



Annual Report 2025

Infection Prevention. **For Life.**





Contents

1	Overview and mission
2	Financial highlights
4	Letter to shareholders
8	Financial and operational review
16	Our commitment to sustainability
18	trophon®2
20	CORIS®
26	The Board
28	The Executive Team
30	Directors' report
36	Remuneration report
61	Auditor's independence declaration
62	Financial statements
98	Consolidated entity disclosure statement
99	Directors' declaration
100	Independent auditor's report
105	Shareholder information
107	Glossary
109	Corporate directory



Overview and mission

Our mission

We improve the safety of patients, clinics and 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.

Overview

Nanosonics (ASX:NAN) is an Australian infection prevention company that has successfully developed and commercialised a unique automated disinfection solution – trophon technology – representing the first major innovation in high-level disinfection for ultrasound probes in more than 20 years.

trophon technology is fast becoming the global standard of care for ultrasound probe disinfection. We will continue to drive trophon adoption through our ability to transform the way infection prevention practices are understood and conducted in existing markets and through continued geographical expansion.

Our commitment to innovation is reflected in our investment in research and product development, as we look to expand our product portfolio and bring new infection prevention products to market.

**37,000
trophon®
units**



globally installed base



**28 million
patients**

protected every year from
the risk of ultrasound probe
cross contamination



Financial highlights

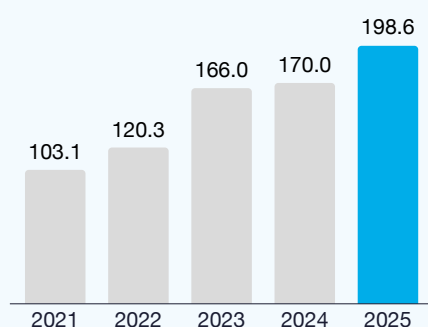
Revenue

\$198.6m

in the last 12 months

↑ **17%**
vs FY24

Revenue (\$ million)



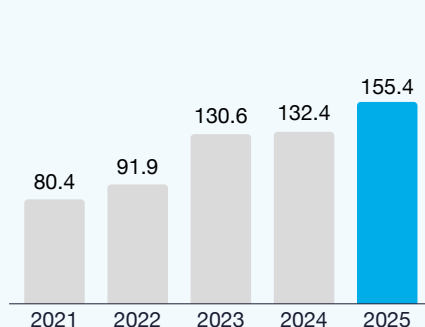
Gross Profit

\$155.4m

in the last 12 months

↑ **17%**
vs FY24

Gross Profit (\$ million)



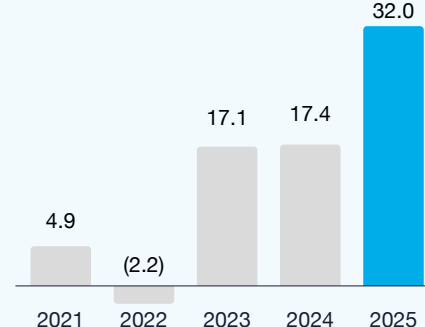
Cash Flow

\$32.0m

in the last 12 months

↑ **84%**
vs FY24

Cash Flow (\$ million)



Operating Expenditure

\$138.7m

in the last 12 months

↑ **10%**
vs FY24

Profit Before Tax

\$22.3m

in the last 12 months

↑ **72%**
vs FY24

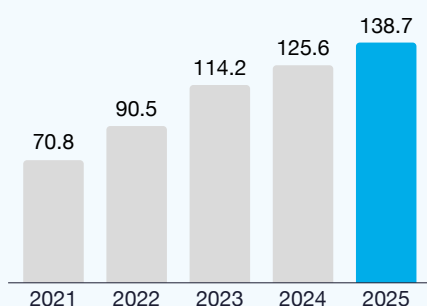
Cash and Cash Equivalents

\$161.6m

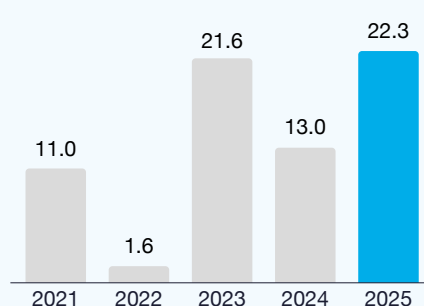
in the last 12 months

↑ **25%**
vs FY24

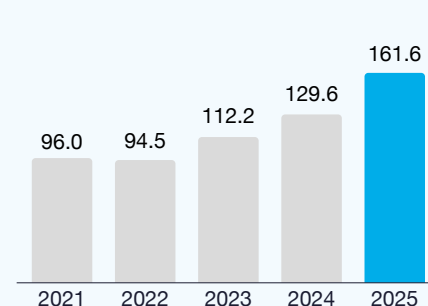
Operating Expenditure (\$ million)



Profit Before Tax (\$ million)



Cash And Cash Equivalents (\$ million)



2016-2025 results

\$'000	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenue	198,628	170,012	165,993	120,320	103,079	100,054	84,324	60,698	67,507	42,796
Gross profit	155,358	132,437	130,645	91,905	80,384	75,513	62,816	45,291	50,155	32,166
R&D expenses	(34,699)	(32,809)	(29,514)	(22,358)	(17,194)	(15,558)	(11,375)	(9,882)	(9,486)	(7,297)
EBITDA	25,877	16,749	26,772	7,509	15,188	15,563	17,642	5,861	14,140	950
EBIT	17,808	9,117	19,635	1,782	10,763	11,671	15,502	4,362	12,866	(359)
Profit/(loss) before tax	22,287	12,986	21,596	1,578	10,984	12,459	16,830	5,583	13,852	136
Net income tax (expense)/benefit	(1,611)	(14)	(1,713)	2,164	(2,406)	(2,322)	(3,228)	168	12,306	(14)
Profit/(loss) after tax	20,676	12,972	19,883	3,742	8,578	10,137	13,602	5,751	26,158	122
Cash and cash equivalents	161,638	129,552	112,159	94,512	96,027	91,781	72,180	69,433	62,989	48,841

Letter to shareholders

Nanosonics performed strongly in FY25 and our business model continues to demonstrate its strength and scalability.



Michael Kavanagh
CEO & President

Steven Sargent
Chairman

Chairman and CEO letter for Nanosonics for the financial year 2025

On behalf of the Board of Nanosonics, it is with pleasure that we present the Company's Annual Report for the financial year 2025. This year, the Company reported strong financial results, reached important product and operational milestones, and made strategic investments to support future growth.

Throughout the year we have continued to deliver on our mission to transform infection prevention by improving the safety of patients, clinics and their staff and the environment.

Through our trophon technology and its range of consumable products, we have established the leading standard of care in automated infection prevention protecting more than 28 million patients each year. We expect to make a similar impact with our new technology, CORIS, a transformational device that automates the cleaning of flexible endoscopes.

We are focused on shifting manual processes in reusable medical device reprocessing to more efficacious and reliable automated solutions which deliver many important patient and economic outcomes for health systems.

Strong financial performance in FY25

Nanosonics performed strongly in FY25 and our business model continues to demonstrate its strength and scalability. With a large cumulative installed base of 37,000 units,¹ up 6% year-on-year, we are seeing this foundation translate into significant recurring revenue growth. Total revenue for the year reached \$198.6 million, a 17% increase (14% at constant currency²), driven by a 9% rise in capital revenue to \$52.5 million and 20% growth in recurring revenue to \$146.1 million. This performance underscores the growing value of our consumables and service business, which is fuelled by our expanding installed base and product expansion.

Profitability grew strongly with profit before tax up 72% (49% at constant currency) to \$22.3 million while continuing our investments into R&D and operational advancements such as our US manufacturing facility, digital capabilities and a new Enterprise Resource Planning (ERP) system to support the business into the future.

1. Cumulative sales of new installed base units.
2. Constant currency removes the impact of foreign exchange rate movements to facilitate comparability of operational performance. This is done by converting the current year sales of entities that use currencies other than Australian dollars, and restating foreign currency-denominated sales of the parent entity that is impacted by exchange rate movements, at the average rates that were applicable in the prior year. The average exchange rate used for the Company's major foreign currency (USD) for the full year was 0.65 (FY24: 0.66).

Our strategy for growth remains steadfast: we are focused on creating value for our customers and shareholders by leading the way with new standards of care for ultrasound and endoscope reprocessing and are committed to further product and market expansion.

Michael Kavanagh CEO & President

Excluding the investments into our new endoscope reprocessing product CORIS, our core trophon business continues to deliver excellent outcomes with profit of \$52.8 million – up 31% for the year. This profitability demonstrates the scalability and growth of this business, in particular via recurring revenue growth. We have confidence our new trophon3 device and trophon2 Plus, together with ongoing value expansion for our existing customer base, will support continued growth in this business.

We've delivered healthy cash flow of \$32.0 million for the year – up from \$17.4 million in the prior year. Our cash balance stands at \$161.6 million as at 30 June 2025. With no debt on the balance sheet, we maintain full flexibility to allocate capital to support further growth through ongoing investments in our established and developing markets, R&D and product expansion, as well as investments that continue to build our infrastructure and capabilities for the future – all with a thoughtful and measured approach that aims to maximise returns for shareholders over the long term.

We are confident the investments we've made and foundations we've laid throughout FY25 will support our growth into FY26 and beyond.

Automation and traceability in a changing operating environment

Medical device technologies that improve patient outcomes, while alleviating customer workflow challenges and hospital financial pressures, have never been more important and are supported by trends towards automation and traceability in healthcare. Both trophon and CORIS go to the heart of these industry dynamics providing automation and traceability. trophon has established itself as the leading automated ultrasound reprocessing technology and has replaced manual reprocessing in thousands of hospitals around the world. CORIS has been designed as an automated solution to deliver best-in-class efficacy results by replacing the manual cleaning steps in endoscope reprocessing.

trophon3: The next generation of ultrasound probe high-level disinfection

To continue to further strengthen our market leadership position in ultrasound reprocessing, we were pleased to launch our next-generation trophon technology, trophon3. trophon3 continues to deliver the gold standard in efficacy while adding important new customer benefits, including a significantly faster cycle time, broader digital integration capabilities, and traceability through DICOM.

In addition, we have also launched trophon2 Plus, a software upgrade for existing trophon2 customers that can bring all the key new features of trophon3 to their existing device.

The growth opportunity associated with both these innovations is three-fold encompassing ongoing new installed base growth, upgrades of our original EPR devices, and software upgrades for existing trophon2 customers who would like to access all the key features of trophon3. Importantly, each new device or upgrade adds value to our customers whilst also supporting the growth in our consumables' and services' recurring revenue streams.

CORIS advances towards commercialisation

The United States Food and Drug Administration De Novo clearance for CORIS was received in March 2025 and set in motion the pathway to commercialisation with expectations CORIS will become an additional growth engine for our business in the future.

Endoscope reprocessing is an established and large market, with more than 60 million endoscope procedures conducted each year across the top seven countries alone. Despite established standards for the reprocessing of endoscopes, contamination persists and adverse events grow. In 2024 alone, there were over 35,000 adverse events associated with endoscopes reported in the FDA MAUDE database.

Within the reprocessing steps of an endoscope, the cleaning stage is universally considered the most difficult and important stage, as ineffective cleaning can lead to disinfection failure. Today, cleaning is conducted manually which has significant limitations. CORIS is designed to address these limitations through automation, delivering a new benchmark in cleaning efficacy as well as clinical efficiency.

Plans are now well underway for the submission of the first 510k for expanded scope indications, regulatory certification in Europe and Australia and the commencement of a Controlled Market Release (CMR), throughout FY26, first in Europe and Australia. The CMR will then commence in the USA upon approval of the first 510(k) for expanded scope indications.

A CMR is typical for new medical devices and involves a strategically limited launch into select markets and user environments before full-scale commercialisation. A CMR enables real-world feedback on device performance, usability and integration into clinical workflows, and helps identify and resolve any unexpected issues prior to broader commercialisation. Broader commercialisation of CORIS is expected to follow the CMR.

Foundations for future growth

We are proud to continue manufacturing trophon devices in Australia and have now set up manufacturing for CORIS at the same facility in Macquarie Park, NSW, with a strong domestic supply chain for both products. We export our devices around the world, including to our US customer base. Like all Australian exporters, we have needed to mitigate the impact of US tariffs in recent months and will continue to monitor this situation closely while implementing plans to minimise the impacts of these tariffs in FY26. We also invested in expanding our existing Indianapolis facility to manufacture both trophon and CORIS consumables and received the relevant certifications during the year. We expect manufacturing of consumables to commence there soon, building on the facility's established logistics and servicing function.



Overall total revenue

\$198.6m

for the year, growing 17%



Global upgrade units

1,660

were installed in FY25



Nanosonics successfully implemented a new ERP system which will modernise the way we work and deliver for our customers. We also achieved important advances in our digital capabilities to support much broader customer connectivity options and opportunities.

During the year, the Company continued to mature its cyber security resiliency by recertifying the business for ISO27001 (2022 version), and overlaying NIST CSF2 in addition to AST E8. We also commenced our certification work to achieve HITRUST certification in the US.

Sustainability

As we grow the business, we are mindful of our responsibility to ensure we do so sustainably wherever possible. A key component of our carbon reduction strategy has been to source 100% renewable energy for use in our Australian and US business operations by the end of FY25. Historically, electricity usage has been the primary driver of our scope 2 emissions. We're pleased to have delivered on this commitment during FY25 as we switched to renewable energy for our operations and, as a result, around 56% or 270 tonnes of our scope 2 emissions have been abated. Further, our scope 1 emissions reduced by around 17% (67 tonnes down to 56 tonnes). We expect to see this reduce further in FY26 as we experience the full year benefit, and explore other areas to minimise our footprint.

As outlined above, we have commenced the process of setting up manufacturing for our key consumables in the US, a decision which is expected to see the Company avoid the scope 3 emissions that would have otherwise been caused from shipping these goods from Australia to our customers in the US.

Our people

Diversity and inclusion continue to be valued and important drivers for attracting and retaining our talented team. The Nanosonics team is now over 470 strong and represents over 30 different nationalities. Female representation improved to 45% of our employees with a similar increase in the proportion of women in senior leadership roles which also rose to 45%. We are continuing to build our capabilities globally through the ongoing attraction and development of a diverse pipeline of talent. Consistent with prior years, Nanosonics achieved excellent results in company engagement, as reported through our company-wide team engagement survey. Overall engagement for the organisation was 71% with the survey highlighting that 95% of employees are deeply connected to our purpose and 92% have a strong understanding of how their work contributes to our goals. We are delighted to see the connection our team continues to have with the Company.



On behalf of the Board, we would like to thank each member of our team for their dedication and hard work as we've continued to grow and achieve many important milestones throughout the year.

Governance and Board renewal

At the Company's AGM in November 2024, non-executive directors, Dr David Fisher and Mr Geoff Wilson retired from their roles as non-executive directors and we thanked them for their contributions and many years of service to Nanosonics. In January 2025, Mr Gerard Dalbosco joined the Board as a non-executive director and was appointed to the role of Chair of the Audit & Risk Committee.

Our growth strategy and outlook

Looking ahead, the Board and management team are excited about Nanosonics' future. We are well positioned to benefit from trends in healthcare and infection prevention, however we also operate in a changing global trade environment which we must continue to navigate. Our strategy for growth remains steadfast: we are focused on creating value for our customers and shareholders by leading the way with new standards of care for ultrasound and endoscope reprocessing, and are committed to further product and market expansion.

Thank you for your continued support.

Steven Sargent
Chairman

Michael Kavanagh
CEO & President
26 August 2025

We are confident the investments we've made and foundations we've laid throughout FY25 will support our growth into FY26 and beyond.

Michael Kavanagh CEO & President

Financial and operational review



Nanosonics delivered a strong financial performance in FY25, as well as continuing to lay the foundations for its next growth horizon.

Nanosonics' business model continues to demonstrate its strength and scalability. With a large cumulative installed base¹ of 37,000 units, up 6% year-on-year, the Company is translating its strong foundation into significant revenue growth. Total revenue for the year reached \$198.6 million, a 17% increase (14% at constant currency²), driven by a 9% rise in capital revenue to \$52.5 million and 20% growth in recurring revenue (from the consumables and service business) to \$146.1 million. This performance underscores the growing value of the consumables and service business, which is fuelled by our expanding installed base.

Profitability grew 72%, with profit before tax of \$22.3 million. Profit growth was achieved while continuing investments into R&D and operational advancements such as the US manufacturing facility, digital capabilities and a new Enterprise Resource Planning (ERP) system to support the business into the future.

This year Nanosonics achieved significant innovation milestones, including delivering the next generation of trophon, which will support our market leadership in ultrasound reprocessing. trophon3 and the new software upgrade package, trophon2 Plus, have now been launched to customers in the US, Canada, UK, Ireland, Australia and New Zealand.

Receiving FDA clearance for CORIS was another significant milestone in Nanosonics' innovation journey and plans are now well underway for the submission of the first 510K for expanded scope indications, regulatory certification in Europe and Australia and the commencement of a Controlled Market Release for the technology. The CORIS system is designed to deliver a new standard of care for the cleaning of flexible endoscopes by addressing recognised issues associated with current manual processes. With over 60 million flexible endoscope procedures conducted annually across the top seven key markets alone, CORIS represents a substantial opportunity for the organisation.

In FY25, Nanosonics invested in the expansion of its existing Indianapolis facility scaling the service facility in line with growth in this business and establishing a manufacturing facility for both our trophon and CORIS consumables. The facility received the relevant manufacturing certifications during the year and manufacturing is set to commence in H1 FY26. trophon and CORIS device manufacturing will remain at the Company's Sydney facility.

1. Cumulative sales of new installed base units.

2. Constant currency removes the impact of foreign exchange rate movements to facilitate comparability of operational performance. This is done by converting the current year sales of entities that use currencies other than Australian dollars and restating foreign currency denominated sales of the parent entity that is impacted by exchange rate movements at the average rates that were applicable in the prior year. The average exchange rate used for the Company's major foreign currency (USD) for the full year was 0.65 (FY24: 0.66).



Global

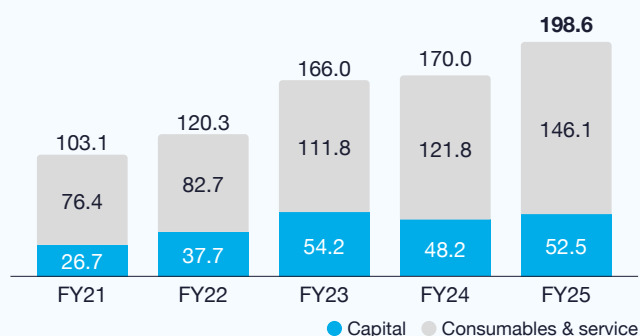
Total global revenue growth on prior year

↑ **17%**

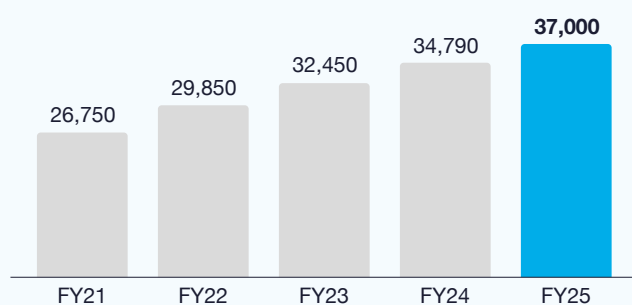
Growth in the Global Cumulative installed base

↑ **6%**

Total global revenue (\$ million)



trophon installed base (devices)



Graphs are not to scale and therefore not comparable.

Consumables and services (Recurring Revenue)

Recurring revenue

\$146.1m

Growth on prior year

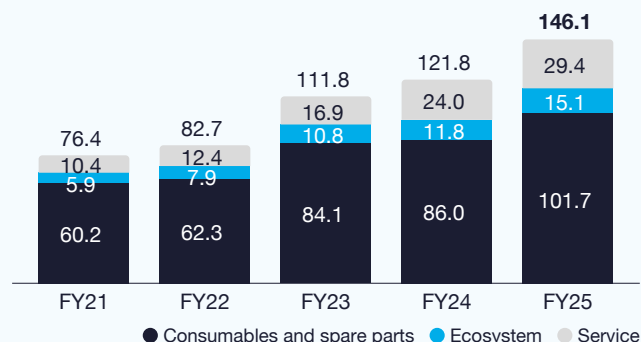
↑ **20%**

20% growth in recurring revenue aligned with the strategy to expand the value to customers

Recurring revenue grew 20% in FY25 to \$146.1 million. Core consumables growth was driven by 17% growth in the volume of products sold due to growth in the cumulative installed base and ultrasound procedures growth, along with inflationary linked growth in pricing of approximately 3% across all products and services.

Revenue growth occurred across all categories. Consumables and spare parts revenue, including Nanosonics' Sonex/ NanoNebulant, Chemical Indicator and hardware replacement parts, grew 18% to \$101.7 million in FY25. Ecosystem products encompass value add consumable products including companion wipes, probe covers and printer rolls and revenue increased 28% on the prior year to \$15.1 million. Finally, revenue from the services business, including repairs and maintenance of devices and traceability services such as AuditPro, grew 21% to \$29.4 million in FY25.

Recurring revenue by category (\$ million)



Financial and operational review continued

Global trophon adoption

Global cumulative
installed base¹37,000
devicesNew installed
devices

2,210

Upgraded
devices

1,660

Growth in capital
revenue on prior year

↑ 9%

In addition to powering recurring revenue, Nanosonics' large and growing installed base is delivering significant capital revenue from unit sales.

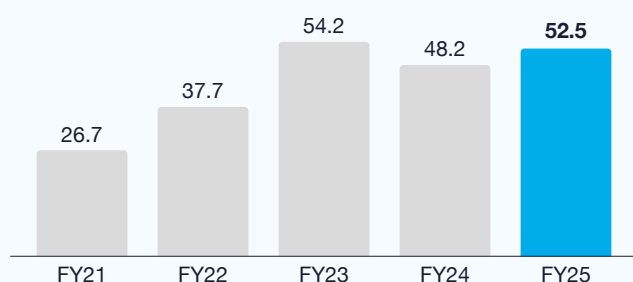
The cumulative installed base of trophon devices grew 6% to 37,000 units in FY25 with a total of 2,210 new installed base this year. Of those, 1,920 were installed in North America, 200 in EMEA and 90 in APAC.

In addition, 1,660 devices were upgraded from the original EPR trophon device to the trophon2, up 10% on pcp. This included 1,500 units in North America, as well as 80 units in EMEA and 80 units in APAC.

A total of 3,870 devices were installed during the year resulting in a 9% increase in capital revenue to \$52.5 million.

Growth in capital revenue (\$ million)

Installation of 3,870 units drives 9% growth in capital revenue



1. Cumulative sales of new installed base units.

Graphs are not to scale and therefore not comparable.

North America

Cumulative
installed base¹32,310
+6% on pcpNew installed
devices1,920
(4%) on pcpUpgraded
devices1,500
+15% on pcpRevenue growth
on prior year↑ 17%
vs pcp

trophon device adoption continued strongly in North America.

North America continued to make a strong contribution to group revenue, with \$180.4 million in sales in FY25, reflecting an increase of 17% on pcp. North American revenue was comprised of \$131.0 million in recurring revenue and \$49.4 million in capital revenue.

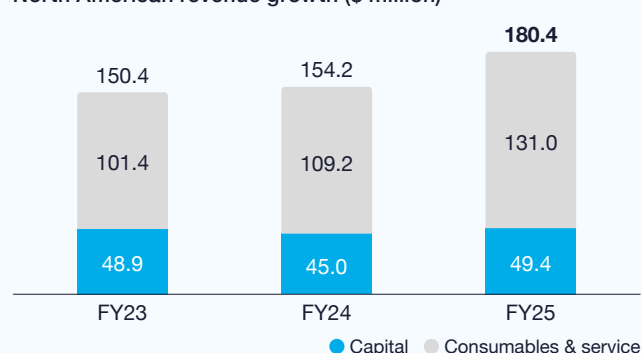
Pleasingly total units installed in North America grew by 4% to 3,420 units. Adding 1,920 new installed base units and 1,500 upgrade devices, giving it a cumulative installed base of approximately 32,310 devices.

During the year, approximately 55% of new installed base were installed in existing hospitals with customers that have expanded their use of within existing departments or expanding their use of trophon into new departments within the hospital. Approximately 15% were placed in new hospitals.

Approximately 30% of new installed base came from the company's strategy to access the private physician market.

A large opportunity remains across both the hospital and private physician office markets.

North American revenue growth (\$ million)



● Capital ● Consumables & service

Europe, UK and Middle East

Cumulative
installed base¹

2,430

9% on pcp

New installed
devices

200

(9%) on pcp

Upgraded
devices

80

0% on pcp

Revenue growth
on prior year

↑ 22%

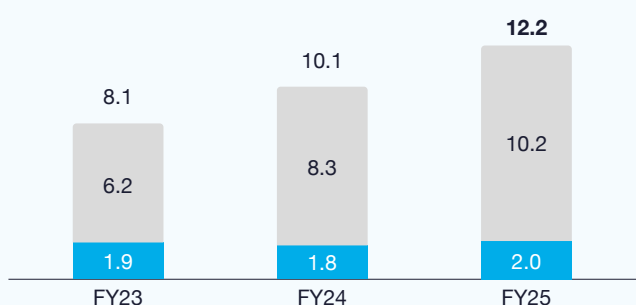
vs pcp

Revenue from Europe, the UK and Middle East grew 22% compared to the prior year, contributing \$12.2 million in FY25.

Revenue was comprised of \$10.2 million in recurring revenue and \$2.0 million in capital revenue, noting that most devices in the UK operate under a managed equipment service agreements with customers which generate recurring revenue only.

Across Europe, the UK and the Middle East, trophon device adoption was 200 new devices, bringing the cumulative installed base to approximately 2,430 devices. Capital revenue also included sales of 80 upgrade devices in this region, noting that the majority of first generation EPR devices have already been successfully upgraded. New devices and upgrades included notable traction in the UK, the UAE, Romania, Benelux and Oman. In the UK and Ireland, the team deepened Nanosonics' relationships with existing customers, as well as expanded its customer base within the NHS and private groups and clinics.

Europe, UK and Middle East revenue (\$ million)



1. Cumulative sales of new installed base units.
Graphs are not to scale and therefore not comparable.

Asia Pacific

Cumulative
installed base¹

2,260

+4% on pcp

New installed
devices

90

(25%) on pcp

Upgraded
devices

80

(38%) on pcp

Revenue growth
on prior year

↑ 4%

vs pcp

Asia Pacific contributed \$6.0 million in revenue, up 4% on pcp.

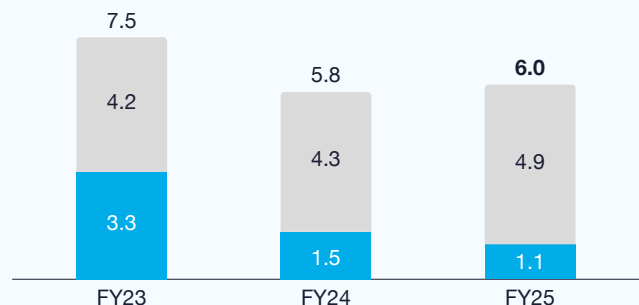
This was comprised of \$4.9 million in recurring revenue and \$1.1 million in capital revenue.

Trophon devices adoption continued with 90 new and 80 upgrade devices added, bringing Asia Pacific's cumulative installed base to approximately 2,260 devices.

The majority of revenue continues to come from the established business in Australia and New Zealand where penetration of the market is high.

The Company continues to invest in Japan with the primary focus on establishing local guidelines for high level disinfection ultrasound probes. During the year a further study was completed demonstrating probe contamination. Work continues with a number of clinical societies and key opinion leaders on the development of national guidelines. The first of these was published in the Japanese Society of Sonographers.

Asia Pacific revenue (\$ million)



● Capital ● Consumables & service

Financial and operational review continued



Operating expenses

Total operating expenses

\$138.7m

Gross in operating expenses

↑ 10%

Nanosonics reports measured growth in operating expenses in FY25.

Operating expenses increased by 10% on pcp to \$138.7 million. Importantly, operating leverage improved with operating expenses declining as a percentage of revenue compared to FY24. This included R&D which was 17% of total revenue this year compared to 19% of revenue in FY24.

With a focus on investing for growth, Nanosonics core investment areas were:

- 43% invested in core revenue generating markets to drive ongoing growth
- 27% invested in infrastructure and capability for today and the future
- 25% invested in R&D driving product expansion strategy
- 5% invested in developing markets as part of market expansion strategy

Graphs are not to scale and therefore not comparable.

Gross Profit

Gross profit

\$155.4m

Gross profit margin

78.2%

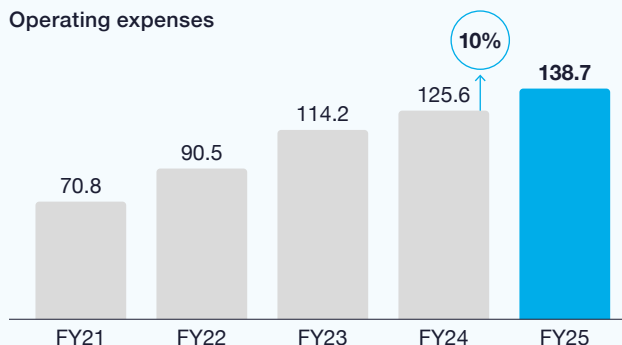
Improvement on prior year

↑ 0.3%
pts

Gross profit was \$155.4 million in FY25, reflecting 17% growth compared to FY24.

Gross margin was 78.2%. The impact of US tariffs during the period was \$0.5m, following part mitigation through inventory levels already held in the USA.

Operating expenses



Other income, EBIT and profit before tax

Other income

↓ **\$1.3m**
\$1.7m in FY24

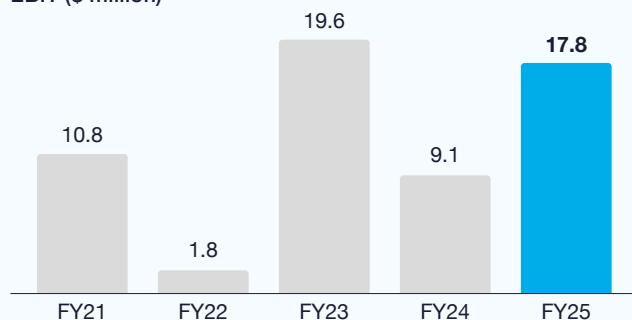
Other income for the year was \$1.3 million, down from \$1.7 million in FY24. This includes income from the NSW Jobs Plus Program.

EBIT

↑ **\$17.8m**
95% growth on prior year

EBIT grew strongly to \$17.8 million, up 95% on pcp.

EBIT (\$ million)

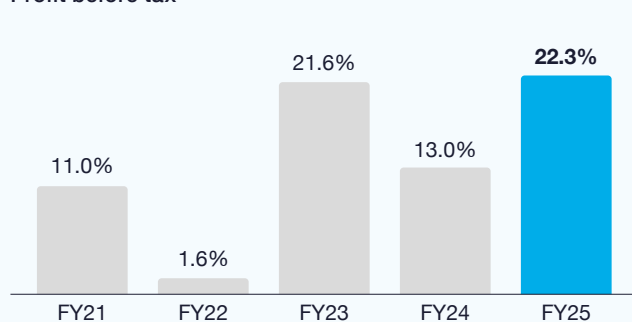


Profit before tax

↑ **\$22.3m**
72% growth on prior year

Profit before tax increased 72% to \$22.3 million in FY25, compared to \$13.0 million in FY24.

Profit before tax



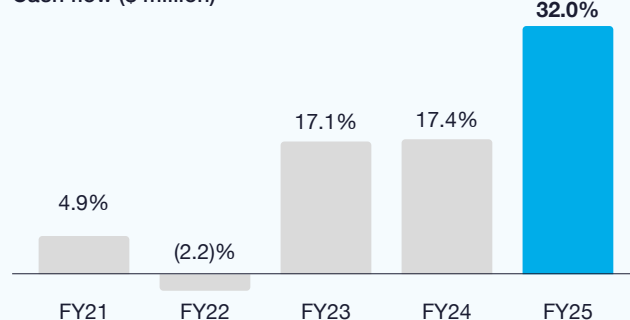
Cash and capital reserves

Cash flow

↑ **\$32.0m**
84% increase in FY24

Nanosonics generated cash flow of \$32.0 million for the year, compared to \$17.4 million in the prior year. Cash flow growth was in line with EBIT growth and was driven by increasing profits and diligent working capital management.

Cash flow (\$ million)

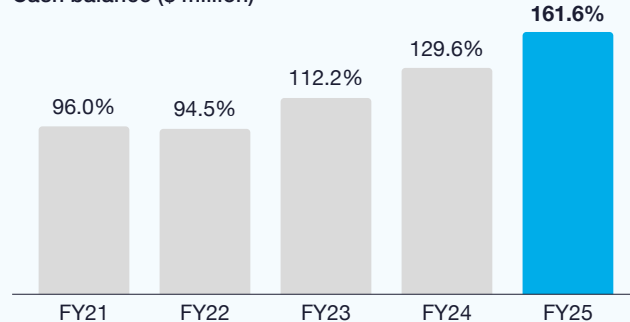


Cash and cash equivalents

↑ **\$161.6m**
25% growth on prior year

Cash and cash equivalents were \$161.6 million as at 30 June 2025. With no debt, Nanosonics maintains full flexibility to allocate capital for innovation, market and product expansion, and long-term shareholder value.

Cash balance (\$ million)



Financial and operational review continued

Inventory and Trade & other receivables

Inventory

\$18.6m

8% vs FY24

During the year, the Company's inventory decreased from \$20.2 million to \$18.6 million, due to a combination of a shortage of some raw materials during the year, now resolved, and a planned slowdown in manufacturing ahead of the implementation of the Company's new ERP system.

Trade & other receivables

\$37.9m

Total trade and other receivables decreased from \$39.7 million in FY24 to \$37.9 million in FY25. The decrease is due to stability in debtor days and collection of the NSW Jobs Plus government grant of \$2.6 million in FY25.

Research and development

Investment in R&D

\$34.7m

6% vs FY24

R&D as a % of total revenue

17%

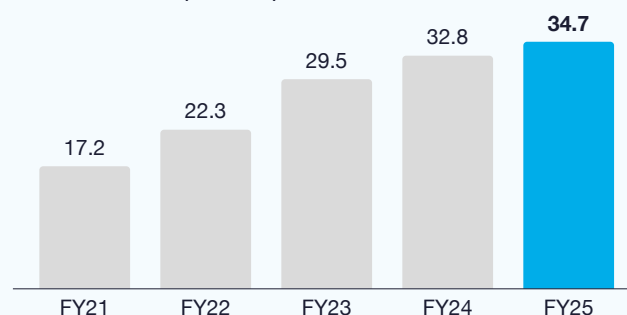
vs 19% in FY24

Significant R&D milestones achieved in FY25.

R&D investment increased 6% to \$34.7 million. Approximately two thirds, or \$22.3 million, of R&D investment was focussed on the Endoscope Reprocessing innovation program, with \$12.3 million of investment into the Ultrasound Reprocessing innovation program. Significant R&D milestones were achieved in both these programs with the US FDA De Novo clearance for CORIS followed by the recent regulatory approvals and launch of trophon3 and trophon2 Plus.

As a percentage of revenue, R&D decreased to 17% of FY25 revenue, from 19% of FY24 revenue.

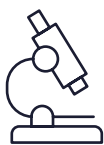
R&D investment (\$ million)



Intellectual Property

7 new patent families established in FY25

Nanosonics continues to recognise the importance of its intellectual property (IP) portfolio in maintaining a sustainable competitive advantage. In FY25, Nanosonics established seven new patent families for its trophon and CORIS technologies. The Company continues to leverage its dedicated IP function to actively manage its program of IP development and conduct third-party IP analysis to support its strategic growth agenda.



Four core areas of R&D focus

Infection Prevention. For Life.

1 Ultrasound reprocessing

2 Endoscope reprocessing

3 Compliance and traceability

4 New innovation research

Key capabilities

- Chemistry
- Physics
- Biosciences
- Microbiology
- Medical affairs
- New product introduction
- Cloud solutions
- Engineering
 - Systems
 - Mechanical
 - Industrial design
 - Electrical
 - Software

Outlook

Nanosonics is confident the foundations built upon in FY25 will support continued growth into FY26 and beyond.

Nanosonics is well-positioned to benefit from several trends in healthcare and infection prevention, such as automation, traceability and digitalisation, as well as the positive impacts of its newly launched, next generation trophon technology and CORIS commercialisation plans. However, the Company is taking a prudent approach to macro-economic uncertainties, recognising the changing global trade environment.

Nanosonics is confident the foundations built upon in FY25 will support continued revenue growth into FY26 and beyond. The Company's newly launched trophon3 and software upgrade package, trophon2 Plus, supports continued growth in our cumulative installed base and upgrades. Continued value expansion for customers is also expected to support ongoing growth in our recurring revenue.

In FY26, the direct impact of the current tariff rates¹ on the cost of goods are expected to be approximately \$4 million, which is expected to result in a gross margin percentage of between 75% to 77%. However, various mitigation strategies are expected to off-set the tariff impacts at a profit before tax level, including a range of cost sharing and financial.

The Company will continue investing in CORIS throughout FY26 to support full commercialisation readiness. This includes scaling manufacturing and supply chain, advancing regulatory submissions for expanded scope indications, initiating the CMR, and engaging with customers in readiness for broader commercialisation.



1. As at 26 August 2025.

Our commitment to sustainability

This year, we achieved a major milestone in our environmental strategy with the transition to 100% renewable energy at our two main sites.

Michael Kavanagh CEO & President



Dear Stakeholders,

We are pleased to present Nanosonics' FY25 Sustainability Report. As we reflect on our FY25 achievements, we are proud of the progress we have made toward a more sustainable and responsible future.

The heart of our sustainability aspiration is to transform medical device reprocessing in ways that deliver improved patient safety and better healthcare outcomes. This year, we have continued to innovate in ultrasound reprocessing, advancing our capabilities and deepening our expertise through the launch of trophon3 and trophon2 Plus.

We also made significant progress toward the launch of CORIS. CORIS is designed to deliver substantial benefits across the healthcare ecosystem, including reducing the risk of cross contamination to improve patient safety and enhancing overall healthcare outcomes by delivering an automated solution, and enabling more effective and efficient device reprocessing.

This year, we achieved a major milestone in our environmental strategy with the transition to 100% renewable energy at our two main sites. The shift has already led to a reduction of around 56% in our Scope 1 and Scope 2 emissions, with the full year benefit to come.

We met our target to identify new pathways for reducing Scope 3 emissions and have now committed to transitioning key consumable manufacturing processes from Sydney to Indianapolis. Locating production closer to our customers is expected to meaningfully reduce emissions associated with transportation over time.

We will continue to challenge ourselves to lead in areas where we can make the greatest difference – protecting patients, supporting our people, caring for our planet, and delivering value to all stakeholders.

Thank you for your continued trust and partnership as we work together to create a healthier, safer, and more sustainable future.

A handwritten signature in black ink, reading 'M. Kavanagh'.

Michael Kavanagh
CEO & President

FY26 targets

Caring for our:

Customers and their patients



Continue growth in the number of patients protected against the risk of cross contamination through the use of our Trophon technology

Zero material adverse events/recalls

Maintain all relevant regulatory approvals globally

Receive QMS certification for 100% of Nanosonics' sites

Partners



Conduct multiple on-site modern slavery audits with tier 1 suppliers

Conduct further remediation activities with key suppliers

Seek to maintain 100% compliance on all training modules associated with the Code of Conduct & Ethics

People

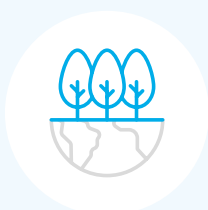


Achieve below NSW Safe Work Industry target for safety incidents (TRIFR)

Achieve our FY26 Inclusion & Belonging objectives set out in this Report

Maintain or exceed employee engagement at or above FY25 level of 71%

Planet



Having reduced Scope 1 and 2 emissions by 56% in FY25, continue to reduce Scope 1 and 2 emissions in Australia and US operations, and explore opportunities to further reduce Scope 1 and 2 emissions in other markets

Implement change of a manufacturing site from Australia to the US for consumables which is expected to prevent Scope 3 emissions from international transportation in future years, as well as identify further opportunities to reduce Scope 3 emissions

Meet the APCO annual reporting requirements by increasing the review of our packaging from 40% to 50% against the Sustainable Packaging Guidelines



trophon²

Leading ultrasound
reprocessing

Protection for patients, staff and the environment – that's the power of nebulised hydrogen peroxide

trophon¹ is the only automated High-Level Disinfection (HLD) solution for ultrasound probes that uses hydrogen peroxide chemistry

Hydrogen peroxide is a highly effective and trusted disinfectant due to its broad-spectrum antimicrobial activity, and it naturally decomposes into non-toxic byproducts (water and oxygen) making it environmentally safe.

Hydrogen peroxide works by breaking down the essential components of pathogens, such as lipids, proteins and DNA – bacteria, viruses, fungi and spores can all be destroyed or deactivated by hydrogen peroxide. Recently, the FDA added vapourised hydrogen peroxide to the list of Established Category A sterilisation methods.²

Only trophon devices use a 'sonically activated' nebulised mist of hydrogen peroxide that envelopes the most challenging surfaces of ultrasound probes in a secure chamber. While only 2 ml of hydrogen peroxide is used per cycle, the disinfection occurs in a fully enclosed system, making trophon suitable for continuous use directly in patient treatment rooms. Towards the end of the cycle, any residual hydrogen peroxide mist is automatically converted into oxygen and water leaving the probe decontaminated, dry and ready for the next patient.

1. "trophon" refers to trophonEPR, trophon2, and the trophon3 products.

2. FDA Facilitates Broader Adoption of Vaporized Hydrogen Peroxide for Medical Device Sterilization, FDA (Jan 2024). Ratliff K et al. Letters in Applied Microbiology 2022; 75:933-41.

Deadly for organisms

There is no HLD solution with a broader efficacy spectrum than trophon, effectively killing clinically relevant bacteria, fungi, viruses, spores and mycobacteria. This efficacy spectrum includes multi-drug resistant bacteria, blood-borne viruses (Hepatitis B, HIV) and sexually transmitted infections such as chlamydia, gonorrhoea and human papillomavirus (HPV).

Standards-compliant traceability

Confident capture of traceability information for customers to demonstrate compliance to global and national standards

Healthcare facilities recognise that the accurate capture of traceability records for medical device reprocessing is crucial for ensuring patient safety by confirming proper disinfection and reducing infection risk. It also helps healthcare facilities comply with regulations, maintain quality control, and provide for audits and inspections.

trophon helps facilities capture and store traceability records by using computerised logging to track cycle data, physical indicators to confirm disinfection, operator cards to log personnel, and printers to label disinfected probes. It can be customised to fit different needs and workflows.

Growing support for customers in their quest for digitalisation

Healthcare facilities are digitalising all types of health information, including patient safety data such as traceability – digital reprocessing traceability processes improve accuracy and efficiency by reducing human error and streamlining workflows. Digital systems can also enable real-time monitoring and easier compliance with regulatory standards, while also enhancing data security and traceability.

Additionally, digitalisation facilitates detailed data analysis, helping facilities identify trends and optimise processes. It also reduces costs associated with paper records and manual tracking, leading to overall cost savings.

However, healthcare facilities vary greatly on their journey to digitalisation – therefore it's important that the trophon digital ecosystem meets their current needs and provides a roadmap for their future ambitions.

- Acutrace™ – traceability implemented via RFID technology across the workflow to capture digital records to support facility audit.
- AuditPro™ Digital Logbook – a handheld device and software that allows facilities to replace their paper logbooks.
- AuditPro™ Cloud – an internet cloud-based solution that supports advanced healthcare providers and multi-facility networks with consolidated, detailed, compliant, and easily accessible traceability documentation and real-time monitoring for proactive compliance monitoring.

Meeting the needs of a rapidly evolving cybersecurity landscape

Healthcare facilities are increasingly anxious about cybersecurity due to the need to protect sensitive patient data and maintain operations. Ensuring compliance with regulations, which can vary from country to country, is also critical, as non-compliance can lead to substantial fines and legal sanctions.

Nanosonics takes its cybersecurity obligations to customers very seriously. The organisation is ISO27001 certified and completed over 30 security assessments for customers in FY25 alone. The cybersecurity landscape is constantly evolving, and Nanosonics is committed to evolving with it.

The next generation of ultrasound high-level disinfection: trophon3

Following the close of the financial year, Nanosonics launched trophon3, the latest, industry-leading innovation in Ultrasound high-level disinfection (HLD) in Europe, the United Kingdom, Australia, New Zealand, Canada and the US, with other countries to follow.

trophon3 delivers a range of new customer benefits while maintaining the highest standard in clinical efficacy for patient safety. This new innovation is over 40% faster than previous generations. It has expanded digital integration capabilities and offers the widest traceability capabilities in the ultrasound reprocessing market including new digital traceability through customers' DICOM imaging database systems, the international standard for medical imaging data.

Fully programmable and adaptable, trophon3 can be customised to suit a range of customer workflows enhancing efficiency while delivering consistent, reliable disinfection in a safe, effective, and environmentally friendly way.

trophon3 is expected to further strengthen the Company's leadership position, while supporting continued expansion of the installed base and driving the upgrade of customers from the first generation trophon EPR units to the latest platform.

Extending the value to our existing customers: trophon2 Plus

With trophon3, Nanosonics is also launching the trophon Plus software for existing trophon2 customers – this brings all the key new trophon3 features to customers' existing trophon2 investments as an upgrade.

trophon3 and trophon2 Plus set a new benchmark in automated high-level disinfection for ultrasound transducers, upholding the trophon technology's market leadership position.



CORIS®

– transforming endoscope reprocessing

The CORIS System is a novel product destined to transform endoscope reprocessing with an automated solution for the cleaning of endoscopes

Nanosonics receives FDA De Novo clearance for CORIS

The De Novo pathway for transformative innovation in the US market

The De Novo regulatory pathway is an FDA process designed for novel medical devices that are low-to-moderate risk and do not have a legally marketed predicate device – this pathway was created to fast-track the adoption of novel and important technology to the benefit of the US health system and patients.

Since the establishment of the pathway in 1997, approximately 400 De Novo approvals have been created, in stark contrast to the 80,000 510(k) approvals granted in the same time frame.

FDA De Novo for CORIS

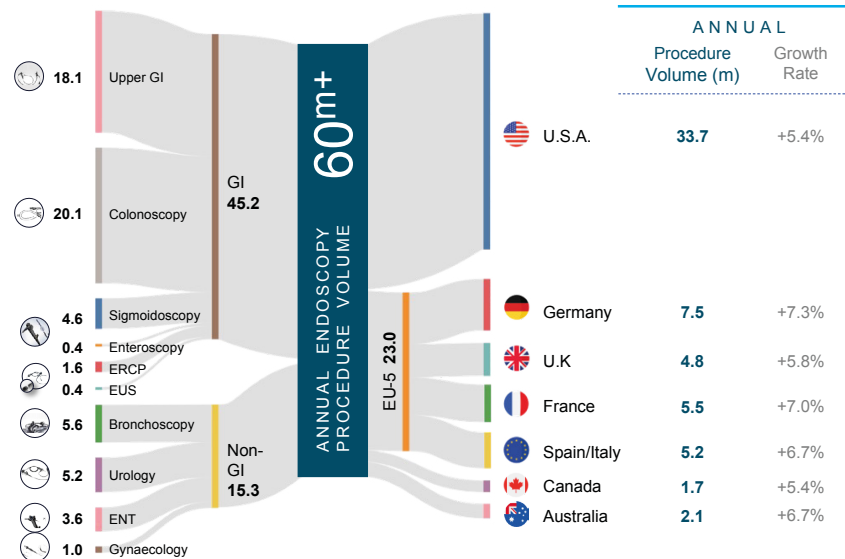
On 20 March 2025, Nanosonics received FDA De Novo approval for CORIS. The initial submission to the FDA was associated with colonoscopes and the intent is to expand these indications to cover all major categories of flexible endoscopes over time. In parallel, Nanosonics continues its preparations for commercial launch, including obtaining the necessary approvals in the UK, Europe and Australia.

An established and growing market

>60m procedures growing at 6% annually USA is the largest market Gastrointestinal (GI) scopes are the largest category¹

MAJOR GROWTH DRIVERS

Aging population
Increasing incidence of colorectal cancer
Various national-level screening programs



References on file; available upon request.

Endoscope reprocessing is an established global practice

Contaminated endoscopes – a known potential source of infection

Endoscopes are essential medical tools that play a crucial role in various diagnostic and therapeutic procedures. A variety of endoscopes are employed in a wide range of examinations, including bowel, airway, and gastric procedures. In gastrointestinal endoscopy, they allow for detailed visualisation and intervention within the digestive tract, aiding in the detection and treatment of conditions like polyps, ulcers, and cancers. Gastroscopes are used to inspect the stomach and upper GI tract, facilitating the diagnosis and management of issues such as gastroesophageal reflux disease (GERD/GORD), bleeding, and tumours, while colonoscopes inspect the lower GI tract and the large intestine, and are used commonly in bowel cancer screening. Bronchoscopes enable examination of the airways and lungs, essential for diagnosing respiratory conditions and performing interventions such as biopsy or foreign body removal.

Reusable endoscopes are highly sophisticated medical instruments with complex internal architectures that allow them to successfully conduct the procedures they are designed for. They are difficult to clean due to their complex design, with long, narrow channels, valves, connectors and mechanically actuated components. These instruments are contaminated with bodily fluids from clinical procedures. If effective cleaning does not take place, the internals can harbour contamination, pathogens and biofilm, which can impair the effectiveness of subsequent disinfection.

The potential high risk for the transfer of pathogens due to poor endoscope reprocessing between patients has been long understood, with numerous studies and reports highlighting the critical importance of stringent cleaning protocols. This issue has been compounded by the rise of antibiotic-resistant bacteria, making infections not only more likely but also harder to treat.

Manual cleaning is required for more than 60M endoscopic procedures per annum

Currently, more than 60 million endoscopic procedures are performed annually in key countries alone, with the market growing at a robust rate of 6% per year¹. This growth is not confined to a single region but is evident across all key global markets, driven by advancements in technology, increasing patient awareness, increased incidence of cancer screening programs, and the rising prevalence of conditions that require endoscopic evaluation and treatment.

Manual cleaning is the currently accepted practice

Current reprocessing workflows in most countries rely on manual brushing and flushing to remove contamination from all parts of the endoscope, both external and internal, so that disinfecting agents can be effective.

Pressing problems exist with manual cleaning

Despite strong standards, evidence of endoscope reprocessing failures and infections continue to grow

Endoscopes have been associated with reprocessing failures and infection across all endoscope types, with GI endoscopes and bronchoscopes being associated with far more outbreaks of infections than any other reusable medical or surgical device in healthcare.^{2,3} A study of over 15,000 adverse event reports involving endoscope contamination showed an increase in events across all endoscope types, and also showed gastroscopes as having the largest increase in adverse events between 2014-2021 versus all other studied types, including duodenoscopes.⁴

1. Frost & Sullivan, Endoscope Reprocessing Systems and Software Solutions Market Assessment (US, W. Europe, Australia), 2018.

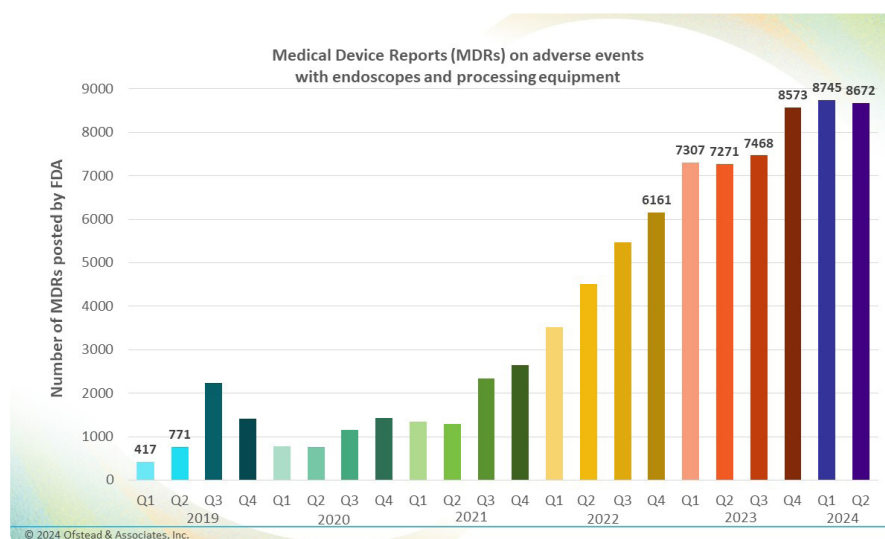
2. Rutala, W. A. & Weber, D. J. Reprocessing semicritical items: Outbreaks and current issues. Am J Infect Control 47, A79–A89 (2019).

3. Grein, J. D. & Murthy, R. K. New Developments in the Prevention of Gastrointestinal Scope-Related Infections. Infect Dis Clin N Am 32, 899–913 (2018).

4. Data extracted from: Muscarella 2022. Contamination of Flexible Endoscopes and Associated Infections: A Comprehensive Review and Analysis of FDA Adverse Event Reports <https://www.lfm-hcs.com/2022/01/contamination-of-flexible-endoscopes-and-associated-infections> (2022).

CORIS® continued

Reprocessing failures and infections have been reported across all major endoscope types and they continue to grow¹



Manual cleaning is a major root cause

The link between inadequate cleaning and subsequent contamination is well documented in the literature with over 200 articles published over the last decade involving contamination, cleaning failure or infections relating to endoscopes.



“Meticulous cleaning must precede any sterilization or high-level disinfection of these instruments ... Failure to perform good cleaning can result in sterilization or disinfection failure, and outbreaks of infection can occur.”²

Manual cleaning is complex and problematic

Manual cleaning of endoscopes is a highly complex process – endoscope manufacturers’ Instructions for Use (IFU) can contain around 55-200 reprocessing steps. Cleaning requires a large amount of technical skill and concentration which can be challenging; training and accreditation which is time consuming; and is rated as the most challenging aspect of endoscope reprocessing.³ Endoscopy reprocessing staff experience discomfort and pain from leaning over sinks, scrubbing endoscopes, and standing for long hours.³

Manual cleaning isn’t performed consistently – a 2025 study found that processing breaches are common and often involve profound errors in multiple steps, and that substantial bioburden and pathogens commonly remain on endoscopes after processing.⁴ A 2021 evidence-based review documented serious issues in the reprocessing of endoscopes including insufficient manual cleaning (reported in 50% of the studies) and the complete neglect of channel brushing (reported in 17% of the studies).⁵ A prospective observational study from 2010 showed that less than half of endoscopes had all components brushed correctly.⁶

Critically, manual brushing cannot be performed in air/water and auxiliary channels of an endoscope as these channels are inaccessible to brushes, due to their narrow diameter (e.g. 1–2.5 mm in diameter) and complex geometry (e.g. bifurcations and right-angle bends). These channels currently rely on flushing with detergent to remove any accumulated bioburden.

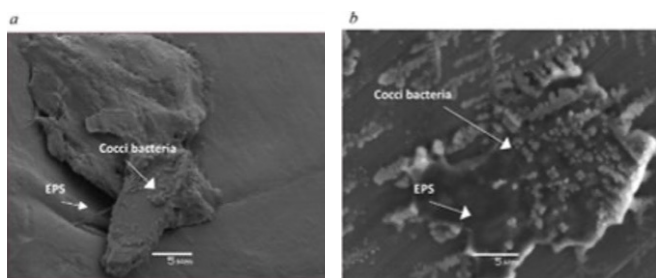
Current manual cleaning can enable the formation of biofilm – a known source of infection risk

Biofilm is a robust community of bacteria and other microorganisms that is a proven cause of patient infection.^{7,8} Biofilm can quickly form in the narrow channels of endoscopes and is highly resistant to removal attempts. In one study, biofilm formed in the air/water channels in just 60 days (30 days in some cases) and remained in all endoscopes despite repeated reprocessing.⁹ Some organisms form biofilms that can be highly resistant to chemical disinfection with one study demonstrating that a clinical outbreak isolate could withstand 10 times higher concentration of high-level disinfectant compared to a standard bacterial strain.⁷

1. Analysis of FDA MAUDE database by Ofstead and Associates https://www.linkedin.com/posts/ofstead-%26-associates-inc._during-q2-our-team-discovered-8672-endoscope-related-activity-7216858486154964992-dtHg/
2. Rutala, W. A., Weber, D. J. & Healthcare Infection Control Practices Advisory Committee. Guideline for Disinfection and Sterilization in Healthcare Facilities, 2008. <https://www.cdc.gov/infectioncontrol/pdf/guidelines/disinfection-guidelines-H.pdf> (2019).
3. Sivek, A. D. et al. Healthcare worker feedback on duodenoscope reprocessing workflow and ergonomics. *Am J Infect Control* 50, 1038-1048 (2022).
4. Ofstead, C. et al. Endoscope processing effectiveness: A reality check and call to action for infection preventionists and clinicians. *Am J Infect Control* 53, 785-793 (2025).
5. Madureira RA da S, Oliveira AC de. Endoscopic processing: what are the gaps in clinical practice? *Rev Eletr Enferm.* 2021;23:66550.
6. Ofstead, C. L., Welzler, H. P., Snyder, A. K. & Horton, R. A. Endoscope reprocessing methods. *Gastroenterol Nurs* 33, 304-311 (2010).
7. Brunke, M. S. et al. Tolerance of biofilm of a carbapenem-resistant *Klebsiella pneumoniae* involved in a duodenoscopy-associated outbreak to the disinfectant used in reprocessing. *Antimicrob Resist Infect Control* 11, 81 (2022).
8. Kumarage, J. et al. Transmission of multi-drug resistant *Pseudomonas aeruginosa* between two flexible ureteroscopes and an outbreak of urinary tract infection: the fragility of endoscope decontamination. *J Hosp Infect* 102, 89-94 (2019).
9. Primo, M. G. B. et al. Biofilm accumulation in new flexible gastroscope channels in clinical use. *Infect Control Hosp Epidemiology* 43, 174-180 (2022).



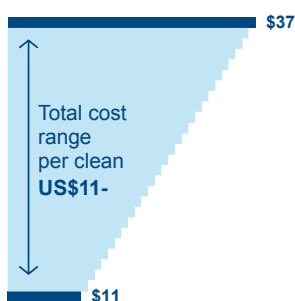
Scanning electron micrographs confirming the presence of biofilm in a working channel from a colonoscope – Cocci bacteria and extracellular polymeric substances (EPS). Magnification 5000x.¹



Today's cleaning process is estimated to cost between US\$11-\$37

Studies have shown that the cost of the full manual cleaning stage for a single flexible endoscope today can be between US\$11 and \$37.^{10,2}

Example: Total cost to manually clean a single GI endoscope



CORIS® aims to automate a significant proportion of the current manual cleaning, including a complex channel cleaning, and deliver significantly superior outcomes compared to what can be achieved today.

Manual cleaning requires a high degree of management focus and staff training to maintain standards

Given that manual cleaning of endoscopes is a highly complex process, the success of this manual process is highly dependent on the precision and diligence of the healthcare workers performing it. Any lapse in following the established protocols can result in residual contamination, leading to potential infections.

Therefore, comprehensive management, monitoring and ongoing staff training is necessary to ensure that staff are well versed in the latest guidelines and techniques, with a study identifying education as the major concern that needed to be addressed to increase patient safety.³

Staff discomfort from reprocessing causes turnover and operational overheads

The physical and repetitive nature of manual cleaning can contribute to job dissatisfaction and physical strain among reprocessing staff, leading to higher turnover rates. This turnover can disrupt the continuity of practices and reduce overall expertise within the team, increasing the likelihood of errors.⁴ High turnover not only strains remaining staff but also necessitates management focus and continuous recruitment, and exacerbates the already significant staff training efforts which can be costly and operationally disruptive for healthcare facilities.

Manual brushing causes potentially dangerous aerosols

During the cleaning process, healthcare workers engage in activities such as brushing and flushing the endoscope's channels and ports, which can generate aerosols containing blood, body fluids, and other potentially infectious materials. For this reason, the use of appropriate personal protective equipment (PPE) such as gloves, gowns, masks, and face shields to protect workers from splashes and aerosols is always required.³ A study showed healthcare workers to be extensively exposed to splashes and droplets generated during manual endoscope cleaning, and that PPE did not completely prevent exposure to the cleaning fluids.⁵

1. Roberts, C. G. The role of biofilms in reprocessing medical devices. *Am J Infect Control* 41, S77-S80 (2013).

2. Ofstead, C. L., Quick, M. R., Eiland, J. E. and Adams, S. J., 2017. A glimpse at the true cost of reprocessing endoscopes. *International Association of Healthcare Central Service Material Management*.

3. Kenters, N. et al. Worldwide practices on flexible endoscope reprocessing. *Antimicrobial Resistance & Infection Control*, 153 (2018).

4. Lukejohn W. et al. Multisociety guideline on reprocessing flexible GI endoscopes and accessories. *American Society for Gastrointestinal Endoscopy* (2020).

5. Ofstead C. et al, Droplet dispersal in decontamination areas of instrument reprocessing suites. *American Journal of Infection Control* Volume 50, Issue 2 (2022).

CORIS® continued

In summary, manual cleaning has significant challenges that represent an opportunity for automation

Current situation	Change needed
Evidence of endoscope reprocessing failures and infections continue to grow with manual cleaning identified as a root cause despite the existence of strong standards. Current cleaning methods frequently do not achieve cleaning endpoints, even when IFUs are followed. Biofilm can accumulate in endoscopes despite current cleaning processes.	Improved approaches to the cleaning of endoscopes are required. Robust cleaning methods that are superior to current methods and achieve soil removal. Robust cleaning methods that remove biofilm in all channels irrespective of size.
Current cleaning is complex and error-prone.	Simplification of manual cleaning and increased automation.
Current cleaning is physically difficult for staff and can result in workplace injuries.	Reduction in repetitive actions, less hands-on time cleaning, reduction in splashing and aerosolisation of contaminant.
Manual cleaning of endoscopes is operationally intensive for healthcare facilities.	Automation to reduce staff turnover, reduce training burden, reduce management overhead, and to free up staff from manual processes for other duties.

CORIS – potential to establish a new gold standard in endoscope cleaning

Designed to deliver better cleaning outcomes

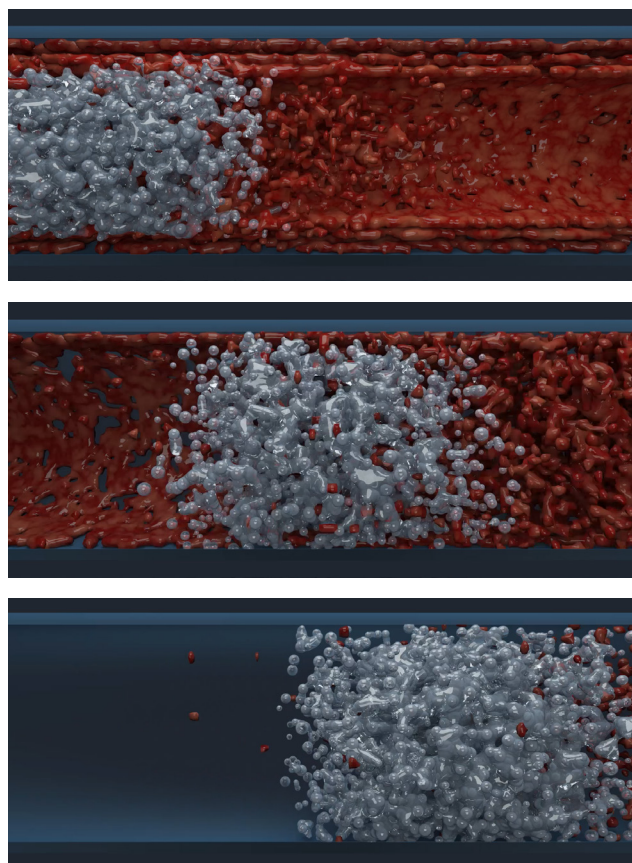
The CORIS System is designed to deliver a new standard of care for the cleaning of flexible endoscopes. It uses a unique CORIS QUANTUM cleaning agent delivering a friction-based cleaning action to all channels including those that are too small to be brushed today, effectively removing contamination including soils ranging from general everyday soils through to the hardest-to-remove cyclic build-up biofilm.

CORIS surpasses cleaning benchmarks recognised by regulators, and cleaning efficacy has been shown to outperform manual cleaning.¹ For example, Cyclic Build-up Biofilm (CBB) is a very challenging biofilm that involves repeated contamination and fixing of bacteria with disinfectant² – the CORIS System has been shown to be significantly more effective at removing CBB from suction-biopsy and air-water channels compared to manual cleaning conducted in strict accordance with the scope manufacturers' instructions for use.

Unique mode of action to deliver superior outcomes

The CORIS System uses a unique mode of action to deliver the physical friction required to remove tough soils and biofilms from all³ channels, including those that cannot be brushed today.

CORIS core technology effectively cleans by precisely delivering doses of suspended solids through endoscope channels, propelled by a mixture of water and air. These pulses exert a combination of mechanical action and fluidic forces to dislodge tough soils and biofilm and then flush them away, delivering a level of physical friction that fluid alone cannot achieve. The suspended solids are non-toxic, do not persist in the environment, have low-abrasivity, and dissolve when diluted. By changing shape to fit the containing geometry, the pulses automatically navigate all channel sizes, branches and bends and provide effective scrubbing along their length – especially in channels that are inaccessible by brushes today.



1. Moshkanbaryans L., Shah V., Tan L. Y., Jones M.P., Vickery K., Alfa M., Burdach J. Comparison of two endoscope channel cleaning approaches to remove cyclic build-up biofilm. J Hosp Infect.

2. Ribeiro, M. M., Graziano, K. U., Olson, N., França, R. & Alfa, M. J. The polytetrafluoroethylene (PTFE) channel model of cyclic-buildup biofilm and traditional biofilm: The impact of friction, and detergent on cleaning and subsequent high-level disinfection. Infect Control Hosp Epidemiology 41, 172–180 (2020).

3. For the currently validated endoscopes list.

Improving the reliability and repeatability of the cleaning process by automation

Manual cleaning is highly dependent on the precision and diligence of the healthcare workers, and the quality of their training. As an automated solution, the CORIS System controls the cleaning process to ensure repeatable and traceable results, removing the risk of human error to provide reliable cleaning outcomes every time.

Improving safety for reprocessing staff

Manual cleaning of endoscopes can lead to fatigue and injuries for healthcare workers; the automation in the CORIS System aims to minimise these issues by reducing the need for manual effort. Manual cleaning also generates splashes and aerosols; the CORIS System minimises these by guiding the contaminated cleaning and flushing agents safely to the waste via its Smart Drain technology.

Increasing the efficiency of the facility

The CORIS System is designed to increase the efficiency of endoscope reprocessing in healthcare facilities by releasing staff from hands-on reprocessing activities to perform other duties, reducing staff turnover due to injury and fatigue, and reducing staff training and management overhead.

Providing confidence through data

Current traceability documentation provides limited insight into the quality of manual cleaning. The CORIS System automates compliance-critical traceability tasks and recordkeeping, while providing reprocessing managers with new levels of information at their fingertips to confirm effective cleaning.



The Board



Steven Sargent

BBus, FAICD

Non-Executive Director and Chairman

Mr Sargent joined the Nanosonics Board in July 2016 and was appointed Chairman in July 2022. Mr Sargent's extensive career included 22 years at General Electric, where he gained extensive multi-industry, international experience leading businesses in industries including healthcare, energy and financial services across the US, Europe and Asia Pacific. Mr Sargent has been a Non-Executive Director of Origin Energy Limited, and is also a Non-Executive Director of Ramsay Healthcare Limited (since December 2021). Mr Sargent's unlisted board activities include Non-Executive Director of The Great Barrier Reef Foundation and Chairman of Origin Energy's philanthropic arm, The Origin Foundation. Mr Sargent was previously Chair of OFX Group Limited (2016 to 2022), and Non-Executive Director of Veda Group Limited. Mr Sargent holds a Bachelor of Business from Charles Sturt University and is a Fellow with the Australian Institute of Company Directors.



Michael Kavanagh

BSc, MBA (Advanced)

CEO & President and Managing Director

Michael Kavanagh has served as Chief Executive Officer and President of Nanosonics since October 2013, following this role as a Non-Executive Director from July 2012. With 30 years of international commercial experience in the healthcare sector, Michael has proven track record of driving innovation, operational excellence, and sustainable growth across the medical device and pharmaceutical industries. Prior to joining Nanosonics, Michael served on the Executive Team of Cochlear Ltd for more than a decade as Senior Vice President of Global Marketing.



Gerard Dalbosco

M.AppFin, B.Comm, FCA, FFIN, GAICD

Non-Executive Director

Mr Dalbosco joined the Nanosonics Board in January 2025 following a distinguished executive career, most notably at EY, where he held senior leadership roles spanning multiple regions and functions, including Oceania Managing Partner and CEO, Asia Pacific Joint Deputy CEO, and Oceania Managing Partner – Transaction Advisory Services. Mr Dalbosco retired from the EY partnership in 2020. Mr Dalbosco's previous governance roles include Mercy Health & Aged Care, Berry Street Victoria and the Committee for Melbourne. Mr Dalbosco is currently a Non-Executive Director at Medibank Private Ltd and serves as Chair of Melbourne Archdiocese Catholic Schools. He is also Chair of the Gillespie Family Council & Gillespie Family Foundation (founders/owners of Bakers Delight).



Tracey Batten

MBBS, MBA (Harvard),
FAICD, MHA, FRACMA

Non-Executive Director

Dr Batten joined the Board in September 2023, bringing over 30 years' experience in the healthcare sector gained in non-executive and executive roles, and medical practitioner and clinical roles. Dr Batten was CEO of Imperial College Healthcare NHS Trust in the UK, St Vincent's Health Australia, Eastern Health and Dental Health Services Victoria. Dr Batten was previously a Non-Executive Director of Abano Healthcare Group (NZX:ABA) which was previously listed on the NZX and in various other healthcare-related research institutes, charities, and industry and government bodies. Dr Batten is currently a Non-Executive Director of Medibank Private Limited (ASX: MPL), and EBOS Group Limited (NZX: EBO).



Marie McDonald

BSc (Hons), LLB (Hons)

Non-Executive Director

Ms McDonald joined the Nanosonics Board in October 2016, bringing with her a strong background in corporate and commercial law, having practised for many years as a partner at Ashurst. Ms McDonald was Chair of the Corporations Committee of the Business Law Section of the Law Council of Australia (2012 to 2013) and was a member of the Australian Takeovers Panel from 2001 to 2010. Ms McDonald is currently a Non-Executive Director of CSL Limited (ASX:CSL), Nufarm Limited (ASX:NUF), Telix Pharmaceuticals Limited (ASX:TLX), and the Walter and Eliza Hall Institute of Medical Research.



Larry Marshall

BSc (Hons), PhD, FAICD,
FTSE, FAIP, Federation Fellow

Non-Executive Director

Dr Marshall joined the Board in October 2023 and is a technology innovator, physicist and business leader. Until July 2023, Dr Marshall was Chief Executive of CSIRO for eight and a half years, where he led the first growth in 30 years and doubled the value delivered to stakeholders. During his 26 years in the US, Dr Marshall co-founded six successful companies in a range of markets including medical device which went public. Over the past 30 years, he has served as CEO/MD of six companies, and Chairman of four. He was MD, then co-Chairman of Arasor which he took public in 2006. In 2007, Dr Marshall became MD of Southern Cross Venture Partners, a Silicon Valley VC firm specialising in Australian innovation. He has been a director of 20 private sector boards in Australia and the US, including boards of two companies that were subsequently publicly listed. Dr Marshall is currently a Non-Executive Director of Fortescue Metals Group Limited (ASX:FMG).



Lisa McIntyre

BSc (Hons), PhD

Non-Executive Director

Dr McIntyre joined the Nanosonics Board in December 2019. Her executive background is in strategy, particularly in the areas of medical technology and healthcare, with many years as a partner at L.E.K. Consulting in the US and Australia, where she led the Asia Pacific Health practice. Dr McIntyre was a Director of the Garvan Institute of Medical Research for 12 years and is a Senate Fellow of the University of Sydney. She is currently a Non-Executive Director of Fisher & Paykel Healthcare Corporation Limited, Baymatob Operations Pty Ltd and Studiosity Pty Ltd.

The Executive Team



Michael Kavanagh

BSc, MBA (Advanced)

CEO & President and Managing Director

Michael Kavanagh has served as Chief Executive Officer and President of Nanosonics since October 2013, following his role as a Non-Executive Director from July 2012. With 30 years of global commercial experience in the healthcare sector, Michael has a proven track record of driving innovation, operational excellence, and sustainable growth across the medical device and pharmaceutical industries. Prior to joining Nanosonics, Michael served on the Executive Team of Cochlear Ltd for more than a decade as Senior Vice President of Global Marketing.



Jason Burriss

BCom, CA

Chief Financial Officer

Jason joined Nanosonics as CFO effective October 2023. Jason has more than 25 years of international experience across healthcare, construction, and financial service industries. Before joining Nanosonics he held senior finance roles with General Electric (GE) for 15 years, notably CFO for GE Healthcare Australia & New Zealand. More recently, he held several CFO roles with the Hilti group for over six years in Dubai and Singapore. Jason is a member of the Institute of Chartered Accountants Australia and New Zealand and attained executive education in Strategic Financial Analysis from Harvard Business School, USA.



Matthew Carbines

LLB, BCom

General Counsel and Company Secretary

Matt joined Nanosonics in August 2017 and was appointed to the Executive Team in October 2021, and as Company Secretary in May 2023. Matt is responsible for all legal and corporate governance matters across the Nanosonics Group. Matt is also the executive sponsor for sustainability activities. Prior to joining Nanosonics, Matt held a variety of senior legal roles in Australia and abroad, with a focus on technology and healthcare. Immediately prior to joining Nanosonics, Matt served as General Counsel for an international software business based in London. Matt is a member of the Australian Institute of Company Directors, and the Governance Institute of Australia.



Sunny Pillai

MBA, BEng(Hons)

Chief Information Officer

Sunny joined Nanosonics as CIO in November 2022. He has more than 25 years' experience in Information Technology in diverse sectors such as medical device, telco and insurance, with a specific focus on Digital Transformation and Data Engineering platforms. Prior to Nanosonics, Sunny held senior management roles with ResMed, including Head of Finance Systems and Senior Director of Product Innovation.



Ken Shaw

BSc Finance

Regional President for the United States, Canada and Latin America

Ken is the President of the Americas at Nanosonics Ltd., a role he has held since 2017. He leads operations across the Americas, driving the adoption of innovative infection prevention solutions like the trophon technology for ultrasound probes. Before Nanosonics, Ken was the President of US & LATAM at Amoena and held executive positions at Essity, Medcom Inc, Energizer, and Pfizer. He has a BS in Finance and is a healthcare industry veteran for 25+ years.



Derek Minihaue

BSEE, JD

Chief Technology Officer

Derek joined Nanosonics as CTO in September 2023. He has more than 25 years of international experience in diverse sectors including over 10 years in Silicon Valley in the semiconductor industry, and 14 years in the medical device industry. Prior to Nanosonics, Derek was Vice President of Research and Development at Cochlear and most recently a partner at Deloitte.



Jonathan Burdach

BBioMedSc (Hons), PhD

Chief Medical Affairs and Scientific Officer

Jon joined Nanosonics in 2012 leading the Clinical Affairs function. He has held various roles through his tenure at Nanosonics and joined the Executive Team as Chief Medical Affairs and Scientific Officer in March 2024. Jon is responsible for medical strategy, including clinical research, healthcare professional engagement, scientific communications, medical education and life sciences R&D. Prior to joining Nanosonics, Jon worked as a consultant to early-stage life sciences companies and has worked with the medical research space for over 15 years. He has served as a committee member on various standards development committees and has authored numerous scientific publications and regularly presents at international conferences.



Rod Lopez

MBA, BEng (Hons), GAICD

Chief Operating Officer and Regional President for Asia Pacific

Rod joined Nanosonics in April 2019. He is a seasoned international executive with over 25 years of experience, having held critical roles in companies such as Cochlear and GM Holden. During his 13-year tenure at Cochlear, Rod held roles such as Global Head of Manufacturing and Chair of the Operational Excellence Strategy Group. At GM Holden, Rod held senior management roles across operations and global customer liaison. Rod is a member of the NSW Innovation and Productivity Council, Fellow of the Higher Education Academy UK and award-winning academic with continuing Adjunct Faculty appointments for over 15 years with Macquarie Business School (formerly MGSM), AGSM@UNSW and The University of Sydney Business School.



Jodi Sampson

MBA (Exec), CPHR, MAICD

Chief People & Culture Officer

Jodi joined Nanosonics in April 2020 as the first Chief People & Culture Officer. In this role, she is responsible for developing and leading people strategies to support the transformation and growth of the business. Jodi has extensive executive experience in both ASX listed and global companies across a diverse range of industries. She has successfully developed people programs that strengthen leadership capability, improve employee engagement, and promote a diverse and inclusive culture. Before joining Nanosonics, Jodi held significant leadership roles including Human Resources Director at Samsung and Head of Human Resources, APAC at Orange Business Services. In these roles, she was responsible for leading international human resources functions and building a culturally diverse global team.



Ronan Wright

BSc, Bus Management, BEng

Regional President for Europe, UK and Middle East

Ronan joined Nanosonics in September 2019 and is responsible for Nanosonics' continued expansion across Europe and the Middle East. He has more than 20 years' experience in infection prevention through senior sales, management and business development roles with Advanced Sterilization Products and Wassenburg Medical, a global leader in endoscope reprocessing. Most recently, Ronan was the Vice President of Global Sales and a Board member at Wassenburg Medical, where he had also served as Managing Director for Ireland and Director of Business Development for EMEA.



Kimberly Hill

BSc

Chief Marketing Officer

Kimberly joined Nanosonics in August 2025 as Chief Marketing Officer, responsible for global marketing, product, strategy, and communications. She brings over 20 years of international experience in the MedTech and health technology sectors, leading teams to deliver customer-focused innovation, shape product portfolios, and drive commercial growth. Kimberly has held senior roles at Medtronic, Getz Healthcare, and Harrison.ai, with a track record of success across the US, Japan, Southeast Asia, and Australia in medical devices, consumables, and digital health solutions. She holds a Bachelor of Science in Mathematics and Computer Science from the Colorado School of Mines.

Directors' report

Your Directors submit their report together with the Consolidated Financial Report of Nanosonics Limited and its subsidiaries (the Group or Nanosonics), for the year ended 30 June 2025, and the Auditor's Report thereon.

Principal activities

During the year the principal activities of the Group consisted of:

- Manufacturing and distribution of the trophon ultrasound probe disinfectant and its associated consumables and accessories; and
- Research, development and commercialisation of infection control and decontamination products and related technologies.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

A review of operations and financial position of the Group and its business strategies and prospects is set out in the Financial and Operational Review on pages 8 to 15 of this Annual Report (which forms part of this Directors' report).

Material business risks

Nanosonics has a risk management framework to identify, assess and appropriately manage risks. Details of the risk management framework are set out in the 2025 Corporate Governance Statement, which is available on the Company's website. Nanosonics' material business risks and how they are addressed are outlined below. These are risks that may materially adversely affect the Group's business strategy, financial position or future performance. It is not possible to identify every risk that could affect the Group's business, and the actions taken to mitigate these risks cannot provide absolute assurance that risk will not materialise. Other risks besides those detailed below or in the financial statements could also adversely affect Nanosonics' business and operations. Accordingly, the material business risks below should not be considered an exhaustive list of potential risks that may affect Nanosonics.

Risk	Description and potential consequences	Strategies used by Nanosonics to mitigate the risk
Foreign exchange	The Group is exposed to foreign currency risk and credit risk in light of the international nature of its operations.	• The Group's internal financial risk management policy. The Company also seeks external advice as appropriate. Further information is available in Note 8 to the financial statements. • Growth plans in a range of different markets which should reduce the dependency on the US market over time.
Exposure to US policy changes and customer budgetary pressures	Nanosonics recognises that it has exposure to US policy changes such as tariffs and/or an increase in the US tax rates. It is recognised that this may create financial pressure for the business as well as its customers. In addition, it may also impact the timing of customers' purchases of the Group's capital products.	• A range of measures including price adjustments. • A range of sales models and techniques to ensure that the customers' needs and the financial pressures they face are taken into account.
Research and development and commercialisation	Nanosonics currently has a platform technology, trophon technology, and recognises the need to expand its product portfolio by creating new technologies and products. Development and subsequent commercialisation of any new product requires a significant amount of investment (time, money and resource commitment). Further, all research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines. New products are also likely to require a range of regulatory approvals and significant investment in the relevant commercial launch plans.	• A clearly defined framework to support the processes covering product ideation, development and subsequent commercialisation and has made the development of additional technologies a key strategic priority supported with an appropriate level of investment. • Developing the next iteration of the trophon technology, trophon3, which is in the process of being launched globally. • Developing the core technology for CORIS, a new product platform technology associated with the cleaning of endoscopes. During the year, the Company received FDA approval for the CORIS technology. To assist the Company to mitigate risks in the commercialisation process, a controlled market release followed by broader commercial launch is planned for FY26 in key markets. • Engaging with customers and a range of experts in relevant fields, to determine the focus of its R&D efforts. • A strong balance sheet which may be useful in executing on potential M&A and licensing opportunities, as well as actively exploring partnerships with third parties to explore their product offerings using Nanosonics' sales channels.

Risk	Description and potential consequences	Strategies used by Nanosonics to mitigate the risk
Competition – trophon	The potential for increased competition exposes Nanosonics to the risk of delayed growth and/or losing market share within the ultrasound reprocessing market which has the potential to impact both capital and consumables sales. Nanosonics is also exposed to the risk of medical and technological advancement by competitors where alternative products or methods are developed and commercialised that will impact the rate of adoption of trophon, cause trophon to lose market share, or render trophon units obsolete. Competition is also a potential risk for the Company's new product platform, CORIS.	- Investing in R&D and continuing to evolve the features and benefits available in its technology platform through execution on its product roadmap and responding to market requirements and customer feedback. This is evidenced by the recent release of trophon3. - Investing in its relationships with OEMs, including its probe compatibility program, as well as considering product development opportunities. - Engaging with government and clinical industry and professional associations to further understand, and be at the forefront of, the development of clinical standards and guidelines to ensure that its technology is current and relevant. - Strategically adapt its marketing campaigns, and proactively protects its market share (including by taking action as required where competitors have made false representations or misleading claims about the Company's products).
Intellectual property	The Company relies heavily on its ability to maintain and protect its intellectual property (IP), including registered and unregistered IP. Nanosonics recognises the potential risk of litigation for alleged infringement by Nanosonics, the need to prosecute third party infringers of Nanosonics' IP, the expiry of Nanosonics' registered IP, and the risk of being unable to register the underlying subject matter or processes in any new products.	- Seeking appropriate patent, design and trademark protection and managing any identified IP risks. Nanosonics also recognises the significant value in unregistered IP. - Working closely with specialists and advisors internationally to monitor and manage its IP portfolio, opportunities and risks. - Filing for IP protection in respect of ultrasound reprocessing, endoscope cleaning, and digital solutions among others. The Group has over 340 patent assets issued or pending globally. With the existing patents and intellectual property, there is potential to expand the applications of our existing product platforms to reprocess and disinfect other goods and/or devices. - Ensuring that its projects, products and related activities include an appropriate assessment of any third-party IP profile against its own IP profile.
Supply chain	The Group is highly aware of managing risks in the supply chain, particularly its dependence on critical suppliers for the supply of key materials which carries the risk of delay and disruption. Certain materials are available from sole suppliers and regulatory requirements could make substitution costly and time consuming.	- Regularly monitoring its suppliers and their performance and seeks to enter into agreements, where appropriate, to mitigate any supply risk. - Managing inventories in sufficient quantities to ensure continued product supply in the short term. - Improving its supply chain resiliency by moving key consumables manufacturing closer to its customer base in the US.
Regulation	The Group operates in a highly regulated industry. Medical devices are subject to strict regulations of various regulatory bodies where the products are sold. Regulatory bodies perform regular audits of Nanosonics' manufacturing sites, as well as its third-party suppliers, and failure to satisfy regulatory requirements presents significant risks, including potentially compromising the Company's ability to sell products, and/or result in an adverse event such as a product recall.	- Investing in a worldwide Quality Management System and investing in suitably qualified personnel to oversee the implementation of that system. - Monitoring the changing regulatory landscape in the countries in which it operates to ensure that its operations adjust to any changes which apply to it. - Completing annual regulatory audits from key regulators.
Product liability	The Company recognises the risk that its products (or their use) may cause damage to a third party given the nature of the product and the industry the Company operates in.	- Operating a compliant Quality Management System across all aspects of the design, manufacture and release of products to market. - Establishing product liability insurance.

Directors' report continued

Risk	Description and potential consequences	Strategies used by Nanosonics to mitigate the risk
Personnel	Nanosonics recognises that providing a safe and rewarding working environment is critical to its sustainability. Further, the Company operates in a competitive market in relation to attracting, recruiting and retaining key talent, including scientific, medical device regulations, and engineering talent. There is a risk that it will be more difficult to hire talent. Competition for local talent may also impact talent retention.	- Establishing programs for WHS, and the attraction, recruitment and retention of talent, including an Inclusion & Belonging program. - Maintaining WHS, Inclusion & Belonging and people policies which reinforce a flexible, diverse, equitable and inclusive workplace culture whilst balancing effective cross-functional collaboration to create an environment that provides support for mental health, work from home and return to work arrangements. - Enhancing its programs for attracting, recruiting and retaining talent in the current environment, as well as leadership development. As part of its Inclusion & Belonging program, this includes, amongst other areas, the inclusion of a range of new leave options for staff.
Cyber security	Nanosonics recognises the risks associated with cyber security and the potential impact on the Company's operations. A cyber security incident could lead to a breach of privacy, loss of and/or corruption of commercially sensitive data, and/or a disruption of critical business processes. This may adversely impact customers and the Company's business activities and cause significant reputational damage and legal consequences. The Company also recognises the need to ensure operations can continue in the event of a disaster impacting its critical IT systems.	- Recertifying the business for ISO27001 2022 version. - Maturing its resiliency by overlaying NIST CSF2 in addition to AST E8. - Increasing its cybersecurity certification by commencing work to achieve HITRUST certification for the US. - Improving the third party vendor assessment process through the adoption of the industry-standard GRC tool, as well as its threat response framework. - Maintaining robust business continuity/disaster recovery plans.

Significant changes in the state of affairs

In the opinion of the Directors, other than the matters described above and in the Financial and Operational Review on pages 8 to 15 of this Annual Report, there were no significant changes in the state of affairs of the Group during the financial year under review.

Dividends – Nanosonics Limited

The Directors do not recommend the payment of a dividend for the financial year ended 30 June 2025. No dividends were proposed, declared, or paid during the financial year (2024: Nil).

The Board reviews the dividend policy regularly. The Company's dividend policy in the future will depend upon the profitability and the financial position, and the capital allocation priorities of the Group at the relevant time.

Matters subsequent to the end of the financial year

On 19 August 2025, the Group entered into a contract with Lessor CapitaLand for a lease of new office facilities, global manufacturing and research and development laboratories located at 1-5 Thomas Holt Drive, Macquarie Park, NSW to replace the existing leased premises, which will expire in 31 March 2027. The ten-year lease will commence on 1 April 2027. The Company will gain early access to these facilities from 1 April 2026.

No other matters or circumstances have arisen since 30 June 2025 that have significantly affected, or may significantly affect:

- the Group's operations in future financial years;
- the results of those operations in future financial years; and
- the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Comments on expected results of the operations of the Group and business outlook are included in the Financial and Operational Review on pages 8 to 15 of this Annual Report.

Further information on likely developments in the operations of the Group in future financial years and the expected results of those operations have not been included in this Directors' report because they would be likely to result in unreasonable prejudice to the Group.

Environmental regulation

The Group is subject to statutory environmental regulations. The Board believes that the Group has adequate processes in place to manage its environmental regulatory obligations and is not aware of any breach of those environmental regulations as they apply to the Group.

Directors and Company Secretary

During the year and to the date of this report, the Board of Nanosonics Limited comprised Non-Executive Directors, Steven Sargent (Chairman), Marie McDonald, Lisa McIntyre, Larry Marshall, Tracey Batten, Gerard Dalbosco and Executive Director, Michael Kavanagh (CEO & President and Managing Director). David Fisher and Geoff Wilson were Non-Executive Directors for part of the year until 12 November 2024.

Gerard Dalbosco was appointed as a Non-Executive Director on 14 January 2025.

During the year and to the date of this report, Matthew Carbines is the Company Secretary.

Information on the Directors, Company Secretary and the Executive Team is a part of the Directors' report and can be found on pages 26 to 29 of the Annual Report.

As at the date of this report, Nanosonics Limited has the following committees of the Board: Audit and Risk, Nomination, People & Culture, Safety and Remuneration, and Innovation & Development. The Board establishes ad hoc committees focused on specific topics as required. Details of members of the Committees of the Board are included below and on page 39 of the Remuneration Report.

Meetings of Directors

The number of Directors' meetings, including meetings of the Committees, held during the year ended 30 June 2025, and numbers of meetings attended by each of the Directors were as follows:

	Full meetings of Directors		Audit and Risk		Nomination		People & Culture, Safety and Remuneration		Innovation & Development ¹	
	Held ²	Attended	Held ²	Attended	Held ²	Attended	Held ²	Attended	Held ²	Attended
Steven Sargent	14	14	4	4	1	1	5	5	3	3
Marie McDonald	14	14	4	4	1	1	5	5	3 ³	3 ³
Lisa McIntyre	14	14	4	4	1	1	5 ³	5 ³	3	3
Tracey Batten	14	14	4	4	1	1	5 ³	5 ³	3	3
Larry Marshall	14	14	4 ³	4 ³	1	0	5	5	3	3
Gerard Dalbosco	9	8	2	2	1	1	3	3	2 ³	2 ³
David Fisher ⁴	4	4	1 ³	1 ³	0	0	1 ³	1 ³	1	1
Geoff Wilson ⁴	4	4	1	1	0	0	1	1	1 ³	1 ³

1. In addition to the Innovation and Development Committee meeting held during the year, R&D matters were considered on a regular basis at Board meetings.

2. Indicates the number of meetings held which the Director is eligible to attend.

3. Attended in part or full in ex-officio capacity.

4. Geoff Wilson and David Fisher ceased to be Directors on 12 November 2024.

Share-based payments

Shares issued and performance rights and options granted under the share-based compensation plans during the year are detailed below.

Shares issued

During the year ended 30 June 2025, the Company issued a total of 634,894 (2024: 682,088) new ordinary shares in Nanosonics Limited of which 121,100 shares were issued under the Global Employee Share Plan at an average price of \$2.56 per share and 513,794 were issued for no consideration pursuant to the exercise of performance rights and options under the share-based compensation plans. No amount was unpaid on any of the shares issued.

As at 30 June 2025, there were 303,632,742 (2024: 302,997,848) ordinary shares in Nanosonics Limited on issue. At the date of this report, there were 303,632,742 shares on issue. Further information on issued shares is provided in the Share-based payments Note 4.3 and Capital and reserves Note 9.1 to the financial statements.

Directors' report continued

Share options granted

During the financial year and to the date of this report, the Company granted under the terms and conditions of the Nanosonics Equity Plan (NEP) for no consideration, 2,488,062 unquoted rights with nil exercise price and none under Nanosonics Omnibus Equity Plan (2024: 2,155,897 unquoted rights with nil exercise price) over unissued ordinary shares in Nanosonics Limited. In response to the amendments to the Corporations Act 2001 (Cth), the Company phased out its existing Nanosonics Omnibus Plan (which was adopted in 2016) and replaced it with a new NEP. Further information on the grants is provided in Share-based payments Note 4.3 to the financial statements. The NEP was adopted in November 2023. Section 7.3 of the Remuneration report provides the details of grants received by Key Management Personnel.

Shares under option

At the date of this report, there were 6,720,815 unissued ordinary shares of Nanosonics Limited under option under both of the Nanosonics Omnibus Equity Plan and the Nanosonics Equity Plan. As at 30 June 2025, there were 6,784,794 (2024: 6,541,296) unissued ordinary shares of Nanosonics Limited under option, including performance rights and share appreciation rights. Further information on the options is provided in the Share-based payments Note 4.3 to the financial statements.

Share-based compensation plan	Number of shares under option
Total shares under option at 30 June 2025	6,784,794
Performance rights and options lapsed	(63,979)
Total shares under option to the date of this report	6,720,815

The options entitle the holder to the underlying shares of the Company which are subject to the options provided the options are exercised on or after their vesting date and prior to their expiry date. No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Indemnifying officers or auditor

During the financial year, the Company paid insurance premiums to insure the Directors and Secretary and Key Management Personnel of the Company and its controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their positions or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Directors have not included in this report the amount of the premium paid in respect of the insurance policy, as such disclosure is prohibited under the terms of the contract. To the extent permitted by law, the Company has agreed to indemnify its Directors. No payment has been made to indemnify the Directors during or since the financial year.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) and where noted (\$'000) under the option available to the Company under ASIC Instrument 2016/191. The Company is an entity to which that Instrument applies.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board of Directors has considered the position and, in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services by the auditor did not compromise the auditor independence requirements and is compatible with the general standards of independence for auditors imposed by the Corporations Act for the following reasons:

- a. All non-audit services have been reviewed by the Audit and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- b. None of the services undermines the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate of the Company or jointly sharing risks and rewards.

During the year, the auditor of the Group, Ernst & Young, provided certain other services in addition to its statutory duties. These activities were conducted in accordance with the Company's Auditor Independence Policy, and in the Company's view did not compromise their independence.

Details of amounts paid or payable to the auditor of the Group in relation to audit and non-audit services are disclosed in Note 10.5 to the financial statements.

Officers of the Company who are former partners of Ernst & Young

Non-Executive Director, Gerard Dalbosco, is a former partner of Ernst & Young and retired from the partnership in 2020. Other than Mr Dalbosco, there are no other officers of the Company who are former partners of Ernst & Young. Further detail on this matter is provided in the Corporate Governance Statement.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is included on page 61 of this report.

Auditor

Ernst & Young was appointed auditor effective from 3 November 2017 and continues in office as auditor in accordance with section 327 of the Corporations Act.

Corporate governance

The Company's Corporate Governance Statement and the ASX Appendix 4G are released to ASX on the same day the Annual Report is released. The Corporate Governance Statement and corporate governance policies can be found on the Company's website at <http://www.nanosonics.com/Investor-Centre/Corporate-Governance>

Remuneration report

The Remuneration report forms part of the Directors' report.

This Directors' report, which includes the Financial and Operational Review (on pages 8 to 15), the Information on the Board and the Executive Team (on pages 26 to 29), the Remuneration report (on pages 36 to 59), and the other sections of the Annual Report expressly referred to in this report, is made on 26 August 2025 and signed in accordance with a resolution of Directors, pursuant to section 298(2) of the Corporations Act.



Steven Sargent

Chairman

Sydney, 26 August 2025

Remuneration report

Letter from the Chair of the People & Culture, Safety and Remuneration Committee

Dear Fellow Shareholder,

On behalf of the Board of Directors, I am pleased to present the remuneration report for the year ended 30 June 2025.

Nanosonics in FY25

The 2025 financial year has been a successful one for Nanosonics from both commercial and strategic perspectives. Despite the high levels of uncertainty across global markets, the Company's core business has performed well, providing a strong foundation for us to achieve our strategic growth priorities over the coming years.

The Company saw strong growth in recurring revenue of 20% in FY25, which continues to underscore the strength of our business model. Revenue from Consumables and Service (less spare parts) ("Annuity Revenue") now comprises 69% of our total revenue. FY25 also saw the Company deliver ongoing growth in the total cumulative trophon installed base globally which grew to 37,000 units, protecting approximately 28 million patients annually from the risks of cross-contamination from ultrasound probes.

The last year also saw Nanosonics achieve a key milestone with the FDA granting De Novo clearance for the CORIS system in March. CORIS aims to transform endoscope reprocessing and become a new standard of care over time by bringing automation and new levels of cleaning efficacy to endoscope reprocessing. A controlled market release for CORIS is planned to commence in the first half of FY26 which will pave the way for broader commercialisation.

Nanosonics has continued to invest in R&D, and our research and engineering capability has never been stronger. In addition to CORIS FDA clearance, we also recently received clearance from the US FDA for our latest trophon innovation, enabling the Company to commercially launch in the US trophon3 and trophon2 Plus, a software upgrade package enabling existing trophon2 users to access key features of trophon3.

Our total number of employees remained comparable to last year, with a global headcount of more than 470. Investment continued to be made in building capability across all areas of the business, with a particular focus on Talent Development and Leadership. Nanosonics' commitment to improving gender equality continued, with the percentage of women represented globally and at senior leader level increasing to 45% (FY24: 44%). In comparison, the percentage of women represented at the executive team level remains low and we are committed to increasing it towards 40% over time.

FY25 remuneration and outcomes

FY25 framework remained consistent

A number of changes to the structure of executive remuneration at Nanosonics were introduced in FY24 to ensure the Company continued to attract, motivate, and retain high calibre executives under a framework that rewarded long-term value creation and aligned with shareholder experience. As foreshadowed in the 2024 remuneration report, the Company did not implement any major structural changes to the remuneration framework for FY25.

FY25 outcomes

FY25 STI:

The financial performance of the business in FY25 resulted in FY25 STI Company financial metric outcomes of:

- Profit Before Tax (PBT) of \$22.3M, which was above the stretch goal of \$18.6M resulting in 150% achievement; and
- Total trophon units installed of 3,870, which was above threshold performance of 3,850 units, resulting in 56% achievement.

After assessing the CEO&P and the other Executive KMP's performance against their remaining metrics, the overall STI outcomes, inclusive of financial and non-financial metrics were:

- The CEO&P STI outcome was 60.6% of maximum (90.9% of target); and
- Average Other Executive KMP STI outcome was 56.4% of maximum (84.3% of target).

There were no values rating modifiers applied to the Executive KMP in FY25.

2021 LTI Award

The 2021 LTI award was subject to two financial metrics - an external financial metric of Index Total Shareholder Return (iTSR) (33.3% weighting and rewarded in Share Appreciation Rights (SARs)), and an internal financial metric of Underlying Return on Equity (uROE) (66.7% weighting and rewarded in Performance Rights). The gate for the iTSR metric was not met, resulting in nil vesting of SARs. However, the performance condition for uROE was at target resulting in 50% vesting of the maximum opportunity of Performance Rights. Overall, this resulted in a 33.3% of the maximum LTI opportunity.

There was no exercise of positive or negative discretion by the Board in relation to STI or LTI outcomes.

Looking forward to FY26

The 2026 financial year will be an important one for the next phase of Nanosonics' ongoing growth trajectory. The expansion of our product portfolio, together with the implementation of a number of operational efficiency strategies, are expected to lay the foundations for the business' growth trajectory.

FY26 Fixed Remuneration

Following a remuneration benchmarking review, conducted by Guerdon Associates, and after having regard to a number of business and individual specific factors, such as criticality to the business, and performance, remuneration for the FY25 Executive Leadership Team was adjusted to ensure Fixed Remuneration remained competitive in our talent markets, both in Australia and overseas. This resulted in the below:

- CEO & President: an increase of 3.75% to base remuneration
- Other Executive KMP: an average increase of 4.5% to base remuneration
- Executive Leadership Team (inclusive of KMP): an average increase of 3.83% to base remuneration.

For our global workforce, the average remuneration increase is approximately 3.75%.

The last review of Non-executive Director fees was conducted in FY24, and no increases have been applied to Board or Committee fees during FY25.

As we transition into a new growth phase, Nanosonics has reviewed both its STI and LTI programs to ensure they remain fit-for-purpose.

FY26 STI Changes

With a large and growing installed base, the Annuity Revenue through core consumables, ecosystem consumables, service, and digital subscriptions growth has become a significant component of our revenue growth strategy. As such, in FY26 we will be adopting Annuity Revenue growth as a key corporate metric in the FY26 executive STI which will replace Total trophon Units. From a strategic perspective, Nanosonics, which supplies high quality products, treats spare parts differently from consumables and, accordingly, spare parts will not be included in the Annuity Revenue metric.

With the launch of a broader range of products, operational performance will be a key indicator of success and, as such, EBIT will replace the PBT measure used in the past.

Both changes will be included from FY26. Refer to section 1.1 of the remuneration report for further information.

LTI to be granted in FY26 ("FY26 LTI") changes¹

Aligned to our commitment to shift to whole-of-company performance metrics for the LTI, EPS CAGR will be introduced in place of PBT CAGR, as one of the two LTI metrics (rTSR will continue as the other measure). The EPS metric ensures that LTI outcomes are closely aligned to shareholder experience and, in concert with the more operational focus of the STI, reflects the Company's focus on sustainable growth over the coming years. Refer to section 1.1 of the remuneration report for further information.

We value your feedback and will continue to regularly engage with and provide ongoing updates to our shareholders about our remuneration policies and objectives.

On behalf of the Board, I invite you to review the full report and thank you for your ongoing support of Nanosonics.

Yours sincerely,



Marie McDonald

Chair

People & Culture, Safety and Remuneration Committee

26 August 2025

1. From FY26 we will be changing the terminology for LTI awards to align with the financial year in which it is granted, rather than the calendar year. Thus, the LTI to be granted during FY26 will be referred to as the "FY26 LTI", rather than "2025 LTI". A more detailed explanation can be found in section 4.5 of the Remuneration report.

Remuneration report continued

The remuneration report for the year ended 30 June 2025 (2025 Financial Year or FY25) forms part of the Directors' report. It has been prepared in accordance with the *Corporations Act 2001* (Cth) (the Act), Corporations Regulation 2M.3.03, in compliance with AASB124 Related Party Disclosures, and audited as required by section 308(3C) of the Act. It also includes additional information and disclosures that are intended to support a deeper understanding of remuneration governance and practices, where statutory requirements are not sufficient.

Report structure

The report is divided into the following sections:

1. Upcoming changes to the FY26 Remuneration Framework
2. Key Management Personnel
3. Remuneration link with Company performance and strategy
4. Remuneration Framework
5. Company performance and remuneration outcomes
6. Non-Executive Director remuneration
7. Statutory tables and disclosures
8. Governance

1 Upcoming changes to the FY26 Remuneration Framework

1.1 Changes to the FY26 short- and long-term incentive frameworks

The table below outlines the key changes being made for the FY26 short- and long-term incentive plans.

Framework Element	What we're changing	Why we're changing it
Short-term incentive		
Introduction of new Group Financial metrics – EBIT and Annuity Revenue growth	PBT is changing to EBIT	EBIT is a key whole-of-company metric for Nanosonics, reflecting the overall strength and efficiency of our business internationally. EBIT provides a better reflection of our core operating performance than PBT as it excludes sources of non-strategic income such as interest earned on cash reserves. EBIT is broadly accepted and well understood across all our markets. The weighting of the EBIT metric will remain at 30%.
	Total Units is changing to Annuity Revenue growth	Consistent with our strategic plan, growth in recurring revenue streams has grown in importance over the last years. In FY25, Annuity Revenue was 69% of total revenue and capital revenue was 26%. Given the importance of recurring revenue streams to overall revenue growth and gross margin, Annuity Revenue growth will be adopted as a key corporate metric in the FY26 executive STI program, replacing Total trophon Units. The latter will, however, continue to form an important part of each Regional President's scorecard. Annuity Revenue is defined as the total revenue derived from Consumables and Service (less spare parts). The weighting of the Annuity Revenue growth metric will remain at 30%.
	Constant currency rates will be applied to both new Group financial metrics	A constant currency rate will be applied to both metrics to facilitate the comparability of year-on-year operational performance and remain consistent with our approach to financial reporting.
Long-term Incentive		
Introduction of new whole-of-company metric – EPS	Core business PBT CAGR changing to EPS CAGR	In keeping with our whole-of-company performance focus and the expansion of our product portfolio, the core business PBT CAGR metric introduced in FY24 (which excluded CORIS R&D expenses) is being replaced with a whole-of-company EPS CAGR. Nanosonics will use the statutory definition of EPS.

2 Key Management Personnel

This report covers Key Management Personnel (KMP) who are defined as those who have the authority and responsibility for planning, directing and controlling the activities of Nanosonics, directly or indirectly, including any Director (whether Executive or otherwise) of Nanosonics.

Name	Role	Appointed	Committee membership			
			Nomination	Audit & Risk	PCSR	Innovation & Development
Non-Executive Director						
Steven Sargent	Chairman, Independent Director	6 Jul 2016				
Marie McDonald	Independent Director	24 Oct 2016				
Lisa McIntyre ¹	Independent Director	13 Dec 2019				
Tracey Batten	Independent Director	26 Sep 2023				
Larry Marshall	Independent Director	3 Oct 2023				
Gerard Dalbosco ²	Independent Director	14 Jan 2025				
Geoff Wilson ³	Independent Director	17 Jul 2019				
David Fisher ³	Independent Director	30 Jul 2001				
Executive						
Michael Kavanagh	Chief Executive Officer & President (CEO&P) and Managing Director	21 Oct 2013				
Jason Burriss	Chief Financial Officer (CFO)	3 Oct 2023				
Rod Lopez	Chief Operating Officer (COO) and Regional President, APAC	4 Mar 2019				

 = member  = Chairman

1. Lisa McIntyre served as the temporary Chair of the Audit and Risk Committee from 13 November 2024 to 1 March 2025.

2. Gerard Dalbosco became Chair of the Audit and Risk Committee on 1 March 2025.

3. Geoff Wilson and David Fisher ceased to be Directors on 12 November 2024.

Remuneration report continued

3 Remuneration link with Company performance and strategy

3.1 Overview of Remuneration Framework

Nanosonics' Remuneration Framework is designed to attract, motivate and retain talent to enable the Company to deliver on the growth strategy of the core business and to develop and implement the long-term strategy by investing to establish Nanosonics as a globally recognised leader in Infection Prevention.

Executive KMP remuneration principles			
An appropriate balance of fixed and variable components.	Attract, motivate and retain executive talent.	Reward outcomes to drive performance and behaviours.	Shareholder value creation through equity alignment.
Total Remuneration			
Fixed	Variable and at-risk		
Total Fixed Remuneration (TFR)	Short-Term Incentive (STI)	Long-Term Incentive (LTI)	
Fixed remuneration is based on relevant market relativities, responsibilities, performance, qualifications, experience and location.	STI performance criteria are set by reference to Company and individual performance targets relevant to the specific position.	LTI targets are linked to shareholder value creation.	
Delivery			
Base salary in cash plus any fixed elements related to local markets, including superannuation or equivalents. This may include fringe benefits and relevant FBT.	Part cash and part equity. Equity as part of the award facilitates share ownership in Nanosonics and increases alignment of executive interests with shareholders. The equity component is deferred and subject to a further 1-year service condition and a 1-year exercise restriction period following vesting date, to facilitate malus/clawback policies and to reinforce shareholder alignment.	Equity is held subject to performance and service requirements. The measurement period is three years to create a long-term focus aligned with the financial interests of the Company's shareholders. Equity is deferred and subject to a 1-year exercise restriction period following vesting date, to facilitate malus/clawback policies and to reinforce shareholder alignment.	
Strategic intent and marketing positioning			
TFR is determined with regard to a range of factors, including relevant market-based data, experience, responsibilities and performance in the roles.	STI performance requirements are focused on achieving annual objectives that will underpin the growth strategy. TFR and the STI opportunities are benchmarked to ensure total remuneration is positioned competitively when outcomes are on-target.	LTI is designed to focus Executive KMP on the longer-term strategy for the business and vested LTI aligns their interests with those of the Company and its shareholders. LTI opportunities are benchmarked to ensure total remuneration is positioned competitively when on-target performance is met.	
↕	↕	↕	
Total Remuneration is benchmarked to be competitively positioned and reward achievement			

3.2 Assessment of behaviours against Nanosonics' Core Values through the application of a Values Modifier

Nanosonics believes the value created by desirable behaviours is inextricably linked to sustainable long-term value creation for shareholders. Our Values, desired behaviours and the relationship with our customers and the broader community are fully considered in the assessment of individual performance. The Board conducts a formal behavioural assessment of the CEO&P and each Executive KMP as part of their overall performance review and the incentive outcome may be negatively or positively adjusted through application of a Values Modifier multiplier of between 0% to a maximum of 150% if the behaviours and values exhibited either do not meet or exceed expectations.

4 Remuneration Framework

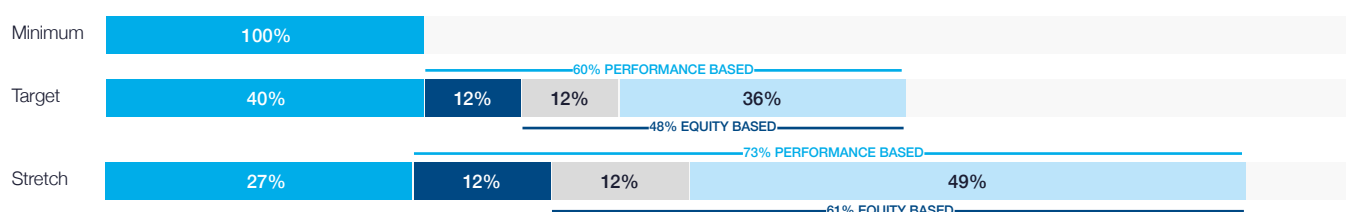
4.1 Remuneration mix

The remuneration mix for each Executive KMP provides an appropriate balance between fixed and variable at-risk remuneration to ensure focus on short, medium and longer-term performance. The Board considers this approach aligns Executive KMP remuneration with shareholders' interests and expectations. A significant portion of executive remuneration is paid in equity (48% for the CEO&P and 37.5% for Other Executive KMP at Target achievement).

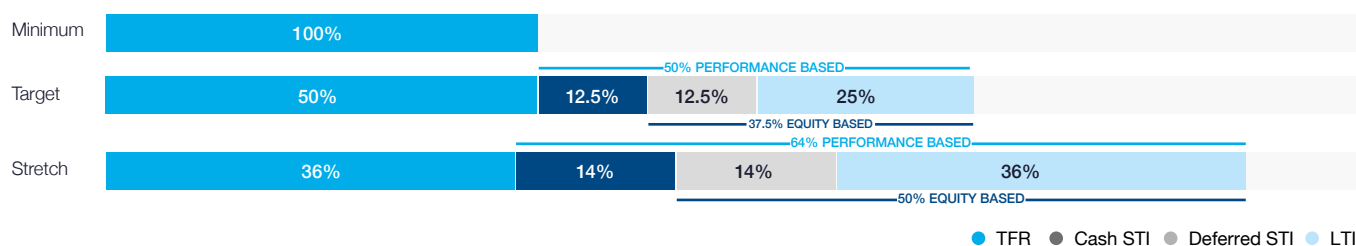
Executive remuneration is reviewed regularly by the People & Culture, Safety and Remuneration Committee (PCSR) with reference to each executive's individual performance, experience and relevant comparable compensation in the market.

The following two figures show the CEO&P remuneration mix and the average remuneration mix for Other Executive KMP in FY25.

CEO&P Remuneration Opportunity Mix %



Other Disclosed Executive KMP Remuneration Opportunity Mix %



4.2 Remuneration cycle



4.3 Total Fixed Remuneration (TFR)

TFR comprises base salary plus any fixed elements relating to local markets, including superannuation or equivalent. In addition to base salary, executives may receive benefits in line with local practice, such as health insurance and car allowance.

Adjustments to TFR may be made in response to individual performance, an increase in job responsibilities, changing market conditions or promotion. Any adjustment to Executive KMP remuneration is approved by the Board, based on recommendations by the PCSR (for the CEO&P) and recommendations by the CEO&P and PCSR (for other Executive KMP).

Remuneration report continued

4 Remuneration Framework continued

4.4 FY25 Short-Term Incentive (STI)

The following table describes the key features of the STI for FY25. The FY25 STI outcomes are dependent on meeting Company/ Regional financial and other non-financial strategic metrics for the year.

Purpose	To motivate and reward executives for the achievement of Company financial metrics, regional financial metrics and/or strategic non-financial metrics approved by the Board at the beginning of the financial year.				
No changes to STI for FY25	The FY25 STI framework was consistent with the prior year.				
Opportunity	The STI opportunities for each of the Executive KMP are:				
		% of TFR			
		Target (100%)	Maximum (150%)		
	CEO&P	60%	90%		
	Executive KMP	50%	75%		
Performance measures	The Board-approved performance metrics for the CEO&P and Executive KMP for FY25 were as follows:				
	Company financial metrics:				
	Profit Before Tax (PBT): PBT is a critical performance requirement aligned with the Company's continued growth strategy and can be influenced by the CEO&P and Executive KMP.				
	Global Total trophon Units: This includes both new installed base and upgrade units each of which is an important strategic growth driver for the business.				
	Regional financial and non-financial strategic metrics: The FY25 regional financial and/or non-financial strategic metrics for each Executive are aligned with the business priorities. The weightings for each Executive KMP were as follows:				
		Metric weighting allocation			
		Company financial metrics		Regional financial and non-financial strategic metrics	
		Profit before tax	Total trophon units sold	Regional financial	Non-financial
	Executive KMP				Total weighting
	CEO&P	30%	30%		40%
	CFO	30%	30%		40%
	COO/Regional President APAC	20%	20%	20%	40%
					100%
Vesting scale	The vesting scales for the financial and operational metrics are:				
		Vesting %			
		Financial metrics	Non-financial metrics		
	Achievement				
	Below threshold	Nil	Nil		
	Threshold	50%	50%		
	Target	100%	100%		
	Stretch	150%	150% ¹		
	1. Payment for above target non-financial performance will not exceed a fixed percentage of above target performance of the PBT metric.				
	Vesting is on a pro rata linear basis between each level.				
Performance Targets and Vesting schedule	The performance targets and vesting schedule for the Group Financial metrics is:				
	Metric	Threshold (50%)	Target (100%)	Stretch (150%)	
	PBT	\$13.5m	\$14.9m	\$18.6m	
	Global trophon units	3,850	4,000	4,600	
	Vesting for performance between threshold to target, and target to stretch, is calculated on a straight-line basis.				

4 Remuneration Framework continued

4.4 FY25 Short-Term Incentive (STI) continued

Calculation of STI outcome	The STI outcome for the year is calculated as follows. Total STI award (\$) = TFR Amount paid in the financial year (\$) × STI opportunity % of TFR × STI outcome % Total of percentage achieved of each metric × Values rating modifier (0% to 150%) The values modifier rewards positive contribution (to a maximum overall multiplier of 150%) and allows for downwards adjustments (from 100% to zero) for negative contribution based on the Company's Core Values of <i>Collaboration, Innovation, Discipline, Agility</i> and <i>Will to Win</i>. The Values rating modifier is applied to the total STI outcome % in determining the final award. Any modifications are made at the sole discretion of the Board and are subject to careful assessment (refer to section 4.2 for further information).
Payment vehicle	The STI is delivered as: • 50% paid in cash; and • 50% granted as Service Rights (SRs) contingent on one-year service condition, and a one-year exercise restriction period, i.e. two-year lockup. An SR is a right to a share plus, if relevant, additional shares equal in value to the value of dividends paid on the underlying shares in the period from granting of the SR to date of exercise as if the dividends were reinvested on the ex-dividend date.
Allocation method	The number of SRs is calculated by dividing the award value by the Volume Weighted Average Price (VWAP) of Nanosonics' shares during the 20 business days following the date of the release of the FY25 financial results.
Dividends	Unvested SRs do not carry any dividend or voting rights prior to exercise.
Termination of employment	Continuous employment with the Company in current or equivalent position and not working out a notice period: • at the time of payment to be eligible for the cash component; and • from the date of grant to until the vesting date for the SRs.
Malus and clawback	If the Board becomes aware of circumstances that have resulted in an unfair or inappropriate benefit including, but not limited to: • a material misstatement or omission in the consolidated financial statements of the Group; • the misconduct of any Executive KMP; or • any other circumstance that the Board determines in good faith to have resulted in an unfair or inappropriate benefit to the Executive KMP, the Board may, at its absolute discretion, reduce, cancel, or clawback awards made under the Company's Employee Share Schemes.
Board discretion	The Board retains overarching discretion to modify STI outcomes, or the form of settlement, if it deems it appropriate, having regard to the circumstances that prevailed over the measurement period. The Board will disclose the application of such discretion to Executive KMP STI awards. In cases of death, serious injury or illness which prohibits continued employment, retirement, or retrenchment (good leaver circumstances), the Board, in deciding whether to exercise discretion, will consider the performance of the leaver; the length of service given by the leaver; the contribution provided by the leaver; the assistance by the leaver in finding and training a suitable replacement; and any other matter that the Board considers relevant in its absolute discretion. The discretion that the Board may determine is that some or all Equity securities may: • lapse; • are forfeited; • vest immediately or subject to Conditions; • only be exercisable for a specified period and will otherwise lapse; and/or • vary or remove the restrictions to which they are subject to, including Conditions and Disposal Restrictions that previously applied as a consequence of becoming a leaver.

Remuneration report continued

4 Remuneration Framework continued

4.5 Long-Term Incentive (LTI) granted in FY25 ("2024 LTI")¹

Purpose	To incentivise Executives to focus on the drivers of shareholder value creation over the longer term and to align Executive interests with those of shareholders. For this purpose, an external metric (total shareholder return) and an internal one (Company core business profitability) are used.		
No changes to LTI for FY25	The 2024 LTI remained consistent with the prior year, although as noted in the FY24 remuneration report, this is the last award that will exclude CORIS-related expenses from the earnings metric. No changes have been made to the LTI award for FY25.		
2024 LTI details	At the 2024 Annual General Meeting held on 12 November 2024, shareholders approved the CEO&P's 2024 LTI grant. Details of the 2024 LTI grant, which apply to all Executive KMP, are set out below.		
Opportunity	The LTI opportunities for each of the Executive KMP are:		
		% of TFR	
		Target	Maximum
	CEO&P	90%	180%
	CFO	50%	100%
	COO/Regional President APAC	50%	100%
Payment vehicle	Equity grants to the Executive KMP were awarded as two equally weighed tranches in Performance Rights (PRs) with a nil exercise price. • 50% of the LTI grant value was based on Nanosonics' Relative Total Shareholder Return (rTSR) measure; and • 50% of the LTI grant value was based on a 3-year Profit Before Tax (PBT) compound annual growth (CAGR) of the Ultrasound Reprocessing Business (Core trophon Business) measure.		
Allocation method	The number of PRs granted is calculated as follows: Number of PRs = TFR (\$) × LTI opportunity % at Stretch × Tranche weighting / Value of PR The value of each PR was determined by the Volume Weighted Average Price (VWAP) of Nanosonics shares for the 20 trading-days following the release of the Company's FY24 results (\$3.4883).		
Performance period	The Performance Period is the period over which Vesting Conditions are assessed. The Performance Periods are set out below: • rTSR: from the announcement date of the Company's FY24 financial results to the announcement date of the Company's FY27 financial results based on the 20-day VWAP of the Company's shares following those dates. • PBT CAGR Ultrasound Reprocessing Business (Core trophon Business): from 1 July 2024 to 30 June 2027.		
Exercise restriction period	The Performance Rights will be subject to an Exercise Restriction Period of one year after the Vesting Date and they may only be exercised after that date.		
Gate	A Gate is a condition that, if not fulfilled, will result in nil vesting of certain Performance Rights, irrespective of performance in relation to the Performance Conditions. The Gate for the 2024 LTI Offer is as follows: • For rTSR: the Gate is that the Company's total shareholder return (TSR) must be positive for the Performance Period. • For PBT CAGR Ultrasound Reprocessing Business (Core trophon Business): no Gate applies.		

1. Prior to FY26, Nanosonics' LTI awards were named by reference to the calendar year in which the LTI was granted (thus the LTI award granted during FY25 was named the "2024 LTI". From FY26 onwards, Nanosonics will change the LTI award nomenclature to align with the financial year in which the LTI is granted. Thus, the LTI awarded in FY26 will be referred to as the "FY26 LTI".

4 Remuneration Framework continued

4.5 2024 Long-Term Incentive (LTI) continued

Performance Conditions	The Performance Conditions for the 2024 LTI Offer are: For the rTSR tranche, the Performance Condition is based on the TSR of the Company over the Performance Period (equivalent to the change in Share Price, plus dividends declared and reinvested), compared with the TSR of the constituents of the ASX 300 Small Ordinaries Index after excluding the GICS Energy, Financials, Metal & Mining Industry and REITs sectors companies. Vesting will be determined on the following scale with the outcome based on a percentage-ranking methodology (which was selected to align with market practice): <table data-bbox="379 660 1465 873"> <thead> <tr> <th>Outcome</th><th>Vesting Scale</th></tr> </thead> <tbody> <tr> <td>75th percentile</td><td>100% of Performance Rights</td></tr> <tr> <td>50th percentile</td><td>50% of Performance Rights</td></tr> <tr> <td><50th percentile</td><td>0%</td></tr> <tr> <td colspan="2">Straight-line basis in between</td></tr> </tbody> </table> For the PBT CAGR tranche, the Performance Condition is based on the 3-year PBT CAGR of the Ultrasound Reprocessing Business (Core trophon Business) over the Performance Period measured at the fixed foreign currency rate of 0.670 AUD:USD. This will be determined as Total Company PBT excluding revenue and costs associated with CORIS and any other non-ultrasound reprocessing business activities. The disclosed FY24 Core trophon Business PBT from which CAGR will be calculated is \$40.4m. Vesting will be determined according to the following scale with the outcome based on a CAGR over 3-years methodology to reward growth in the profitability of the core (trophon) business: <table data-bbox="379 1086 1465 1332"> <thead> <tr> <th>PBT CAGR achieved</th><th>Vesting Scale</th></tr> </thead> <tbody> <tr> <td>≥16%</td><td>100% of Performance Rights</td></tr> <tr> <td>13%</td><td>50% of Performance Rights</td></tr> <tr> <td>10%</td><td>25% of Performance Rights</td></tr> <tr> <td><10%</td><td>0%</td></tr> <tr> <td colspan="2">Straight-line basis in between</td></tr> </tbody> </table> These performance conditions were selected to ensure an appropriate balance between shareholder experience (rTSR) and Company performance (profit growth metric).	Outcome	Vesting Scale	75 th percentile	100% of Performance Rights	50 th percentile	50% of Performance Rights	<50 th percentile	0%	Straight-line basis in between		PBT CAGR achieved	Vesting Scale	≥16%	100% of Performance Rights	13%	50% of Performance Rights	10%	25% of Performance Rights	<10%	0%	Straight-line basis in between	
Outcome	Vesting Scale																						
75 th percentile	100% of Performance Rights																						
50 th percentile	50% of Performance Rights																						
<50 th percentile	0%																						
Straight-line basis in between																							
PBT CAGR achieved	Vesting Scale																						
≥16%	100% of Performance Rights																						
13%	50% of Performance Rights																						
10%	25% of Performance Rights																						
<10%	0%																						
Straight-line basis in between																							
Exercise and settlement	Upon exercise of vested Performance Rights, the Exercised Rights Value will be calculated with dividend equivalent entitlement calculated at the time of exercise from the vesting date. The dividend entitlement will be delivered as additional shares equal to any dividends paid since vesting date, reinvested on ex-dividend date. It is intended that Exercised Rights will be settled in shares. However, the Board retains discretion to settle in cash or a combination of cash and shares based on the then Nanosonics share price. The Performance Rights will automatically lapse if the Performance Conditions are not met or where Performance Conditions are met, the vested Performance Rights will automatically lapse if they are not exercised by the Last Exercise Date.																						
Dividends	Unvested PRs do not carry any dividend or voting rights prior to exercise.																						
Term	The Performance Rights will have a term ending 10 years from the grant date (Last Exercise Date).																						
Service condition	Continuous employment with the Company in current or equivalent position from the date of grant until the Vesting Date and not working out a notice period as at the Vesting Date for the Performance Rights to vest.																						
Change in control event	Without limiting the extend to which the Board can exercise its discretion, the Board may determine that: - all unvested Equity Securities will vest or the number of Equity Securities eligible to vest will be pro-rated according to the portion of the Performance Period completed to the date of the Event; and - this pro-rated number of Equity Securities will vest according to the extent to which the applicable Conditions are satisfied to that date.																						

Remuneration report continued

4 Remuneration Framework continued

4.5 2024 Long-Term Incentive (LTI) continued

Malus and Clawback	If the Board becomes aware of circumstances that have resulted in an unfair or inappropriate benefit including, but not limited to: • a material misstatement or omission in the consolidated financial statements of the Group; • the misconduct of any Executive KMP; or • any other circumstance that the Board determines in good faith to have resulted in an unfair or inappropriate benefit to the Executive KMP, the Board may, at its absolute discretion, reduce or cancel or clawback awards made under the Company's Employee Share Schemes.
Board discretion	Under the Plan, the Board may exercise any power or discretion concerning the Plan in its absolute discretion and may waive any provision of the Plan or any vesting conditions or restrictions that apply to an incentive security issued under the Plan. In cases of death, serious injury or illness which prohibits continued employment, retirement, or retrenchment (good leaver circumstances), the Board in deciding whether to exercise discretion will consider the performance of the leaver; the length of service given by the leaver; the contribution provided by the leaver; the assistance by the leaver in finding and training a suitable replacement; and any other matter that the Board considers relevant in its absolute discretion. The discretion that the Board may determine is that some or all Equity securities: • may lapse; • are forfeited; • may vest immediately or be subject to Conditions; • are only exercisable for a specified period and will otherwise lapse; and/or • are no longer subject to, or are subject to different restrictions to, some of the restrictions including Conditions and Disposal Restrictions that previously applied as a consequence of becoming a leaver.

4.6 Minimum shareholding requirements

The Company has a policy that requires Non-Executive Directors and Executive KMP to have a minimum equity holding equivalent to the previous year's annual Director fee (including superannuation and excluding committee fees) or base salary. The minimum level of equity holding includes vested but unexercised securities and shares held directly, or indirectly as the beneficial owner, by the KMP. The minimum holding is expected to be met within five years of appointment or commencement.

Executive KMP are expected to meet this requirement through their incentive-based equity awards without needing to make additional share acquisitions.

All KMP who have been in their role for more than five years satisfy the minimum holding requirement, and other KMP who have been in their role for lesser periods are on track to comply.

A copy of the Company's Share Ownership Policy is available on Nanosonics' website, www.nanosonics.com under Investor Centre, Corporate Governance.

5 Company performance and remuneration outcomes

5.1 Relationship between Nanosonics' performance and Executive KMP variable remuneration

Nanosonics' Remuneration Framework is aimed at rewarding Executive KMP for the achievement of sustainable business growth and for the creation of shareholder value in the short, medium and long-term. The following table shows the Company's quantitative performance between FY21 and FY25 with relevant short-term and long-term remuneration outcomes. The table includes both statutory performance disclosures and indicators that have strong links to variable remuneration outcomes.

Five-year performance history	FY25	FY24	FY23	FY22	FY21
Earnings and cash flows					
Revenue (\$'000)	198,628	170,012	165,993	120,320	103,079
Profit before tax (\$'000)	22,287	12,986	21,596	1,578	10,983
Net profit after tax (\$'000)	20,676	12,972	19,883	3,742	8,578
Pre-tax basic earnings per share (Pre-tax EPS) (cents)	7.35	4.29	7.16	0.52	3.65
Basic earnings per share (EPS) (cents)	6.82	4.29	6.60	1.24	2.85
Cash flow (\$'000)	31,974	17,412	17,061	(2,180)	4,901
Returns					
Share price as at 30 June (\$)	4.05	2.99	4.74	3.36	5.87
Three-year CAGR TSR %	1.2 ¹	(25.6)	(11.4)	(15.8)	22.9
Remuneration outcomes					
Average Executive KMP STI outcome as a % of Target	87.7	29.9	77.9	41.4	94.9
Average Executive KMP STI outcome as a % of Maximum	58.5	20.0	60.1	31.8	71.7
% of maximum that vested during the year	33.3 ²	30.5	0	0	100

1. Three-year CAGR TSR is compared to the ASX 300 Industrials Total Return Index over the period 24 August 2022 to 30 June 2025.

2. Relates to 2021 LTI (granted in FY22).

Remuneration report continued

5 Company performance and remuneration outcomes continued

5.2 FY25 STI outcomes

Nanosonics' STI rewards the CEO&P and Other Executive KMP for the achievement against weighted metrics set by the Board at the beginning of the year to reward the successful implementation of the Company's strategic objectives. The PCSR sets STI targets with consideration to Nanosonics' strategy and business priorities, and alignment to our Core Values. Adherence to Nanosonics' culture, values and behavioural standards are reflected in the application of the Values modifier, which is assessed by the Board at the end of the performance period.

The FY25 metrics are financial and strategic in nature and designed to strengthen alignment between management and shareholders. The payment of the STI is dependent on meeting financial and non-financial metrics.

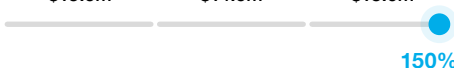
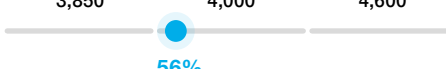
For the Company financial metrics, PBT reached stretch, while Global trophon units were above threshold, resulting in an outcome of 61.8%. On average, Regional financial metrics were achieved at 80%. The remaining non-financial strategic metrics demonstrated a solid result, with an overall outcome of:

- CEO&P: 72.8% of target (29.1% overall weighted scorecard outcome).
- Other Executive KMP: 74.7% average of target (29.9% overall weighted average scorecard outcome).

The overall STI outcome (financial and non-financial metrics) results were:

- CEO&P: 60.6% of maximum (90.9% of target).
- Other Executive KMP: 56.4% average of maximum (84.3% average of target).

The below table summarises the metrics, targets, and outcomes of the Company's financial metrics for the CEO&P and Other Executive KMP.

Company financial metrics	Weighting %	Targets and outcomes			Outcome as a % of maximum opportunity
Profit Before Tax (PBT) (\$ million)					
Measure of profitability and aligned with the Company's growth strategy		Threshold 50%	Target 100%	Stretch 150%	
		\$13.5m	\$14.5m	\$18.6m	
The overall outcome (\$22.3M) for PBT exceeded the stretch goal of \$18.6M, resulting in a weighted outcome of 45%. This result was driven by strong revenue growth, particularly across Consumables and Service.	30.0%				45.0%
				150%	
Global total trophon units					
Measure of strategic growth and includes both new installed base and upgrade units		Threshold 50%	Target 100%	Stretch 150%	
		3,850	4,000	4,600	
The overall number of new trophon units globally (3,870) exceeded the threshold requirement (3,850), resulting in a weighted outcome of 16.8%.	30.0%				16.8%
			56%		
Total company financial metrics	60.0%				61.8%

The Board did not exercise any positive or negative discretion in relation to the Company or Regional Financial metrics.

5 Company performance and remuneration outcomes continued

5.2 FY25 STI outcomes continued

The below table summarises the strategic non-financial metrics and outcomes of the non-financial metrics for the CEO&P and Other Executive KMP. For commercial sensitivity reasons, some of the non-financial metrics are not described in detail.

CEO&P / KMP non-financial strategic metrics	Targets and outcomes				Outcome as a % of maximum opportunity
	Below threshold 0%	Threshold 50%	Target 100%	Stretch 150%	
Non-financial strategic metrics (KMP role dependent)					
Innovation & product expansion – (included in CEO&P STI outcome)					
This metric reflects Nanosonics’ progress on the development and regulatory pathway for new products, including: • The development and implementation of long-term strategic product roadmaps • The assessment of partnership / M&A opportunities.	85.8%				57.1%
Leading Ultrasound Reprocessing – (included in CEO&P STI outcome)					
This metric reflects the achievement of strategic objectives supporting the trophon business across marketing and medical & regulatory affairs, including: • Efficacy studies and communication strategies • Targeted regional medical affairs communication strategies • Competitive trophon marketing strategies to support launch of new and upgraded products • Regulatory clearances / approvals.	83.3%				55.6%
CORIS commercialisation strategy – (included in CEO&P STI outcome)					
The CORIS commercialisation strategy metric is centred around the preparation for the initial Controlled Market Release (CMR) and the development of the strategy for longer-term commercial success. Areas assessed include: • Successful demonstration of CORIS’ clinical effectiveness • Implementation of the CMR strategic plan • Development of the go-to-market strategy for full commercial launch.	100%				66.6%
Digital transformation					
Digital transformation encompasses the ongoing development of our internal systems and commercial infrastructure, including: • The launch of our new Enterprise Resource Planning (ERP) system, ‘D365’ • Increasing our cybersecurity posture • Supporting expanded product offerings through cloud connectivity and other digital solutions.	83.3%				55.6%
Manufacturing and supply chain					
This metric assesses improvements to manufacturing processes and facilities and streamlining of the supply chain. It includes: • Successful set up including regulatory approval and registration of a new consumables manufacturing facility in the United States • Strategic planning for end-of-lease offices and facilities.	100%				66.6%
Financial discipline and capital allocation					
This metric covers our strategic uplift in financial analysis capability to improve operating leverage by driving sales and supporting strategic business decisions. It includes: • The identification and exploitation of scalability opportunities • Growing our functional capability in financial analytics and sales modelling to support new and expanded products.	100%				66.6%

Remuneration report continued

5 Company performance and remuneration outcomes continued

5.2 FY25 STI outcomes continued

CEO&P / KMP non-financial strategic metrics	Targets and outcomes				Outcome as a % of maximum opportunity
	Below threshold 0%	Threshold 50%	Target 100%	Stretch 150%	
Talent & Engagement — <i>(included in CEO&P STI outcome)</i>					
This metric assesses our effectiveness in developing talent, and improving alignment between our culture and values, to create a highly capable and engaged workforce. It includes:					
- Effectiveness reviews of our culture against our Nanosonics Values to identify and close gaps - Engagement survey results - Succession planning for senior and business-critical roles.					
				33.3% — 44.0%	

The Board did not exercise any discretion in relation to the non-financial metrics.

There were no Values rating modifications applied to the CEO&P or Executive KMP in FY25.

The total STI award value and payout for the CEO&P and each Executive KMP for the completed period is summarised below.

Executive KMP	Target STI (100%) \$	Maximum STI (150%) \$	Group financial metrics outcome %	Regional financial and non-financial metrics outcome %	STI achievement ¹		Cash \$	SRs \$	Forfeited ² %
					%	\$			
Michael Kavanagh CEO&P	547,520	821,280	61.8%	29.1%	90.90%	497,696	248,848	248,848	9.10%
Rod Lopez COO/Regional President APAC	253,381	380,071	41.2%	39.7%	80.88%	204,935	102,467	102,468	19.12%
Jason Burriss CFO	285,412	428,118	61.8%	26.0%	87.80%	250,592	125,296	125,296	12.20%

1. STI achievement includes Values rating modifier, where applicable.

2. % forfeited is the difference between target STI opportunity and the STI achieved.

5.3 2021 LTI outcomes (granted in FY22)

The performance conditions associated with the 2021 LTI included two financial metrics, an external metric of Index Total Shareholder Return (iTSR) (33.3% rewarded in Share Appreciation Rights (SARs)) and an internal metric of Underlying Return on Equity (uROE) (66.67% rewarded in Performance Rights (PRs)).

The iTSR was subject to a gate of a positive TSR, which was not met, and this resulted in nil vesting of Share Appreciation Rights (SARs). The performance condition of the uROE was met at between threshold and target at 26% and this metric resulted in 50% vesting of Performance Rights (PRs) at the maximum opportunity for this metric. The overall outcome of the maximum LTI opportunity was 33.3%.

5 Company performance and remuneration outcomes continued

5.4 LTI grants on foot and outcomes in FY25

The on-foot grants of prior year LTI for each Executive KMP during FY25 are summarised in the table below.

	2021 LTI		2022 LTI		2023 LTI		2024 LTI ⁴	
Equity Instruments	PRs	SARs	PRs	SARs	PRs	PRs	PRs	PRs
Percentage of Grant	66.67%	33.33%	66.67%	33.33%	50.00%	50.00%	50.00%	50.00%
Performance Measure	uROE	iTSR	uROE	iTSR	PBT CAGR	rTSR	PBT CAGR	rTSR
Gate Measure	N/A	Positive TSR	N/A	Positive TSR	N/A	Positive TSR	N/A	Positive TSR
Performance Period	1 July 2021 – 30 June 2024	FY21 – 24 Release of Results	1 July 2022 – 30 June 2025	FY22 – 25 Release of Results	1 July 2023 – 30 June 2026	FY23 – 26 Release of Results	1 July 2024 – 30 June 2027	FY24 – 27 Release of Results
Grant Date (CEO&P)	19-Nov-21	19-Nov-21	18-Nov-22	18-Nov-22	03-Nov-23	03-Nov-23	12-Nov-24	12-Nov-24
Grant Date (Other Executive KMP)	24-Jan-22	24-Jan-22	06-Dec-22	06-Dec-22	04-Dec-23	04-Dec-23	02-Dec-24	02-Dec-24
Vesting Date	30-Sep-24	30-Sep-24	30-Sep-25	30-Sep-25	30-Sep-26	30-Sep-26	30-Sep-27	30-Sep-27
Expiry Date	30-Sep-28	30-Sep-28	30-Sep-29	30-Sep-29	03-Nov-33	03-Nov-33	30-Sep-34	30-Sep-34
Exercise Price	Nil	\$6.825	Nil	\$4.143	Nil	Nil	Nil	Nil
Gate Passed	N/A	No	N/A	TBD	N/A	TBD	N/A	TBD
Threshold (25% vesting)	23%	Index TSR%	25%	Index TSR%	11%	<50th percentile	10%	<50th percentile
Target (50% vesting)	26%	Index TSR % + 3.5% TSR CAGR	28%	Index TSR % + 3.0% TSR CAGR	14%	50th percentile	13%	50th percentile
Maximum (100% vesting)	29%	Index TSR % + 7.0% TSR CAGR	31%	Index TSR % + 6.0% TSR CAGR	>17%	75th percentile	>16%	75th percentile
Performance Outcome	26%	0% ¹	29.5% ²	TBD ³				
Vesting Outcome as a percentage of Target								
By Tranche	100%	0% ¹	150.0% ²	TBD ³				
Total		33.3%		TBD³				

1. For the 2021 LTI, the gate for the iTSR component of the award was not reached based on the Nanosonics share price and as a result the SARs issued did not vest.

2. For the 2022 LTI, the performance outcome of the uROE metric has been determined following the finalisation of the FY25 result but will not vest until 30 September 2025.

3. To Be Determined: the performance outcome of the iTSR metric has not yet been determined.

4. Details of the maximum and minimum possible total value of each grant made before 2024 can be found in Nanosonics' previous remuneration reports, which are available on its website.

Remuneration report continued

5 Company performance and remuneration outcomes continued

5.5 Executive KMP remuneration received during the period

The amounts in this table are different to the statutory disclosures in section 7.1, which are prepared in accordance with the accounting standards and therefore include the accounting value for all unvested deferred STI and LTI awards expensed in the year. The table below is provided voluntarily and represents the value to the Executive KMP of cash paid and vested equity awards (vested value) received during the year.

Name	Year	TFR ¹ \$	Cash STI ² \$	STI SRs vested ³ \$	LTI PRs vested ⁴ \$	LTI SARs vested ⁵ \$	Actual remuneration received \$	(Loss)/gain on vested rights from change in share value during vesting period ⁶ \$
Current								
Michael Kavanagh CEO&P	2025	934,937	76,440	187,362	453,044	—	1,651,783	(253,170)
	2024	910,000	187,360	90,612	396,648	—	1,584,620	(118,658)
Rod Lopez COO/Regional President APAC	2025	506,761	38,585	86,540	132,228	—	764,114	(81,554)
	2024	482,309	86,537	49,588	113,493	—	731,927	(33,684)
Jason Burriss CFO	2025	570,824	35,977	—	—	—	606,801	—
	2024	411,160	—	—	—	—	411,160	—
Former								
McGregor Grant CFO	2025	—	—	—	—	—	—	—
	2024	200,946	179,001	41,401	121,253	—	542,601	(36,117)
Steven Farrugia CTO	2025	—	—	—	—	—	—	—
	2024	399,385	80,178	51,075	113,493	—	644,131	(33,667)
David Morris CSO/Regional President APAC	2025	—	—	—	—	—	—	—
	2024	186,170	164,143	33,442	132,427	—	516,182	(39,578)
Total	2025	2,012,522	151,002	273,902	585,272	—	3,022,698	(334,724)
	2024	2,589,970	697,219	266,118	877,314	—	4,430,621	(261,704)

1. Includes base salary, superannuation/pension and other cash and non-monetary benefits received during the year (excludes annual leave and long service leave accrual).

2. STI received as cash in respect of the previous financial year.

3. STI SRs vested in FY25 was from the FY23 STI award. Value vested represents the STI allocation value (STI award value) for the relevant award year.

4. LTI PRs vested in FY25 includes the 2021 LTI award. Value vested represents the PRs allocation value for the relevant award year at the beginning of the measurement period to determine the number of rights to be awarded.

5. LTI SARs (and/or options) relating to the 2021 LTI award did not vest in FY25. The 2020 award did not vest in FY24. Value vested represents the SARs allocation value for the relevant award year (LTI award value) i.e. Monte Carlo valuation used at the beginning of the measurement period to determine the number of rights and options to be awarded multiplied by the number of rights and options that vested/forfeited following the end of the measurement period.

6. This is the difference between the equity vested value and the equity award value. The estimated realisable value is determined by multiplying the market share price at the time of vesting less any exercise price (for options) and the number of vested performance rights/options. Actual realised value at the point of exercise and sale of shares may vary.

6 Non-Executive Director remuneration

6.1 Principles

The principles that Nanosonics applies in governing Non-Executive Director (NED) remuneration are set out below.

Principle	Comment
Fees are set by reference to key considerations	Fees for Non-Executive Directors are based on the nature of the Directors' work and their responsibilities, taking into account the nature and complexity of the Company and the skills and experience of the Directors. There have been no increases to Non-Executive Director fees since their prior review in FY24. Non-Executive Directors' fees are recommended by the PCSR Committee and determined by the Board. Shareholders approve the aggregate amount available for the remuneration of Non-Executive Directors.
Remuneration is structured to preserve independence whilst creating alignment	To preserve independence and impartiality, NEDs are not entitled to any form of variable remuneration payments and the level of their fees is not set with reference to measures of the Company's performance.
Aggregate Board fees are approved by shareholders	The total amount of fees paid to NEDs in FY25 is within the aggregate amount of \$1,200,000 a year.

6.2 Remuneration elements

The elements of NED remuneration available to be offered as part of a package each year:

Remuneration element	Details		
Board fees for FY25	Position	Board	Committee²
	Chair	\$270,000 ¹	\$25,000
	Non-Executive Director	\$120,000	\$12,500
Superannuation	Superannuation contributions are included in the annual Board fees above and for FY25 were made at a rate of 11.5% of base fee (up to the Government's prescribed maximum contributions limit) which satisfies the Company's statutory superannuation contribution obligations. Directors with other employers can apply to opt out receiving superannuation contributions, where applicable.		
Equity instruments	NEDs do not receive any performance-related remuneration, options or performance rights.		
Other fees/benefits	NEDs are reimbursed for out-of-pocket expenses that are directly related to Nanosonics' business.		

1. The Board Chair does not receive separate Committee fees.

2. No Committee fees are payable in relation to the Nomination Committee.

Remuneration report continued

7 Statutory tables and disclosures

7.1 Executive KMP statutory remuneration for FY25

The following table outlines the statutory (A-IFRS) remuneration of executives.

Name	Year	Variable remuneration												Total remuneration \$				
		Short-Term Salary and benefits ¹ \$		Long-Term Other benefits ² \$		Post-employment Super-annuation ³ \$		TFR		Cash STI ⁴		Deferred STI equity compensation ⁵			LTI equity compensation ⁵		Termination benefits	
		\$	% of TR	\$	% of TR	\$	% of TR	\$	% of TR	\$	% of TR	\$	% of TR		\$	% of TR	\$	% of TR
Current																		
Michael Kavanagh CEO&P	2025	867,664		93,246		29,932		990,842	40%	248,848	10%	144,871	6%	1,065,567	44%	—	—	2,450,128
	2024	809,569		142,552		27,399		979,520	48%	76,440	4%	115,515	6%	889,772	43%	—	—	2,061,247
Rod Lopez COO/Regional President APAC	2025	449,320		53,056		29,932		532,308	52%	102,467	10%	65,058	6%	320,137	31%	—	—	1,019,970
	2024	407,767		51,155		27,399		486,321	58%	38,585	5%	54,827	7%	254,822	31%	—	—	834,555
Jason Burriss CFO	2025	506,636		44,860		29,932		581,428	65%	125,296	14%	69,786	8%	115,223	13%	—	—	891,733
	2024	374,531		33,517		20,549		428,597	77%	35,977	6%	16,604	3%	78,929	14%	—	—	560,107
Former																		
McGregor Grant CFO	2025	—		—		—		—	—	—	—	—	—	—	—	—	—	—
	2024	64,549		—		6,850		71,399	128%	—	0%	2,944	5%	(18,518)	(33%)	—	—	55,825
Steven Farrugia CTO	2025	—		—		—		—	—	—	—	—	—	—	—	—	—	—
	2024	330,435		(9,030)		24,569		345,974	46%	53,627	7%	40,342	5%	318,407	42%	—	—	758,350
David Morris CSO/Regional President APAC	2025	—		—		—		—	—	—	—	—	—	—	—	—	—	—
	2024	112,548		(11,800)		6,850		107,598	22%	64,571	13%	2,378	1%	(19,000)	(4%)	330,927	68%	486,474
Total	2025	1,823,620		191,162		89,796		2,104,578	48%	476,611	11%	279,715	6%	1,500,927	34%	—	—	4,361,831
	2024	2,099,399		206,394		113,616		2,419,409	51%	269,200	6%	232,610	5%	1,504,412	32%	330,927	7%	4,756,558

1. Comprising base salary and non-monetary benefits.

2. Comprising annual leave and long service leave entitlements.

3. The only post-employment benefits are superannuation.

4. Cash STI is for the performance during the respective financial year. The amounts represent the Cash STI opportunity accrued related to the financial year based on the achievement of the Company's Group metrics and individual metrics.

5. The amount disclosed is the amount of the fair value of the rights recognised as an expense in each reporting period. The ability to exercise the rights is subject to vesting conditions.

7 Statutory tables and disclosures continued

7.2 Non-Executive Director remuneration for FY25

The following table outlines the statutory (A-IFRS) remuneration of NEDs:

Name	Year	Board Fees \$	Committee Fees \$	Super-annuation \$	Total
Current					
Steven Sargent	2025	242,152	—	27,848	270,000
	2024	222,973	—	24,527	247,500
Marie McDonald	2025	120,000	37,500	—	157,500
	2024	99,099	30,406	14,245	143,750
Lisa McIntyre	2025	107,624	37,013	16,633	161,270
	2024	99,099	30,406	14,245	143,750
Tracey Batten ¹	2025	125,517	26,149	17,442	169,108
	2024	78,007	16,052	10,346	104,405
Larry Marshall	2025	107,624	22,421	14,955	145,000
	2024	76,346	15,720	10,127	102,193
Gerard Dalbosco	2025	52,251	16,329	3,358	71,938
	2024	—	—	—	—
Former					
Geoff Wilson	2025	40,715	12,724	4,061	57,500
	2024	105,046	32,264	6,441	143,751
David Fisher	2025	39,291	4,093	4,989	48,373
	2024	99,099	14,640	12,511	126,250
Total	2025	835,174	156,229	89,286	1,080,689
	2024	779,669	139,488	92,442	1,011,599

1. Director is also paid a travel allowance of \$16,559 as part of their remuneration.

Remuneration report continued

7 Statutory tables and disclosures continued

7.3 KMP equity movements

Movements in equity interests held during the financial year by KMP, including their personally related parties, are set out below.

Name	Instrument	Number held at open 2025	Granted FY25		Forfeited during FY25 ¹	Vested during FY25 ²	FY25 exercised (or shares received from exercising) ³	FY25 Restriction end	FY25 Sold	Number held at close 2025
		Number	Date granted	Number	Number	Number	Number	Number	Number	Number
Michael Kavanagh	Unrestricted Shares	1,274,496	—	—	—	—	60,356	21,871	(100,000)	1,256,723
	Restricted Rights	87,502	—	—	—	110,434	—	(87,502)	—	110,434
	Vested Rights	50,910	—	—	—	—	(50,910)	65,631	—	65,631
	Unvested Rights	793,868	12-Nov-24	492,791	(66,380)	(110,434)	—	—	—	1,109,845
	Vested Options	286,885	—	—	—	—	(286,885)	—	—	—
	Unvested SARs	474,044	—	—	(190,114)	—	—	—	—	283,930
Rod Lopez	Unrestricted Shares	48,886	—	—	—	—	2,266	—	—	51,152
	Restricted Rights	30,748	—	—	—	39,722	—	(30,748)	—	39,722
	Vested Rights	10,392	—	—	—	—	—	30,748	—	41,140
	Unvested Rights	235,814	02-Dec-24 12-Nov-24	145,276 11,062	(19,373)	(39,722)	—	—	—	333,057
	Vested Options	68,835	—	—	—	—	(68,835)	—	—	—
	Unvested SARs	137,647	—	—	(55,486)	—	—	—	—	82,161
Jason Burriess	Unrestricted Shares	31,000	—	—	—	—	—	—	—	31,000
	Restricted Rights	—	—	—	—	—	—	—	—	—
	Vested Rights	—	—	—	—	—	—	—	—	—
	Unvested Rights	129,322	02-Dec-24 12-Nov-24	163,640 10,314	—	—	—	—	—	303,276
	Vested Options	—	—	—	—	—	—	—	—	—
	Unvested SARs	—	—	—	—	—	—	—	—	—
Totals		3,660,349	N/A	823,083	(331,353)	—	(344,008)	—	(100,000)	3,708,071

1. The rights forfeited for Michael Kavanagh and Rod Lopez relate to the 2021 LTI granted in FY22 which did not fully vest.

2. For more information on the tranches of SRs, PRs and SARs that vested in FY25 please refer to section 5.5.

3. The value of shares exercised by Michael Kavanagh relate to the 2022 STI rights, 2021 STI rights and the 2018 LTI options which had a notional exercise price of \$3.442 and were exercised at a market price of \$3.5592. For Rod Lopez, the value of shares exercised relate to the 2018 LTI options which had a notional exercise price of \$3.442 and were exercised at a market price of \$3.5592.

Other than as disclosed above, there were no other equity transactions including purchase or sales of shares by KMP during the year.

The following outlines changes in Non-Executive Director equity interests during FY25:

Name	Instrument	Held at open	FY25 purchased/ other	FY25 sold	Held at close	% of holding policy met ¹
		Number	Number	Number	Number	Percent
Steven Sargent	Shares	159,860	—	—	159,860	100%
Marie McDonald	Shares	50,106	—	—	50,106	100%
Lisa McIntyre	Shares	21,351	—	—	21,351	100%
Tracey Batten ²	Shares	14,285	15,715	—	30,000	N/A
Larry Marshall ²	Shares	25,000	20,000	—	45,000	N/A
Gerard Dalbosco ²	Shares	—	27,442	—	27,442	N/A
Totals		270,602	63,157	—	333,759	

1. The % of holding policy met is determined in accordance with the Share Ownership Policy. If shareholding interests equal or exceed the previous year's Board fees, the minimum shareholding requirement is 100% met.

2. Director is still within the five-year accumulation period.

7 Statutory tables and disclosures continued

7.3 KMP equity movements continued

The following outlines potential future costs of equity remuneration granted during FY25 for Executive KMP:

Name	Plan	Grant date	Vesting date	Expiry date	Exercise price \$	Fair value \$	Total value Awarded ¹ \$	Total fair value at grant ² \$	Value expensed in FY25 \$	Maximum value to be expensed in future years \$
Michael Kavanagh	2024 LTI PRs (PBT CAGR)	12-Nov-24	30-Sep-27	31-Aug-34	—	3.32	821,282	781,657	120,280	270,548
	2024 LTI PRs (rTSR)	12-Nov-24	30-Sep-27	31-Aug-34	—	2.02	821,278	475,585	146,365	329,220
	FY24 Service Rights	12-Nov-24	31-Aug-25	31-Aug-29	—	3.32	76,443	72,754	16,751	5,604
Rod Lopez	2024 LTI PRs (PBT CAGR)	02-Dec-24	30-Sep-27	02-Dec-34	—	3.22	253,383	233,894	35,991	80,956
	2024 LTI PRs (rTSR)	02-Dec-24	30-Sep-27	02-Dec-34	—	1.88	253,383	136,559	42,027	94,532
	FY24 Service Rights	12-Nov-24	31-Aug-25	31-Aug-29	—	3.32	38,588	36,726	11,637	2,829
Jason Burriss	2024 LTI PRs (PBT CAGR)	02-Dec-24	30-Sep-27	02-Dec-34	—	3.22	285,413	263,460	40,541	91,189
	2024 LTI PRs (rTSR)	02-Dec-24	30-Sep-27	02-Dec-34	—	1.88	285,413	153,822	47,340	106,482
	FY24 Service Rights	12-Nov-24	31-Aug-25	31-Aug-29	—	3.32	35,978	34,242	11,957	2,993
Totals							2,871,161	2,188,699	472,889	984,353

1. The total value awarded is calculated in reference to the value of the LTI award (determined as the LTI entitlement rate % multiplied by current year TFR) and the 50% deferred component of the FY24 STI.

2. Total fair value at grant is calculated as the number of equity instruments issued multiplied by the accounting fair value per options or rights at grant date.

7.4 KMP service agreements

7.4.1 Executive KMP

The following outlines current Executive KMP service agreements:

Name	Duration of contract	Period of notice		Termination payments ¹
		By company	By KMP	
Michael Kavanagh	Ongoing employment until notice is given by either party	Nine months' written notice	Nine months' written notice	By Nanosonics: All unvested LTI benefits are forfeited and a pro-rata portion of the unvested STI is paid to the period up to the date of termination. All vested but unexercised STI or LTI benefits are forfeited (immediately or after 30 days, subject to the terms of the award) following cessation of employment. By KMP: All unvested STI or LTI benefits are forfeited and a pro-rated portion of the unvested STI are paid to the period up to the date of termination. All vested but unexercised STI or LTI benefits are forfeited (immediately or after 30 days, subject to the terms of the award) following cessation of employment.
Jason Burriss		Three months' written notice	Three months' written notice	Subject to Board determinations, all unvested STI or LTI benefits are forfeited and all vested, but unexercised STI or LTI benefits are forfeited (immediately or after 30 days, subject to the terms of the award) following cessation of employment.
Rod Lopez		Three months' written notice	Three months' written notice	Subject to Board determinations, all unvested STI or LTI benefits are forfeited. All vested but unexercised STI or LTI benefits are forfeited (immediately or after 30 days, subject to the terms of the award) following cessation of employment.

1. Regardless of the foregoing, the Termination Benefit Limit specified in the Corporations Act applies to all those listed, unless prior approval of shareholders to exceed that limit has been obtained.

Remuneration report continued

7 Statutory tables and disclosures continued

7.4 KMP service agreements continued

7.4.2 Non-Executive Directors

On appointment to the Board, each NED enters into an agreement with the Company in the form of a letter of appointment. The letter summarises the Board’s policies and terms, including compensation relevant to the office of the Director. NEDs are not eligible to receive termination payments under the terms of their appointment.

7.5 Loans and transactions with KMP

7.5.1 Loans to KMP and their related parties

During the financial year and to the date of this report, the Group made no loans to Directors and other KMP and none were outstanding as at 30 June 2025 (2024: Nil).

7.5.2 Other transactions with KMP

In the period to 30 June 2025, there were no other transactions between the Group and a member of KMP, a close member of the family of that member of KMP, or an entity over which the member of KMP or that family member has direct or indirect control, joint control or significant influence, other than as described in this remuneration report.

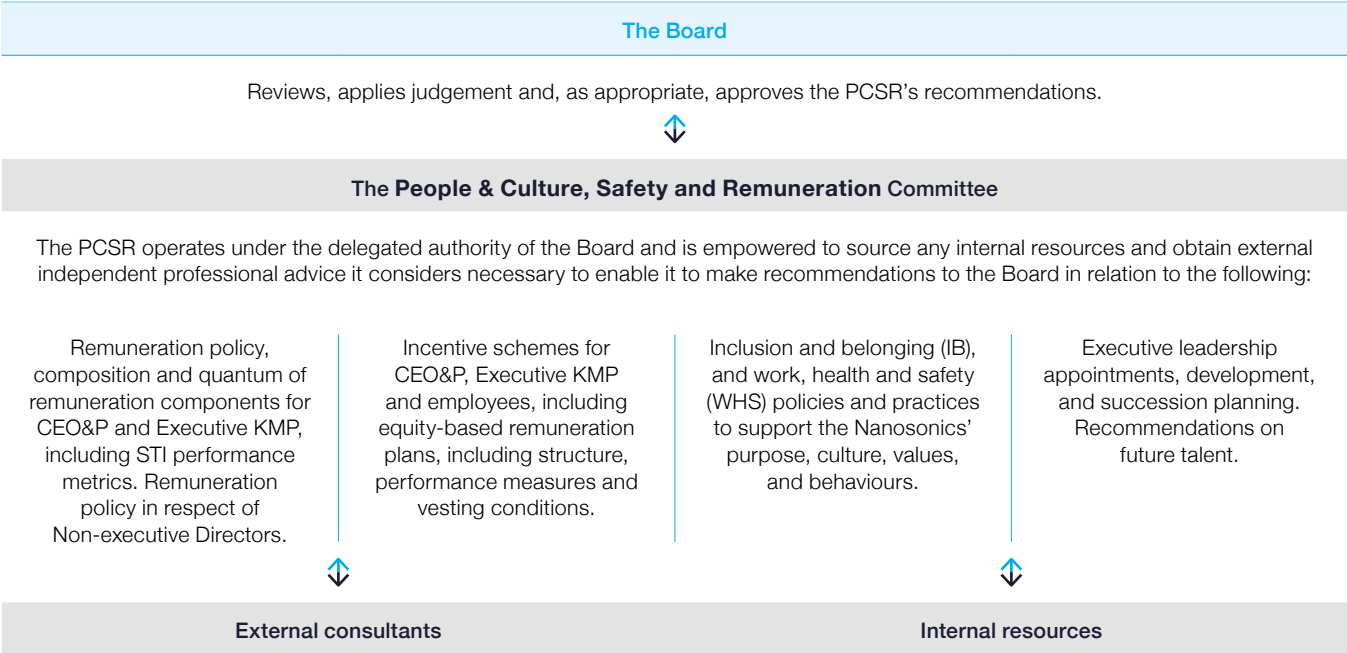
8 Governance

This section describes the role of the Board, the PCSR Committee and the use of remuneration consultants when making remuneration decisions.

8.1 Role of the Board and the People & Culture, Safety and Remuneration Committee

The Board is responsible for Nanosonics’ remuneration strategy and policy and has established a PCSR Committee which is chaired by an independent Director, with a majority of independent Directors. Members of the PCSR are shown in section 2.

The role and responsibilities of the PCSR are set out in its Charter, which was last reviewed and approved by the Board in September 2024. The PCSR’s role and its relationship with the Board, internal and external advisors is illustrated below.



Further information on the PCSR Committee’s role, responsibilities and membership is contained in the Corporate Governance Statement. The People & Culture, Safety and Remuneration Committee Charter and the Corporate Governance Statement can be viewed in the Corporate Governance section of Nanosonics’ website at www.nanosonics.com.

8 Governance continued

8.2 Remuneration advisors

As appropriate, the Board and PCSR Committee obtain and consider advice directly from Guerdon Associates, external remuneration advisors, who are independent of management.

The Board adopts practices in accordance with the *Corporations Act 2001* to ensure that any advice received from Guerdon Associates is free from undue influence of the KMP about whom the advice may relate.

There were no 'remuneration recommendations', as defined in the *Corporations Act 2001*, made during the FY25 reporting period.

8.3 Board Discretion, Malus and Clawback policy

The Board, generally on the recommendation of the PCSR, has the power to determine remuneration outcomes for senior executives¹. This includes the power to exercise its discretion to adjust the STI and LTI outcomes to the extent this is permitted by the employee share plan rules, if the Board considers that those outcomes do not fairly reflect performance or shareholder experience.

The Company also has a policy that gives the Board discretion to clawback or reduce STI or LTI awards if it becomes aware of circumstances that have resulted in an unfair benefit to the Executive KMP, including as a result of a material misstatement of the Group's financial statements or misconduct of an Executive KMP. The Malus and Clawback policy is available on Nanosonics' website, www.nanosonics.com under Investor Centre, Corporate Governance.

Further, prior to determination of variable remuneration outcomes or vesting, the PCSR receives a recommendation from the Audit & Risk Committee in relation to risk management (financial and non-financial), conduct, behaviour and compliance with Nanosonics' policies by Executive KMP during the year to determine whether any adjustments should be made to remuneration outcomes. In addition, several members of the PCSR are also members of the Audit & Risk Committee, ensuring that risk and compliance matters are also taken into account at PCSR Committee meetings.

Under the STI and LTI Rules, the Board has absolute discretion in relation to determining what constitutes an "unfair or inappropriate benefit" and how to apply the clawback, subject to compliance with the law and the conditions set out in this Policy. This discretion can be applied at any time.

The Board is committed to transparency regarding the application of its discretion in relation to each of these matters. The Board did not exercise any downward or upward discretion in relation to the STI or LTI outcomes, malus, clawback or risk management and compliance matters.

8.4 Securities Trading Policy

Under the Nanosonics Limited Securities Trading Policy and in accordance with the *Corporations Act*, securities granted under Nanosonics' equity variable remuneration schemes must remain at risk until vested, or until exercised, if options or performance rights. No schemes may be entered into by an individual or their associates that specifically protects the unvested value of shares, rights or options.

KMP are not permitted to deal at any time in financial products such as options, warrants, futures or other financial products issued over Nanosonics' securities by third parties such as banks and other institutions without the prior approval of the Board. An exception may apply where the securities form a component of a listed portfolio or index product.

KMP are not permitted to enter into transactions in products associated with the securities which operates to limit the economic risk of their security holding in the Company (e.g. hedging arrangements), without the prior approval of the Board.

Nanosonics, as required under the ASX Listing Rules, has a formal policy setting out how and when employees, including KMPs of Nanosonics Limited, may deal in Nanosonics securities. The Securities Trading Policy is available on Nanosonics' website, www.nanosonics.com under Investor Centre, Corporate Governance.

1. The People & Culture, Safety and Remuneration Committee Charter (September, 2024).

Content of the financial statements

For the year ended 30 June 2025

Auditor's independence declaration	61
Financial statements	
Consolidated statement of profit or loss and other comprehensive income	62
Consolidated statement of financial position	63
Consolidated statement of changes in equity	64
Consolidated statement of cash flows	65
Notes to the consolidated financial statements	
1. General accounting policies	
1.1 Reporting entity	66
1.2 Basis of preparation	66
2. Performance for the year	
2.1 Revenue from customer contracts	68
2.2 Segment information	69
2.3 Other income	70
2.4 Individually significant items	70
2.5 Other (losses)/gains – net	70
2.6 Earnings per share	71
2.7 Dividends	71
3. Income taxes	
3.1 Income tax expense	72
3.2 Deferred taxes	73
4. Employee benefits	
4.1 Staffing costs	74
4.2 Employee benefits liabilities	74
4.3 Share-based payments	75
5. Assets and liabilities related to contracts with customers and government grants	
5.1 Contract balances	79
5.2 Finance lease receivables	79
6. Financial assets and financial liabilities	
6.1 Cash and cash equivalents	80
6.2 Trade and other receivables	81
6.3 Derivative financial instruments	81
6.4 Trade and other payables	82
6.5 Lease liabilities	82
7. Operating assets and liabilities	
7.1 Inventories	84
7.2 Property, plant and equipment	84
7.3 Right-of-use assets	86
7.4 Intangible assets	87
7.5 Provisions	88
8. Financial risk management	88
9. Capital structure	
9.1 Capital and reserves	94
9.2 Capital management	94
10. Other notes	
10.1 Commitments	95
10.2 Related party transactions	95
10.3 Controlled entities	96
10.4 Parent entity information	96
10.5 Remuneration of auditors	97
10.6 New standards and interpretations not yet adopted	97
10.7 Events occurring after the balance date	97
Consolidated entity disclosure statement	98
Directors' declaration	99
Independent auditor's report to the members	100

Auditor's independence declaration



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's independence declaration to the directors of Nanosonics Limited

As lead auditor for the audit of the financial report of Nanosonics Limited for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Nanosonics Limited and the entities it controlled during the financial year.

Ernst and Young

Ernst & Young

Vida Virgo

Vida Virgo
Partner
26 August 2025

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Revenue	2.2	198,628	170,012
Cost of sales		(43,270)	(37,575)
Gross profit		155,358	132,437
Selling and general expenses		(71,871)	(65,789)
Administration expenses		(32,094)	(27,002)
Research and development expenses		(34,699)	(32,809)
Other income	2.3	1,273	1,739
Other (losses)/gains – net	2.5	(159)	541
Results from operating activities		17,808	9,117
Finance income – interest		5,943	4,974
Finance expense		(1,464)	(1,105)
Net finance income		4,479	3,869
Profit before income tax		22,287	12,986
Income tax expense	3.1	(1,611)	(14)
Net income after income tax expense attributable to owners of the parent entity		20,676	12,972
Other comprehensive income			
Items that may be classified subsequently to profit or loss:			
Exchange difference on foreign currency translation		140	88
Effective portion of changes in fair value of cash flow hedges		371	1,423
Income tax on items of other comprehensive income/(loss)		(111)	(427)
Total other comprehensive income/(loss)		400	1,084
Total comprehensive income for the year attributable to owners of the parent entity		21,076	14,056

Earnings per share information:

		Cents	Cents
Basic earnings per share	2.6(a)	6.82	4.29
Diluted earnings per share	2.6(b)	6.69	4.20

The notes on pages 66 to 97 form an integral part of these consolidated financial statements.

Consolidated statement of financial position

As at 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents	6.1	161,638	129,552
Trade and other receivables	6.2	37,895	39,669
Inventories	7.1	18,632	20,238
Derivative financial instruments	6.3	621	1,016
Costs to obtain customer contracts	5.1	464	642
Finance lease receivables	5.2	346	9
Income tax receivable		66	950
Prepayments and other current assets		5,658	6,369
Total current assets		225,320	198,445
Non-current assets			
Property, plant and equipment	7.2	17,512	12,376
Right-of-use assets	7.3	6,865	8,369
Intangible assets	7.4	1	11
Net deferred tax assets	3.2	18,896	16,672
Derivative financial instruments	6.3	1,823	936
Finance lease receivables	5.2	1,323	13
Costs to obtain customer contracts	5.1	595	438
Other assets		147	79
Total non-current assets		47,162	38,894
Total assets		272,482	237,339
Liabilities			
Current liabilities			
Trade and other payables	6.4	10,628	9,974
Lease liabilities	6.5	3,424	3,141
Contract liabilities	5.1	14,663	11,274
Employee benefits liabilities	4.2	10,062	7,027
Provisions	7.5	728	682
Derivative financial instruments	6.3	284	127
Total current liabilities		39,789	32,225
Non-current liabilities			
Lease liabilities	6.5	4,262	6,162
Contract liabilities	5.1	17,515	16,028
Employee benefits liabilities	4.2	705	554
Provisions	7.5	127	95
Derivative financial instruments	6.3	174	73
Total non-current liabilities		22,783	22,912
Total liabilities		62,572	55,137
Net assets		209,910	182,202
Equity			
Contributed equity	9.1(a)	114,855	114,545
Reserves		36,665	29,943
Retained earnings		58,390	37,714
Total equity		209,910	182,202

The notes on pages 66 to 97 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2025

	Contributed Equity \$'000	Share- based payments \$'000	Reserves			Retained earnings \$'000	Total equity \$'000
			Foreign currency translation \$'000	Hedging \$'000	Total reserves \$'000		
At 1 July 2023	114,211	29,096	(4,179)	(10)	24,907	24,742	163,860
Profit for the period	–	–	–	–	–	12,972	12,972
Other comprehensive income/(loss)	–	–	88	1,423	1,511	–	1,511
Income tax on item of other comprehensive income	–	–	–	(427)	(427)	–	(427)
Total comprehensive income	–	–	88	996	1,084	12,972	14,056
Transactions with owners in their capacity as owners							
Issue of shares under employee share plans	334	–	–	–	–	–	334
Share-based payments	–	4,256	–	–	4,256	–	4,256
Income tax on share-based payments	–	(304)	–	–	(304)	–	(304)
At 30 June 2024	114,545	33,048	(4,091)	986	29,943	37,714	182,202
At 1 July 2024	114,545	33,048	(4,091)	986	29,943	37,714	182,202
Profit for the period	–	–	–	–	–	20,676	20,676
Other comprehensive income/(loss)	–	–	140	371	511	–	511
Income tax on item of other comprehensive income	–	–	–	(111)	(111)	–	(111)
Total comprehensive income	–	–	140	260	400	20,676	21,076
Transactions with owners in their capacity as owners							
Issue of shares under employee share plans	310	–	–	–	–	–	310
Share-based payments	–	5,979	–	–	5,979	–	5,979
Income tax on share-based payments	–	343	–	–	343	–	343
At 30 June 2025	114,855	39,370	(3,951)	1,246	36,665	58,390	209,910

The notes on pages 66 to 97 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2025

	Notes	2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST/VAT)		209,072	181,465
Receipts of government grant		2,773	1,808
Payments to suppliers and employees (inclusive of GST/VAT)		(170,979)	(158,220)
Interest received		5,706	3,844
Income taxes paid		(2,589)	(6,115)
Net cash provided by operating activities	6.1(ii)	43,983	22,782
Cash flows from investing activities			
Purchase of property, plant and equipment		(8,723)	(2,517)
Proceeds from disposal of property, plant and equipment		16	153
Net cash used in investing activities		(8,707)	(2,364)
Cash flows from financing activities			
Repayment of lease liabilities		(3,246)	(2,979)
Interest paid on lease liabilities		(366)	(361)
Proceeds from issue of shares under employee share plans		310	334
Net cash used in financing activities		(3,302)	(3,006)
Net increase in cash and cash equivalents		31,974	17,412
Cash and cash equivalents at the beginning of the financial year		129,552	112,159
Effect of exchange rate changes on cash and cash equivalents		112	(19)
Cash and cash equivalents at the end of the financial year	6.1(i)	161,638	129,552

The notes on pages 66 to 97 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 30 June 2025

1 General accounting policies

This section sets out the Group's accounting policies that relate to the financial statements as a whole. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

1.1 Reporting entity

Nanosonics Limited (the Company or Parent Entity) is a listed public company, limited by shares, incorporated and domiciled in Australia. The consolidated financial statements of the Company, as at and for the year ended 30 June 2025, comprise the Company and its subsidiaries (together referred to as Nanosonics, the Group or the Consolidated Entity).

Nanosonics Limited is a for-profit entity for the purpose of preparing the financial statements. A description of the nature of the Group's operations and its principal activities is included in the Financial and operational review on pages 8 to 15 of this Annual Report and in the Directors' report on pages 30 to 35.

1.2 Basis of preparation

a) Statement of compliance

The Financial Report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The Board of Directors approved the consolidated financial statements on 26 August 2025.

b) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for financial assets and financial liabilities, including derivative instruments which are measured at fair value.

c) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the financial statements from the date the control commences until the date that control ceases. Information on subsidiaries is contained in Note 10.3 to the financial statements.

Transactions eliminated on consolidation

In preparing the consolidated financial statements, all intercompany balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated in full.

d) Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is Nanosonics Limited's functional and presentation currency.

e) Foreign currency

Transactions and balances

Foreign currency transactions are translated into the respective functional currencies of the entities using the exchange rates that approximate the actual exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the consolidated statement of profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges, or are attributable to part of the net investment in a foreign operation. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities are recognised in the profit and loss statement as part of the fair value gain or loss.

1 General accounting policies continued

1.2 Basis of preparation continued

Financial statements of foreign operations

The results and financial position of foreign operations are translated into the Company's functional and presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each profit and loss statement are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income – foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

When a foreign operation is sold, or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences is reclassified to profit or loss, as part of the gain or loss on sale, where applicable.

f) Use of judgements and estimates

The preparation of financial statements in conformity with AASB and IFRS requires management to exercise judgement and make estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, revenues and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of certain assets and liabilities are included in the following notes:

- Note 3.2: Deferred taxes
- Note 4.3: Share-based payments
- Note 5.1: Contract balances
- Note 7.1: Inventories

g) Goods and services tax (GST), Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST or VAT as applicable, unless the GST/VAT incurred is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST/VAT receivable or payable. The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included with other current receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST/VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

h) Rounding

The Company is of a kind referred to in ASIC Instrument 2016/191 issued in 2016, and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest one thousand dollars (\$'000), unless otherwise stated.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

2 Performance for the year

2.1 Revenue from customer contracts

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, entities are required to exercise judgement in developing revenue recognition policies, taking into consideration all the relevant facts and circumstances when applying each step of the model.

Revenue from contracts with customers is recognised when the control of goods and services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

Sale of goods

The Group's sales of goods consist of the sale of capital equipment which includes the sale of trophon®2 and related accessories, and the sale of consumables and spare parts. Revenue is recognised at a point in time when the Group has delivered goods to its customers, and it is probable that consideration will be collected in exchange. Revenue is measured on the consideration expected to be received, net of trade rebates and discounts paid. If the contract includes variable consideration, the variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Some contracts for the sale of goods provide customers with volume rebates which give rise to variable consideration.

The Group provides retrospective volume rebates to certain customers once certain contracted thresholds have been achieved. Rebates are offset against amounts receivable from the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with multi-tiered thresholds. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

The Group then applies the requirements on constraining estimates of variable consideration and recognises an offset against trade and other receivables for the expected future rebates.

Rental revenue

Rental revenue is recognised over time on a straight-line basis for the term of the contract. Rental revenue is included in capital revenue.

Service

The Group's sale of services is recognised using a proportionate fair value method based on relative standalone selling prices. Service contracts have separately identifiable performance obligations that are either provided at a point in time or over time. Revenue from the sale of services is recognised when the distinct performance obligation is fulfilled or over the time period to which that performance obligation relates has elapsed.

Financing component

The timing between upfront consideration received and the fulfilment of services gives rise to a financing component. Using the practical expedient in AASB 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less. Some customers purchase service contracts up-front or enter into multi-period service contracts resulting in the Group holding the payment greater than 12 months in advance of revenue recognition. The transaction price for such contracts is discounted, using the rate that would be reflected in a separate financing transaction between the Group and its customers at contract inception, to take into consideration the significant financing component.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

Foreign exchange

The accounting policy for foreign exchange gains arising from hedges of forecast sales transactions is set out in Note 6.3.

2 Performance for the year continued

2.2 Segment information

Operating segment

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer & President (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Group operates in a single operating segment, being the healthcare equipment segment. Accordingly, the Group's consolidated total assets are the total reportable assets of the operating segment.

Types of products and services

The principal products and services of the healthcare equipment segment are the manufacture and commercialisation of infection control and decontamination products and related technologies.

Major customers

The Group did not have any customers which accounted for more than 10% of operating revenue for the year (30 June 2024: none).

Geographical information

Geographically, the Group operates globally. Australia is the home country of the parent entity. Revenues are allocated based on the country in which the customer is located. Revenue from external customers by geographical location is detailed below.

	North America \$'000	Europe, UK and Middle East \$'000	Asia Pacific \$'000	Total \$'000
For the year ended 30 June 2025				
Capital revenue before hedging	49,463	2,041	1,098	52,602
Foreign exchange loss on hedged sales	(94)	—	—	(94)
Total capital revenue	49,369	2,041	1,098	52,508
Consumables and spare parts	105,494	8,397	3,068	116,959
Service	25,715	1,818	1,835	29,368
Foreign exchange loss on hedged sales	(207)	—	—	(207)
Total consumables and service revenue¹	131,002	10,215	4,903	146,120
Total revenue	180,371	12,256	6,001	198,628
At a point in time	173,258	11,834	5,455	190,547
Over time	7,113	422	546	8,081
For the year ended 30 June 2024				
Capital revenue before hedging	45,556	1,778	1,509	48,843
Foreign exchange loss on hedged sales	(594)	—	—	(594)
Total capital revenue	44,962	1,778	1,509	48,249
Consumables and spare parts	89,487	6,625	2,625	98,737
Service	20,677	1,671	1,633	23,981
Foreign exchange loss on hedged sales	(955)	—	—	(955)
Total consumables and service revenue¹	109,209	8,296	4,258	121,763
Total revenue	154,171	10,074	5,767	170,012
At a point in time	147,640	9,595	5,241	162,476
Over time	6,531	479	526	7,536

1. Annuity Revenue is referred to in the Remuneration Report in the context of the FY26 STI changes is defined as consumables and service (excluding spare parts). Spare parts revenue was approximately 6% of consumables and service revenue in FY25.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

2 Performance for the year continued

2.2 Segment information continued

For the purpose of this note, non-current assets consist of property, plant and equipment, intangible assets and other non-current assets, excluding net deferred tax asset and derivative financial instruments. Assets and capital expenditure are allocated based on where the assets are located.

The analysis of non-current assets is detailed below:

	2025 \$'000	2024 \$'000
North America	8,143	4,662
Europe, UK and Middle East	3,404	1,842
Asia Pacific	14,896	14,782
Total	26,443	21,286

2.3 Other income

The Company entered into an agreement with Investment New South Wales under the NSW Jobs Plus Program (the Program), effective July 2021. Under the Program, the Company committed to create new jobs in NSW between 2 July 2021 and 30 June 2024. Upon achieving the agreed milestones, Nanosonics has received milestone payments to support creating new jobs, which include payroll tax and training rebates as well as the costs of fitting out new manufacturing and research & development laboratory and office facilities.

As of 30 June 2025, all payments under the Program have been received and the Company has successfully met the agreed milestones. As a result, the Program is effectively closed. The only ongoing benefit associated with the Program is a payroll tax rebate. Grant revenue received under the Program will be recognised systematically up until 2027 as the Company recognises related costs as expenses in line with AASB 120 Accounting for Government Grant.

Other income for the period of \$1,273,000 (2024: \$1,739,000) includes \$1,267,000 (2024: \$1,502,000) in relation to the Program. As at 30 June 2025, there has been no accrued grant income recognised (2024: \$903,000) (included in Trade and other receivables) and a corresponding contract liability of \$1,446,000 (2024: \$2,310,000) (included in Contract liability) based on expenditure incurred associated with the new manufacturing and research & development laboratory facilities. As the infrastructure rebate relates to a depreciable asset, this will be recognised as income over the periods and in proportions in which depreciation on those assets is charged.

2.4 Individually significant items

The profit from ordinary activities before income tax includes the following expenses:

	2025 \$'000	2024 \$'000
Depreciation, amortisation and impairment included in:		
Cost of sales	898	810
Selling and general expenses	4,017	3,882
Administration expenses	523	545
Research & development expenses	2,631	2,395
Total depreciation, amortisation and impairment	8,069	7,632

2.5 Other (losses)/gains – net

Foreign exchange gains and losses are recognised in accordance with the accounting policy at Note 1.2(e). Gains or losses on derivative financial instruments are recognised in accordance with the accounting policy referred to in Note 6.3.

	2025 \$'000	2024 \$'000
Realised (loss)/gain on derivative financial instruments	(329)	627
Unrealised gain on derivative financial instruments	207	344
Net foreign exchange loss	(25)	(443)
Net (loss)/gain on foreign currency	(147)	528
(Loss)/gain on disposal of fixed assets	(12)	13
Total other (losses)/gains – net	(159)	541

2 Performance for the year continued

2.6 Earnings per share

Basic earnings per share (EPS) is calculated by dividing the net profit attributable to equity holders of the Company for the reporting period by the weighted average number of ordinary shares of the Company outstanding during the financial year.

Diluted EPS adjusts the figures used in the determination of Basic EPS to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

	2025 Cents	2024 Cents
(a) Basic earnings per share		
Basic earnings attributable to the ordinary equity holders of the Company	6.82	4.29
(b) Diluted earnings per share		
Diluted earnings attributable to the ordinary equity holders of the Company	6.69	4.20
	2025 \$'000	2024 \$'000
(c) Net earnings used in calculating earnings per share		
Net earnings after income tax expense attributable to shareholders	20,676	12,972
	2025 Number of shares	2024 Number of shares
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	303,397,829	302,729,784
Adjustments for calculation of diluted earnings per share:		
Performance rights and options	5,750,801	6,151,853
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	309,148,630	308,881,637

2.7 Dividends

No dividends were proposed, declared or paid during the financial year and to the date of this report (2024: Nil).

	2025 \$'000	2024 \$'000
Franking credit balance		
Franking credits available for future financial periods (30% tax rate)	655	201

The above amount represents the franking account balance at the end of the period adjusted for franking credits that will arise from the payment of the income tax payable at the end of the period.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

3 Income taxes

3.1 Income tax expense

The income tax expense or benefit for the period is the tax payable on, or benefit attributable to, the current period's taxable income, based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses and adjustments in relation to prior periods. Current and any deferred taxes utilised are recognised in the consolidated statement of profit or loss except to the extent that they relate to items recognised directly in other comprehensive income or equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

The major components of income tax expense for the period are:

	2025 \$'000	2024 \$'000
Consolidated statement of profit or loss		
Current tax		
Current tax expense for the period	(19,296)	(12,198)
Under provision relating to prior periods	(185)	(177)
Deferred tax		
Recognition and utilisation of deferred tax assets (net), including origination and reversal of temporary differences	18,759	11,951
(Under)/over provision relating to prior periods	(889)	410
Income tax expense reported in the statement of profit or loss	(1,611)	(14)
Tax relating to item in other comprehensive income/(loss)		
Deferred tax expense recognised directly in other comprehensive income/(loss) relating to derivative financial instruments	(111)	(427)
Current tax (expense)/benefit on share-based payments	(6)	8
Deferred tax benefit/(expense) on share-based payments	349	(312)
Tax benefit/(expense) charged to equity	343	(304)

Following an assessment of the operations of the Group for the year ended 30 June 2025, it has been determined that taxable profits will continue to be generated by the Australian entity and its subsidiaries in the US, Canada and the UK, against which tax credits and future deductible temporary differences and partially recognised carried-forward Canadian and UK tax losses will be utilised.

The net deferred tax assets of the Group as at 30 June 2025 amounted to \$18,896,000 (2024: \$16,672,000) as detailed in Note 3.2.

The reconciliation of profit before tax to income tax expense is as follows:

	2025 \$'000	2024 \$'000
Profit before tax from continuing operations	22,287	12,986
The prima facie income tax expense applicable to the profit is calculated at the Australian tax rate of 30% (2024: 30%)	(6,686)	(3,896)
Increase in income tax expense due to:		
Non-deductible expenses	(1,005)	(951)
Research & development	(9,417)	(7,380)
Other deductible expenses	538	(18)
Net recognition of deferred tax assets in foreign jurisdictions	(1,014)	934
Decrease in income tax expense due to:		
Recognition of research & development tax credits in Australia	14,406	11,257
Effect of foreign exchange and tax rate in foreign jurisdictions	493	273
Over/(under) provision relating to prior period	1,074	(233)
Income tax expense	(1,611)	(14)

3 Income taxes continued

3.2 Deferred taxes

Deferred income tax is calculated, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised for deductible temporary differences and unused tax losses and tax credits only if it is probable that future taxable amounts will be available to utilise these temporary difference, losses and credits, and on the assumption that no adverse change will occur in income tax legislation enabling the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Research and development tax incentives are estimated based on the apportionment of payroll expenses and other related research and development expenses incurred for eligible research and development activities.

Management judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. These are reviewed at each reporting date.

Deferred tax asset and liabilities, if recognised, are classified as non-current assets and liabilities.

As at 30 June 2025, the net deferred tax asset recognised in the statement of financial position comprises:

	2025 \$'000	2024 \$'000
Deferred tax assets		
Contract liabilities	7,526	6,098
Future intercompany deductible expenses	4,369	4,209
Lease liabilities	1,667	2,161
Employee benefits liabilities	2,472	1,853
Share-based payments	2,695	1,427
R&D tax credits	—	1,329
Patent costs	1,022	941
Unrealised foreign exchange losses	—	637
Capital allowances in foreign subsidiary tax jurisdiction	510	546
Tax losses in foreign subsidiary tax jurisdictions	475	521
Accrued interest and other income	434	422
Provisions for warranties and make good	267	306
Accrued expenses	504	294
Inventory provision	202	266
Others	158	199
Total deferred tax assets	22,301	21,209
Deferred tax liabilities		
Property, plant and equipment	(735)	(1,934)
Right-of-use asset	(1,439)	(1,888)
Derivative financial instruments	(596)	(526)
Unrealised foreign exchange gains	(455)	—
Others	(180)	(189)
Total deferred tax liabilities	(3,405)	(4,537)
Net deferred tax assets	18,896	16,672

The Group offsets tax assets and liabilities only if it has legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority and incurred by the same legal entity.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

3 Income taxes continued

3.2 Deferred taxes continued

As at 30 June 2025, the Group has unrecognised deferred tax assets in relation to its subsidiaries as follows:

	2025 \$'000	2024 \$'000
Estimated unrecognised tax losses carried forward:		
Unrecognised tax losses brought forward at the beginning of the period	8,874	9,034
Adjustment in respect of unrecognised tax losses carried forward relating to prior periods	1,540	(462)
Tax losses for the period related to non-Australia entities	2,622	2,376
Recognition of deferred tax assets on foreign tax losses	(1,532)	(2,074)
Estimated unrecognised tax losses carried forward at the end of the period	11,504	8,874
Potential tax benefit at 33.78% effective tax rate (2024: 32.48%)	3,886	2,882

The probability of recovery of unrecognised tax losses in relation to the subsidiaries is reviewed periodically.

4 Employee benefits

4.1 Staffing costs

Staffing costs included in the profit and loss statement consist of:

	2025 \$'000	2024 \$'000
Salaries and wages	63,277	57,934
Superannuation, pension and social security contribution	7,951	7,191
Bonuses and commissions	11,407	6,317
Leave benefits	5,317	5,007
Share-based payments	5,979	4,256
Payroll tax	2,543	2,536
Insurance premiums	2,854	2,476
Workers compensation costs	570	453
Termination benefits	518	1,355
Other employee benefits and staffing costs	4,669	4,005
Total staffing costs	105,085	91,530

The above staffing costs are included in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 \$'000	2024 \$'000
Cost of sales	7,591	7,095
Selling and general expenses	55,673	48,444
Administration expenses	20,194	16,396
Research & development expenses	21,627	19,595
Total staffing costs	105,085	91,530

4.2 Employee benefits liabilities

i) Wages, salaries and annual leave

Liabilities for employee benefits, including wages, salaries and non-monetary benefits, and accumulated annual and other leave, represent present obligations resulting from employees' services provided to the reporting date. Employee benefits have been measured at the amounts expected to be paid when the liabilities are settled and are recognised in the provision for employee benefits. The liability is calculated on remuneration rates as at the reporting date, including related on-costs such as workers compensation insurance and payroll tax.

ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on corporate bonds at the reporting date with terms to maturity that match, as closely as possible, the estimated future cash outflows.

4 Employee benefits continued

The current portion of this liability includes the unconditional entitlements to long service leave where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances.

iii) Bonuses

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged and where there is a past practice that has created a constructive obligation.

iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement or end-of-employment contract date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Short-term and long-term classification of benefits

Benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service are classified as short-term employee benefits. Short-term employee benefits are accounted for on an undiscounted basis in the period in which the service is rendered. Long-term employee benefits are benefits that are not expected to be wholly settled within 12 months and are discounted, allowing for expected salary levels in the future period. Cash bonuses and annual leave are classified as short-term employee benefits, while long service leave is classified as a long-term employee benefit.

Employee benefits liabilities as at the reporting date:

	2025			2024		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Provision for annual leave	4,244	—	4,244	3,602	—	3,602
Provision for long service leave	786	705	1,491	628	554	1,182
Provision for bonuses	5,032	—	5,032	2,797	—	2,797
Total employee benefits liabilities	10,062	705	10,767	7,027	554	7,581

4.3 Share-based payments

Share-based compensation benefits are equity-settled transactions provided to employees via the Nanosonics share-based compensation plans.

i) Share-based compensation plans

Nanosonics Equity Plan

On 1 October 2022, amendments to the Corporations Act 2001 (Cth) came into effect, simplifying the process for offering securities to employees under an employee share scheme (ESS). Division 1A was introduced into Part 7.12 of the Corporations Act, providing a new regime for the making of offers in connection with an ESS (New Regime). This regime replaced the relief afforded by ASIC Class Order 14/1000 (Class Order), which commenced on 30 October 2014 and was terminated in respect of new offers from 1 March 2023. To ensure the Company is afforded the relief provided by the New Regime when offering securities to employees, the Company considers it prudent to phase out its existing Omnibus Plan (which was adopted in 2016) and replace it with a new Nanosonics Equity Plan (NEP). The NEP includes the new terms and conditions required by the New Regime, but is otherwise materially similar to the Omnibus Plan. The NEP was adopted in November 2023.

Nanosonics Omnibus Equity Plan

The Nanosonics Omnibus Equity Plan (NOEP) was adopted in November 2016 and was last approved by shareholders in November 2022. The NOEP allows the Board to issue a range of incentive awards with the purpose of providing competitive, performance-based remuneration in alignment with the interests of shareholders. The NOEP operates in accordance with the terms of the Nanosonics Omnibus Equity Plan Trust Deed, under which the trustee may subscribe for, or acquire, deliver, allocate or hold, shares for the benefit of the participants. Participants will be able to access the relevant taxation concessions available under the Income Tax Assessment Act 1997 (ITAA 1997).

Under the NOEP, eligible employees (including Executive Directors, casual employees and certain contractors) may be offered shares in Nanosonics Limited (Exempt Share Awards and Salary Sacrifice Share Awards), Performance Share Awards, options or rights.

Participation in the NOEP is at the Board's discretion and no individual has a contractual right to participate in it or to receive any guaranteed benefits.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

4 Employee benefits continued

4.3 Share-based payments continued

Global Employee Share Plan

The Global Employee Share Plan (GESP) was adopted in November 2019 and was last approved by shareholders in November 2022. The GESP allows the Board to make offers to its employees, regardless of where they are located in the world, to encourage alignment between the Company's employees with the interests of shareholders. In particular, offers can be made to foreign employees in a manner that accommodates foreign legal and taxation requirements.

Under the GESP, eligible employees (full-time or part-time employees of a subsidiary of Nanosonics) may be offered the opportunity to acquire shares.

Under the GESP, regular contributions are made from a GESP participant's after-tax salary, which are then held in trust. At present, each GESP participant's gross contributions are limited to the lesser of 15% of the participant's annual gross remuneration or A\$25,000 each year. At the end of each six-month Offer Period, the contributions are used to subscribe for new shares for the GESP participant. The subscription price is determined by the Board but must not be less than 85% of the lower of the prevailing share price at the beginning and the end of the relevant Offer Period.

During the year, a total of 121,100 (2024: 109,156) shares were acquired by GESP participants at an average price of \$2.56 (2024: \$3.06) per share.

ii) Exercise of rights and options

Rights and options are granted under the NOEP for no consideration and carry no dividend or voting rights. When exercisable, each performance right and option is convertible into one ordinary share that ranks equally with any other share on issue in respect of dividends and voting rights. The exercise prices of all rights and options issued to the date of this report were fixed on the dates the rights and options were granted and are set out in the table in subsection (iv) below.

Rights and options granted under the NOEP require the holder to be an employee of the Company at the time the rights and options are exercised, except that they may be exercised, if vested, up to 30 days after voluntary termination of employment. The Nanosonics Board has power to administer the plan and may exercise its discretion on any matter permitted by the plan.

iii) Reconciliation of outstanding rights and options

The number and weighted average exercise price (WAEP) of rights and options under the share option plans were as follows:

	NOEP				NEP				All plans	
	2025		2024		2025		2024		2025	2024
	Numbers of options and rights	WAEP \$	Numbers of options and rights	WAEP \$	Numbers of options and rights	WAEP \$	Numbers of options and rights	WAEP \$	Number of options and rights	Number of options and rights
Unexpired as at 1 July	4,941,936	2.46	6,970,133	2.77	1,599,360	—	—	—	6,541,296	6,970,133
Granted during the year	—	—	391,115	—	2,488,062	—	1,764,782	—	2,488,062	2,155,897
Exercised during the year	(513,794)	0.14	(564,694)	0.82	—	—	—	—	(513,794)	(564,694)
Forfeited during the year	(1,693,028)	4.45	(1,854,618)	3.35	(37,742)	—	(165,422)	—	(1,730,770)	(2,020,040)
Unexpired as at 30 June	2,735,114	1.67	4,941,936	1.85	4,049,680	—	1,599,360	—	6,784,794	6,541,296
Exercisable at 30 June	578,900		863,733						578,900	863,733

There were 513,794 (2024: 564,694) rights and options exercised in FY25. The weighted average share price based on the dates of the exercise was \$3.57 (2024: \$3.90). No rights or options expired during the periods covered by the above table.

4 Employee benefits continued

4.3 Share-based payments continued

iv) Fair values

Fair values of performance rights and options granted

The assessed fair value on the date rights and options were granted was independently determined using an appropriate valuation model that takes into account relevant inputs, including the exercise price, the term of the right or option, the impact of dilution, the share price at grant date, the expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the right or option.

The inputs used in the measurement of the fair values are as follows:

Description	Vesting conditions	Exercise price (\$)	Grant date	Vesting date	Expiry date	Estimated share price at grant date (\$)	Expected price volatility of the Company's shares	Risk-free interest rate	Assessed fair value at grant date (\$)
Granted during the year:									
2024 STI – CEO	Service	–	12-Nov-24	31-Aug-25	31-Aug-29	3.32	50.92%	4.18%	3.32
2024 STI – Executives	Service	–	12-Nov-24	31-Aug-25	31-Aug-29	3.32	50.92%	4.18%	3.32
2024 STI	Service	–	12-Nov-24	31-Aug-25	31-Aug-28	3.32	48.62%	4.56%	3.32
2024 LTI PR – CEO	rTSR	–	12-Nov-24	30-Sep-27	12-Nov-34	3.32	47.60%	4.34%	2.02
2024 LTI PR	rTSR	–	2-Dec-24	30-Sep-27	2-Dec-34	3.22	47.68%-48.29%	4.08%-4.12%	1.88-1.91
2024 LTI PR – CEO	PBT CAGR	–	12-Nov-24	30-Sep-27	12-Nov-34	3.32	47.60%	4.34%	3.32
2024 LTI PR	PBT CAGR	–	2-Dec-24	30-Sep-27	2-Dec-34	3.22	47.68%-48.29%	4.08%-4.12%	3.22
Granted in prior periods and outstanding at report date:									
2023 STI – CEO	Service	–	3-Nov-23	31-Aug-24	31-Aug-28	3.91	46.53%	4.39%	3.91
2023 STI	Service	–	3-Nov-23	31-Aug-24	31-Aug-28	3.91	36.43%-46.53%	4.39%-4.65%	3.91
2023 LTI PR – CEO	rTSR	–	3-Nov-23	30-Sep-26	3-Nov-33	3.91	43.85%	4.51%	2.59
2023 LTI PR	rTSR	–	4-Dec-23	30-Sep-26	4-Dec-33	4.17	43.93%-44.57%	4.20%-4.23%	2.80-2.82
2023 LTI PR – CEO	PBT CAGR	–	3-Nov-23	30-Sep-26	3-Nov-33	3.91	43.85%	4.51%	3.91
2023 LTI PR	PBT CAGR	–	4-Dec-23	30-Sep-26	4-Dec-33	4.17	43.93%-44.57%	4.20%-4.23%	4.17
2022 STI – CEO	Service	–	18-Nov-22	31-Aug-24	31-Aug-27	4.58	48.20%	3.12%	4.58
2022 STI	Service	–	18-Oct-22	31-Aug-24	31-Aug-27	3.82	47.04%-52.89%	3.30%	3.82
2022 LTI SARs – CEO	iTSR	4.14	18-Nov-22	30-Sep-25	30-Sep-29	4.58	43.56%	3.45%	1.85
2022 LTI SARs	iTSR	4.14	6-Dec-22	30-Sep-25	30-Sep-29	4.82	43.99%-45.06%	3.22%-3.26%	2.05-2.06
2022 LTI PR – CEO	Underlying ROE	–	18-Nov-22	30-Sep-25	30-Sep-29	4.58	47.75%	3.27%	4.58
2022 LTI PR	Underlying ROE	–	6-Dec-22	30-Sep-25	30-Sep-29	4.82	48.70%-49.13%	3.09%-3.13%	4.82
2022 Special Award	Service	–	18-Oct-22	7-Nov-25	7-Nov-28	3.82	46.48%-46.69%	3.30%-3.45%	3.82
2021 STI – CEO	Service	–	19-Nov-21	31-Aug-23	31-Aug-26	5.80	46.29%	0.55%	5.80
2021 STI	Service	–	3-Feb-22	31-Aug-23	31-Aug-26	5.05	42.64%-48.85%	0.80%	5.05
2021 LTI SARs – CEO	iTSR	6.83	19-Nov-21	30-Sep-24	30-Sep-28	5.80	42.98%	1.55%	1.64
2021 LTI SARs	iTSR	6.83	24-Jan-22	30-Sep-24	30-Sep-28	5.13	42.54%-42.85%	1.65%-1.71%	1.16-1.18
2021 LTI PR – CEO	Underlying ROE	–	19-Nov-21	30-Sep-24	30-Sep-28	5.80	44.42%	1.14%	5.80
2021 LTI PR	Underlying ROE	–	24-Jan-22	30-Aug-24	30-Sep-28	5.13	45.02%-47.59%	1.10%-1.37%	5.13
2020 LTI PR	Underlying ROE	–	3-Mar-21	30-Sep-23	30-Sep-27	6.05	44.48%-46.77%	0.12%	6.05
2020 LTI PR – CEO	Underlying ROE	–	24-Nov-20	30-Sep-23	30-Sep-27	6.68	43.22%	0.11%	6.68
2020 LTI SARs	iTSR	6.04	3-Mar-21	30-Sep-23	30-Sep-27	6.05	43.13%-43.60%	0.70%	6.05
2020 LTI SARs – CEO	iTSR	6.04	24-Nov-20	30-Sep-23	30-Sep-27	6.68	43.21%	0.30%	6.68
2019 LTI – Tranche 1	Absolute CAGR ¹ TSR performance and service ²	–	9-Apr-20	30-Sep-22	30-Sep-25	6.17	45.29%	0.25%	2.81
2019 LTI Tranche 1 – CEO	Absolute CAGR TSR performance and service ²	–	9-Apr-20	30-Sep-22	30-Sep-25	7.23	41.81%	0.76%	4.06
2019 LTI Tranche 2	Absolute CAGR TSR performance and service ²	6.51	9-Apr-20	30-Sep-22	30-Sep-25	6.17	42.59%	0.25%	1.51
2019 LTI Tranche 2 – CEO	Absolute CAGR TSR performance and service ²	6.51	9-Apr-20	30-Sep-22	30-Sep-25	7.23	41.84%	0.76%	2.36
2019 Special Award	Service	–	5-Nov-19	9-Sep-22	9-Sep-25	6.87	41.57%-41.65%	0.78%	6.87

1. CAGR – Compounded annual growth rate.

2. Subject to accretive PBT gate.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

4 Employee benefits continued

4.3 Share-based payments continued

The Monte Carlo valuation model is used to assess LTI performance rights and options with market-based performance conditions, whereas the Black-Scholes valuation model is used to assess all other performance rights and options. The inputs used in the valuation models for expected dividend yield for all performance rights and options above is 0.00%.

v) Recognition of expenses

Recognition of expense of rights and options granted

The fair value of rights and options granted is recognised as an employee expense with a corresponding increase in equity, on a straight-line monthly basis over the vesting period in which the performance and/or service conditions are fulfilled after which the employees become unconditionally entitled to them. The cumulative expense recognised for share-based payments at each reporting date until the vesting date reflects the extent to which the vesting period has ended and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of the period. No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting are conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were \$5,979,000 (2024: \$4,256,000).

During the financial year there were no shares directly granted under the NOEP (2024: Nil).

vi) Summary of shares held by the trustee

Shares issued on the exercise of rights, options granted to employees, and shares purchased under the deferred salary sacrifice share scheme are initially held by the trustee of the NOEP or NEP, Certane CT Pty Ltd.

A reconciliation of shares held by the trustee of the NOEP and NEP is as follows:

	2025 Number of shares	2024 Number of shares
Employee shares on issue at 1 July	1,234,923	916,677
Issued on exercise of performance rights and options during the year	513,794	564,694
Shares purchased by the trustee under the deferred salary sacrifice share scheme	20,703	25,622
Withdrawn during the year	(1,152,581)	(272,070)
Employee shares on issue at 30 June	616,839	1,234,923

5 Assets and liabilities related to contracts with customers and government grants

5.1 Contract balances

The Group's accounting policy relating to trade and other receivables is detailed in Note 6.2.

Costs to obtain customer contracts include sales commissions paid to employees and are amortised over the customer contract period. Costs to obtain customer contracts expected to be amortised within 12 months of the reporting period are classified as current.

Assets related to contracts with customers are as follows:

	2025			2024		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Trade and other receivables	37,895	—	37,895	39,669	—	39,669
Costs to obtain customer contracts	464	595	1,059	651	451	1,102
Total assets related to contracts with customers	38,359	595	38,954	40,320	451	40,771

Contract liabilities are the obligation to transfer goods and services to a customer for which the entity has received consideration (or an amount of consideration is due) from the customer. Contract liabilities expected to be realised within 12 months of the reporting period are classified as current.

Liabilities related to contracts with customers are as follows:

	2025			2024		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Government grant liability	896	550	1,446	938	1,372	2,310
Contract liabilities	13,767	16,965	30,732	10,336	14,656	24,992
Total liabilities related to contracts with customers and government grants	14,663	17,515	32,178	11,274	16,028	27,302

The revenue recognised that was included in the contract liability balance at the beginning of the period was \$11,274,000 (2024: \$7,796,000).

5.2 Finance lease receivables

Leases in which the Group transfers substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease.

AASB16 provides further guidance in relation to initial measurement of finance leases for manufacturers which is applicable to Nanosonics. The net investment in the lease is disclosed as a "finance lease receivable" asset on the balance sheet. This is calculated as the future cash flows expected to be received under the lease discounted using an implied interest rate.

When a contract includes both lease and service components, the group applies AASB 15 to allocate the consideration under the contract to each component.

Finance lease receivables increased compared to the prior year due to a higher number of contracts sold during the reporting period.

	2025			2024		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Finance lease receivables	346	1,323	1,669	9	13	22

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

6 Financial assets and financial liabilities

6.1 Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments presented at market value that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

i) Cash and cash equivalents

Cash and cash equivalents at the reporting date as shown in the consolidated statements of cash flows and financial position are as follows:

	2025 \$'000	2024 \$'000
Cash at bank and on hand	20,437	21,350
Deposit on call	1,861	2,102
Short-term deposits	139,340	106,100
Total cash and cash equivalents	161,638	129,552

Cash term investments which are highly liquid irrespective of their maturity dates are classified as current assets at market value as they may not necessarily be held by the Company for their full term.

The Group's exposure to interest rate risk is discussed in Note 8(a)(ii). The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

ii) Reconciliation of profit before income tax to net cash inflow from operating activities

	2025 \$'000	2024 \$'000
Profit before income tax	22,287	12,986
Adjustment for:		
Depreciation, amortisation and impairment	8,069	7,632
Share-based payments expense	5,979	4,256
Lease costs	366	361
Loss/(gain) on disposal of fixed assets	12	(13)
Income tax paid	(2,589)	(6,115)
Unrealised (gain)/loss on foreign exchange movements	(1,463)	437
Changes in assets and liabilities		
Decrease/(increase) in trade and other receivables	2,434	(958)
Increase in costs to obtain customer contracts	(21)	(372)
Decrease in inventories	1,452	3,133
Decrease/(increase) in financial instruments	137	(1,004)
Increase in other current assets	(423)	(2,815)
(Increase)/decrease in other non-current assets	(1,280)	9
Increase/(decrease) in trade and other payables	389	(864)
Increase in deferred revenue	5,452	6,520
Increase/(decrease) in employee benefit liabilities	3,136	(529)
Increase in provisions	46	118
Net cash provided by operating activities	43,983	22,782

iii) Credit standby arrangements unused

	2025 \$'000	2024 \$'000
Facility limits:		
Borrowing facilities	—	620
Guarantee facility	2,500	3,053
Facility remaining available:		
Borrowing facilities	—	620
Guarantee facility	206	760

6 Financial assets and financial liabilities continued

6.2 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less, they are classified as current assets, otherwise they are presented as non-current assets. Trade receivables are initially recognised at the transaction price of the revenue contract with customers, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables generally have 30 to 90 days (2024: 30 to 90 days) credit terms and therefore are all classified as current.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Due to the short-term nature of the receivables, their carrying amount is assumed to be the same as their fair value.

Further information relating to trade and other receivables is provided in Note 8. This includes the Group's exposure to credit risk by geographical region and type of counterparty as well as information on the credit quality of trade receivables (Note 8(b)).

	2025 \$'000	2024 \$'000
Trade receivables net of expected credit loss	31,969	33,261
Government grant	—	2,573
GST/VAT receivable	804	1,109
Interest and other receivables	5,122	2,726
Total trade and other receivables	37,895	39,669

6.3 Derivative financial instruments

The Group uses derivative financial instruments (foreign currency contracts) to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair values of foreign currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the profit and loss statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges, when they hedge the exposure to changes in the fair value of a recognised asset or liability; or
- Cash flow hedges, when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

Hedges that meet the strict criteria for hedge accounting are accounted as follows:

- For cash flow hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the profit and loss statement;
- For fair value hedges, the carrying amount of the hedged item is adjusted for gains and losses attributable to the risk being hedged and the derivative is remeasured to fair value. Gains and losses from both are taken to the profit and loss statement;
- If the forward exchange contract no longer meets the criteria for hedge accounting, expires, or is terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognised in equity remains there until the forecast transaction occurs or when cash flows arising from the transactions are received; and
- For cash flow hedges, the associated cumulative gain or loss is removed from equity and recognised in the statement of profit or loss in the same period the hedged transactions affect the profit or loss on the same line item as the hedged transactions.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

6 Financial assets and financial liabilities continued

6.3 Derivative financial instruments continued

All of the Group's foreign exchange forward contracts and options were valued using market comparison technique (Level 2) and are calculated using forward exchange rates prevailing at the balance sheet date. There were no transfers between levels during the year. The fair values are based on third party independent valuations. Similar contracts are traded in an active market and the independent valuations reflect the actual transactions in similar instruments.

The market forward rates used to value foreign exchange forward contracts ranged between 0.5963 and 0.67585.

The ineffectiveness measured for the year in respect of the hedges designated for hedge accounting was deemed immaterial and subsequently no ineffectiveness was posted to profit or loss for the period.

Derivative financial assets and liabilities are as follows:

	2025			2024		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Financial assets						
Derivative financial instruments	621	1,823	2,444	1,016	936	1,952
Financial liabilities						
Derivative financial instruments	284	174	458	127	73	200

6.4 Trade and other payables

Trade and other payables are carried at amortised cost. These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days of recognition. Amounts due to be settled within 12 months after the reporting period are classified as current.

The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature.

Other payables include accruals for operations.

	2025			2024		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Trade payables	1,529	—	1,529	3,470	—	3,470
Other payables	9,099	—	9,099	6,504	—	6,504
Total trade and other payables	10,628	—	10,628	9,974	—	9,974

6.5 Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used, residual guarantee, lease term, certainty of a purchase option, modification of the lease terms, and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group leases various offices, warehouses, equipment and motor vehicles. Rental contracts are typically made for fixed periods between three to eight years. Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. This excludes short-term leases.

The weighted average lessee's incremental borrowing rate applied to operating lease liabilities was 4.57% (2024: 3.72%).

During the financial year, the Group has entered into new lease agreements for office spaces located in the United Kingdom ("UK"). The lease for the UK office is for 10 years commencing on 21 August 2024.

6 Financial assets and financial liabilities continued

6.5 Lease liabilities continued

	2025			2024		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Lease liabilities	3,424	4,262	7,686	3,141	6,162	9,303
				2025 \$'000	2024 \$'000	
Balance as at 1 July				9,303	10,720	
Additions				1,629	1,567	
Interest expense				366	361	
Payments				(3,612)	(3,340)	
Disposal				—	(5)	
Balance as at 30 June				7,686	9,303	
<i>The following are the amounts recognised in profit or loss:</i>						
Depreciation expense of right-of-use assets				3,207	3,024	
Interest expense on lease liabilities				366	361	
<i>Expense relating to short-term leases included in:</i>						
Selling and general				535	325	
Administration				48	140	
Research and development				—	—	
Total amount recognised in profit or loss				4,156	3,850	

The Group had total cash outflows for leases of \$4,195,000 in 2025 (\$3,806,000 in 2024). The Group also had non-cash additions to lease liabilities of \$1,629,000 in 2025 (\$1,567,000 in 2024). All leases have fixed payment terms and there are no variable components.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. The Group has entered into operating leases on its property, plant and equipment consisting of trophon2 units. These leases have remaining terms of up to five years. The future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2025 \$'000	2024 \$'000
Within one year	1,736	1,389
Between 1 and 2 years	1,116	844
Between 2 and 3 years	605	440
Between 3 and 4 years	390	86
Between 4 and 5 years	181	45
More than 5 years	3	—
Total	4,031	2,804

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

7 Operating assets and liabilities

7.1 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is based on the weighted average principle, including expenditure incurred in acquiring the inventories and bringing them to their existing condition and location. In the case of manufactured inventory and work in progress, cost includes materials, labour and an appropriate level of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, selling, marketing and distribution expenses.

	2025 \$'000	2024 \$'000
Raw materials and stores	10,470	8,509
Work in progress	46	82
Finished goods	8,116	11,647
Total inventories	18,632	20,238

Inventories recognised as an expense (cost of sales) during the year ended 30 June 2025 amounted to \$28,492,000 (2024: \$25,347,000).

Management has performed an assessment of inventories held for the year ended 30 June 2025 and recognised write-ups during the year of \$416,000, while write-downs were recognised in 2024 amounting to \$235,000. The expense has been included in selling and general expenses in the profit and loss statement.

7.2 Property, plant and equipment

i) Owned assets

All property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when it is replaced. All other repairs and maintenance are charged to the profit and loss statement during the reporting period in which they are incurred. Production tooling used to manufacture component parts qualifies as property, plant and equipment when the Company expects to use it during more than one year.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the profit and loss statement.

ii) Depreciation

All assets have limited useful lives and are depreciated using the straight-line method over their estimated useful lives, or in the case of leasehold improvements, over the estimated useful life or lease term, whichever is shorter, taking into account residual values. Depreciation is expensed. The depreciation rates or useful lives used in the current and comparative years are as follows: leasehold improvements over the lease term; and plant and equipment two to seven years.

The assets' residual values, useful lives and depreciation methods are reviewed at least annually and adjusted prospectively, if appropriate.

iii) Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Non-financial assets, other than intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

7 Operating assets and liabilities continued

7.2 Property, plant and equipment continued

Total property, plant and equipment at net book value

	Leasehold improvements \$'000	Plant and equipment \$'000	Capital work in progress \$'000	Total \$'000
Year ended 30 June 2024				
Opening net book amount	5,495	6,708	530	12,733
Additions	469	3,464	367	4,300
Retirement and others	—	(140)	—	(140)
Transfers	35	400	(435)	—
Depreciation charge	(1,573)	(2,947)	—	(4,520)
Foreign currency translation effect (net)	1	(3)	5	3
Closing net book amount at 30 June 2024	4,427	7,482	467	12,376
At 30 June 2024				
Cost	10,606	25,494	467	36,567
Accumulated depreciation	(6,179)	(18,012)	—	(24,191)
Net book amount at 30 June 2024	4,427	7,482	467	12,376
Year ended 30 June 2025				
Opening net book amount	4,427	7,482	467	12,376
Additions	2,268	4,439	3,224	9,931
Retirement and others	—	(28)	—	(28)
Transfers	—	410	(410)	—
Depreciation charge	(1,668)	(3,184)	—	(4,852)
Foreign currency translation effect (net)	(26)	9	102	85
Closing net book amount at 30 June 2025	5,001	9,128	3,383	17,512
At 30 June 2025				
Cost	12,856	30,092	3,383	46,331
Accumulated depreciation	(7,855)	(20,964)	—	(28,819)
Net book amount at 30 June 2025	5,001	9,128	3,383	17,512

Leasehold improvement includes additions of \$1,361,000 related to the fitout of the new laboratory, manufacturing and office facilities at the new US manufacturing site. The useful life of these assets is the lower of seven years and the remaining term of the lease.

Plant and equipment includes trophon2 units that are utilised under rental or, service contracts, or managed equipment service arrangements, as well as units that are used for internal purposes. The gross and net book value of trophon2 units included in plant and equipment is \$10,604,000 (2024: \$9,646,000) and \$3,496,000 (2024: \$3,638,000), respectively.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

7 Operating assets and liabilities continued

7.3 Right-of-use assets

i) Right-of-use assets recognition

A right-of-use asset is recognised at the commencement date of a lease or the effective date of the lease modification. The right-of-use asset comprises of the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

ii) Depreciation

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

iii) Impairment

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. Non-financial assets, other than intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

iv) Practical expedients

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Total right-of-use assets at net book value

	Premises \$'000	Other equipment \$'000	Total \$'000
Opening net book amount as at 1 July 2024	9,426	336	9,762
Additions	1,365	266	1,631
Depreciation expense	(2,792)	(232)	(3,024)
Closing net book amount at 30 June 2024	7,999	370	8,369
Opening net book amount as at 1 July 2025	7,999	370	8,369
Additions	1,208	495	1,703
Depreciation expense	(2,925)	(282)	(3,207)
Closing net book amount at 30 June 2025	6,282	583	6,865

7 Operating assets and liabilities *continued*

7.4 Intangible assets

i) Research and development

Research and development expenditure is expensed as incurred except those costs incurred on development projects, relating to the design and testing of new or improved products, which are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably.

ii) Patents and trademarks

The costs of registering and protecting patents and trademarks are recognised as intangible assets when it is probable that the patent or trademark will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its cost can be measured reliably. Otherwise, these are expensed as incurred.

iii) ERP system and computer software

The expenditure incurred on the Group's Enterprise Resource Planning (ERP) system and computer software and the costs necessary for the implementation of the system are recognised as an intangible asset, to the extent Nanosonics controls future economic benefits as a result of the costs incurred; and are stated at cost less accumulated amortisation. Costs include expenditure that is directly attributable to the development and implementation of the system.

iv) Amortisation

Amortisation is calculated to expense the cost of the intangible assets less its estimated residual values on a straight-line basis over their estimated useful lives. The estimated useful lives for the current and comparative years are as follows: development costs five years and ERP system and computer software three years.

Amortisation is recognised in the profit and loss statement from the date the asset is available for use unless their lives are indefinite. Intangible assets with an indefinite useful life are tested annually for impairment.

v) Impairment

Intangible assets are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. No indicators of impairment of intangible assets were identified during the period (2024: Nil).

Total intangible assets at net book value

	ERP and computer software \$'000
Year ended 30 June 2024	
Opening net book amount	96
Additions	2
Amortisation	(88)
Foreign currency translation effect (net)	1
Closing net book amount at 30 June 2024	11
As at 30 June 2024	
Cost or fair value	2,942
Accumulated amortisation	(2,931)
Net book amount at 30 June 2024	11
Year ended 30 June 2025	
Opening net book amount	11
Additions	—
Amortisation	(10)
Foreign currency translation effect (net)	—
Closing net book amount at 30 June 2025	1
As at 30 June 2025	
Cost or fair value	2,942
Accumulated amortisation	(2,941)
Net book amount at 30 June 2025	1

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

7 Operating assets and liabilities continued

7.5 Provisions

i) General

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reasonably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. An increase in the provision due to the passage of time is recognised as interest expense.

ii) Provision for warranty

Provision for warranty-related costs are made in respect of the Group's estimated liability on all products sold or services provided under warranty at the reporting date. The provision is measured at current values estimated to be required to settle the warranty obligation. The initial estimate of warranty-related costs is reviewed annually.

iii) Provision for make good

The Group has operating leases over its offices that require the premises to be returned to the lessor in their original condition.

The lease payments do not include an element for repairs or make good. A provision for make good lease costs is recognised at the time it is determined that it is probable that such costs will be incurred in a future year, measured at the expected cost of returning the asset to the lessor in its original condition. An offsetting asset of the same value is also recognised and is classified in property, plant and equipment. This asset is amortised to the profit and loss statement over the life of the lease.

Provisions as at the reporting date

	2025			2024		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Provision for warranty	728	—	728	682	—	682
Make good provision	—	127	127	—	95	95
Total provisions	728	127	855	682	95	777

Movements in provisions

	Provision for warranty \$'000	Make good provision \$'000	Total \$'000
Carrying amount at the beginning of the year	682	95	777
Additional provisions recognised	549	32	581
Amounts used/reversed during the period	(503)	—	(503)
Carrying amount at end of the year	728	127	855

The Group has recognised a provision for warranty consistent with the policy applied in prior periods. The Group has made assumptions in relation to the values estimated to be required to settle the warranty obligation on all products under warranty at the balance date.

8 Financial risk management

The Group is exposed to a variety of financial risks, including market risk (comprising foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors has overall responsibility for the Group's risk management framework. Responsibility for the development and implementation of controls to address risks is assigned to the Audit and Risk Committee. The responsibility is supported by the development of standards, policies and procedures for the management of these risks.

8 Financial risk management continued

The financial risk management policies of the Group are consistent with prior periods. Management has identified that foreign currency risk and credit risk on receivables are material to the Group.

a) Market risk

Market risk is the risk that changes in market prices will affect the Group's financial performance.

i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expenses are denominated in a currency other than the Group's functional currency) and the Group's net investments in foreign subsidiaries. The Group enters into foreign currency contracts to mitigate its foreign currency risk on its net cash flows.

Exposure

The Group's primary exposure to foreign currency risk in the consolidated balance sheet as at the end of the reporting period mainly comprised:

	2025					2024				
	USD \$'000	GBP £'000	Euro €'000	CAD \$'000	JPY ¥'000	USD \$'000	GBP £'000	Euro €'000	CAD \$'000	JPY ¥'000
Cash and cash equivalents	15,312	235	543	1,908	41,117	7,036	482	632	983	34,809
Trade and other receivables	17,887	810	1,058	753	17,129	18,964	498	1,087	806	15,482
Trade and other payables	(3,052)	(348)	(393)	(324)	(6,322)	(3,011)	(254)	(334)	(320)	(15,431)
	30,147	697	1,208	2,337	51,924	22,989	726	1,385	1,469	34,860
Foreign currency forward contracts and options to buy/sell USD	79,650	—	—	—	—	81,700	—	—	—	—

Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in the USD, GBP, EUR, CAD and JPY against the AUD, with all other variables held constant.

	Impact on post-tax profit		Impact on other components of equity	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Change in USD rate				
Increase 5%	5,410	4,402	261	(1)
Decrease 5%	(5,675)	(4,974)	(236)	1
Change in GBP rate				
Increase 5%	(22)	152	109	(145)
Decrease 5%	20	(138)	(98)	131
Change in EUR rate				
Increase 5%	346	316	(380)	(333)
Decrease 5%	(313)	(286)	344	302
Change in CAD rate				
Increase 5%	153	151	(82)	(131)
Decrease 5%	(139)	(137)	74	118
Change in JPY rate				
Increase 5%	418	291	(568)	(399)
Decrease 5%	(378)	(263)	514	361

Post-tax profit and other components of equity are most sensitive to movements in the AUD/USD exchange rates because of the amount of USD denominated sales, trade receivables and bank balances. The sensitivity analysis above takes into account foreign currency denominated intercompany receivables and payables which do not form part of a net investment in foreign operations as although intercompany balances are eliminated in the consolidated balance sheet, the effect on profit or loss of their revaluation is not fully eliminated. The Group's exposure to movement in other foreign currencies is not material.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

8 Financial risk management continued

a) Market risk continued

ii) Interest rate risk

The Group's main interest rate risk arises from the cash reserves in the operating bank accounts and short-term deposits, which expose the Group to cash flow interest rate risk.

The Group's exposure to interest rate risk is summarised below:

		Fixed interest rate maturing in:					Total \$'000
		Floating interest rate \$'000	One year or less \$'000	Over one to five years \$'000	More than five years \$'000	Non- interest bearing \$'000	
2025	Notes						
Financial assets							
Cash and cash equivalents	6.1	22,298	139,340	—	—	—	161,638
Trade and other receivables	6.2	—	—	—	—	37,895	37,895
Derivative financial instruments	6.3	—	—	—	—	2,444	2,444
Total financial assets		22,298	139,340	—	—	40,339	201,977
Weighted average interest rate		0.23%	4.47%	—	—	—	—
Financial liabilities							
Trade and other payables	6.4	—	—	—	—	10,628	10,628
Lease liabilities	6.5	—	3,418	3,594	674	—	7,686
Derivative financial instruments	6.3	—	—	—	—	458	458
Total financial liabilities		—	3,418	3,594	674	11,086	18,772
Weighted average interest rate		—	4.57%	4.57%	4.57%	—	—
Net financial assets/(liabilities)		22,298	135,922	(3,594)	(674)	29,253	183,205

		Fixed interest rate maturing in:					Total \$'000
		Floating interest rate \$'000	One year or less \$'000	Over one to five years \$'000	More than five years \$'000	Non- interest bearing \$'000	
2024	Notes						
Financial assets							
Cash and cash equivalents	6.1	23,452	106,100	—	—	—	129,552
Trade and other receivables	6.2	—	—	—	—	39,669	39,669
Derivative financial instruments	6.3	—	—	—	—	1,952	1,952
Total financial assets		23,452	106,100	—	—	41,621	171,173
Weighted average interest rate		0.29%	5.03%	—	—	—	—
Financial liabilities							
Trade and other payables	6.4	—	—	—	—	9,974	9,974
Lease liabilities	6.5	—	3,141	5,972	190	—	9,303
Derivative financial instruments	6.3	—	—	—	—	200	200
Total financial liabilities		—	3,141	5,972	190	10,174	19,477
Weighted average interest rate		—	3.72%	3.72%	3.72%	—	—
Net financial assets/(liabilities)		23,452	102,959	(5,972)	(190)	31,447	151,696

Sensitivity

The profit and loss statement is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates. For the year ended 30 June 2025, it is estimated that a general increase of 25 basis points in interest rates would have increased the Group's profit after tax and equity by \$255,000 (2024: \$211,000). A decrease of 25 basis points in interest rates would have had the equal but opposite effect on the Group's profit after tax and equity.

8 Financial risk management continued

b) Credit risk

Credit risk is the risk of financial loss to Nanosonics if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, favourable derivative financial instruments, deposits with banks and financial institutions, and credit exposures to customers. The maximum exposure to credit risk as at the reporting date is the carrying amount of the financial assets as described in Note 6. The Company's exposure to credit risk is influenced mainly by the geographical location, the type of individual customers, and the characteristics of individual customers.

Maximum exposure to credit risk for trade receivable by geographical region was as follows:

	2025 \$'000	2024 \$'000
North America	28,046	29,423
Europe, UK and Middle East	3,016	2,104
Asia Pacific	907	1,734
	31,969	33,261
Maximum exposure to credit risk for trade receivable by type of counterparty was as follows:		
Distributors	4,265	2,786
End-user customers	27,704	30,475
	31,969	33,261

As at 30 June 2025, GE Healthcare (worldwide) and Henry Schein (worldwide), combined, accounted for over 12.2% of the trade receivables (2024: 14.2%).

Collateral is not held as security, nor is it the Group's policy to transfer (on-sell) receivables to special purpose entities.

i) Risk management

Credit risk is managed on a Group basis. The Group may only invest surplus funds in deposits and floating rate notes offered by any major bank approved by the Board with no more than 50% held at any one bank.

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to credit risk management. The Group performs credit assessments of its customers prior to entering into any sales agreements. The Group utilises an external credit rating agency to assess the credit worthiness of its customers.

As a result, the Group believes that its trade receivable credit risk exposure is mitigated and it has not experienced significant write-downs in its trade receivable balances. The Group's trade and other receivables is detailed in Note 6.2.

The credit risk arising from derivative financial instruments is not significant.

ii) Credit quality

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

An analysis of the credit profile of customers that are neither past due nor impaired are as follows:

	2025 \$'000	2024 \$'000
GE Healthcare and associated affiliates	1,742	2,346
Covered by credit insurance	—	18,990
Other customers:		
Four or more years' trading history with the Group	16,379	2,044
Less than four years' trading history with the Group	6,449	783
	24,570	24,163

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

8 Financial risk management continued

b) Credit risk continued

Impaired trade receivables

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The other receivables are assessed collectively under the expected credit loss model to determine whether any allowance for expected credit losses is required. For these receivables, the estimated impairment losses are recognised in a separate provision for impairment. The Group considers that there is evidence of impairment if any of the following indicators are present:

- Default or delinquency in payments;
- Significant financial difficulties of the debtor; or
- Probability that the debtor will enter bankruptcy or financial reorganisation.

Receivables for which an impairment provision was recognised are written off against the provision when there is no expectation of recovering additional cash.

Impairment losses are recognised in the profit and loss statement within selling and general expenses. Subsequent recoveries of amounts previously written off are credited against selling and general expenses.

As at 30 June 2025, trade receivables with a nominal value of \$68,000 (2024: \$334,000) were considered impaired and fully provided for.

The movement in provision for impairment in respect of trade and other receivables during the year was as follows:

	2025 \$'000	2024 \$'000
Balance at 1 July	361	233
Provision for impairment recognised during the year	68	334
Receivables written off during the year as uncollectible	(177)	(134)
Unused amount reversed	(17)	(72)
Balance at 30 June	235	361

Past due but not impaired

As at 30 June 2025, trade receivables of \$8,362,000 (2024: \$9,039,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

The aging analysis of trade receivables is as follows:

	2025 \$'000	2024 \$'000
Neither past due nor impaired	23,607	24,222
Past due but not impaired		
< 30 days	5,096	6,187
30-60 days	1,463	1,730
> 60 days	1,803	1,122
	31,969	33,261

8 Financial risk management continued

c) Liquidity risk

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are invested in short and medium term instruments which are tradeable in highly liquid markets.

At the end of the reporting period, the Group held short-term deposits of \$139,340,000 (2024: \$106,100,000) that are expected to readily generate cash inflows, as well as cash at bank and on hand of \$22,298,000 (2024: \$23,452,000) that is readily available for managing liquidity risk.

Maturities of financial liabilities

The table below analyses the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than three months	Three to 12 months	Over one to five years	Five years	Total
2025					
Trade and other payables	10,628	—	—	—	10,628
Lease liabilities	957	2,727	3,931	757	8,372
Derivative financial instruments	2	282	174	—	458
Total financial liabilities	11,587	3,009	4,105	757	19,458
2024					
Trade and other payables	9,974	—	—	—	9,974
Lease liabilities	851	2,579	6,266	215	9,911
Derivative financial instruments	30	97	73	—	200
Total financial liabilities	10,855	2,676	6,339	215	20,085

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

9 Capital structure

9.1 Capital and reserves

a) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Ordinary shares carry one vote per share and entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands, every ordinary shareholder present at a meeting in person or by proxy is entitled to vote and, upon a poll, each share is entitled to one vote. Ordinary shares have no par value, are fully paid, and the Company does not have a limited amount of authorised capital.

Movements in ordinary share capital:

	Number of shares	\$'000
Balance 30 June 2023	302,315,760	114,211
Issue of shares under employee share plans – proceeds received	682,088	334
Balance 30 June 2024	302,997,848	114,545
Issue of shares under employee share plans – proceeds received	634,894	310
Balance 30 June 2025	303,632,742	114,855

b) Reserves

i) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value at grant date of performance rights and options issued as detailed in Note 4.3 less any payments made to meet the Company's obligations through the acquisition of shares on market, together with income taxes on such payments.

ii) Foreign currency translation reserve

The foreign currency translation reserve records the exchange differences arising on translation of the financial statements of the foreign subsidiaries where the functional currency is different from the presentation currency of the reporting entity as detailed in Note 1.2 (e).

iii) Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to underlying transactions that have not yet occurred.

9.2 Capital management

The Board and management controls the capital of the Group to ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital and financial liabilities supported by financial assets. There are no externally imposed capital requirements. The Board and management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and the risk in the market. These responses include the management of share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

10. Other notes

10.1 Commitments

Capital commitments

As at 30 June 2025, the Group had commitments to purchase plant and equipment of \$1,724,000 (2024: \$3,145,000). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

10.2 Related party transactions

a. Transactions with related parties

Note 10.3 provides the information about the Group's structure, including the details of the subsidiaries and the parent entity.

i) Directors and Key Management Personnel compensation

	2025 \$'000	2024 \$'000
Director fees	991,403	919,157
Short-term employee benefits	2,300,231	2,368,599
Long-term employee benefits	191,162	206,394
Post-employment benefits	179,082	206,058
Share-based payments	1,780,642	1,737,022
Total Directors and Key Management Personnel compensation	5,442,520	5,437,230

Detailed remuneration disclosures are provided in the remuneration report on pages 36 to 59.

ii) Transactions with other related parties

Certain Directors or their personally related entities (Related Parties) hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

In the period to 30 June 2025, there were no transactions with related parties.

iii) Outstanding balances arising from sales/purchases of goods and services

As at 30 June 2025, there are no amounts due from or to other Related Parties. There were no provisions for impaired receivables in relation to any outstanding balances from Related Parties (30 June 2024: Nil) and no expense has been recognised during the period in respect of impaired receivables due from Related Parties.

iv) Loans to Directors and Key Management Personnel

During the year and to the date of this report, the Group made no loans to Directors and Key Management Personnel and none were outstanding as at 30 June 2025 (2024: Nil).

v) Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Outstanding balances are unsecured and are repayable in cash.

Notes to the consolidated financial statements continued

For the year ended 30 June 2025

10. Other notes continued

10.3 Controlled entities

The consolidated financial statements of the Group include:

Name of controlled entity	Principal activities	Country of incorporation	Class of shares	Equity Holdings	
				2025	2024
Nanosonics Europe GmbH	Provision of sales and customer support services to Nanosonics Europe Limited in Europe	Germany	Ordinary	100%	100%
Saban Ventures Pty Limited	Owner of the registered intellectual property of the Group	Australia	Ordinary	100%	100%
Nanosonics, Inc.	Sales and distribution of Nanosonics' products and provision of sales and customer support services to Nanosonics Limited in the USA	USA	Ordinary	100%	100%
Nanosonics Europe Limited	Sales and distribution of Nanosonics' products in Europe	UK	Ordinary	100%	100%
Nanosonics UK Limited	Provision of sales and customer support services in Europe	UK	Ordinary	100%	100%
Nanosonics Canada, Inc.	Sales and distribution of Nanosonics' products and services in Canada	Canada	Ordinary	100%	100%
Nanosonics Japan KK	Sales and distribution of Nanosonics' products and services in Japan	Japan	Ordinary	100%	100%
Nanosonics (Shanghai) Co. Ltd	Sales and distribution of Nanosonics' products and services in China	China	Ordinary	100%	100%
Nanosonics Investments Pty Ltd	Strategic investments	Australia	Ordinary	100%	100%
Nanosonics Employee Equity Trust	Management of Nanosonics employee share plan	Australia	–	100%	100%

10.4 Parent entity information

As at and throughout the financial year ended 30 June 2025, the parent entity of the Group is Nanosonics Limited which is based and listed in Australia. The individual financial statements for the parent entity show the following aggregate amounts:

i) Summary financial information

	2025 \$'000	2024 \$'000
Statement of financial position		
Current assets	223,719	200,080
Total assets	248,828	223,590
Current liabilities	17,390	15,290
Total liabilities	21,154	22,125
Shareholders' equity		
Share capital	114,855	114,546
Share-based payments reserve	39,370	33,048
Hedging reserve (net of tax)	1,246	984
Retained earnings	72,205	52,887
Total equity	227,676	201,465
Profit for the year	19,317	3,537
Total comprehensive income	19,154	4,537

10. Other notes continued

10.4 Parent entity information continued

ii) Guarantees entered into by the parent entity

For the year ended 30 June 2025, the parent entity provided assurances to its controlled entities – Nanosonics Europe GmbH, Nanosonics Europe Limited and Nanosonics UK Limited – that the intercompany debts will not be required to be repaid until such time as the controlled entities have sufficient funds available. No other guarantees were provided during the period.

iii) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2025 (2024: Nil).

iv) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2025, the parent entity had commitments to purchase plant and equipment of \$1,322,000 (2024: \$1,886,000). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

v) Accounting policies

The accounting policies of the parent entity are consistent with the Group except for investment in controlled entities which is carried in the parent company financial statements at the lower of cost or recoverable amount.

10.5 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices, and non-related audit firms:

	2025 \$	2024 \$
Fees to Ernst & Young (Australia)		
Audit services:		
Fees for auditing the statutory financial report of the parent covering the Group	550,542	507,900
Fees for auditing the statutory financial reports of the controlled entities based in the UK	79,700	70,236
Total audit services	630,242	578,136
Non-audit services:		
Tax compliance (Australia)	172,450	85,425
Tax compliance (Overseas)	41,731	13,505
Other services	62,176	–
Total non-audit services	276,357	98,930
Total fee for services provided	906,599	677,066

10.6 New standards and interpretations not yet adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

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

10.7 Events occurring after the balance date

On 19 August 2025, the Group entered into a contract with Lessor CapitaLand for a lease of new office facilities, global manufacturing and research and development laboratories located at 1-5 Thomas Holt Drive, Macquarie Park, NSW to replace the existing leased premises, which will expire in 31 March 2027. The ten-year lease will commence on 1 April 2027. The Company will gain early access to these facilities from 1 April 2026.

No other matters or circumstances that have arisen since 30 June 2025 have significantly affected, or may significantly affect:

- The Group's operations in the current or future financial years;
- The results of those operations in the current or future financial years; or
- The Group's state of affairs in the current or future financial years.

Consolidated Entity Disclosure Statement

The consolidated entity comprises the following entities that are part of the consolidated entity at 30 June 2025:

Name of controlled entity	Entity type	Place formed or incorporated	Body corporate % of share capital held	Country of tax residence
Nanosonics Limited	Body corporate	Australia		Australia
Nanosonics Europe GmbH	Body corporate	Germany	100%	Germany
Nanosonics Europe GmbH (Ireland branch)	Body corporate	Germany	100%	Ireland
Saban Ventures Pty Limited	Body corporate	Australia	100%	Australia
Nanosonics, Inc.	Body corporate	USA	100%	USA
Nanosonics Europe Limited	Body corporate	UK	100%	UK
Nanosonics UK Limited	Body corporate	UK	100%	UK
Nanosonics UK Limited (France branch)	Body corporate	UK	100%	France
Nanosonics UK Limited (Ireland branch)	Body corporate	UK	100%	Ireland
Nanosonics Canada, Inc.	Body corporate	Canada	100%	Canada
Nanosonics Japan KK	Body corporate	Japan	100%	Japan
Nanosonics (Shanghai) Co. Ltd	Body corporate	China	100%	China
Nanosonics Investments Pty Ltd	Body corporate	Australia	100%	Australia
Nanosonics Employee Equity Trust	Trust	Australia	100%	Australia

Directors' declaration

For the year ended 30 June 2025

1. In the opinion of the Directors:

- a) The financial statements and notes of the Company and its subsidiaries (collectively the Group) set out on pages 60 to 98 are in accordance with the Corporations Act 2001, including:
 - i. Complying with the Australian Accounting Standards and the Corporations Regulations 2001; and
 - ii. Giving a true and fair view of the Company's and Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
 - b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1.2;
 - c) There are reasonable grounds to believe that the Company and its subsidiaries will be able to pay their debts as and when they become due and payable; and
 - d) The consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct.
2. The Directors have been given the declarations by the Managing Director and CEO and the Chief Financial Officer required by section 295A of the Corporations Act 2001 for the financial year ended 30 June 2025.
3. This declaration is made in accordance with a resolution of Directors.



Steven Sargent
Chairman

Sydney, 26 August 2025

Independent Auditor's Report to the members of Nanosonics Limited



Shape the future
with confidence

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's report to the members of Nanosonics Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Nanosonics Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



**Shape the future
with confidence**

Revenue from Customer Contracts

Why significant	How our audit addressed the key audit matter
Revenue from the sale of goods and services for the year ended 30 June 2025 totalled \$198.6m. Revenue from the sale of goods is recognised when the Group has delivered the goods to customers and revenue from the sale of services is recognised as the service is provided. The Group's revenue contracts often include several performance obligations. This was considered a Key Audit Matter due to the level of judgement required to determine whether the criteria for revenue recognition, including satisfying the difference performance obligations were met in accordance with the requirements of AASB 15 Revenue from Contract with Customers, and the period in which the revenue is recognised.	Our audit procedures included the following: - Assessed the appropriateness of the Group's revenue recognition accounting policies in accordance with the requirements of Australian Accounting Standards. - Assessed the operating effectiveness of relevant controls relating to the recognition of revenue from the sale of goods and services. - Selected a sample of cash receipts and agreed the transactions to remittance advice and/or bank statement. - Selected a sample of sale of goods and services transactions and tested whether the sale was recognised in the correct period. - Selected a sample of service revenue contract liabilities and vouched the sale to the respective contract and/or invoice. We also recalculated the contract liability recorded. - Tested a sample of calls from the call log listing and performed analytical review of the call log listing, to ensure the related revenue was recognised in the correct period. - Used data analytic procedures to corroborate expected correlations between revenue, contract liability, accounts receivable and cash. - Assessed the adequacy of the disclosures relating to revenue included in Note 2 to the financial report.

Information other than the financial report and auditor's report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the Company's 2025 annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditor's Report to the members of Nanosonics Limited continued



If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.



**Shape the future
with confidence**

- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 38 to 59 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Nanosonics Limited for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Independent Auditor's Report to the members of Nanosonics Limited continued



Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst and Young

Ernst & Young

Vida Virgo

Vida Virgo
Partner
Sydney
26 August 2025

Shareholder information

The shareholder information set out below was applicable as at 31 July 2025.

A. Equity security holders

Twenty largest holders of quoted equity securities

Ordinary shares	Number of quoted shares held	Percentage
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	71,862,036	23.67%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	49,335,638	16.25%
CITICORP NOMINEES PTY LIMITED	44,516,283	14.66%
UBS NOMINEES PTY LTD	13,266,641	4.37%
BNP PARIBAS NOMS PTY LTD	13,157,234	4.33%
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	10,995,075	3.62%
MR MAURIE STANG	8,429,534	2.78%
MR BERNARD STANG	6,882,564	2.27%
AUSTRALIAN FOUNDATION INVESTMENT COMPANY LIMITED	5,715,556	1.88%
MR STEVEN KENNETH KRITZLER	6,489,737	2.14%
NATIONAL NOMINEES LIMITED	3,834,135	1.26%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	3,027,451	1.00%
DR HARRY HIRSCHOWITZ	2,133,227	0.70%
MIRRABOOKA INVESTMENTS LIMITED	1,747,000	0.58%
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,275,568	0.42%
MR MICHAEL KAVANAGH	1,256,723	0.41%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	1,046,615	0.34%
MR EVAN PHILIP CLUCAS + MS LEANNE JANE WESTON <KURANGA NURSERY SUPER A/C>	908,378	0.30%
FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	875,716	0.29%
POWERWRAP LIMITED <ESCALA SMA TRADING A/C>	830,576	0.27%
Total top 20 holders	247,585,687	81.54%
Total all other holders	56,047,055	18.46%
Total shares on issue	303,632,742	100.00%

Unquoted equity securities	Number of options over ordinary shares	Number of holders ¹
Rights and options on issue		
Rights at nil exercise price under NOEP and NEP to take up unissued ordinary shares	4,858,466	122
Share appreciations rights under NOEP and NEP to take up unissued ordinary shares	1,862,349	70
Options under NOEP and NEP to take up unissued ordinary shares	—	—
Total performance rights and options on issue	6,720,815	192

1. There are 192 unique holders with a number of holders holding two or three types of unquoted securities.

Shareholder information continued

B. Distribution of equity securities

Analysis of numbers of ordinary shares and rights and options by size of holding

	Quoted ordinary shares			Unquoted rights & options		
	Units	Percentage	Holder	Units	Percentage	Holder
1 - 1,000	7,380	3,067,486	1%	92	43,838	1%
1,001 - 5,000	3,898	9,931,897	3%	41	82,258	1%
5,001 - 10,000	971	7,225,375	2%	12	85,729	1%
10,001 - 100,000	800	19,862,970	7%	35	1,313,171	20%
100,001 and over	86	263,545,014	87%	12	5,195,819	77%
Total holders	13,135	303,632,742	100%	192	6,720,815	100%

A total of 90,389 units were held by 1,281 holders of less than a marketable parcel of 100 ordinary shares at \$4.05 per share (being the closing price on 31 July 2025).

C. Substantial holders

Substantial holders in the Company are shown below:

	Number of ordinary shares	Percentage
Selector Funds Management Limited ¹	24,241,974	8.0%
Maurie Stang ¹	18,913,333	6.2%
Pinnacle Investment Management Group ¹	17,086,290	5.6%
Bernard Stang ¹	16,353,493	5.4%
UBS Group AG ²	16,022,967	5.3%
Yarra Capital Management Group ¹	16,009,579	5.3%

1. Shares held by substantial holder as at 30 June 2025.

2. Based on notice of initial substantial holder dated 25 July 2025.

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

a) Ordinary shares

All ordinary shares carry one vote per share without restrictions. Every member present in person or by proxy shall have one vote for each share.

b) Rights and options

Rights and options have no voting rights.

E. Restricted securities and voluntary escrow

As at the date of this report, Nanosonics has no restricted securities on offer.

F. On-market share purchase or buy-backs

The Company did not carry out any on-market purchase or buy-backs of shares during the year.

Glossary

AASB	Australian Accounting Standards Board
AcuTrace®	RFID technology that digitally captures the clinical workflow
AGM	Annual General Meeting
ANZ	Australia and New Zealand
APES	Accounting Professional and Ethical Standard
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange Limited
AUD	Australian dollar
AuditPro™	Digital workflow compliance management system for tracking various instruments used in medical procedures
CAD	Canadian dollar
CAGR	Compounded Annual Growth Rate
CDC	Center for Disease Control
CEO	Chief Executive Officer
CEO&P	Chief Executive Officer and President
CFO	Chief Financial Officer
CIO	Chief Information Officer
COO	Chief Operating Officer
Company or Nanosonics	Nanosonics Limited ABN 11 095 076 896
Constant currency	Removes the impact of foreign exchange rate movements to facilitate comparability of operational performance. This is done by converting the current period sales of entities that use currencies other than Australian dollars at the rates that were applicable in the prior period
CSO	Chief Security Officer
CTO	Chief Technology Officer
COVID-19	Coronavirus disease of 2019
Date of this report	26 August 2025
EBIT	Earnings Before Interest and Tax
EBTDA	Earnings Before Tax Depreciation and Amortisation
EMEA	Europe Middle East and Africa
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
EUR	European Currency
FAICD	Fellow of the Australian Institute of Company Directors
FDA	Food and Drug Administration
FY	Financial year, e.g. FY2025 is the financial year ended 30 June 2025
GBP	Great Britain Pound
GESP	Global Employee Share Plan
Group	Nanosonics Limited and its wholly owned subsidiary companies
GST	Goods and Services Tax
H1	First half of the year, e.g. 01 July – 31 December
H2	Second half of the year, e.g. 01 January – 30 June
H₂O₂	Hydrogen Peroxide
HIV	Human Immunodeficiency Virus
HLD	High-Level Disinfection – involves the complete elimination of all microorganisms in or on an instrument, except for small numbers of bacterial spores
IASB	International Accounting Standards Board
IB	Installed base
IFRS	International Financial Reporting Standards

Glossary

IP	Intellectual Property
ITAA	Income Tax Assessment Act
iTSR	Index Total Shareholder Return
JPY	Japanese Yen
KMP	Key Management Personnel
LTI	Long-Term Incentives
LTIFR	Lost Time Injury Frequency Rate
LTIS	Long-Term Incentive Scheme
M&A	Merger and Acquisitions
NAIDOC	National Aboriginal and Islanders Day Observance Committee
NAN	Nanosonics Limited (ASX Code)
NED	Non-Executive Director
NEP	Nanosonics Equity Plan
NHS	National Health System (UK)
NOEP	Nanosonics Omnibus Equity Plan
OEM	Original Equipment Manufacturer
PBT	Profit before tax
PCP	Prior corresponding period
PCSR	People & Culture, Safety and Remuneration
PR	Performance Rights
Q1, 2, 3, or 4	Three-monthly periods beginning 1 July, 1 October, 1 January and 1 April respectively
QMS	Quality Management System
R&D	Research and Development
Reporting period	Year to 30 June 2025
ROE	Return on equity
rTSR	Percentile Rank of the Company's Total Shareholder Return
SARs	Share Appreciation Rights
SARS CoV-2	Severe acute respiratory syndrome coronavirus 2
SG&A	Selling, General and Administration
STeP	FDA Safer Technologies Program
STI	Short-Term Incentives
TEE	Transesophageal Echocardiography
TFR	Total Fixed Remuneration
trophon®	The brand representing Nanosonics' range of infection control solutions designed specifically for healthcare settings
trophon® EPR	The brand of Nanosonics' first generation device specifically designed to disinfect intracavity and surface ultrasound probes
trophon®2	The next generation trophon® device with an enhanced design and new functionality including AcuTrace™ for audit-ready digital record-keeping and capabilities to seamlessly connect trophon®2 with hospital IT systems
TSR	Total Shareholder Return
UGAP	Union des Groupements d'Achats Publics
UK	United Kingdom
UROE	Underlying return on equity
US	United States of America
USD	United States dollar
VAT	Value Added Tax
VWAP	Volume Weighted Average Price
WAEP	Weighted Average Exercise Price
WHS	Work, Health and Safety

Corporate directory and information for investors

Nanosonics Limited

ABN 11 095 076 896 incorporated 14 November 2000

Directors

Steven Sargent

Marie McDonald

Lisa McIntyre

Gerard Dalbosco

Tracey Batten

Larry Marshall

Michael Kavanagh

Company Secretary

Matthew Carbines

Registered Office

Level 1 Building A
7-11 Talavera Road
Macquarie Park NSW 2113 Australia

Ph: +61 2 8063 1600

Share Register

Computershare Investor Services Pty Ltd

GPO Box 2975
Melbourne VIC 3001 Australia

Ph: +61 3 9415 4088

Ph: 1300 555 159 (within Australia)

www.computershare.com/au

Investor/Media Relations

Catherine Strong

Ph: +61 2 8063 1600

Email: c.strong@nanosonics.com

Auditor

Ernst & Young

200 George Street
Sydney NSW 2000 Australia

Legal Advisors

Gilbert + Tobin

Level 35, Tower 2/200 Barangaroo Avenue
Sydney NSW 2000 Australia

Bankers

Australia

Australia and New Zealand Banking Group Limited

HSBC Bank Australia Limited

National Australia Bank Limited

Commonwealth Bank of Australia Limited

United Kingdom

HSBC Bank PLC

Germany

HSBC Trinkaus & Burkhardt AG

Deutsche Bank AG

United States

HSBC Bank USA NA

PNC Financial Services Group, Inc.

Japan

MUFG Bank Ltd.

China

HSBC Bank (China) Shanghai

Stock Exchange Listing

Nanosonics Limited shares are listed
on the Australian Securities Exchange

ASX code: **NAN**

Industry Group: Healthcare Equipment & Services

2025 Annual General Meeting

The 2025 AGM of Nanosonics Limited will
be held at Level 1 Building A, 7-11 Talavera Road,
Macquarie Park NSW 2113 at 11:00am
on 5 November 2025.

Details to be announced separately.

Website address

www.nanosonics.com.au

