28 February 2025

FY25 Half Year Results

SomnoMed Limited (ASX "SOM" or the Company), the leading company in the provision of oral appliance treatment solutions for sleep-related breathing disorders and obstructive sleep apnea (OSA), is pleased to provide its FY25 half year results for the period ended 31 December 2024 (FY25 H1).

Financial summary

- FY25 H1 revenue of $53.7 million, +19.0% (+20.1% in constant currency) versus the FY24 H1 previous corresponding period (pcp) of $45.1 million.
- Gross margin remains consistent at 62% period on period.
- EBITDA[1] of $5.8 million versus a pcp loss of $1.1m.
- Cash balance of $18.5 million at 31 December 2024, +14% vs $16.2 million balance at 30 June 2024.
- Positive net operating cash flow[2] and free cash flow for FY25 H1 at $4.1 million and $1.3 million respectively, compared to pcp net outflows of $4.6 million and $8.0 million.
- The Company's FY25 H1 performance reflects strength from the following key impacts:
    - Strong double-digit growth across all regions,
    - Continued production capacity and turnaround time improvements,
    - Robust overall demand,
    - Disciplined cost management, and
    - Full impact for the half year of a strengthened balance sheet and cost structure following from the prior year one-off company restructure and repayment of senior debt facility.

Operational highlights

Total patients treated worldwide now approximately 960,000.

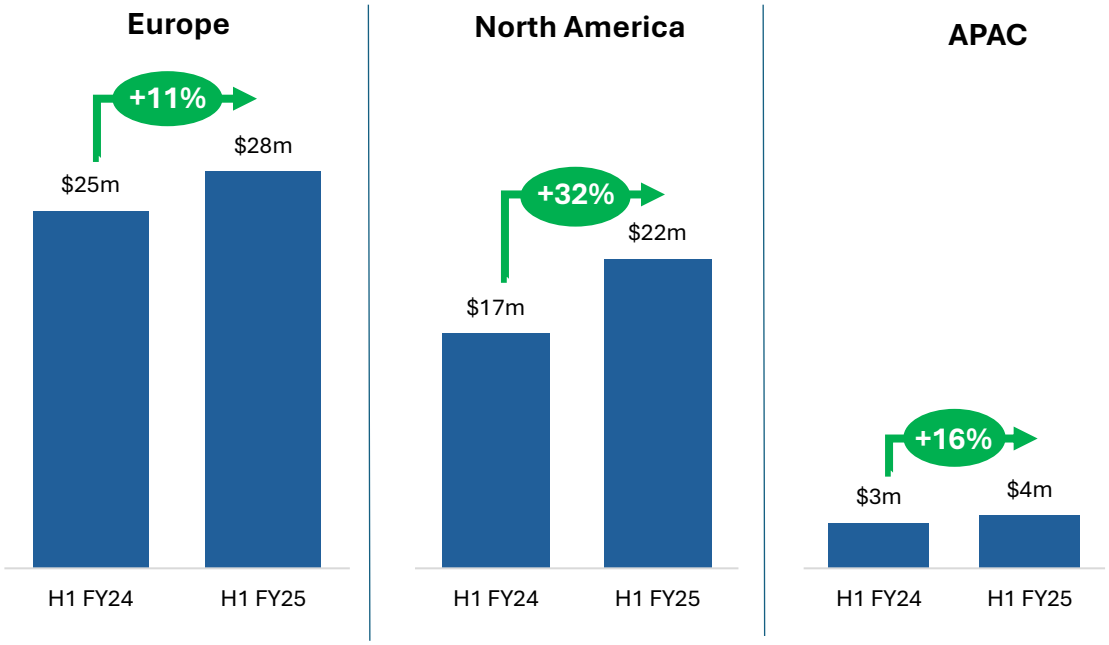
The Company has made substantial headway through focused operational investments in manufacturing during FY2025 H1. As of the latest February 2025, manufacturing capacity has increased by greater than 40% when compared to the prior corresponding period. As a result, manufacturing production backlog is now down from over 2 weeks to under 2 days and production turnaround time has reduced from greater than 20 days to under 10 days. The Company is continuing this investment to make the operations sustainable and to reduce risk.

[1] EBITDA does not include AASB 16 lease payments, share/option expenses, unrealised forex gain/(loss), one off restructuring costs and discontinued operations

[2] Operating cash flow excludes payment of finance leases

Regional performance

The Company experienced double digit growth across all regions during FY25 H1.



Revenue (A$000's)	FY25 H1 (A$000's)	FY24 H1 (A$000's)	% Change Actual	% Change Constant Currency
Europe	28,007	25,239	11.0%	12.2%
North America	21,931	16,637	31.8%	32.8%
APAC	3,771	3,239	16.4%	16.8%
Total Group revenue	**53,709**	**45,115**	**19.0%**	**20.1%**

Europe

Europe remains the largest region, driven by reimbursement in most Western European jurisdictions. Successful commercial expansion in France, Sweden and Germany has been further amplified by tender wins in Norway and Finland.

North America

The USA and Canada have experienced strong growth driven by demand from all customer segments, with particular increases from first time customers. Improvements in turnaround time have converted customers from competitive product and enabled the return of customers who had either stopped ordering or reduced their orders substantially.

Asia Pacific

Australia remains the main market in Asia Pacific, at over 80% of the region. Revenues were increased with a greater focus on improving existing customer performance and successfully converting customers from competitive products.

Rest Assure®

On 7 October 2024, the Company announced that the US Food and Drug Authority (FDA) cleared Rest Assure® as the first oral device with in-built compliance monitoring. A new FDA 510k will be submitted for oral device efficacy for treated AHI, centred on a US clinical trial. The Company is conducting FDA pre-submission to confirm the regulatory approach. The clinical trial site selection is targeted for completion by the end of FY25, with the commencement of the trial then expected in FY26.

Appointment of Directors

Two non-executive Directors were appointed to the Company's Board of Directors since 30 June 2024.

Effective 17 January 2025, Mr Andrew Price was appointed as Director. Mr Price is a seasoned executive in the medical devices industry, having spent the last 25 years at ResMed in various senior roles including as Chief Supply Chain Officer.

Effective 8 October 2024, Mr Benjamin Gisz was appointed following the resignation of Mr Hamish Corlett. Mr Gisz is a Director and member of investment team at TDM Growth Partners, a leading investment firm specialising in long term investments in high growth companies globally and the Company's largest shareholder.

Outlook

The Company maintains its revised and upgraded FY25 guidance (as updated on 24 January 2025) as follows:

- Revenue of approximately $105 million
- EBITDA[1] of between $7 million to $9 million
- Capex of between $3 million to $4 million

The Company notes that whilst the positive trend experienced in FY25 H1 is expected to continue, growth may slow in the remaining quarters as order backlog has now cleared in line with improved capacity. The Company continues to focus on manufacturing capacity and investments to make operations sustainable.

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This release has been approved by the Board of SomnoMed Limited.

For further information please contact

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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 960,000 patients in over 20 countries. For additional information, visit SomnoMed at http://www.somnomed.com.au