



2020 ANNUAL GENERAL MEETING

24 NOVEMBER, 2020

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ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the traditional owners of the various lands in which we meet virtually today and pay respects to all Aboriginal Elders, past and present, and acknowledge today's Aboriginal communities who are the custodians of these lands.

BOARD OF DIRECTORS



Maurie Stang
Non-Executive Chairman



Steven Sargent
Non-Executive Director, Deputy Chairman
and Lead Independent Director



Michael Kavanagh
CEO and President



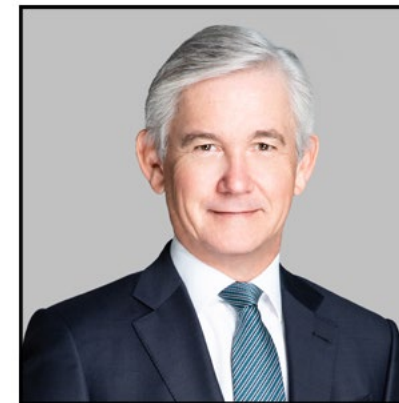
Lisa McIntyre
Non-Executive Director



David Fisher
Non-Executive Director



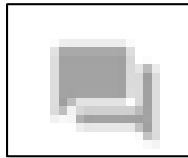
Marie McDonald
Non-Executive Director



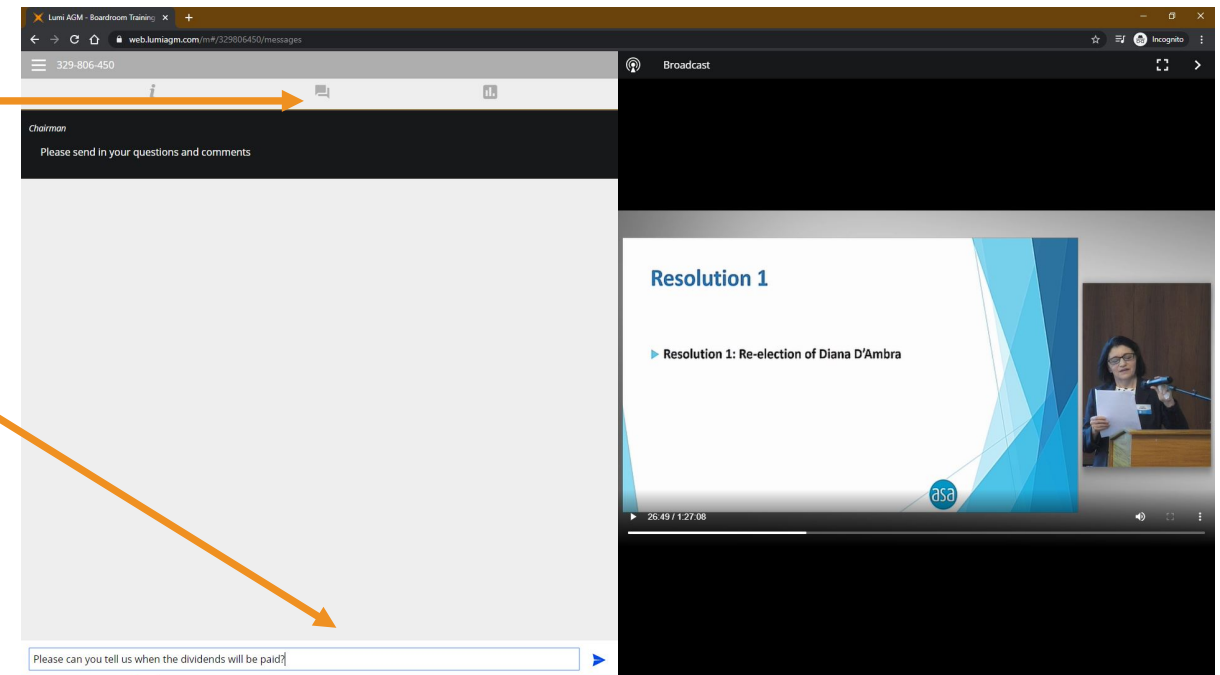
Geoff Wilson
Non-Executive Director

ONLINE ATTENDEES – QUESTION PROCESS

- When the Question function is available, the Q&A icon will appear at the top of the app.

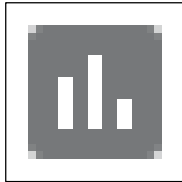


- To send in a question, simply click in the 'Ask a question' box, type your question and then press the send arrow
- Your question will be sent immediately for review

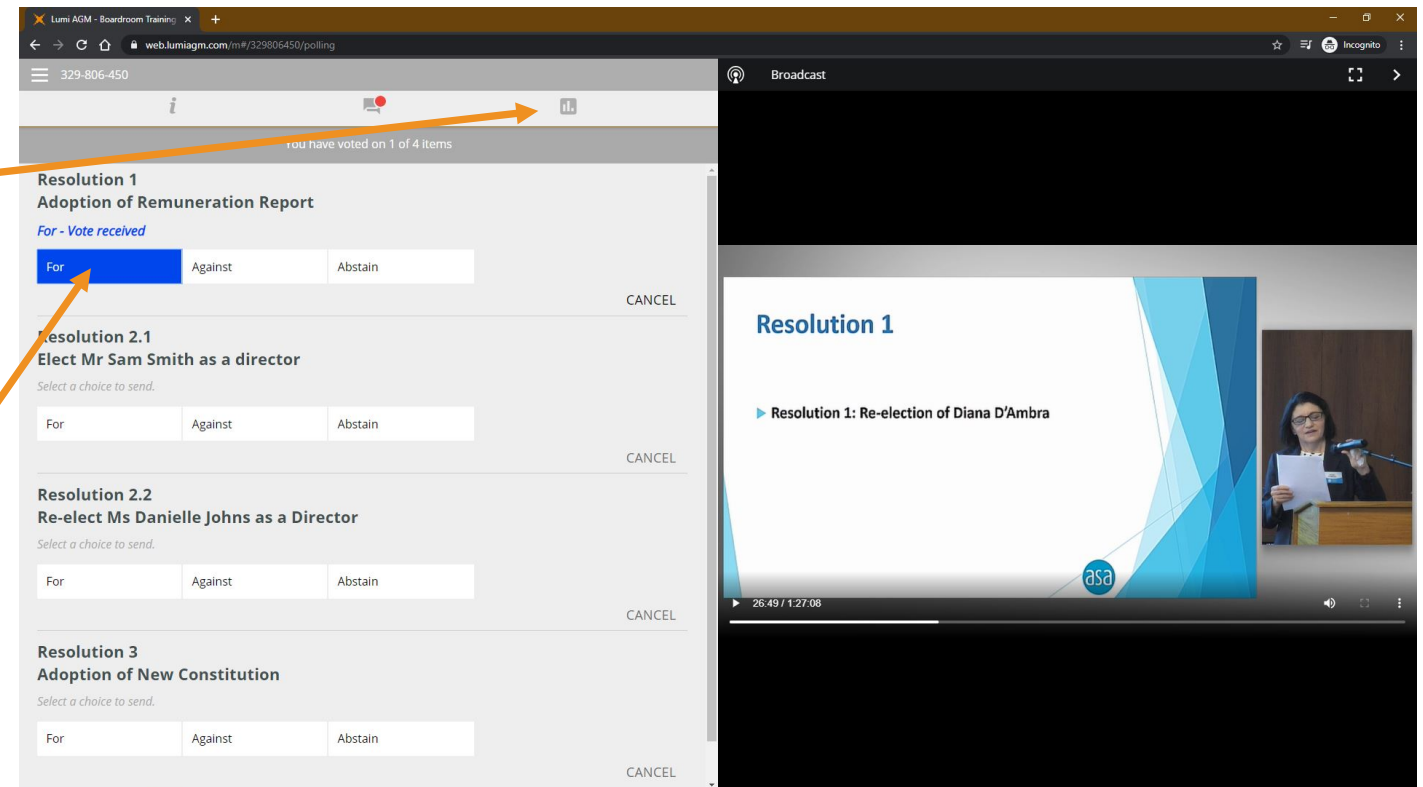


ONLINE ATTENDEES – VOTING PROCESS

- When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen



- To vote simply select the direction in which you would like to cast your vote, the selected option will change colour.
- There is no submit or send button, your selection is automatically recorded.





CHAIRMAN'S ADDRESS

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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 standards of care.

OUR VALUES



COLLABORATION

We do things together because we value diversity of opinion, perspective and knowledge and are stronger when we work as a team



INNOVATION

We innovate because we want to continuously make things better adding value to our customers, our operations and our business



DISCIPLINE

We do things right because we are ethical, compliant and are clear about our responsibility and accountability for delivering on our commitments



AGILITY

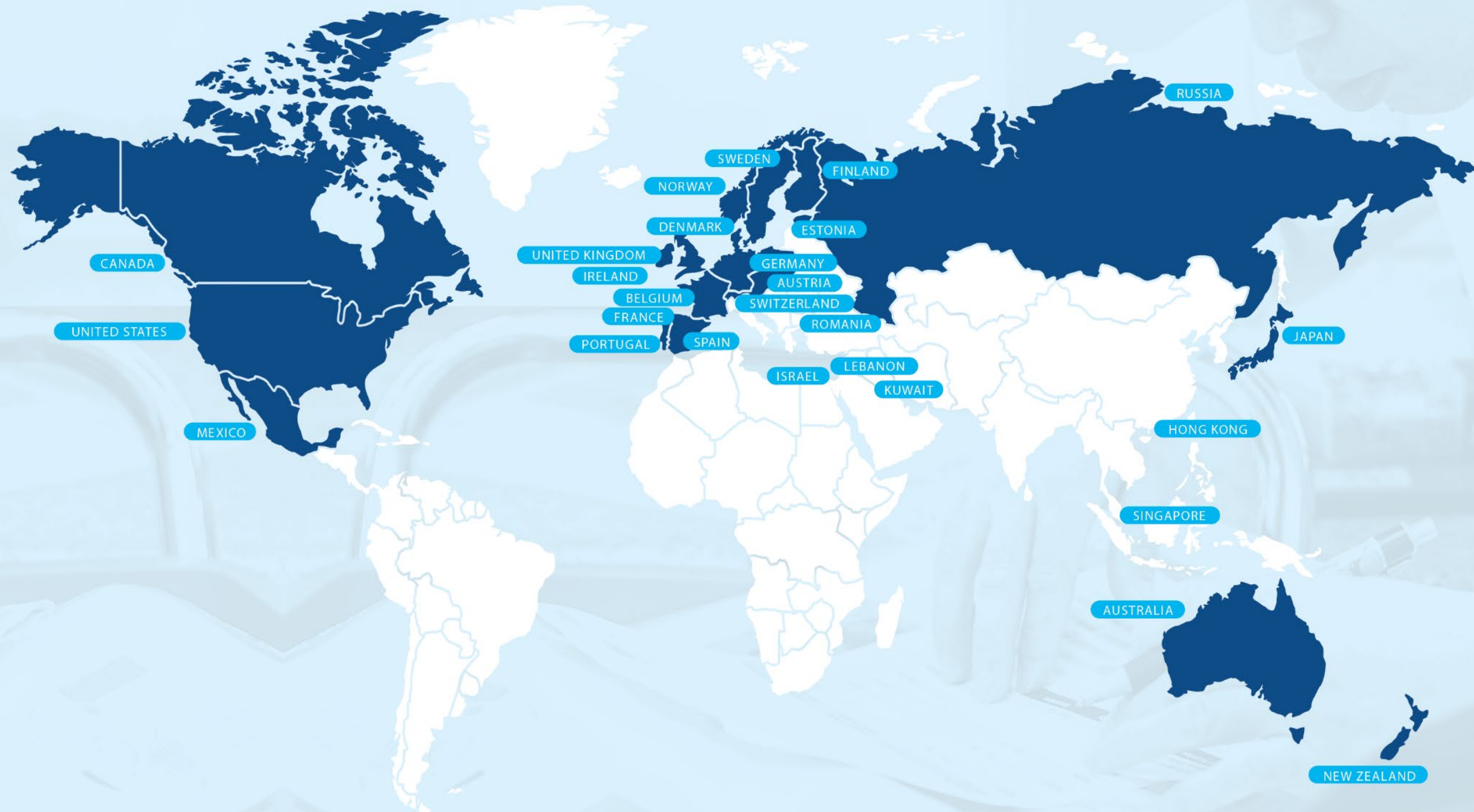
We are effective because we not only embrace but drive change, we are continuously learning and can adapt quickly



WILL TO WIN

We do things with a sense of urgency anticipating market and customers' needs because we always strive to be the best with a will to win

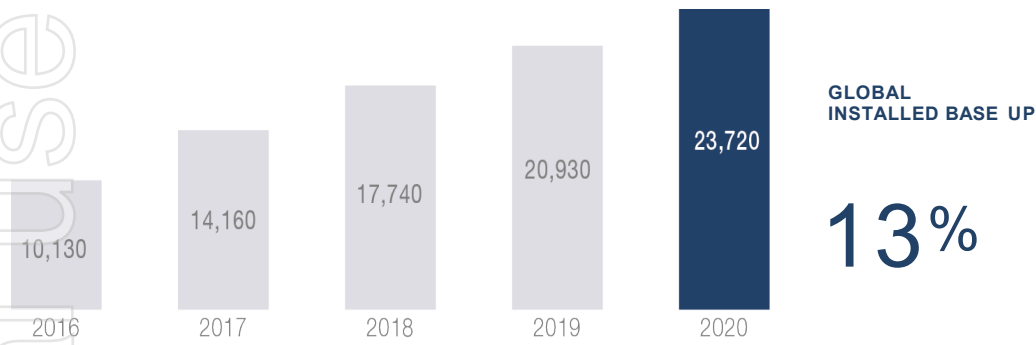
EXPANDING GLOBAL PRESENCE



Nanosonics distributes its products in 27 countries, either through direct operations or via distributor partners.

INSTALLED BASE

Global installed
base grew 13% to
23,720



EVERY DAY APPROXIMATELY
78k
patients are protected from
the risk of cross contamination
because their probe has been
decontaminated using trophon.

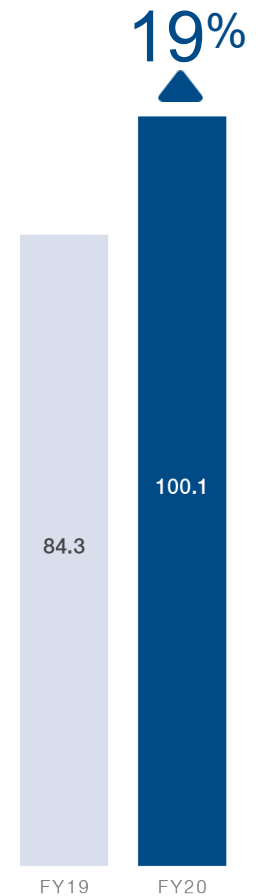
TOTAL REVENUE

Total Revenue
up 19% to
\$100.1m

In the first three quarters of the year, strong growth was experienced with total revenue increasing 26% on prior corresponding period.

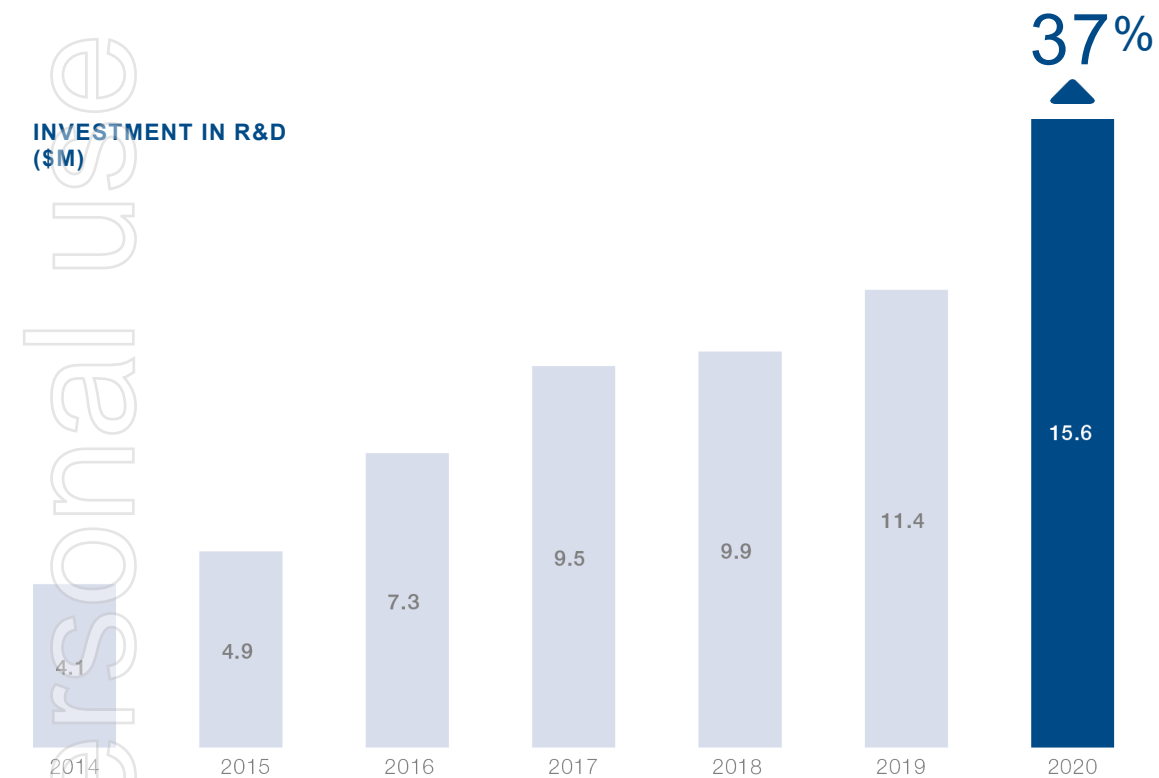
Q4 Revenue of \$25.3 million was essentially flat compared to prior corresponding period (increase of 1%), driven largely by the expected implications of the COVID-19 pandemic with very limited hospital access and a reduction in a range of healthcare procedures during this period.

FY20
TOTAL REVENUE VS PCP
(\$M)



R&D

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



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.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

ESG at a glance

ENVIRONMENT



ENVIRONMENTALLY-FRIENDLY
TROPHON TECHNOLOGY
WATER AND OXYGEN
ARE THE ONLY BY-PRODUCTS OF
EACH DISINFECTION CYCLE



PAST WINNER OF
**ENVIRONMENTAL
SOLUTIONS AWARD**
at the Premier's NSW Export Awards



**GREEN TEAM AND
ENVIRONMENTAL HEALTH &
SAFETY POLICY**
with commitment to the
environment and response to
climate change

SOCIAL



TROPHON TECHNOLOGY
PROTECTS APPROXIMATELY
20 MILLION
PATIENTS EVERY YEAR
FROM THE RISK OF
CROSS-CONTAMINATION



311
EMPLOYEES
GLOBALLY



41%
OF TOTAL WORKFORCE AND
32% OF SENIOR MANAGERS
ARE FEMALE.



56
**FEMALES IN
STEM ROLES**



ACTIVE
**COMMUNITY
CONTRIBUTIONS
PROGRAM**



91% OF EMPLOYEES ARE
**PROUD TO WORK
FOR NANOSONICS**

GOVERNANCE



REPORTED AGAINST 4TH EDITION OF
ASX CORPORATE GOVERNANCE
**PRINCIPLES AND
RECOMMENDATIONS**
one year ahead of required



ETHICAL SUPPLY CHAIN
MANAGEMENT WITH EMPHASIS
ON ADDRESSING
**MODERN SLAVERY
RISKS**



**NANOSONICS
SAFework**
program implemented to protect
the health and welfare of our
employees during
COVID-19



CAPITAL MANAGEMENT

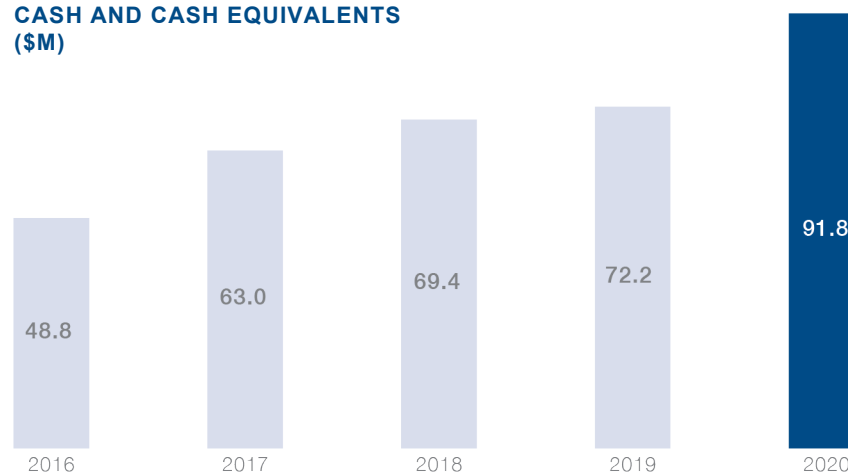
CASH AND CASH EQUIVALENTS

\$91.8m

as at 30 June 2020

Cash and cash equivalents up \$19.6 million to \$91.8 million supporting ongoing growth and expansion.

CASH AND CASH EQUIVALENTS (\$M)



BOARD OF DIRECTORS



Maurie Stang
Non-Executive Chairman



Steven Sargent
Non-Executive Director, Deputy Chairman
and Lead Independent Director



Michael Kavanagh
CEO and President



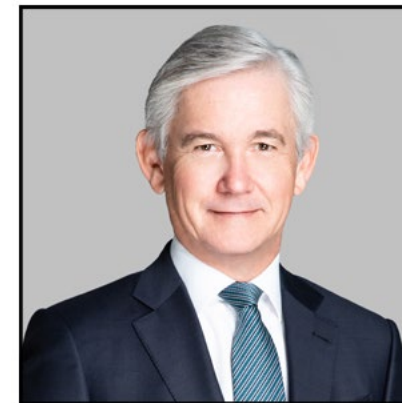
Lisa McIntyre
Non-Executive Director



David Fisher
Non-Executive Director



Marie McDonald
Non-Executive Director



Geoff Wilson
Non-Executive Director

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nanosonics

Infection Prevention. For Life.





CEO & PRESIDENT'S ADDRESS

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OUR STRATEGIC PRIORITIES



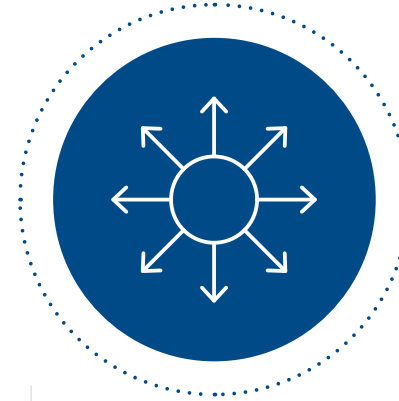
TROPHON AS STANDARD OF CARE

- Support establishment of international 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.



EXPAND GEOGRAPHIC FOOTPRINT

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



PRODUCT EXPANSION

- Expand portfolio of infection prevention solutions to address unmet needs.
- Leverage technology platforms for potential expanded indications.



INVEST TO GROW

- Maintain strong financial position to support growth.
- Deliver operational efficiencies, scale and leverage.

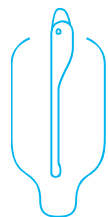
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INSTALLED BASE

Global installed
base grew 13% to
23,720 units

- In the first three quarters of the year, the growth in installed base in North America was in line with expectations (i.e. similar to FY19). During that period, the number of new units installed in Europe and Middle East was up 37% and up 56% in Asia Pacific compared with the prior corresponding period.
- Installed base growth was impacted in Q4 due to COVID-19 pandemic restrictions with the number of units down 46% compared to prior corresponding period.



EVERY DAY APPROXIMATELY

78k

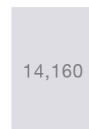
patients are protected from
the risk of cross contamination
because their probe has been
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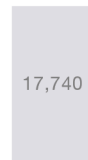
GLOBAL



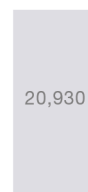
2016



2017



2018



2019



2020

GLOBAL
INSTALLED BASE UP

13%



NORTH AMERICA



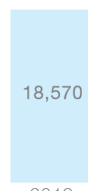
2016



2017



2018



2019



2020

NORTH AMERICA
INSTALLED BASE UP

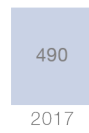
13%



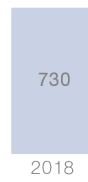
EUROPE AND
MIDDLE EAST



2016



2017



2018



2019



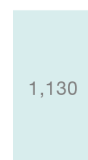
2020

EUROPE AND MIDDLE
EAST INSTALLED BASE UP

27%



ASIA PACIFIC



2016



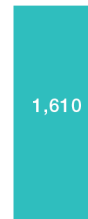
2017



2018



2019



2020

ASIA PACIFIC
INSTALLED BASE UP

9%

Graphs are not to scale and therefore not comparable

SIGNIFICANT GLOBAL MARKET OPPORTUNITY

Installed base opportunity



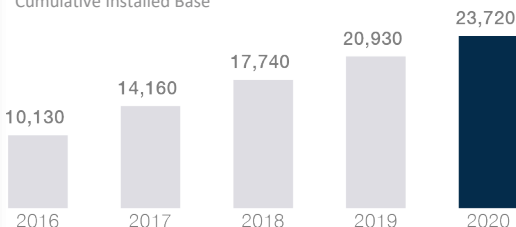
GLOBAL

120,000
units

Market Penetration



Cumulative Installed Base



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

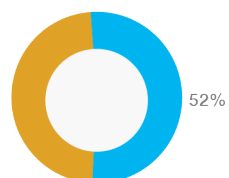
Installed base opportunity



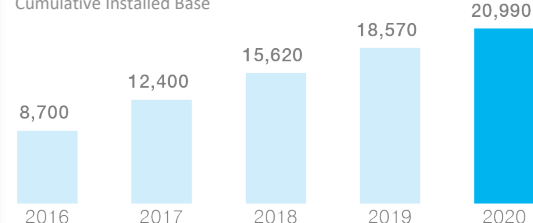
NORTH AMERICA

40,000
units

Market Penetration



Cumulative Installed Base



- Fundamentals for adoption strong with requirements for HLD in place.
- trophon installed base over 20,990 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.

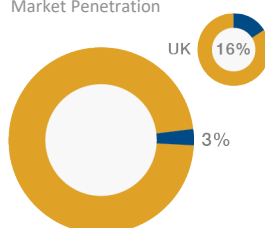
Installed base opportunity



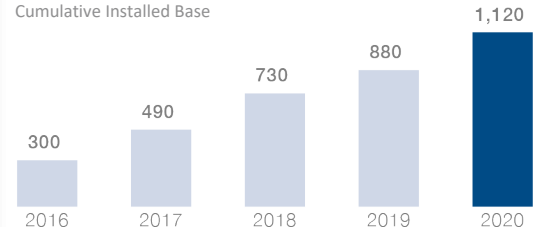
EUROPE AND MIDDLE EAST

40,000
units

Market Penetration



Cumulative Installed Base



- Expanded geographical reach, stronger fundamentals for adoption and growing awareness.
- Expanded infrastructure with sales teams increasing in the UK and Germany, appointment of local clinical and regulatory leadership and appointment of dedicated resource to support distributor partners.
- A range of business models in place to support market requirements.

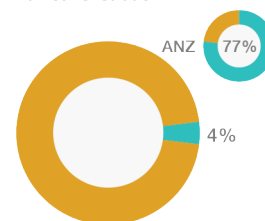
Installed base opportunity



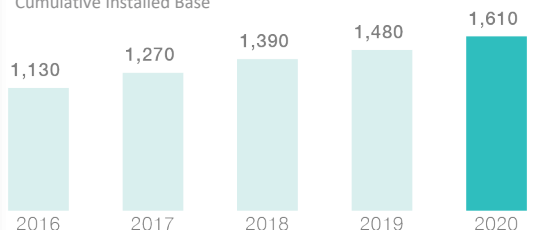
ASIA PACIFIC

40,000
units

Market Penetration



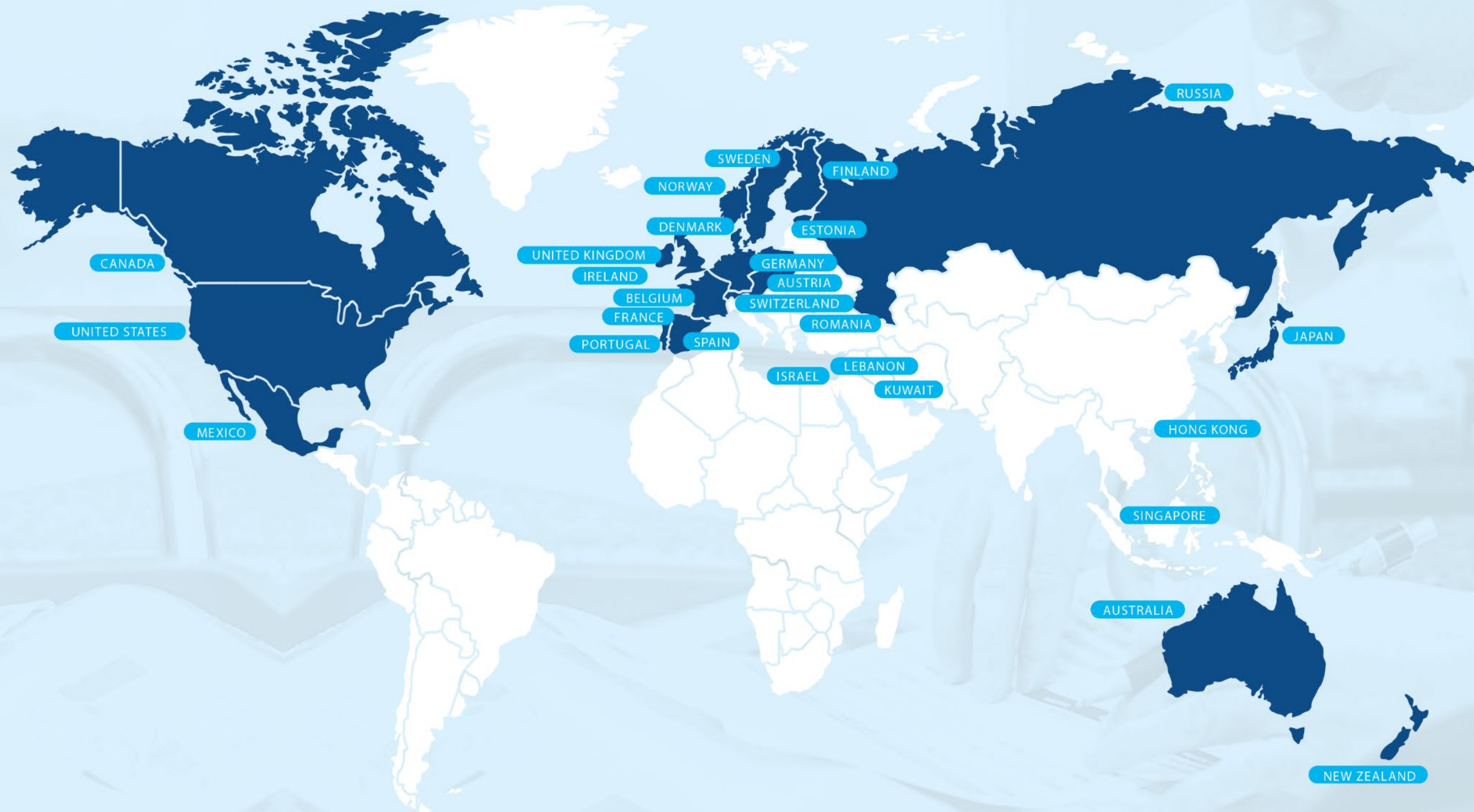
Cumulative Installed Base



- Sales mainly in ANZ where market penetration is >75%.
- Japan market development strategy continues with distribution agreements in place with five key distributors.
- Continued development of China market entry strategy.
- Assessment underway for further expansion across Asia Pacific.

1. ●●●● Current installed base. ● Remaining potential opportunity. Graphs are not to scale and therefore not comparable.
2. Internal estimate based on historical regional estimates of the installed base of ultrasound consoles and those associated with procedures where high level disinfection may be required.

EXPANDING GLOBAL PRESENCE



Nanosonics distributes its products in 27 countries, either through direct operations or via distributor partners.

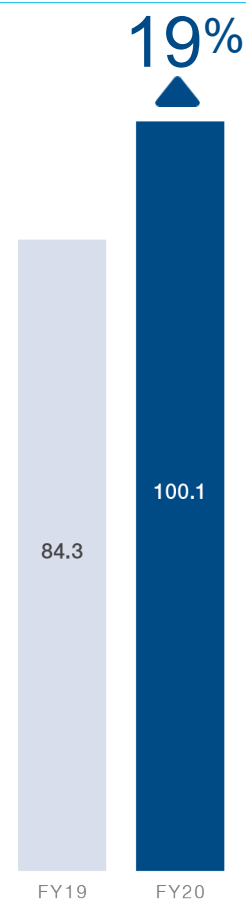
TOTAL REVENUE

Total Revenue
up 19% to
\$100.1m

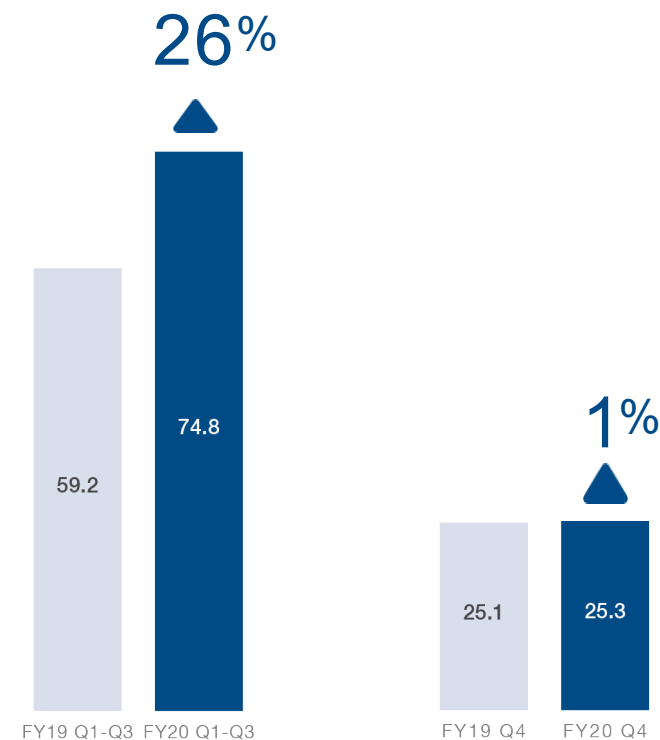
In the first three quarters of the year, strong growth was experienced with total revenue increasing 26% on prior corresponding period.

Q4 Revenue of \$25.3 million was essentially flat compared to prior corresponding period (increase of 1%), driven largely by the expected implications of the COVID-19 pandemic with very limited hospital access and a reduction in a range of healthcare procedures during this period.

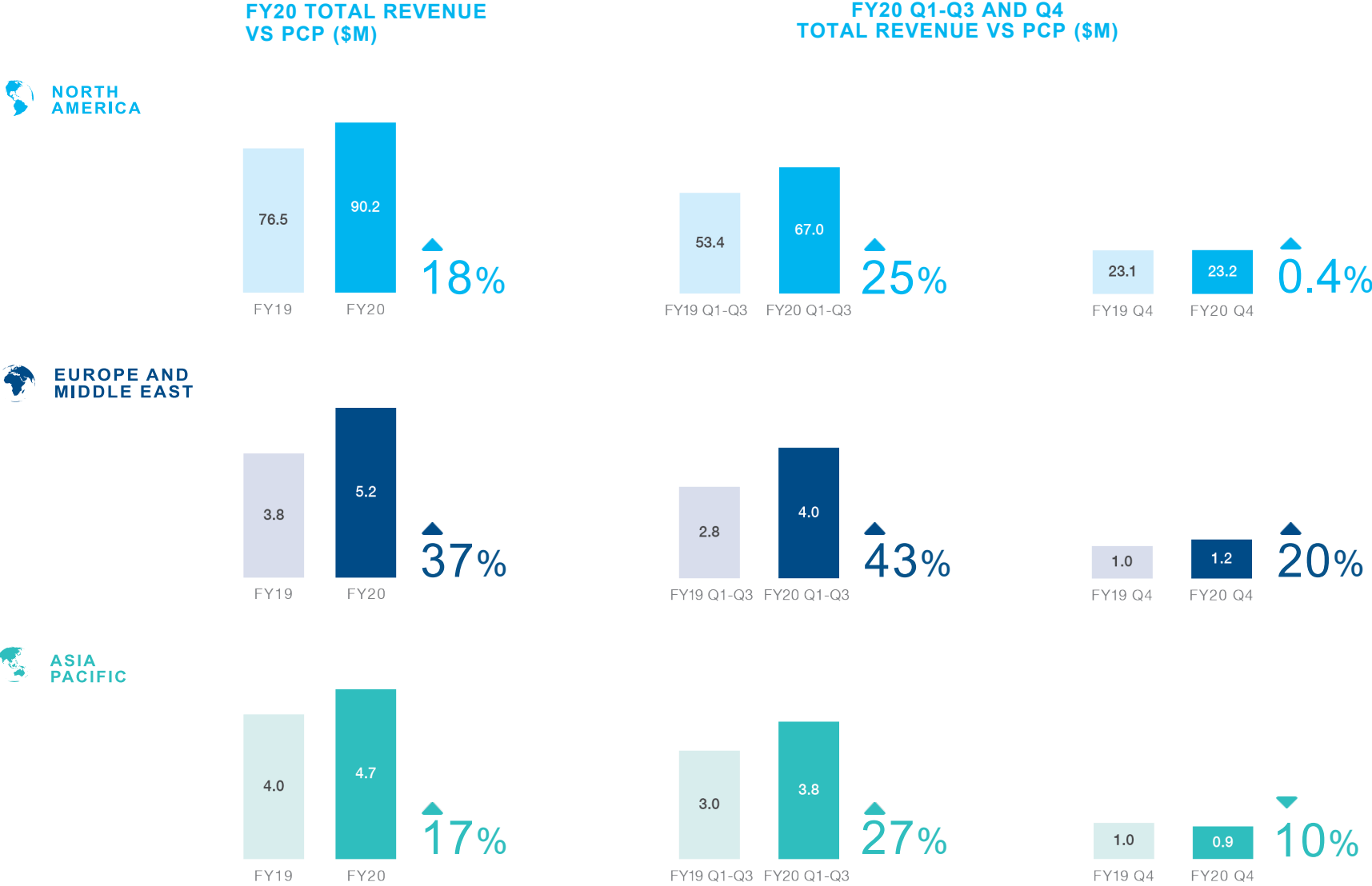
FY20
TOTAL REVENUE VS PCP
(\$M)



FY20 Q1-Q3 AND Q4
TOTAL REVENUE VS PCP
(\$M)



TOTAL REVENUE BY REGION



Graphs are not to scale and therefore not comparable

TOTAL REVENUE

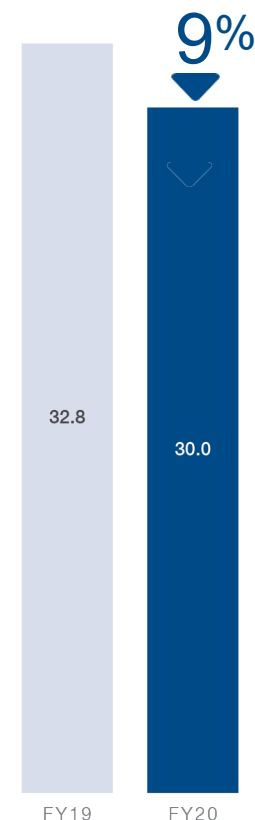
Capital Revenue
down 9% to
\$30m

While sales to end customers increased during the year, overall capital revenue decreased reflecting:

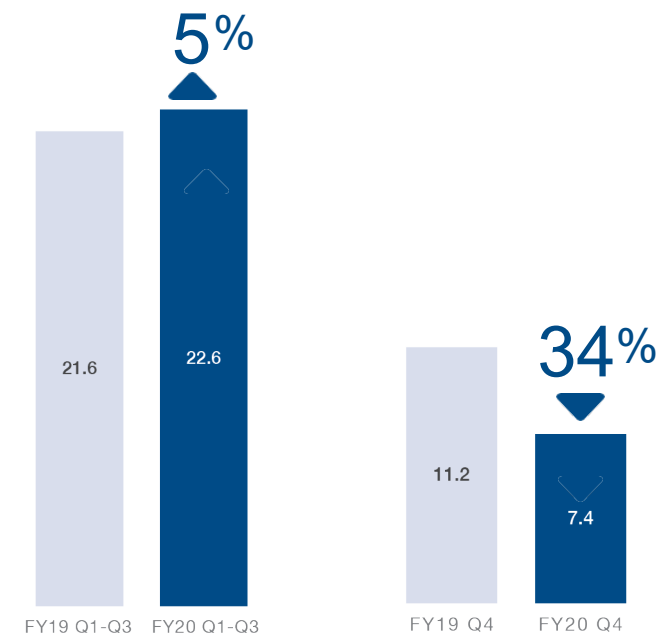
A reduction in the number of units purchased by GE Healthcare compared with the prior corresponding period. This reduction was due to significant destocking in H2 of FY18, resulting from the earlier than anticipated FDA approval of trophon2 and the subsequent restocking of inventory of trophon2 in FY19 upon the launch of trophon2; and

A delay in capital sales to customers during Q4 as a result of the COVID-19 pandemic.

FY20 CAPITAL
REVENUE VS PCP
(\$M)



FY20 Q1-Q3 AND Q4
CAPITAL REVENUE VS PCP
(\$M)

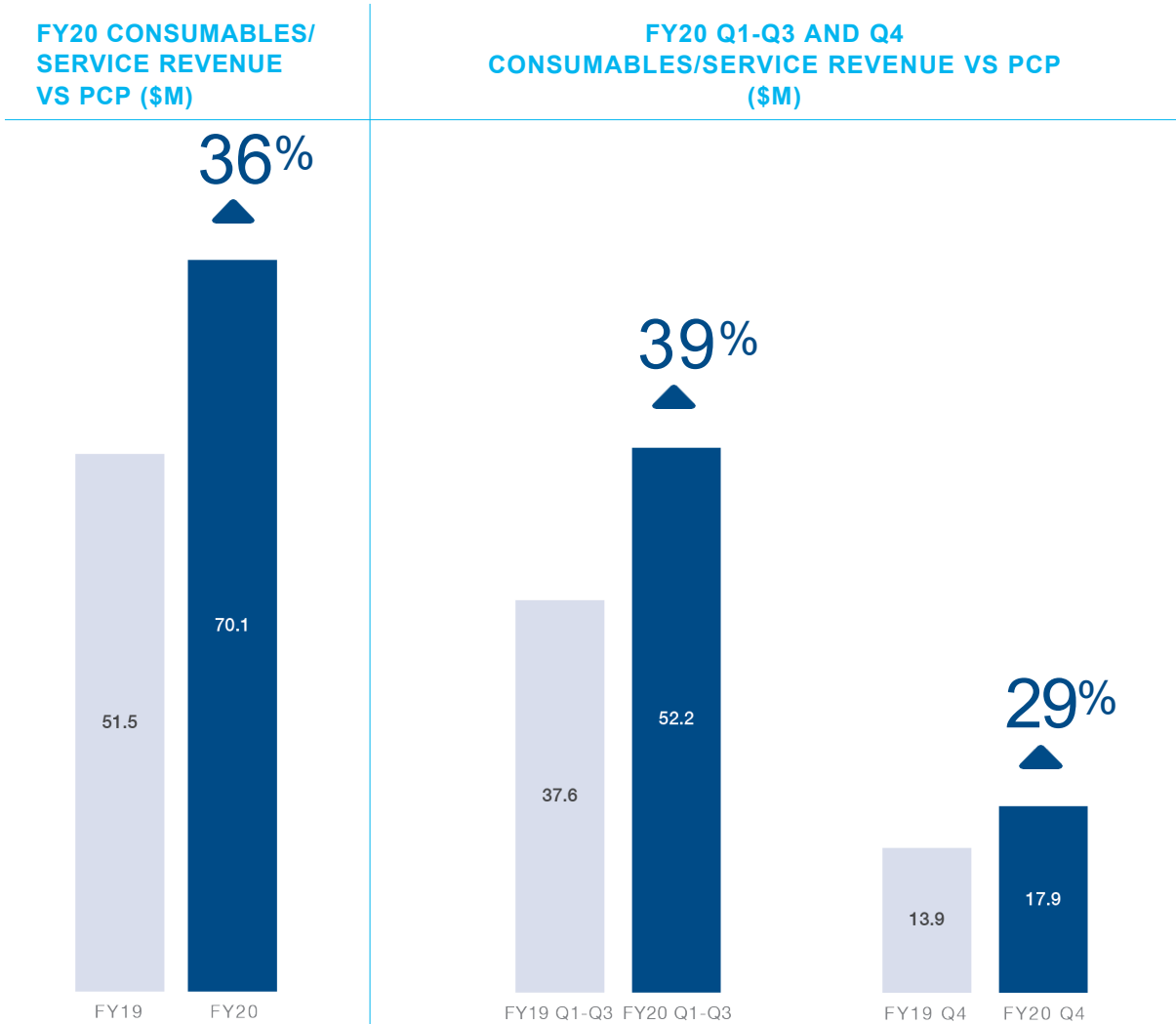


CONSUMABLE/SERVICE REVENUE

Consumables/
Service Revenue
up 36% to
\$70.1m

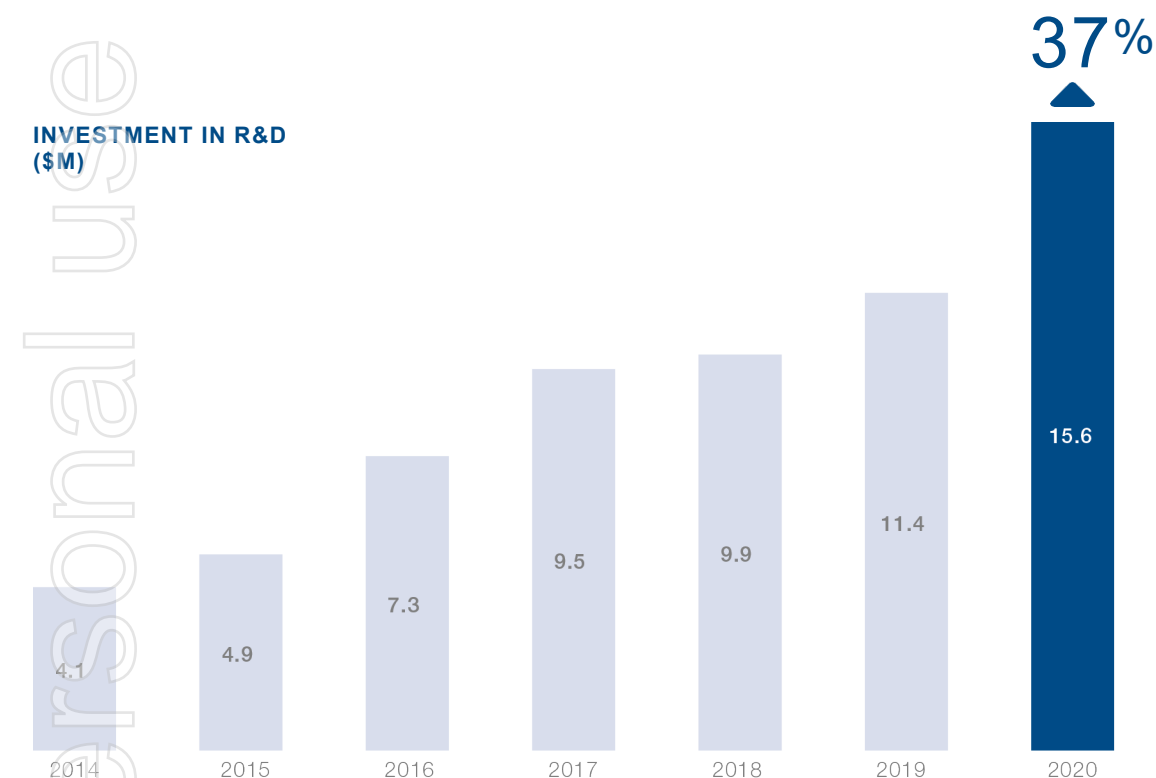
In the first three quarters of the year, revenue was up 39% on prior corresponding period. In Q4, a reduction in the volume of ultrasound procedures was experienced due to COVID-19 restrictions. Despite this reduction in ultrasound procedures, consumables and service revenue grew 29% in Q4 compared to prior corresponding period.

In June, as hospital departments resumed activities in many markets, global sales of consumables to end customers trended back to approximately 80% of Q1 to Q3 levels.



NEW PRODUCT DEVELOPMENT

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



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.

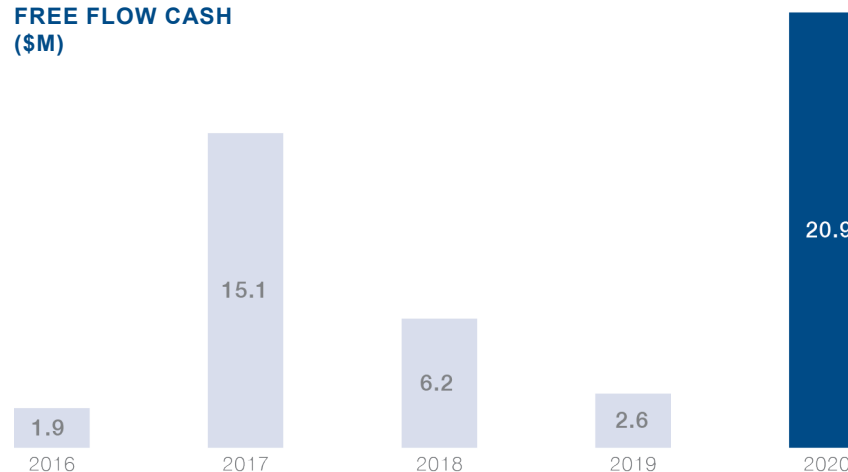
FREE CASH FLOW

FREE CASH FLOW

\$20.9m

Free cash flow for the year was \$20.9 million compared with \$2.6 million in prior corresponding period, driven by increased receipts from customers.

FREE FLOW CASH (\$M)



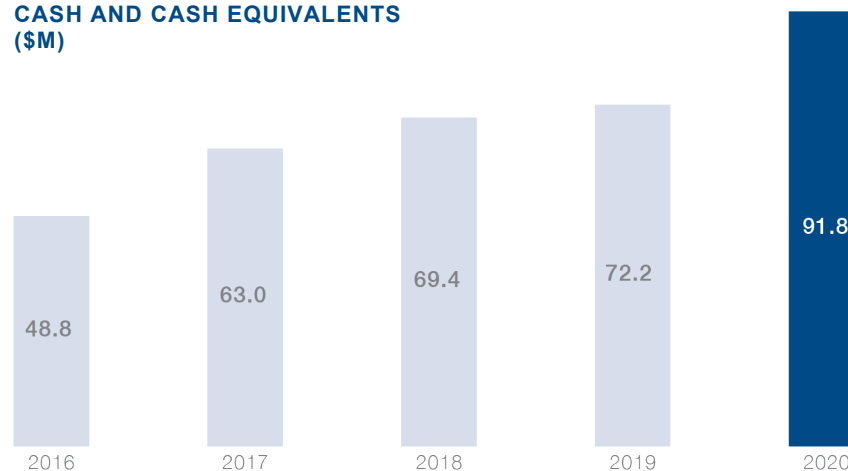
CASH AND CASH EQUIVALENTS

\$91.8m

as at 30 June 2020

Cash and cash equivalents up \$19.6 million to \$91.8 million supporting ongoing growth and expansion.

CASH AND CASH EQUIVALENTS (\$M)

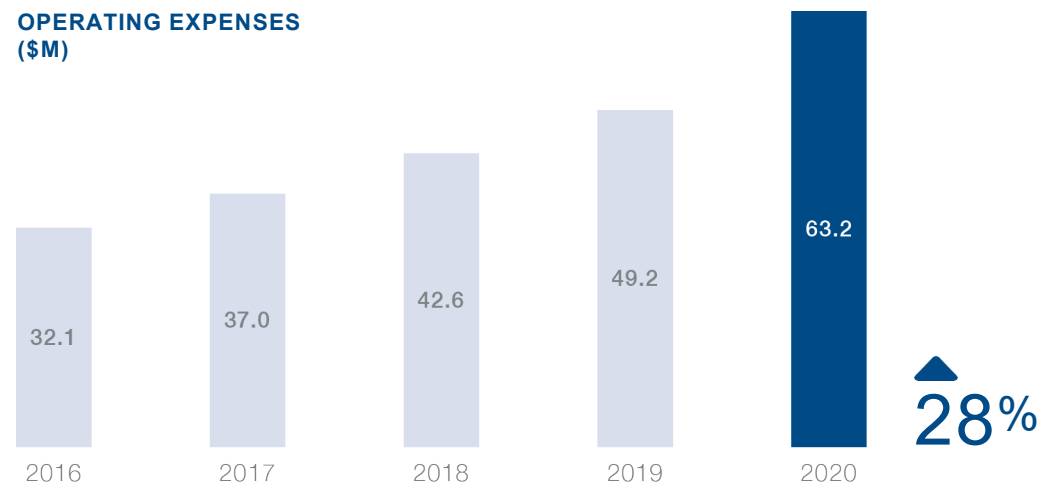


OPERATING EXPENSES

\$63.2m

The Company continued to invest in its strategic growth agenda with operating expenses up 28% to \$63.2m.

OPERATING EXPENSES
(\$M)



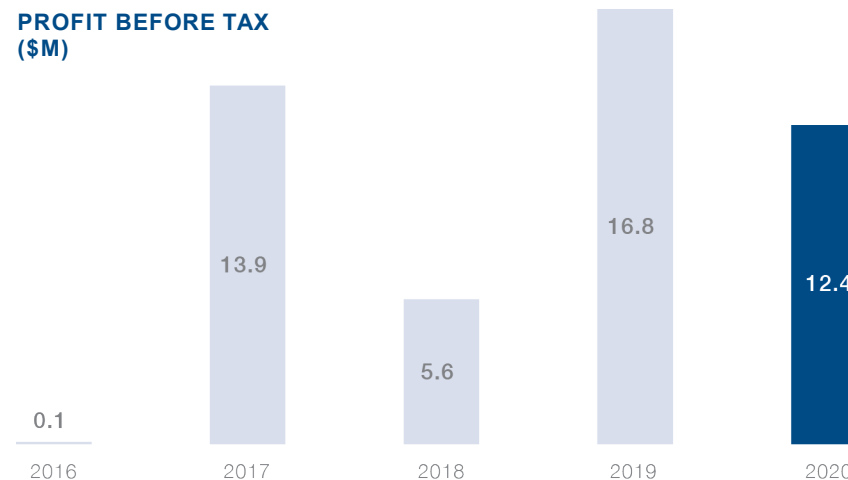
PROFIT BEFORE TAX

\$12.4m

as at 30 June 2020

As a consequence of the planned increase in investment in growth, as well as the impacts of COVID-19 on Q4 revenue, operating profit before tax was \$12.4m compared with \$16.8 million in prior corresponding period.

PROFIT BEFORE TAX
(\$M)

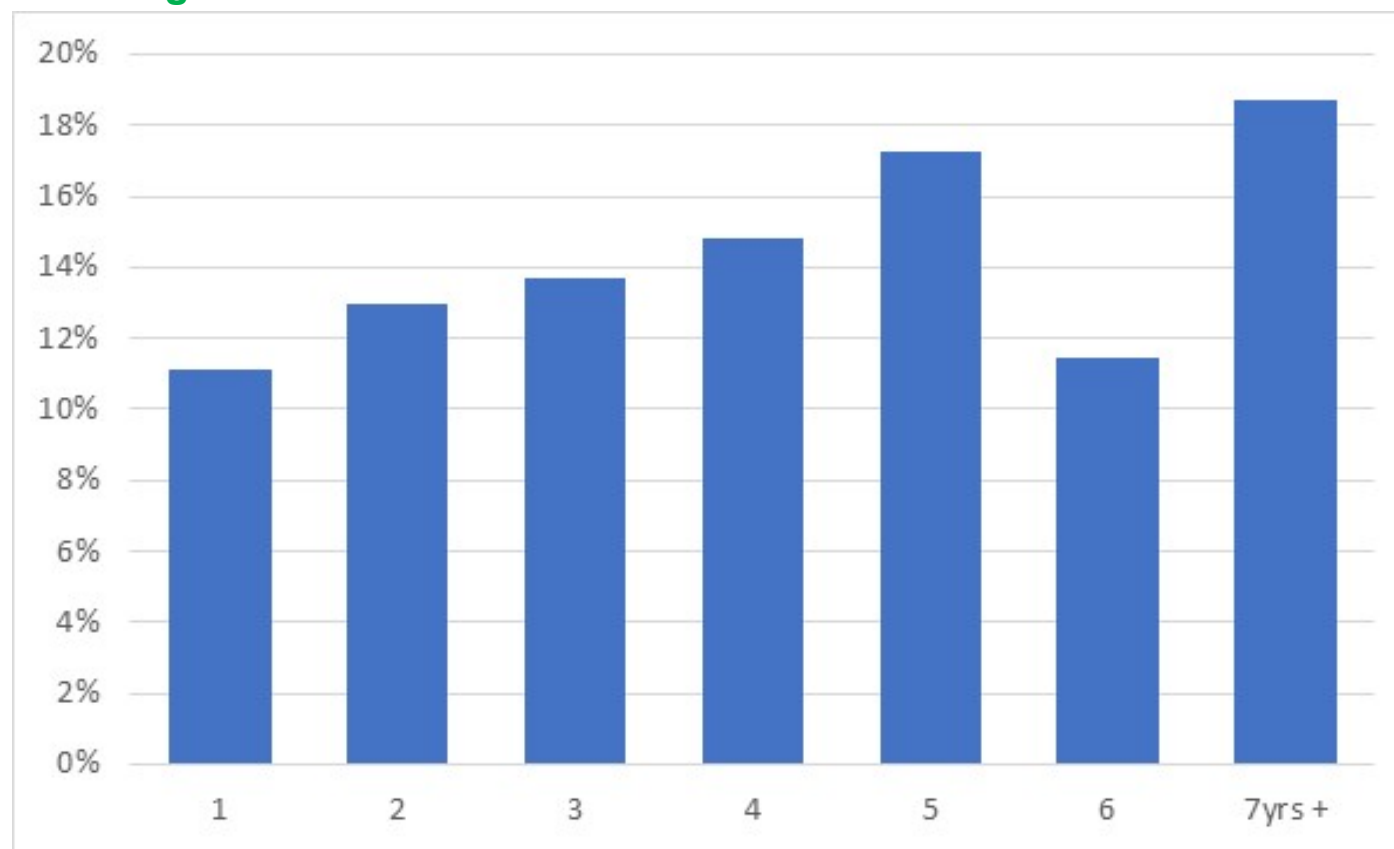


UPGRADE OPPORTUNITY

Upgrade 7+ years from installation

Significant upgrade opportunity continues to emerge as existing install base ages and new generation devices are introduced into the market

Age distribution of the Global Installed Base as at October 2020







2020 ANNUAL GENERAL MEETING

FORMAL BUSINESS

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RESOLUTION 1

Re-election of a director – Mr Steve Sargent

Resolution: That Mr Steve Sargent, who retires as a Director pursuant to the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected a Director.



Proxy votes received		Number	%
For	:	189,997,806	98.72
Against	:	1,290,492	0.67
Discretion	:	1,171,565	0.61
Abstained/Excluded	:	403,115	-

RESOLUTION 2

Re-election of a director – Ms Marie McDonald

Resolution: That Ms Marie McDonald, who retires as a Director pursuant to the Company’s Constitution and, being eligible, offers herself for re-election, be re-elected a Director.



Proxy votes received		Number	%
For	:	190,026,756	98.72
Against	:	1,281,547	0.67
Discretion	:	1,176,625	0.61
Abstained/Excluded	:	378,051	-

RESOLUTION 3

Election of a director – Dr Lisa McIntyre

Resolution: That Dr Lisa McIntyre, who was appointed to the Board since the 2019 Annual General Meeting and retires in accordance with the Company’s Constitution and ASX Listing Rule 14.4, and, being eligible, offers herself for election, be elected as a Director.



Proxy votes received		Number	%
For	:	191,114,188	99.3
Against	:	158,591	0.08
Discretion	:	1,196,308	0.62
Abstained/Excluded	:	393,893	-

RESOLUTION 4

Remuneration Report

Resolution: That the Remuneration Report for the financial year ended 30 June 2020 be adopted.

Proxy votes received		Number	%
For	:	177,485,874	97.43
Against	:	3,496,042	1.92
Discretion	:	1,184,413	0.65
Abstained/Excluded	:	10,696,652	-

RESOLUTION 5

Issue of 19,112 Performance Rights to the Chief Executive Officer and President, Mr Michael Kavanagh, under the 2020 Short Term Incentive (2020 STI)

Resolution: That approval be given for all purposes under the Corporations Act 2001 (Cth) and the ASX Listing Rule 10.14 for the issue of 19,112 Performance Rights to Mr Michael Kavanagh under the Nanosonics Omnibus Equity Plan (**Omnibus Plan**) in respect of the 2020 STI, on the terms set out in the Explanatory Notes accompanying this Notice of Meeting and in accordance with the Rules of the Omnibus Plan (as amended from time-to-time).

Proxy votes received		Number	%
For	:	189,367,819	98.97
Against	:	819,752	0.42
Discretion	:	1,156,950	0.61
Abstained/Excluded	:	1,518,461	-

RESOLUTION 6

Issue of 208,884 Share Appreciation Rights and 143,298 Performance Rights to the Chief Executive Officer and President, Mr Michael Kavanagh, under the 2020 Long-Term Incentive (2020 LTI)

Resolution: That approval be given for all purposes under the Corporations Act 2001 (Cth) and the ASX Listing Rule 10.14 for the issue of 208,884 Share Appreciation Rights and 143,298 Performance Rights to Mr Michael Kavanagh under the Omnibus Plan in respect of the 2020 LTI, on the terms set out in the Explanatory Notes accompanying this Notice of Meeting and in accordance with the Rules of the Omnibus Plan (as amended from time-to-time).

Proxy votes received		Number	%
For	:	175,148,991	91.46
Against	:	15,185,698	7.93
Discretion	:	1,167,110	0.61
Abstained/Excluded	:	1,361,184	-

RESOLUTION 7

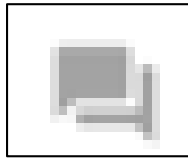
Re-insertion of Proportional Takeover Provisions in Constitution

Resolution: That the proportional takeover provisions at clause 1.6 of the Company’s Constitution, in the form attached to this Notice of Meeting as Annexure A, be re-inserted into the Constitution for a period of three years commencing on the day this special Resolution is passed.

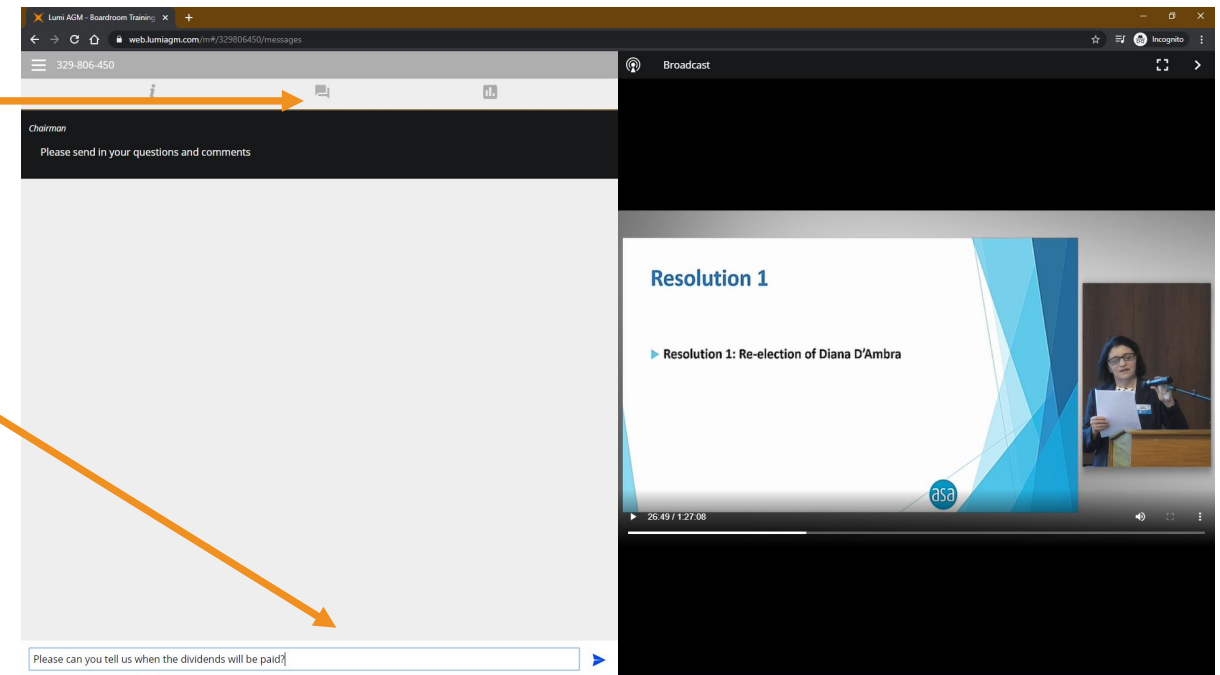
Proxy votes received		Number	%
For	:	190,195,132	98.88
Against	:	991,307	0.51
Discretion	:	1,173,365	0.61
Abstained/Excluded	:	503,180	-

ONLINE ATTENDEES – QUESTION PROCESS

- When the Question function is available, the Q&A icon will appear at the top of the app.

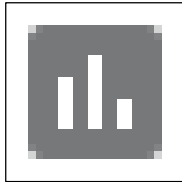


- To send in a question, simply click in the 'Ask a question' box, type your question and then press the send arrow
- Your question will be sent immediately for review

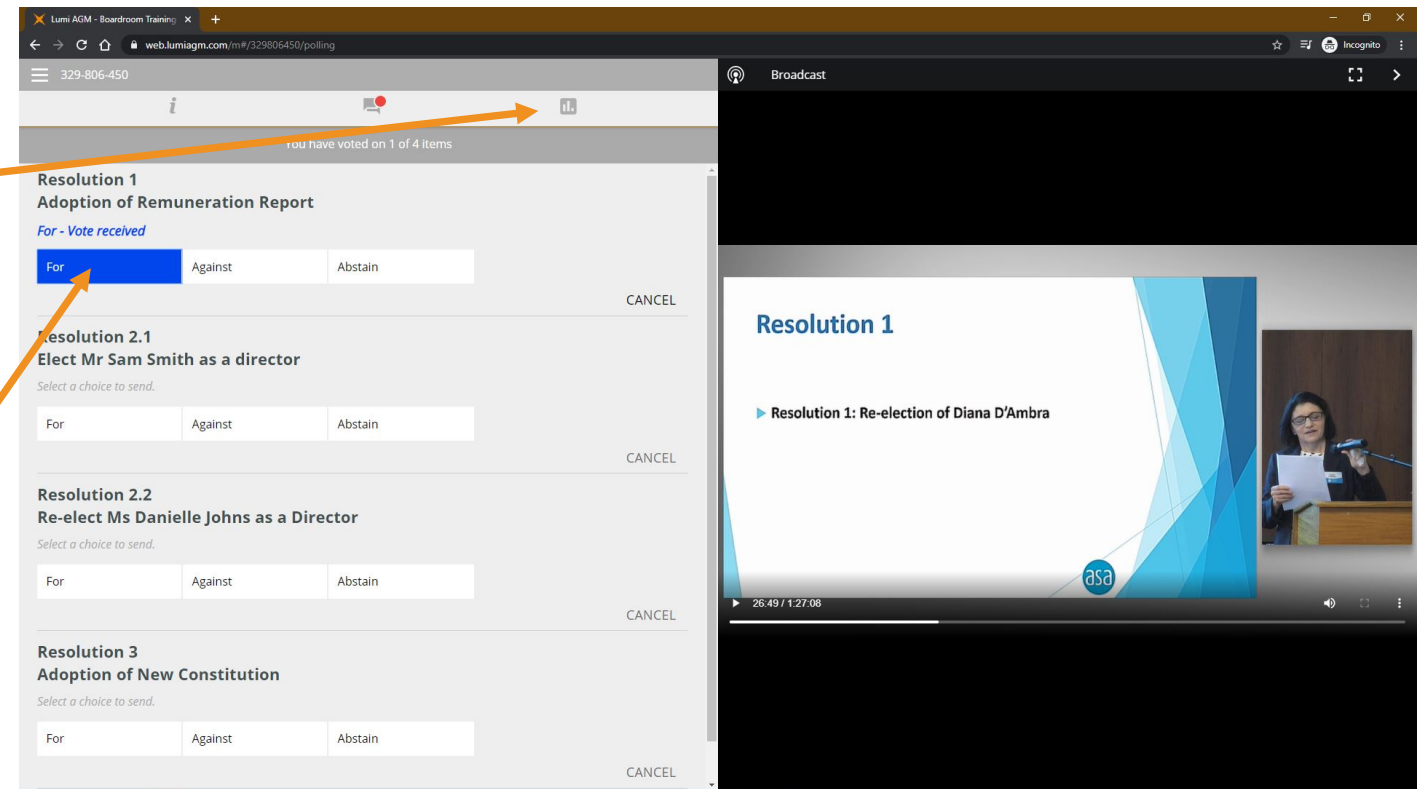


ONLINE ATTENDEES – VOTING PROCESS

- When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen

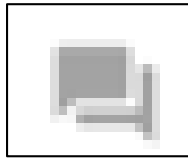


- To vote simply select the direction in which you would like to cast your vote, the selected option will change colour.
- There is no submit or send button, your selection is automatically recorded.

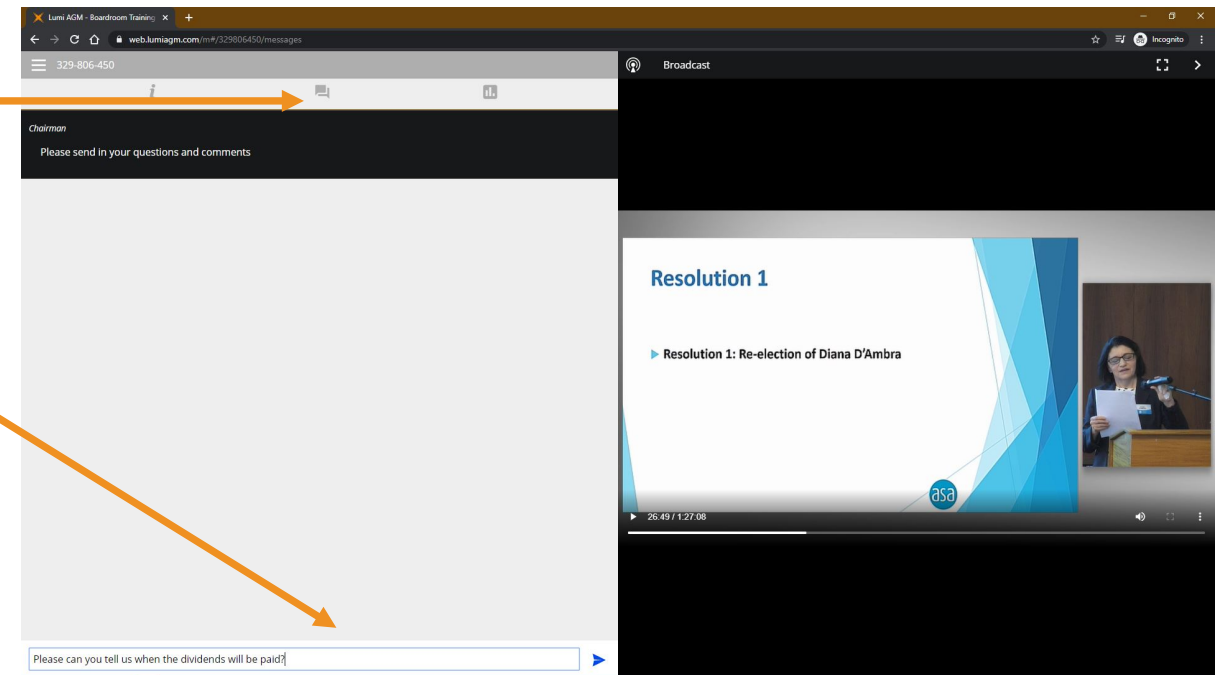


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