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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

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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

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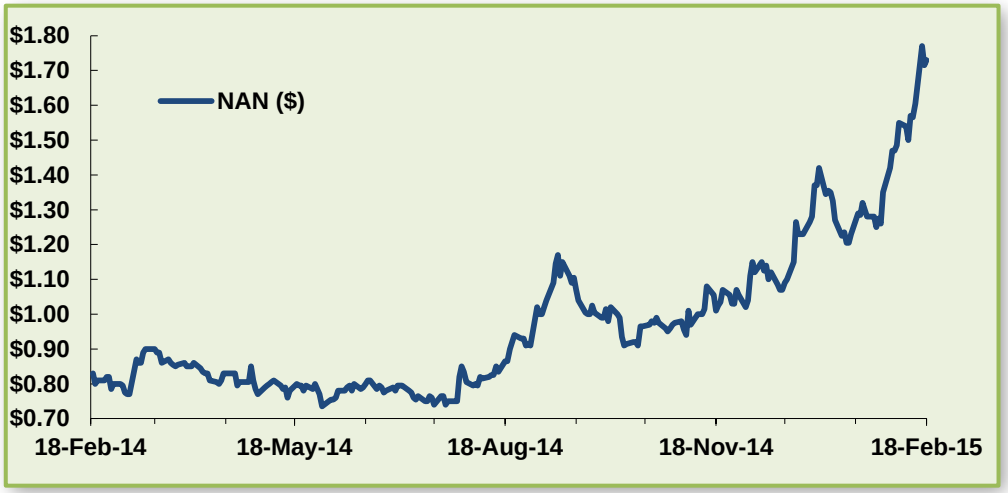
Company Overview

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

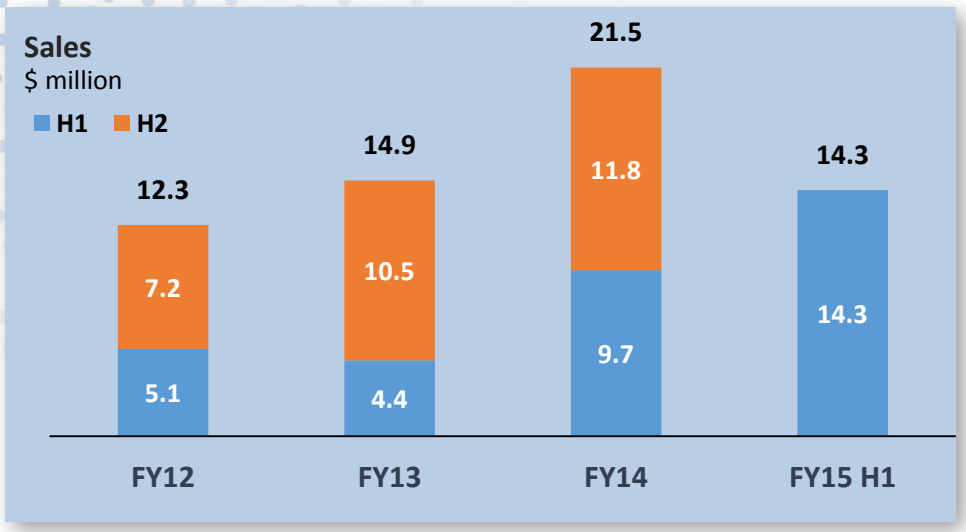


	18 Feb 15	31 Dec 14	30 Jun 14	30 Jun 13
Total shares issued (million)	264.36	264.36	263.82	261.99
Share price	$1.73	$1.37	$0.79	$0.61
Market capitalisation (million)	$457	$362	$208	$159
Average daily volume (12 mths)	402,000	366,000	349,000	198,000

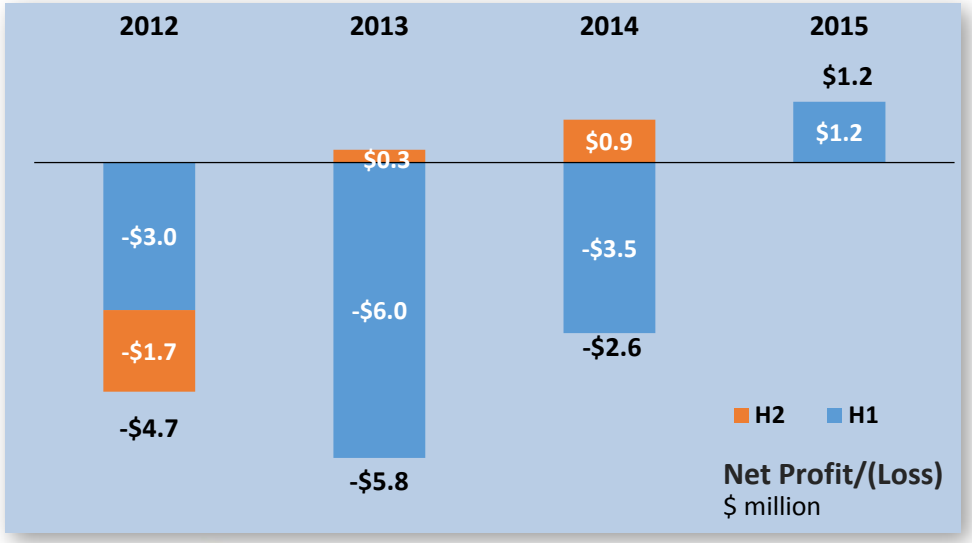
2015 H1 Highlights

- ✓ 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

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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

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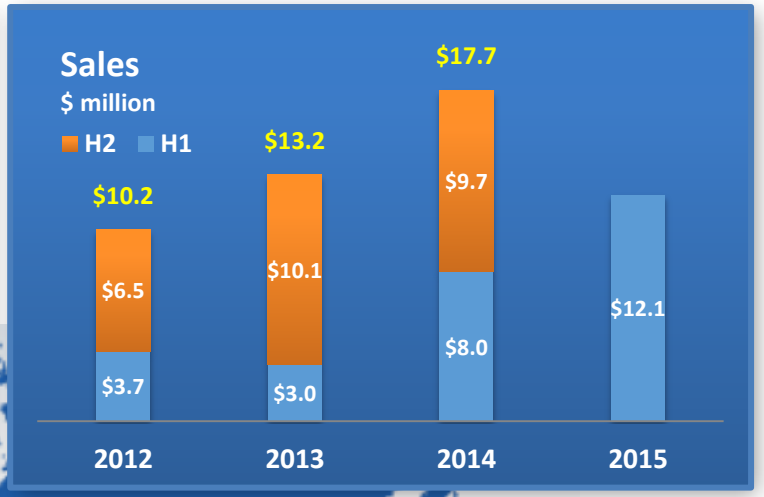
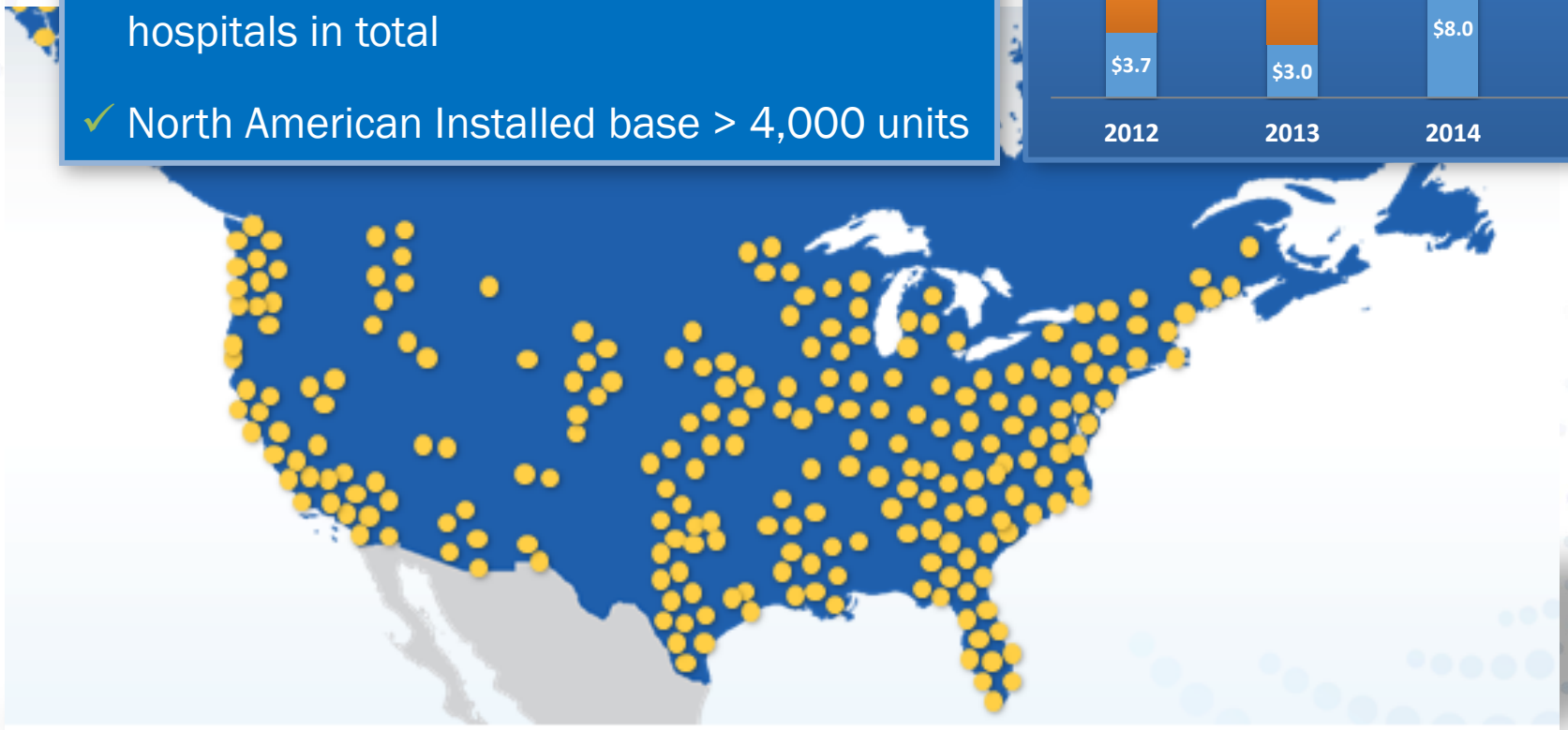
Strong Sales Growth in North America

- ✓ 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





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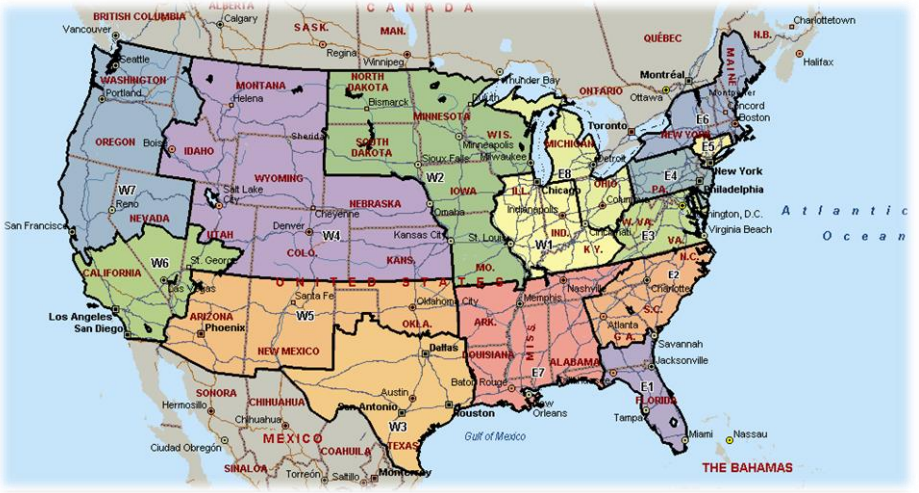
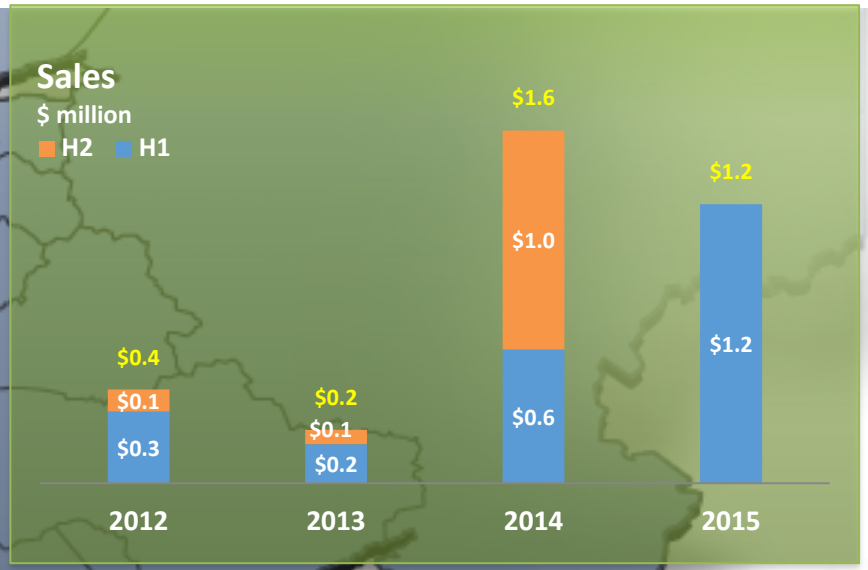
Direct Sales Operations Launched in North America

- 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

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European Market Expanding

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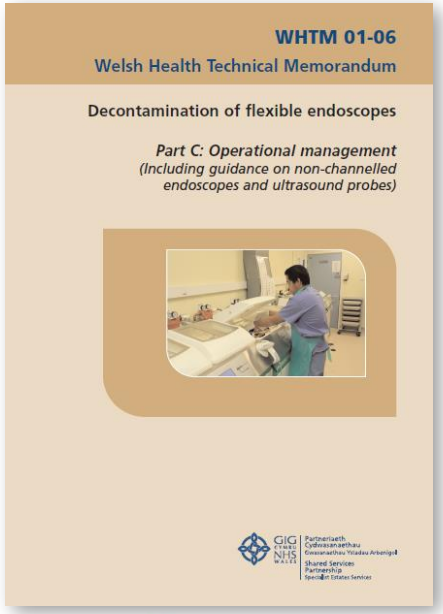
New Ultrasound Probe Guidance Published in Wales

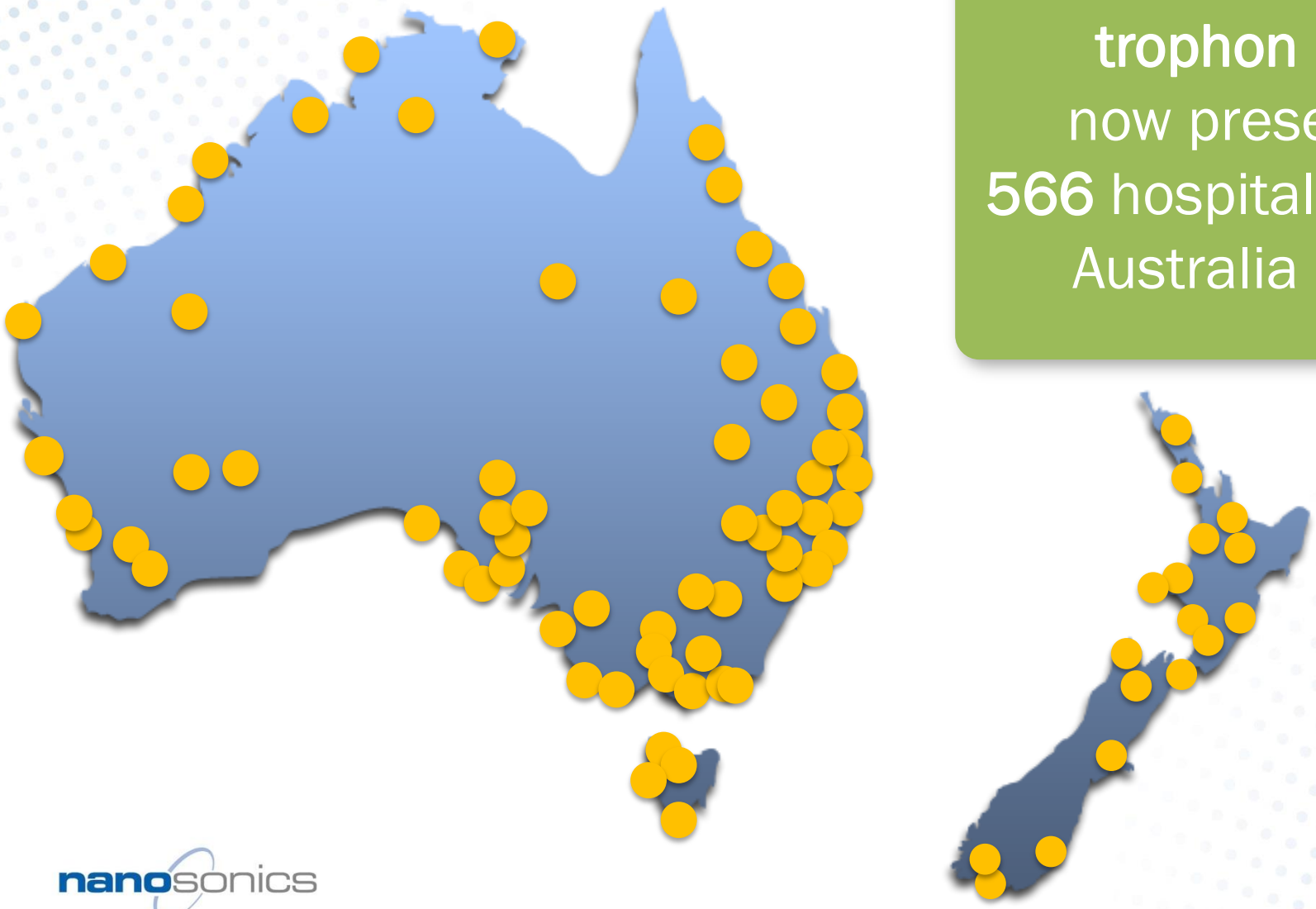
- An automated, validated system is the preferred option
- The decontamination of transvaginal and transrectal probes should take place in the location they are being used, i.e. point of care
- For quality assurance/traceability purposes, a document system must be in place to ensure contamination/decontamination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




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

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

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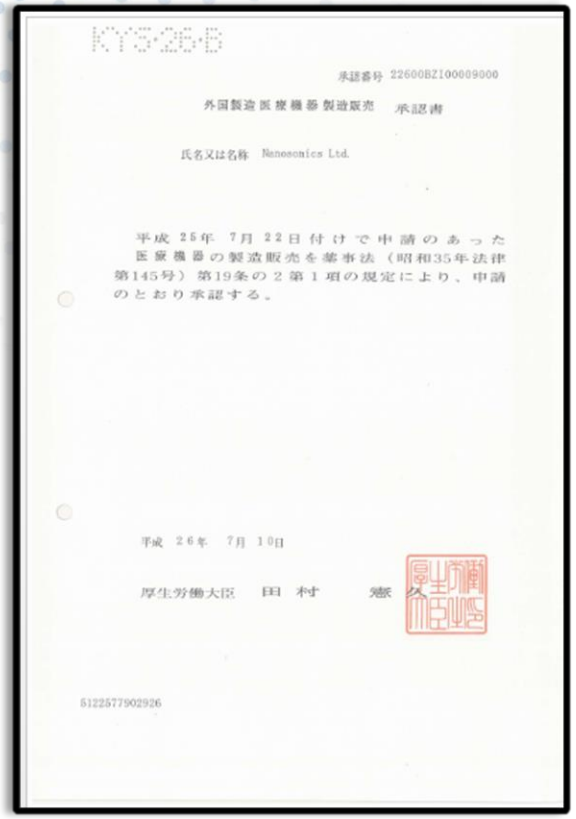
Japan Regulatory Approval Granted



KYS26-B

承認番号 22600BZI00009000

外国製造医療機器製造販売 承認書

氏名又は名称 Nanosonics Ltd.

平成25年7月22日付けで申請のあった医療機器の製造販売を薬事法（昭和35年法律第145号）第19条の2第1項の規定により、申請のとおり承認する。

平成 26年 7月 10日

厚生労働大臣 田村 憲久

5122577902926

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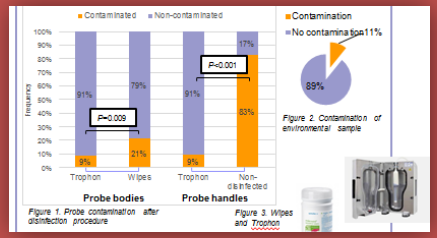
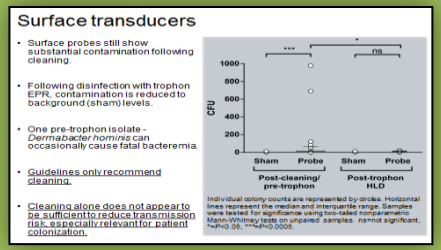
Clinical Studies Program Supporting Awareness and Adoption



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



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).

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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

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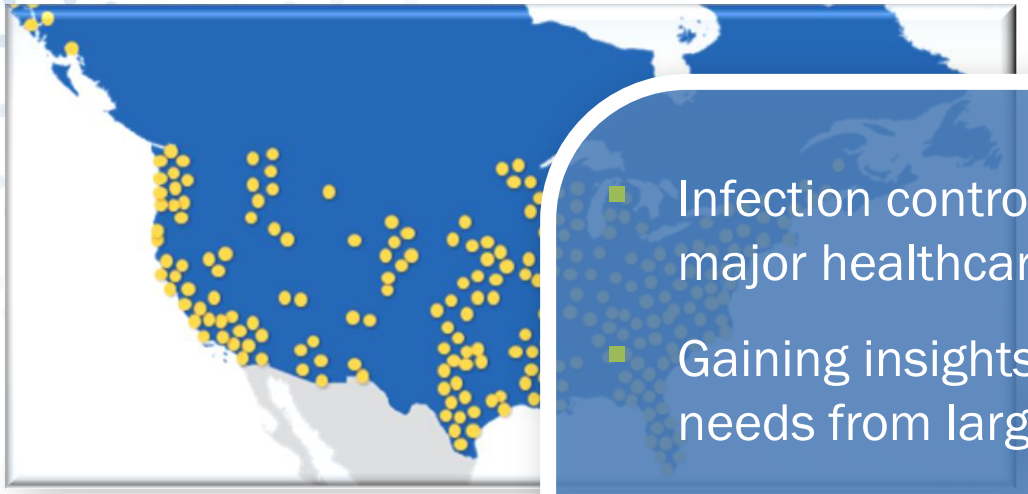
Customer Focussed Innovation

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

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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

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Thank You