

SOMNOMED LIMITED

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Appendix 4D and Half-Year Financial Report

31 December 2024

This half-year report is for the six months ended 31 December 2024. The previous corresponding period is the half-year ended 31 December 2023.

The information in this report should be read in conjunction with the most recent annual financial report.

Results for announcement to the market

Revenues from sale of goods and services, net of discounts	up	\$8,594,323 19.0%	to	\$53,708,890
Revenues from ordinary activities	up	\$8,598,980 19.1%	to	\$53,719,899
Loss from ordinary activities after tax attributable to members	down	\$6,241,578 (98.3%)	to	(105,538)
Net loss for the period attributable to members	down	\$6,241,578 (98.3%)	to	(105,538)
Dividends		Amount per security		Franked amount per security
Final dividend		- ¢		- ¢
Interim dividend		- ¢		- ¢
Record date for determining entitlements to the dividend	Not applicable			
Brief explanation of any of the figures reported above:				
Refer to comments in the attached Directors' Report.				
NTA Backing		31 December 2024		31 December 2023
Net tangible asset backing per share		11.03 cents		8.84 cents

**SomnoMed Limited
Directors' Report
For the half year ended 31 December 2024**

DIRECTORS' REPORT

Your Directors submit the financial report of the Consolidated Entity consisting of SomnoMed Limited ('the Company' or 'parent entity') and the entities it controlled ('the Consolidated Entity') for the half-year ended 31 December 2024.

Directors

The names of Directors who held office during or since the end of the half-year:

Guy Russo
Benjamin Gisz (appointed 8 October 2024)
Michael Gordon
Andrew Price (appointed 17 January 2025)
Hamish Corlett (resigned 8 October 2024)
Amrita Blickstead
Karen Borg

Principal Activity

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

Operating Results

Net loss after income tax expense for the half year ended 31 December 2024 amounted to \$105,538 (December 2023: loss of \$6,347,116).

Dividends Paid or Recommended

There is no dividend paid, declared or recommended.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the reporting period.

After Reporting Date Events

The Directors are not aware of any matter or circumstance that has arisen since the end of the half 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, and
- (iii) The state of affairs of the Consolidated Entity in subsequent years.

Future Developments

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

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/91, 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 half year ended 31 December 2024 is set out on page 3 of these half yearly accounts.

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



Guy Russo
Chairman
28 February 2025

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

As lead auditor for the review of SomnoMed Limited for the half-year ended 31 December 2024, 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 review; or
2. Any applicable code of professional conduct in relation to the review; is set out below:

BDO Taiwan provided permissible tax compliance services to a subsidiary of SomnoMed Limited during the half-year ended 31 December 2024 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 half-year ended 31 December 2024 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 February 2025

SomnoMed Limited
Consolidated financial statements
For the half year ended 31 December 2024

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General information

The financial report covers SomnoMed Limited as a Consolidated Entity consisting of SomnoMed Limited ('the Company' or 'parent entity') and the entities it controlled during the period. The financial report is presented in Australian dollars, which is SomnoMed Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the Directors' declaration.

SomnoMed Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Level 3
20 Clarke Street
Crows Nest NSW 2065

A description of the nature of the Consolidated Entity's operations and its principal activities is included in the Directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of Directors, on 28 February 2025.

SomnoMed Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half year ended 31 December 2024

	Note	December 2024 \$	December 2023 \$
Continuing operations			
Revenue from sale of goods and services, net of discounts	2	53,708,890	45,114,567
Cost of sales		(20,614,674)	(17,049,069)
Gross margin		33,094,216	28,065,498
Sales and marketing expenses		(11,012,207)	(13,699,474)
Administrative and other expenses		(9,294,750)	(8,612,785)
Corporate, research and business development expenses		(7,824,752)	(6,845,314)
Depreciation and amortisation	3	(2,932,733)	(2,902,794)
Share-based payments		(615,553)	(524,767)
Interest income	2	11,009	6,352
Interest expense		(128,241)	(1,493,407)
Unrealised foreign exchange gain		209,197	460,607
Profit/(loss) before income tax		1,506,186	(5,546,084)
Income tax expense attributable to operating profit	6	(1,611,724)	(801,032)
Profit/(loss) after income tax for the half-year from continuing operations		(105,538)	(6,347,116)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign exchange translation difference for foreign operations		1,925,200	(1,253,326)
Other comprehensive profit/(loss) for the half-year, net of tax		1,925,200	(1,253,326)
Total comprehensive profit/(loss) for the half-year attributable to the owners of SomnoMed Limited		1,819,662	(7,600,442)
Earnings per share			
Basic earnings per share (cents)		(0.05)	(6.79)
Diluted earnings per share (cents)		(0.05)	(6.79)

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

SomnoMed Limited
Consolidated Statement of Financial Position
As at 31 December 2024

	Note	December 2024 \$	June 2024 \$
ASSETS			
Current Assets			
Cash and cash equivalents		18,498,334	16,178,843
Trade and other receivables		16,104,769	12,359,184
Inventories		6,728,973	6,285,410
Lease receivables		315,379	315,379
Total Current Assets		41,647,455	35,138,816
Non-Current Assets			
Trade and other receivables		59,555	57,189
Property, plant and equipment	11	5,800,657	5,767,431
Intangible assets	7	20,291,921	20,317,660
Deferred tax assets		2,585,516	3,144,156
Right-of-use assets	9	4,608,093	5,379,436
Total Non-Current Assets		33,345,742	34,665,872
Total Assets		74,993,197	69,804,688
LIABILITIES			
Current Liabilities			
Trade and other payables		15,346,012	13,293,631
Borrowings	8	267,460	306,939
Lease liabilities		1,956,877	2,295,840
Provisions		4,422,795	3,828,881
Current tax liabilities		1,012,282	218,298
Total Current Liabilities		23,005,426	19,943,589
Non-Current Liabilities			
Borrowings	8	737,687	709,074
Lease liabilities		2,948,361	3,407,917
Provisions		842,313	719,913
Total Non-Current Liabilities		4,528,361	4,836,904
Total Liabilities		27,533,787	24,780,493
Net Assets		47,459,410	45,024,195
EQUITY			
Issued capital	4	110,230,668	110,230,668
Reserves		11,870,941	9,330,188
Accumulated losses		(74,642,199)	(74,536,661)
Total Equity		47,459,410	45,024,195

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 half year ended 31 December 2024

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Owners of Parent \$	Total \$
Balance at 1 July 2024	110,230,668	9,330,188	(74,536,661)	45,024,195	45,024,195
Profit after income tax for the half-year	-	-	(105,538)	(105,538)	(105,538)
Other comprehensive income for the half-year, net of tax	-	1,925,200	-	1,925,200	1,925,200
Total comprehensive income for the half-year	-	1,925,200	(105,538)	1,819,662	1,819,662
Transactions with owners in their capacity as owners:					
Share option reserve on recognition of remuneration options	-	615,553	-	615,553	615,553
Balance at 31 December 2024	110,230,668	11,870,941	(74,642,199)	47,459,410	47,459,410

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Owners of Parent \$	Total \$
Balance at 1 July 2023	74,271,419	10,426,889	(62,294,933)	22,403,375	22,403,375
Loss after income tax for the half-year	-	-	(6,347,116)	(6,347,116)	(6,347,116)
Other comprehensive income for the half-year, net of tax	-	(1,253,326)	-	(1,253,326)	(1,253,326)
Total comprehensive Loss for the half-year	-	(1,253,326)	(6,347,116)	(7,600,442)	(7,600,442)
Transactions with owners in their capacity as owners:					
Share option reserve on recognition of remuneration options	-	524,767	-	524,767	524,767
Shares issued during the period net of transaction costs	14,573,418	-	-	14,573,418	14,573,418
Balance at 31 December 2023	88,844,837	9,698,330	(68,642,049)	29,901,118	29,901,118

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

SomnoMed Limited
Consolidated Statement of Cash Flows
For the half year ended 31 December 2024

	December 2024 \$	December 2023 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	51,928,444	43,821,693
Payments to suppliers and employees (inclusive of GST)	(47,587,244)	(46,641,566)
Interest received	11,009	6,352
Interest paid	(20,298)	(1,108,547)
Income tax paid	(255,542)	(652,192)
Net cash inflow/(outflow) from operating activities	4,076,369	(4,574,260)
Cash flows from investing activities		
Payments for intangible assets	(736,857)	(1,682,641)
Payments for property, plant and equipment	(646,199)	(524,604)
Net cash outflow from investing activities	(1,383,056)	(2,207,245)
Cash flows from financing activities		
Repayment of borrowings	(51,338)	(5,084,241)
Payment of finance lease	(1,429,030)	(1,248,304)
(Payment of)/proceeds from issue of shares net of transaction costs	(44,385)	14,573,418
Net cash (outflow)/inflow from financing activities	(1,524,753)	8,240,873
Net increase in cash and cash equivalents	1,168,560	1,459,369
Cash at beginning of period	16,178,843	11,956,406
Effects of exchange rate adjustment on cash and cash equivalents	1,150,931	(578,238)
Cash at end of period	18,498,334	12,837,537

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

Note 1. Significant accounting policies

a. Reporting entity

SomnoMed Limited is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the half year ended 31 December 2024 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.

b. Statement of compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Consolidated Entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

	December 2024	December 2023
	\$	\$
Note 2. Revenue and other income		
Operating activities		
Revenue from sale of goods and services, net of discounts	53,708,890	45,114,567
Interest income	11,009	6,352
Total revenue and other income	53,719,899	45,120,919

Note 3. Profit/(loss) before income tax for the period

Profit before income tax includes the following specific expenses:

Operating lease rentals (short term leases and low value leases)	2,703	11,592
Employee benefits expense	24,837,612	24,250,779
Research and development expenditure	707,727	581,438
Depreciation – property, plant and equipment	813,213	864,553
Amortisation of intangible assets	838,244	777,938
Amortisation of right-of-use assets	1,281,276	1,260,303
Subtotal depreciation and amortisation	2,932,733	2,902,794

SomnoMed Limited
Notes to the financial statements
For the half year ended 31 December 2024

Note 4. Issued capital	December 2024 \$	June 2024 \$
Issued and fully paid ordinary shares		
216,108,253 (30 June 2024: 216,108,253) ordinary shares		
Balance of issued capital at the beginning of period	119,962,058	84,002,809
Shares issued during period	-	38,077,789
Less issue costs	-	(2,118,540)
Balance of issued capital at end of period	119,962,058	119,962,058
Less shares issued but nil recorded in accounts:		
- 1,830,000 shares (2024: 1,842,500) 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: 500,000) 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)
Issued share capital recorded in the Company accounts	110,230,668	110,230,668

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 31 December 2024 there were 10,767,500 (30 June 2024: 8,117,500) unissued ordinary shares for which options were outstanding (including 4,198,500 issued ordinary shares are treated as options in these accounts (30 June 2024: 4,198,500)).

*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.

Note 5. Segment Operation

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. SomnoMed'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 operating 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 business development expenses;
- share based payments
- other expenses

Information about reportable segments

Geographical location:	North America	Europe	Asia Pacific	GROUP
31 December 2024	\$	\$	\$	\$
Total sales/billing revenue	22,066,232	28,530,613	12,913,755	63,510,600
Intersegment eliminations	(135,541)	(524,168)	(9,142,001)	(9,801,710)
External sales revenue	21,930,691	28,006,445	3,771,754	53,708,890
Segment net profit before tax	7,648,372	6,188,703	(840,619)	12,996,456
Unallocated expense items	-	-	(8,440,305)	(8,440,305)
Depreciation and amortisation	(268,789)	(916,358)	(1,747,586)	(2,932,733)
Interest income	-	3,614	7,395	11,009
Interest expense	(31,123)	(67,863)	(29,255)	(128,241)
Profit/(loss) before tax	7,348,460	5,208,096	(11,050,370)	1,506,186
Income tax expense	(842,769)	(663,699)	(105,256)	(1,611,724)
Profit/(loss) after tax	6,505,691	4,544,397	(11,155,626)	(105,538)
Total assets	11,924,146	29,528,810	33,540,241	74,993,197
Total liabilities	4,610,742	14,128,817	8,794,228	27,533,787

Note 5. Segment Operation (continued)

Geographical location: 31 December 2023	North America \$	Europe \$	Asia Pacific \$	GROUP \$
Total sales/billing revenue	16,671,852	25,795,058	10,402,433	52,869,343
Intersegment eliminations	(35,352)	(556,362)	(7,163,062)	(7,754,776)
External sales revenue	16,636,500	25,238,696	3,239,371	45,114,567
Segment net profit before tax	1,789,736	3,783,333	640,778	6,213,847
Unallocated expense items	-	-	(7,619,325)	(7,619,325)
Depreciation and amortisation	(345,911)	(913,467)	(1,643,416)	(2,902,794)
Interest income	-	2,089	4,263	6,352
Interest expense	(43,972)	(79,768)	(1,120,424)	(1,244,164)
Profit/(loss) before tax	1,399,853	2,792,187	(9,738,124)	(5,546,084)
Income tax expense	(342,624)	(380,439)	(77,969)	(801,032)
Profit/(loss) after tax	1,057,229	2,411,748	(9,816,093)	(6,347,116)
Total assets	10,347,161	25,243,143	28,326,966	63,917,270
Total liabilities	4,304,419	11,980,896	17,730,837	34,016,152

December 2024
\$

December 2023
\$

Note 6. Income tax expense

a. Amounts recognised in profit or loss

Current tax expense

Current year corporate income tax	870,401	481,537
	870,401	481,537

Deferred tax expense

Origination and reversal of temporary differences	741,323	319,495
	741,323	319,495

Tax expense on continuing operations

1,611,724 **801,032**

b. Reconciliation of effective tax rate

Profit/(loss) before tax from continuing operations	1,506,186	(5,546,084)
Income tax using domestic corporate tax rate 30%	451,856	(1,663,825)
Non-deductible expenses	199,404	258,697
Current year losses for which no deferred tax asset is recognised	2,376,589	2,509,895
Effect of tax rates in foreign jurisdictions	(1,416,125)	(303,735)
Income tax expense	1,611,724	801,032

Note 7. Intangible assets

	December 2024 \$	June 2024 \$
Patents and trademarks – at cost	2,124,679	2,061,723
Accumulated amortisation	(1,730,394)	(1,635,418)
	<u>394,285</u>	<u>426,305</u>
Product development expenditure capitalised	13,302,941	12,982,754
Accumulated amortisation	(1,227,029)	(1,129,978)
	<u>12,075,912</u>	<u>11,852,776</u>
Software	5,808,757	5,550,345
Accumulated amortisation	(4,577,167)	(3,855,000)
	<u>1,231,590</u>	<u>1,695,345</u>
Goodwill	6,590,134	6,343,234
	<u>20,291,921</u>	<u>20,317,660</u>

Note 8. Borrowings

	December 2024 \$	June 2024 \$
Current borrowings	267,460	306,939
Non-current borrowings	737,687	709,074
	<u>1,005,147</u>	<u>1,016,013</u>

Unsecured loan facilities (Government Borrowings)

- In May 2020, SomnoMed France SAS (France) secured a EUR 0.515 million (A\$0.826 million) Government-backed unsecured loan facility with Société Générale. The interest payable is 0.3% plus a fixed guarantee amount of EUR 5k per annum. This loan expires on 20 May 2026. The drawn amount at the end of the period was EUR 0.258 million.
- In June 2020, SomnoMed Germany GmbH (Germany) secured a EUR 0.5 million (A\$0.802 million) Government-backed unsecured loan facility with Commerzbank (maturity of up to 6 years). The interest payable is 3% per annum. This loan expires on 30 June 2030. The drawn amount at the end of the period was EUR 0.344 million.

Note 9. Right-of-use assets

	December 2024 \$	June 2024 \$
Right-of-use assets - non-current	4,608,093	5,379,436
	4,608,093	5,379,436
Land and buildings - right-of-use	9,613,039	11,309,311
Lease modifications*	308,640	162,944
Less: Accumulated depreciation	(6,510,813)	(7,438,347)
	3,410,866	4,033,908
Plant and equipment - right-of-use	420,393	305,611
Lease modifications*	-	(6,996)
Less: Accumulated depreciation	(203,799)	(170,255)
	216,594	128,360
Vehicles - right-of-use	3,045,732	2,994,731
Lease modifications*	(118,083)	87,360
Less: Accumulated depreciation	(1,947,016)	(1,864,923)
	980,633	1,217,168

'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.

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

Note 10. Dividends

No dividends were paid during or subsequent to the half-year ended 31 December 2024.

Note 11. Property, plant and equipment

	December 2024 \$	June 2024 \$
Plant and equipment		
Plant and equipment - at cost	16,077,002	14,817,305
Accumulated depreciation	(10,791,959)	(9,565,718)
	5,285,043	5,251,587
Leasehold Improvements		
Lease hold improvement - at cost	1,304,869	1,196,841
Accumulated amortisation	(789,255)	(680,997)
	515,614	515,844
Total property, plant and equipment	5,800,657	5,767,431

Note 12. Subsequent Events

The Directors are not aware of any matter or circumstance that has arisen since the end of the half 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,
- (iii) The state of affairs of the Consolidated Entity in subsequent years.

SomnoMed Limited
Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Guy Russo
Chairman

28 February 2025
Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of SomnoMed Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of SomnoMed Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, 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 half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'Ian Hooper', written over a horizontal line.

Ian Hooper
Director

Sydney, 28 February 2025