



Infection Prevention. For Life.

2021 FULL YEAR
RESULTS

INVESTOR PRESENTATION

Michael Kavanagh, CEO and President
McGregor Grant, CFO and Company Secretary

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A year of ongoing achievement with a significant recovery in H2 to **pre-COVID growth momentum levels**

INSTALLED BASE



FY21
26,750
▲13%

▲20% vs. H1

TOTAL REVENUE



\$103.1^m
▲3% (12% cc¹)

▲39% vs. H1
\$60.0^m

CAPITAL REVENUE



\$26.7^m
▼11% (8% cc¹)

▲84% vs. H1
\$17.3^m

CONSUMABLES/
SERVICE REVENUE



\$76.4^m
▲9% (20% cc¹)

▲27% vs. H1
\$42.7^m





TROPHON®
OPPORTUNITY

ULTRASOUND PROCEDURES

There are **over 150 procedures**¹ that use ultrasound probes across many departments that risk contact with mucous membranes, non-intact skin and/or sterile tissue.

EXAMPLES



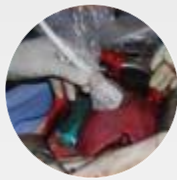
ENDOCAVITARY

- Abdominal Duplex
- Vascular (complete & limited, transvaginal)
- Pregnancy scans
- Chorionic Villus Sampling
- Transrectal scan
- Transrectal prostate biopsy



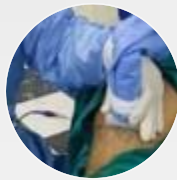
UG² BIOPSY

- Biopsy of liver
- Biopsy of pancreas
- Biopsy of pleural fluid
- Biopsy of pulmonary lesions
- Biopsy of salivary gland
- Biopsy of sclerosing mesenteritis



INTRAOPERATIVE

- Intraoperative neurosurgical procedures
- Intraoperative UG tracer injection
- UG implantation of iodine seeds
- UG percutaneous renal transplant biopsy
- UG transthoracic punctures



NERVE BLOCKS

- UG cervical nerve root block
- UG ankle block
- UG femoral nerve block
- UG ophthalmic regional anesthesia
- UG percutaneous peripheral nerve stimulation



WOUNDS

- UG burn patient assessment
- UG Focused Assessment with Sonography in Trauma (FAST)
- UG focused diagnostic echocardiography (e.g., cardiac resuscitation in presence of trauma)

+ AND MANY MORE. . .



SIGNIFICANT GLOBAL MARKET OPPORTUNITY

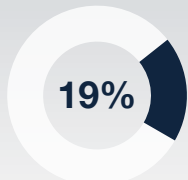


GLOBAL

Installed base opportunity

140,000¹
UNITS

Market Penetration



- Significant global growth opportunity.
- Increasing number of international guidelines requiring high level disinfection (HLD) supporting growing international demand.
- Nanosonics expanding its footprint geographically both direct and through distribution.



NORTH AMERICA

Installed Base Opportunity

60,000¹
UNITS

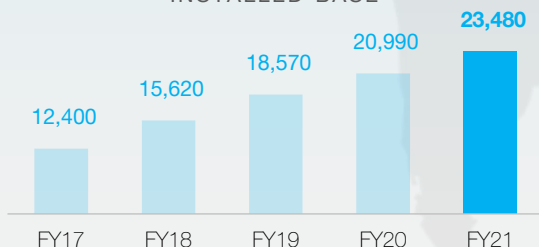
Market Penetration



Strong Fundamentals

- Fundamentals for adoption strong with requirements for HLD in place.
- trophon installed base over 23,480 and already in over 5,000 hospitals and clinics, including majority of luminary hospitals.
- Nanosonics has a direct sales operation of 74 people as well as partnerships with all leading ultrasound companies to drive ongoing adoption.

INSTALLED BASE

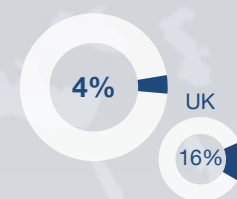


EUROPE AND MIDDLE EAST

Installed Base Opportunity

40,000²
UNITS

Market Penetration



Strengthening Fundamentals

- Expanded geographical reach, strengthening fundamentals for adoption and growing awareness.
- Expanded infrastructure with sales teams increasing in the UK and Germany, plus appointment of local clinical, marketing, regulatory, service, distributor partner engagement & people and culture leadership.
- A range of business models in place to support market requirements.

INSTALLED BASE

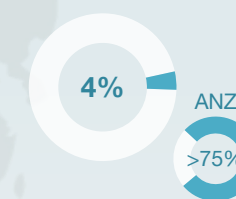


ASIA PACIFIC

Installed Base Opportunity

40,000²
UNITS

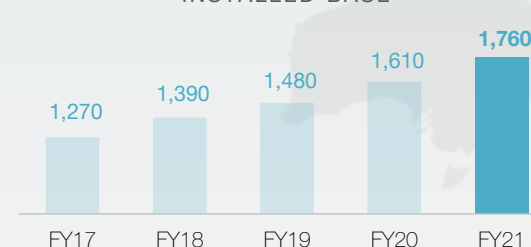
Market Penetration



Strengthening Fundamentals

- Sales mainly in ANZ where market penetration is >75%.
- Japan market development strategy continues with local infrastructure established & distribution agreements in place with five key distributors.
- Finalising registration of a wholly owned subsidiary in China with regulatory submission being prepared.
- Assessment underway for further expansion across Asia Pacific.

INSTALLED BASE





NORTH AMERICA

There has been a significant increase in the trophon® opportunity in North America resulting from increased estimate of Total Addressable Market, revised up to 60,000¹ units from 40,000 units, reflecting growth in the ultrasound market over the last eight years.

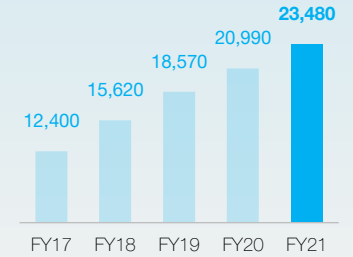
INSTALLED BASE OPPORTUNITY

60,000¹ UNITS

MARKET PENETRATION



INSTALLED BASE



ULTRASOUND INSTALLED BASE UNITED STATES

PRIOR
ESTIMATE ▶

150k



40,000
UNITS

REVISED
ESTIMATE ▶

271k¹



60,000¹
UNITS



TROPHON TAM NORTH AMERICA²

A detailed analysis of the U.S. Ultrasound market has revealed that the total market opportunity for trophon is 50% larger than previous estimates.



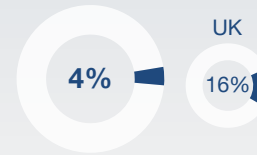
EUROPE AND MIDDLE EAST

Guidelines across Europe for ultrasound probe disinfection continue to strengthen with preferences for automated solutions that can be validated. This has supported installed base growth with significant ongoing growth potential.

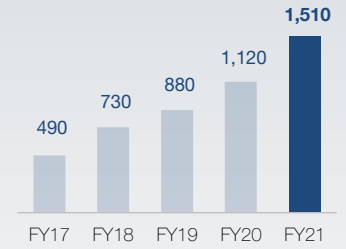
INSTALLED BASE OPPORTUNITY

40,000 UNITS

MARKET PENETRATION



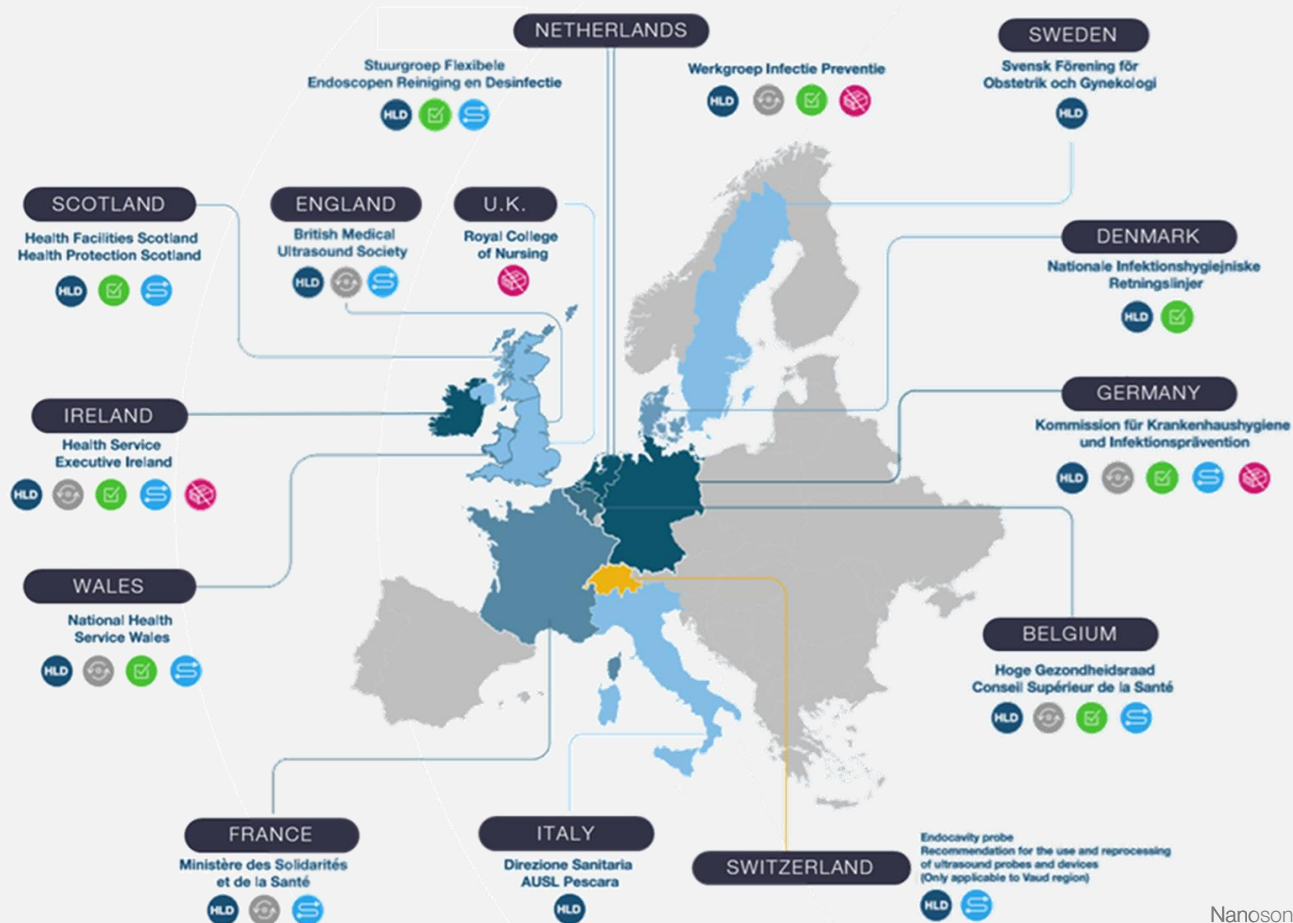
INSTALLED BASE



ULTRASOUND REPROCESSING GUIDELINES

Legend

- HLD
- Automation preferred
- Validation
- Traceability
- Outlines disadvantages of wipes





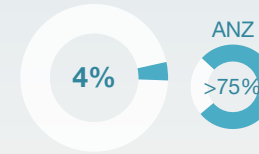
ASIA PACIFIC

We have ramped up our efforts to bring new markets online, with particular focus on the untapped potential in Japan, China and across the ASEAN countries.

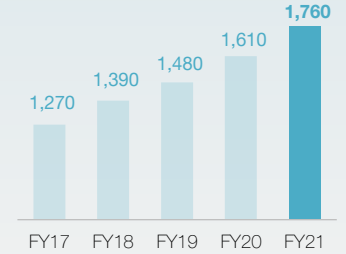
INSTALLED BASE OPPORTUNITY

40,000 UNITS

MARKET PENETRATION



INSTALLED BASE



ANZ

The trophon technology is the standard of care in Australia and New Zealand

- Launched the trophon2 upgrade program with I-MED upgrading 200 trophon EPRs.
- Delivered education programs demonstrating the importance and requirements for high level disinfection for semi-critical probes in accordance with standards and guidelines.
- Continued to invest in our capabilities establishing an ANZ Customer Service Centre, including Clinical Application Specialists to ensure seamless and consistent Customer and Distributor experience.



JAPAN

Built a solid foundation this year, as we work towards establishing local guidelines

- Conducted virtual education and training with relevant specialists, societies and distributors
- Continued to develop strong relationships with the ultrasound OEMs as distributors of trophon in Japan, as well as many sub-distributors.
- Continue to build our direct team to drive market awareness and support our distributor partners.



CHINA

Finalising Registration of Wholly Owned Foreign Enterprise (WOFE) 纳安诺医疗设备(上海)有限公司

(translated to Nanosonics Medical Device (Shanghai) Co. Ltd.).

- Developing regulatory strategy.
- Appointed qualified local consultant in China to manage all local activity required for market entry.



ASEAN

Received regulatory approval in Malaysia, Indonesia, Thailand and the Philippines

- Continued execution of our market entry strategy for ASEAN (Indonesia, Thailand, Malaysia, Philippines, Vietnam).

TROPHON VALUE OPPORTUNITY

In addition to managing a growing installed base, we strive to deliver continuous value over the lifetime of trophon by driving improved compliance with HLD standards.



↑ trophon growth

Each new installed base unit delivers exceptional customer value for 7 years, while generating annuity revenue over that period.

↑ Usage per trophon

With >150 ultrasound procedures requiring HLD, there is an opportunity to drive increased compliance and usage across the existing installed base.

🕒 Capital upgrades

Refreshing the installed base offers existing customers new features and benefits, additional value, and extends barriers to competitive entry.



A significant capital upgrade potential exists in the installed base

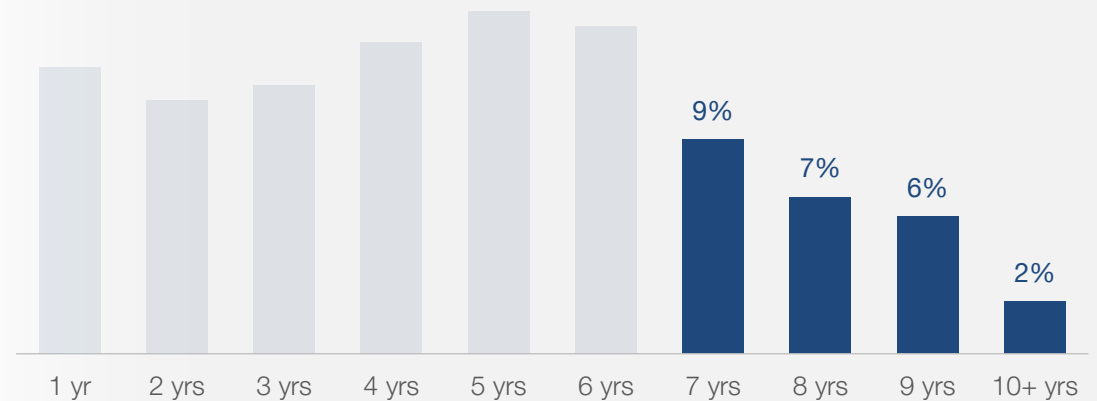
◀◀ GROWING OPPORTUNITY

6,500+ units

AGED INSTALLED BASE UPGRADED TO-DATE¹

8%

- ✓ Implemented trophon EPR end-of-life policies and notified customers.
- ✓ Upgrades is a key component of growth strategy for FY22.



GLOBAL INSTALLED BASE AGE DISTRIBUTION AT JUN 2021



NANOSONICS AUDITPRO™ OPPORTUNITY



INTRODUCING

Nanosonics AuditPro™

Every data point on every probe for every procedure and every patient

INFECTION CONTROL WORKFLOW COMPLIANCE MANAGEMENT

Workflow compliance management tool that ensures customers consider the infection prevention requirements for all ultrasound procedures

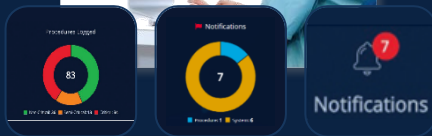


Spaulding Patient MRN Probe

INFECTION CONTROL AT POINT-OF-CARE



DATA-LED INFECTION PREVENTION INSIGHTS



Enhances clinical workflow

Improves staff competency with the Spaulding Classification, reprocessing activities and probe usage. On-the-job education is built into everyday workflow.

Timely remediation and risk-minimization

Automated email notifications highlight non-compliance events for rapid risk assessment that enhances risk management for improved patient care.

Asset utilization and management overview

Provides probe utilization dashboards so probe location and usage patterns can be tracked and compliance spot-checked.

Digitised traceability and record management

Intuitive and information-rich dashboards providing actionable insights on infection control practices. Generates digital logbooks to help reduce operating costs and improve track and trace accuracy.

Practice standardization

Standardises ultrasound infection control compliance practices to improve risk management and quality control, delivering best practice.

Supports accreditation

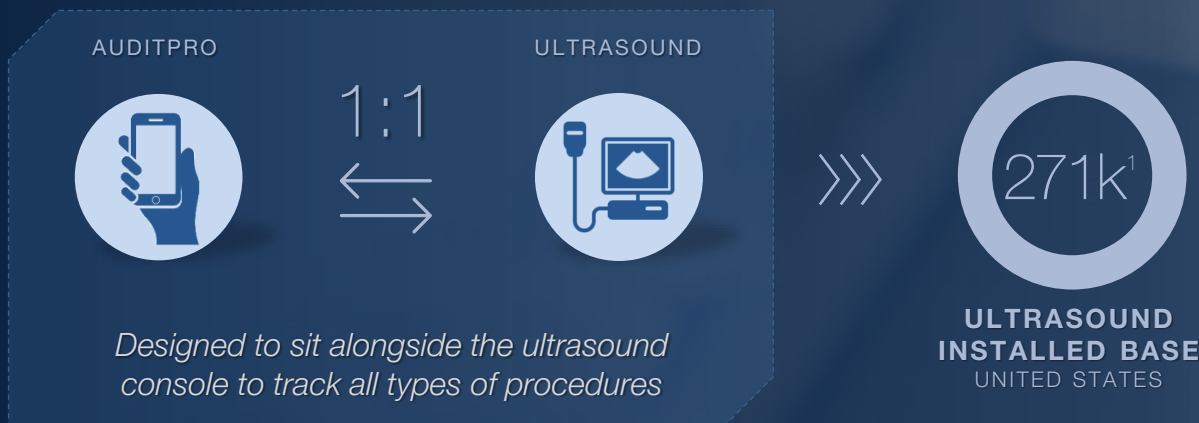
Streamlines your organisation's compliance with National standards and evidence-based guidelines. It provides you with real-time risk notifications for easy course-correction and survey-ready ultrasound infection prevention compliance reports.

Compliance education

Uniquely sits with the ultrasound console at point of use, educating the user and enabling consistent incorporation of infection control considerations, as part of everyday clinician care.

Global best practice

Supports optimal patient care across your organisation by standardising best practice infection prevention decisions and managing staff compliance to Spaulding classification and your standard operating procedures (SOPs).



End-to-end ultrasound infection prevention traceability

Best practice infection prevention is built into your everyday workflow with Nanosonics AuditPro.

Uniquely sitting with the ultrasound console and user at the point-of-care, the mobile scanning device guides the user through the **Spaulding Classification** framework to support your standard operating procedures (SOPs).

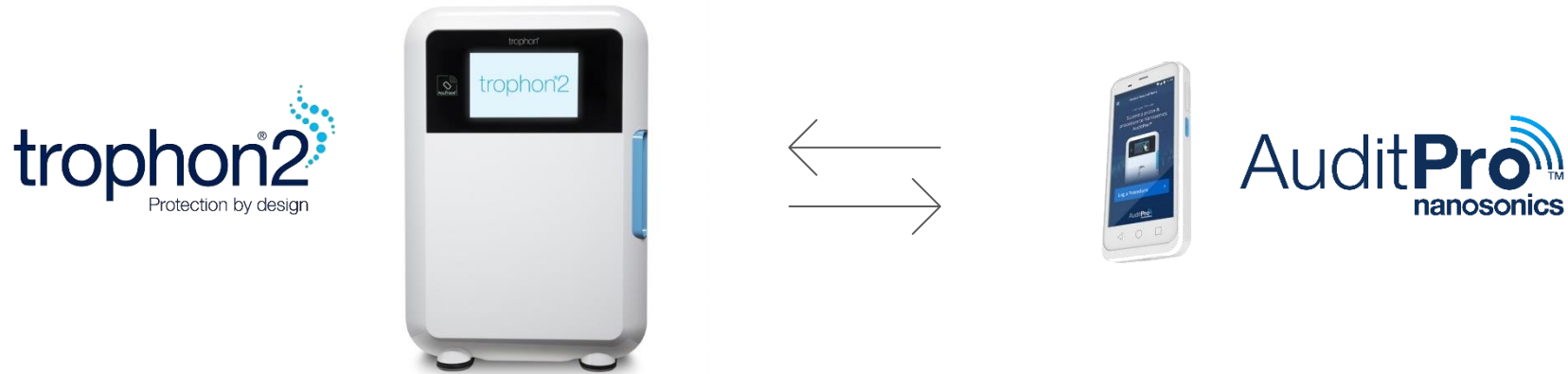
The Spaulding Classification is a globally-accepted, risk-based framework used to determine the level of disinfection or sterilization required for reusable medical devices.

CREATING A NEW MARKET

- ✓ Offering a **unique value proposition**
 - Only product that integrates infection prevention decision-making, track and trace, and compliance into a single solution
 - Enables workflow efficiencies by bringing infection control to point-of-care
- ✓ **Subscription business model** drives deeper and continuous customer engagement
- ✓ Data foundation **enables value-added service** growth

PLATFORM TECHNOLOGY ENABLES GROWTH BEYOND ULTRASOUND

AuditPro further enhances the trophon2 value proposition and competitive advantage.



**NANOSONICS AUDITPRO™
HAS THE POTENTIAL
TO DRIVE...**

- ① trophon2 adoption
- ① EPR to trophon2 upgrades
- ① Consumables usage

An abstract, dynamic stream of blue and white particles, resembling a comet tail or a data flow, curves across the dark background from the top left towards the bottom right. The particles vary in size and brightness, creating a sense of depth and movement.

INVESTING FOR GROWTH RESEARCH & DEVELOPMENT

There are five core areas of R&D interest in the infection prevention landscape.

FIVE CORE AREAS OF FOCUS

COMPLIANCE AND TRACEABILITY

Digitally-enabled tools to increase visibility and control around infection risk mitigation.

ENVIRONMENTAL DECONTAMINATION

Novel technologies and chemistries to reduce cross-contamination risk coming from high contact surfaces and environment.

**Infection Prevention.
For Life.**

INSTRUMENT CLEANING

Mandatory critical first step which sets up the effectiveness of all downstream disinfection procedures.

INSTRUMENT DISINFECTION

High level and low level disinfection and sterilisation for medical devices before re-use with a patient.

STORAGE SOLUTIONS

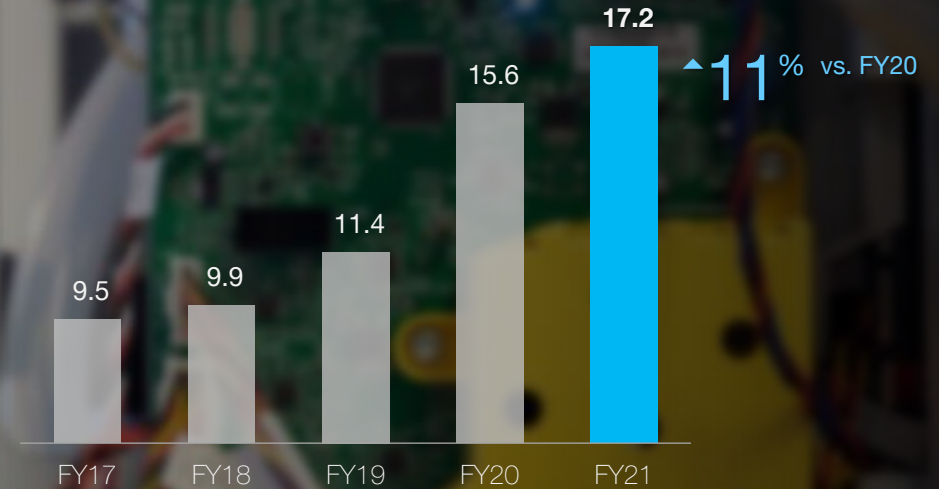
Assurance that reprocessed devices are not subsequently contaminated and are always available for next use.

Active programs are in place covering a number of the areas outlined above.

All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

During the year, Nanosonics continued to invest in its product expansion strategy. R&D investment increased to **\$17.2m** directed across multiple projects.

INVESTMENT IN R&D
Global, \$m



Substantial investment made in new product development with important milestones met throughout the year towards our product expansion goals.



OUR NEXT INSTRUMENT REPROCESSING PRODUCT PLATFORM

All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

“more healthcare-associated outbreaks have been linked to contaminated endoscopes than to any other medical device”

U.S. Center for Disease Control (CDC)¹

A TOP 10 HEALTH TECHNOLOGY HAZARD

In 2018, the ECRI Institute listed “**failure to consistently and effectively reprocess flexible endoscopes**” as one of the **top 10 health technology hazards** facing the Healthcare industry. In particular, the Institute drew attention to “**The cleaning step**, which is largely manual and technique-dependent. If biologic debris and other foreign material is not cleaned from the endoscope first, residual soil can harden, making subsequent disinfection ineffective.”

– ECRI Institute, 2018²



NANOSONICS
CORIS[®]

Transforming the cleaning
of flexible endoscopes

AUTOMATED ENDOSCOPE CLEANING

The Nanosonics team have focussed on the complex technical challenges of flexible endoscope cleaning with the aim of developing a novel automated technology designed to revolutionise the cleaning process of flexible endoscopes.

Reusable flexible endoscopes are **highly sophisticated medical devices** designed to **enable advanced diagnostic and therapeutic interventions** to diagnose and treat cancers and other life-threatening conditions. They incorporate **advanced technology** that gives physicians a sophisticated level of control in carrying out **complex, minimally-invasive procedures** and navigating challenging anatomical situations to deliver the highest level of patient care.

MANY SCOPE DESIGNS AND MODELS FOR A LARGE VARIETY OF COMPLEX CLINICAL PROCEDURES

COLONOSCOPY	GASTROSCOPY	E.R.C.P.	ENTEROSCOPY	ENDOSCOPIC ULTRASOUND	BRONCHOSCOPY	UROLOGY	E.N.T.	GYNAECOLOGY



FLEXIBLE ENDOSCOPY MARKET¹
US, EU-5, AU

MAJOR DRIVERS

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

>60^{m+}
ANNUAL PROCEDURES

6%
ANNUAL GROWTH RATE

A RECOGNISED RISK

Flexible endoscopes have been associated with a high frequency of outbreaks of healthcare-associated infections.

THERE ARE MANY WELL-DOCUMENTED INSTANCES OF...

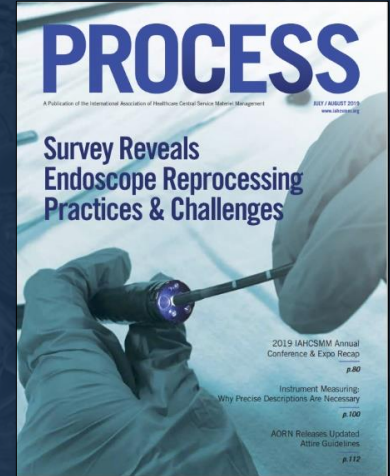
INFECTION OUTBREAKS...

...AND REPROCESSING ISSUES

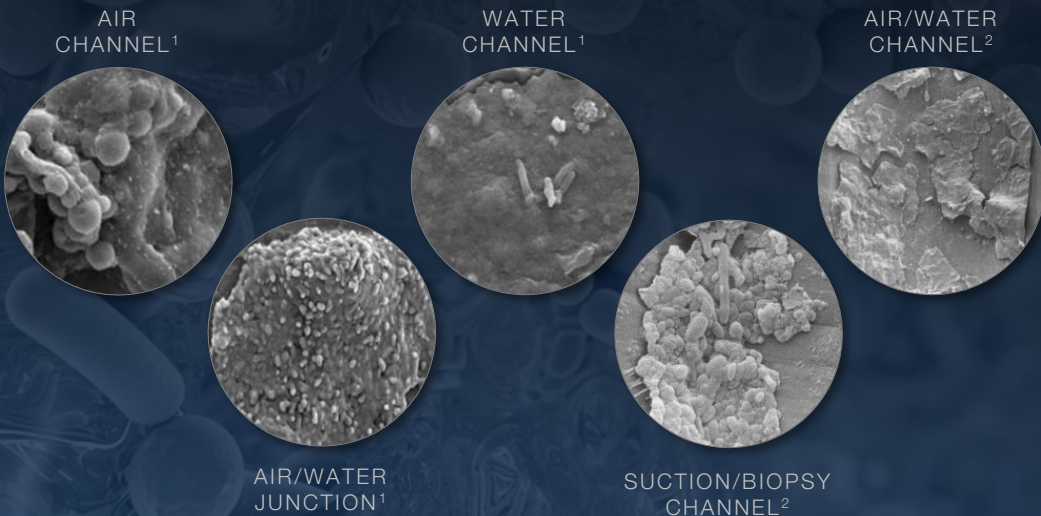


...ACROSS MANY SCOPE TYPES INDICATING A **SIGNIFICANT UNMET NEED** WITH CURRENT METHODS.

Challenges associated with manual cleaning, combined with reports of persistent contamination from biofilm despite routine cleaning, represents a significant unmet need and is a complex technical challenge that has existed for many years.



A 2021 study on gastroscopes revealed that **extensive biofilm** accumulated in the majority of **air and water channels** within 30 days of clinical use **despite routine cleaning**.¹



HUMAN FACTORS

Manual cleaning involves 55 to 200 individual steps, including brushing and flushing.

Up to
200
steps

BIOFILM

Biofilm was detected in 83% of air/water channel components after 30-60 days of use¹. Biofilm protects embedded microbes from HLD and requires physical cleaning methods to effectively be removed from channels.

Up to
83%

SOPHISTICATED DESIGN

Intricate internal architecture has multiple interconnected channels with complex ports.

Up to
9
channel openings

NARROW CHANNELS

Many channels are so narrow or geometrically complex (e.g. air and water) that they are physically impossible to brush today.

Down to
1 mm
in diameter

¹Primo, M.G.B., et al., 2021. Biofilm accumulation in new flexible gastroscope channels in clinical use. *Infection Control & Hospital Epidemiology*.

²Pajkos, A., et al., 2004. Is biofilm accumulation on endoscope tubing a contributor to the failure of cleaning and decontamination? *Journal of Hospital Infection*.

All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

NANOSONICS CORIS®

Nanosonics aims to address these challenges by replacing manual cleaning of endoscope channels with a **novel automated technology that revolutionises the cleaning process**, thereby reducing the risk of ineffective endoscope reprocessing and resulting patient infection.

Work continues to progress positively with the product development including the integration of a number of enhancements to the new platform. This work will be followed by external clinical assessment to support the regulatory submission. Nanosonics continues to engage with the US FDA to determine the necessary requirements to support a successful regulatory submission. The timing for commercial launch previously indicated is being revised and will be determined in due course dependent on the necessary technical, regulatory and operational milestones being met with the Company currently targeting the first commercial launch to occur in calendar 2023. Updates will be provided as material new information becomes available. The Company remains confident both in the ongoing progress of the development project, and importantly in the overall commercial opportunity for this transformational technology platform which it believes has the potential to become a new standard of care for endoscope cleaning.

ENVIRONMENT, SOCIAL AND GOVERNANCE

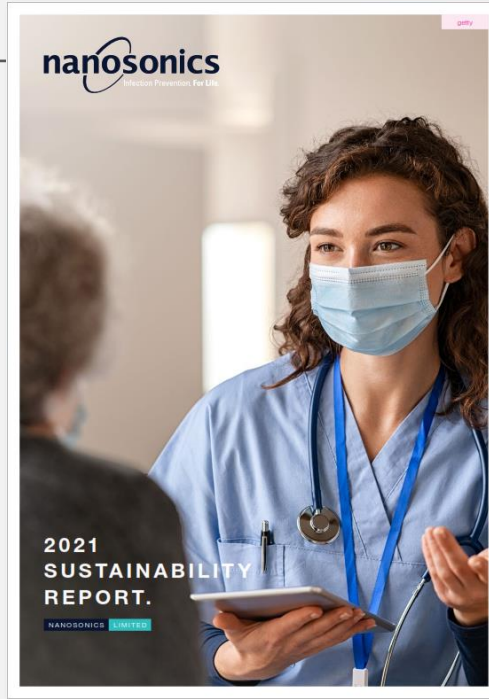





The principles of ESG are connected to, and embedded in, all aspects of our business. Importantly it manifests in the care delivered to patients, and the objectives of our R&D across our areas of interest in infection prevention. Fundamentally, it informs the way we care about the environment, people and embracing the true principles of governance. These continue to be the drivers of our success today, and into the future.

MAURIE STANG | CHAIRMAN

FOCUS ON SUSTAINABILITY AND SOCIAL RESPONSIBILITY



SUSTAINABILITY HIGHLIGHTS¹

 **~88k** Patients protected every day from the risk of cross-contamination



Developed Sustainable Supply Chain Initiatives



Introduced Executive Risk Management Committee



Strengthened IT, Privacy & Cybersecurity Protections

Zero Major Work Health and Safety Incidents



Employees strongly believe in the company purpose

94%



MORE

Continued Environmental Commitment



MORE

CHARITABLE GIVING



\$43,805

Whilst COVID-19 has continued to impact the ways in which we can interact in-person with the local community, this has not impacted our efforts to give back to society. Nanosonics has maintained its longstanding commitments to Cancer Council of Australia and the St. Vincent de Paul Society through participating in the Biggest Morning Tea and CEO Sleepout and raising over \$34,000 across its various charitable initiatives.





LOOKING AHEAD →

“Nanosonics’ forward-looking growth agenda remains very much intact with significant opportunities for growth of the trophon franchise as well as significant opportunities from the planned expanded product portfolio.”

- Michael Kavanagh

OUR STRATEGIC PRIORITIES



TROPHON AS STANDARD OF CARE

Support establishment of national guidelines.

Provide awareness and education to highlight risks of cross contamination for all semi critical transducers.

Ensure Customers have a positive experience with all aspects of the product and brand.



PRODUCT EXPANSION

Expand portfolio of infection prevention solutions to address unmet needs.

Leverage technology platforms for potential expanded indications.

Strategic acquisitions in the infection prevention space.

Maintain strong financial position to support growth.

Deliver operational efficiencies, scale and leverage.

INVEST TO GROW



Expand operations across Asia Pacific & EMEA with trophon plus new products.

EXPAND GEOGRAPHIC FOOTPRINT



“Despite the inherent risks and uncertainties associated with COVID-19, we remain optimistic the improved market conditions will continue as vaccination numbers increase across all major markets.”

– Michael Kavanagh



FY22 BUSINESS OUTLOOK

(assuming the positive market recovery trends continue)

DOUBLE DIGIT REVENUE GROWTH

Increasing global installed base
Increasing consumables usage across all regions
Growth in EPR to trophon2 upgrades



GROSS PROFIT MARGIN

Increasing capital (new IB and upgrades) in revenue mix

>75%

OPERATING EXPENSES

Continued investment in our long-term strategic growth agenda

\$90m

BEYOND FY22

TROPHON BUSINESS GROWTH

Global expansion of Trophon installed base and associated ecosystem
Increasing upgrade momentum and conversions to trophon2
Critical new markets brought online, including Japan and China



NEW SOURCES OF REVENUE

Launch of Nanosonics AuditPro™ to new markets
Further new product launches



INVESTMENT IN INNOVATION

Expanded product portfolio through internal product development and R&D
Opportunities for strategic acquisitions and product licensing



LEADERSHIP IN INFECTION PREVENTION

Ongoing investment in R&D, infrastructure, people and capabilities to drive our global growth strategy

