nanosonics

Infection Prevention For Life

2023 Full Year Results

INVESTOR PRESENTATION

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

Contents

Our 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.

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Key Highlights

Michael Kavanagh
CEO & President

"The 2023 financial year has been another year of significant achievement. The trophon business continued to expand globally delivering excellent sales growth and profitability. Our commitment to ongoing investment in the drivers of future growth through geographical expansion and Research and Development also continued with the Company successfully executing several key strategic priorities throughout the year."

Revenue of $166.0 million, up 38% on prior corresponding period (30% in constant currency[1]).
- Capital revenue of $54.2 million, up 44% on prior corresponding period.
- Consumables and service revenue of $111.8 million, up 35% on prior corresponding period.

Total trophon®2 units placed of 4,410 up 8% on prior corresponding period
- Global installed base up 9% (2,600 units) on prior corresponding period to 32,450 units.
- trophon2 upgrades of 1,810 units, up 81% on prior corresponding period

Gross profit margin of 78.7% compared with 76.4% in prior corresponding period reflecting favourable capital and consumables pricing in North America associated with the transition to direct sales model and favourable foreign exchange.

Continued investment in growth strategy with operating expenses of $114.2 million up 26% on prior corresponding period. Operating expenses includes $29.5 million associated with R&D.

Operating profit before tax of $21.6 million compared with $1.6 million in prior corresponding period.

Free cash flow for the year of $19.8 million, with **Cash and cash equivalents** of $112.2 million at 30 June 2023.

New **CORIS®** technology progressed against key milestones. Recent FDA input has provided early notice that certain testing originally scheduled to be conducted in Australia is now required to be completed in the USA. This will add to the timeline for the FDA submission date likely moving it into Q3 FY24.[2]

1. 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 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 year was 0.6731 (2022:0.7283).
2. All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.

FY23 KEY HIGHLIGHTS

Financial

TOTAL REVENUE	CAPITAL REVENUE	CONSUMABLES/ SERVICE REVENUE	GROSS PROFIT MARGIN	OPERATING EXPENSES	CONSOLIDATED PROFIT BEFORE TAX
$\$166.0^{m}$	$\$54.2^{m}$	$\$111.8^{m}$	78.7%	$\$114.2^{m}$ (incl. R&D $\$29.5^{m}$)	$\$21.6^{m}$
▲ 38% VS. FY22	▲ 44% VS. FY22	▲ 35% VS. FY22	▲ 2.3^{PTS} VS. FY22	▲ 26% VS. FY22	▲ 1,250% VS. FY22
▲ 30% cc[1]					

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FY23 KEY HIGHLIGHTS

trophon Units

With an installed base of 32,450 trophon units globally, approximately 26 million patients are protected every year from the risk of ultrasound probe cross contamination.

GLOBAL INSTALLED BASE	NEW INSTALLED BASE	UPGRADES	GLOBAL TOTAL UNITS[1]
32,450	2,600	1,810	4,410
▲ 9% IN LAST 12 MONTHS	▼ 16% VS. FY22	▲ 81% VS. FY22	▲ 8% VS. FY22

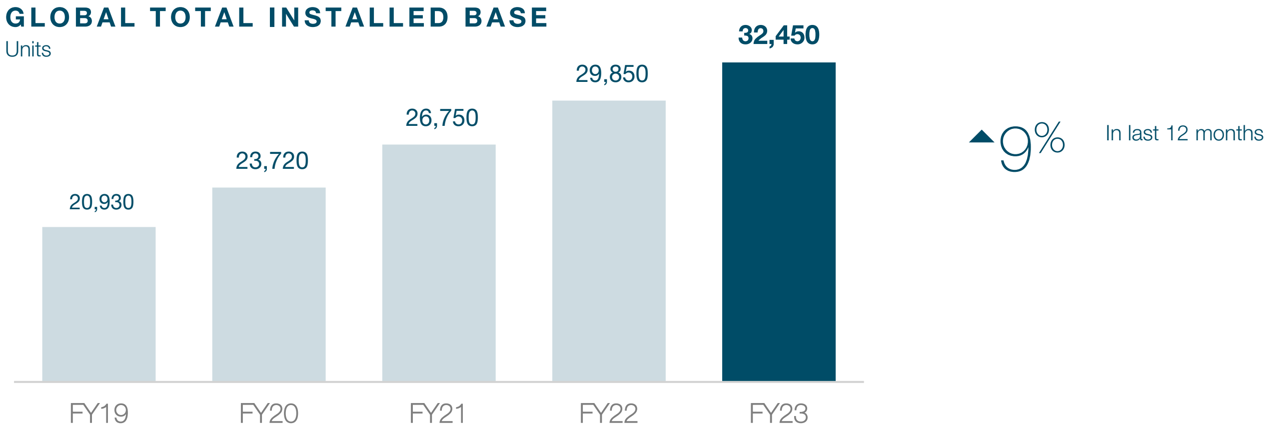
1. Global total units comprises new installed base units and upgrades including MES units in the UK.

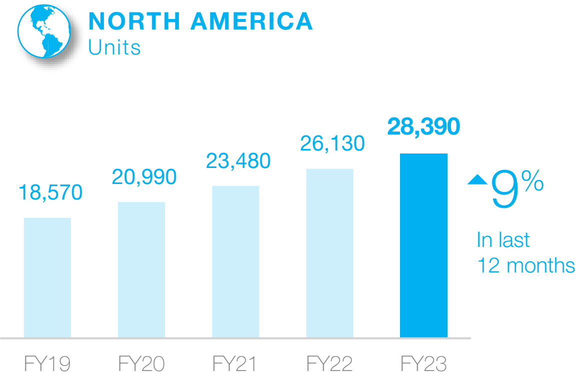
Installed Base and Upgrades

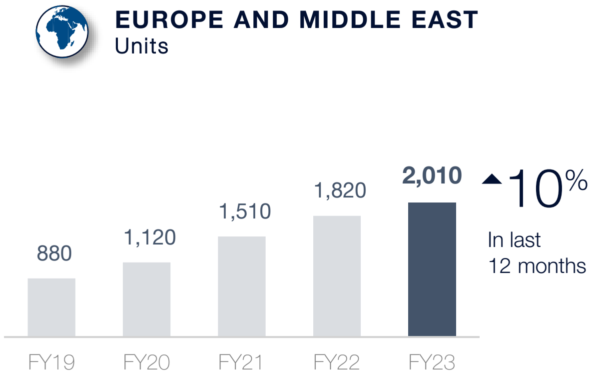
TROPHON
Installed Base

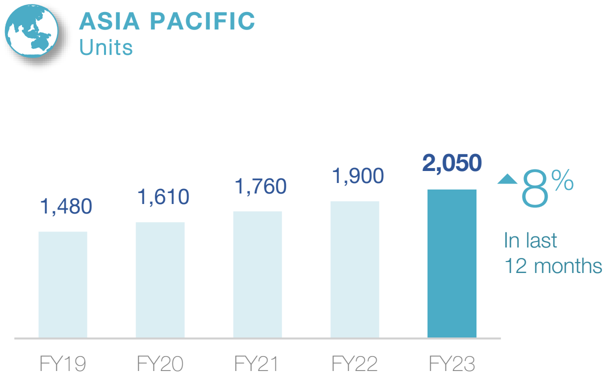
32,450 units

Growth momentum continued and the total global installed base grew 9% for the year with 32,450 trophon units now in operation around the world.









Graphs are not to scale and therefore not comparable.

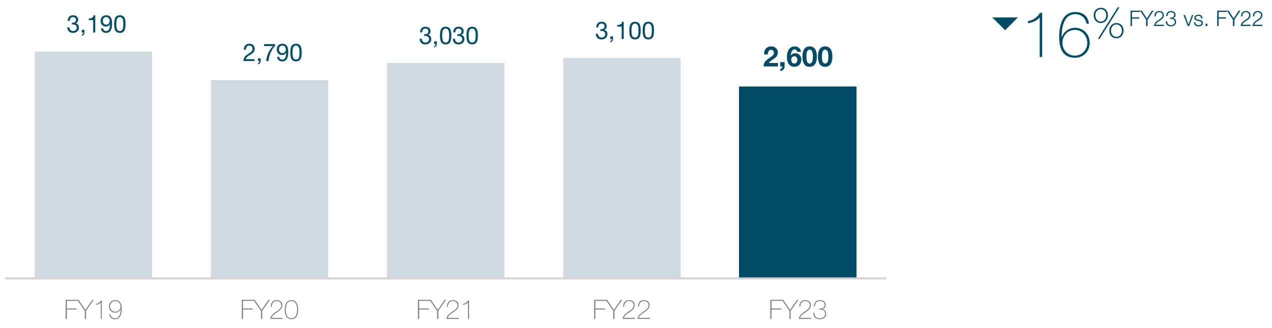
New Installed Base Growth

2,600 units

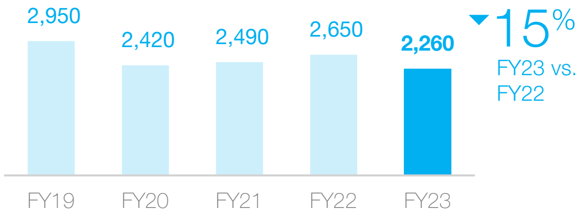
The global new installed base increased by 2,600 units in the year.

The pipeline for new installed base grew throughout the year, however, due to a range of adverse market conditions, new installed base growth declined 16% compared to prior corresponding period.

GLOBAL NEW INSTALLED BASE
Units

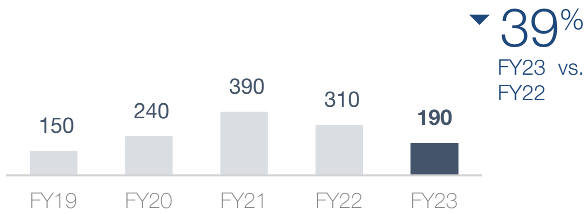


NORTH AMERICA
Units



The pipeline for new installed base continued to grow throughout the year, however, restrictions on certain hospital capital budgets delayed the dates of purchase which are now forecasted for FY24. This was most pronounced in H2 of FY23. These delays resulted in the growth in new installed base for the year being down 15% compared to prior corresponding period.

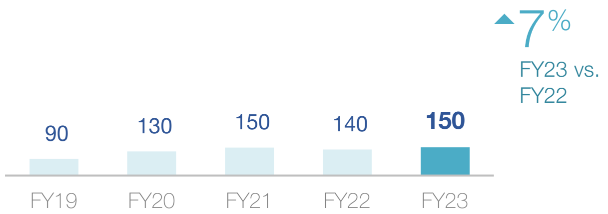
EUROPE AND MIDDLE EAST
Units



The market challenges experienced in the first half of the year relating to ongoing COVID-19 and budgetary pressures experienced by the hospital systems continued into the second half.

While new installed base grew 38% in the second half over the first with 110 units installed in H2 of FY23, overall new installed base was down 39% on prior year.

ASIA PACIFIC
Units



New installed base grew 7% for the year with 150 units installed further consolidating the market leading position for trophon in ANZ.

Graphs are not to scale and therefore not comparable.

Upgrade Units

nanosonics

1,810 units

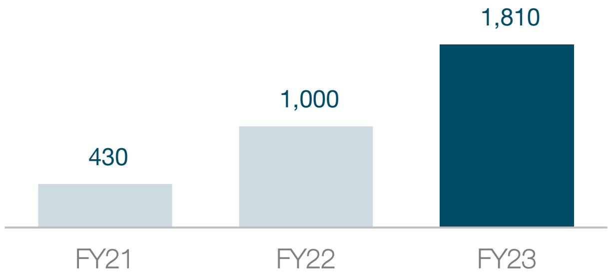
Global upgrades grew 81% compared with prior corresponding period with 1,810 upgrade units installed.

Upgrades represent a significant growth opportunity with new capital revenue, ongoing consumables annuity revenue, and also new annuity revenue through the sale of technical service contracts.

Approximately 35% of the global installed base is 7 years of age or older.

GLOBAL UPGRADES

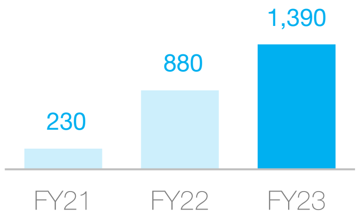
Units



▲81% FY23 vs. FY22

NORTH AMERICA

Units

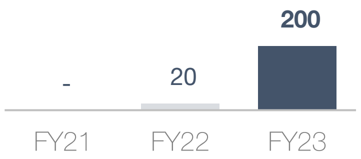


▲58% FY23 vs. FY22

trophon2 upgrades in North America continued to grow strongly throughout the year with 1,390 upgrades placed, up 58% over prior corresponding period.

EUROPE AND MIDDLE EAST

Units

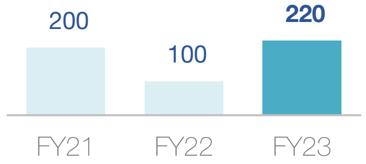


▲900% FY23 vs. FY22

Upgrades for the year were up 900% compared to FY22 with 200 upgrades installed. This growth was largely driven by upgrades installed under the Management Equipment Services sales model.

ASIA PACIFIC

Units



▲120% FY23 vs. FY22

Upgrade installations for the year grew 120% with 220 units installed.

Graphs are not to scale and therefore not comparable.

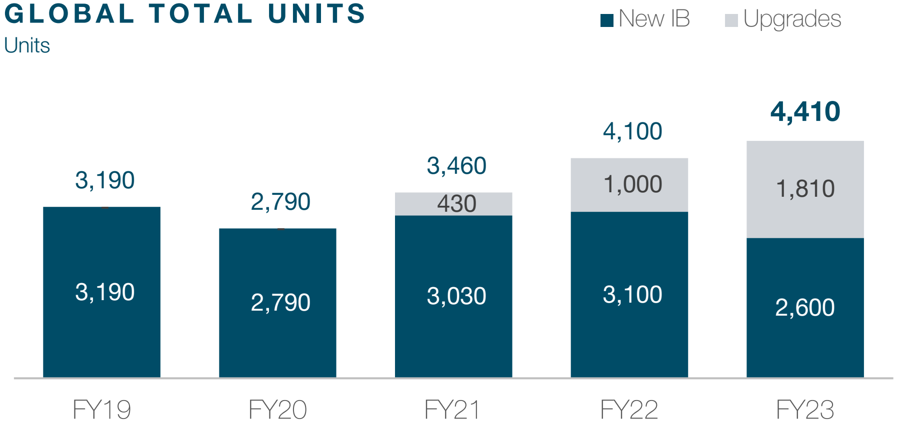
TROPHON

Total Units

4,410 units

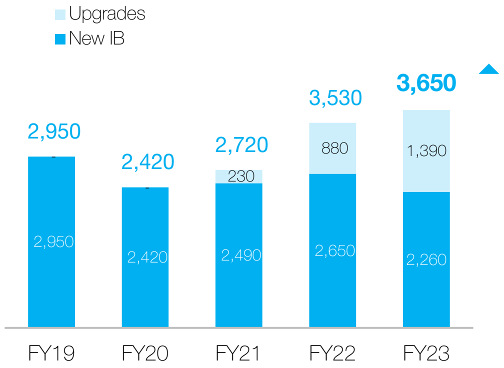
Global total trophon2 units[1] grew 8% on prior corresponding period with 4,410 units placed in the year.

GLOBAL TOTAL UNITS
Units



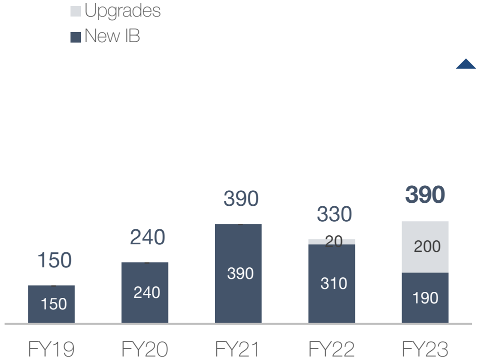
▲8% FY23 vs. FY22

NORTH AMERICA
Units



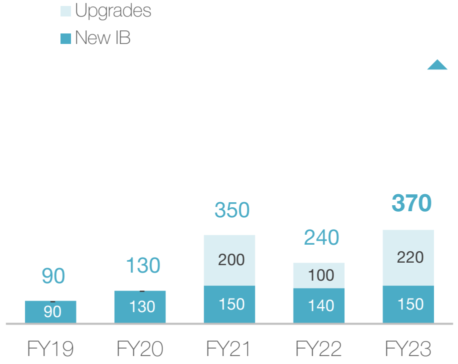
▲3% FY23 vs. FY22

EUROPE AND MIDDLE EAST
Units



▲18% FY23 vs. FY22

ASIA PACIFIC
Units



▲54% FY23 vs. FY22

Graphs are not to scale and therefore not comparable.

1. Total units comprises new installed base units and upgrades including UK MES units.

Financial Results

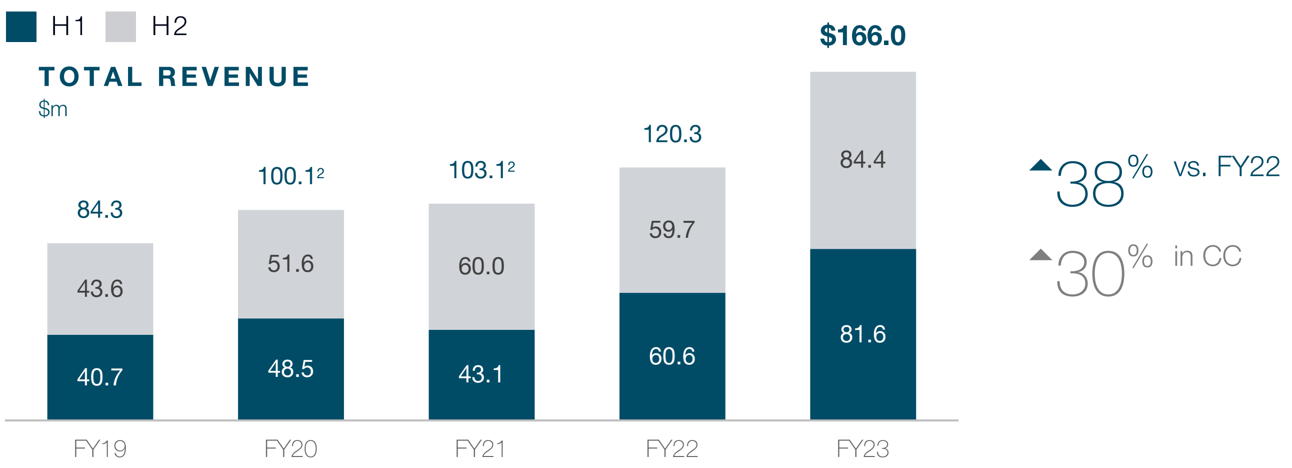
Global Revenue

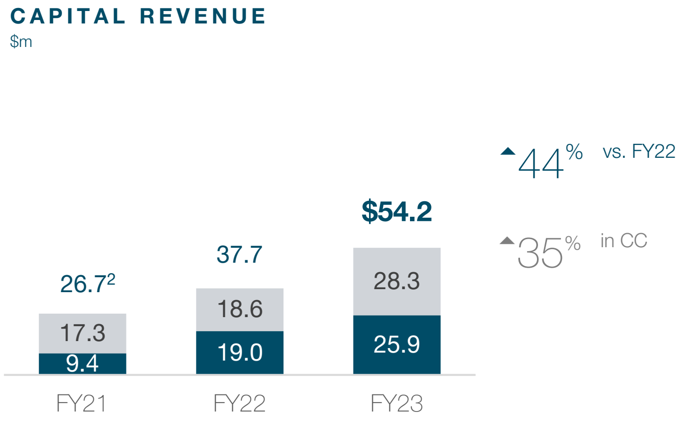
$166.0m

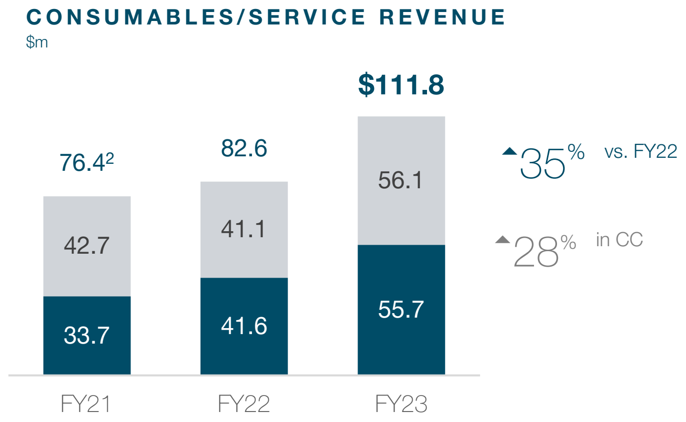
Total revenue for the year was $166.0 million, up 38% (30% in constant currency[1]) on prior corresponding period.

The growth in revenue was attributable to:

- growth in total units;
- increased consumable volumes associated with growth in new installed based and improved ultrasound procedure volumes;
- favourable pricing associated with the transition to the largely direct North American sales model;
- increased service revenue; and
- favourable foreign exchange associated primarily with a relatively stronger USD.







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2. FY20 and FY21 revenue impacted by COVID-19 pandemic and associated restrictions to the hospital systems and elective procedures.

Graphs are not to scale and therefore not comparable.

North America Revenue

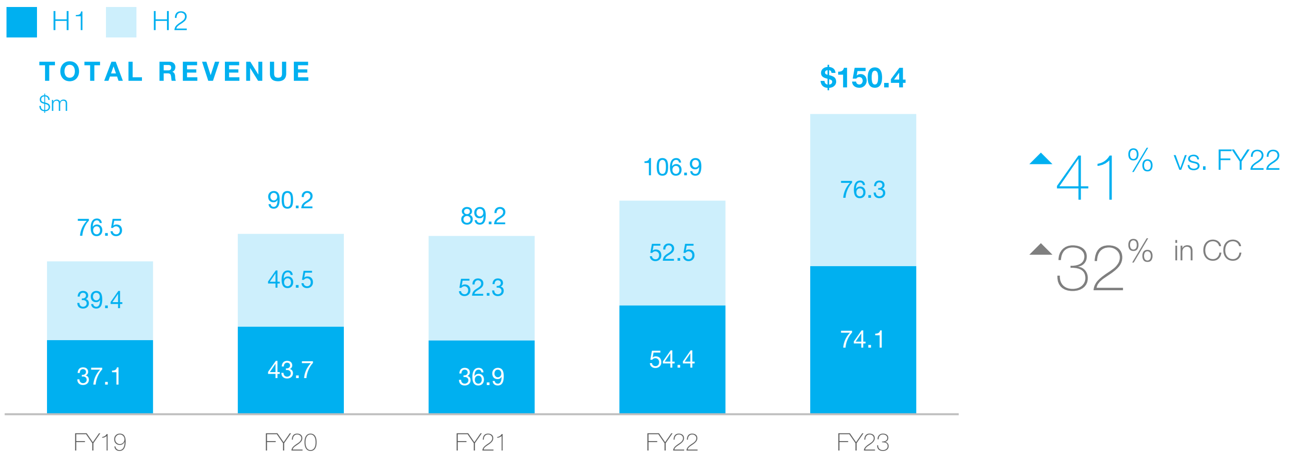
$150.4m

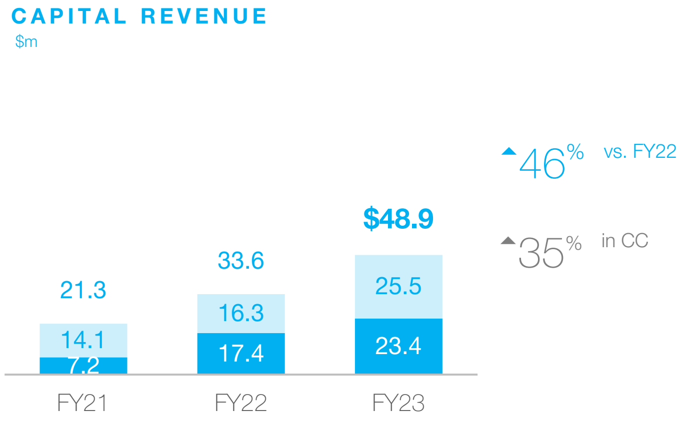
Total revenue was $150.4 million, up 41% (32% in constant currency[1]) on prior corresponding period.

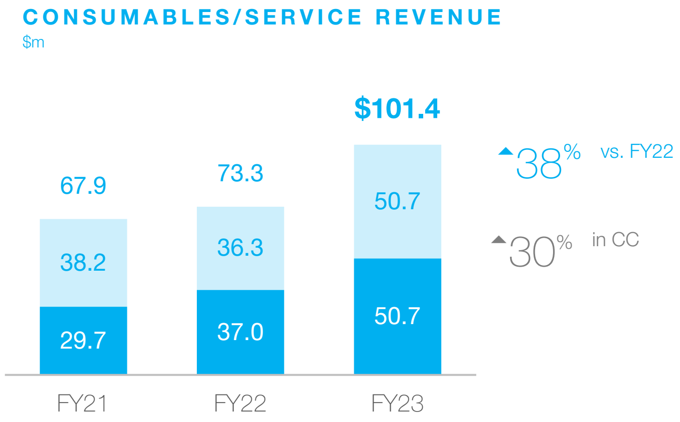
Capital revenue for the year was $48.9 million, up 46% on prior corresponding period.

Consumables and service revenue was $101.4 million up, 38% on prior corresponding period.

These increases were attributable to growth in total units installed, increased consumables associated with new installed base, increase in service revenue and favourable pricing and foreign exchange.







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Graphs are not to scale and therefore not comparable.

Europe and Middle East Revenue

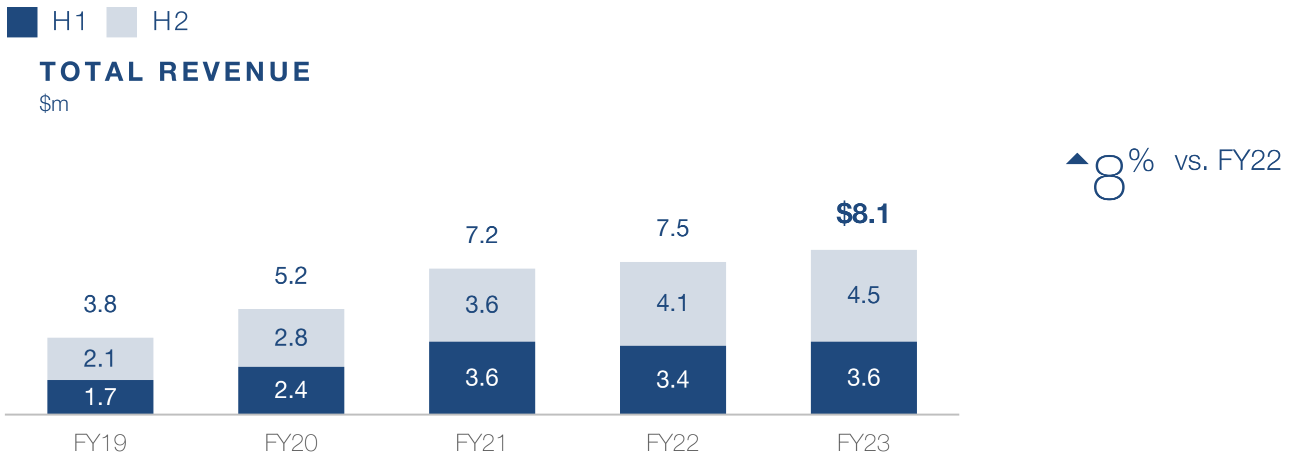
$8.1m

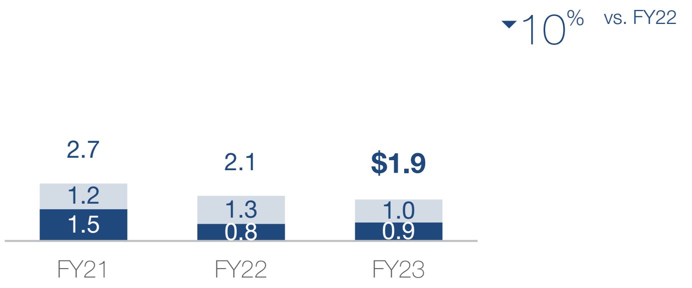
Total revenue was $8.1 million, up 8% on prior corresponding period with revenue in the second half up 25% versus the first half.

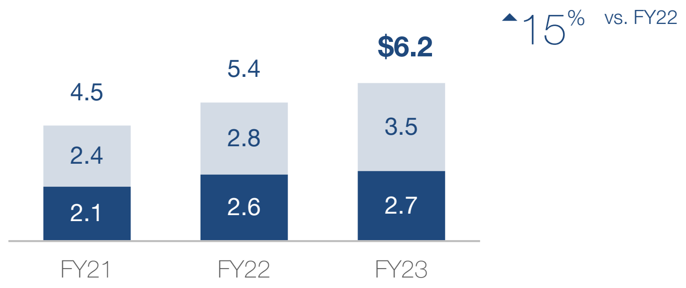
The market challenges experienced in the first half of the year relating to ongoing impacts of COVID-19 and budgetary pressures experienced by the hospital systems, continued into the second half.

While total trophon units installed grew 18% on prior corresponding period, this growth was largely driven by upgrades installed under the Managed Equipment Services sales model where no capital revenue is recognised. As a result, capital revenue for the year was $1.9m, down 10% on prior corresponding period.

Revenue associated with consumables and service was $6.2 million, up 15% on prior corresponding period with consumables and service revenue growing 30% between the first and second halves.







Graphs are not to scale and therefore not comparable.

REVENUE

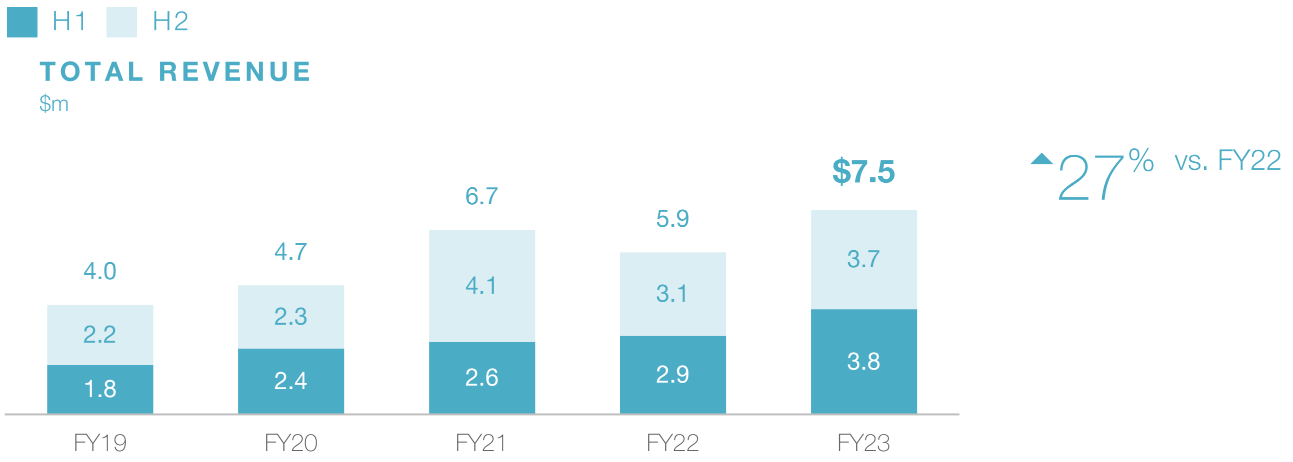
Asia Pacific Revenue

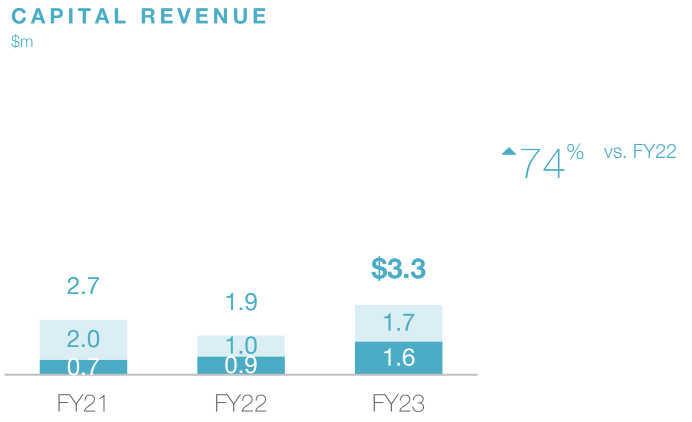
$7.5m

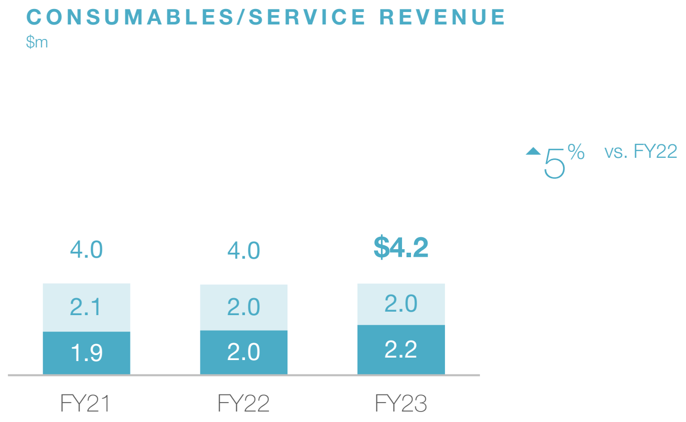
Total revenue for the year was $7.5 million, up 27% on prior corresponding period.

Capital revenue for the year was $3.3 million, up 74% on prior corresponding period reflecting the strong growth in upgrades as well as ongoing growth in new installed base.

Revenue associated with consumables and service for the year was $4.2 million, up 5% on prior corresponding period.





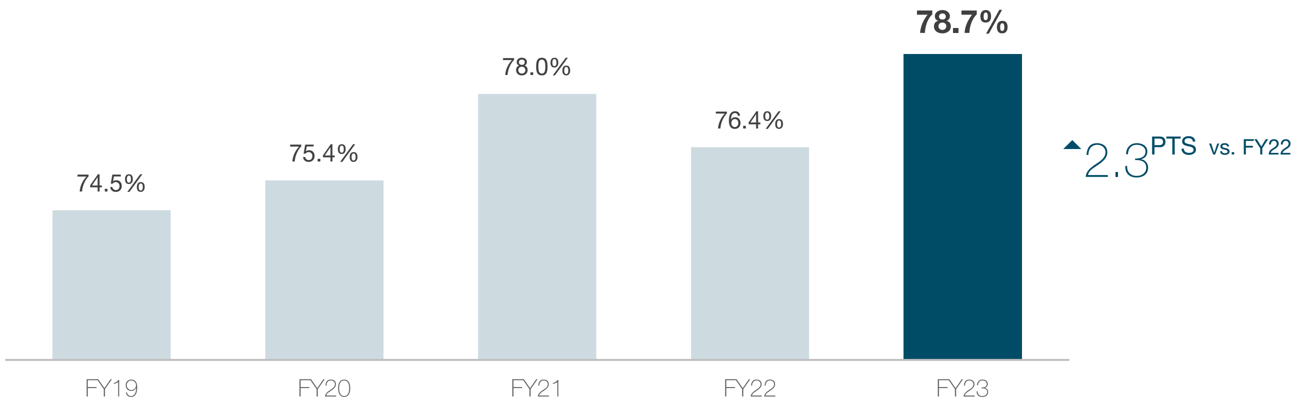


Graphs are not to scale and therefore not comparable.

Gross Profit Margin

78.7%

Gross profit margin was 78.7% for the year, up 2.3 percentage points compared with 76.4% in prior corresponding period.



The stronger gross margin was driven by:

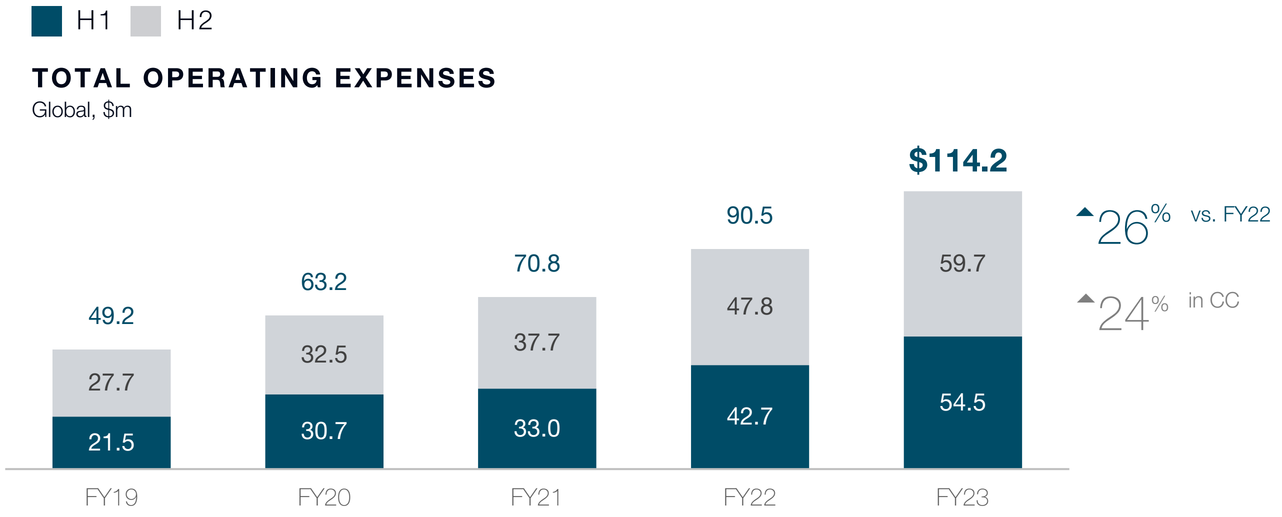
- favourable capital and consumable pricing in North America; and
- favourable foreign exchange.

These benefits were partially offset by higher freight costs associated with increased shipping volumes under the new largely direct sales model in North America.

Operating Expenses

$114.2m

In line with the Company's investment in the drivers of ongoing growth through geographical expansion and research and development, operating expenses of $114.2 million for the year increased 26% compared to prior corresponding period.



The primary drivers for an increase in operating expenses included:

- increase in North American expenses as a result of the transition to largely direct sales model;
- increase in investment in new and emerging markets;
- ongoing investment in R&D supporting expansion of product portfolio;
- increase in Operations, HQ and support expenses associated with the development of scalable manufacturing capacity to support growth in global demand as well as setting up manufacturing operations for new product introductions. These expenses include our first full year in the new global headquarters which provides capacity to support growth; and
- the unfavourable impact of foreign exchange on USD denominated expenses.

Operating expenses include approximately $22.4 million[1] associated with the development, manufacturing set up, clinical and regulatory and marketing preparation, for the CORIS technology.

1. Operating costs reflect unaudited management allocation estimates where resources are shared between trophon and new products development and commercialisation.

Global Operating Expenses

Nanosonics has established significant capabilities and continues to focus its operating costs and investments on the future of the business, positioning it well to further expand its participation as a leader in the global infection prevention market.

Investing in a significant Infection Prevention market opportunity

$114.2m
+26% vs FY22

MARKET DEVELOPMENT

46% (43% FY22)

DRIVING ONGOING GROWTH IN MATURE MARKETS
- Maintain new installed base unit momentum
- Convert significant installed base upgrade opportunity
- Deliver exceptional customer experience and expand value
- Grow consumables, ecosystem, and service

EXPANDING GEOGRAPHICAL PRESENCE IN EMERGING MARKETS
- Target Europe and the Middle East and Asia Pacific to become material contributors to the global trophon business
- Strengthen market fundamentals for high level disinfection
- Expand local infrastructure to support growth momentum
- Target to increase operating leverage

PRODUCT INNOVATION

26% (25% FY22)

RESEARCH & DEVELOPMENT
- Support ongoing R&D in the trophon franchise as well as new product categories like CORIS in endoscopy reprocessing
- Research activities in broader infection prevention areas

trophon2 Protection by design
AuditPro nanosonics
CORIS®

INFRASTRUCTURE

28% (32% FY22)

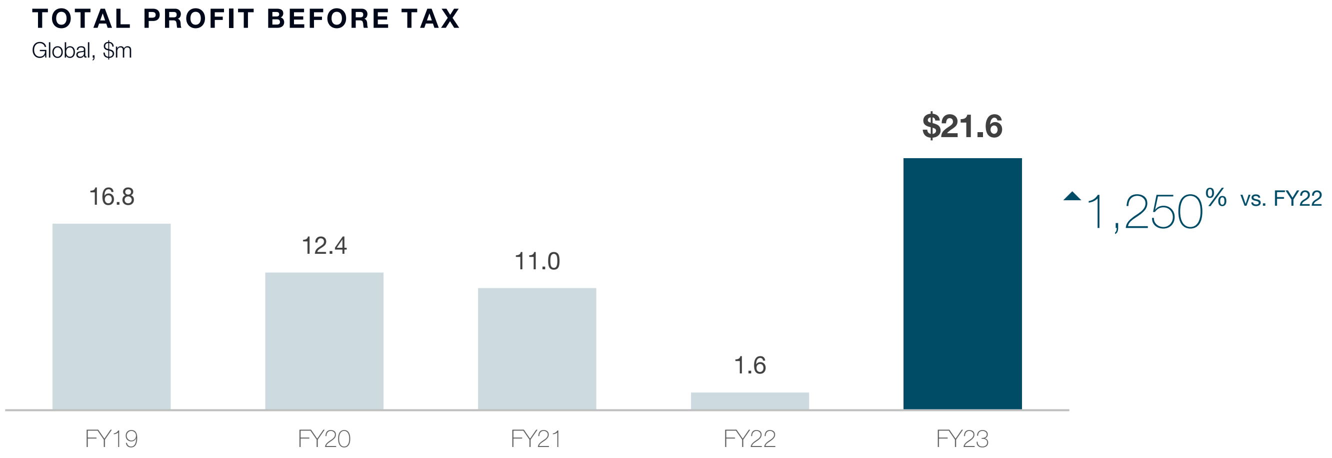
OPERATIONS, HQ and SUPPORT
- Scalable manufacturing capacity to support ongoing growth in global demand and new product introductions
- FY23 was first full year in the new global headquarters and facilities, including expanded research centre, which provides capacity to support the ongoing growth
- Invest in enterprise-wide digital tools and platforms

Driving Scale

Profit Before Tax

$21.6m

Profit before tax for the year was $21.6 million compared with $1.6 million in FY22.



Profit before tax increased by $20.0 million resulting from:

- strong growth in total revenue;
- higher gross profit margin; and
- improved operating leverage with total operating expenses reducing as a percentage of total revenue to 68.8% compared with 75.2% in FY22.

1. Profit before tax impacted by COVID-19 pandemic and associated restrictions to the hospital systems and elective procedures.

Cash Reserves

$19.8m

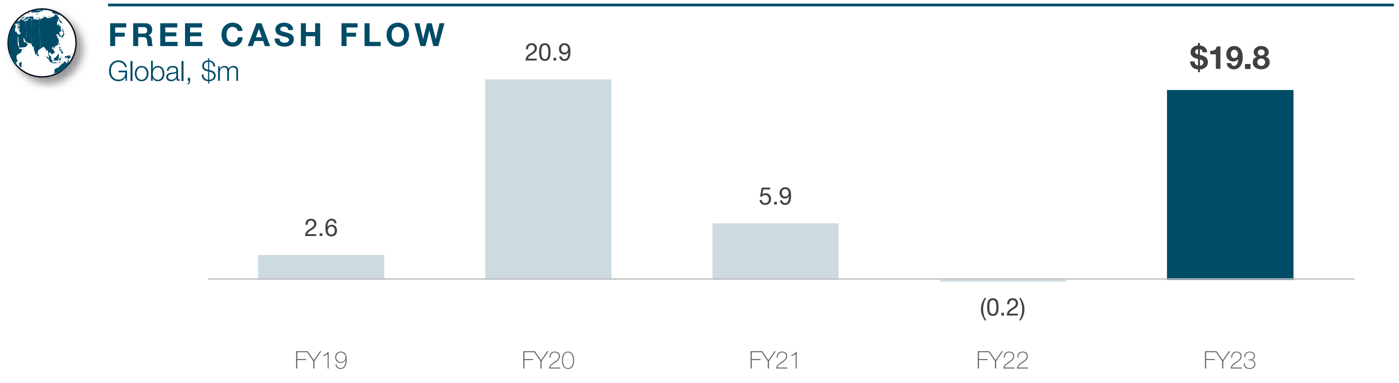
Free cash flow for the year of $19.8 million compared with a net outflow of $0.2 million in FY22.

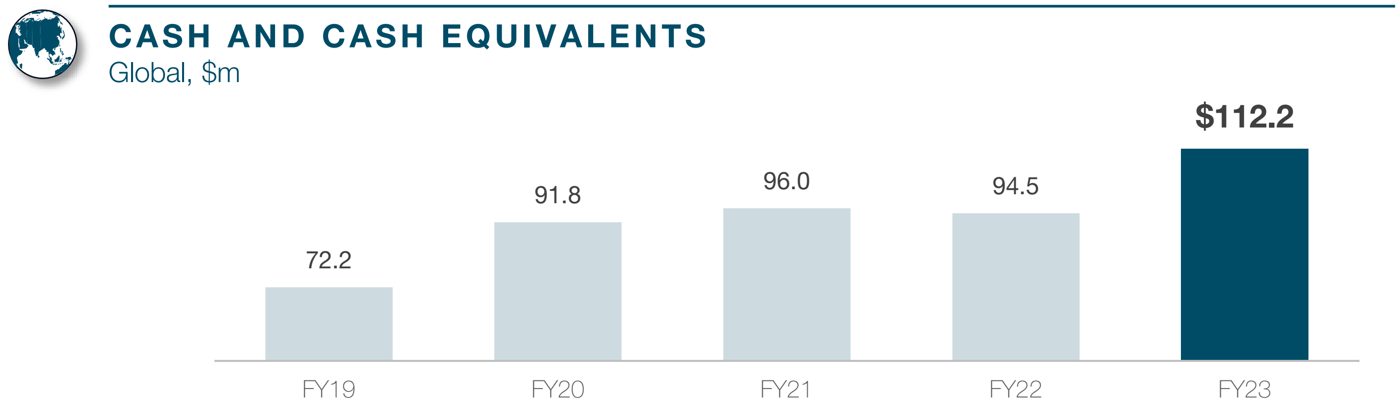
$112.2m

as at 30 June 2023

Cash and cash equivalents were $112.2 million at 30 June 2023, providing a strong foundation for continued investment for growth as well as potential M&A opportunities to expand the Company's product portfolio. The Company has no debt and continues to regularly review its capital management strategy.

Graphs are not to scale and therefore not comparable





Profit and Loss Summary

$ millions	FY23	FY22		Change %
Capital revenue	54.2	37.7	▲	44%
Consumable/service revenue	111.8	82.6	▲	35%
Revenue	**166.0**	**120.3**	▲	38%
Gross profit	**130.6**	**91.9**	▲	42%
%	78.7%	76.4%		
Operating expenses				
Selling and general	(60.9)	(47.9)	▲	27%
Admin	(23.7)	(20.3)	▲	17%
Research and development	(29.5)	(22.3)	▲	32%
Other income	1.3	0.5	▲	160%
Other gains / (losses)-net	1.8	(0.1)		
Earnings before interest and tax	19.6	1.8	▲	989%
Finance income / (expense)-net	2.0	(0.2)		
Profit before income tax	21.6	1.6	▲	1,250%
Income tax (expense) / benefit	(1.7)	2.1		
Profit after income tax	19.9	3.7	▲	438%

HIGHLIGHTS

- Revenue of $166.0 million, up 38% on prior corresponding period (30% in constant currency[1]).
  - Capital revenue of $54.2 million up 44% on prior period.
  - Consumables and service revenue of $111.8 million up 35% on prior corresponding period.
- Gross profit margin of 78.7% compared with 76.4% in prior corresponding period.
- Operating expenses of $114.2 million, up 26% on prior corresponding period.
- Operating profit before tax of $21.6 million compared with $1.6 million in prior corresponding period.
- Net finance income of $2.0 million reflects higher interest earned with increased interest rates and higher cash balance during the year.
- Other income for the year was $1.3 million, up $0.8 million compared with prior corresponding period, with the increase mainly attributable to the NSW Jobs Plus Program.

1. 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 at the average rates that were applicable in the prior year.

trophon Business Profitability

Unaudited Pro forma Profit and Loss

A significant proportion of the Company's operating expenses are associated with future earning opportunities from new product development and expansion. Presented below is the profitability profile of the current core trophon business without those product expansion investments.

Excluding operating expenses of approximately $22.4 million[1] associated with the development and commercialisation preparation of the CORIS technology, the profit before tax of the current trophon business in FY23 was approximately $44.0 million.[1]

$ million	FY23	FY22		% Change
Revenue	166.0	120.3	▲	38%
Gross profit	130.6	91.9	▲	42%
%	78.7%	76.4%		
Operating expenses	(91.7)	(76.1)	▲	20%
Operating expenses as a % of sales	55.2%	63.3%		
Operating Margin	38.9	15.8	▲	146%
Other income	1.3	0.5	▲	160%
Other gains/(losses)-net	1.9	(0.1)		
Earnings before interest and taxes	42.1	16.2	▲	160%
Finance income-net	2.0	(0.2)		
Operating profit before tax	44.0	16.0	▲	175%
Income tax expense[2]	(11.5)	(4.1)	▲	180%
Profit after income tax	32.5	11.8	▲	175%

This includes all operating and investment costs associated with developing emerging trophon markets that do not currently contribute significantly to revenue as well as R&D associated with the trophon technology roadmap.

As the trophon business continues to grow, improvements in operating leverage are being achieved with operating expenses as a percentage of sales reducing to 55.2% in FY23 from 63.3% in FY22.

The pro forma profit before tax of $44.0 million in FY23 represents 26.5% of revenue demonstrating the strong underlying profitability of the stand-alone trophon business.[1]

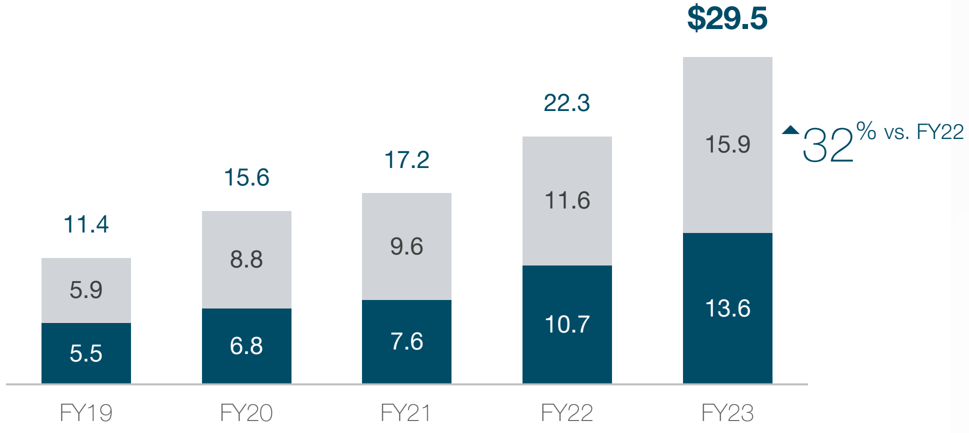
After adjusting for the after-tax impact of the CORIS investments, the return on equity of the trophon business is approximately 22%.[3]

1. The pro forma profit and loss statement is unaudited and reflects total Company results less operating costs associated with new product development and commercialisation. Operating costs reflect unaudited management allocation estimates where resources are shared between trophon and new product development and commercialisation. The pro forma profit and loss statement also includes income received from the Jobs Plus Program.
2. Effective income tax expense for the trophon business is the difference between the total Company income tax less tax benefit attributable to CORIS investments which was calculated by applying Australian corporate tax rate and the maximum R&D tax offset rate.
3. Return on equity is calculated based on the pro forma profit after income tax of the trophon business divided by the average equity for FY23.

Research & Development

INVESTMENT IN R&D

Global, $m



FIVE CORE AREAS OF R&D FOCUS

Compliance and traceability

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

Instrument cleaning

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

Environmental decontamination

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

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.

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Research and development continues to be a cornerstone of the future growth of the Company.

During the year the Company invested $29.5 million in R&D, up 32% compared with the prior corresponding period.

KEY CAPABILITIES

Chemistry/Physics	Engineering
Microbiology	- Systems
Biochemistry	- Mechanical
Medical Affairs	- Industrial Design
Regulatory Affairs	- Electrical
	- Software
	Cloud Solutions

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

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CORIS®

Transforming the cleaning of flexible endoscopes

OUR NEXT INSTRUMENT REPROCESSING PRODUCT PLATFORM

All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines.
Product shown is a pre-production unit.

CORIS® – Designed to set a new benchmark in flexible endoscope cleaning efficacy

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NOVEL MODE OF ACTION

1

CORIS® uses a proprietary, environmentally-friendly cleaning agent – coupled with an advanced delivery mechanism – to deliver a novel mode of action that effectively and consistently cleans large and small channels, including those that cannot be brushed today.

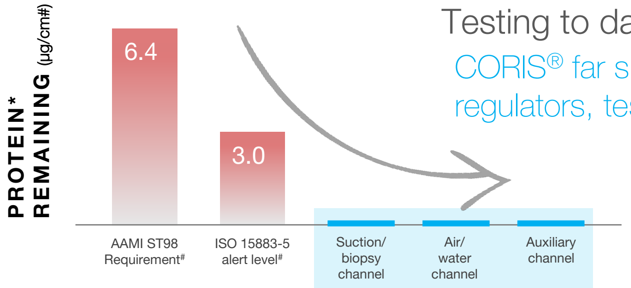
AUTOMATION

2

By eliminating brushing and flushing through automation, CORIS® aims to significantly reduce the number of cleaning steps, allowing staff to focus on other tasks, and reducing the risk of fatigue and injury.

NEW BENCHMARKS IN CLEANING EFFICACY

3



CORIS®

Testing to date demonstrates that:

CORIS® far surpasses cleaning benchmarks recognised by regulators, tested against tough soils.

**Protein is a major component of clinical soils in endoscopes. It is routinely used as a benchmark of soil removal due to its relative abundance and the availability of reliable and sensitive detection methods.*

All research and new product development programs involve inherent risks and uncertainties which can impact commercialisation timelines. Product shown is a pre-production unit.
#References on file; available upon request

"... it has become apparent that contamination of patient-ready flexible endoscopes with multi-resistant bacteria is a world-wide problem that results in transfer of these organisms to patients resulting in long-term colonization and/or infection. Biofilm formation has been shown to contribute significantly to the persistence of such bacteria within endoscope channels... There is no doubt that this new technology has the potential to greatly improve the effectiveness of flexible endoscope reprocessing."

Michelle Alfa, PhD, FCCM, Clinical Microbiologist, International expert in biofilm and endoscope reprocessing

"To expect a human individual to perform over 100 steps to clean an object and expect that to be done perfectly every single time without any residue with no mistakes is unrealistic and it's not a possibility. Manual cleaning is a human element that we cannot control any longer."

Laura Habighorst BSN RN CAPA CGRN NPD-BC, previous SGNA Board Member and Surgical Services Educator, USA

CORIS was recently presented at the Association for Professionals in Infection Control and Epidemiology (APIC) in the USA, with further scientific presentation and publications planned during the remainder of calendar 2023.

CORIS® represents a significant global opportunity

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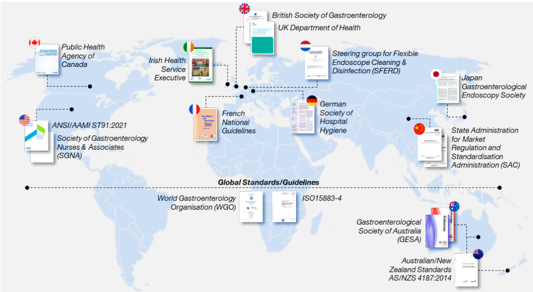
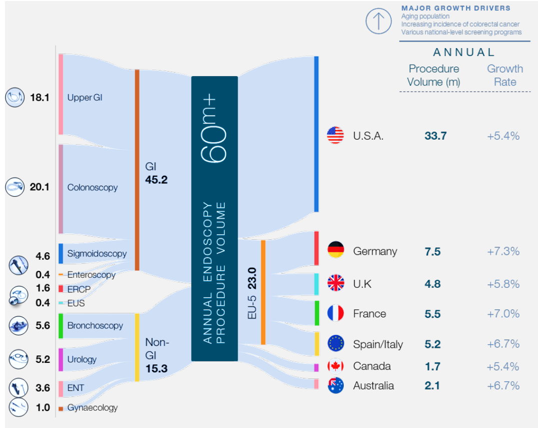
1



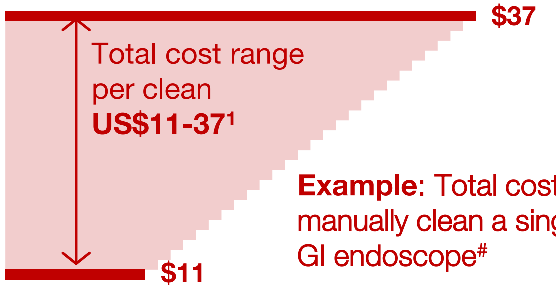
STRONG FUNDAMENTALS AND STANDARD FOR REPROCESSING#

2



AN ESTABLISHED AND GROWING ENDOSCOPY MARKET
>60 million procedures growing at 6% annually#

3



Example: Total cost to manually clean a single GI endoscope#

EXPENSIVE AND INEFFECTIVE CURRENT STANDARD OF CARE

#References on file; available upon request.

1. 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.

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

CORIS® REGULATORY UPDATE

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United States Food and Drug Administration (FDA)

Engagement with the FDA through their Safer Technologies Program (STeP) is ongoing

De novo Regulatory Pathway

In the United States, CORIS® represents a disruptive innovation. As such, there is no existing predicate device like it on the market. As a completely novel technology platform, CORIS® will be subject to the FDA de novo clearance pathway thus setting a new benchmark and creating an entirely new category for endoscope cleaning.

Recent consultation with the FDA through the STeP program, gave us early notice that certain testing originally scheduled to be conducted in Australia is now required to be completed in the USA. The Company is taking the necessary preparatory steps to conduct this testing which necessitates the set-up of a clinical simulation laboratory in the USA, similar to the one established at Nanosonics HQ in Sydney. In parallel, the in-use clinical trial plans will go ahead in Australia as previously planned.

The required testing in the USA will impact the FDA de novo submission date which will likely move into Q3 FY24. Given that the FDA submission is the key priority, there will also be an impact on the timing for commercialisation plans for other markets including Australia and Europe, which will be clearer once the FDA de novo submission is made.[1]

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

Product shown is a pre-production unit.

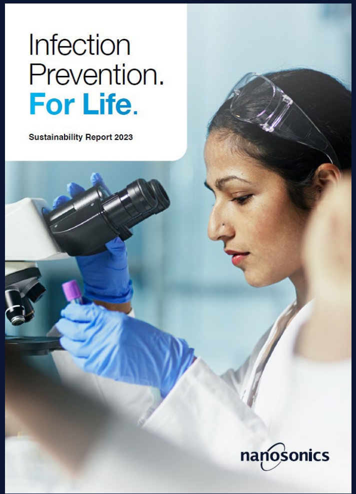
ESG

ESG

FY23 Highlights

"We see Sustainability or ESG as being strongly aligned with our Mission and Purpose. It is not just related to our longer-term sustainable growth, but rather it is fundamental to having a sustainable, commercial business that adds value in the communities in which we operate in the longer term."

- Michael Kavanagh, CEO & President



ESG At a Glance

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Governance

Launched
Supplier Code of Conduct

Articulated Nanosonic's contribution to the
United Nations Sustainable Development Goals

Strengthened
IT, privacy and cyber security protections
and achieved ISO 27001 accreditation

Environment

55% of total waste
diverted to recycling globally

Progress made against our commitment
to working towards Australian Packaging Covenant Organisation 2025 target

GHG emissions initiative
undertaken to improve measurements of scope 1, 2 and 3 emissions. Results compared favourably to benchmark.

People & Culture

93% of employees
strongly believe in the purpose of Nanosonics

Females make up 45%
of the global workforce, 40% of senior leaders and 41% of STEM-related positions

Substantially achieved
our diversity objectives and substantially all of our inclusion objectives

Communities

$37,822
raised through various charitable initiatives

19 students
participated in internship programs across several departments

Widened the range
of community activities with more to follow through the establishment of the Community Engagement Committee

ESG

Sustainability in our Operations

In FY23, we measured our scope 1, 2 and 3 carbon footprint.

“Overall, the Global GHG assessment for Nanosonics resulted in a total emissions per employee of 28.8 (tCO2 e). This result compares favourably against the Pangolin benchmark of 45.5 (tCO2 e), which included Australia and New Zealand-based manufacturing companies.”

In FY24 Nanosonics will work towards:

- identifying and articulating any climate change risks and opportunities and associated mitigations; and
- developing targets and setting a strategy to reduce its greenhouse gas emissions.

SUSTAINABLE PRODUCTS

Nanosonics prioritises sustainablity throughout the product lifecycle – from research, development and product design stages, to operational usage and end-of-life waste management.

INNOVATION

Aim to use of non-hazadours, ecofriendly materials and chemicals.

Recyclability, reusability and minimisation of landfill as input requirements to design and development

Elimination of toxic chemical usage and expsure

MANUFACTURING

68% of total waste in Australia diverted to recycling

~6.9ML of water consumed globally

Joined APCO1 and aligned to 2025 targets

IN-USE

Water savings from ~24.5 million trophon cycles across the global installed base

Low energy consumption at <2Wh per day per device

Zero chemical waste disposal; by-prodcuts are air and water

END-OF-LIFE

~80% of water and parts (up to 14 tonnes is responsibly recycled.

Consumables primary packaging made from food-grade-HDPE2 design to be recycled at end-of-life.

Zero chemical waste disposal; by-prodcuts are air and water

NEW GLOBAL HEDQUARTERS

...with a National Australian Built Enviornment Rating System (NABERS) sustainability rating of 5.5 (between “Excellent” and “Market Leading”

Outlook

BUSINESS OUTLOOK

FY24

"Nanosonics is well positioned to continue to grow the trophon business, introduce the CORIS technology as well as invest in its longer-term strategic growth agenda."

- Michael Kavanagh, CEO & President

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With a growing opportunity pipeline, it remains to be seen whether hospital budgetary pressures will impact the timing of trophon purchases.

Recognising the uncertainties, the Company targets for FY24 include:[1]

REVENUE

+15% - 20%

- Growing capital revenue with increased growth in both installed base and upgrade volumes over FY23;
- Increasing consumables revenue aligned with growth in new installed base;
- Maintaining current pricing levels; and
- Increased service revenue.

GROSS PROFIT MARGIN

75% - 77%

- A change in sales mix in FY24 compared with FY23, with an increase in the proportion of capital revenue resulting from growth in the sales of both new installed base and upgrade units, and an increase in service revenue; and
- Increased trophon product COGS in FY24, as the Company sells off higher cost inventory due to a temporary increase in component costs associated with units manufactured during FY23

OPERATING EXPENSES INCLUDING INVESTMENTS IN CORIS COMMERCIALISATION

+17% - 22%

- Increases in investment to prepare for the commercialisation of CORIS.
- Ongoing investment in R&D with overall R&D expenditure reducing as a percentage of revenue in FY24;
- Ongoing investment in emerging markets for trophon including Japan and China; and
- Costs associated with implementation of a new ERP system with the majority of the associated expenses expected to be incurred in FY24.

All guidance is subject to ongoing uncertainty in relation to hospital budgetary pressures as well as broader economic and geopolitical conditions.

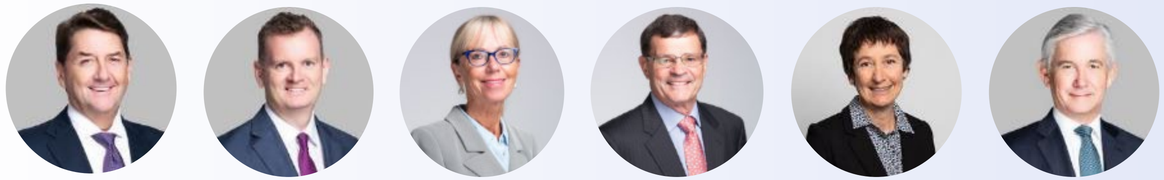
1. The FY24 outlook assumes an AUD/USD rate of 0.70.

Appendix

Leadership

Nanosonics has a highly experienced and dedicated team of professionals leading the development and implementation of our strategic growth agenda.

BOARD OF DIRECTORS



STEVEN SARGENT | MICHAEL KAVANAGH | MARIE MCDONALD | DAVID FISHER | LISA MCINTYRE | GEOFF WILSON

We are very pleased that Dr Tracey Batten will be joining the Board in September 2023. With each new director joining, the business benefits from the injection of expertise and industry insight.

EXECUTIVE TEAM

MICHAEL KAVANAGH | MCGREGOR GRANT | JODI SAMPSON | KEN SHAW | RONAN WRIGHT | DAVID MORRIS | STEVEN FARRUGIA | ROD LOPEZ | MATTHEW LIPSCOMBE | MATTHEW CARBINES | SUNNY PILLAI

trophon®2
Protection by design

nanosonics

Delivering consistent protection across every high-level disinfection cycle

THE STANDARD OF CARE

BROAD PROTECTION

Tested against an extensive range of infectious pathogens, including STIs, hepatitis A, B and C as well as HPV, *Clostridium difficile* spores and drug-resistant bacteria (MRSA and VRE).[1,2,3]

>1,000 probes approved and endorsed as compatible with trophon by 24 ultrasound manufacturers.

~98,000 patients are protected every day from the risk of cross-contamination.

REPRODUCIBLE AND SAFE OUTCOMES

Novel sonicated mist provides automated and validated HLD with every cycle accessing all probe surfaces, including body, handle and all crevices.

Safe for the environment, with water and oxygen as the only by-products.

Only automated HLD with published data demonstrating clinical efficacy, in accordance with labelling.

EFFICIENT WORKFLOW INTEGRATION

Seamless integration at point-of-care offers workflow efficiencies.

Minimal hands-on time delivers HLD without disrupting clinical workflow.

Audit-ready records demonstrate compliance and traceability across the entire reprocessing workflow.

Nanosonics actively manages its Intellectual Property strategy that includes a range of patents that protect the trophon product group, including capital equipment and consumables (out to 2031).

The trophon® family includes trophon® EPR and trophon®2 which share the same core technology of 'sonically activated' hydrogen peroxide.

[1] STI: Sexually Transmitted Infections MRSA: Methicillin-Resistant *Staphylococcus Aureus*
HPV: Human Papillomavirus VRE: Vancomycin-Resistant *Enterococci*

[2] Ryndock E, et al. J Med Virol. 2016;88(6): 1076-1080
[3] trophon micro-efficacy brochure/internal test reports

Significant Global Opportunity

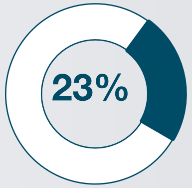
GLOBAL

Installed base opportunity

140,000[1]

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.

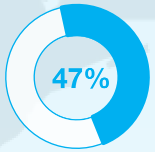
NORTH AMERICA

Installed Base Opportunity

60,000[1]

UNITS

Market Penetration



Strong Fundamentals

- Fundamentals for adoption strong with requirements for HLD in place.
- trophon installed base over 28,000 units and already in over 5,000 hospitals and clinics, including majority of luminary hospitals.
- FY23 was the first full year of operations of a largely direct sales model in North America with capital reseller agreements remaining in place with ultrasound OEMs.

EUROPE AND MIDDLE EAST

Installed Base Opportunity

40,000[2]

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, and distributor partner engagement.
- Established direct operation in Ireland
- A range of business models In place to support market requirements.

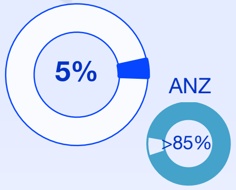
ASIA PACIFIC

Installed Base Opportunity

40,000[2]

UNITS

Market Penetration



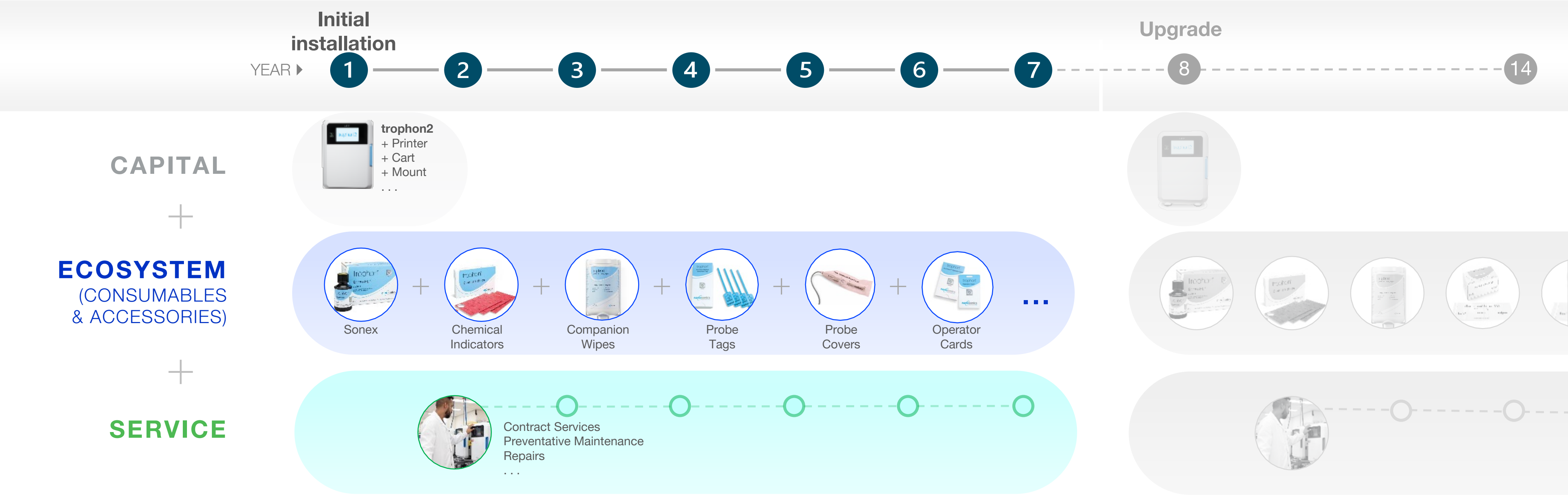
Strengthening Fundamentals and Expanding Markets

- Sales mainly in ANZ where market penetration is >85%.
- In Japan, the Company continues its investment in market development efforts to establish local high-level disinfection guidelines for the reprocessing of ultrasound transducers. A new infection control management bundle for ultrasound probe reprocessing in Obstetrics and Gynaecology was recently published by an advisory committee on infection control in Obstetrics and Gynaecology. This was recently presented at the Japanese Society of Infection Prevention and Control (JSIPC).
- In China, the necessary documentation for regulatory approval to market and sell trophon2 is now under review with the Chinese regulatory authorities.

1. Nanosonics analysis based on updated ultrasound information commissioned by Nanosonics and an estimated trophon to ultrasound attachment rate.
2. Based on Nanosonics' estimate from around 2011. While current data is not readily available for the Asia Pacific and Europe and Middle East regions, the Company considers that the ultrasound market has grown in these regions since the initial estimate of the Installed Base Opportunity was made.

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.

TROPHON BUSINESS

Range of Selling Models

DIRECT CHANNEL

CAPITAL SALE

- Capital equipment sold upfront with 12-month warranty.
- Customer purchases consumables as required.
- Customer elects to purchase service contracts from Nanosonics (usually after warranty period expires) or pays for service and parts, as required.

MANAGED EQUIPMENT SERVICE

- Nanosonics provides capital equipment to customer.
- Equipment fully maintained by Nanosonics.
- Customer purchases consumables as required at an ‘all-inclusive’ price.
- Nanosonics owns capital equipment, depreciated over 5 years.

RENTAL

- Customer rents capital equipment.
- Equipment fully maintained by Nanosonics.
- Customer purchases consumables as required.

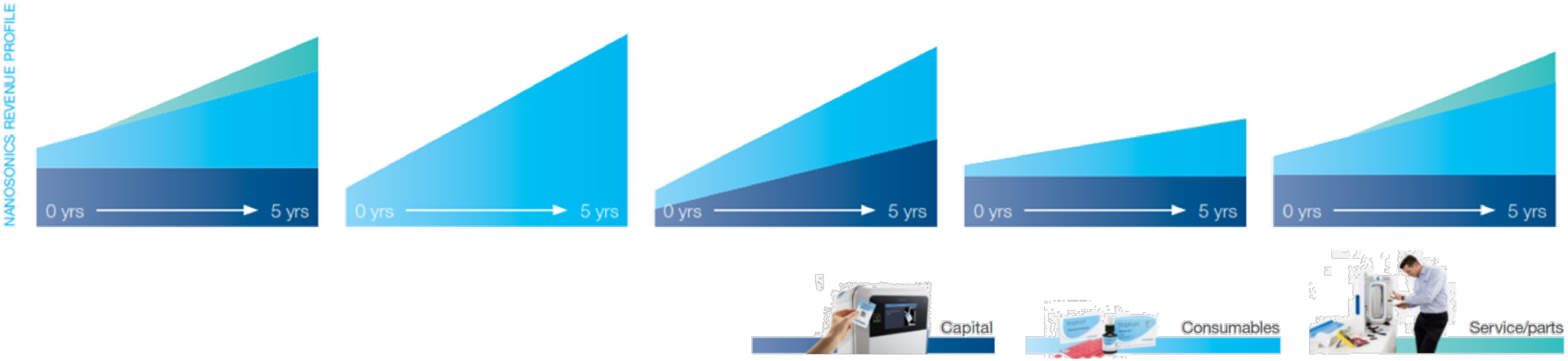
DISTRIBUTION CHANNEL

FULL SERVICE DISTRIBUTION

- Distributor purchases capital equipment, consumables and spare parts from Nanosonics.
- Distributor sells capital equipment, consumables and service to customer on a similar basis to the Direct Channel Capital Sale Model.

CAPITAL RESELLER

- Distributor purchases capital equipment from Nanosonics and sells to end customer.
- Customer purchases consumables and service from Nanosonics.



[1]The information in the revenue profile charts is intended to be illustrative only, demonstrating the cumulative revenue associated with a single unit sale over five years under each selling model.

Income Tax

$ millions	30-Jun-23	30-Jun-22
Income tax expense / (benefit)	1.7	(2.1)

Components of Net Deferred Tax Asset (DTA)	30-Jun-23	30-Jun-22
Tax losses	0.5	0.3
R&D tax credits	-	2.5
All other timing differences	14.0	10.5
Total	14.5	13.3

Value of carried forward losses	Gross	Benefit	Effective rate %
Losses recognised	2.0	0.5	26.2%
R&D credits carried forward	-	-	0.0%
Total losses and R&D credits recognised	2.0	0.5	26.2%
Losses not recognised	9.0	2.6	28.4%
Total	11.0	3.1	

- Effective income tax for the period was 7.9%
- Deferred tax asset attributable to carried forward tax losses relate to the recognised portion of losses for UK and Canada.
- R&D tax credits brought forward of $2.6M and $12.9M generated during FY23 were all utilised.
- Assessment of probability of recovery (and therefore recognition of related benefit) of unrecognised losses is made on an on-going basis.