



The Manager  
Company Announcements Office  
Australian Securities Exchange Limited  
20 Bridge St  
Sydney NSW 2000

**Chairman's AGM address by Guy Russo**  
**2021 Annual General Meeting**  
**25 November, 2021**

Dear Shareholders

It is an honour to address you today as your Chairman. It has now been just over a year since I joined as Chairman and I remain incredibly excited about the opportunities that lie ahead. The global market size and the amazing passion and commitment of our teams give me that confidence. SomnoMed changes peoples' lives – literally. SomnoMed gives people the opportunity to function again through its effective technology. This completely aligns with my own business passions, a clear focus on real commercial opportunities and the direct satisfaction of our customers.

SomnoMed has had a challenging year once again, due to the ongoing COVID-19 pandemic. SomnoMed focused on maintaining cautious fiscal discipline while instilling confidence within the business and within all its staff. Our executive team has led by example and reinforced the strong culture that exists globally. The business grew its revenues in FY21 by 9% (15% in constant currency) and although this was affected by COVID-19, the Company is now looking towards a more "managed COVID" situation in the future.

The opportunity to help treat millions of patients suffering from OSA (Obstructive Sleep Apnea) remains large and growing. Treating OSA with COAT™ ("Continuous Open Airway Therapy"), which has been pioneered by SomnoMed, has enormous potential because it is the "patients' choice". SomnoMed offers a wide range of clinically validated and researched oral appliances that are comfortable to wear, durable and highly effective. SomnoMed operates under all the necessary medical manufacturing regulations around the world to ensure the delivery of a high-quality medical device to the patients of our clinical partners.

Neil and his team continue to work tirelessly to promote stronger clinical guidelines, as well as investing in and supporting clinical research, which validates our treatment option. The number of patients throughout the world treated with a SomnoDent® device surpassed 650,000 recently, while the company drives greater acceptance and adoption of its technology within all medical and dental communities.

I would like to thank the Board for their efforts and input throughout the past year. Our board is engaged, insightful and extremely hard working. I would like to thank Ms Amrita Blickstead, Ms Karen Borg, Mr Michael Gordon, Mr Hilton Brett and Mr Hamish Corlett for their tireless contribution to this company.

Before I hand over to Neil to give you more colour on the current trading conditions and future directions, allow me to thank you for your support during 2021 and express the Board's full confidence in Neil and his team. Your business has never been stronger.

It is now my pleasure to introduce our Managing Director and CEO, Mr Neil Verdal-Austin.

**Managing Director's address by Mr Neil Verdal-Austin**  
**2021 Annual General Meeting**  
**25 November, 2021**

It is indeed an honour to address you today and provide you with an update on the business.

It is now three years ago that I was appointed as your CEO and we began a new journey for SomnoMed Limited. Throughout my 13 years at SomnoMed and especially during this past, very difficult COVID effected period, it has become even clearer to me that our Company is an incredible organisation. Incredible, simply because of what we do for patients who suffer from Obstructive Sleep Apnea ("OSA") and how we positively affect their lives. Incredible also, because of the people who *are* SomnoMed. I have many stories that depict and evidence the true attitude, passion and energy which exists at SomnoMed. Our employees and partners all know what it means and how it feels when we help treat OSA patients. It is this mind-set and culture that will ensure that this business will achieve its potential in the future. It is that future that I want to address today.

Firstly, I would like to provide a quick trading update.

As you know our Company finished the FY21 year on revenues of \$63million (+9% to prior year) and posted an underlying EBITDA<sup>1</sup> profit of just under \$4million. We have also recently posted the results for Q1. The Q1 numbers confirmed the improving sales momentum, with revenues of \$15.6million and up 14% (16% constant currency) to prior year. It is anticipated that Q2 will continue with this momentum seen in Q1.

SomnoMed has achieved many of the goals I had set the organization for the year:

- A return to strong sales growth in the US, where the restructured teams are seeing great results in all aspects of the business, with leading digital product offerings with the proprietary BFlex comfort liner material
- In Europe, we continue to invest in the developing markets where we see positive reimbursement trends changing in our favour with incredible results
- In APAC, we are focused on growing our network of medical referrers, who are accepting COAT™ more regularly as the most comfortable and effective alternative to CPAP
- We continue on our digital manufacturing journey and explore ways to bring this closer to the sales regions and our customers
- We continue to build on our Human Resources, Finance and Operations capabilities on a global basis to enable to deliver an unparalleled customer experience in the 28 countries in which we trade.

Secondly, I would now like to turn to the future of our Company. SomnoMed has an exciting and long-term opportunity to invest in a transformational technology to build on its competitive advantage. We are now at the start of this journey. While we always focus on our treatment offering and the investment in sales and marketing resources on a regional basis, SomnoMed is also developing a new smart ecosystem for the future. We will announce further details of this technology in early 2022.

The slide presentation which will come up on your screens provides further detail on a number of the matters contained in my address.

Finally, I would like to thank you, our shareholders for the support over these past 12 months. My thanks also go to the many new shareholders who joined us during the year and invested in SomnoMed as we embark on a new era.

Thank you all for your trust and support in our Company, in me as your Managing Director and CEO and to the executive team who have helped me to achieve the results that we have seen during the past 12 months. We look forward to continued growth in the current financial year and beyond.

Thank you for the opportunity to lead this company and change people's lives.

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This release has been approved by the Board of SomnoMed Limited



# AGM Presentation

25 November 2021

**Treatment focused.  
Technology driven.**



# SomnoMed's Vision/Mission

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

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



# Highly experienced and supportive board of directors



**Guy Russo**

Non-Executive Chairman

Highly accomplished business leader with strong commercial & customer oriented background



**Amrita Blickstead**

Non-Executive

Currently COO & CMO for eBay Australia  
Trained biomedical engineer



**Michael Gordon**

Non-Executive

Currently CFO of ROKT, a high growth technology business



**Karen Borg**

Non-Executive

Currently CEO of Healthdirect Australia  
Former President APAC, ResMed



**Hilton Brett**

Non-Executive

Currently operating partner at TDM Growth Partners, with extensive consumer retail experience



**Hamish Corlett**

Non-Executive

Founder and director of TDM Growth Partners  
TDM made its first investment in SomnoMed in 2010 and has been a substantial shareholder since 2012



**Neil Verdal-Austin**

Managing Director

25+ years experience with various medical distribution and manufacturing companies  
CEO since 2018; previously CFO for 10 years



# Passionate and driven management team



**Hervé Fiévet**  
CFO

Joined SomnoMed in April 2019  
Extensive experience in all aspects  
of managing finance, IT, supply  
chains, global purchasing, legal  
and HR



**Neil Verdal-Austin**  
CEO

27+ years experience with various  
medical device , distribution and  
manufacturing companies  
  
CEO since 2018; previously CFO  
for 10 years



**Mark Harding**  
Senior VP, Global Marketing

Joined SomnoMed in July 2019.  
Strong track record of executing  
sales & marketing strategies in  
APAC, Europe and Australia



**Marco van Kleef**  
VP, Sales & Marketing Europe

Joined recently with vast medical  
device and sleep experience of  
22+ years in the European region



**Paul Cotte**  
VP, Sales & Marketing APAC

Joined SomnoMed in April 2018  
Marketing and sales leader with  
extensive medical device experience



**Matthew Conlon**  
EVP, Sales & Marketing North America

Joined SomnoMed in October 2019  
Extensive experience in the medical  
devices industry and technologies  
sector and navigating strategic change



**Christopher Bedford**  
VP, Research & Development

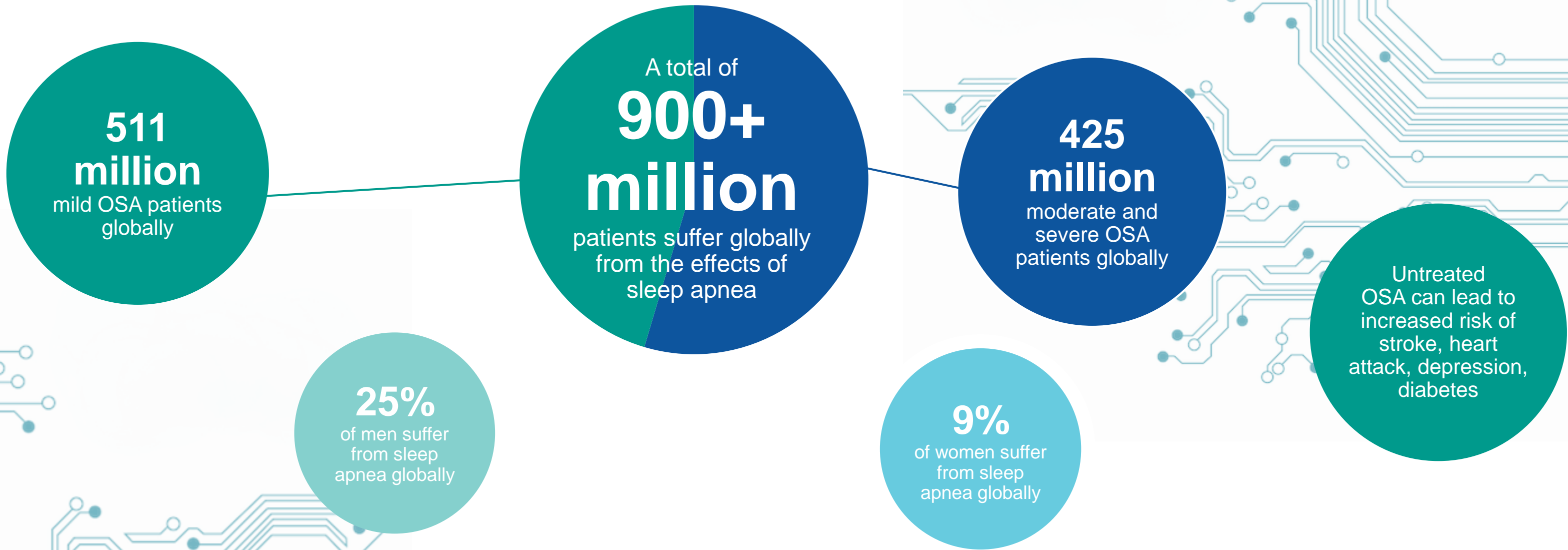
17+ years at SomnoMed  
Appointed VP of R&D in  
August 2017



# 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

# The SomnoMed product difference

**SomnoDent<sup>®</sup> AVANT<sup>™</sup>**  
SLEEP APNEA APPLIANCE



SomnoMed delivers the highest level COAT<sup>™</sup> comfort and quality

## Technologically Advanced



Materials that improve patient comfort and product function

## Cost Effective Solution



Lower cost to fit, maintain and retain customers for sleep physicians, dentists and insurers

## Superior Comfort



Designed with proprietary materials, SomnoDent<sup>®</sup> devices are known for their custom fit

## Customised

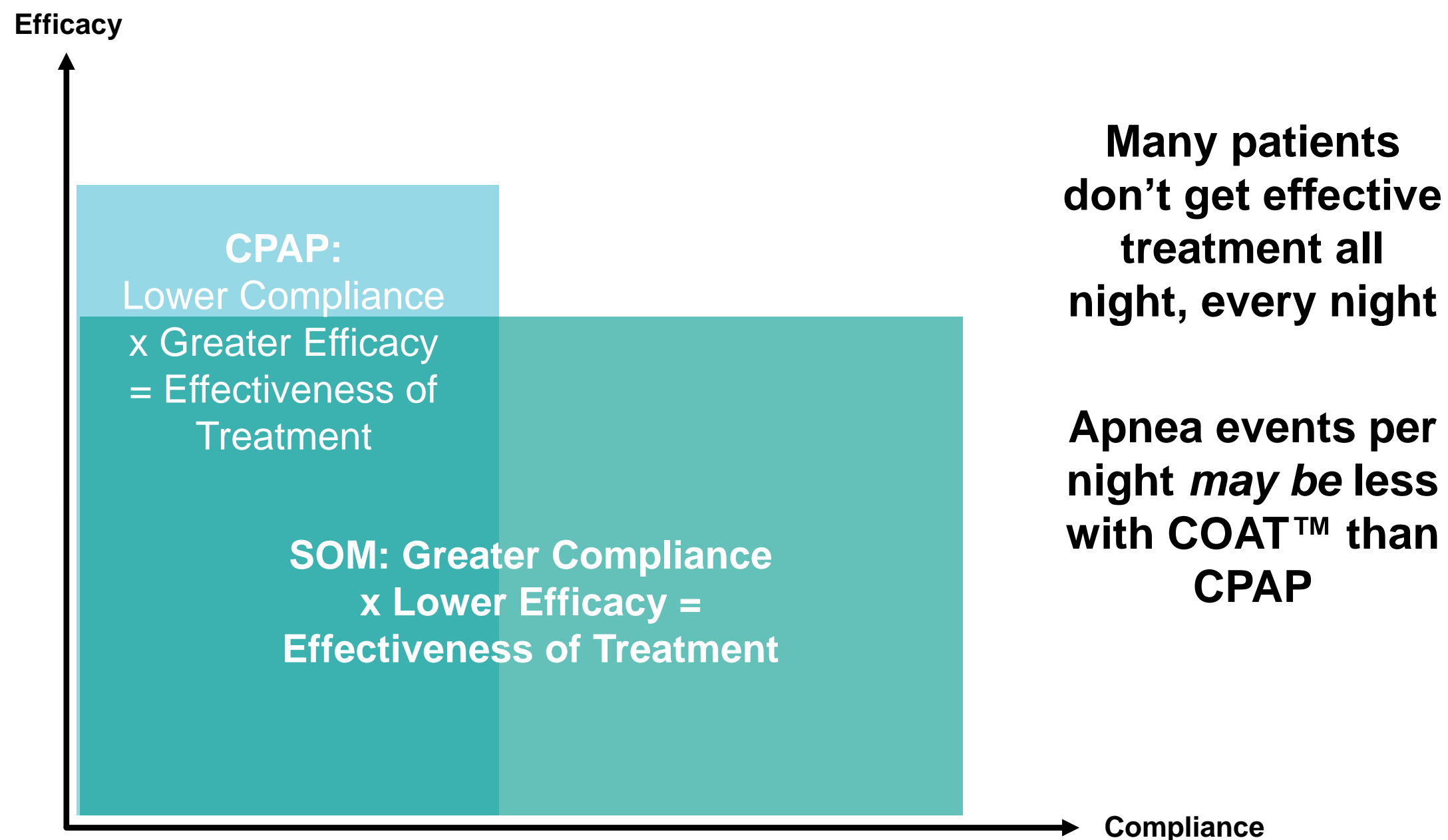


Patient-specific and fitted by a qualified sleep dentist



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

# Improving treatment effectiveness for OSA patients

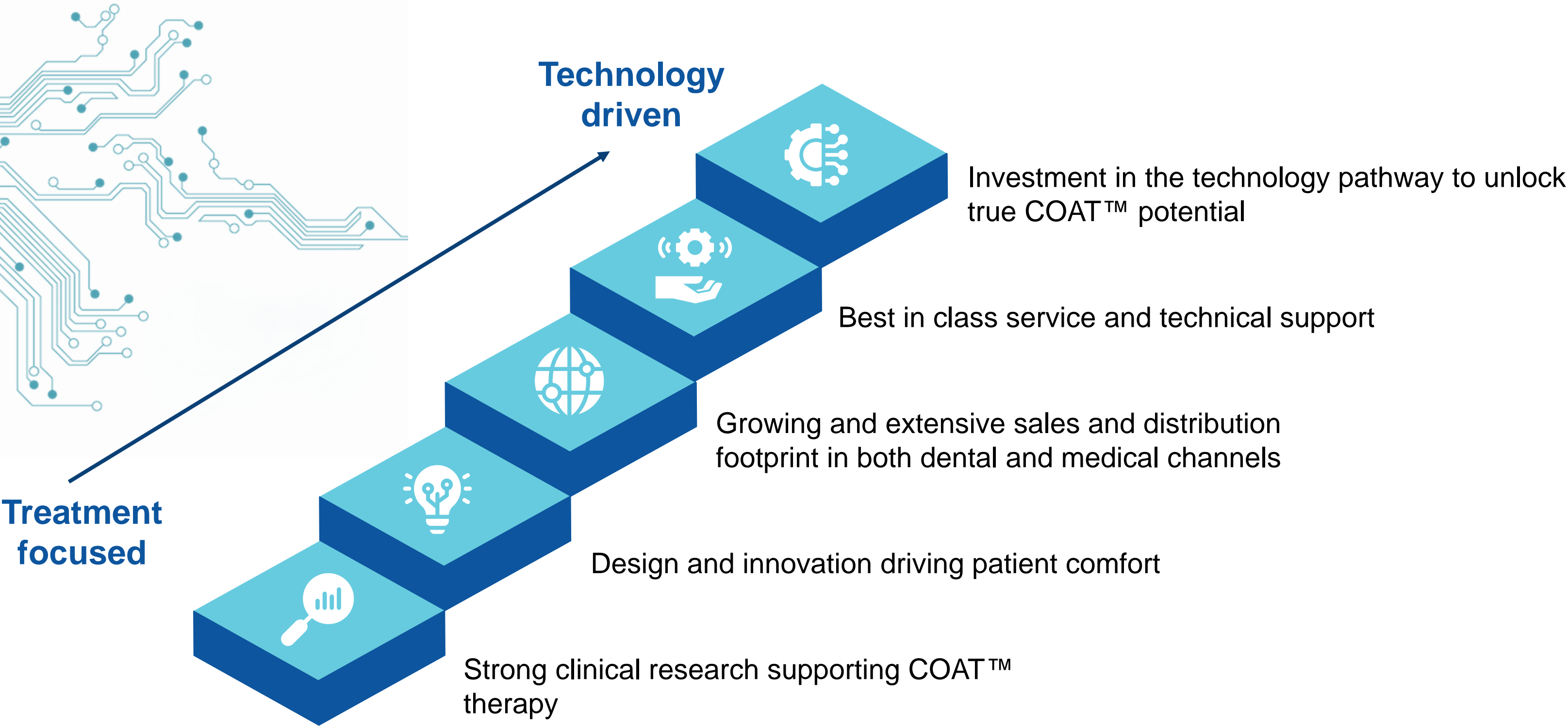


## Clinical Insight

*The findings are sobering. Our data suggest that despite numerous changes to machine and mask dynamics as well as behavioral interventions, CPAP adherence remains a severe problem for management of patients with OSA - the concept of CPAP as gold standard for OSA therapy is no longer valid.<sup>1</sup>*

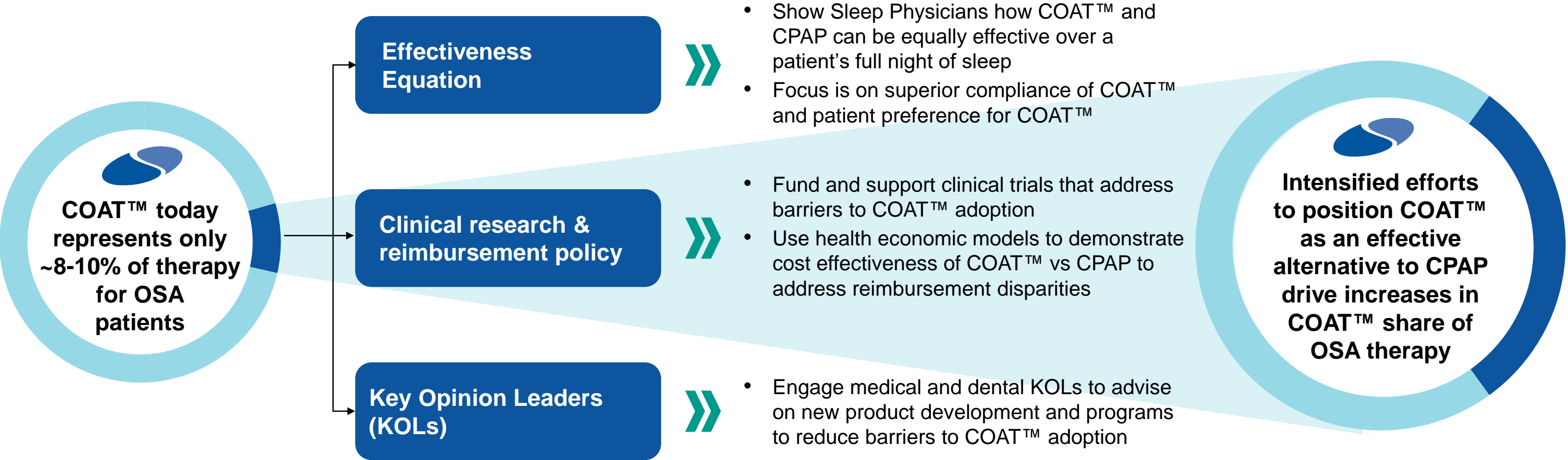
1. Rotenberg et al. Journal of Otolaryngology - Head and Neck Surgery (2016) 45:43

# Positioned for future growth





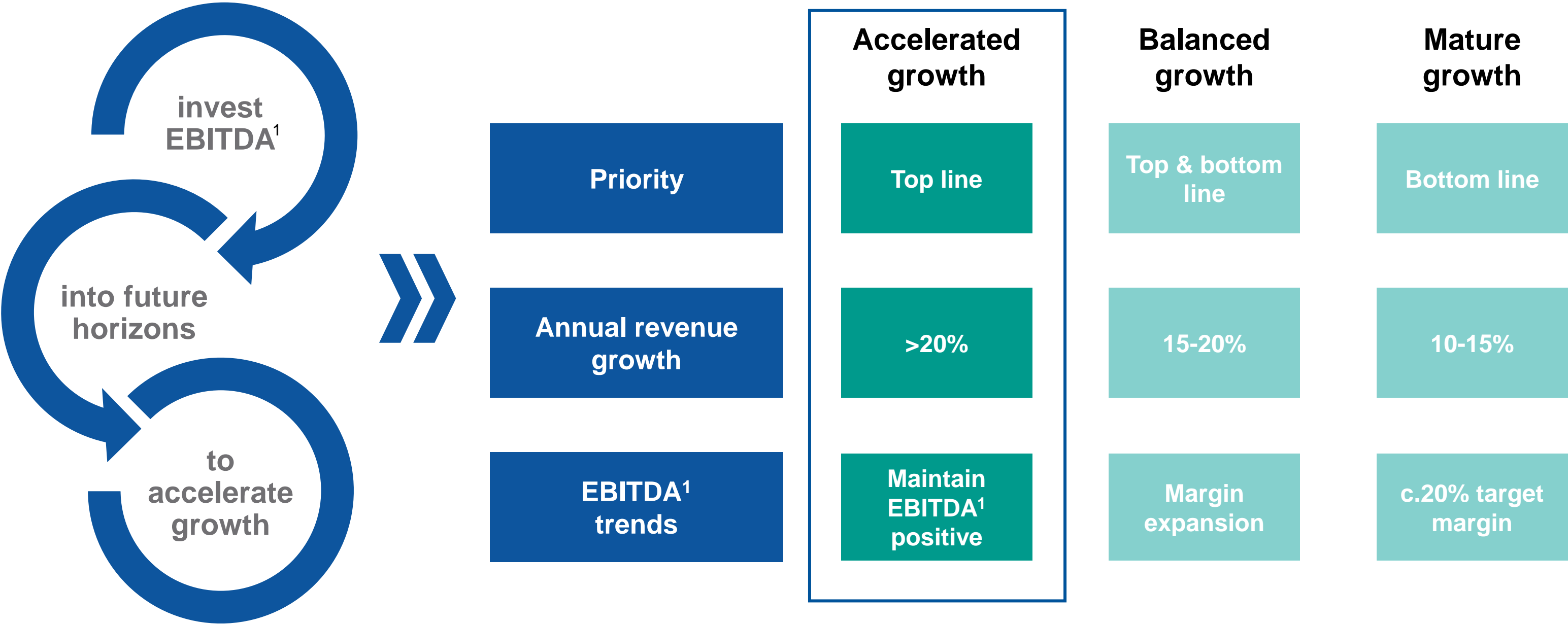
# Growing the sector through positioning the patient's alternative



**~ 900+ million sleep apnea patients globally**

# Investing to achieve category leadership

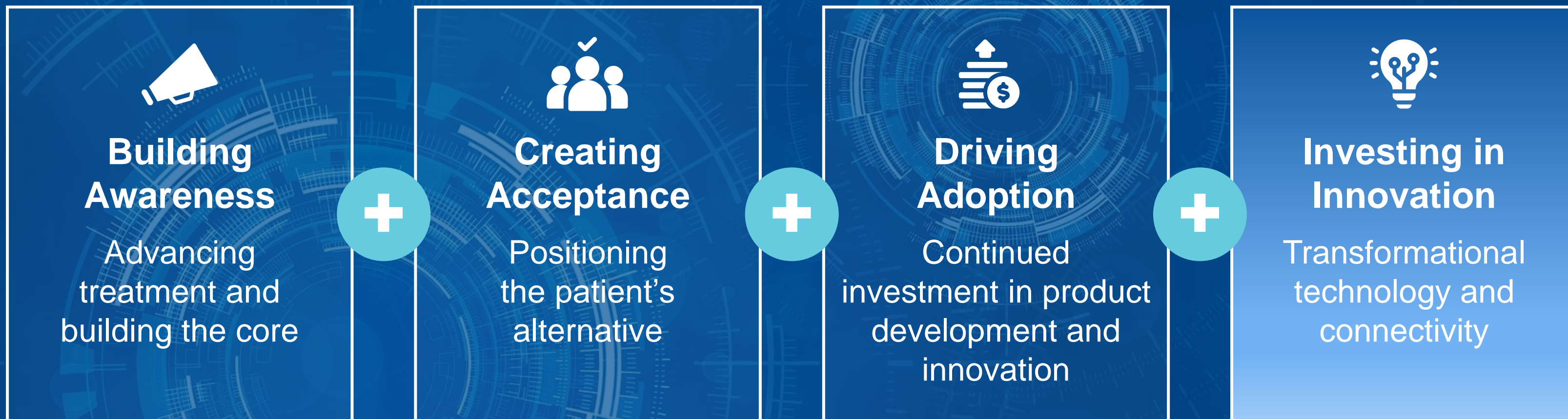
Financial framework for future growth and profitability



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



# SomnoMed future horizons

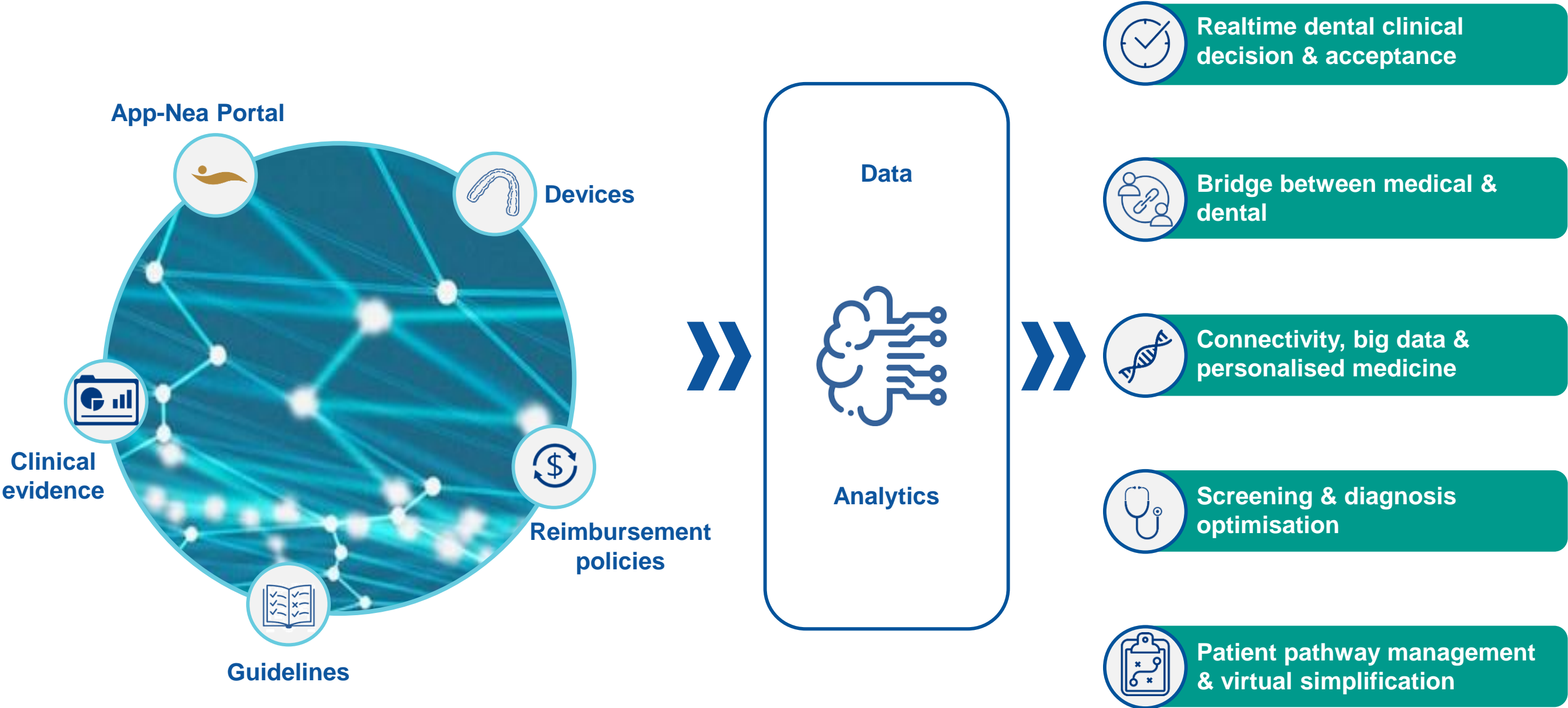


**Category leadership in a multi-billion dollar opportunity**



# Technology driven

One integrated and automated technology platform





# Outlook



## FY22 guidance

- Revenue growth of at least 15%<sup>2</sup>
- EBITDA<sup>1</sup> break even as we invest for future growth (expected to rebound in FY23 and beyond)<sup>2</sup>
- Cash investment (non P&L) in technology innovations expected to be c\$8m
- Credit facility of \$10m close to finalization



## Key considerations

- Continue to respond to changing market conditions
- Drive growth opportunities
- Build and expand sales and marketing teams globally



## Key strategic objectives

### Treatment focused

- Focus on Medical Initiative in all three regions
- Continue digital product precision
- Drive Effectiveness Equation

### Technology driven

- One Platform Project
- Transformational connectivity development

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

<sup>2</sup> Assumes no change to the current COVID-19 lockdowns and restrictions in all trading markets



**Thank you**