated Entity comprise the Directors and the specified executives. Bonuses are awarded as part of the Consolidated Entity's incentive scheme for the retention of key executives and are awarded as at year end. All bonuses have vested and the pre-requisites for the receipt of the award have been satisfied. The terms and conditions relating to options granted as remuneration during the year to key management personnel are disclosed in Note 20.

# SOMNOMED LIMITED

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED (continued)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk – STI		At risk – LTI	
	2025	2024	2025	2024	2025	2024
<i>Directors:</i>						
Guy Russo	100%	100%	-	-	-	-
Benjamin Gisz <sup>(1)</sup>	100%	100%	-	-	-	-
Michael Gordon	100%	100%	-	-	-	-
Andrew Price <sup>(2)</sup>	100%	100%	-	-	-	-
Hilton Brett <sup>(3)</sup>	-	100%	-	-	-	-
Hamish Corlett <sup>(4)</sup>	-	100%	-	-	-	-
Neil Verdal-Austin <sup>(5)</sup>	-	100%	-	-	-	-
Amrita Blickstead	42%	63%	30%	-	28%	37%
Karen Borg	43%	63%	30%	-	27%	37%
<i>Other Key Management Personnel:</i>						
Ye-Fei Guo <sup>(6)</sup>	72%	n/a	10%	-	18%	-
Mark Harding <sup>(7)</sup>	-	92%	-	8%	-	-
Marco Van Kleef <sup>(7)</sup>	-	90%	-	10%	-	-
Darren Collins <sup>(8)</sup>	100%	100%	-	-	-	-
Matthew Conlon <sup>(9)</sup>	-	100%	-	-	-	-
Hervé Fiévet <sup>(10)</sup>	-	100%	-	-	-	-

<sup>(1)</sup> Benjamin Gisz was appointed 3 October 2024.

<sup>(2)</sup> Andrew Price was appointed 17 January 2025.

<sup>(3)</sup> Hilton Brett resigned on 12 October 2023.

<sup>(4)</sup> Hamish Corlett resigned on 3 October 2024.

<sup>(5)</sup> Neil Verdal-Austin resigned on 22 February 2024.

<sup>(6)</sup> Ye-Fei Guo was appointed as CFO on 27 November 2024.

<sup>(7)</sup> Mark Harding and Marco Van Kleef although still employed by the Company, ceased being classified as KMP as of 1 July 2024.

<sup>(8)</sup> Darren Collins was appointed 1 August 2023 as CFO & resigned on 31 July 2024.

<sup>(9)</sup> Matthew Conlon resigned on 30 April 2024.

<sup>(10)</sup> Hervé Fiévet resigned on 31 July 2023.

### The proportion of the cash bonus paid/payable or forfeited is as follows:

Non-Executive Directors are not entitled to cash bonus payments. Executive Directors and KMP's have been listed below.

	Cash bonus paid/payable		Cash bonus forfeited	
	2025	2024	2025	2024
<i>Executive Directors &amp; other KMPs:</i>				
Amrita Blickstead	100%	-	-	-
Karen Borg	100%	-	-	-
Ye-Fei Guo <sup>(6)</sup>	90%	-	10%	-
Mark Harding <sup>(7)</sup>	-	40%	-	60%
Marco Van Kleef <sup>(7)</sup>	-	56%	-	44%
Darren Collins <sup>(8)</sup>	-	-	-	-
Matthew Conlon <sup>(9)</sup>	-	-	-	100%
Hervé Fiévet <sup>(10)</sup>	-	-	-	100%

As per notes above.

**This concludes the Remuneration Report which has been audited.**



## SOMNOMED LIMITED

### DIRECTORS' REPORT (CONTINUED)

#### Other information

##### Environmental, Social and Governance (ESG) Statement

The Company is committed to supporting global ESG standards and is actively aligning its operations with the newly finalised Australian Sustainability Reporting Standards (ASRS), issued by the Australian Accounting Standards Board (AASB). In preparation for Group 3 reporting obligations, the Company is embedding sustainability principles into its governance and operational practices to ensure readiness for disclosures required under AASB S1 and AASB S2. These standards, which are aligned with the international IFRS Sustainability Disclosure Standards, mandate climate-related financial disclosures for entities with reporting obligations under Chapter 2M of the *Corporations Act 2001* (Cth). As part of the phased implementation, the Company is taking proactive steps to meet the expectations for Group 3 entities, whose reporting obligations commence from financial years starting on or after 1 July 2027.

##### Non-audit services

The Board of Directors, in accordance with advice from the Audit and Risk Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Fees of \$20,707 (2024: \$41,794) for tax and other services were paid/payable to the external auditors during the year ended 30 June 2025.

##### Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

##### Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2025 is set out on page 27 of this Annual Report.

Signed in accordance with a resolution of the Board of Directors pursuant to section 298(2)(a) of the *Corporations Act 2001* (Cth).



Guy Russo  
Chairman

28 August 2025

## DECLARATION OF INDEPENDENCE BY IAN HOOPER TO THE DIRECTORS OF SOMNOMED LIMITED

As lead auditor of SomnoMed Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, the only contravention of:

1. The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; or
2. Any applicable code of professional conduct in relation to the audit; is set out below:

BDO Taiwan provided permissible tax compliance services to a subsidiary of SomnoMed Limited during the year ended 30 June 2025 prior to receiving concurrence from the SomnoMed Limited Audit Committee for the firm to provide the recurring services. These services were limited to assisting with the lodgement of zero VAT filings. The Audit Committee concurred with BDO Audit Pty Ltd's conclusion that the services did not create a threat to the auditor's independence; accordingly, I consider that the objectivity of BDO Audit Pty Ltd in respect of the review of the financial statements of SomnoMed Limited for the year ended 30 June 2025 has not been impaired.

This declaration is in respect of SomnoMed Limited and the entities it controlled during the period.



Ian Hooper  
Director

**BDO Audit Pty Ltd**

Sydney, 28 August 2025

**SOMNOMED LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 \$	2024 \$
<b>Continuing operations</b>			
Revenue from sale of goods and services, net of discounts	3	111,492,941	91,651,069
Cost of sales		(44,763,458)	(36,519,823)
<b>Gross margin</b>		<b>66,729,483</b>	<b>55,131,246</b>
Sales and marketing expenses		(22,913,729)	(26,175,541)
Administrative and other expenses		(20,191,439)	(17,949,275)
Corporate, research and business development expenses		(16,242,242)	(13,483,540)
Share based payments	20	(1,946,712)	(77,105)
Depreciation and amortisation		(5,746,371)	(5,775,245)
Interest income	3	22,581	30,068
Finance costs	4	(398,502)	(3,166,769)
Unrealised foreign exchange (loss)/gain		(76,932)	195,535
<b>Loss before income tax</b>		<b>(763,863)</b>	<b>(11,270,626)</b>
Income tax expense attributable to operating profit	5	(2,692,466)	(971,100)
<b>Loss after income tax from continuing operations</b>		<b>(3,456,329)</b>	<b>(12,241,726)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign exchange translation difference for foreign operations		2,740,140	(1,216,136)
<i>Items that will not subsequently be reclassified to profit or loss</i>			
Defined benefit plan payable		135,755	-
Other comprehensive income for the year, net of tax		<b>2,875,895</b>	<b>(1,216,136)</b>
<b>Total comprehensive income for the year attributable to the owners of SomnoMed Limited</b>		<b>(580,434)</b>	<b>(13,457,862)</b>
<b>Earnings per share</b>			
Basic earnings per share (cents)	6	(1.63)	(10.14)
Diluted earnings per share (cents)	6	(1.63)	(10.14)

The above consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

**SOMNOMED LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 \$	2024 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	17,293,446	16,178,843
Trade and other receivables	8	18,420,154	12,359,184
Inventories	9	7,425,990	6,285,410
Lease receivables		-	315,379
Total Current Assets		<b>43,139,590</b>	<b>35,138,816</b>
<b>Non-Current Assets</b>			
Trade and other receivables		55,381	57,189
Property, plant and equipment	10	6,982,330	5,767,431
Right-of-use assets	11	6,924,939	5,379,436
Intangible assets	12	21,487,575	20,317,660
Deferred tax assets	5	2,381,057	3,144,156
Total Non-Current Assets		<b>37,831,282</b>	<b>34,665,872</b>
<b>Total Assets</b>		<b>80,970,872</b>	<b>69,804,688</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	13	19,460,320	13,293,631
Provisions	14	4,516,764	3,828,881
Lease liabilities	15	2,488,139	2,295,840
Borrowings	16	344,218	306,939
Current tax liabilities	5	1,767,401	218,298
Total Current Liabilities		<b>28,576,842</b>	<b>19,943,589</b>
<b>Non-Current Liabilities</b>			
Provisions	14	810,040	719,913
Lease liabilities	15	4,744,917	3,407,917
Borrowings	16	448,600	709,074
Total Non-Current Liabilities		<b>6,003,557</b>	<b>4,836,904</b>
<b>Total Liabilities</b>		<b>34,580,399</b>	<b>24,780,493</b>
<b>Net Assets</b>		<b>46,390,473</b>	<b>45,024,195</b>
<b>EQUITY</b>			
Issued capital	19	110,230,668	110,230,668
Reserves	21	14,152,795	9,330,188
Accumulated losses		(77,992,990)	(74,536,661)
<b>Total Equity</b>		<b>46,390,473</b>	<b>45,024,195</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**SOMNOMED LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Issued Capital	Foreign currency translation reserve	Other reserves	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>74,271,419</b>	<b>2,046,780</b>	<b>8,380,110</b>	<b>(62,294,935)</b>	<b>22,403,374</b>
Loss after income tax expense for the year	-			(12,241,726)	(12,241,726)
Other comprehensive loss for the year, net of tax	-	(1,216,136)	42,329	-	(1,173,807)
Total comprehensive loss for the year	-	(1,216,136)	42,329	(12,241,726)	(13,415,533)
Transactions with owners in their capacity as owners:					
Shares issued during the period net of transaction costs	35,959,249	-	-	-	35,959,249
Share option reserve on recognition of remuneration options	-	-	77,105	-	77,105
<b>Balance at 30 June 2024</b>	<b>110,230,668</b>	<b>830,644</b>	<b>8,499,544</b>	<b>(74,536,661)</b>	<b>45,024,195</b>
Loss after income tax expense for the year	-	-	-	(3,456,329)	(3,456,329)
Other comprehensive income for the year, net of tax	-	2,740,140	135,755	-	2,875,895
Total comprehensive loss for the year	-	2,740,140	135,755	(3,456,329)	(580,434)
Transactions with owners in their capacity as owners:					
Share option reserve on recognition of remuneration options	-	-	1,946,712	-	1,946,712
<b>Balance at 30 June 2025</b>	<b>110,230,668</b>	<b>3,570,784</b>	<b>10,582,011</b>	<b>(77,992,990)</b>	<b>46,390,473</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**SOMNOMED LIMITED**  
**CONSOLIDATED STATEMENT OF CASHFLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 \$	2024 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		108,624,570	90,219,414
Payments to suppliers and employees (inclusive of GST)		(100,036,693)	(93,525,099)
Interest received	3	22,581	30,068
Interest paid		(64,906)	(1,623,475)
Income tax paid	4	(761,754)	(1,134,618)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>7,783,798</b>	<b>(6,033,710)</b>
<b>Cash flows from investing activities</b>			
Payments for intangible assets		(1,555,590)	(3,954,060)
Payments for property, plant and equipment		(2,421,260)	(1,386,944)
<b>Net cash outflow from investing activities</b>		<b>(3,976,850)</b>	<b>(5,341,004)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(333,737)	(16,788,501)
Proceeds from issue of shares		-	38,077,789
Share issuance costs		(44,385)	(2,074,155)
Payment of finance leases		(3,006,741)	(2,835,720)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(3,384,863)</b>	<b>16,379,413</b>
<b>Net increase in cash and cash equivalents</b>		<b>422,085</b>	<b>5,004,699</b>
Cash at beginning of the financial year	7	16,178,843	11,956,406
Exchange rate adjustment		692,518	(782,262)
<b>Cash at the end of the financial year</b>		<b>17,293,446</b>	<b>16,178,843</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**SOMNOMED LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**1. REPORTING ENTITY**

SomnoMed Limited is a for-profit entity domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2025 comprise the Company and its controlled entities (together referred to as the Consolidated Entity). The Consolidated Entity produces and sells devices for the oral treatment of sleep related disorders.

**2. BASIS OF PREPARATION**

**2.1. Statement of compliance**

The financial report is a general-purpose financial report, which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the *Corporations Act 2001* (Cth) as appropriate for-profit oriented entities. The financial report of the Consolidated Entity and the financial report of the Company complies with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board. Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts.

**2.2. Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis.

**2.3. Functional and presentation currency**

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

*Rounding of amounts*

The Consolidated Entity is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

**2.4. Foreign Currency**

*Financial statements of foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, generally are translated to the functional currency at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated to the functional currency at rates approximating the foreign exchange rates ruling at the dates of transactions. Foreign currency differences arising from translation of controlled entities with a different functional currency to that of the Consolidated Entity are recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount of its FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity in the FCTR.

**2.5. Basis of Consolidation**

*Controlled entities*

Controlled entities are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in controlled entities are carried at their cost of acquisition less any impairment in the Company's financial statements.

*Transactions eliminated on consolidation*

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

**SOMNOMED LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2025**

**2. BASIS OF PREPARATION (continued)**

**2.1. Use of judgements and estimates**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Notes affected by the use of estimates include:

Note 5 – Recoverability of deferred tax assets

Note 8 – Estimates in relation to Expected Credit Losses (ECL)

Note 10 – Impairment of assets

Note 12 – Intangible assets

Note 14 – Provisions

Note 17 – Financial Risk Management

Note 20 – Share Based Payments

**2.2. New, revised or amending Accounting Standards and Interpretations adopted**

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. There was no material effect to the financial report due to this implementation.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 18 *Presentation of Financial Statements* which will replace AASB 101 *Presentation of Financial Statements* comes into effect for annual reporting periods beginning on or after 1 January 2027 and is expected to bring significant changes to the structure and presentation of financial disclosures.

We are currently assessing the implications of these changes and preparing for a smooth transition to ensure compliance and maintain the integrity of our financial reporting.

**2.3. Material accounting policies**

Material accounting policies have been disclosed in the notes below.



# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

3. REVENUE AND OTHER INCOME	2025	2024
	\$	\$
Operating activities		
Revenue from sale of goods and services, net of discounts	111,492,941	91,651,069
Interest income	22,581	30,068
<b>Total revenue and other income</b>	<b>111,515,522</b>	<b>91,681,137</b>

### Recognition and measurement

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

#### *Sales revenue*

Revenue derived from the sale of devices for the treatment of sleep related disorders and related products is recognised at the point in time when the performance obligations are satisfied, which usually occurs after final quality control is passed and goods are ready for pick up by customers. Warranties are not considered as separate performance obligations.

Refer to the segment report in Note 22 to view the disaggregation of revenue by region.

4. LOSS BEFORE INCOME TAX FOR THE YEAR	2025	2024
	\$	\$
Loss before income tax includes the following specific expenses:		
Operating lease rentals	31,259	23,235
Employee benefits expense	40,574,909	40,245,494
Research and development expenditure	1,605,780	1,042,483

### Finance costs

Interest expense on borrowings and capital leases	73,915	1,838,199
Interest expense on leases	329,808	299,056
Facility fee (rebate)/expense	(5,221)	1,029,514
<b>Total finance costs</b>	<b>398,502</b>	<b>3,166,769</b>

### Depreciation

Property, plant and equipment depreciation	1,773,431	1,708,792
Amortisation of intellectual property	1,312,211	1,547,324
Right-of-use asset depreciation	2,660,729	2,519,129
<b>Total depreciation and amortisation</b>	<b>5,746,371</b>	<b>5,775,245</b>

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

4. LOSS BEFORE INCOME TAX FOR THE YEAR (continued)	2025	2024
	\$	\$

### Remuneration to auditors

Remuneration of BDO Audit Pty Ltd (Australia):

Auditing or reviewing the financial report	316,000	284,635
Tax compliance and other services	17,356	8,854

Remuneration of other auditors (paid to BDO Network firms):

Auditing or reviewing the financial reports of subsidiaries	112,023	95,173
Tax compliance and other services	3,351	35,328

<b>Total auditors' remuneration included in operating result</b>	<b>448,730</b>	<b>423,990</b>
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5. INCOME TAX EXPENSE	2025	2024
	\$	\$

The components of tax expense comprise:

Current tax expense	1,852,900	861,214
Deferred tax expense	839,566	109,886

<b>Total income tax expense</b>	<b>2,692,466</b>	<b>971,100</b>
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### 5.1. Reconciliation of effective tax rate

Loss before tax from continuing operations	(763,863)	(11,270,626)
Income tax using domestic corporate tax rate 30%	<b>(229,159)</b>	<b>(3,381,188)</b>
Non-deductible expenses	636,174	153,473
Current year losses for which no deferred tax asset is recognised	3,197,865	4,408,459
Effect of tax rates in foreign jurisdictions	(912,414)	(209,644)
<b>Income tax expense</b>	<b>2,692,466</b>	<b>971,100</b>

### 5.2. Deferred tax assets

Recognised deferred tax assets

Plant and equipment	(8,331)	(17,171)
Accruals	1,082,553	977,904
Provisions	627,334	608,846
Deferred revenue	26,009	38,261
Future royalty deduction	-	493,106
Tax losses carried forward	653,492	1,043,210
<b>Total deferred tax assets</b>	<b>2,381,057</b>	<b>3,144,156</b>

### Recoverability of deferred tax assets

The Consolidated Entity has recorded a deferred tax asset relating to the future benefit of tax losses of \$653,492 (2024: \$1,043,210). The Consolidated Entity assesses the impairment of deferred tax assets by taking into account its projected profitability over the foreseeable future and hence its ability to recover the value of the deferred tax asset by reducing future liabilities for income tax. Management's forecasts project that the deferred tax asset is fully recoverable based on the expected sales growth for 2025 and, notably on following financial years.

Where actual results are lower than expectations as described above a proportion of the deferred tax asset may not be used, and a write-off of the deferred tax asset may be required.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

<b>5. INCOME TAX EXPENSE (continued)</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>

### 5.3. Movement in temporary differences and tax losses during the year

Carrying amount at beginning of financial year	3,144,156	3,251,745
Recognised in the consolidated statement of profit or loss	(839,566)	(109,886)
Foreign exchange adjustment	76,467	2,297
<b>Carrying amount at end of financial year</b>	<b>2,381,057</b>	<b>3,144,156</b>

### 5.4. Deferred tax assets not brought to account

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 5.2 occur.

Tax effect of accumulated losses at 30%	13,254,697	12,437,176
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#### *Franking Credits*

Franking credits available for subsequent financial years based on a tax rate of 30%	33,447	33,447
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The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and

<b>5.5. Current tax liability</b>	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>

Current tax liability	1,767,401	218,298
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### Recognition and measurement

Income tax expense in the consolidated statement of profit or loss for the periods presented comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of goodwill and other assets or liabilities in a transaction that affects neither accounting nor taxable profit nor differences relating to investments in subsidiaries to the extent that it is probable.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based upon the laws that have been enacted at reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on a different tax entity but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

6. EARNINGS PER SHARE (EPS)	Note	2025	2024
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### 6.1. Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding during the year, calculated as follows:

#### Loss attributable to ordinary shareholders

Net loss attributable to ordinary shareholders (\$)		(3,456,329)	(12,241,726)
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#### Weighted average number of ordinary shares

Issued ordinary shares on 1 July* (#)	19	211,909,753	78,560,815
Effect of shares issued during the year (#)		-	37,957,651
<b>Weighted average number of ordinary shares at 30 June</b>		<b>211,909,753</b>	<b>120,716,966</b>
Basic EPS attributable to ordinary shareholders (cents)		<b>(1.63)</b>	<b>(10.14)</b>

Diluted earnings per share have not been presented as the impact of options on issue is anti-dilutive. Accordingly, basic earnings per share and diluted earnings per share are the same for the period. Refer to Remuneration Report for more information on options granted and issued during year.

#### \*Issued ordinary shares

	#	#
Shares on issue at end of the year	216,108,253	216,108,253
Less: Employee Share Trust shares issued but not recorded in accounts (units held in Employee Share Trust for employees to buy shares in the Company by funds advanced by the Company)	(4,198,500)	(4,198,500)
<b>Shares recorded as issued capital in Company's accounts</b>	<b>211,909,753</b>	<b>211,909,753</b>

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

7. CASH FLOW INFORMATION	2025	2024
	\$	\$
7.1. Cash at bank on and deposit	17,293,446	16,178,843

### Recognition and measurement

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

### 7.2. Reconciliation of loss after income tax to net cash inflow from operating activities

<b>Loss after income tax</b>	<b>(3,456,329)</b>	<b>(12,241,726)</b>
Adjustments for:		
Share based payments	1,946,712	77,105
Capitalised interest	-	191,773
Unwinding borrowing costs	(5,221)	1,029,514
(Loss)/gain on disposal of assets	(1,542)	13,344
Depreciation and amortisation	5,746,371	5,775,246
Interest on lease liabilities	329,808	299,056
Defined benefit retirement cost	101,491	90,611
Net exchange differences	76,932	(195,535)
Change in operating assets and liabilities		
Increase in inventories	(687,741)	(2,198,632)
Increase in trade and other receivables	(4,174,616)	(1,730,712)
Increase in trade and other payables	5,346,284	2,171,646
Increase in provisions	630,937	644,836
Increase/(decrease) in tax liabilities	1,080,410	(46,866)
Decrease in deferred tax assets	850,302	86,630
<b>Net cash inflow/(outflow) from operating activities</b>	<b>7,783,798</b>	<b>(6,033,710)</b>

### 7.3. Changes in liabilities arising from finance activities

Liabilities	Non-cashflows					
2024	Opening	Cashflows	New *	Other	Interest expense	Closing
Leases	6,841,508	(2,835,720)	1,155,604	243,309	299,056	5,703,757
Borrowings	16,669,219	(16,788,501)	-	1,135,295	-	1,016,013
<b>Total</b>	<b>23,510,727</b>	<b>(19,624,221)</b>	<b>1,155,604</b>	<b>1,378,604</b>	<b>299,056</b>	<b>6,719,770</b>
<b>2025</b>						
Leases	5,703,757	(3,006,741)	3,945,546	260,686	329,808	7,233,056
Borrowings	1,016,013	(333,737)	-	110,542	-	792,818
<b>Total</b>	<b>6,719,770</b>	<b>(3,340,478)</b>	<b>3,945,546</b>	<b>371,228</b>	<b>329,808</b>	<b>8,025,874</b>

\* New lease agreements, increase in lease term and re-measurement of leases under AASB 16.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

8. TRADE AND OTHER RECEIVABLES	2025	2024
	\$	\$
<b>Current</b>		
Trade receivables	11,296,374	6,775,896
Less allowance for expected credit losses	(110,076)	(40,671)
	<b>11,186,298</b>	<b>6,735,225</b>
Current other receivables	2,909,099	1,192,435
Prepayments	4,324,757	4,431,524
<b>Total trade and other receivables</b>	<b>18,420,154</b>	<b>12,359,184</b>

### Expected credit loss (ECL)

The ageing of the trade receivables at the reporting date was:

Gross receivables	Expected credit loss rate		Gross amount		Allowance of ECL		Carrying amount	
	2025	2024	2025	2024	2025	2024	2025	2024
Days	%	%	\$	\$	\$	\$	\$	\$
Not past due	0%	0%	8,576,127	5,129,448	-	-	8,576,127	5,129,448
Past due 0 – 30 days	1%	1%	1,385,951	838,856	(7,199)	(11,744)	1,378,752	827,112
Past due 31 – 60 days	2%	2%	578,391	350,075	(10,341)	(8,402)	568,050	341,673
Past due 61 – 90 days	3%	3%	488,822	295,863	(17,993)	(10,059)	470,829	285,803
Past due over 90 days	3%	3%	267,084	161,654	(74,543)	(10,466)	192,540	151,189
			<b>11,296,374</b>	<b>6,775,896</b>	<b>(110,076)</b>	<b>(40,671)</b>	<b>11,186,298</b>	<b>6,735,225</b>

### Recognition and measurement

Trade receivables are recognised when the control of ownership of the underlying sales transactions have passed to the customer in the ordinary course of business. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The Consolidated Entity holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less allowance for expected credit losses.

Other receivables arise principally from financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition on issue and are subsequently recognised at amortised cost using the effective interest rate method, less allowance for expected credit losses.

### Expected Credit loss

Expected credit losses are measured using the simplified approach and are recognised in the reporting period in which they relate to specific customers, based on assessments conducted in accordance with the Consolidated Entity's accounting policy.

Based upon past experience, the Consolidated Entity believes that no allowance for expected credit losses allowance other than as provided in these accounts is necessary in respect of trade receivables not past due.

The allowance accounts used in respect of trade receivables are used to record expected credit losses unless the Consolidated Entity is satisfied that non-recovery of the amount owing is possible; at that point, the amount considered non-recoverable is written off against the financial asset directly.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

9. INVENTORY	2025	2024
	\$	\$
Raw materials and consumables excluding provisions	7,868,602	6,706,871
Provisions for obsolete stock	(442,612)	(421,461)
<b>Carrying amount</b>	<b>7,425,990</b>	<b>6,285,410</b>

### Recognition and measurement

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and selling, marketing and distribution expenses. Cost is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

10. PROPERTY PLANT AND EQUIPMENT	Plant and equipment \$	Leasehold improvements \$	Total \$
<b>2024</b>			
At cost	14,817,305	1,196,841	16,014,146
Accumulated depreciation/amortisation	(9,565,718)	(680,997)	(10,246,715)
<b>Carrying amount</b>	<b>5,251,587</b>	<b>515,844</b>	<b>5,767,431</b>
<b>2025</b>			
At cost	17,787,515	1,717,606	19,505,121
Accumulated depreciation/amortisation	(11,668,646)	(854,145)	(12,522,791)
<b>Carrying amount</b>	<b>6,118,869</b>	<b>863,461</b>	<b>6,982,330</b>

Movements in the carrying amounts of property, plant and equipment during the current financial year:

	Plant and equipment \$	Leasehold improvements \$	Total \$
<b>Balance at 1 July 2023</b>	5,729,109	501,151	6,230,260
Additions	1,269,479	140,156	1,409,635
Disposals at cost	(415,789)	(66,050)	(481,839)
Disposals accumulated depreciation	415,789	66,050	481,839
Depreciation/amortisation expense	(1,612,087)	(96,705)	(1,708,792)
Foreign exchange impact	(134,914)	(28,758)	(163,672)
<b>Balance at 30 June 2024</b>	<b>5,251,587</b>	<b>515,844</b>	<b>5,767,431</b>
Additions	2,241,260	457,277	2,698,537
Disposals at cost	(731,428)	(63,488)	(794,916)
Disposals accumulated depreciation	731,428	63,488	794,916
Depreciation/amortisation expense	(1,635,397)	(138,034)	(1,773,431)
Foreign exchange impact	261,419	28,374	289,793
<b>Balance at 30 June 2025</b>	<b>6,118,869</b>	<b>863,461</b>	<b>6,982,330</b>

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 10. PROPERTY PLANT AND EQUIPMENT (continued)

#### Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses. An asset's cost is determined as the consideration provided plus incidental costs directly attributable to the acquisition. Subsequent costs in relation to replacing a part of property, plant and equipment are recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the part will flow to the Consolidated Entity and its cost can be measured reliably. All other costs are recognised in the consolidated statement of profit or loss as incurred.

#### Depreciation

Depreciation is recognised in the consolidated statement of profit or loss on a straight-line basis. Items of property, plant and equipment, including leasehold assets, are depreciated using the straight-line method over their estimated useful lives, taking into account estimated residual values. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Depreciation rates and methods, useful lives and residual values are reviewed at each reporting date. When changes are made, adjustments are reflected prospectively in current and future financial periods only. The estimated useful lives in the current and comparative periods are as follows:

Leasehold improvements	1 – 3 years
Plant & equipment	3 – 20 years

### 11. RIGHT OF USE ASSETS

	Land & buildings \$	Plant & equipment \$	Vehicles \$	Total \$
<b>2024</b>				
Cost	11,309,311	305,611	2,994,731	14,609,653
Lease modifications*	162,944	(6,996)	87,360	243,308
Less: accumulated depreciation	(7,438,347)	(170,255)	(1,864,923)	(9,473,525)
<b>Carrying value</b>	<b>4,033,908</b>	<b>128,360</b>	<b>1,217,168</b>	<b>5,379,436</b>
<b>2025</b>				
Cost	12,860,237	409,990	3,323,851	16,594,078
Lease modifications*	422,512	(5,455)	(156,371)	260,686
Less: accumulated depreciation	(7,584,105)	(224,238)	(2,121,482)	(9,929,825)
<b>Carrying value</b>	<b>5,698,644</b>	<b>180,297</b>	<b>1,045,998</b>	<b>6,924,939</b>

\*Lease modifications for surrender of leases, early terminations and changes to lease terms.



# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 11. RIGHT OF USE ASSETS (continued)

Movement for the year	Land & buildings \$	Plant & equipment \$	Vehicles \$	Total \$
<b>Balance at 1 July 2023</b>	5,663,781	44,086	791,786	6,499,653
Additions	181,297	121,421	852,886	1,155,604
Lease Modifications*	162,945	(6,996)	87,359	243,308
Depreciation expense	(1,974,115)	(30,151)	(514,863)	(2,519,129)
<b>Balance at 30 June 2024</b>	<b>4,033,908</b>	<b>128,360</b>	<b>1,217,168</b>	<b>5,379,436</b>
Additions	3,331,692	121,778	492,076	3,945,546
Lease Modifications*	422,512	(5,455)	(156,371)	260,686
Depreciation expense	(2,089,469)	(64,385)	(506,875)	(2,660,729)
<b>Balance at 30 June 2025</b>	<b>5,698,643</b>	<b>180,298</b>	<b>1,045,998</b>	<b>6,924,939</b>

\*Lease modifications for surrender of leases, early terminations and changes to lease terms.

	2025 \$	2024 \$
<b>Amounts recognised in profit &amp; loss</b>		
Depreciation	2,660,729	2,519,129
Interest on finance leases	329,808	299,056

'Land and buildings' include offices utilised as administration offices, laboratories and also the lease for the global manufacturing site. 'Plant and equipment' are comprised mostly of leased printers and, to a smaller extent, intra-oral scanners. 'Vehicles' relate to leased cars to sales and administration staff.

The Consolidated Entity leases land and buildings for its offices and laboratories under agreements of between one to ten years with, in some cases, options to extend. The leases have various escalation clauses. Office equipment leases are generally between three and five years, property agreements of between one and ten years whilst vehicle lease agreements have a duration between one and five years.

#### Recognition and measurement

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Consolidated Entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

**SOMNOMED LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12. INTANGIBLE ASSETS**

	Patents & trademarks \$	Product development \$	Software \$	Goodwill \$	Total \$
<b>30 June 2024</b>					
At Cost	2,061,723	12,982,754	5,550,345	6,343,234	26,938,056
Accumulated depreciation	(1,635,418)	(1,129,978)	(3,855,000)	-	(6,620,396)
<b>Carrying amount</b>	<b>426,305</b>	<b>11,852,776</b>	<b>1,695,345</b>	<b>6,343,234</b>	<b>20,317,660</b>

<b>30 June 2025</b>					
At Cost	2,201,211	14,226,226	6,060,790	7,047,741	29,535,968
Accumulated depreciation	(1,854,151)	(1,342,472)	(4,851,770)	-	(8,048,393)
<b>Carrying amount</b>	<b>347,060</b>	<b>12,883,754</b>	<b>1,209,020</b>	<b>7,047,741</b>	<b>21,487,575</b>

**Movement for the year:**

<b>Balance at 1 July 2023</b>	<b>440,713</b>	<b>9,668,451</b>	<b>2,374,186</b>	<b>6,490,848</b>	<b>18,974,198</b>
Additions	108,928	2,442,266	490,609	-	3,041,803
Amortisation	(119,519)	(257,941)	(1,169,864)	-	(1,547,324)
Foreign exchange impact	(3,817)	-	414	(147,614)	(151,017)
<b>Balance at 30 June 2024</b>	<b>426,305</b>	<b>11,852,776</b>	<b>1,695,345</b>	<b>6,343,234</b>	<b>20,317,660</b>
Additions	14,490	1,243,472	489,246	-	1,747,208
Amortisation	(121,029)	(212,494)	(978,688)	-	(1,312,211)
Foreign exchange impact	27,294	-	3,117	704,507	734,918
<b>Balance at 30 June 2025</b>	<b>347,060</b>	<b>12,883,754</b>	<b>1,209,020</b>	<b>7,047,741</b>	<b>21,487,575</b>

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 12. INTANGIBLE ASSETS (continued)

#### Recognition and measurement

##### *Product Developmental costs*

An intangible asset arising from development expenditure is recognised only when the Consolidated Entity can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure capitalised is amortised over the period of expected benefits from the related project commencing from the commercial release of the project. The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use or more frequently when an indication of impairment arises during the reporting period.

##### *Research and development expenditure*

Research and development expenditure during the research phase of a project is recognised as an expense when incurred.

##### *Goodwill*

All business combinations are accounted for by applying the acquisition method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired. Goodwill is stated at cost less any accumulated impairment losses.

##### *Subsequent expenditure*

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

##### *Amortisation*

Amortisation is recognised in the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment annually. The estimated useful lives for the current and comparative periods are as follows:

Patents and trademarks	10 years
Product development expenditure capitalised	5 - 10 years
Software	2 - 5 years

#### Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash flows from continuing use that are largely independent of the cash flows of other assets or groups of assets (cash generating units).

The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to the cash generating units that are expected to benefit from the synergies of the combination. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of profit or loss unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the consolidated statement of profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit or a group of units and then, to reduce the carrying amount of the other assets in the unit or a group of units on a pro-rata basis.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 12. INTANGIBLE ASSETS (continued)

#### **Impairment of assets - accounting judgements and estimates**

##### *Goodwill and other indefinite life intangible assets*

The Consolidated Entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. Recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

##### *Impairment of non-financial assets other than goodwill and other indefinite life intangible assets*

The Consolidated Entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Consolidated Entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

#### **Impairment of non-financial assets including goodwill**

The recoverable amount of the Consolidated Entity's non-financial assets including goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5-year projection period approved by management, as well as a terminal value component beyond the 5-year projection (growth rate of 2.5%).

#### **Cash Generating Units – change to composition**

During the current reporting period, the Consolidated Entity revised the basis on which it determines Cash Generating Units (CGUs) for the purpose of impairment testing. Historically, CGUs were identified at the individual legal entity level. However, effective this period, the Consolidated Entity has aligned its CGU structure with its internal management and financial reporting framework by allocating assets, including corporate assets into three regional CGUs: Europe, North America, and Asia Pacific.

This change reflects the way the Consolidated Entity monitors and evaluates the performance of its operating segment. Management considers this change results in a more consistent and meaningful approach to impairment testing, ensuring alignment with how economic benefits are expected to be derived.

##### **European Division**

Europe assumes an average revenue growth rate over the forecast period of 11% per annum and an average operating costs growth rate of 9%. The average discount rate used was 10%. Based on the above, no impairment has been applied as the carrying amount of \$36,489,575, including goodwill of \$6,781,623 did not exceed its recoverable amount for Europe.

##### *Sensitivity Analysis*

Management believes that no reasonably possible changes in any of the key assumptions would cause the carrying value of any cash generating unit within Europe to materially exceed its recoverable amount

##### **Asia Pacific Division**

There is no goodwill in the Asia Pacific Division.

##### **North America Division**

North America assumes an average revenue growth rate over the forecast period of 12% per annum and an average operating costs growth rate of 9% for per annum over the forecast period. The average discount rate used was 10% has been applied. Based on the above, no impairment has been applied as the carrying amount of \$17,313,867, including goodwill of \$154,272 did not exceed its recoverable amount for North America.

##### *Sensitivity Analysis*

A sensitivity analysis was performed to assess the impact of adverse changes in key assumptions. Specifically, the model tested with a 20% reduction in forecast revenue for the 2026 financial year and a 20% increase in the discount rate. Under these scenarios, no impairment was identified.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

13. TRADE AND OTHER PAYABLES	2025	2024
	\$	\$
<b>Current</b>		
Trade payables	6,634,955	3,964,250
Other payables and accruals	12,701,512	9,147,185
Deferred rent	123,853	182,196
<b>Total trade and other payables</b>	<b>19,460,320</b>	<b>13,293,631</b>

### Recognition and measurement

Trade and other payables are stated at amortised cost. Trade and other payables represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial period that are unpaid when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of those goods and services. The amounts are unsecured and are usually paid within 30 to 60 days of purchase. They are recognised initially at the fair value and subsequently measured at amortised cost using the effective interest method.

14. PROVISIONS	2025	2024
	\$	\$
<b>Current</b>		
Warranty	656,876	626,383
Lease make good	236,922	257,171
Employee entitlements	3,622,966	2,505,253
Onerous leases	-	440,074
<b>Total current provisions</b>	<b>4,516,764</b>	<b>3,828,881</b>
<b>Non-current</b>		
Employee entitlements	810,040	719,913
<b>Total current and non-current provisions</b>	<b>5,326,804</b>	<b>4,548,794</b>

### Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Consolidated Entity does not have an unconditional right to defer settlement. However, based on past experience, the Consolidated Entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Movements in total provisions	Warranty \$	Lease make good \$	Employee entitlements \$	Onerous leases \$	Total \$
<b>2024</b>					
Opening balance	585,987	123,372	2,740,029	440,074	3,889,462
Additional provisions recognised	48,904	48,329	1,757,062	-	1,854,295
Amounts used	-	-	(1,135,965)	-	(1,135,965)
Foreign exchange impact	(8,507)	85,470	(135,961)	-	(58,998)
<b>Balance at end of year</b>	<b>626,383</b>	<b>257,171</b>	<b>3,225,166</b>	<b>440,074</b>	<b>4,548,794</b>

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

14. PROVISIONS (continued)	Warranty \$	Lease make good \$	Employee entitlements \$	Onerous leases \$	Total \$
<b>2025</b>					
Opening balance	626,383	257,171	3,225,166	440,074	4,548,794
Additional provisions recognised	32,128	14,040	3,118,389	-	3,164,557
Amounts used	(41,727)	(38,374)	(2,063,777)	(440,074)	(2,583,952)
Foreign exchange impact	40,092	4,085	153,228	-	197,405
<b>Balance at end of year</b>	<b>656,876</b>	<b>236,922</b>	<b>4,433,006</b>	<b>-</b>	<b>5,326,804</b>

15. LEASE LIABILITIES	2025 \$	2024 \$
<b>15.1. Total lease liabilities</b>		
Current	2,488,139	2,295,840
Non-current	4,744,917	3,407,917
<b>Total lease liabilities</b>	<b>7,233,056</b>	<b>5,703,757</b>

### 15.2. Amounts recognised through Consolidated Statement of Profit or Loss

Interest on lease liabilities	329,808	299,056
Expense related to short-term leases	27,670	19,218
Expense related to low-value assets	3,589	4,017
	<b>361,067</b>	<b>322,291</b>

### 15.3. Maturity analysis – contractual undiscounted cashflows

Less than one year	2,865,218	2,598,975
Between one year and five years	5,160,248	3,912,158
More than five years	87,458	153,978
<b>Total undiscounted liabilities</b>	<b>8,112,924</b>	<b>6,665,111</b>

### Recognition and measurement

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Consolidated Entity's incremental borrowing rate.

Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

16. BORROWINGS	2025	2024
	\$	\$
Current borrowings	344,218	306,939
Non-current borrowings	448,600	709,074
<b>Total borrowings</b>	<b>792,818</b>	<b>1,016,013</b>

### *Unsecured loan facilities (Government borrowings)*

In May 2020, SomnoMed France SAS (France) secured a €515,000 Government backed unsecured loan facility with Société Générale. The interest payable is 0.3% plus a fixed guaranteed amount of €5,000 per annum. This loan expires on 20 May 2026. The drawn amount at the end of 30 June 2025 was €129,329 (A\$232,068).

In June 2020, SomnoMed Germany GmbH (Germany) secured a €500,000 Government-backed unsecured loan facility with Commerzbank. The interest payable is 3% per annum and the loan expires on 30 June 2030. The drawn amount at the end of 30 June 2025 was €312,500 (A\$560,750).

## 17. FINANCIAL RISK MANAGEMENT

### Overview

The Consolidated Entity have exposure to the following risks from the use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk
- Currency risk

The Board of Directors has overall responsibility for the establishment and oversight of risk management and monitors operational and financial risk management throughout the Consolidated Entity. Monitoring risk management includes ensuring appropriate policies and procedures are published and adhered to. Management reports to the Audit and Risk Committee.

The Board aims to manage the impact of short-term fluctuations on earnings. Over the longer term, permanent changes in market rates will have an impact on earnings.

The Consolidated Entity is exposed to risks from movements in exchange rates and interest rates that affect revenues, expenses, assets, liabilities and forecast transactions. Financial risk management aims to limit these market risks through ongoing operational and finance activities.

Exposure to credit and foreign exchange risks arises in the normal course of business. The Audit and Risk Committee oversees adequacy of the risk management framework in relation to the risks faced by the Consolidated Entity.

For the 30 June 2025 period, the Consolidated Entity has minimal exposure to interest rate given the nature of the borrowings on hand. Interest rate risk has therefore not been addressed.

### Capital Management

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns to shareholders, to provide benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Board aims to maintain and develop a capital base appropriate to the Consolidated Entity. In order to maintain or adjust the capital structure, the Consolidated Entity can issue new shares. The Board of Directors undertakes periodic reviews of the Consolidated Entity's capital management position to assess whether the capital management structure is appropriate to meet the Consolidated Entity's medium and long-term strategic requirements. Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements. There were no significant changes in the Consolidated Entity's approach to capital management during the year.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 17. FINANCIAL RISK MANAGEMENT (continued)

#### Risk exposure and management

##### **Market Risk**

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's net profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### **Credit Risk**

Credit risk is the risk of financial loss to the Consolidated Entity if a customer, controlled entity or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the receivables from customers.

##### *Trade and other receivables*

Exposure to credit risk is influenced mainly by the geographical location and characteristics of individual customers. The Consolidated Entity does not have a significant concentration of credit risk with a single customer.

Policies and procedures of credit management and administration of receivables are established and executed at a regional level. Debtor ageing and collection activities are reviewed on a regular basis.

High risk customers are identified and restrictions placed on future trading, including suspending future shipments and administering dispatches on a prepayment basis.

The Consolidated Entity has established an allowance for impairment that represents their estimate of expected losses in respect of trade and other receivables based on the expected credit loss model. Refer to note 8 for more detail.

##### *Exposure to credit risk*

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	<b>2025</b>	<b>2024</b>
	<b>\$</b>	<b>\$</b>
Cash and equivalents	17,293,446	16,178,843
Trade receivables	11,186,298	6,735,225
Other receivables - current	2,909,099	1,192,435
<b>Total</b>	<b>31,388,843</b>	<b>24,106,503</b>

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

North America	4,261,681	3,240,970
Europe	6,334,928	2,961,256
Asia Pacific	589,689	532,999
<b>Total</b>	<b>11,186,298</b>	<b>6,735,225</b>



# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 17. FINANCIAL RISK MANAGEMENT

#### Risk exposure and management (continued)

##### *Liquidity Risk*

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The Consolidated Entity monitors cash flow requirements and produces cash flow projections for the short and long term with a view to optimising return on investments. Typically, the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational net cash flows for a period of at least 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the contractual maturities of the Consolidated Entity's financial assets and liabilities including estimated interest payments:

##### *Exposure to liquidity risk*

	Effective interest rate p.a.	Carrying amount	Less than 1 year	1-5 years	More than 5 years
<b>2024</b>					
Cash and cash equivalents	0.19%	16,178,843	16,178,843	-	-
Receivables	-	7,927,660	7,927,660	-	-
Payables	-	(6,020,471)	(6,020,471)	-	-
Lease liabilities	6.65%	(5,703,757)	(2,295,840)	(3,259,781)	(148,136)
Borrowings	2.02%	(1,016,013)	(306,939)	(608,868)	(100,206)
<b>Total</b>		<b>11,366,262</b>	<b>15,483,253</b>	<b>(3,868,649)</b>	<b>(248,342)</b>
<b>2025</b>					
Cash and cash equivalents	0.13%	17,293,446	17,293,446	-	-
Receivables	-	14,095,397	14,095,397	-	-
Payables	-	(7,944,221)	(7,944,221)	-	-
Lease liabilities	6.30%	(7,233,056)	(2,488,139)	(4,657,622)	(87,295)
Borrowings	2.50%	(792,818)	(344,218)	(336,450)	(112,150)
<b>Total</b>		<b>15,418,748</b>	<b>20,612,265</b>	<b>(4,994,072)</b>	<b>(199,445)</b>

##### *Currency risk*

The Consolidated Entity is exposed to currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of the controlled entities. The following currencies account for the majority of the currency risk for the Consolidated Entity: Australian dollars (AUD), United States dollars (USD), Euros (EUR) and Philippine Peso (PHP). The remainder of the currencies held and or transacted do not expose the Consolidated Entity to material currency risk.

The Consolidated Entity is exposed to the risk relating to the translation of assets and liabilities of foreign operations into AUD as there is currently no hedging for these transactions.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 17. FINANCIAL RISK MANAGEMENT (continued)

#### Risk Exposure and management (continued)

##### Currency risk exposure

Consolidated Entity's exposure to foreign currency risk was as follows, based upon notional amounts:

Local Currency	PHP	USD	EUR	Exposure %	Other foreign currency	Total
<b>2024</b>						
Amount in AUD \$						
Cash and cash equivalents	74,841	2,741,923	4,951,800	81%	1,774,095	9,542,659
Trade receivables	-	3,027,154	2,961,256	96%	268,036	6,256,446
Trade payables	(948,724)	(1,140,605)	(990,252)	98%	(52,627,627)	(3,132,208)
<b>Net exposure</b>	<b>(873,883)</b>	<b>4,628,472</b>	<b>6,922,804</b>	<b>84%</b>	<b>1,989,504</b>	<b>12,666,897</b>

Exchange rates  
(AUD = \$1)

Average rate	37.1601	0.6576	0.6073
Closing rate	38.9686	0.6670	0.6237

2025	PHP	USD	EUR	Exposure %	Other foreign currency	Total
Amount in AUD \$						
Cash and cash equivalents	90,377	2,850,136	8,422,148	83%	2,277,738	13,640,399
Trade receivables	-	3,778,171	6,334,928	97%	294,436	10,407,535
Trade payables	(1,201,000)	(1,533,307)	(3,155,184)	98%	(130,119)	(6,019,610)
<b>Net exposure</b>	<b>(1,110,623)</b>	<b>5,095,000</b>	<b>11,601,892</b>	<b>86%</b>	<b>2,442,055</b>	<b>18,028,324</b>

Exchange rates  
(AUD = \$1)

Average rate	36.6947	0.6568	0.6078
Closing rate	36.9039	0.6532	0.5573

#### Sensitivity Analysis

In managing currency risks, the Consolidated Entity aims to reduce the impact of short-term fluctuations on the Consolidated Entity's earnings. Over the longer term however, changes in foreign exchange and interest rates will have an impact on the result.

It is estimated that a general increase of 10% in the value of the AUD against material foreign currencies would have increased the Consolidated Entity's loss for the year ended 30 June 2025 by approximately \$1,121,457 and decreased the Consolidated Entity's equity by approximately \$1,192,008.

It is estimated that a general decrease of 10% in the value of the AUD against other foreign currencies would have decreased the Consolidated Entity's loss for the year ended 30 June 2025 by approximately \$1,370,670 and increased the Consolidated Entity's equity by approximately \$1,456,899.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 18. FINANCIAL INSTRUMENTS

#### Recognition and measurement

##### Financial assets

The Consolidated Entity classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through other comprehensive income, or profit or loss) and those to be held at amortised cost. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. At initial recognition, a financial asset is measured at its fair value.

##### Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or those held at amortised cost. All financial liabilities are recognised initially at fair value. Financial liabilities include trade and other payables, borrowings and lease liabilities.

#### Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

##### *Non-derivative financial assets and liabilities*

The fair value of cash, receivables, payables and short-term borrowings is considered to approximate their carrying amount because of their short maturity.

##### *Valuation techniques for fair value measurements categorised within level 3.*

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

#### Financial assets and liabilities by category – carrying value

	2025	2024
	\$	\$
<b>Classification</b>	<b>Amortised cost</b>	<b>Amortised cost</b>
<b>Financial assets</b>		
Cash and cash equivalents	17,293,446	16,178,843
Trade and other receivables	14,095,397	7,927,660
<b>Total financial assets</b>	<b>31,388,843</b>	<b>24,106,503</b>
<b>Financial liabilities</b>		
Trade and other payables	7,944,221	6,020,471
Borrowings	792,818	1,016,013
Lease liabilities	7,233,056	5,703,757
<b>Total financial liabilities</b>	<b>15,970,095</b>	<b>12,740,241</b>

The carrying values of financial assets and financial liabilities recorded in the financial statements materially approximates their respective net fair values, determined in accordance with the accounting policies disclosed in notes.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

19. ISSUED CAPITAL	2025	2024
	\$	\$
<b>Issued and fully paid ordinary shares</b>		
Balance of issued capital at the beginning of year 216,108,253 (2024: 82,759,315) ordinary shares	119,962,058	84,002,809
Shares issued during period: Nil (2024: 133,348,938)	-	38,077,789
Less issue costs	-	(2,118,540)
Balance of issued capital at end of year 216,108,253 (2024: 216,108,253) ordinary shares	<b>119,962,058</b>	<b>119,962,058</b>
Less shares issued but not recorded in accounts		
- 1,830,000 shares (2024: 1,830,000) issued at \$1.17	(2,141,100)	(2,141,100)
- 150,000 shares (2024: 150,000) issued at \$1.18	(177,000)	(177,000)
- 20,000 shares (2024: 20,000) re-issued at \$1.64	(32,800)	(32,800)
- 200,000 shares (2024: 200,000) issued at \$1.67	(334,000)	(334,000)
- 20,000 shares (2024: 20,000) re-issued at \$1.79	(35,800)	(35,800)
- 456,000 shares (2024: 456,000) re-issued at \$1.87	(852,720)	(852,720)
- 350,000 shares (2024: 350,000) issued at \$2.09	(731,500)	(731,500)
- 664,000 shares (2024: 664,000) re-issued at \$2.184	(1,450,176)	(1,450,176)
- 493,000 shares (2024: 493,000) issued at \$2.40	(1,183,200)	(1,183,200)
- 12,500 shares (2024: 12,500) issued at \$3.44	(43,000)	(43,000)
- 3,000 shares (2024: 3,000) issued at \$3.61	(10,830)	(10,830)
Total advances to executives to acquire shares in the Company	(6,992,126)	(6,992,126)
Cancellation and re-issue of units within Employee Share Trust*	(2,739,264)	(2,739,264)
<b>Issued share capital recorded in the Company accounts</b>	<b>110,230,668</b>	<b>110,230,668</b>
	#	#
<b>Shares on issue at end of year</b>	216,108,253	216,108,253
Less: Share issued but not recorded in accounts (being units in the Employee Share Trust for executives to acquire shares in the Company by utilising funds advanced by the Company)	(4,198,500)	(4,198,500)
<b>Number of shares recorded as issued capital in Company's accounts</b>	<b>211,909,753</b>	<b>211,909,753</b>

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

At 30 June 2025 there were 16,197,500 (2024: 8,117,500) unissued ordinary shares for which options were outstanding (including 4,198,500 (2024: 4,198,500) issued ordinary shares which are treated as options in these accounts).

\*In prior years ordinary shares were issued to the Company's Employee Share Trust (EST) on behalf of management of the Company at issue prices up to \$3.61 per share. These shares were financed by non-recourse loans and have been treated as options in the Company's accounts. In June 2020 share units issued by the EST in 2016 at \$3.44 and in 2017 at \$3.61 to existing employees were cancelled and an identical number of units were reissued at \$1.17 to those employees with extended vesting conditions. The amount payable by the EST to the Company as non-recourse loans relating to those prior issues at \$3.44 and \$3.61 per share was recorded as being non recoverable and a new loan at the lesser amount of \$1.17 per share is reflected in these accounts. The additional share option expense incurred in relation to the issue of units at \$1.17 will be brought to account over the revised vesting periods and no further share option expense will be brought to account for the issues at \$3.44 and \$3.61 per share.

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 20. SHARE BASED PAYMENTS

**2025**

**2024**

**\$**

**\$**

#### 20.1. Employee expenses

Expense recognised from options

1,946,712

77,105

#### 20.2. Details of the share options outstanding during the year are as follows:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Opening balance*	8,117,500	\$1.40	8,795,500	\$2.08
Granted during the year	8,080,000	\$0.18	1,500,000	-
Lapsed during the year	-	-	(2,178,000)	\$2.07
<b>Outstanding at the end of the year</b>	<b>16,197,500</b>	<b>\$0.73</b>	<b>8,117,500</b>	<b>\$1.40</b>
<b>Exercisable at the end of the year</b>	<b>5,698,500</b>		<b>1,341,500</b>	

\*Shares treated as options for these accounts are included 4,198,500 (2024: 4,198,500)

The options and shares issued under the Employee Share and Option plan outstanding at 30 June 2025 had a weighted average remaining contractual life of 2.28 years (2024: 2.53 years). Exercise prices range from \$0.00 to \$2.46 in respect of options outstanding at 30 June 2025 (2024: \$0.00 to \$2.46 range).

The weighted average fair value of the options granted during the year was \$2,544,394 (2024: \$375,000).

#### 20.3. Details of options granted during the year

	Zero-exercise price options	Options granted to NED's	Options granted to Co-CEO's
Weighted average share price	\$0.38	\$0.46	\$0.65
Weighted average exercise price	-	\$0.60	\$0.65
Expected volatility	61%	61%	73%
Expected life in years	3.61	4.01	2.00
Risk-free rate	4.35%	4.35%	4.28%

#### 20.4. Shareholdings and Options and Rights Holdings held by Key Management Personnel, including options held in associated entities.

Refer to the Remuneration Report

### 21. RESERVES

**2025**

**2024**

**\$**

**\$**

Share based payment reserve

9,752,425

7,805,713

Foreign currency translation reserve

3,570,784

830,644

Defined benefit reserve

773,239

637,484

Capital reserve

56,347

56,347

**Total reserves**

**14,152,795**

**9,330,188**

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 22. SEGMENT REPORT

#### 22.1. Primary reporting – business segments

The Consolidated Entity produces and sells devices for the oral treatment of sleep related disorders primarily in the Asia Pacific region, North America and Europe.

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Consolidated Entity is managed primarily on the basis of geographical segments and the operating segments are therefore determined on the same basis.

The Consolidated Entity's operations during the period related to the production and sale of products treating sleep disordered breathing, which is the only business segment.

#### Basis of accounting for purposes of reporting by operating segments

##### *Accounting policies adopted*

Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Consolidated Entity.

##### *Unallocated items*

The following items of revenue and expenses are not allocated to operating segments as they are not considered part of the core operations of any segment: derivatives and foreign exchange gains and losses; corporate, research and development expenses; share based payments and other one-off expenses.

#### 22.2. Secondary reporting – geographical segments

Geographical location:	North America	Europe	Asia Pacific	CORE	RSS	Consolidated Entity
2024	\$	\$	\$	\$	\$	\$
Total revenue	32,944,229	54,170,647	21,741,376	108,856,252	-	108,856,252
Intersegment eliminations	(80,487)	(1,716,062)	(15,408,634)	(17,205,183)	-	(17,205,183)
<b>External revenue</b>	<b>32,863,742</b>	<b>52,454,585</b>	<b>6,332,742</b>	<b>91,651,069</b>	<b>-</b>	<b>91,651,069</b>
<b>Segment net profit / (loss) before tax</b>	<b>1,834,572</b>	<b>7,480,169</b>	<b>(621,152)</b>	<b>8,693,589</b>	<b>-</b>	<b>8,693,589</b>
Unallocated expense items	-	-	(12,081,783)	(12,081,783)	-	(12,081,783)
Depreciation and amortisation	(676,812)	(1,855,039)	(3,243,394)	(5,775,245)	-	(5,775,245)
Interest income	-	3,167	26,901	30,068	-	30,068
Finance cost	(60,931)	(165,010)	(1,911,314)	(2,137,255)	-	(2,137,255)
<b>Profit/(loss) before tax</b>	<b>1,096,829</b>	<b>5,463,287</b>	<b>(17,830,742)</b>	<b>(11,270,626)</b>	<b>-</b>	<b>(11,270,626)</b>
Income tax expense	(167,893)	(643,702)	(159,505)	(971,100)	-	(971,100)
<b>Profit/(loss) after tax</b>	<b>928,936</b>	<b>4,819,585</b>	<b>(17,990,247)</b>	<b>(12,241,726)</b>	<b>-</b>	<b>(12,241,726)</b>
<b>Total Assets</b>	<b>9,246,083</b>	<b>24,170,072</b>	<b>36,073,154</b>	<b>69,489,309</b>	<b>315,379</b>	<b>69,804,688</b>
<b>Total Liabilities</b>	<b>3,985,751</b>	<b>12,928,007</b>	<b>7,426,939</b>	<b>24,340,697</b>	<b>439,796</b>	<b>24,780,493</b>

**SOMNOMED LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**22. SEGMENT REPORT (continued)**

**22.2. Secondary reporting – geographical segments**

<b>Geographical location:</b>	<b>North America</b>	<b>Europe</b>	<b>Asia Pacific</b>	<b>CORE</b>	<b>RSS</b>	<b>Consolidated Entity</b>
<b>2025</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenue	43,232,254	62,701,905	26,232,533	132,166,692	-	132,166,692
Intersegment eliminations	(184,491)	(1,271,046)	(19,218,214)	(20,673,751)	-	(20,673,751)
<b>External revenue</b>	<b>43,047,763</b>	<b>61,430,859</b>	<b>7,014,319</b>	<b>111,492,941</b>	<b>-</b>	<b>111,492,941</b>
<b>Segment net profit / (loss) before tax</b>	<b>13,682,702</b>	<b>13,343,566</b>	<b>(1,745,062)</b>	<b>25,281,206</b>	<b>-</b>	<b>25,281,206</b>
Unallocated expense items	-	(841,671)	(19,075,885)	(19,917,556)	-	(19,917,556)
Depreciation and amortisation	(579,766)	(1,895,181)	(3,271,424)	(5,746,371)	-	(5,746,371)
Interest income	-	8,096	14,485	22,581	-	22,581
Finance cost	(31,232)	(150,336)	(222,155)	(403,723)	-	(403,723)
<b>Profit/(loss) before tax</b>	<b>13,071,704</b>	<b>10,464,474</b>	<b>(24,300,041)</b>	<b>(763,863)</b>	<b>-</b>	<b>(763,863)</b>
Income tax expense	(1,225,928)	(1,236,138)	(230,400)	(2,692,466)	-	(2,692,466)
<b>Profit/(loss) after tax</b>	<b>11,845,776</b>	<b>9,228,336</b>	<b>(24,530,441)</b>	<b>(3,456,329)</b>	<b>-</b>	<b>(3,456,329)</b>
<b>Total Assets</b>	<b>10,365,075</b>	<b>28,522,971</b>	<b>42,082,826</b>	<b>80,970,872</b>	<b>-</b>	<b>80,970,872</b>
<b>Total Liabilities</b>	<b>4,476,737</b>	<b>15,573,705</b>	<b>14,529,957</b>	<b>34,580,399</b>	<b>-</b>	<b>34,580,399</b>

# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 23. CONSOLIDATED ENTITY STRUCTURE

#### 23.1. Particulars relating to controlled entities

Company	Country of Incorporation	2025	2024
SomnoMed Limited	Australia		
<b><i>Entities controlled by SomnoMed Limited</i></b>			
SomCentre Pty Limited	Australia	100%	100%
SomnoMed, Inc.	USA	100%	100%
SomnoDent Pty Limited	Australia	100%	100%
SomnoMed Pte Ltd	Singapore	100%	100%
SomnoMed AG	Switzerland	100%	100%
SomnoMed Corporation Japan	Japan	100%	100%
SomnoMed Nordic AB	Sweden	100%	100%
SomnoMed Philippines Inc.	Philippines	100%	100%
SomnoMed Netherlands BV	Netherlands	100%	100%
SomnoMed France	France	100%	100%
Goedegebuure Slaaptechniek BV	Netherlands	100%	100%
SomnoMed Germany GmbH	Germany	100%	100%
SomnoMed Service GmbH	Germany	100%	100%
SMH Biomaterial AG	Switzerland	100%	100%
SomnoMed Korea	South Korea	100%	100%
SomnoMed UK Limited	UK	100%	100%
SomnoMed Spain SL	Spain	100%	100%
SomnoMed Italy S.r.L	Italy	100%	100%
SomnoMed Canada Inc.	Canada	100%	100%
SomnoMed Taiwan Limited	Taiwan	100%	100%
Renew Sleep Solutions, Inc. *	USA	100%	100%
SomnoMed Finance, Inc. *	USA	100%	100%
SomnoMed Finland OY	Finland	100%	100%

\*On 1 July 2025 an application was lodged to merge SomnoMed Finance, Inc. and Renew Sleep Solutions, Inc. into SomnoMed, Inc. Once approved these entities will cease to exist with SomnoMed, Inc. being the surviving corporation post the merger.



# SOMNOMED LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 23. CONSOLIDATED ENTITY STRUCTURE (continued)

#### 23.2. Related party transactions

No Director has received any payment or consideration other than that disclosed in the Remuneration Report. No Director has entered into a material contract with the Company since the end of previous year and there were no material contracts involving Directors' interests existing at year end.

Directors or related entities received share options during the year as disclosed in the Remuneration Report.

#### 23.3. Key management personnel remuneration

Details of compensation practices and key management personnel compensation are disclosed in the Remunerations Report, which accompanies these financial statements.

##### Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Consolidated Entity is set out below:

Total remuneration	2025 \$	2024 \$
Short-term employee benefits	2,125,102	2,501,307
Post-employment benefits	93,674	104,981
Share-based payments	1,097,471	(324,076)
Termination benefits	-	647,068
	<b>3,316,247</b>	<b>2,929,280</b>

#### 23.4. Parent entity disclosure

At and throughout the financial year ended 30 June 2025, the parent company was SomnoMed Limited, which has adopted the accounting policies consistent with those of the Consolidated Entity, except for investments in controlled entities that are carried at their cost of acquisition less any provision for impairment.

	2025 \$	2024 \$
Net loss	(11,917,678)	(14,666,022)
Other comprehensive income	-	-
<b>Total comprehensive loss</b>	<b>(11,917,678)</b>	<b>(14,666,022)</b>
<b>Financial position of the parent entity at year end</b>		
Current assets	10,159,786	9,992,257
Non-current assets	14,237,559	21,651,444
<b>Total assets</b>	<b>24,397,345</b>	<b>31,643,701</b>
Current liabilities	6,034,715	3,352,372
Non-current liabilities	330,751	250,925
<b>Total liabilities</b>	<b>6,365,466</b>	<b>3,603,297</b>
<b>Total equity of the parent entity comprising of:</b>		
Issued capital	110,230,668	110,230,428
Share option reserve	9,752,425	7,805,713
Foreign exchange reserve	(701,535)	(701,535)
Accumulated losses	(101,249,679)	(89,294,202)
<b>Total equity</b>	<b>18,031,879</b>	<b>28,040,404</b>

There are no contingent liabilities or future commitments in respect to the parent entity.

## **SOMNOMED LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **24. EVENTS SUBSEQUENT TO REPORTING DATE**

The Directors have not become aware of any other matter or circumstance that has arisen since the end of the year to the date of this report that has significantly affected or may affect:

- (i) The operations of the Company and the entities that it controls
- (ii) The results of those operations, or
- (iii) The state of affairs of the Company in subsequent years.

## SOMNOMED LIMITED

### CONSOLIDATED ENTITY DISCLOSURE STATEMENT

As required by the Treasury Laws Amendment (*Making Multinationals Pay Their Fair Share – Integrity and Transparency*) Act 2024, the following provides information about the subsidiaries included in the consolidated financial statements of SomnoMed Limited as at 30 June 2025.

Name of entity	Type of entity	Equity Holding	Country of incorporation	Australian resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
SomnoMed Limited	Body corporate	100%	Australia	Yes	N/A
SomCentre Pty Limited	Body corporate	100%	Australia	Yes	N/A
SomnoMed, Inc.	Body corporate	100%	USA	No	USA
SomnoDent Pty Limited	Body corporate	100%	Australia	Yes	N/A
SomnoMed Pte Ltd	Body corporate	100%	Singapore	No	Singapore
SomnoMed AG	Body corporate	100%	Switzerland	No	Switzerland
SomnoMed Corporation Japan	Body corporate	100%	Japan	No	Japan
SomnoMed Nordic AB	Body corporate	100%	Sweden	No	Sweden
SomnoMed Philippines Inc.	Body corporate	100%	Philippines	No	Philippines
SomnoMed Netherlands BV	Body corporate	100%	Netherlands	No	Netherlands
SomnoMed France	Body corporate	100%	France	No	France
Goedegebuure Slaaptechniek BV	Body corporate	100%	Netherlands	No	Netherlands
SomnoMed Germany GmbH	Body corporate	100%	Germany	No	Germany
SomnoMed Service GmbH	Body corporate	100%	Germany	No	Germany
SMH Biomaterial AG	Body corporate	100%	Switzerland	No	Switzerland
SomnoMed Korea	Body corporate	100%	South Korea	No	South Korea
SomnoMed UK Limited	Body corporate	100%	UK	No	UK
SomnoMed Spain SL	Body corporate	100%	Spain	No	Spain
SomnoMed Italy S.r.L	Body corporate	100%	Italy	No	Italy
SomnoMed Canada Inc.	Body corporate	100%	Canada	No	Canada
SomnoMed Taiwan Limited	Body corporate	100%	Taiwan	No	Taiwan
Renew Sleep Solutions, Inc.	Body corporate	100%	USA	No	USA
SomnoMed Finance, Inc.	Body corporate	100%	USA	No	USA
SomnoMed Finland OY	Body corporate	100%	Finland	No	Finland

\*On 1 July 2025 an application was lodged to merge SomnoMed Finance, Inc. and Renew Sleep Solutions Inc into SomnoMed, Inc. Once approved these entities will cease to exist with SomnoMed, Inc. being the surviving corporation post the merger.

As at 30 June 2025, none of the above entities was a trustee of a trust within the Consolidated Entity, a partner in a partnership within the Consolidated Entity nor a participant in a joint venture within the Consolidated Entity.

## SOMNOMED LIMITED

### DIRECTORS' DECLARATION

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the information disclosed in the attached Consolidated Entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Ms Amrita Blickstead  
Co-Chief Executive Officer

28 August 2025



Ms Karen Borg  
Co-Chief Executive Officer

## INDEPENDENT AUDITOR'S REPORT

To the members of SomnoMed Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of SomnoMed Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in our audit
<p><b>Valuation of goodwill and intangibles</b></p> <p>Refer to Note 12 - Intangible Assets.</p> <p>The Group recognised intangible assets as at 30 June 2025 of \$21,487,575.</p> <p>This was determined to be a key audit matter as the determination of the value-in-use of each cash generating units (CGU) and whether or not an impairment charge is necessary, involved judgements and estimates by management regarding the future growth rates of the cash flows in each CGU, the discount rates applied to those cash flows, and other key assumptions required in determining the appropriate value-in-use.</p>	<p>Our audit procedures to address this key audit matter included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Assessing the appropriateness of identified CGU's and the allocation of carrying value of assets to identified CGU's.</li> <li>Obtaining the Group's value in use models and reviewing reasonableness of the cash flows against historical trends and future budgets approved by management and those charged with governance.</li> <li>Assessing the key assumptions within the cash flow model including the growth rate and terminal growth rate</li> <li>Considering the sensitivity of the key assumptions in the models by analysing the impact on the recoverable amount from changes in key assumptions.</li> <li>Checking the mathematical accuracy of the cash flow forecasts and impairment model.</li> <li>Using our valuation specialists to evaluate management's discount rates based on external data where available.</li> <li>Assessing the adequacy of disclosures within the financial report.</li> </ul>

#### Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [https://www.auasb.gov.au/media/bwvjcgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf)

This description forms part of our auditor's report.

#### **Report on the Remuneration Report**

##### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of SomnoMed Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

##### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit Pty Ltd**

BDO



Ian Hooper  
Director

Sydney, 28 August 2025

## ADDITIONAL INFORMATION (UNAUDITED)

### Shareholding

1) Distribution of Shareholders as at 3 August 2025	Shareholders	Shares	Percentage
Category (size of Holding)			
1-1,000	547	158,273	0.070
1,001-5,000	295	772,630	0.360
5,001-10,000	110	823,034	0.380
10,001-100,000	235	7,679,756	3.550
100,001-9,999,999,999	106	206,674,560	95.630
<b>Totals</b>	<b>1,293</b>	<b>216,108,253</b>	<b>100.000</b>

2) The number of shareholdings held in less than marketable parcels is 598

3) The names of the substantial shareholders listed in the holding company's register as at 3 August 2025 are:

Shareholder	Number of Ordinary Shares	Percentage
TDM Growth Partners Pty Ltd & Associates	67,716,079	31.33%
National Nominees Ltd ACF Australian Ethical Investment Limited	31,395,623	14.53%
FIL Limited and associated entities	17,800,389	8.24%
Dottie Investments Pty Ltd and associated entities	17,605,237	8.15%

### 4) Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

### 5) 20 Largest Shareholders — Ordinary Shares as at 3 August 2025

Rank	Name	No. of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1.	HSBC Custody Nominees (Australia) Limited	110,635,851	51.195%
2.	J P Morgan Nominees Australia Pty Limited	11,013,948	5.096%
3.	Dottie Investments Pty Ltd	9,166,619	4.242%
4.	Mutual Trust Pty Ltd	7,746,054	3.584%
5.	Howarth PAF Pty Ltd <The Howarth Foundation A/C>	5,415,675	2.506%
6.	Equity Plan Services Pty Ltd	4,582,482	2.120%
7.	BNP Paribas Nominees Pty Ltd <Clearstream>	4,287,467	1.984%
8.	Caroline House Superannuation Fund Pty Ltd <The Caroline House S/F A/C>	3,100,000	1.434%
9.	Timbina Pty Limited <Timbina Super Fund A/C>	2,696,297	1.248%
10.	Ginga Pty Ltd	2,444,216	1.131%
11.	Ginga Pty Ltd <TG Klinger S/F A/C>	2,367,685	1.096%
12.	P Neustadt Holdings Pty Limited <Belgove Super Fund A/C>	2,353,628	1.089%
13.	Mr Gaetano Alfred Gerrard <Rusbev Super FD A/C>	2,055,220	0.951%
14.	Belgove Pty Ltd	1,853,265	0.858%
15.	Golden Words Pty Ltd	1,650,419	0.764%
16.	Dinwoodie Investments Pty Ltd	1,584,612	0.733%
17.	REM Medical Pty Ltd <Cocoon Super Fund A/C>	1,342,801	0.621%
18.	Howarth PAF Pty Limited <Howarth Charitable Fund A/C>	1,315,225	0.609%
19.	Howarth Commercial Pty Limited	1,174,670	0.544%
20.	Dinwoodie Investments Pty Ltd <Dinwoodie Investments A/C>	1,164,286	0.539%
		<b>177,950,420</b>	<b>82.343%</b>



## CORPORATE DIRECTORY

### SomnoMed Limited

ACN 003 255 221

### Registered Office and Principal Place of Business

Level 3

20 Clarke St, Crows Nest 2065

Telephone: (02) 9467 0400

### Directors

Guy Russo	Non-Executive Chairman
Amrita Blickstead	Executive Director
Karen Borg	Executive Director
Benjamin Gisz	Non-Executive Director
Michael Gordon	Non-Executive Director
Andrew Price	Non-Executive Director

### Chief Executive Officers

Amrita Blickstead

Karen Borg

### Chief Financial Officer

Ye-Fei Guo

### Company Secretary

Terence Flitcroft

### Patent Attorneys

Spruson & Ferguson

### Bankers

HSBC

Westpac Banking Corporation

### Auditors

BDO Audit Pty Ltd (Australia)

### Share Registry

Boardroom Pty Limited

SYDNEY NSW 2000

(GPO Box 3993 Sydney NSW 2001)

Telephone (02) 9290 9600

Facsimile (02) 9279 0664

[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### Company Website

[www.somnomed.com.au](http://www.somnomed.com.au)

### Stock Exchange listing

SomnoMed Limited shares are listed on the Australian Securities Exchange (ASX code: SOM)

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ANNUAL REPORT

**2025**

[www.somnomed.com](http://www.somnomed.com)