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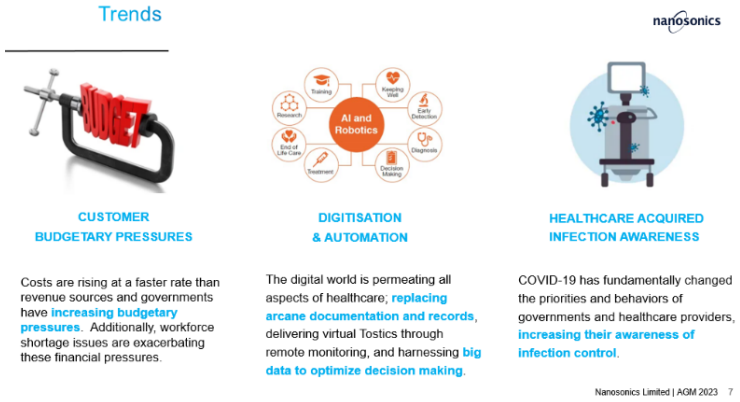
Nanosonics Limited
2023 Annual General Meeting
Chairman's and CEO & President's Addresses

Introduction

Being here in our office causes me to reflect on how far we have come – from our beginnings as a young company in Alexandria at IPO in 2007, to where we are today in this state-of-the-art facility in Macquarie Park, which is co-located with our manufacturing site and laboratories. Welcome everyone.

The 2023 financial year saw the Company continue to focus on meeting customer needs and progressing our momentum of our strategy and ambition as a leader in infection prevention. The core trophon business continued to expand globally, delivering record sales and profitability and we made good progress on progressing CORIS through the development and regulatory approval phases.



Trends

The healthcare industry is evolving rapidly, with many economic and technology trends necessitating the continual evolution and adaptation of organisations to continue to care for patients and deliver value.

There are several trends that impact us which I'd like to outline briefly as they also represent the areas of challenge and opportunity for Nanosonics.

- **First,** our customers are experiencing one of the most difficult operating environments for a very long time. Costs are rising at a faster rate than revenue sources, and governments have increasing budgetary pressures. Additionally, workforce shortage issues are exacerbating these financial pressures.

  We are responding to cost pressures faced by our customers by offering alternative purchasing models to help customers manage their capital spending constraints, such as rental or managed equipment service offerings (which require no up-front capital outlay).

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- **Secondly,** in response to these cost and workforce pressures, our customers are looking to digitise and automate their processes at an ever-accelerating pace. The **digital world is permeating all aspects of healthcare** replacing arcane documentation and records, delivering virtual diagnostics through remote monitoring, and harnessing big data to optimise decision making.

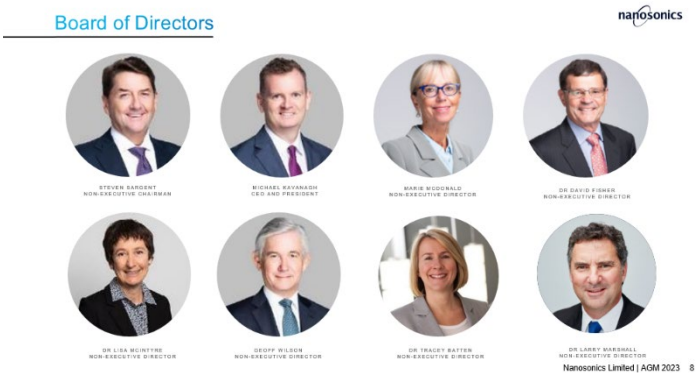
  For Nanosonics, one of our key competitive differentiators is our ability to automate complex cleaning and decontamination processes and provide automated validation of compliance requirements. Nanosonics is a market leader in automating reprocessing. Our trophon technology is a great example of this which has automated the reprocessing of ultrasound transducers and has become the standard of care. Additionally, our CORIS technology will automate and establish new efficacy benchmarks in what is recognised as one of the most important issues that must be addressed in instrument reprocessing; and that is Endoscope reprocessing. As more surgical procedures transition to less invasive endoscopy techniques, the automation and increased efficacy of endoscope reprocessing will become increasingly important.

  Both product offerings offer a far superior health outcome and a highly replicable, automated process. This has significant positive impacts on individual patient outcomes as well as the wider health economics equation.

- **Thirdly**, the recognition that healthcare-acquired infections are an enduring problem and high on the agenda to address, remains a critically important aspect of healthcare. COVID 19 has fundamentally changed the priorities and behaviours of governments and healthcare providers – increasing their awareness of infection control. There is greater antimicrobial stewardship, with programs that aim to minimise antibiotic interventions in infection control. Such programs have become an international focus in the fight against the adverse consequences of anti-microbial resistance. Hospitals have embraced targeted HAI intervention bundles that consider a cross disciplinary approach to infection control.

With these evolving trends, medical technology companies are positioning themselves as ”solution providers” to solve key unmet needs of the customer and continually re-evaluate their approach to serving customers.

As I look at the Nanosonics business I believe we are well positioned to compete and thrive in this environment and continue to protect patients and add value to customers and shareholders.



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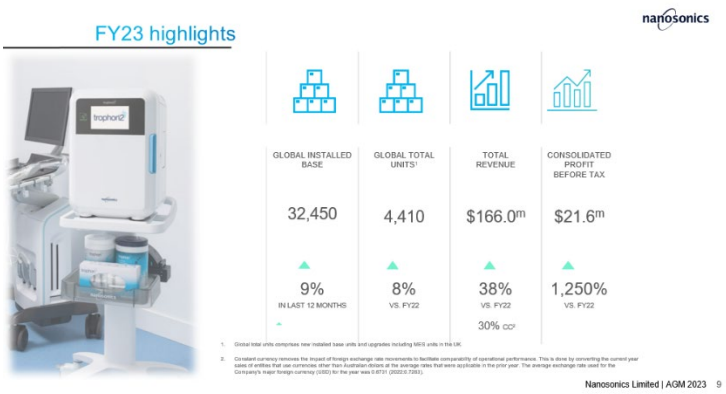
Board and KMP changes

Closer to home now: Over the last year the Company has gone through a process of Board renewal. With each new director joining, the business has benefited from the valuable expertise and industry insight they bring.

We were very pleased with the appointment of Dr Tracey Batten, formerly a medical practitioner, health system administrator and CEO of numerous healthcare organisations, and Dr Larry Marshall, formerly the Chief Executive of the CSIRO and successful entrepreneur. Their appointments will add tremendous value to the Board and Company given their extensive executive experience in the healthcare sector, their international experience and their successful commercialisation of science and technology. I am looking forward to seeing their impact on the "team" and I am pleased that they are standing for formal election to the Board today.

I'd also like to take this opportunity to formally welcome Mr Jason Burris to Nanosonics who joined as our new CFO on the 3rd of October. Jason's 25-year career has seen him bring commercial and operational success across international organisations, including GE Healthcare and Hilti Group, which span the healthcare, financial services and construction industries in over four continents. I look forward to working with him again.



FY23 high level business update

In terms of the business performance, Nanosonics performed strongly in FY23, in another year that has presented new challenges. Nanosonics continued to execute its strategy in FY23 to expand into new geographical markets and broaden and deepen its product and service offerings.

I'll let Michael update shareholders further in this area. However, one important strategic outcome I would like to acknowledge is that FY23 was the first full year operating under a largely direct sales model as we transitioned away from GE in North America. Importantly, this puts us closer to the customer and is in line with our strategy of moving to a primarily direct selling model in all major markets around the world. There continues to be significant runway for the trophon business globally.

As Michael will outline, we have also continually invested in R&D which is the growth engine of our business. We look forward to our next, transformational product, CORIS®, for which we are working closely with the FDA to ensure the regulator's testing requirements are met

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for our de novo submission. We recognise the anticipation for this product's launch and we share in that excitement. I would like to remind all shareholders that we are targeting a **transformational product** and getting it right is most important. We believe it has the potential to significantly enhance the long-term value of Nanosonics. There is a reason why this has not been done before. There is a reason why this is hard. The incredible Nanosonics team have solved one of the most significant issues in infection prevention.

M&A / capital management / investments

We continue to monitor the market for M&A opportunities in the markets in which we operate, and we remain poised to move on any opportunity provided it makes sense for us.

The Board reviews our approach to capital management twice a year and, at this time, has formed the opinion that the cash held by the Company is best reinvested into the company to support future growth. The best example of this is CORIS commercialisation. It is a significant achievement that Nanosonics has been able to develop a product of this complexity solely through its internally generated cashflows. Considering this, we will maintain our current dividend policy.

Of course, I must mention, the single most important investment is in our people who have worked tirelessly to support our customers, execute our strategy and drive shareholder value.

Sustainability

Nanosonics has continued to expand its Sustainability agenda as outlined in the FY23 Sustainability Report. I encourage you to read it if you have not already.

Sustainability is central to our business strategy and our Mission. I'm proud to report that, in FY23, we achieved many milestones, including undertaking an exercise to measure our carbon footprint. This has shown us to be low emitters when compared to comparable manufacturing and medical device companies. Our next steps on this journey will lead us to setting and pursuing appropriate targets so that we do our share for the energy transition that society is navigating.

Diversity and inclusion is recognised as a core value of the company and is an important driver of our growth. The Nanosonics workforce now represents over 30 different nationalities with 45% of employees being female. I'm very proud that we have such a diverse workforce. I'm also very pleased to report that the percentage of females on the Board is now 37.5% following the appointment of Dr Batten and Dr Marshall.

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I must say that, most importantly, by innovating and manufacturing medical devices that meet unmet needs in the infection prevention field, we contribute to important public health outcomes in a way that is unique for a healthcare company. During FY23 we have protected more than 25 million patients from the risk of cross-infection and indeed during the duration of this meeting alone we will have protected nearly 26,600 patients. By using our technology for those procedures, we also avoided unnecessary wastage of potentially millions of litres of water. These are metrics that all shareholders can be proud of.

We will continue to invest in and build on our Sustainability targets in FY24.

Closing Remarks

I would like to thank each employee of the Company here in Australia and globally for their outstanding efforts in FY23. I would also like to thank Michael and the leadership team for steering the business through another successful year.

I also want to take this opportunity to thank my Board colleagues for their commitment and support in guiding the Company for all stakeholders including our healthcare customers and the communities in which we operate.

Also, to our shareholders, thank you all for your support of the Company.

As I look forward to the significant change the healthcare industry will go through over the coming decade, I reflect on our company's Mission…specifically, it says… "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." This inspiring vision encapsulates how Nanosonics is changing the future of healthcare for the benefit of patients, our customers and society.

I will now hand it over to Michael.

END

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Michael Kavanagh – CEO & President

Thank you very much Steve and a very good morning, ladies and gentlemen.

At Nanosonics, our Strategy is very much guided by our Mission and our mission is very purposefully constructed into three segments, the Why we exist or our purpose which is to improve the safety of patients, clinics, their staff and the environment, the How we deliver on our purpose which is by transforming the way infection prevention practices are understood and conducted and the What we produce, our products and services introducing innovative technologies that deliver improved standards of care.

It's always good to reflect on how we are performing against our stated purpose.

When thinking of the **Why**, today over 26 million patients are protected annually from the risk of cross contamination from ultrasound procedures. The trophon technology that enables this does so in a way that is extremely safe for patients and the staff of clinics because they are now dealing with an efficient, enclosed system that is very safe to use. Environmentally the product is also very safe in that the byproduct from a decontamination cycle is just oxygen and water.

In terms of the **How** we deliver on our purpose, the organisation is committed to its ongoing investment in education, clinical studies, and clinical support tools to ensure our customers are aware of the risks and requirements for decontamination. Our work in this area has resulted in the emergence of new guidelines requiring High Level Disinfection in many countries since the introduction of trophon and we continue in those efforts as we expand internationally.

From a **What** perspective, this relates to our technological innovation program and investments in R&D. For Nanosonics we have developed an expertise in identifying key unmet needs in instrument reprocessing by understanding deficiencies in current practice, many of which are due to the manual nature of current practice. Through our R&D programs we then aim to bring automation to current practice which not only improves the efficiency of the decontamination process but delivers a more effective and safe outcome for our customers and their patients as well as the environment. You have seen this with the introduction on

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trophon which replaces a manual, inefficient and ineffective process and has established itself as the new standard of care in many countries. Our goal is to do the same with the introduction of CORIS in endoscope reprocessing.

Over the past year we have made great progress.

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[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.

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We delivered record sales. Ongoing growth in the global installed base and acceleration in upgrade growth. Free cash flow of almost 20 million for the year enabled ongoing investment in our short-, medium- and long-term growth and the company also delivered improved profit.

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.

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In addition to the statutory P&L for the business which everybody has seen and the details can be found in the Annual Report, we also produced a Pro-Forma P&L for the trophon business on a standalone basis.

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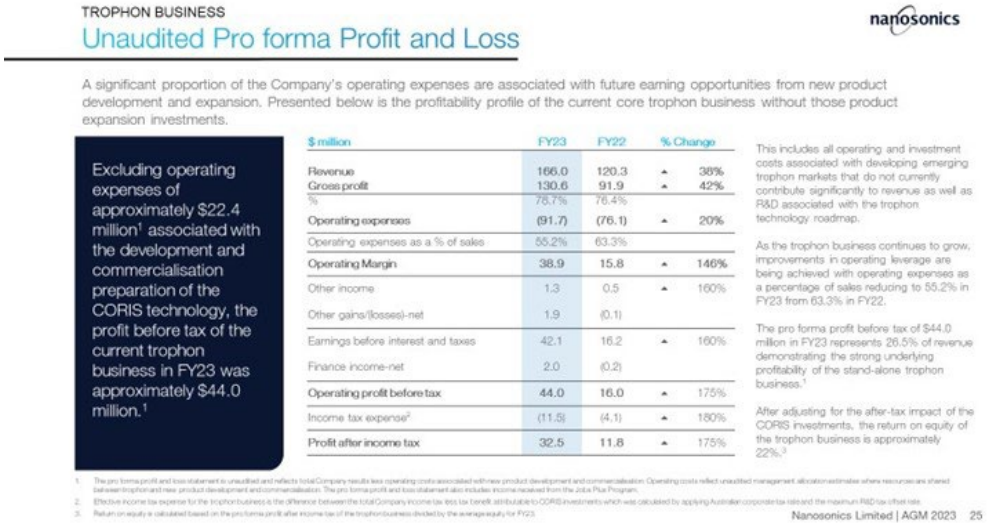

TROPHON BUSINESS

Unaudited Pro forma Profit and Loss

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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.

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It is worth noting that the standalone Unaudited Pro Forma Profit and Loss for the trophon core business has been the subject of Agreed Upon Procedures undertaken by our Auditors EY, including the allocation of expenses.

As this P&L demonstrates, the trophon business alone is a very healthy business growing strongly, delivering operational leverage with our operating expenses as a percentage of revenue reducing from FY22 to FY23 and the business delivers strong EBIT margin returns.

Consistent with the experience of other companies in the healthcare sector, hospital capital budget allocations are currently under pressure which can manifest in a lengthening of the sales cycle. Taking seasonality into account, our experience in the first quarter of FY24 shows our global new installed base growth is largely in line with our internal forecast with new installed base pipeline continuing to grow. For upgrades, while we are seeing ongoing growth in upgrade unit volumes over prior year and upgrade pipeline also continuing to grow, the trend for the sales cycle for an upgrade is lengthening where hospitals continue to use their current trophon device until budget is released.

We are conscious that only 4 months have elapsed and there are a range of uncertainties as noted in our business outlook for FY24 in August, including hospital budgetary pressures as well as broader economic and geopolitical conditions. Accordingly, in the same way as last year, it is too early to provide an update to outlook for the full year. It is our current expectation that we will provide an update in this respect as part of our half year reporting in February next year.

Of course, Nanosonics is not just a trophon business and hence, we continue to invest in our product and geographical expansion strategies.

During the year our total number of employees grew to 482. We strengthened our capabilities across many dimensions of our organisation including IT, advances in our manufacturing capacity and capability and importantly growth in our biosciences function where we now have significant and in some cases, world leading capabilities across the scientific dimensions of instrument reprocessing.

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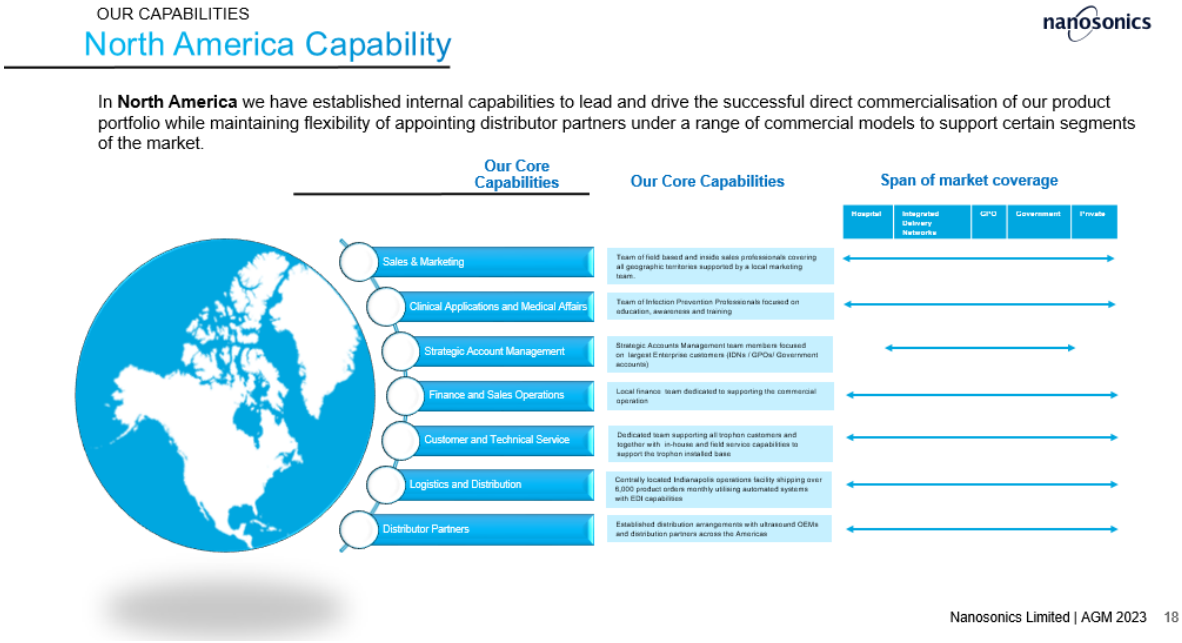
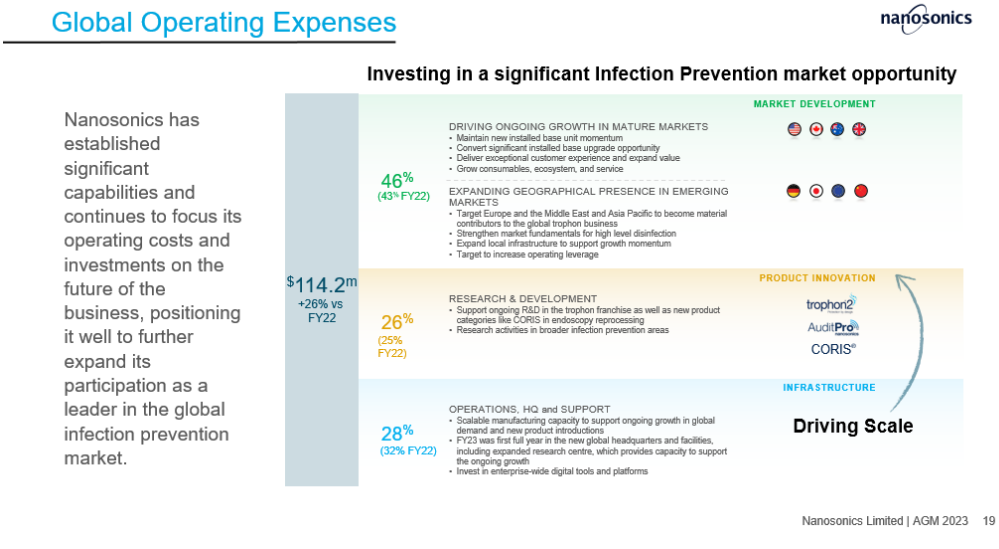


We evolved our sales model particularly in North America through the establishment of a fully functional direct operation where we now have an infrastructure to drive growth and provide support across all stakeholders and market segments.

Globally, our Direct operations now make up 91% of our total business and in addition to North America, we have also gone direct in Ireland where our European HQ has been established.



We continued to invest to drive the future growth of the business not only for the short and medium term, but importantly, long term with the majority of those investments going towards future revenue generation and growth. 72% of our overall investments are directed towards market growth and R&D, and 28% into continuing to expand and enhance our operational infrastructure and capabilities to support our future growth.

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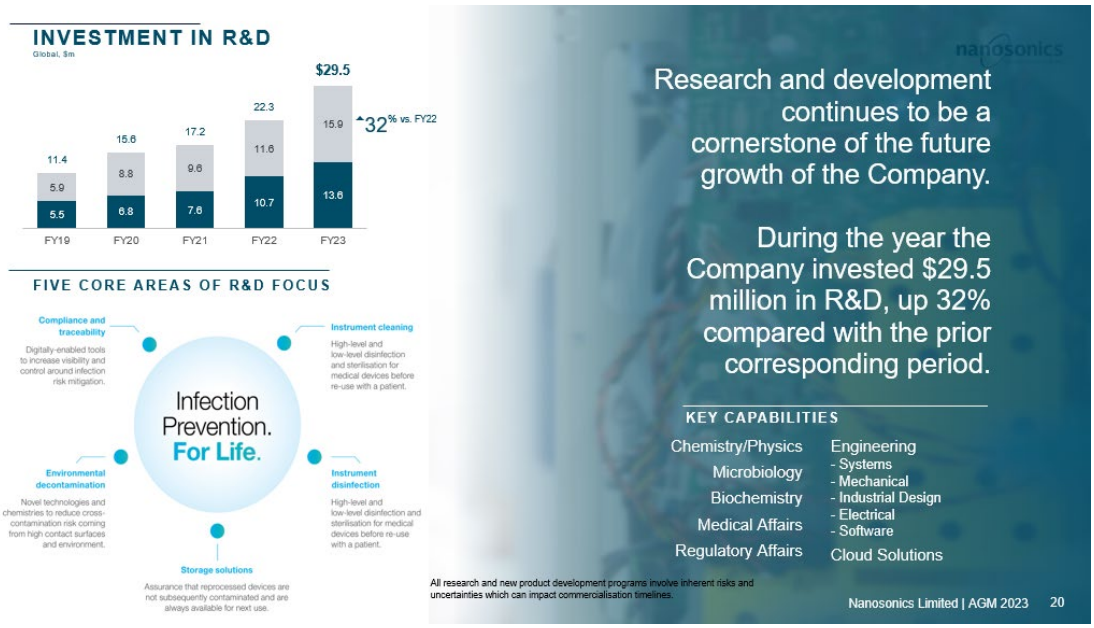
During the year, we continued our efforts in geographical expansion.

In Japan, we continue to make progress towards the establishment of national societal guidelines. In addition to our original local study in Japan that demonstrated 98% of transvaginal ultrasound probes were contaminated, a second study, which is nearing completion on ultrasound probes used in Emergency Departments, is also showing significant contamination. We now continue our work with the various societies in Japan with the objective of establishing national based guidelines.

In China, the regulatory process for the approval of trophon2 is well underway and we anticipate approval by the end of the financial year.



Of course, we continued our investments in Research and Development where we have built significant capability and unique strengths in particular, the area of biofilm where we would be recognised as a leader in biofilm science and production. This of course has specific applicability for CORIS, which I will come to shortly.

It is worth noting, that our investments in R&D in FY23 represented 18% of total revenue. We remain committed to our ongoing investments in R&D, and on an absolute basis those investments will continue to grow. We do however, expect that our overall R&D expenses as a percentage of revenue moving forward, will start to come down and moderate to a percentage closer to what you see in more mature medical device companies that have much greater revenue.

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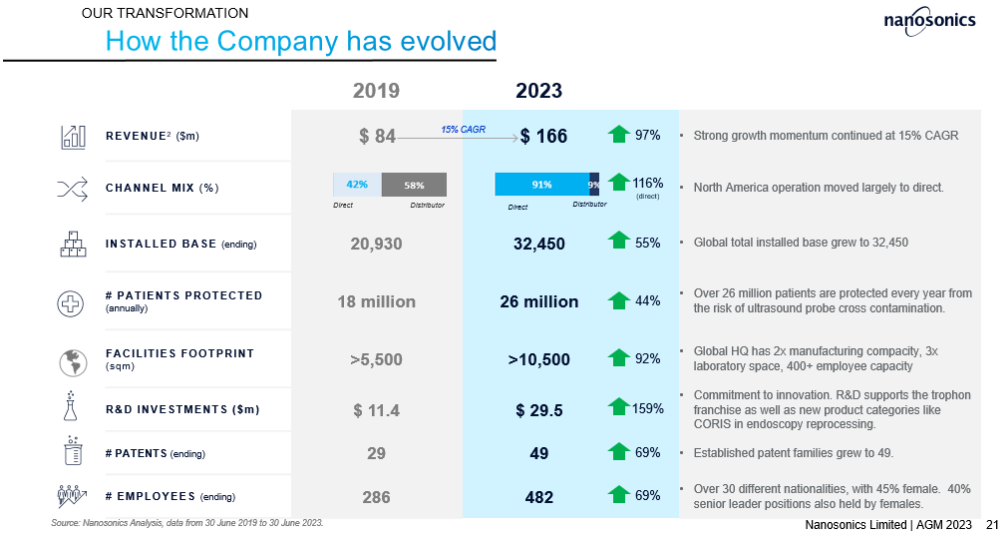
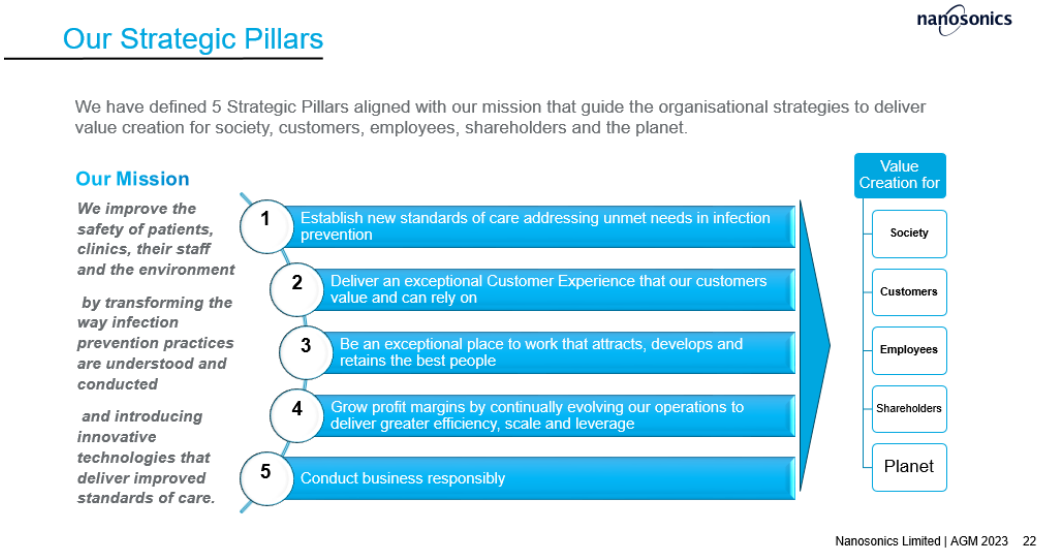


Of course, FY23 was just a snapshot in time and it is useful to look at how the organisation has evolved over the last 5 years. Indeed, in that short time period, the organisation has evolved greatly despite the significant disruptions of COVID. This progress is across many dimensions including products, geographical presence, channel mix moving more direct, installed base and number of patients protected annually, our R&D investments and growth in our patent portfolio, facility expansion and growth in the number of employees and our capabilities and capacity as a business.

Of course, it's great to see how our organisation has evolved over the last 5 years, what is important of course, is our continued growth strategy.



Just as it was in the past, our strategy is very much informed by our mission and there are five overarching Strategic Pillars that guide our organisational strategic priorities, with each pillar aligned with creating value for each of our stakeholders.

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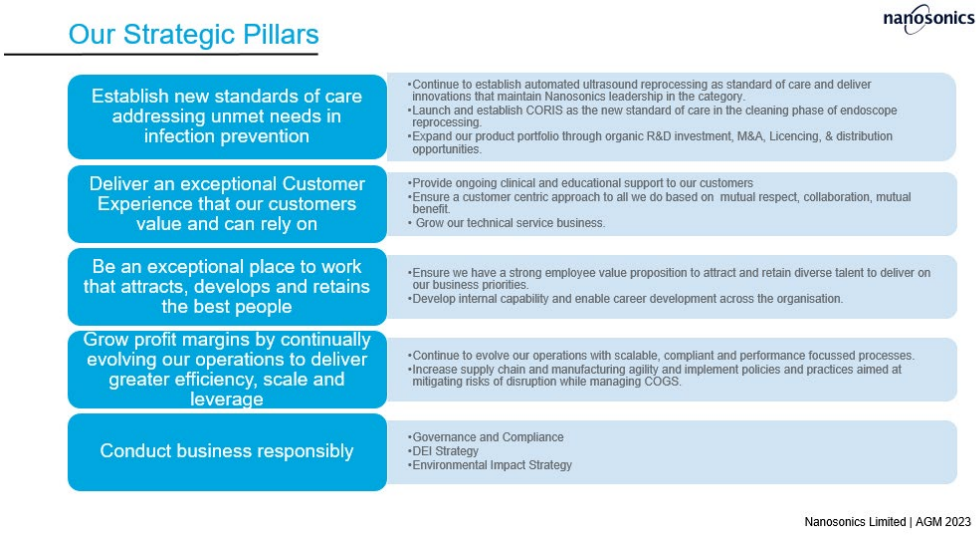
The first is to establish new standards of care addressing unmet needs in infection prevention in particular, instrument reprocessing. This very much creates value for society by reducing cross contamination and healthcare acquired infections.

The second is to deliver an exceptional customer experience that our customers value and can rely on.

Our third, is to be an exceptional place to work that attracts, develops and retains the best people which creates value for our employees.

Our fourth is to grow profit margins over time by continually evolving our offerings and our operations to deliver greater efficiency, scale and leverage. The goal here is to continually create value for our shareholders.

Finally, our fifth is to do business responsibly not only from a governance and compliance perspective, but in a responsible way for the health of our planet with a commitment to play our part in the lowering of global carbon emissions.



Each one of these strategic pillars has a set of Strategic Priorities which shape our efforts across the business on a daily basis.

Just touching briefly on the first pillar of establishing new standards of care.

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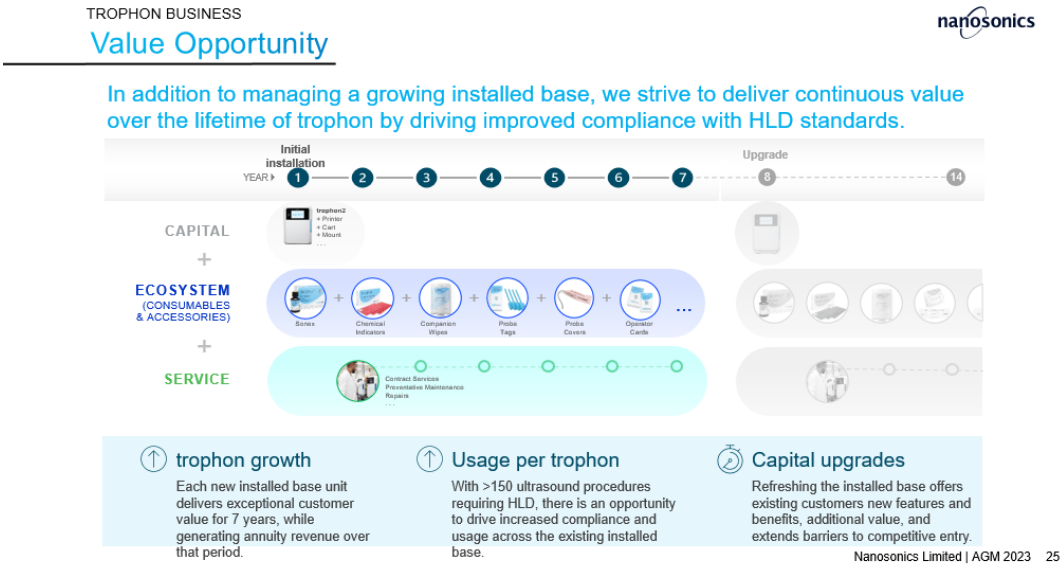
Our trophon business still has significant opportunity for growth. Globally, the market remains underpenetrated with opportunities for growth across all regions.



Of course, once trophon is adopted, there is great value opportunity associated with each unit installed through consumables and eco system usage, service contract adoption and also capital upgrade opportunities as the units age.

We remain focused on further product innovation in the ultrasound reprocessing domain but also, ongoing geographical expansion and guideline development in particular in Asia Pacific. Introducing and establishing CORIS, our next transformational product designed to address one of the most significant issues in instrument reprocessing today is of course, another significant priority.

Ongoing product expansion through organic R&D investments but also through M&A, licensing and distribution opportunities is also a priority.

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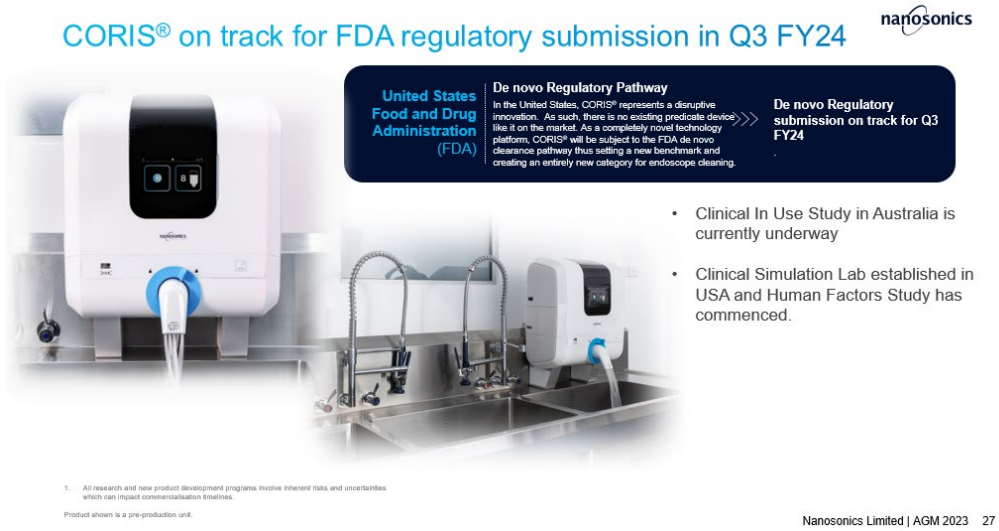
Moving onto CORIS, as covered in our FY23 results announcement in August, our focus is on readying for the de novo regulatory submission to the FDA which I'm pleased to say is on track for submission in Q3 FY24.



The Clinical in use study is currently underway.

As noted in August, the FDA required us to conduct a Human Factors Study in the United States. Since August, we have established and commissioned a clinical simulation lab on the West Coast of the US, have CORIS up and running and that Human Factors study is now underway.

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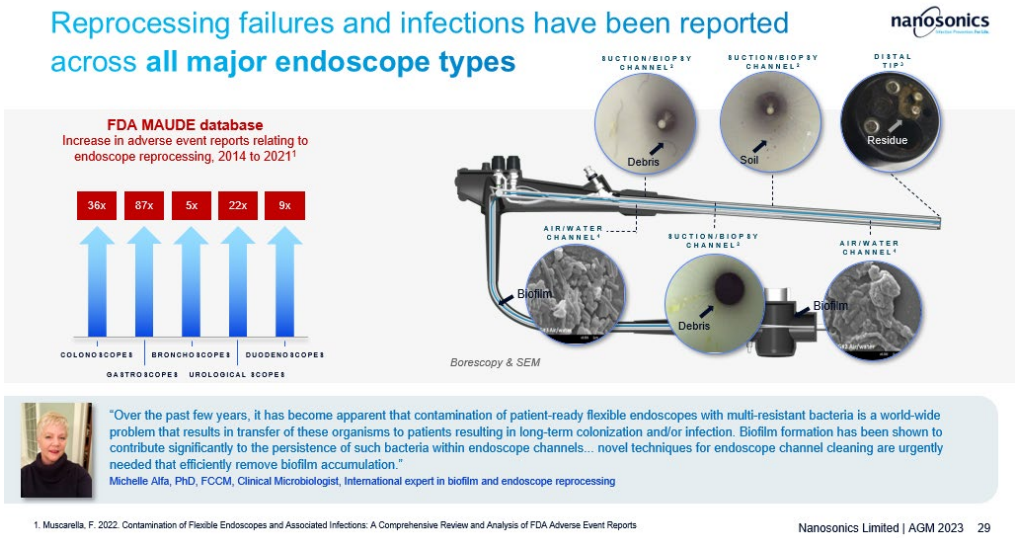
The efficacy data of CORIS is also now being presented at a number of international conferences, at the National Infection Prevention conference in the United States in June and most recently, in Europe at the World Federation of Hospital Sterilisation Services and the Irish Decontamination Institute with much positive feedback.



There is a growing awareness of the complex nature of the problem to be solved and, that such a complex problem will require an advanced automated solution. Such automation should provide assurance to hospitals that all the channels within an endoscope, irrespective of size, have been effectively cleaned, in particular, the smallest channels which are beyond the capacity of current manual cleaning. In doing so, automation should also remove the laborious inefficient and ineffective manual tasks from current workflow. CORIS is being designed to deliver this. At these conferences, we did share an animation of CORIS to help customers understand its advanced mechanism of action which I'd like to share.

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CORIS Animation

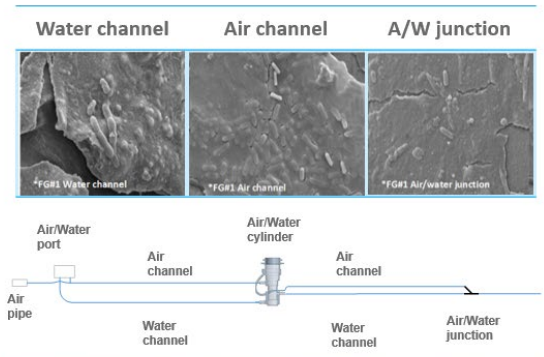
Of course, the most important requirement is, does this mechanism of action deliver the necessary transformation in cleaning that is required to improve patient safety in particular, the removal of biofilm from the small channels of an endoscope?

I'd like to share with you, some of the data that was recently presented at the conferences where CORIS was presented.

Biofilm forms quickly in narrow channels and is resistant to removal

Phase	FG Identification and Time of Use	Type of Channel	Structural Damage	Biofilm	Other Residuals
Phase 3 FG channels after 60 d in use following the revised reprocessing protocol	FG #1, 60 d	Biopsy	+	~	+
		Water	NV	+	+
		Air[a]	+	+	+
		Junction	+	+	+
	FG #2, 60 d	Biopsy	+	~	+
		Water	NV	+	+
		Air	+	+	+
		Junction	NV	+	+
	FG #3,60 d	Biopsy	+	~	+
		Water	+	+	+
		Air	NV	~	+
		Junction	NV	+	+

NV: channel surface not visible due to thick layer of biofilm and/or residual; +: Positive; ~: Suggestive of biofilm; FG: Flexible Gastroscope



Biofilm formed in A/W channels in just 60 days (30 days in some cases) and remained on all endoscopes, despite reprocessing.

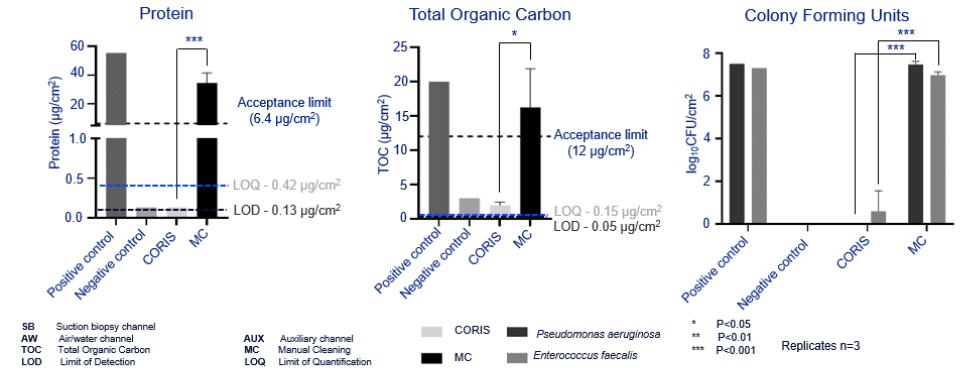
Primo, M. G. B. *et al.* Biofilm accumulation in new flexible gastroscope channels in clinical use. *Infect Control Hosp Epidemiology* 43, 174–180 (2022).

There is much evidence demonstrating the issues of contamination in particular, difficult to remove biofilm from endoscope channels. This study from South America is particularly interesting, as it demonstrates that these biofilms build up very quickly. Indeed, it happens within 30-60 days in new endoscopes despite the scopes being cleaned and disinfected after each patient use.

CORIS Preliminary Results

nanosonics

1.4 mm lumens representing the air water and aux channels



SB Suction biopsy channel
AW Airlwater channel
TOC Total Organic Carbon
LOD Limit of Detection

AUX Auxiliary channel
MC Manual Cleaning
LOQ Limit of Quantification

CORIS
MC
Pseudomonas aeruginosa
Enterococcus faecalis

* P<0.05
** P<0.01
*** P<0.001

Replicates n=3

CORIS is significantly more effective at removing cyclic build-up biofilm from simulated endoscope A/W lumens compared to manual cleaning with full IFU adherence.

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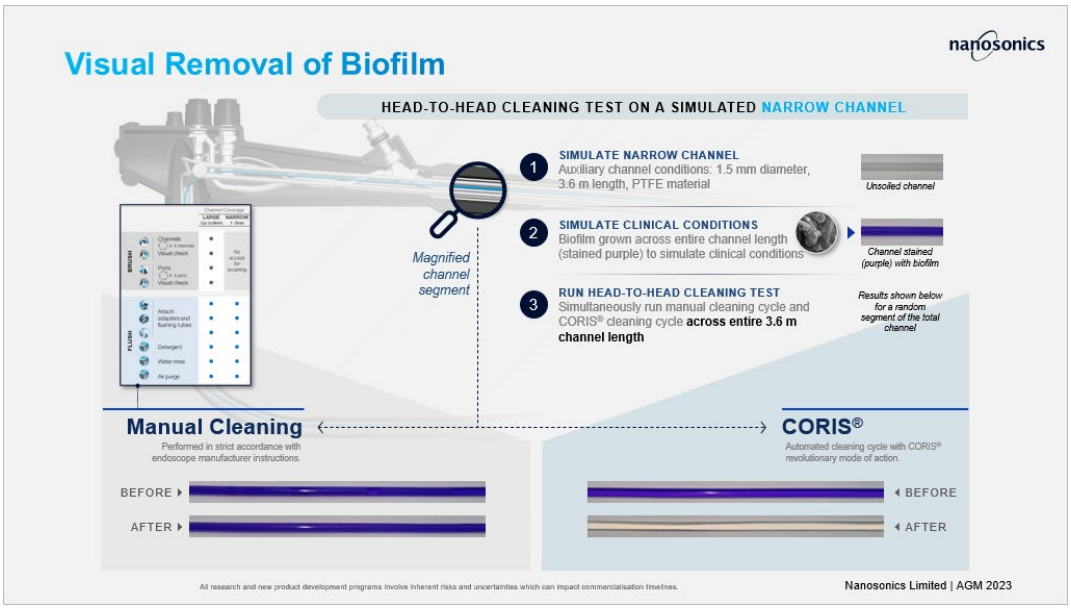
With the CORIS device, we study the effectiveness in the removal of biofilm, referred to here as cyclic buildup biofilm or, CBB in the smallest channels which is the most difficult thing to do. If you just focus on the left-hand side of the slide, you will see a result of a CORIS cleaning cycle on biofilm removal as measured by protein residue inside the lumen of a small channel in an endoscope. Protein is used as a universal measure of cleanliness. What we did, was grow biofilm in the small channels over a 5 day period then compare the effectiveness of current manual cleaning to that of CORIS. From the protein results, you can see that manual cleaning essentially had no effect in removing protein. CORIS however, reduced it down to the limit of detection. We got very similar results on other markers measured, Total Organic Carbon and Colony Forming Units as demonstrated on the slide.



What this would visually look like can be seen here. What you see are segments of a 1.4 mm lumen channel that is over 3 meters long where we have grown biofilm then stained it. With current manual cleaning, you can see it has no effect, the biofilm remains versus with CORIS it is completely removed, and this is the case, along the full 3 meter length of that channel. Clearly, this data demonstrate the opportunity for CORIS to set a totally new benchmark in cleaning but more importantly, improved patient safety.

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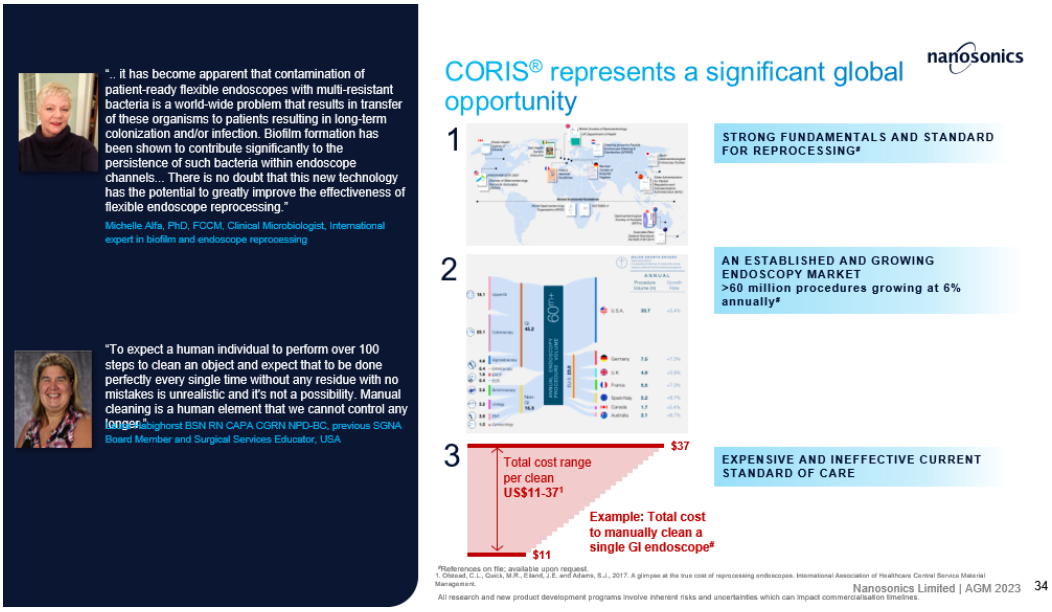

CORIS represents a significant global opportunity for Nanosonics. There already exist strong fundamentals and standards for reprocessing, there is an established and growing endoscope market and the current cost to clean an endoscope is significant which CORIS can replace.

As mentioned earlier, our focus is currently on the FDA de novo submission, and all is on track for that submission in Q3 of this financial year.

I would like to end by acknowledging the commitment, dedication, and engagement of our employees across the globe who come to work every day dedicated to delivering on our mission. I am very proud to lead an organisation of such capable and dedicated team members. I would also like to thank you, our shareholders for your ongoing commitment and belief in the long-term opportunity for the organisation and, how Nanosonics can establish itself as a recognised global leader in infection prevention.

Thank you and I'll now hand back to our Chair Steve Sargent