Leader in Infection Control Solutions

2015 Full 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 technology for low temperature, high level disinfection
- First product, trophon® EPR, for high level disinfection of ultrasound probes
- Approved for sale in most major markets including: US/Canada, ANZ, Europe, Singapore, HK, South Korea, Japan
- 130 Staff across Australia, US, UK, Germany and France
- Sold through direct sales and distributors including leadings brands: GE Healthcare, Toshiba and Miele Professional
- Active R&D program targeting expansion of product portfolio for Infection Prevention market

Company Overview

Key Corporate Data (as at 30 June 2015)	
Share price	$1.70
Shares on issue	282.91 million
Market capitalisation	$481 million
Liquidity (30 day avg)	527,000 shares
Cash	$45.7 million
Share register breakdown	Founders/Related Parties 18% Institutions 39%* Private 43%

* Compared with 33% as at 30 June 2014

	30 Jun 15	30 Jun 14	30 Jun 13
Total shares issued (million)	282.91	263.82	261.99
Share price	$1.70	$0.79	$0.61
Market capitalisation (million)	$481	$208	$159
Average daily volume (12 mths)	531,000	349,000	198,000

2015 Highlights

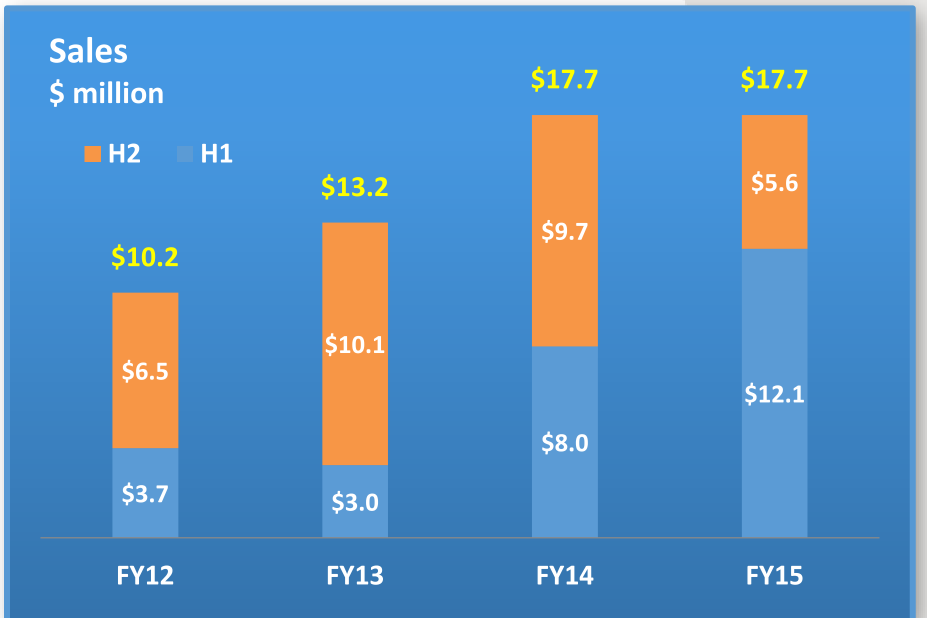
- Ongoing strong growth in the installed base - now in excess of 5,000 in US
- North American direct sales operations now established
- European distribution expanded into five new countries with partner Miele Professional
- Formal research conducted in Japan in preparation for market entry
- Move to expanded new corporate, R&D and manufacturing facilities
- Successful Placement and Share Purchase Plan raised $28 million
- Strong balance sheet $45.7 million to support ongoing growth
- Clinical research program demonstrating superior efficacy of trophon EPR
- R&D strategy progressed for next generation trophon and new pipeline opportunities
- Increase in market capitalisation of 131%

2015 Financial Results

	FY15			FY14		
$ million	**H1**	**H2**	**FY15**	**H1**	**H2**	**FY14**
Sales Revenue	**14.3**	**7.9**	**22.2**	**9.7**	**11.8**	**21.5**
Gross Profit	**9.2**	**6.1**	**15.3**	**6.0**	**7.9**	**13.9**
GP%	64%	77%	69%	62%	67%	65%
Other income	1.6	0.7	2.3	0.8	2.6	3.4
Operating expenses	(9.6)	(13.8)	(23.4)	(10.3)	(9.8)	(20.1)
EBIT	**1.2**	**(7.0)**	**(5.8)**	**(3.6)**	**0.8**	**(2.8)**
Interest (net)	-	0.3	0.3	0.1	0.1	0.2
Pre-tax profit/(loss)	**1.2**	**(6.7)**	**(5.5)**	**(3.5)**	**0.8**	**(2.6)**
Net profit/(loss)	**1.2**	**(6.7)**	**(5.5)**	**(3.5)**	**0.9**	**(2.6)**
Cash Balance			**45.7**			**21.2**

- Sales up 3.4% to $22.2 million
  - In line with plan as North American direct sales operations established
- Gross Profit up $1.4 million to $15.3 million
- GP% up to 69% mainly due to:
  - Increase proportion of direct sales at higher margins
  - Increased proportion of higher margin accessories, service contracts and spare parts
- Operating expense up $3.3 million:
  - Higher staffing costs as a result of US direct operations roll-out
  - One-off costs associated with relocation to new facility
- Other income down $1.1 million:
  - R&D incentive down $1.5 million
  - Reimbursement of US costs down $0.5 million
  - FX gains $0.9 million
- Net loss up $2.9 million to $5.5 million
- Cash balance of $45.7 million

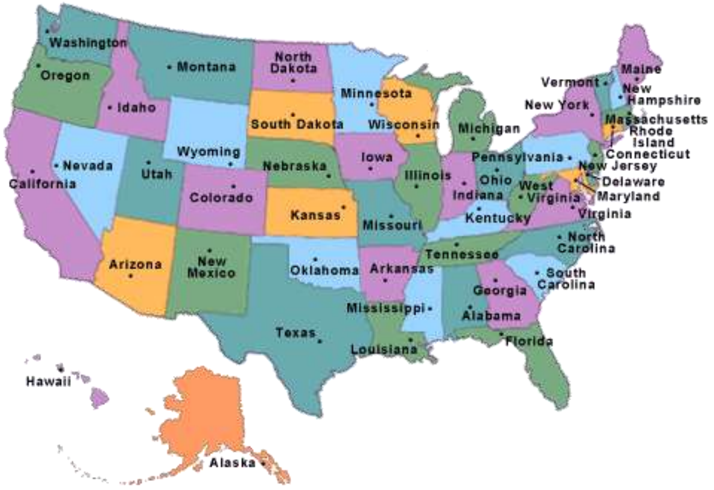
US sales growth in line with plan



- FY15 sales of $17.7 million consistent with pcp due to transformation of business model in H2
- trophon EPR now represented in 44 of the top 50 hospitals and in more than 1,500 hospitals
- North American installed base > 5,000 units
- Estimated market opportunity approximately 40,000 systems

US direct sales operation

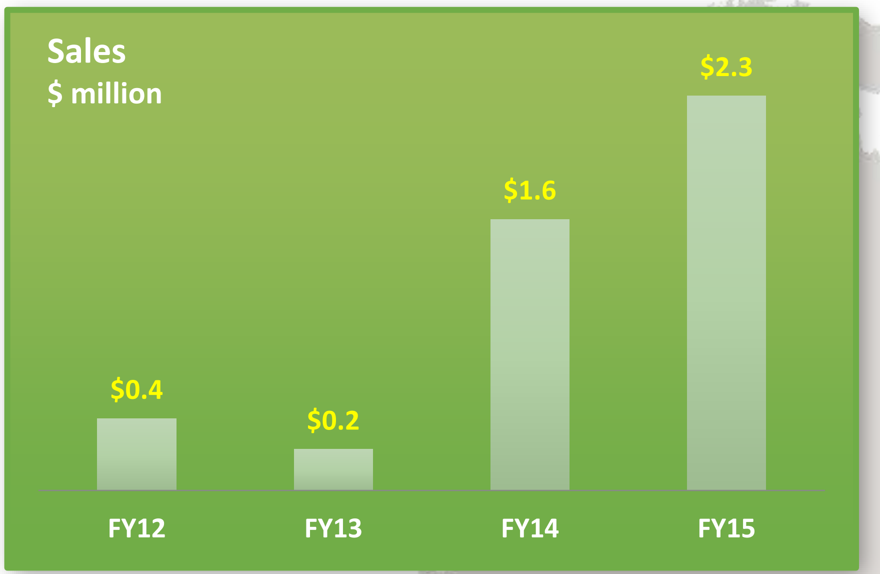
- Direct sales operation covering all US territories established
- 18 highly qualified sales professionals trained and focussed on building sales pipeline
- Warehousing, order fulfilment and direct service fully operational
- Establishing Nanosonics as leading infection prevention brand to support introduction of future decontamination solutions



ANZ setting the benchmark for standard of care

- Sales of $2.3 million
- Installed base grew 13% and now approaching 1,000 units
- trophon EPR becoming standard of care in ANZ
- Market penetration ~ 60%

Europe/ROW sales growing strongly



- FY15 sales of $2.3 million up 45% on pcp
- UK primary driver of sales in the period with installed base now ~250 units across 40 sites
- New Welsh guidelines supporting trophon and guidelines in England and Scotland expected H1FY16
- European distribution expanded into five new countries (Austria, Belgium, Italy, Luxembourg and the Netherlands) with distribution partner, Miele Professional

New global headquarters support strategic growth objectives

Clinical research program demonstrates trophon EPR superior efficacy

- Expanded efficacy testing with independent laboratories against pathogens such as HIV and Chlamydia
- Study by University Hospital Munster showed 3 x higher risk of cross contamination with manual wipe method that is standard across Europe when compared to trophon EPR

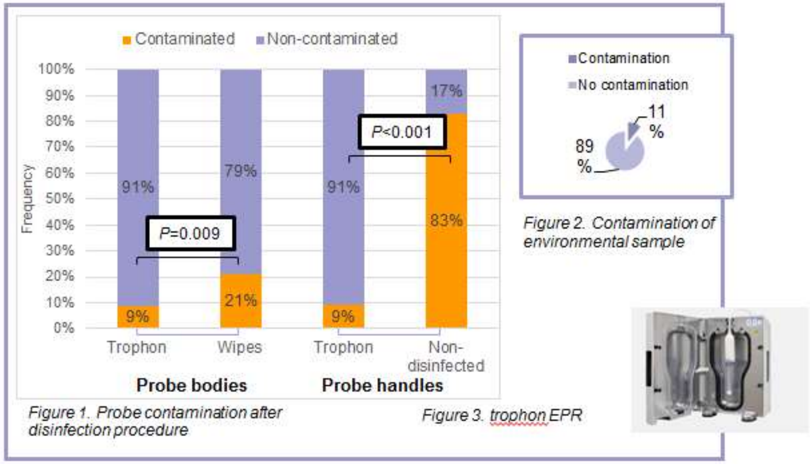


Figure 1. Probe contamination after disinfection procedure

Figure 2. Contamination of environmental sample

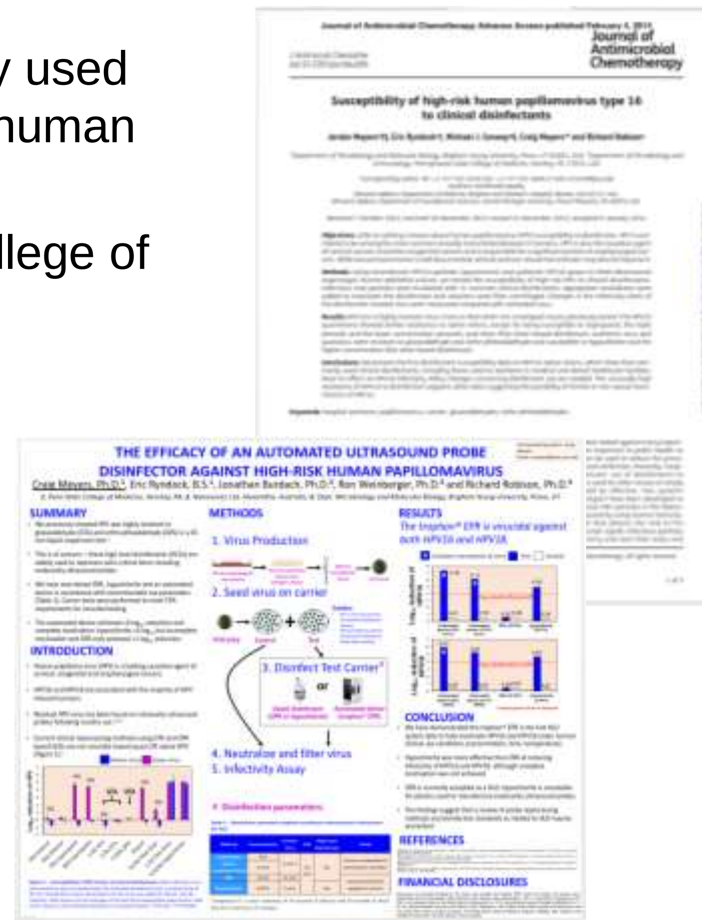
Figure 3. trophon EPR

trophon EPR first and only system to kill HPV

- 2014 study showed disinfectants commonly used on ultrasound probes not effective against human papillomavirus (HPV)
- Worked with researchers at Penn State College of Medicine and Brigham Young University
- Key highlight was announcement that trophon EPR is the first and only system proven to kill high-risk, cancer-causing strains of HPV

HPV accounts for 5% of all cancers worldwide[4]

High risk types of HPV cause 99.7% of cervical cancer cases[5]



R&D investment

- More than $5 million invested in R&D activities across mechanical, electrical and software engineering, microbiology and chemistry
- Active programs underway on
  - Next generation trophon
  - New disinfectant chemistries
  - New decontamination devices

Compatible with more than 900 ultrasound transducer models

- Expanded number of ultrasound probes approved with trophon from 600 to 900
- Covers all world's leading manufacturers
- Includes both intracavitary and surface probes

Focusing on 5 core corporate objectives

Customer Experience

Establish our offerings as new standards of care globally and provide customers a convenient, seamless and consistent experience with both product and brand

Product Innovation

Create and bring to market a portfolio of innovative and quality products that address unmet customer needs providing higher standards of safety, efficiency and patient care

Operational Excellence

Develop an agile operation with scalable, compliant and performance focussed processes, designed to deliver a positive experience for our customers

People Engagement

Build an organisation that attracts and retains the best people and engages and empowers them to take appropriate initiative and be accountable for our core objectives

Value Creation

Create sustainable shareholder value, delivering high growth and strong returns, while making a significant contribution to social good

Business outlook – Positioned for continued growth

- Direct North American sales operations in place
- Growing installed base
- Expanding territories in Europe and Asia Pacific
- Market fundamentals for standard of care strengthening with highly relevant clinical data
- Ongoing investment in R&D

nanosonics

Infection Prevention. **For Life.**