



LEADER IN INFECTION CONTROL SOLUTIONS

*Improving the safety of patients, clinics, their staff
and the environment*



*2015 Half Year Results
Investor Presentation*

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Corporate Mission



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

Johns Hopkins Photo Credit: American Nurse Project. Does not imply endorsement

Company Overview

- Proprietary automated system for low temperature, high level disinfection (HLD)
- First product, **trophon**[®] EPR, for HLD of ultrasound probes
- Approved for sale in most major markets including: US/Canada, ANZ, Europe, Singapore, HK, South Korea, Japan
- 118 staff across Australia, US, UK, Germany and France
- Direct operations in North America and Europe alongside distribution partners
- GE Healthcare non-exclusive distributor in North America
- Toshiba, GEHC and Miele professional – distributor partners in Europe
- Active R&D program targeting expansion of product portfolio for Infection Control market

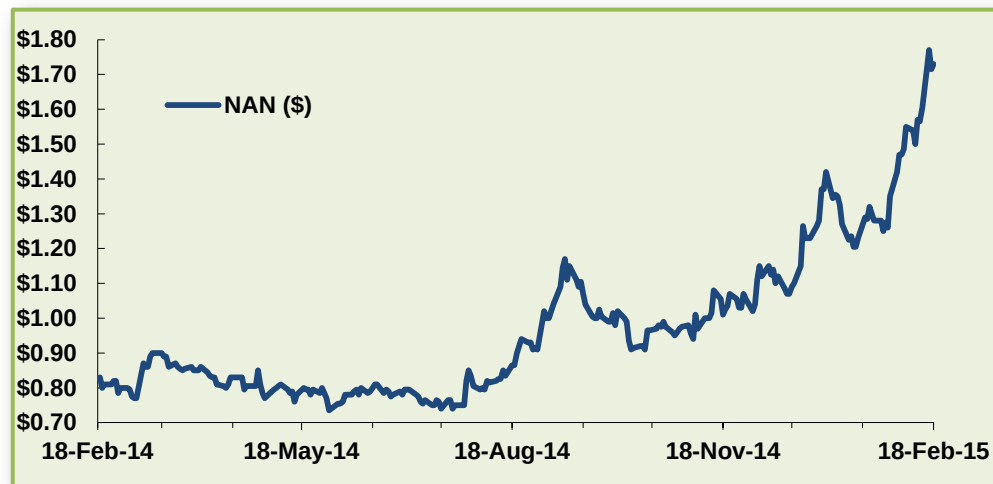


Company Overview

Key Corporate Data

Share price*	\$1.73
Shares on issue	264.4 million
Market capitalisation*	\$457.3 million
Liquidity (30 day avg)	585,000 shares
Cash (31 Dec 2014)	\$23.5 million
Share register breakdown (31 Dec 2014)	Founders/Related Parties 21% Institutions 33% Private 42% Corporate 4%

* As of 18 Feb 2015

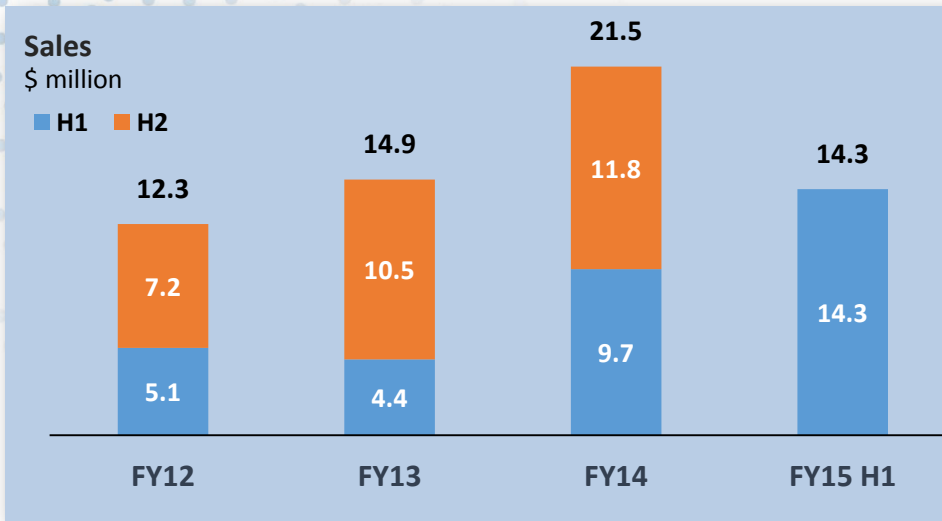


	18 Feb 15	31 Dec 14	30 Jun 14	30 Jun 13
Total shares issued (million)	264.36	264.36	263.82	261.99
Share price	\$1.73	\$1.37	\$0.79	\$0.61
Market capitalisation (million)	\$457	\$362	\$208	\$159
Average daily volume (12 mths)	402,000	366,000	349,000	198,000

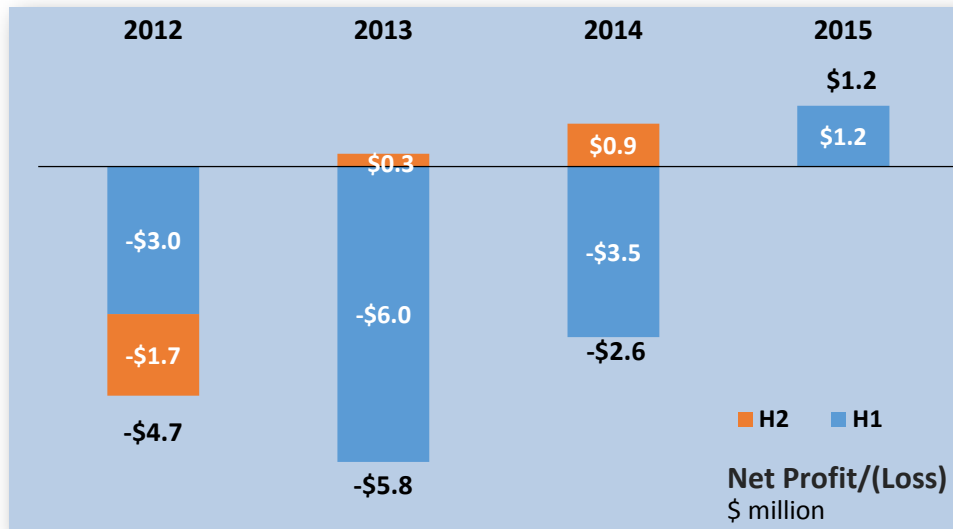
2015 H1 Highlights

- ✓ 44 of top 50 hospitals in US and more than 1,500 hospitals across North America using trophon EPR
- ✓ US installed base now in excess of 4,000 units
- ✓ Direct sales operations being established in North America alongside distribution partner, GE Healthcare (announced 6 February 2015)
- ✓ European distribution expanded into five new countries with distribution partner, Miele Professional
- ✓ New high level disinfection guidelines published in UK
- ✓ New regulatory approvals in Japan to support territory expansion
- ✓ Expanded Clinical Trial Program successfully demonstrating deficiencies of current practice and effectiveness of trophon EPR
- ✓ Identification of new corporate headquarters facility with move scheduled before June 2015
- ✓ R&D strategy progressed for next generation trophon and pipeline opportunities

2015 H1 Financial Results



- Sales Revenue up 48% on PCP to \$14.3 million compared with PCP of \$9.7 million



- Net profit of \$1.2 million compared to PCP loss of \$3.5 million

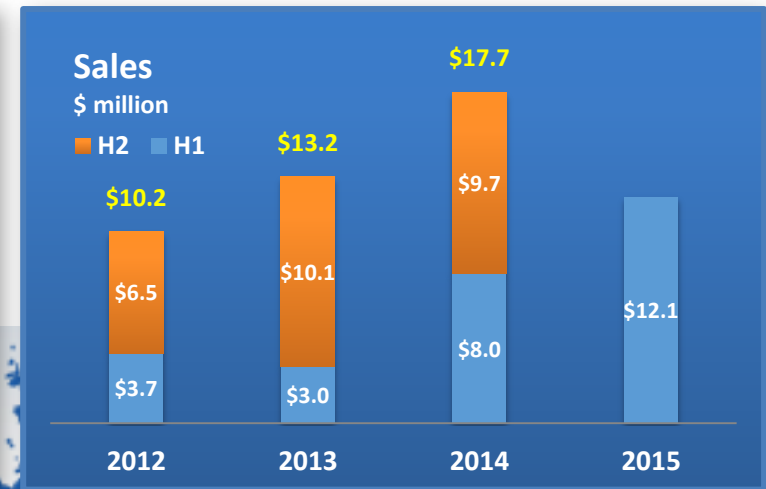
2015 H1 Financial results

	FY15	FY14			FY13		
\$ million	H1	H1	H2	FY14	H1	H2	FY13
Sales Revenue	14.3	9.7	11.8	21.5	4.4	10.5	14.9
Gross Profit	9.2	6.0	7.9	13.9	3.0	5.5	8.5
%	64%	62%	67%	65%	67%	52%	57%
Other Income/expense	1.6	0.8	2.6	3.4	0.0	1.5	1.5
Operating expenses	(9.6)	(10.3)	(9.8)	(20.1)	(9.4)	(7.0)	(16.4)
EBIT	1.2	(3.6)	0.8	(2.8)	(6.4)	0.0	(6.4)
Interest (net)	0.1	0.1	0.1	0.2	0.4	0.3	0.7
Pre-tax loss / profit	1.2	(3.5)	0.8	(2.6)	(6.0)	0.3	(5.7)
Net loss / profit	1.2	(3.5)	0.9	(2.6)	(6.0)	0.3	(5.8)
Cash Balance	23.5			21.2			24.1

- Sales Revenue up 48% vs pcp
- Gross profit margin 64% vs pcp 61.8% mainly due to:
 - Increased proportion of high margin consumables
 - Increased proportion of higher margin direct sales in Europe
 - Favourable impact of exchange
- Operating expense down \$740,000:
 - Mainly due to lower staffing costs
- Cash balance of \$23.5 million

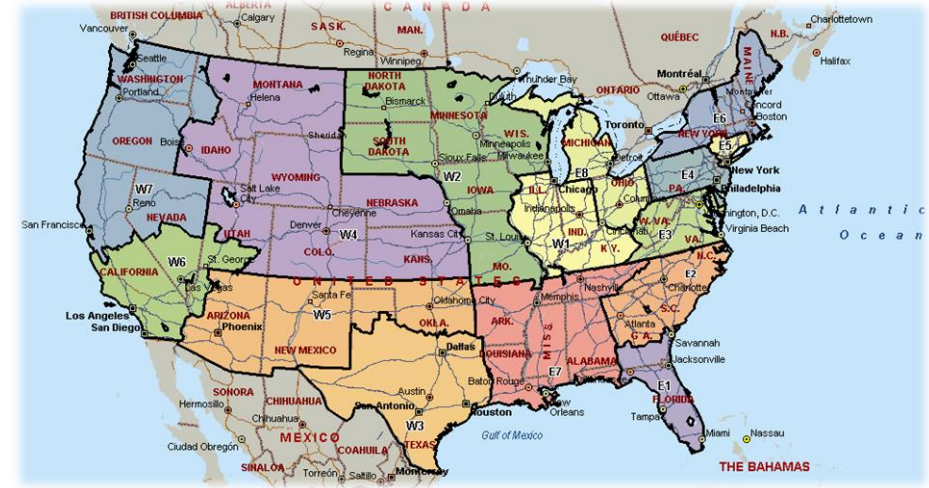
Strong Sales Growth in North America

- ✓ FY15 H1 sales of \$12.1 million up 51% vs pcp
- ✓ trophon EPR now represented in 44 of the top 50 hospitals and in more than 1,500 hospitals in total
- ✓ North American Installed base > 4,000 units

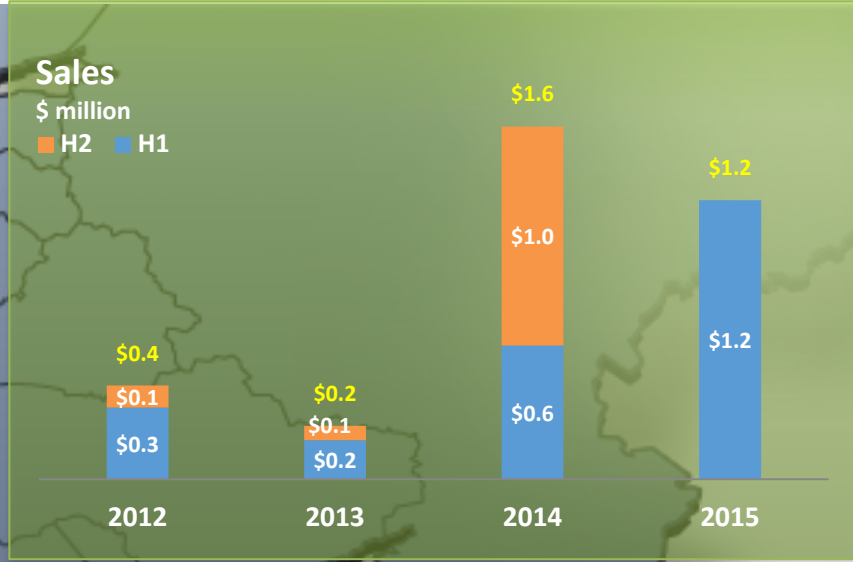
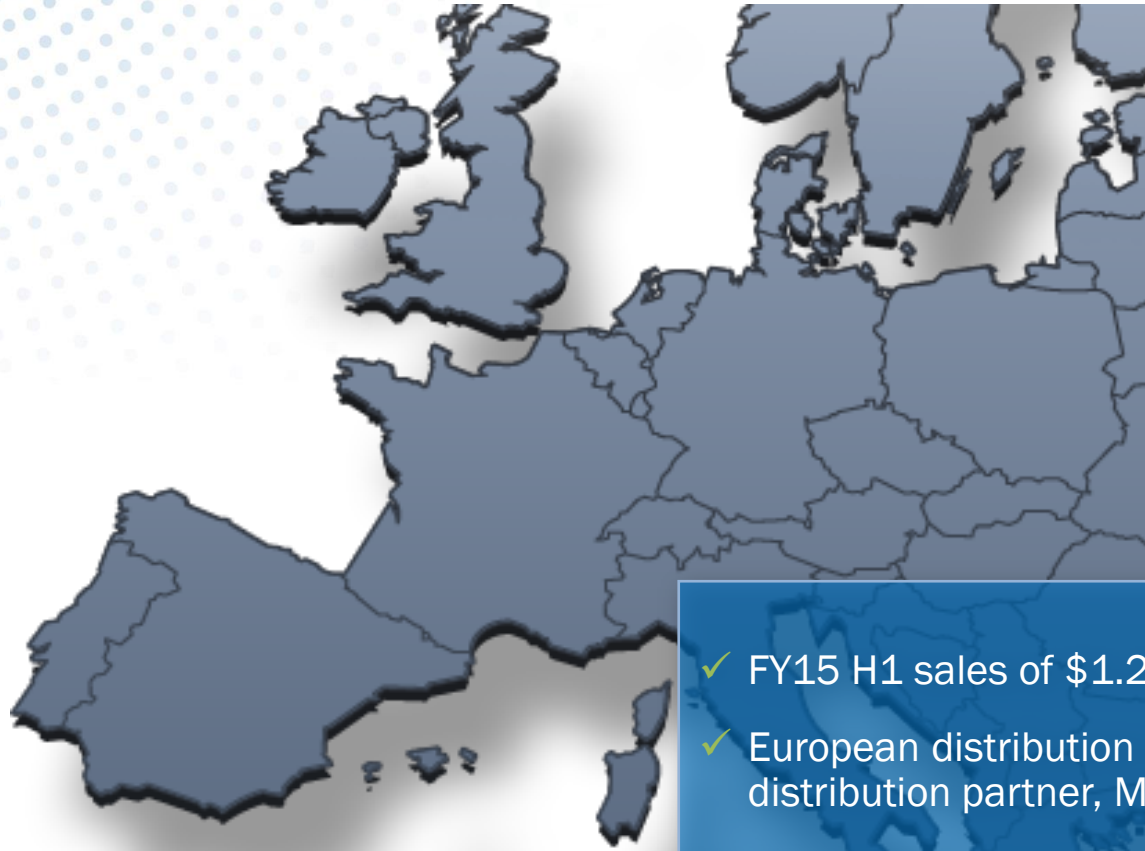


Direct Sales Operations Launched in North America

- Large North American opportunity ~ 40,000 units
- Opportunity to go:
 - **Broader** across the 5,000+ hospitals
 - **Deeper** within all relevant hospital departments (OB/Gyn, General imaging, Urology, Emergency care, Surgery etc.
- Leveraging existing North American Nanosonics sales and service infrastructure with addition of up to 15 sales specialists in H2
- All sales will be recorded directly by Nanosonics at full retail margin
- GE Healthcare remains important non-exclusive distribution partner



European Highlights



- ✓ FY15 H1 sales of \$1.2 million up 109% pcp
- ✓ European distribution expanded into five new countries with distribution partner, Miele Professional
- ✓ New guidelines introduced reinforcing the need for automated, validated decontamination systems as optimum decontamination process: trophon EPR positioned well to meet these needs
- ✓ UK primary driver of sales in the period with adoption of trophon EPR in a number of key hospitals

European Market Expanding



New Ultrasound Probe Guidance Published in Wales

- An automated, validated system is the preferred option
- The decontamination of transvaginal and transrectal probes should take place in the location they are being used, i.e. point of care
- For quality assurance/traceability purposes, a document system must be in place to ensure contamination/decontamination status of each individual probe

WHTM 01-06

Welsh Health Technical Memorandum

Decontamination of flexible endoscopes

Part C: Operational management
(Including guidance on non-channelled endoscopes and ultrasound probes)



 **GIC**
Gallantry
Incentive
Commitment

Partnership with:
Cardiff and Vale
Health Board
Grampian Health NHS Foundation Trust
Shared Services
Plymouth
Exeter and Exeter Services

Which Health Technology Assessment? 04-06. Decontamination of Reusable endoscope – Part C: Operational management

TOE probe decontamination equipment design and optional tests

High-temperature steam decontamination and automatic technologies are responsible for all types of probe and non-channelled endoscope. Advice should be sought from the manufacturer of the equipment, the AHJ, the DHW and the NHS in the time of equipment upgrade or the procurement of new installations.

High-temperature post-decontamination steam sterilisation can be being provided, otherwise are further developed and become available. Guidance will be provided by NHSUK-323 which will enhance the validation process and routine monitoring of the process.

As stated in this chapter, health facilities should investigate and work towards the use of automated and validated decontamination systems. However, care should be taken to ensure any preformed system is manufactured in accordance with relevant latest European standards. In addition, it is to have at supporting evidence (type test data, validation data, assessment and performance criteria) to verify effectiveness of process against an identified risk. Furthermore, the manufacturer should provide clear, concise, high-level descriptions of the process. The manufacturer should document evidence that the with the device is a tested and not proven residues.

Any installation of a new piece of equipment or other developing to test the specific probes will be provided, and the equipment should be carried or scheduled as stated in the working time service.

Some machines or probe may have a physical device to damage such as current will be a type of machine and process the probe.

An appropriate to be recommended by, monitored to prevent any damage to the infection in the

Advise should be sought from a user team to investigate the electric side of the instrumentation, such as the earth, IT and grounding/earthing systems. All these aspects should be reviewed to ensure protection for anyone in the future use of the instrumentation along with value for money in the long-term.

Transnasal and Transoral Ultrasound Probes (TVS and TRUS probes)

These probes are being used increasingly throughout the NHS, including, community clinics, maternity, oncology and radiology, anaesthet and outpatients departments. Untrained equipment users may make it easier for the patient to have treatment and a quicker discharge.

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The probes for the probe are multi-use, and, if removed too many times, it is possible to damage the probe themselves. Therefore it is recommended that the probe should be used in a controlled manner.

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An example of technology, designed to provide additional validation of decontamination of TVS/UTR probes probes.

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An example of technology designed to provide validated decontamination process of TVUS/TVUR probe



Barts Health



NHS Trust

Major trophon EPR Order Secured at Top London Hospital

Continued Adoption in Australia and NZ



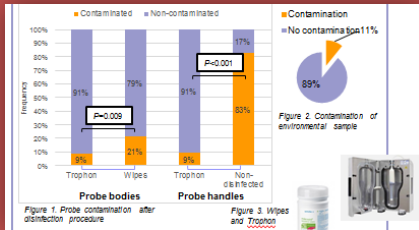
trophon EPR
now present in
566 hospitals across
Australia & NZ



Japan Regulatory Approval Granted



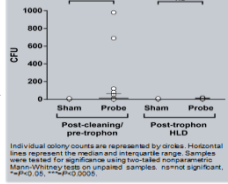
Clinical Studies Program Supporting Awareness and Adoption



European study showed trophon EPR to be significantly more effective than manual quaternary ammonium compound wipe disinfection.

Surface transducers

- Surface probes still show substantial contamination following cleaning.
- Following disinfection with trophon EPR, contamination is reduced to background (sham) levels.
- One pre-trophon isolate - *Staphylococcus aureus* can occasionally cause fatal bacteremia.
- Guidelines only recommend cleaning.
- Cleaning alone does not appear to be sufficient to reduce transmission risk, especially relevant for patient colonization.



Study at The John Hopkins Hospital in the US showed need for disinfection of intracavity and surface probes (heads and handles)



Independent testing has shown trophon EPR is effective against a range of pathogens including MRSA, herpes simplex virus, hepatitis A, B and C, *Neisseria gonorrhoea*, *Chlamydia trachomatis* and vancomycin resistant enterococci (VRE).

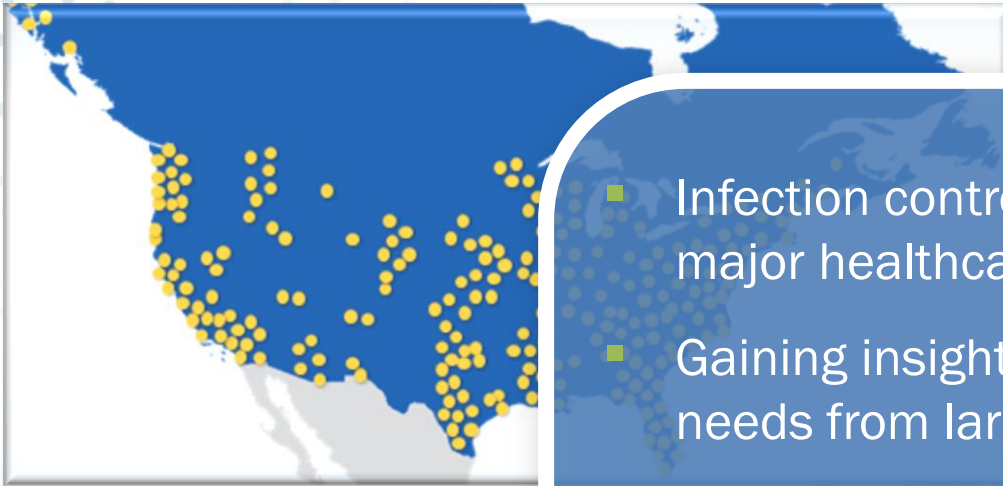
New Corporate Headquarters to Support Growth Plans

- New Nanosonics Corporate Headquarters in Lane Cove, Sydney
- Previous Cochlear global headquarters
- Expands capacity and capability across all operations
- On track to move by end 2015 H2



Customer Focussed Innovation

R&D strategy progressing for next generation trophon and pipeline opportunities



- Infection control remains a major healthcare issue
- Gaining insights on unmet needs from large customer base
- Progressing our technology innovation program across trophon and new applications of trophon platform technology plus chemistries



Business Outlook – Positioned for Continued Growth

- **Market fundamentals continue to strengthen**
 - Increasing awareness of imaging related healthcare acquired infections
 - Supporting Guidelines for automated HLD solutions
 - Excellent clinical data and customer value propositions
- **Continuing to Expand within existing markets**
 - New North American direct operations – goal of **broader/deeper/faster**
 - Invest in sales and marketing to support goal
- **Continuing to Expand Regional Operations**
 - trophon EPR now represented in five new European Markets
 - Approval received and commercialisation strategy development underway for Japanese and Korean market entry
- **Investment in R&D**
 - Continued investment in progressing our technology innovation program across trophon, new applications of core platform technology and chemistries
- **FY15 H2** – period of transition as new direct North American operations come into effect establishing significant momentum going into FY16



Thank You