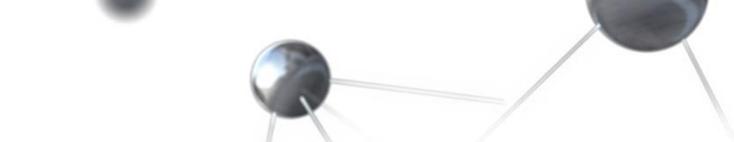




2016 Full Year Results

Investor Presentation

Michael Kavanagh
CEO & President



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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.

Company overview

- Healthcare company specialised in the development and commercialisation of infection control solutions
- First product, trophon® EPR - proprietary automated technology for low temperature, high level disinfection of ultrasound probes
- Approved for sale in most major markets including: US, Canada, ANZ, Europe, Singapore, HK, South Korea, Japan
- 150 Staff across Australia, US, Canada UK, Germany and France
- Sold through direct sales and distributors including leading brands: GE Healthcare, Toshiba and Miele Professional
- Active R&D program targeting expansion of product portfolio for Infection Prevention market

Key Corporate Data

Share price*	\$2.80
Shares on issue*	295.93 million
Market capitalisation*	\$829 million
Liquidity* (30 day avg.)	598,000 shares
Cash (30 June 16)	\$48.8 million
Share register breakdown	Founders/Related Parties 18% Institutions 50% Private 32%

* As at 17 August 2016

trophon EPR

trophon is the safe, versatile and simple way to high level disinfect ultrasound probes. Anything else is a compromise.

Safe



trophon assures safety for patient, staff and the environment; and is the only system proven to kill high-risk cancer-causing HPV.

Versatile



trophon streamlines practice workflows to maximise patient throughput and reduce costs. Also compatible with all major ultrasound probe OEMs.

Simple



trophon makes ultrasound probe disinfection simple, fast and reliable to maximise compliance with guidelines and standards.

Large market opportunity & attractive revenue model

Addressable installed base: ~120,000 trophon EPR units

- ~40,000 units in North America
- Equivalent sized markets in Europe and RoW

Each unit sale results in a robust annuity revenue stream

Capital sales

trophon device



Accessories



Recurring annuity revenue

Consumables



Service and maintenance contracts





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.





2016 Highlights

Customer Experience

- Installed base growth of 74% in North America to over 8,700 units and 10,000 globally
- Market expansion activities in Europe, Middle East and Japan
- New agreements put in place with all major ultrasound OEMs in USA for provision of trophon capital equipment
- Strengthening fundamentals for adoption

Product Innovation

- Increased R&D investment with solid progress on future generations of trophon platform technology plus research on novel new infection prevention solutions
- Strategic partnerships and collaborations in place with key associations
- Expanded indications in Europe and Australia

Operational Excellence

- Successful first full year of North American direct operations
- Successful certifications and regulatory approvals in new global HQ & manufacturing facility
- Enhanced aligned global capabilities

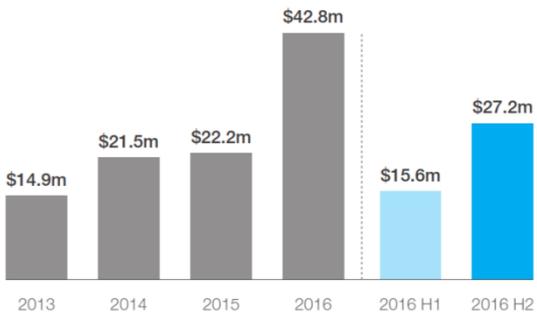
People Engagement

- Increased workforce by 18% to 150 employees
- Appointment of new SVP of Design and Development Dr Steven Farrugia
- Appointment of new independent non-executive director Steven Sargent

Value Creation

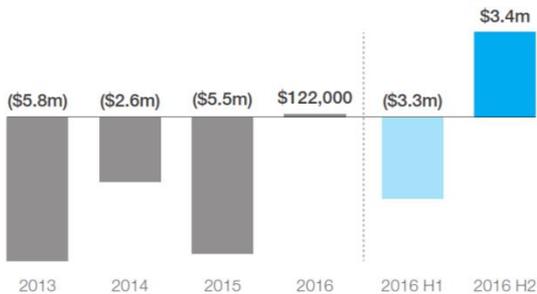
- Market capitalisation growth of 31% in last 12 months and 248% over 3 years
- Foundations in place for ongoing growth

2016 Financial Results



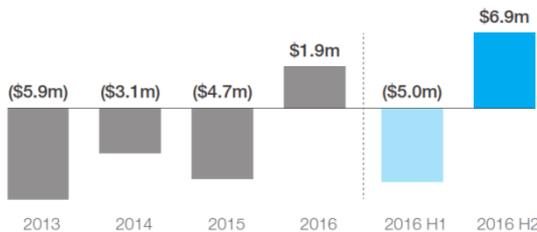
▲ 93%
SALES

- Total sales for the year were \$42.8 million, an increase of 93% on pcp.
- Strong adoption of trophon continued in North America following the establishment of Nanosonics' direct operations in 2015.



\$122 THOUSAND
**PROFIT/(LOSS)
AFTER TAX**

- Maiden full year profit of \$122,000 with \$3.4 million in the 2nd half.



\$1.9 MILLION
FREE CASH FLOW

- First full year positive free cash flow of \$1.9 million.

2016 Financial Results

\$ million	FY16			FY15
	H1	H2	Total	Total
Sales Revenue	15.6	27.2	42.8	22.2
Gross Profit	12.6	19.6	32.2	15.3
%	81%	72%	75%	69%
Other income/(expenses)	0.3	(0.2)	0.1	2.3
Operating expenses (excl. depn./amort.)	(15.7)	(15.7)	(31.4)	(22.3)
EBITDA	(2.8)	3.7	0.9	(4.7)
Depreciation/amortisation	(0.7)	(0.6)	(1.3)	(1.1)
EBIT	(3.5)	3.1	(0.4)	(5.8)
Interest (net)	0.2	0.3	0.5	0.3
Pre-tax loss / profit	(3.3)	3.4	0.1	(5.5)
Net loss / profit	(3.3)	3.4	0.1	(5.5)
Cash Balance			48.8	45.7

Sales up 93% to \$42.8 million

Gross Profit up \$16.9 million to \$32.2 million

Operating expenses \$32.7 million

- Increased investment associated with the establishment of the direct North American operations
- Increased marketing investment to drive awareness and adoption
- Increased R&D expenditure as the organisation progresses its R&D pipeline strategy

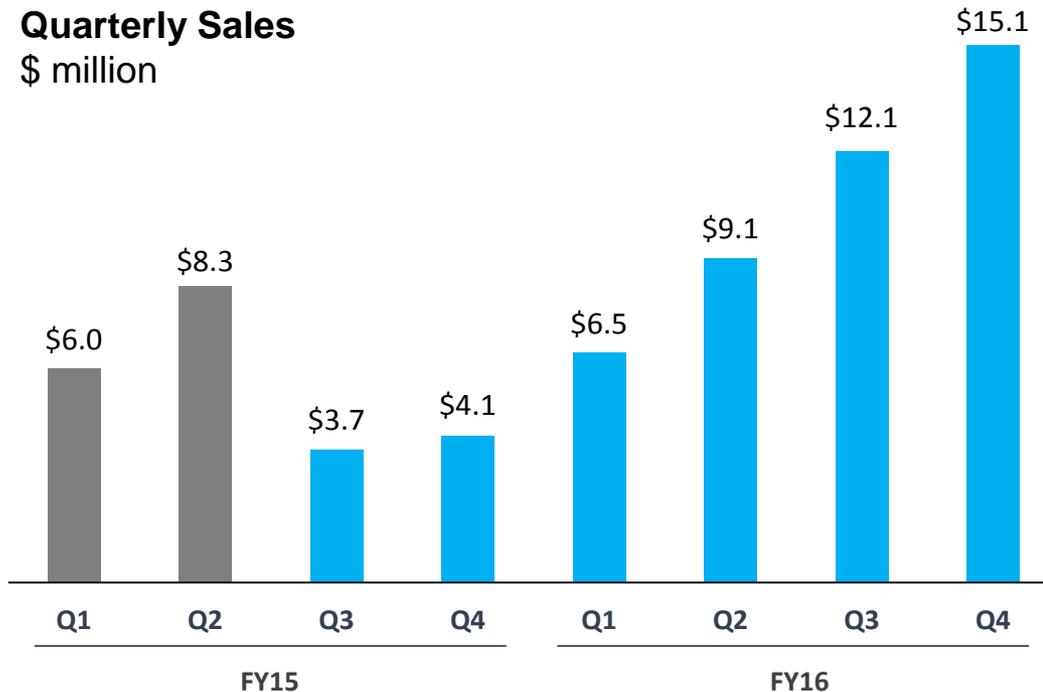
Other income down \$2.2 million

- No reimbursement of US costs as a result of direct operations
- Lower FX gains

Cash balance of \$48.8 million

Excellent growth momentum under new North American business model

Quarterly Sales
\$ million



Steady growth over the past five quarters following the announcement of North American direct operations

FY15 Q3 – Announced new business model

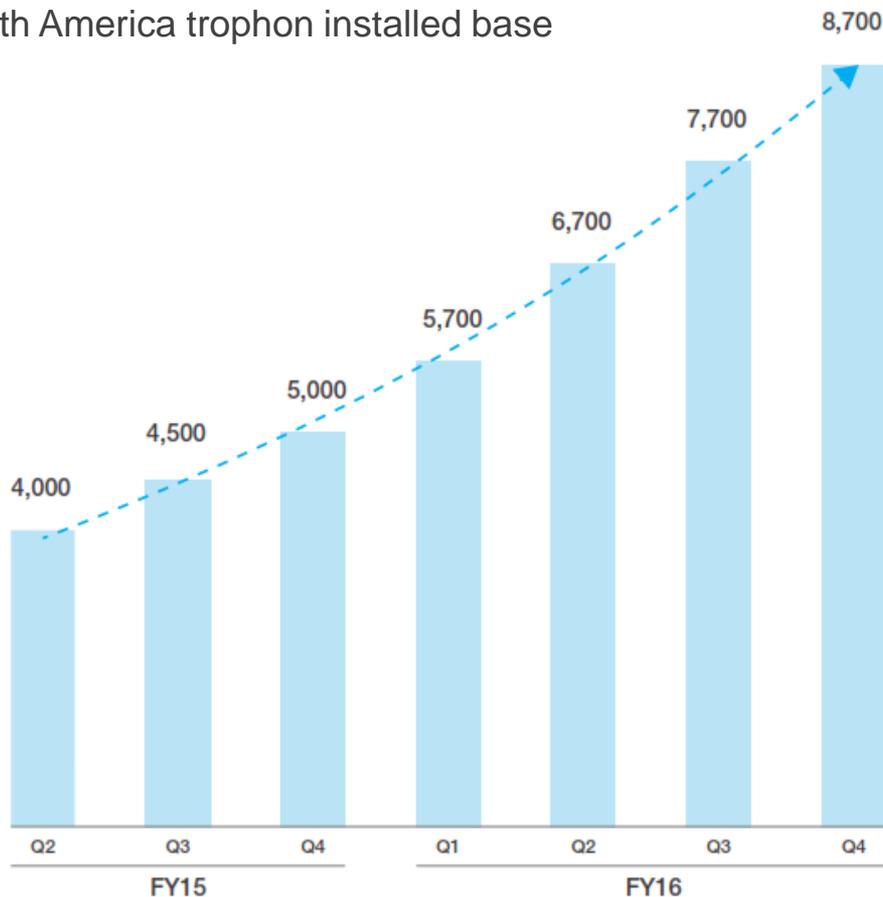
FY15 Q3 / Q4 – Established North American operations and commenced building pipeline

FY16 Q1 / Q2 – Direct sales momentum in North America and continue building pipeline

FY16 Q3 / Q4 – Sales momentum continues and GEHC resumes purchasing driven by accelerated demand

trophon setting a new benchmark for Standard of Care in North America

North America trophon installed base



The fundamentals for adoption continued to strengthen

74% installed base growth to over 8,700 units

Sales grew a record 121% to \$39.0M in North America

- Successful first year of direct sales operations
- trophon has now commenced in 48 of the top 50 hospitals and over 3,000 facilities commenced adoption
- Successful contracts signed with a number of major Integrated Delivery Networks (IDNs)
- Established direct Canadian corporate entity, Nanosonics Canada, Inc.
- Agreements in place for all major Ultrasound OEMs to provide trophon capital equipment to customers

Fundamentals for adoption continue to strengthen



**Centers for Disease
Control and Prevention**
National Center for
Health Statistics



Released a Health Advisory emphasising the need to properly maintain, clean, and disinfect or sterilize reusable medical devices¹



Non compliance with infection control standards associated with medical equipment & devices is one of the top 5 findings by The Joint Commission²



The Hospital-Acquired Condition (HAC) Reduction Program³ reinforces the guidelines for disinfection and sterilisation in healthcare facilities

1. Electronically accessed: emergency.cdc.gov. Sep 2015.
2. Electronically accessed: thejointcommission.org. May 2014. Issue Two.
3. Electronically accessed: cms.gov. 2 Nov 2015.

trophon breaks new ground in ultrasound probe disinfection

HPV accounts for > 5% cancer worldwide & 99.7% of cervical cancer



“a considerable number of ultrasound probes contaminated with human and HR-HPV DNA, despite LLD disinfection and probe cover”¹

A substantial persistence of microorganisms observed on disinfected probes: HPV DNA found on 13% of samples”²

“HPVs are very stable viruses, able to survive on fomites and surfaces for days”³

1. Casalegno et al.: High Risk HPV Contamination of Endocavity Vaginal Ultrasound Probes: An Underestimated Route of Nosocomial Infection?, PLOS ONE, Oct 2012, Volume 7, Issue 10
2. M'Zali et al. Persistence of microbial contamination on transvaginal ultrasound probes despite low-level disinfection procedure. PLoS One 2014;9:e93368.
3. Ryndock EJ, Meyers C., A risk for non-sexual transmission of human papilloma virus? Expert Rev. Anti Infect. Ther. 12(10), 1165-1170 (2014).

trophon: the only system proven to kill cancer causing HPV



2014 study showed disinfectants commonly used on ultrasound probes not effective against human papillomavirus (HPV)¹



Second study demonstrated that trophon EPR is the first and only system proven to kill high-risk, cancer-causing strains of HPV²

1. Meyers, J., et al., Susceptibility of high-risk human papillomavirus type 16 to clinical disinfectants. J Antimicrob Chemother, 2014
2. Ryndock E, Robison R, Meyers C. Susceptibility of HPV16 and 18 to high level disinfectants indicated for semi-critical ultrasound probes. J Med Virol, 2015



Regional Highlights

Europe

FY16 focus in Europe centred on market development to strengthen the fundamentals for adoption

- In UK now 25 trusts with trophon.
- Welsh guidelines leads to all 7 health boards adopting of trophon
- New Scottish guidelines published in the last quarter of FY16 and in dialogue with all 14 health boards
- New English guidelines due and building pipeline in advance
- Wassenburg appointed as distributor in Ireland
- New reference sites adopt trophon in Germany
- French guidelines under review with topic on agenda of Ministry of Health

Australia/NZ

- trophon as standard of care with >1000 units installed and growing off a high base
- Excellent demonstration of what is possible when fundamentals for adoption strong

ROW

- Progressed Japanese commercialisation strategy
- Representation in a number of Middle East countries progressed with product now registered in Saudi Arabia and nearing completion in UAE

Focussed ramp up in R&D program

- Increased investment in R&D by 50% to \$7.3 million
- Strategic partnerships in place with key associations
- Solid progress made on future generations of the trophon platform technology plus research on novel new solutions to meet a number of core opportunities in infection prevention
- Appointment of Dr. Steven Farrugia as SVP Design and Development



Probe compatibility: over 1,000 ultrasound transducer models validated

- Covers all world's leading manufacturers
- Includes both intra-cavity and surface probes
- Important barrier to entry



Business Outlook

Positioned for ongoing growth

- Fundamentals for adoption continue to strengthen
- North American Business model driving growth
- Growing Installed base
- New supporting guidelines expected in England
- Expansion into new territories being planned
- Active R&D program to diversify portfolio



Thank you!

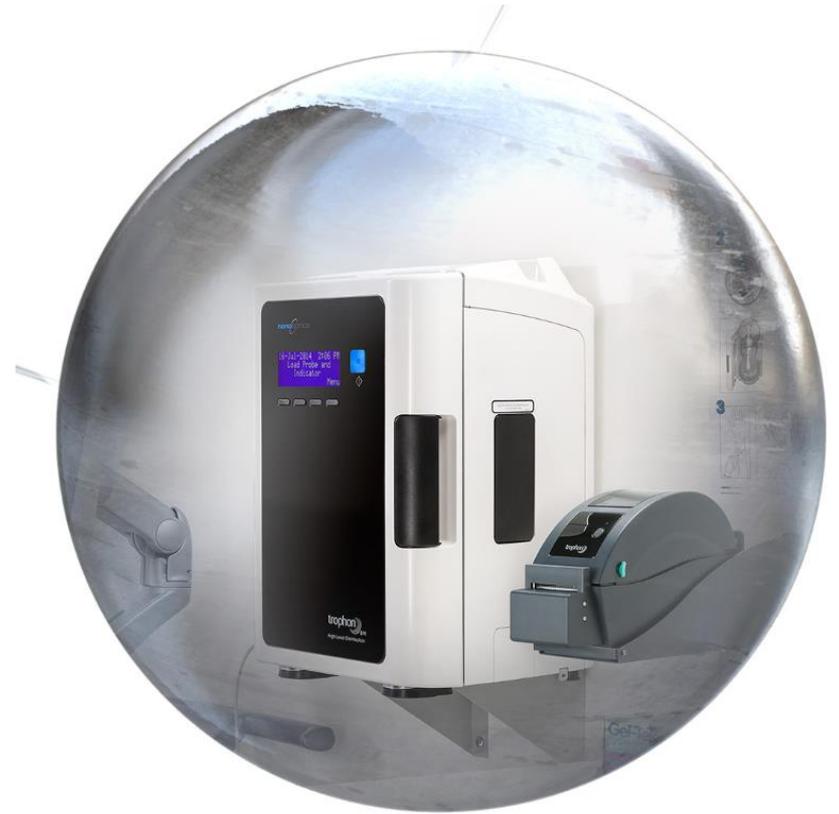


Appendix

The requirement for disinfection in Ultrasound

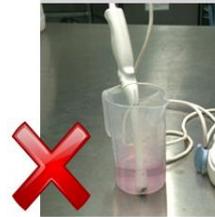
- Ultrasound transducers must be reprocessed between patients to prevent cross-infection
- Any transducer that contacts broken skin, mucous membranes or sterile body cavities should be high level disinfected or sterilised¹
- Heat sensitive transducer construction materials mean that sterilisation is generally not practical; high level disinfection (HLD) is carried out instead
- Despite this knowledge, problems in ultrasound disinfection persist with manual reprocessing

1. Rutala W., Weber DJ., 2008, Centers of Disease Control and Prevention



Traditional High Level Disinfection (HLD) Methods

Disinfection processes unchanged in **20+ years**

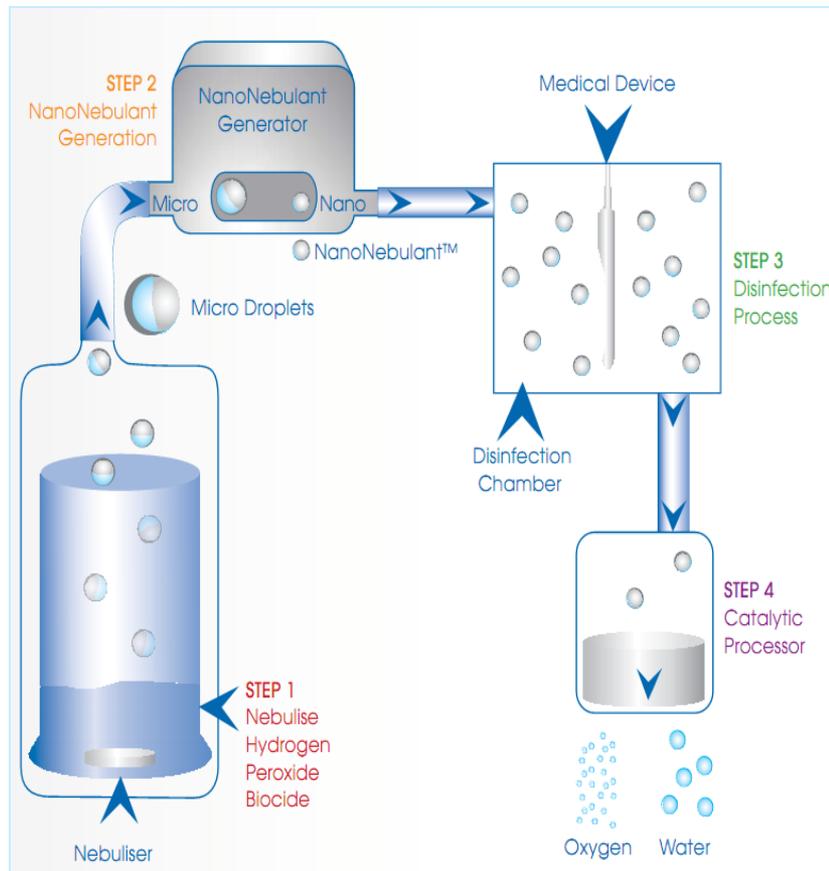


The traditional methods: soak, spray or wipe

- Chemical spills and vapour control present OH&S risks
- Probes often must be transported to a central sterilisation facility
- Pathogens may remain - increased risk of cross contamination
- Wipes and sprays not approved by the FDA for HLD
- Toxic chemicals must be disposed of as chemical waste



trophon's patented disinfection technology



Step 1: Ultrasonic vibrations generate soundwave energy to create micro-sized droplets.

Step 2: The droplets are converted into an ultrafine mist that enters the disinfection chamber.

Step 3: The mist covers the entire surface of the probe and handle, and is a supercharged mixture of free radicals. These kill bacteria, viruses, and fungi by reacting with their cell membranes and molecular structures.

Step 4: The mist is then broken down by the 'catalytic converter' into water and oxygen.

**trophon is covered by 14 patent families
- most are active through to 2025**

trophon – breaking new ground in reprocessing

Traditional soaking



Timeline



trophon



trophon is the safe, versatile and simple way to high level disinfect ultrasound probes. Anything else is a compromise.