

25 May 2022

Company Announcements Office
Australian Securities Exchange

Nanosonics Business Update

Nanosonics (ASX: NAN), a leader in infection prevention solutions, provides a business update in respect of the transition to a more direct sales model in North America and Q3 FY22 trading.

- **Direct sales model transition progressing well with transfer of GE customers currently in progress and significant number of accounts already set up by Nanosonics.**
- **Expansion of North American team well underway including addition of key former members of GE high level disinfection team.**
- **Global installed base growth numbers that were experienced during Q2 of FY22 continued into Q3 FY22.**
- **Total revenue for the year anticipated to be in line with market consensus.**

Update to sales model with GE Healthcare in North America

As announced on 8 February 2022, Nanosonics and GE have updated the sales model for the provision of trophon capital equipment and associated consumables to customers in North America. Under the new model, all existing GE trophon customers will ultimately transition to Nanosonics for the ongoing provision of consumables.

It is anticipated that a significant majority of future new capital sales (both new installed base and upgrades) will be made by Nanosonics. Under the planned new arrangements with GE, any trophon capital equipment sales made directly by GE will be delivered and installed by Nanosonics whereupon Nanosonics will provide ongoing consumables and support.

Update on GE trophon customer transition

The transition of existing GE trophon customers in collaboration with GE is currently well underway.

Specifically:

- GE have recently communicated with all of their trophon customers about the new arrangements being implemented for the ongoing provision of trophon products.
- Relevant GE customer data has been supplied by GE to Nanosonics. Nanosonics have communicated with all these customers to set up direct trading accounts. A significant number of these accounts are now in place with expectations that the transition will be completed for the majority of customers by 30 June 2022.
- Nanosonics' warehousing and logistics operation in Indianapolis has the necessary capacity and is set up to manage the increased volumes that will be sold by Nanosonics.
- Nanosonics is well progressed with the expansion of its specialist infection prevention sales and clinical applications teams. In particular, the Company has hired 9 of the 15 planned new positions with the balance expected to be in place by 30 June. The team in North America is now over 100 strong.
- A number of the previous GE High Level Disinfection team members have joined Nanosonics. These include the immediate previous Head of the GE High Level Disinfection team, a GE operations lead who was responsible for the supply and logistics of trophon products to all GE customers and a number of sales managers.

As outlined in the Company's announcement on 8 February, consumables and service revenue represented approximately 76% of the Company's total North American revenue in FY21. In the same year, 80% of Nanosonics sales to GE in North America were related to consumables and service sales. As a result of the transition, the Company does not expect sales of consumables to customers to be impacted.

FY22 Q3 Trading update and outlook

The global installed base growth numbers that were experienced in Q2 of FY22 continued into Q3 with the total global installed base growing to 28,900 as at the end of March. The number of upgrade units in Q3 in North America were also similar to that achieved in Q2. The monthly run-rate of sales of consumables to end customers in Q3 was also broadly in line with Q2 FY22.

Nanosonics anticipates total revenue for the year to be in line with current market consensus.

"The continued transition to a more direct sales channel model in North America brings many benefits to Nanosonics and its customers. Our North American team can now manage the overall growth strategy associated with new installed base, upgrade adoption and consumables usage. This deeper relationship with our North American customers together with our corresponding infrastructure expansion also supports planned product expansion beyond trophon", said Michael Kavanagh, Nanosonics' Chief Executive Officer & President. "We are very pleased with the ongoing progress being made with the transition to the updated sales model. Our North American team and the GE healthcare ultrasound team continue to collaborate well ensuring the current and future infection prevention needs of all customers and their patients are fully met".

Michael Kavanagh
CEO / President

This announcement has been authorised by the Board of Directors of Nanosonics.

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