



SomnoMed acquires Strong Dental, Canada

3rd November 2015, SomnoMed Limited (SOM: ASX) announced today that its subsidiary SomnoMed Canada Inc. acquired the business of Strong Dental (“SD”) in Leamington, Ontario, Canada for a consideration of C\$700k, including the transfer of certain lease liabilities. The acquisition covers all tangible and intangible assets of SD, an exclusive license to all patents linked to devices made by SD for the treatment of sleep disordered breathing and the employment of key staff. The owner, Mr. Patrick Strong, has entered into a consultancy agreement and he will be responsible for overseeing the day to day operations of SomnoMed Canada Inc.

Patrick Strong is the inventor of the SUAD device, which is manufactured by SD and distributed by it in the US and Canada. These oral appliances for the treatment of sleep disordered breathing conditions are well known amongst dentists treating obstructive sleep apnea patients and are used especially for patients whose health conditions require a specialised device.

SD uses digital technology in their production process of making models and components, which strengthens their SUAD oral appliances.

“Canada is the last major OECD market where SomnoMed distributed its products primarily through licensees. It is our policy to have our own distribution in all our core markets and thus directly control marketing and sales of our SomnoDent® devices. The acquisition of SD in Canada will not only add a highly reputable device to our line of products, which we can offer globally, but it will also give SomnoMed its own service and logistic hub, which is a precondition for selling our SomnoDent® products directly in Canada,” said Dr. Peter Neustadt, Executive Chairman of SomnoMed.

“As the COAT™ treatment is becoming an increasingly accepted medical treatment for obstructive sleep apnea, the sale of oral appliances has transitioned from a dental to a medical device business. This is closely linked to medical specialists referring patients to dentists specialised in dental sleep medicine. As a result of this increased medical focus, the sale of oral appliances by dental laboratories, including our licensees will be affected in the future. The SUAD device is a very reputable product and suits a certain group of patients. There is potential to expand the sale of SUAD devices in the US and in some of our international markets. Adding an operation in Canada should allow us, at the same time, to build the direct sales of SomnoDent® devices in Canada more aggressively,” said Dr. Neustadt.

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About SomnoMed

SomnoMed Limited (ASX: SOM) is a public company providing diagnostic and 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 obstructive sleep apnea. SomnoDent® is the most comfortable and effective design and treatment solution for over 250,000 patients in 26 countries.

For additional information, visit SomnoMed at <http://www.somnomed.com.au>