



Trading Update

2nd June 2020, SomnoMed Limited (ASX:SOM) announced that for the past two months, trading has been better than expected and forecast at the time of the recent Entitlement Offer.

For the combined months of April and May, group volumes are down 61% compared to the prior year, with April down 73% and May down by 50%. Whilst no updated guidance for the current financial year was provided at the time the Company's guidance was revoked in March, the group volumes generated for that April and May period have been better than our internal expectations at the time of the Entitlement Offer.

The North American business has shown signs of a slow recovery, with most states now open for business and dental practices cautiously opening up again and receiving patients. In Europe, our business has seen some reasonable volumes develop, with countries recovering at different rates depending on the lifting of lockdown restrictions. For those countries in Europe largely out of their restrictions, volumes have returned fairly quickly, with encouraging demand from Holland, Germany, France and of course Sweden who adopted a different approach to the pandemic. APAC has experienced some better volumes more recently and, within Australia, we see a gradual opening up of dental practices as previous trade restrictions become more relaxed.

"Our business is performing better than we had planned for and expected at the time of the Entitlement Offer in March 2020 and while we do not have any visibility on the future, we are very pleased with our levels of trading for the last two months," commented CEO Mr Verdal-Austin.

Mr Verdal-Austin added, "It is still extremely difficult to forecast how long it will take to fully restore the business back to levels pre COVID-19 and early levels of trade may be due, in part, to previously diagnosed patients now being treated with SomnoDent® devices. We are cautiously optimistic as to the months ahead but will still continue to take a conservative view and slowly return the cost base commensurate to the volumes and revenues as they begin to normalize."

The Company had a net cash balance of \$23 million at 31st May 2020. This amount includes the proceeds of the Entitlement Offer of \$15.5 million and financial assistance provided by several governments due to COVID-19 in a variety of forms. The Entitlement Offer has strengthened the Company's balance sheet significantly. The cost containment measures have been implemented and are ongoing.

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About SomnoMed

SomnoMed is a public company providing diagnostic and treatment solutions for Sleep-related Breathing Disorders including obstructive sleep apnea, snoring and bruxism. SomnoMed was commercialized 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 560,000 patients in 28 countries. For additional information, visit SomnoMed at <http://www.somnomed.com.au>