

Nanosonics Limited 2024 Annual General Meeting Chairman's and CEO & President's Addresses

Steve Sargent - Chairman

Introduction




At Nanosonics, we are committed to our mission: to improve the safety of patients, clinicians and their staff, and the environment by transforming the way infection prevention practices are understood and conducted. This is based on our aspiration is to transform medical device reprocessing to improve patient safety and achieve better healthcare outcomes.

Financial and operational outcomes

While FY24 represented a challenging year following a slower-than-expected first half, the team returned to growth and finished the year with significant progress against our priorities. Key achievements were the installed base of trophon growing 7% to 34,790 which represents an ever-increasing significant asset to the business, as well as the lodgement of the FDA submission for CORIS in H2.

Trends



 <p>GROWTH IN ULTRASOUND & ENDOSCOPY GENERALLY</p> <p>Both ultrasound and endoscope modalities remain as relevant as ever. Each continues to be a mainstay of healthcare delivery globally.</p>	 <p>HEALTHCARE ACQUIRED INFECTIONS</p> <p>The negative impacts on patients and healthcare systems caused by healthcare acquired infections remains significant.</p>	 <p>DIGITISATION & AUTOMATION</p> <p>The digital world is permeating all aspects of healthcare; replacing arcane documentation and records. Automation, data and traceability are becoming a cornerstone of infection prevention.</p>
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Trends / opportunities in the market

There are several global trends underway in the healthcare industry that impact Nanosonics. I'd like to take a moment to briefly outline them as they represent areas of opportunity as well as challenge for us.

- Firstly, the **ultrasound and endoscope modalities** remain as relevant as ever ... in both cases these medical instruments continue to be a mainstay of healthcare delivery globally.
- Secondly, the **negative impact on patients and burden imposed on health systems caused by hospital acquired infections** remains significant. The

recognition that healthcare-acquired infections are an enduring problem and risk to patient wellbeing means that it is high on the agenda of governments and healthcare providers to address.

- Thirdly, there is a trend toward **automation and connectivity in infection prevention workflows**. Customers are shifting from manual to automated, and paper to digital traceability.
- Finally, our customers face **challenging economic forces with costs rising faster than revenue**. This emphasises the importance of continuing to ensure our offerings add value both from a technological and an economic perspective.

These evolving trends underpin the strong fundamentals for our ongoing growth as we aspire to transform reusable medical device reprocessing.

Executing on the opportunity

We continue to **lead** the **Ultrasound Reprocessing** market through our trophon2 technology



We anticipate that CORIS will **transform** the **Endoscope Reprocessing** market



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Executing on the opportunity

As I reflect on these opportunities it is important to note that one of Nanosonics' key competitive differentiators is our ability to automate reprocessing procedures and provide digital validation of compliance requirements. The team have been successful in establishing trophon as the standard of care in a number of key markets and plans to continue this with the introduction of its CORIS technology which automates the complex manual cleaning process for endoscopes.

From an ultrasound reprocessing perspective, the team continues to invest in its core trophon platform to ensure it will continue its leadership in the ultrasound reprocessing market. We see strong opportunities remaining in both capital equipment sales, as well as ongoing consumables, service and upgrades.

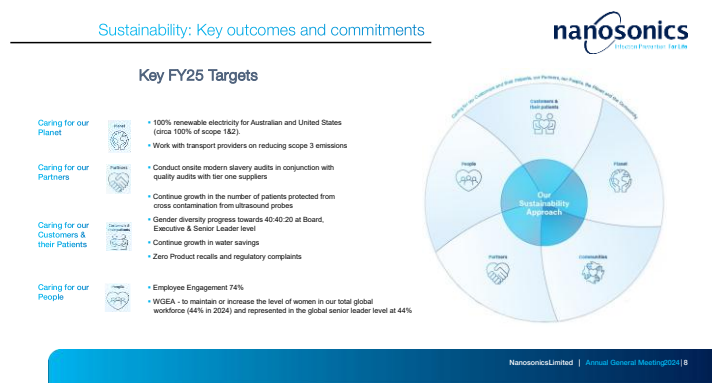
Transforming endoscope cleaning through our CORIS platform technology is also a key priority for the organisation. We anticipate that over time CORIS will transform the way in which endoscopes are cleaned which we expect will be a "step change" for both our customers, their patients and the Company.

As part of our ongoing product expansion strategy, we are taking a thoughtful and considered approach to M&A. While we haven't made any acquisitions to date, we see

inorganic growth as an important part of our strategy. Attractive targets for us are those in reusable medical instrument reprocessing and associated value chain ecosystems. We are acutely aware that we need strong organisational capability to deliver on the potential of the opportunities we have created. We have an active program in place to foster our unique blend of research and development, bioscience, and clinical expertise in infection prevention to solve unmet needs in infection prevention. This is a key competitive differentiator and a key part of our strategy.

Capital management

Nanosonics has an incredible opportunity ahead that can create significant value for our customers and shareholders. Currently the business generates significant cash from its core business to invest in these growth opportunities. We undertake a disciplined analysis a few times each year where we consider ‘what will generate the best return for shareholders?’ The investments outlined above aim to generate much higher returns for shareholders over the medium to longer term than by redistributing capital by way of dividends or share buyback. We will continue to assess these questions regularly as part of our ongoing governance processes.



Sustainability

As detailed in the FY 24 Sustainability Report, Nanosonics has continued to progress our sustainability agenda. Our customers have high expectations for their suppliers to meet their Sustainability requirements.

We have begun a process of transitioning to renewable energy sources for our operations in Australia and the United States which will see around 98% of our scope 1 and 2 emissions eliminated in FY25. Like many other companies, scope 3 is more challenging for us to influence abatement because the primary source of those emissions is third party sea and air freight. Nonetheless, we expect to see some progress in this area as we explore options to transfer some aspects of our manufacturing closer to our customer base.

Diversity and inclusion are an important consideration as we build capability of our workforce. Today, our workforce is comprised of people from over 37 nationalities with 44% of our employees being female. We are particularly proud of the progress we've made in increasing the proportion of women in senior leadership roles, and we remain

dedicated to developing our talent pipeline to further improve female representation at the senior leadership and executive level.



Board and KMP changes

I would like to highlight changes to the Board. Over recent years we have continued our process of Board renewal, onboarding new directors with diverse experience and perspectives, while growing industry knowledge and maintaining and corporate knowledge.

As part of the renewal process, directors David Fisher and Geoff Wilson will retire from the Board at the end of this meeting. We thank both directors for their service and the invaluable counsel they have provided over the five years from Geoff, and over 20 years from David. Thank you both.

I am pleased Marie McDonald is offering herself for re-election at this meeting. Marie's extensive experience in corporate and commercial law and board experience in the healthcare industry continue to be of significant benefit to Nanosonics.

We have signalled that we are completing a search process for a new director. That process is well advanced. We expect to be in a position to appoint a new director early in calendar 2025 which will add to the depth of capability on our board.

Closing Remarks

We are confident in our ability to seize the full potential of the growth opportunities before us. Our trophon technology, along with the ecosystem of products and services we have built to support our customers, and the highly anticipated impact of our new CORIS technology, position us well for the future.

We remain focused on creating long-term value for our shareholders and we thank you for your ongoing support and trust.

I now invite Michael to discuss the results in more detail and provide you with further insight into our strategic growth agenda.

I will now hand it over to Michael.

END

Michael Kavanagh – CEO & President


Thank you very much Steve and a very good morning.

What I'd like to cover is:

1. A brief review of our FY24 performance, highlighting some of the key achievements during the year.
2. An update on our current year to date performance along with our outlook for FY25.
3. An overview of our strategic vision for the future, focussing on the main growth drivers for the business and how we plan to seize the remarkable opportunities that lie ahead.

Before we start, we are fortunate to have our full Executive Team in town and I encourage you to engage with the team after the official proceedings.

FY24 Performance



FY24 Key highlights

Revenue

- Total revenue: \$170.0 million, up 2% on prior period (0% in constant currency¹)
- H2 revenue: \$90.4 million, up 14% on FY24 H1

Global installed base

- Up 2,340 units to 34,790 units globally, a 7% increase in the last 12 months

Trophon[®]2 upgrades

- 1,510 units, down 17% compared to prior period
- H2 upgrades: 890 units, up 44% on FY24 H1

Gross profit margin

- For the year: 77.9%
- H2: 76.3% down 3.4 pts on the 79.7% in FY24 H1 due to the one-off production reduction

Operating expenses

- \$129.6 million, up 10% on prior period
- Includes investments in product expansion (CORIS), geographical expansion, and over \$1 million for new ERP system

Operating profit before tax

- \$13.0 million including ongoing investments in growth strategy. Trophon only PBT of \$40.4 million

Free cash flow and cash

- Free cash flow of \$20.4 million, with cash and cash equivalents of \$129.6 million at 30 June with no debt

CORIS[®] progress

- FDA de novo regulatory application submitted and currently under review.

¹ Detailed analysis reserves the impact of foreign exchange rate movements on the comparability of financial performance. This is done by converting the current year data to pounds sterling at the applicable rates for the period under review. The rates used are: The average exchange rate used for the Company's major foreign currency, \$100 for the full year and 100.00 for 2023/24.

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As Steve mentioned, FY24 represented a challenging year following a slower than expected first half due to various factors. However, the second half saw a significant turnaround, resulting in a total annual revenue of \$170 million, up 2%. Specifically in the 2nd half:

- Overall 2nd half revenue of \$90.4 million was up 14% over H1;
- Capital revenue grew strongly, up 20% on first half as the time to close deals in a growing pipeline for new installed base and upgrades improved in H2; and
- Our Consumables and Service revenue also increased, up 14% over H1 as ultrasound procedural volumes increased after a slowdown in the first half. Our service business also continued to grow strongly.

Despite the challenges we faced in the first half, infection prevention, in particular medical instrument reprocessing, remains a significant requirement in healthcare.

Globally the total installed base grew 7% for the year to 34,790 units protecting approximately 27 million ultrasound patients annually from the risk of cross contamination.

Despite strong year on year growth in upgrades since FY21, upgrades were particularly impacted in the first half of FY24 as customers extended the use of their existing first

generation EPR units. However, the second half saw a turnaround with 890 upgrade units sold, a 44% increase over H1. North America, our largest upgrade market, delivered its strongest half to date in H2.

Upgrades are a significant opportunity, with nearly 10,000 units over seven years old. These upgrades not only boost capital revenue but provide additional annuity revenue through service contracts. Previously, GE Healthcare captured these service opportunities, but now we secure them by selling upgrades directly.

Service was one of our fastest-growing segments in FY24, and we expect this growth to continue driven by upgrades, a growing installed base, and the goal of increasing percentage of customers adopting service contracts.

The business delivered a robust Gross Profit Margin of 77.9% for the year and we anticipate maintaining margins in the 77-79% range for FY25.

With positive free cash flow and a strong cash balance, we continued to invest in our long-term growth strategy. Operating expenses in FY24 were \$125.6 million, covering product expansion (especially in endoscopy reprocessing with CORIS), geographical expansion, and operational efficiency initiatives, including a new ERP upgrade and an expanded manufacturing strategy.

Operating profit before tax was \$13.0 million.

Excluding CORIS investments, our ultrasound reprocessing business alone generated \$40.4 million in profit before tax. We aim to grow profitability and improve EBIT margins further in this business moving forward.

An important milestone for Nanosonics was reached at the end of April, when we submitted the de novo application for our CORIS platform technology to the FDA. CORIS represents a significant opportunity for patient safety and the growth of the business which I will touch on later.

FY25 Outlook / Trading Update

Business outlook for FY25



The Company is optimistic about the potential for growth in the trophon ultrasound reprocessing sector and its wider strategic objectives for expansion, particularly regarding the prospects with CORIS following regulatory approval.

8% - 12%¹ revenue growth	<ul style="list-style-type: none"> Growing capital revenue with increased unit volumes over FY24. Increasing consumables and service revenue aligned with growth in installed base and service contract coverage.
77% - 79%¹ gross margin	<ul style="list-style-type: none"> With a planned return to higher production volumes in FY25 and with anticipated increase in unit volume sales, gross margin is expected to return to 77-79%.
6% - 10%¹ operating expenses growth	<ul style="list-style-type: none"> Includes ongoing investment in CORIS commercialisation readiness, R&D and geographical expansion. One-off expenses associated with the introduction of a new ERP. Expecting positive operating leverage in trophon only business.

All guidance is subject to uncertainty in relation to the impact of inflation on hospital budgetary pressures and healthcare costs in general.

¹ The FY25 outlook is subject to a 2024/25 forecast of 10%.

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Our strong second-half performance, coupled with the investments we are making in our growth strategy has the business targeting revenue growth of 8-12%, with gross margins of 77%-79% and operating expenses growth between 6-10%.

The growth momentum we experienced in the 2nd half of FY24 has continued into the first 4 months of this year. Percentage revenue growth for the first four months compared to prior corresponding period is currently performing well against our full year outlook. While this positive start to the year is pleasing, we have to acknowledge there are 8 months to go and we must continue to navigate a range of market conditions. As such we currently maintain our revenue growth outlook for the year along with our gross margin and operating expense growth outlook.

Beyond FY24 Strategy

Our Mission

We improve the safety of patients, clinics, their staff and the environment by transforming the way infection prevention practices are understood and conducted and introducing innovative technologies that deliver improved standards of care.

Our Aspiration

Transform medical device reprocessing for improved patient safety and better health outcomes.



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Our aspiration as an infection prevention company is to transform medical device reprocessing for improved patient safety and better health outcomes.

Strategy

Our aspiration and strategy

Transform medical device reprocessing for improved patient safety and better health outcomes



VALUE CREATION

By establishing new standards of care and category leadership

Leading ultrasound reprocessing | Transforming endoscope reprocessing | R&D, strategic partnerships and M&A

Growing, expanding value for and protecting our customer base

International expansion | Customer value expansion | Excellence in customer experience

Operational excellence will deliver value for all stakeholders

R&D and bioscience innovation | Medical and clinical affairs impact | Asset allocation and operational efficiencies | Manufacturing and supply chain scalability and continuity

ORGANISATIONAL FOUNDATIONS

Strong organisational foundations will underpin our achievements

Excellent talent | Digital and data transformation | Quality | Sustainability

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This strategy on a page outlines the growth drivers for the business.

- Establishing new standards of care across ultrasound and endoscopy reprocessing as well as further product expansion through R&D, strategic partnerships and M&A
- Growing, expanding value for, and protecting our customer base
- Delivering value through operational excellence across all core parts of our business

Our strategy is underpinned by continuing to invest in building strong organisational foundations ensuring we have the necessary capabilities and infrastructure in place to navigate an evolving and complex market.

I'd like to share some insights into a number of these growth drivers starting with Leading Ultrasound Reprocessing and Customer Value Expansion.



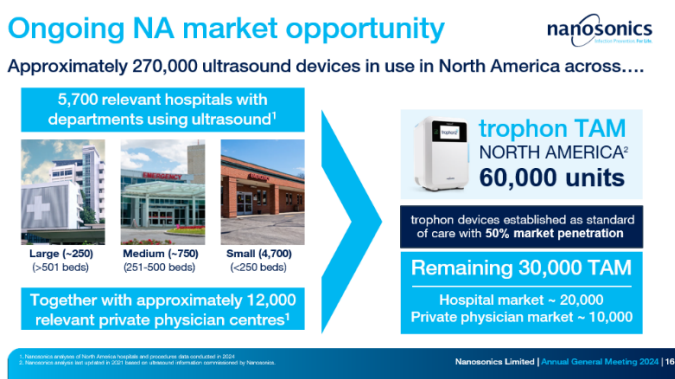
Our global installed base growth opportunity for trophon is determined by two key factors, the Total Addressable Market (TAM) in each region and the strength of the Fundamentals of Adoption (FoA) within the countries of each region.

- **TAM:** The TAM is derived from the total number of ultrasound consoles in use and the growing number of ultrasound procedures that require high level disinfection.
- **Fundamentals for Adoption:** This is a function of current practices and the presence of guidelines or mandates for high-level disinfection by necessary authorities or societies.

Each region varies in size of opportunity or TAM and maturity in Fundamentals of Adoption, requiring tailored strategies to optimise revenue and growth opportunities.

North America

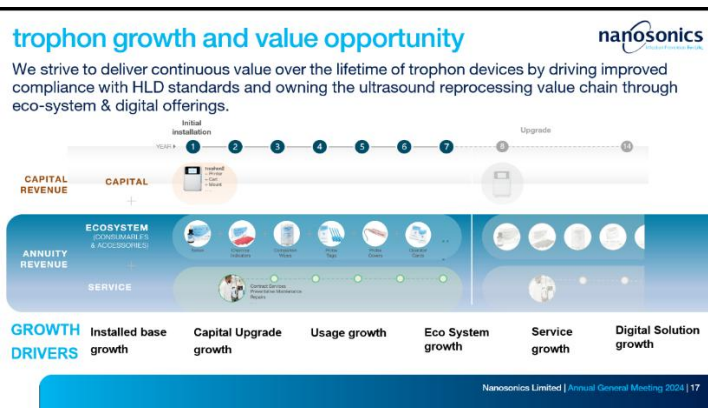
North America represents a success story in terms of trophon establishing a new standard of care. It's a market where we have gone direct and established the necessary infrastructure and internal capabilities to execute on our growth strategy.



With over 270,000 ultrasound devices in use across approximately 5,700 relevant hospitals and 12,000 relevant private physician offices, the estimated Total Addressable Market (TAM) for trophon in North America is 60,000 units. Today we have 50% market penetration.

Of the remaining 30,000, approximately 20,000 are in hospitals and 10,000 in private practices. We have targeted strategies for both segments.

- **Hospitals:** This is the major focus of our direct operation in North America. There are 2 components to hospital segment growth, the first being getting into all relevant hospitals who use ultrasound and today we are represented in a large percentage of the 5,700 relevant hospitals. The larger opportunity is expanding into all relevant departments within a hospital who use ultrasound, and there are many of those. A significant percentage of our new IB sales are accessing new departments within existing trophon-using hospitals.
- **Private Practices:** For the private practice segment, in addition to our direct team that focus on the larger physician practices, we partner with specialised distributors like Henry Schein, McKesson, and Medline. This segment is a growing component of our new installed base.

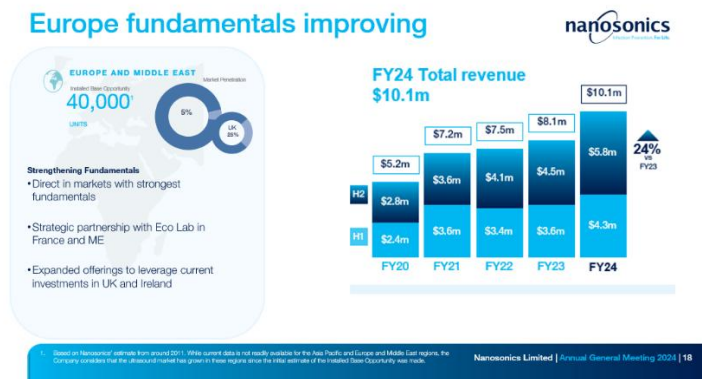


A significant component of our growth strategy in North America is our Customer Value Expansion Strategy. With a significant installed base of over 30,000 units that continues to grow annually, there is opportunity to add further value to our customers through:

1. Our educational initiatives delivered by our clinical applications team, to ensure the number of HLD cycles in a trophon reflect the growing number of ultrasound procedures that require HLD.
2. Delivering a range of products across the full ultrasound reprocessing value chain through our ecosystem offerings including Cleaning and Drying wipes and clean probe covers to protect the probe from environmental re-contamination.
3. Growing our Service business – this is a significant opportunity through both upgrades as well as new installed base and we have an established service infrastructure in place to drive this growth.
4. Expansion of our digital traceability offerings.

Indeed, our expectation is that our Customer Value Expansion strategy through these offerings will be a fast-growing part of our revenue growth in North America.

EMEA



Moving across to our EMEA Region, it's a region where ultrasound as a clinical modality is as prevalent as North America with a TAM for the region in the order of 40,000 units. However, one of the key differences between North America and EMEA is the strength of the fundamentals of adoption, where they are not as strong in EMEA but are improving.

Our Core Strategies for EMEA include:

1. **Direct Operations in Key Markets:** Establish Direct operations in the Markets where the Fundamentals are strongest. Currently the fundamentals are strongest in the UK and Ireland with France and Germany improving. Today we are direct in the UK, Ireland and Germany.
2. **Strategic Distributor Partnerships:** Establish Distributor relationships with infection prevention distributors in countries such as France and some of the Middle East countries. In recent months we have partnered with Ecolab in France and a number of countries in the Middle East.
3. **Tailored Sales Models:** Provide a range of commercial offerings to suit local market requirements to support installed base growth e.g the MES program in the UK.
4. **Market Development:** Enhance awareness and adoption through strengthening of the fundamentals of adoption through our clinical applications team.
5. **Expanded Offerings:** Leverage the current investments in our Direct infrastructure by adding relevant third-party products, such as the recent addition of Ecolab's TEE Soluscope HLD product which is now distributed by our UK and Ireland teams.

Despite Europe's complexities and challenges, we are confident in the long term growth potential for this region.

Asia Pacific

Our Growth Strategy in Asia Pacific is focussed on:

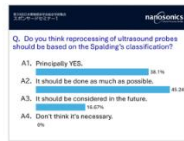
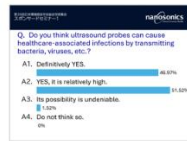
1. Maintaining our leadership position in ANZ where the market is already over 75% market penetrated; and
2. Geographical Expansion with a focus on Japan.

Japan fundamentals improving

nanosonics



- Japan Market Development Progressing**
- Japanese Society of Sonographers (JSS) has published a new guideline recommending Spaulding classification based HLD practice for ultrasound transducers
 - Survey in recent symposium at Japanese Society of Infection Prevention & Control (JSIPC) demonstrated awareness of risk increasing.



1. Based on Nanosonics' estimate from around 2011. When current data is not readily available for the Asia Pacific and Europe and Middle East regions, the Company considers that the ultrasound market has grown in these regions since the initial estimate of the related issue. Opportunity may vary.

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Our focus in Asia Pacific is Japan, where current adoption fundamentals are weak but improving. Currently, there are no requirements to decontaminate ultrasound transducers, even for intracavity procedures. However, we believe this will ultimately change. Endoscopes, nasopharyngeal scopes, and cardiac transesophageal probes already require decontamination, so it makes sense for ultrasound transducers to follow.

We have generated local evidence from two key studies showing contamination levels on ultrasound transducers, with another study underway on the trophon technology's effectiveness. Our educational efforts are gaining traction, with over 90% of participants in a symposium at the recent annual infection prevention conference recognising ultrasound as a cross-contamination risk and supporting adopting high-level disinfection guidelines.

We are progressing our regulatory approval in China however we are keeping close to the economic situation there which we note is impacting capital equipment growth for a number of large Medtech companies.

Leading Ultrasound Reprocessing

Significant ongoing growth opportunity



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So, the global opportunity for growth of our trophon business is substantial. While we must navigate market uncertainties and increasing competition, our focus remains on:

1. Investing in R&D to continually deliver value to our customers.
2. Expanding our installed base in markets with strong fundamentals;
3. Strengthening fundamentals and our presence in key European and Asia Pacific markets as part of our geographical expansion; and
4. Expanding our annuity revenue by enhancing customer value across the ultrasound reprocessing value chain.

These strategies are designed to drive robust growth and returns for years to come.

Transforming Endoscope Reprocessing



Endoscope reprocessing is a significant growth opportunity and our CORIS technology is currently under de novo review with the FDA.

Adverse event reports for endoscopes continue to grow

Adverse events continue to grow and reprocessing failures and infections have been reported across all major endoscope types¹

Numerous outbreaks caused by multi-drug resistant organisms continue to occur, with significant impact to healthcare facilities and patients

- 5 multidrug-resistant organisms (MDRO) outbreaks with 1,527 patients exposed have been reported in the peer-reviewed literature YTD in 2024 in the USA.^{2,4}
- Some patients became carriers and did not show active signs of infection for up to 320 days after the endoscopic procedure.²
- Authors noted published outbreaks greatly underestimate the true rate of exposure and infection²⁻⁴ and biofilm was implicated in several outbreaks.³⁻⁵
- One outbreak investigation alone in the US involved 77 healthcare professionals to manage.⁷

Excess of 34,000 endoscope-related adverse events in past 12 months
Gastrosopes and colonoscopes most commonly involved

References: 1. Analysis of FDA MAUDE database for CORIS and Automated Reprocessing (AR) systems. 2. Subramaniam, S. et al. 'Multi-drug resistant organisms (MDRO) outbreaks: a review of the literature'. 3. CDC. 'Multi-drug resistant organisms (MDRO) outbreaks: a review of the literature'. 4. CDC. 'Multi-drug resistant organisms (MDRO) outbreaks: a review of the literature'. 5. CDC. 'Multi-drug resistant organisms (MDRO) outbreaks: a review of the literature'. 6. CDC. 'Multi-drug resistant organisms (MDRO) outbreaks: a review of the literature'. 7. CDC. 'Multi-drug resistant organisms (MDRO) outbreaks: a review of the literature'.

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Deficiencies in current endoscope reprocessing practices are well understood and these deficiencies can result in significant adverse events. In the US alone there are over 8,000 adverse events reported quarterly by the FDA through its MAUDE data base with a significant percentage of these adverse events related to reprocessing deficiencies.

CORIS

CORIS aims to deliver safer endoscopes to patients through superior cleaning

Designed to deliver better cleaning outcomes

Combining a unique mode of action with the CORIS QUANTUM cleaning agent that can remove even the toughest biofilm from all channels, even the smallest ones that cannot be brushed.

Automating the cleaning process

Removing the risk of human error in the cleaning process to provide reliable cleaning outcomes every time.

Improving the safety of reprocessing staff

Removing the manual actions that cause fatigue and injury via its Smart Drain technology, reducing the risk of splashes and aerosolisation of contaminants.

Increasing the efficiency of the facility

Automating traceability tasks and releasing staff from hands-on reprocessing activities to perform other duties.

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CORIS is designed to overcome the shortcomings of current manual endoscope cleaning by introducing automation and delivering significantly superior cleaning outcomes through its innovative mode of action.

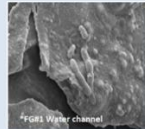
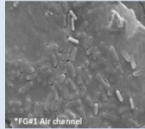
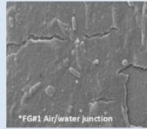
It is a complex challenge as we are dealing with the goal to remove cyclic build up biofilm from all channels within an endoscope, including the smaller channels which can be as small as 1mm in diameter and 3.6 meters long.

Evidence of biofilm formation in endoscope channels



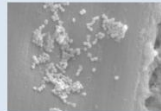
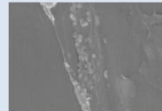
Published data: Biofilm found in clinical lumens¹

- Study withdrew clinically used gastroscopes, replaced lumens, then returned the scopes to clinical use.
- At 30- and 60-day timepoints the lumens were recovered and sent for analysis
- Despite reprocessing, biofilm or probable biofilm was found in all locations sampled



Preliminary data: Biofilm presence in clinical lumens²

- Study underway to assess lumens of clinically used endoscopes for the presence of biofilm at the time of servicing.
- Staining and SEM images undertaken for small and large channels.
- Preliminary data show biofilm or probable biofilm in multiple samples despite reprocessing.



References: 1. Pines, M. G. S. et al. Infect Control Hosp Epidemiology 43, 175–180 (2017). 2. Nanosonics, Data on file.

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The evidence is clear that biofilm exists in these channels which in turn increases the risk of cross contamination. Today's manual practices are not effective in its removal in particular in the small channels.

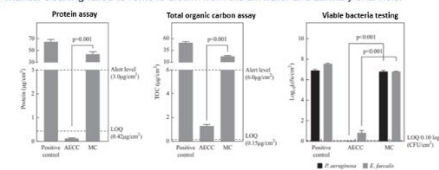
CORIS delivers cleaning results far exceeding manual cleaning



Published in the Journal of Hospital Infection

Key findings

- CORIS significantly outperformed manual cleaning in all channels across all markers including protein, total organic carbon and viable bacteria.
- 1.4-mm and 3.7-mm channels were tested, representing air/water/auxiliary and suction/biopsy channels respectively.
- Manual cleaning failed to remove biofilm from the air/water and auxiliary channels.



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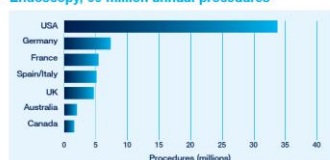
During the year one of our key studies on CORIS was accepted in the peer reviewed Journal of Hospital Infection, demonstrating the effectiveness of CORIS in removing biofilm from all channels. This data has now been presented at numerous international conferences generating significant interest.

Large global opportunity for CORIS



More than 60 million flexible procedures annually across major markets

Endoscopy, 60 million annual procedures¹



- Projected procedure growth rate of 6% p.a.¹
- The USA is the largest contributor to procedure volume.
- 75% of the total are upper and lower gastro-intestinal (GI) procedures.
- Colonoscopies and gastroscopies are most-commonly used.

Manual cleaning costs²

EXAMPLE: Total cost to manually clean a single GI endoscope³



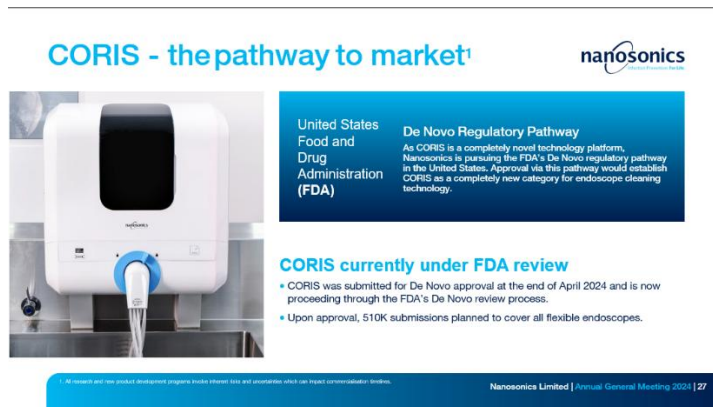
Current cost of manual cleaning of endoscopes is estimated to be between USD \$11-\$37³.

References: 1. Dhill, J. et al. Endoscopy: A Global Perspective. Springer, 2013. 2. Dhill, J. et al. Endoscopy: A Global Perspective. Springer, 2013. 3. Dhill, J. et al. Endoscopy: A Global Perspective. Springer, 2013.

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CORIS represents a significant opportunity for all stakeholders. Given that all major markets today mandate the cleaning and disinfection of endoscopes, the potential for adoption is substantial.

With over 60 million flexible endoscope procedures conducted annually across seven major markets—and growing—the opportunity is very significant. Starting with high procedure volume scopes, CORIS is designed to work with the full range of flexible endoscopes which will be accessible as our indications expand. Commercially, our strategy is to leverage our existing direct infrastructure, supplement it with specialist resources, and partner with leading experts in endoscope reprocessing as we roll out this technology internationally over time.



As mentioned earlier, CORIS is currently under FDA review and we are currently working through questions from the FDA as part of the review process. Our goal is to commence the first stage of our commercialisation strategy in early FY26 subject to the requisite regulatory approvals across the different markets.

This short video introduces you to CORIS. *[video shown]*

Before I conclude, I want to highlight a few key aspects of our Operational Excellence priorities.

First, Manufacturing.

As you know, the manufacturing of our capital equipment takes place here in Sydney, co-located with our R&D facility, and we have no plans to change that. However, we have started setting up a consumables manufacturing facility at our Indianapolis operation to produce consumables for both trophon and CORIS.

This strategy aims to:

- Improve COGS and expand margins for our consumables;
- Enhance our supply chain resiliency and contingency; and
- Provide a more sustainable solution by manufacturing high-volume consumables closer to our customers, thereby reducing international freight, which is a significant component of scope 3 emissions

Setting up manufacturing in the USA is another building block for supply chain optimisation as part of our long-term growth strategy.

The second crucial element of our operations and organisational growth is our Digital Strategy.

As you know, we are investing in a new ERP system, which will go live in the second half of this financial year. This new system aims to deliver productivity through the better capture and faster access to data as well as laying the foundations to enable the implementation of more customer transactional models e.g. web stores, SaaS models for our digital solutions etc. Additionally, data as a strategy is becoming increasingly important, not just internally but also from a customer perspective, particularly in terms of on-demand integrated traceability solutions. We have been investing in our cloud strategy and expect to bring more solutions to market in this domain to support our customers.

Finally, and most importantly, we are investing in our people strategy at all levels of the organisation. As Steve mentioned, we recognise the need for strong organisational capability to achieve our priorities and capitalise on the significant growth opportunities ahead. These investments are designed to ensure we have the necessary breadth and depth of talent to drive and support our long-term growth aspirations.

Closing Remarks

In closing, I want to express my gratitude for the unwavering passion, resilience, and commitment of our global staff. I also extend my sincere thanks to you, our shareholders, for your continued support as we transform medical device reprocessing to enhance patient safety and improve healthcare outcomes.

Thank you and I now hand back to our Chairman, Steve Sargent.

END