SomnoMed®

Investor Presentation

Full Year 2022 results

Treatment focused.
Technology driven.

Disclaimer

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

Some of the statements contained in this release are forward-looking statements. Forward looking statements include but are not limited to, statements concerning estimates of future sales, expected revenues and costs, statements relating to the continued advancement of the Company's operations and other statements which are not historical facts. When used in this document, and on other published information of the Company, the words such as "aim", "could", "estimate", "expect", "intend", "target", "forecast", "future", "will", "may", "potential", "should" and similar expressions are forward-looking statements.

Although the company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results and projections of future performance to differ from these forward-looking statements as a result of known and unknown risks, uncertainties and other factors not anticipated by the Company or disclosed in the Company's published material. Many of these factors are beyond the control of SomnoMed Limited and may involve subjective judgement and assumptions as to future events, which may or may not be correct.

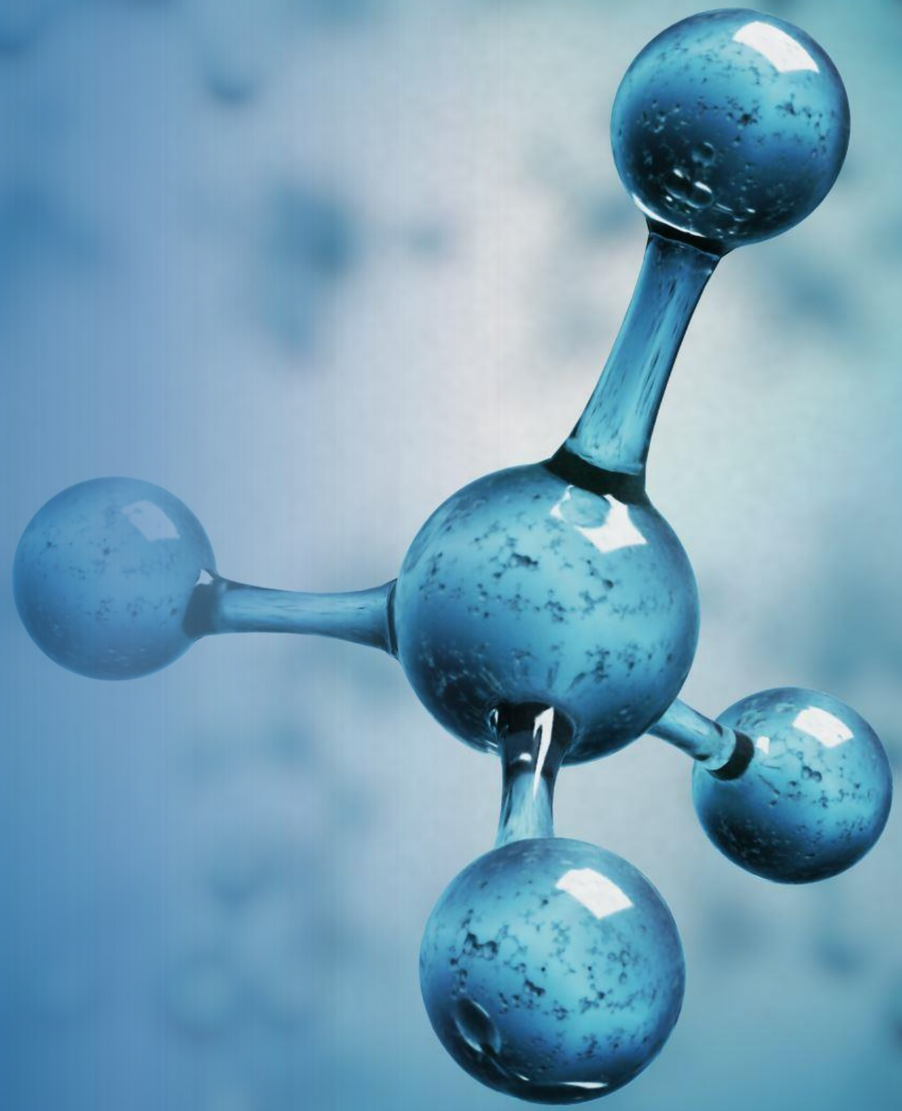
The Company does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this document.

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

Agenda

- **FY22 highlights**
- **Vision and market opportunities**
- **Financial information**
- **Rest Assure® connected technology**
- **Future outlook**

FY22 highlights



FY22 financial highlights

Total revenue
A$72.6m
+16% vs FY21

Delivered on FY22 guidance

North America
+33% vs FY21

Europe[1]
+15% vs FY21

APAC
+1% vs FY21

EBITDA[2]
A$1.3m

Stable product gross margin of 70%

EBITDA[2] above guidance despite investment for growth

Investments include new technology initiatives and increased sales & marketing activities

Cash
A$15.6m

Secured net $11m in new debt funding post FY22

Positive net operating cash flow

Sufficient capital to support ongoing growth initiatives

[1] Excludes HIC (Health Care Companies) Revenue which is associated with allowances received in the Netherlands which compensates SOM for a portion of lost managed care income in the country due to COVID-19
[2] EBITDA does not include share/option expenses, unrealised forex gain/(loss) and discontinued operations

SomnoMed

FY22 strategic & operational highlights

- Revenue momentum in FY22 demonstrates the **strong fundamentals of the core business** and the large growth opportunity for oral appliance solutions in the treatment of obstructive sleep apnea (OSA)
- **Strengthened sales and marketing efforts** in each OSA market
- **Strong momentum in FY22** with record Q4 FY22 revenue of $21.3m
- Proactively **delivering a range of initiatives to secure our supply chain** with the aim to limit any negative impact of inflation pressure on our cost structures to protect margins and cash flow
- Europe's **reimbursement initiatives** continue, with the medical community indicating a growing acceptance of oral appliance therapy
- North America's success with the **Herbst Advance Elite™** differentiating it from all other products in the category
- Growing demand from patients, sleep physicians and other providers **for new technologies that provide an alternative to CPAP**
- **Development of Rest Assure®**, an inbuilt technology-enabled device to address the lack of overnight monitoring in COAT™ applications

Digital manufacturing excellence

Continued investment into digital manufacturing and engineering excellence to sustain expected milled device growth, while driving enhanced quality foundations and continuous improvement capabilities

- **Quality** - continue providing a 98% first-time-fit experience to patients and dentists ordering milled devices from IOS impressions, while enhancing retention prediction capabilities
- **Production upscaling and Rest Assure® technology industrialization** - doubling milling capacity and streamlining digital manufacturing workflow through a completely new layout of the Central Production Facility
- **Gross margin improvement** – “level up” materials engineering and digital manufacturing capabilities to optimize milled devices material usage and reduce cost of raw materials by c.30%
- **Talent search** - recruit new engineering skills by improving the Central Production Facility CAD/CAM offices and developing the focused internal talent search function
- **Automation** - lay foundations for automation of manufacturing processes and quality controls**,** emphasizing material handling reduction, automation of critical-to-quality processes and integration of smart vision systems

Vision and market opportunity

SomnoMed’s vision and mission

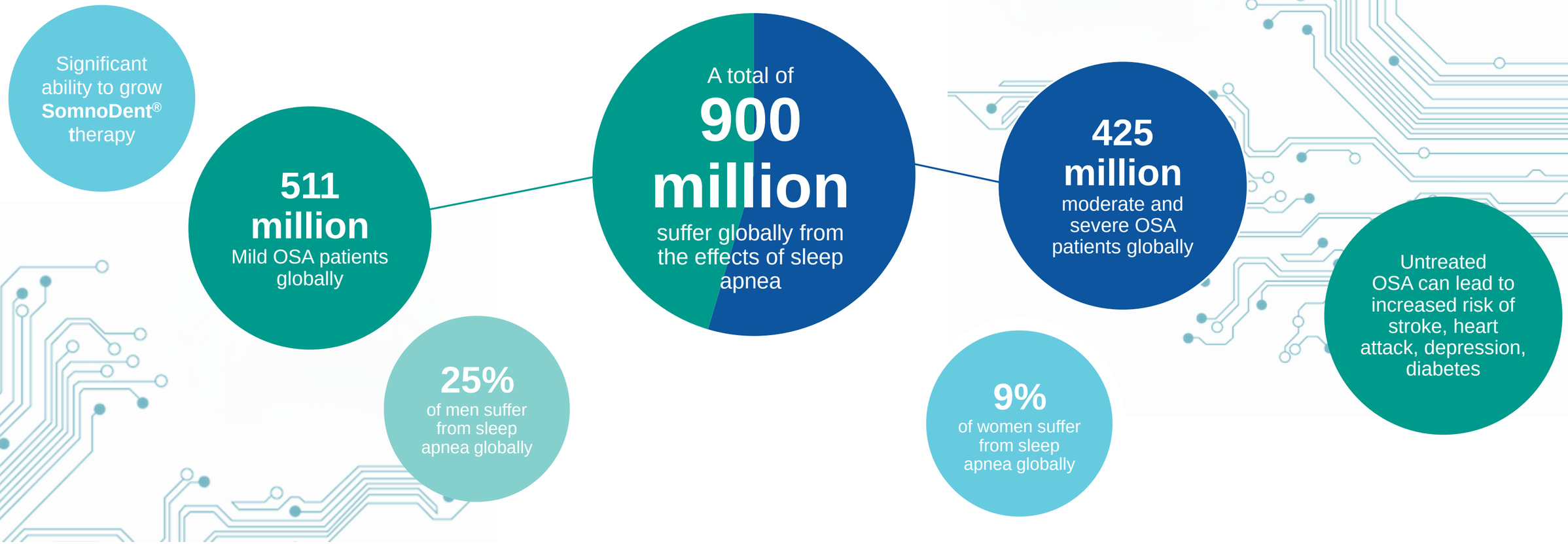
Our vision is to lead in the treatment of patients suffering from obstructive sleep apnea and relevant adjacent conditions

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

Significant addressable markets globally

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

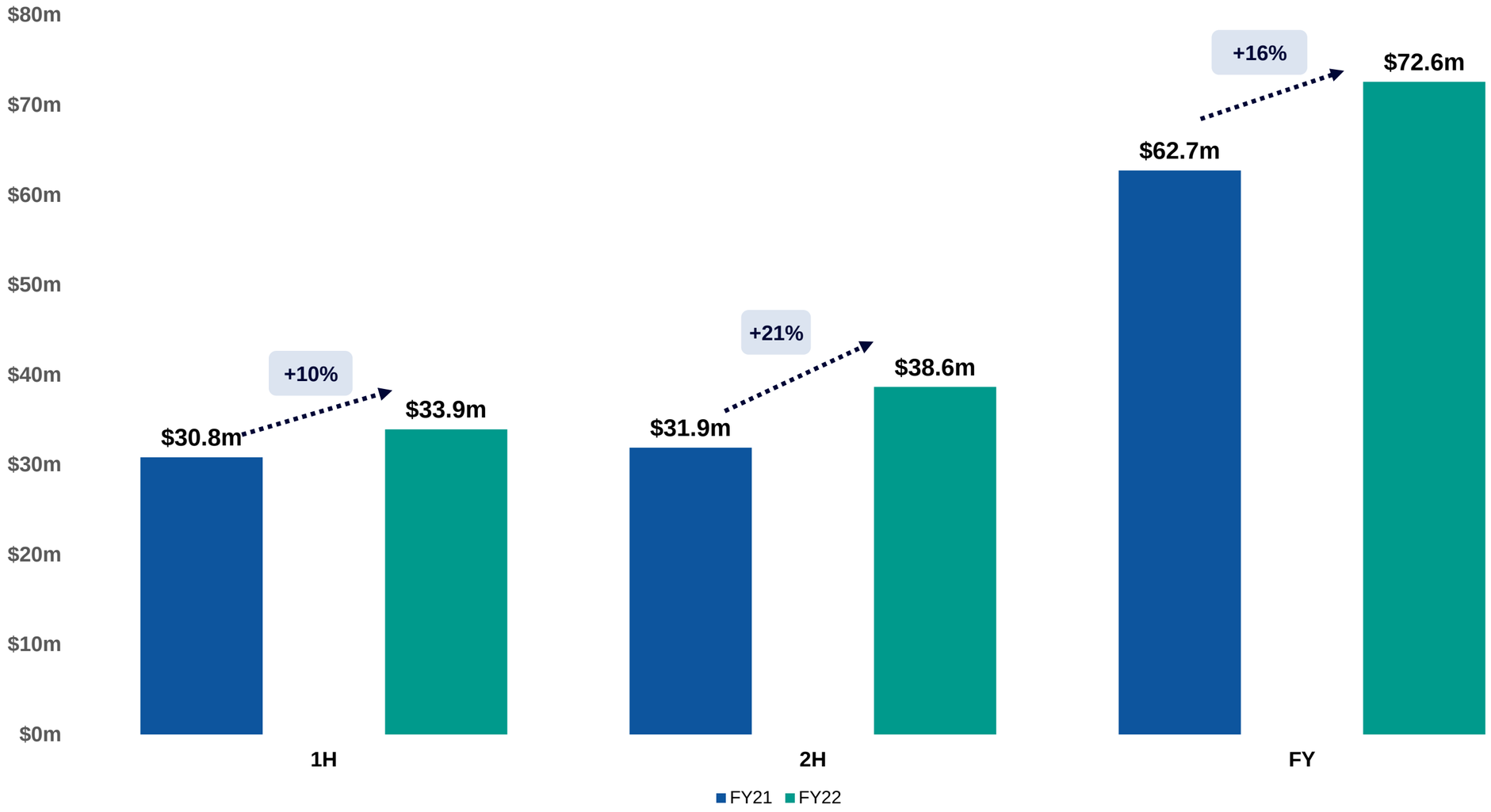
Obstructive sleep apnea (OSA) is a disorder that occurs when a person's breathing is interrupted during sleep because the airway becomes blocked



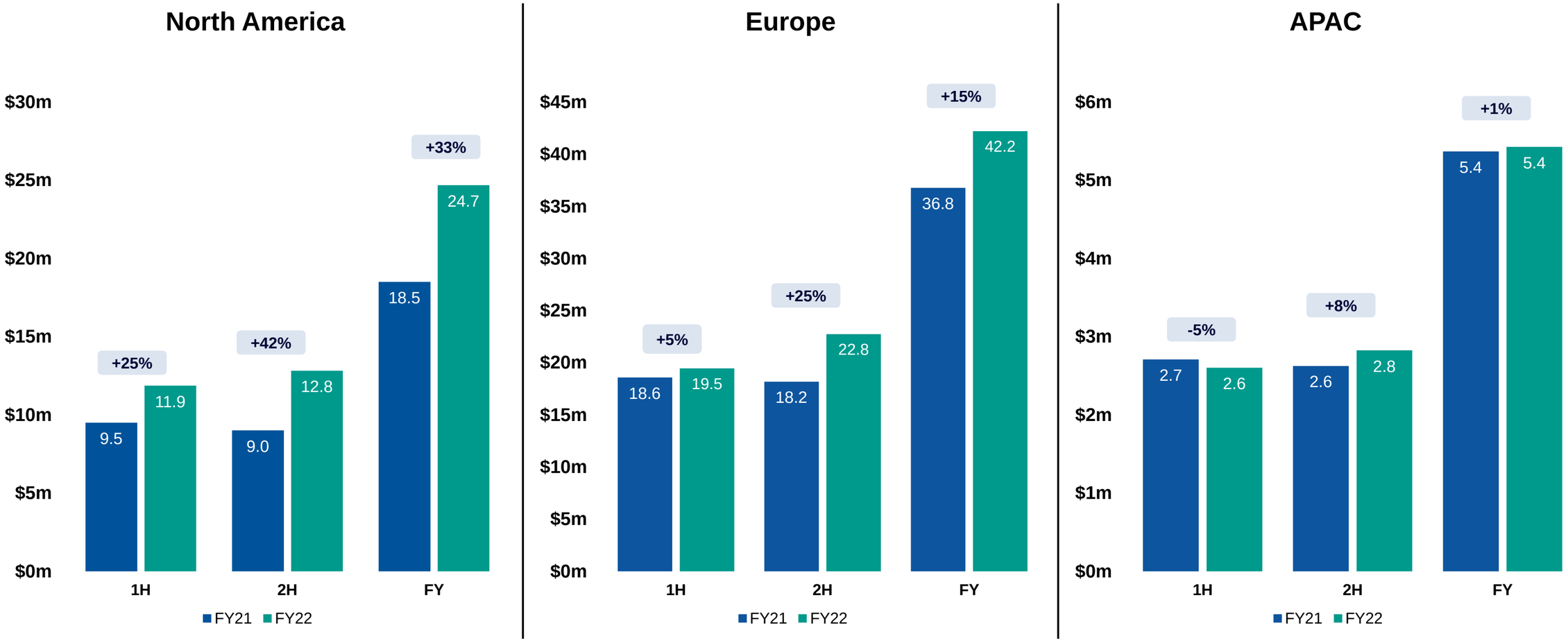
1. Benjafield et.al : Estimation of the global prevalence and burden of obstructive sleep apnoea: a literature-based analysis, ***Lancet Respir Med* 2019**

Financial information

Total group revenues



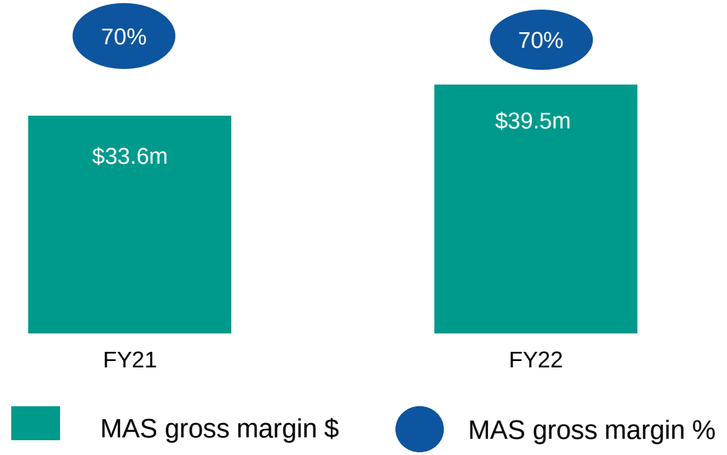
Total regional revenues



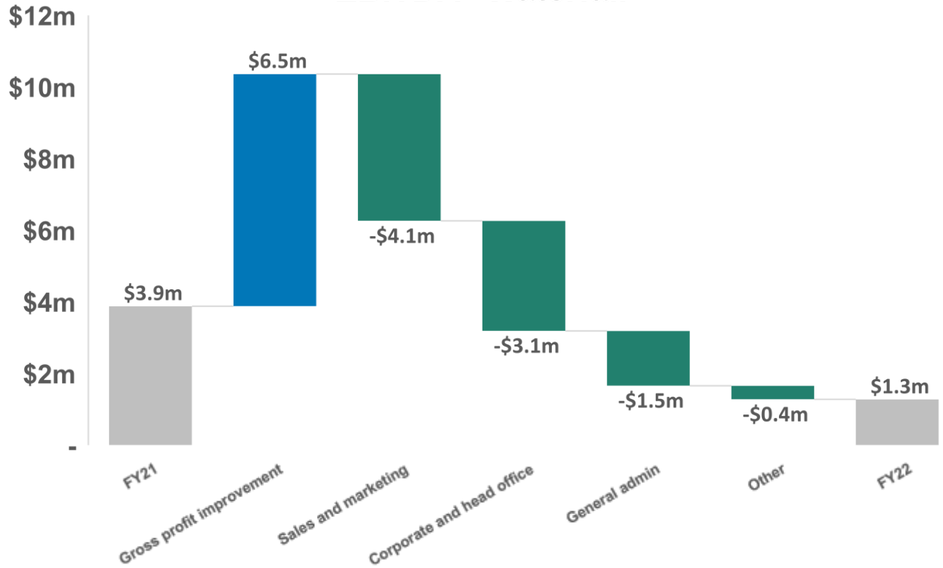
EBITDA[1] and margin analysis

- Gross margin grew by $6.5m vs FY21, reflecting increased revenues driven by growth initiatives and improving engagement post COVID-19 impacts
- The MAS product gross margin of 70% remained stable for FY22
- EBITDA[1] above guidance, despite SOM investing into growth initiatives
- The main areas into which the increased gross margin was reinvested include:
  - Expansion of sales and marketing resources globally, including structural improvements notably to prepare the advent of Rest Assure®, which benefits will be realised in the future
  - Investment in R&D, strategic marketing teams, One Platform licences and IT infrastructure to support in-device technology
  - Increase in medically targeted advertising and communications

Product gross margin



EBITDA[1] Waterfall



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

Profit and loss summary

A$m	FY22	FY21	%
Revenue	72.6	62.7	+16%
Gross margin	44.3	37.7	+17%
Regional sales & marketing expenses	(19.7)	(15.6)	+27%
Regional administrative expenses	(12.6)	(11.2)	+13%
Operating profit **(before corporate, research and business development)**	**11.9**	**11.0**	**+9%**
Corporate & head office expenses	(10.9)	(7.8)	+40%
Government assistance	0.3	0.7	-57%
EBITDA[1]	**1.3**	**3.9**	**-66%**

Regional sales and marketing expenses including:

- $3m on sales and marketing resources to drive organic growth as well as to support new product initiatives
- $1m in travel and medically targeted advertising and communications

Corporate and head office expenses including:

- $2m in R&D, staff and infrastructure associated with growth and the development of Rest Assure®
- $1m in IT and system licences to build foundations needed to support Rest Assure®

Key metrics	FY22	FY21
MAS gross margin %	70.3%	70.5%
Group gross margin	61.0%	60.4%

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

Summary balance sheet and cash flow

Statement of financial position

A$m	Statutory 30 Jun 2022	Statutory 30 Jun 2021
Cash and cash equivalents	15.6	21.1
Inventories	3.1	2.3
Trade and other receivables	11.6	10.6
Plant and equipment	4.4	4.7
Goodwill & intangibles	15.4	8.6
Right of use asset (AASB16)	4.7	5.6
Deferred tax assets	3.0	3.0
Other assets	0.3	0.1
Total Assets	**58.0**	**56.2**
Payables	12.9	10.6
Borrowings – commercial	4.6	-
Borrowings – governments	2.3	2.3
Provisions	4.2	3.5
Income tax payable	1.1	1.0
Lease liability (AASB16)	5.1	6.4
Other liabilities	-	0.2
Total Liabilities	**30.3**	**24.0**
Net Assets	**27.7**	**32.2**
Net Cash	**8.8**	**18.8**

Statement of cash flows

A$m	Statutory 30 Jun 2022	Statutory 30 Jun 2021
EBITDA[1]	1.3	3.9
Movement in working capital & other non-cash	1.7	(0.1)
Tax paid	(0.7)	(0.6)
Net finance costs paid	(0.4)	(0.5)
Net cash flow from operating activities	**1.9**	**2.7**
Proceeds from term deposits	0.3	(0.3)
Payments for intangible assets	**(7.8)**	(2.0)
Payments for property, plant and equipment	(1.0)	(2.0)
Operating cash flow	**(6.6)**	**(1.7)**
Proceeds from issue of shares	-	0.4
Borrowings / (repayment of borrowings)	**4.5**	(4.8)
Other (AASB16 leased assets payment)	(2.5)	(2.5)
Exchange rate adjustments	(0.9)	(0.5)
Net cash flow	**(5.5)**	**(9.0)**

Net cashflow from operating activities:

Balanced increased investment with improved gross profit to deliver positive cash flow

Payments for intangible assets:

$5.1m Rest Assure®

$2.7m on systems implementation to support Rest Assure® including eCommerce platform, CRM, and business intelligence module

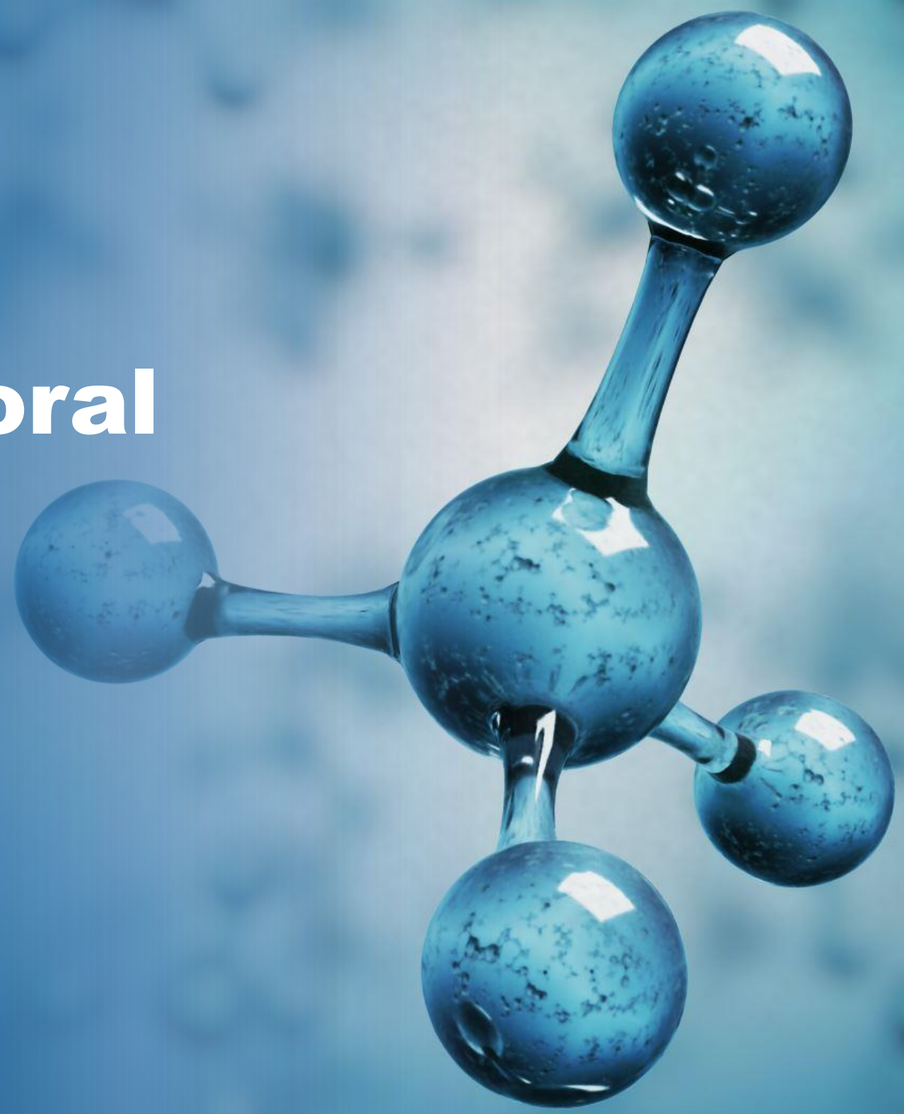
Borrowings:

Fully drawn credit facility of €3.0m (A$4.5m) with HSBC in Q3 FY22

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

Rest Assure®

SomnoMed's technology-enabled oral appliance



Rest Assure® technology

Smart oral appliance and cloud based infrastructure

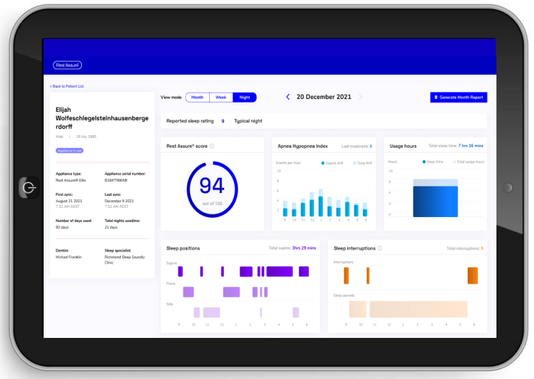
SOM algorithms determine AHI[1], graphs, tables

Smart oral appliance with sensors recording overnight data.

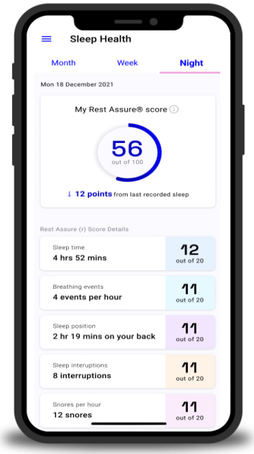
Patient docks their device after night's sleep in the SomnoMed supplied docking station.

Raw data transferred via Bluetooth to SOM cloud based servers.

Physician portal



Patient app



Data transferred to physician / dentist web based portal and patient phone app so that they can see results.

[1] Apnea Hypopnea Index (AHI), an Index used to indicate the severity of sleep apnea represented by the number of apnea events per hour of sleep

Patient study validation

2 stage, best practice approach

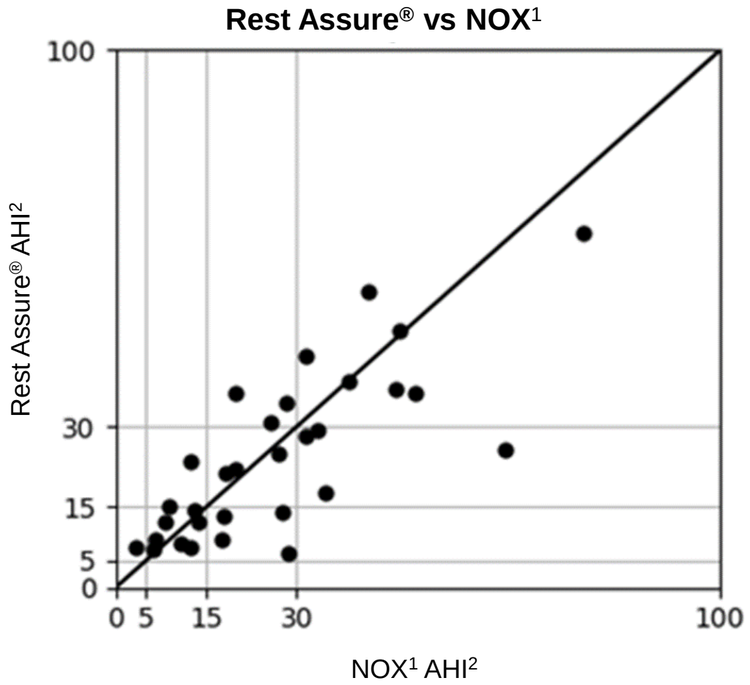
Derivation of efficacy algorithm study:

- 30 patients (~480 hours of sleep)
- Rest Assure® algorithms developed from output from NOX[1] sleep test
- Correlation of r^2= 0.73 (as per chart)

Validation of efficacy algorithm study:

- 25 patients (different to first study), with each patient wearing Rest Assure® for 2 nights (total 50 nights of data)
- Rest Assure® algorithms using mandibular movement compared with output from NOX[1] sleep test
- Algorithms that measure both sleep position and adherence to treatment show good concurrence with NOX[1]
- Algorithms to measure sleep time require optimization vs. NOX[1] prior to launch

High correlation with NOX[1] AHI[2] (efficacy)



[1] The NOX Sleep Test is a Type II, portable Home Sleep Test. It is a standard diagnostic test in sleep medicine
[2] Apnea Hypopnea Index (AHI), an Index used to indicate the severity of sleep apnea represented by the number of apnea events per hour of sleep

Timeline for commercial readiness

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

Delivered in FY22:

- Finalise patent strategy
- Present at World Sleep meeting (~3,000 physician attendees)
- Completion of second patient validation study
- Final design for docking station and sensor package
- Selection and validation of sensor and docking station manufacturers

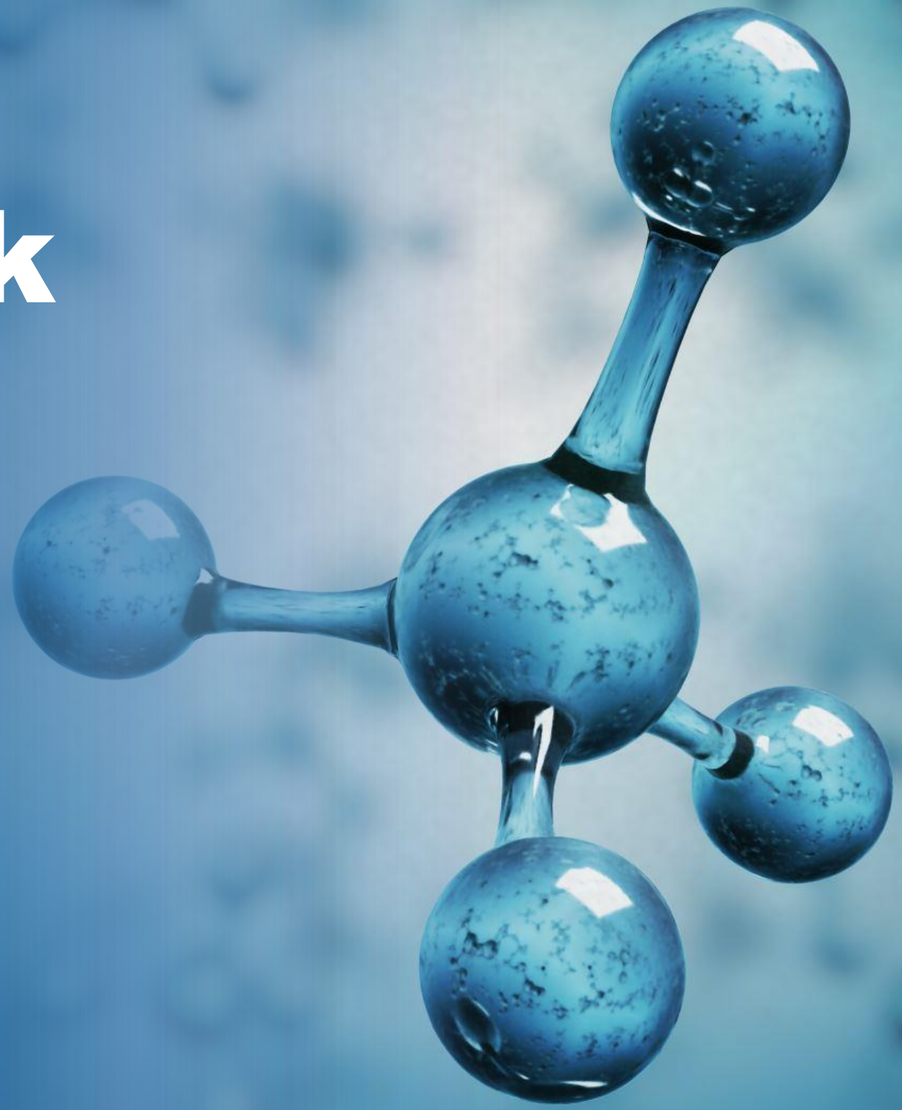
Rest Assure®

Empowering Sleep

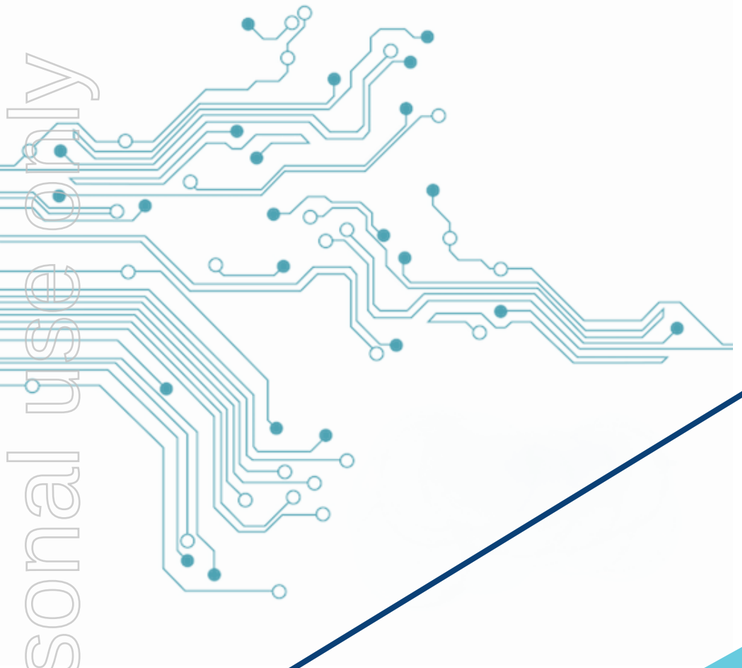
FY23 focus:

- First production run for internal testing
- End-to-end validation of hardware, software and cloud based systems
- Preparation and submission of regulatory documentation to FDA, CE and TGA
- Commercialisation pending review by regulatory authorities

Future Outlook



Positioned for future growth



Investment in the technology pathway to unlock true COAT™ potential

Best in class service and technical support

Extensive and growing sales and distribution footprint in both dental and medical channels

Design and innovation driving patient comfort

Strong clinical research supporting COAT™ therapy

Clinical Research overview

SomnoMed remains committed to clinically validating our devices' comfort, quality, compliance and efficacy

SOM has supported clinical research in COAT™ from our inception in 2004.

4,000+ patients have participated in IRB approved clinical trials supported by SOM.

Clinical research is focused on addressing barriers to the adoption of COAT™.

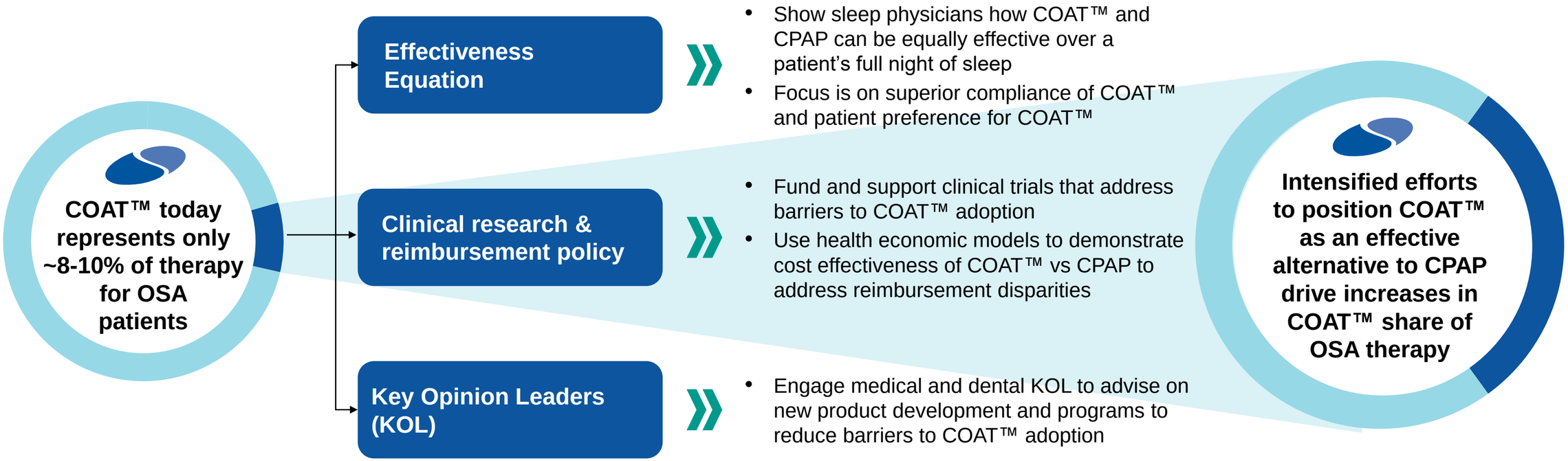
Our ongoing clinical research is expected to continue to support that COAT™ and CPAP have similar clinical effectiveness when both efficacy and compliance are measured.

High quality clinical research provides a foundation for governments and insurers considering reimbursing COAT™ as a treatment for OSA.

Future studies, conducted at some of the world's leading medical institutions, are aimed at improving efficacy, adherence and the comfort of COAT™ in the treatment of OSA and adjacent health conditions.

Future study aims	Indication	Participants	Location	Country	Expected completion date
Evaluate the effectiveness and compliance of the SomnoDent® Avant as a first-line treatment for OSA	OSA	60	Clayton Sleep	US	Q2FY23
Categorize patients in terms of the effects of OAT on supine and non-supine components of Sleep Disorder Breathing	OSA	120	Antwerp University Hospital	BE	Q2FY23
Develop a more effective and efficient approach to implement MAS therapy in adult patients with moderate or severe OSA who have failed initiation or are deemed unsuitable for CPAP therapy	OSA	60	Cardio Respiratory Sleep	AU	Q2FY23
Assess adherence, preference and effectiveness (efficacy + adherence) to treatment for CPAP and Mandibular Advancement Splint (MAS) for patients with mild to severe OSA	OSA	80	The University of British Columbia	CAN	Q3FY23
To provide evidence that OAT has an effect on the mechanisms that lead to Cardiovascular Disease (CVD) in at risk patients	CVD	105	Charles Perkins Centre, University of Sydney	AU	Q4FY23
Investigate whether OAT can effectively suppress sleep disorder breathing in patients with heart failure	Heat Failure	30	Juntendo University Hospital	JP	Q4FY23
Reducing Sleep Apnea for the prevention of Dementia (REShAPED) study to test the prevalence of sleep apnea in the target population	Alzheimer's	180	The University of Sydney	AU	Q1FY25

Growing the sector through positioning the patient's alternative



~ 900+ million sleep apnea patients globally

Outlook

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

FY23 guidance	Operational initiatives	Strategic objectives	FY2026 aspiration[2]
• Revenue growth of at least 20% • EBITDA[1] of at least $2m • CAPEX investment c.$7m of which technology innovation spend expected to be c.$3m	• Drive medical initiative program • Build and expand sales and marketing teams globally • Secure supply chain and mitigate negative impact of inflation and cost pressures	• Remain patient centric and multidisciplinary in approach • Execute on “treatment focused / technology driven” • Build a long-term sustainable medical device company	• Over 1.5 million patients treated • >20% CAGR revenue growth to c.$150m • Stable product gross margin • Target EBITDA[1] margin >10% of total revenue to c.$15m

[1] EBITDA does not include share/option expenses, unrealised forex gain/(loss) and discontinued operations
[2] All statements in relation to future revenue, margins, EBITDA aspirations are based on management estimates and reflect management’s internal goals and should not be taken as forecasts or guidance in any way

SomnoMed®

For further information please contact:

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

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