

Tristel™

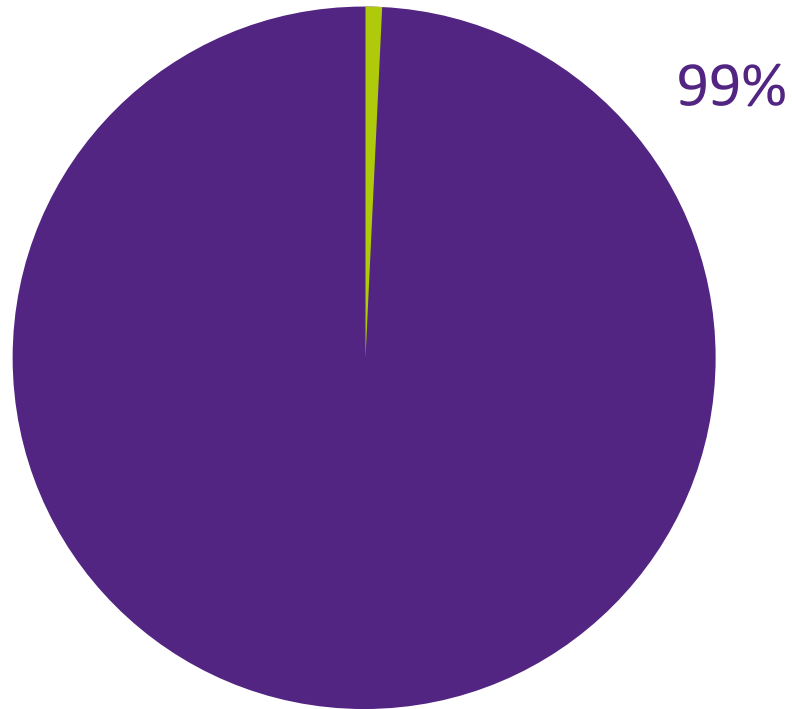
SHAREHOLDER OPEN DAY

17 JULY 2018

CHAIRMAN: FRANCISCO SOLER
CHIEF EXECUTIVE: PAUL SWINNEY
FINANCE DIRECTOR: LIZ DIXON

2018 GLOBAL REVENUE

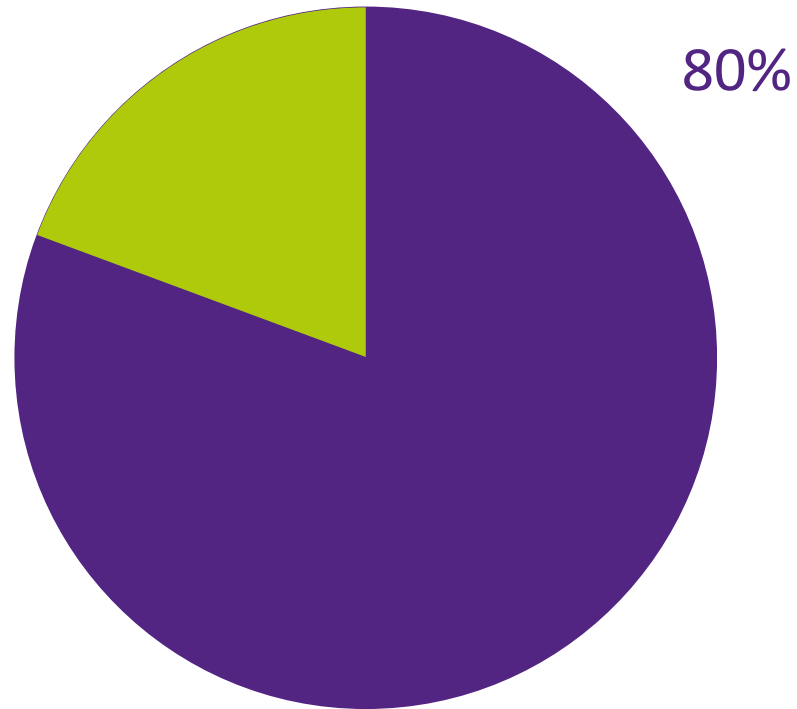
£22.2M



■ INFECTION PREVENTION ■ OTHER

Your company is an infection prevention business, and it is a global business. Our products play an important part in stopping the spread of infections in hospitals. We do this with a very powerful disinfectant called chlorine dioxide, the chemical symbol for which is ClO₂. As you can see, 99% of our revenues come from selling infection prevention products.

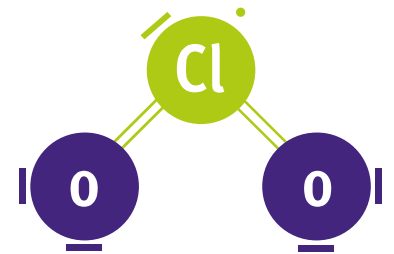
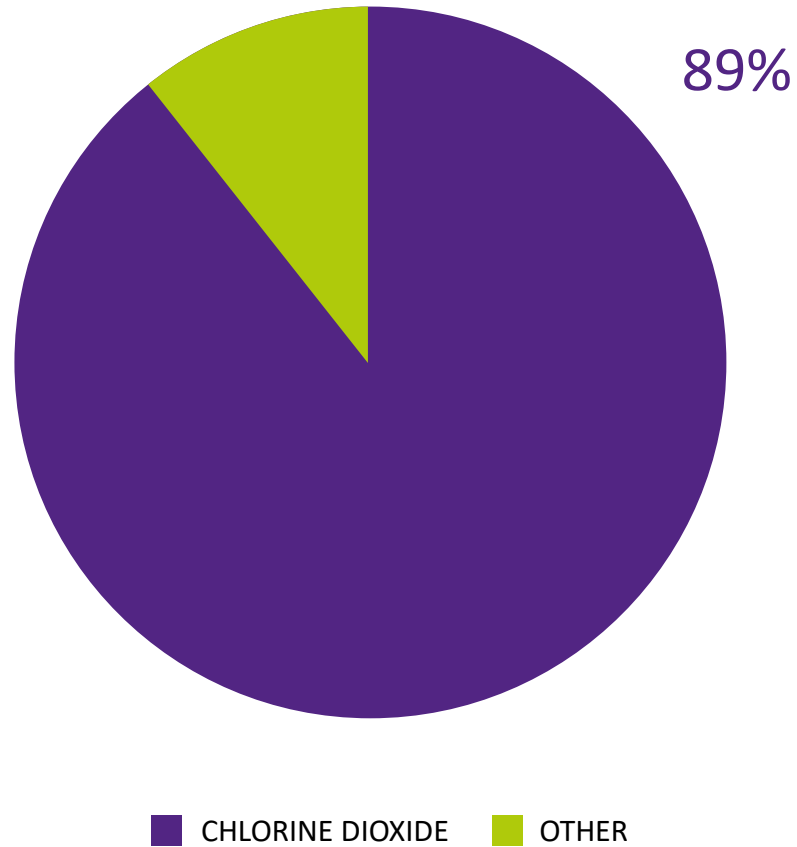
2018 REVENUE BY APPLICATION



■ MEDICAL INSTRUMENT DISINFECTION ■ SURFACE DISINFECTION & OTHER

In a hospital, there are three main uses for a disinfectant: first, to disinfect medical instruments which is what we focus on and 80% of our revenues come this activity. The other applications are to disinfect surfaces, which we are involved in but to a far lesser extent, and to disinfect hands, which we are not involved in.

2018 REVENUE BY CHEMISTRY

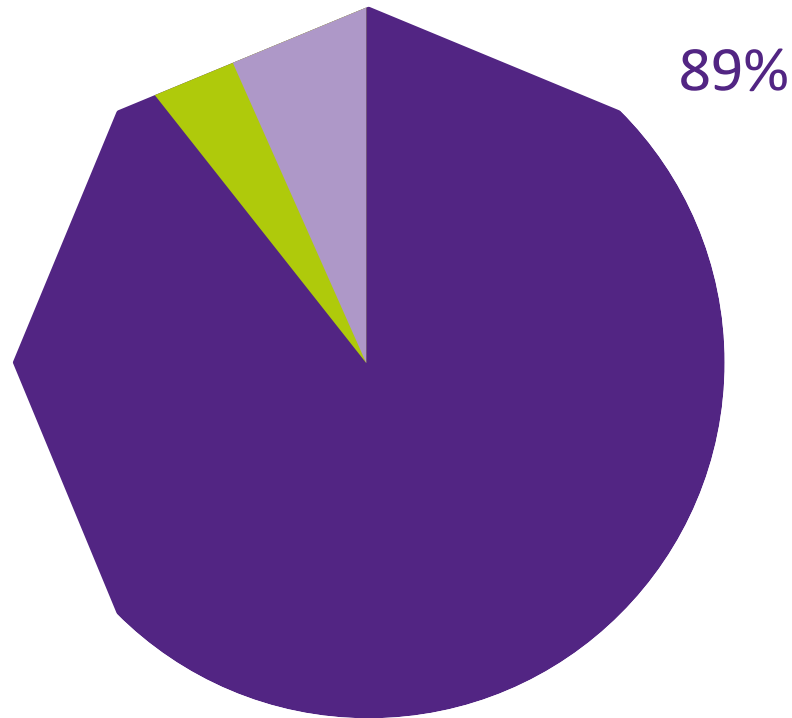


Chlorine dioxide is our proprietary chemistry. Even after twenty-five years we are still the only company in the world that uses chlorine dioxide for the high-level disinfection of medical instruments. 89% of our global sales come from products that use this very special chemistry.

We are always asked how this can be if chlorine dioxide is such a great disinfectant, and the reasons we give are that we have patent protection, we have a proprietary composition known only by us, the chemistry has many complexities to overcome in the way it is mixed and controlled, and as the years have passed we have built an enormous library of published science and approvals from governments and instrument manufacturers which would take an enormous investment in time and money to replicate.

There is no doubt that it is our chlorine dioxide technology that drives this business.

2018 REVENUE BY MARKET



Tristel[™]

Crystel[™]

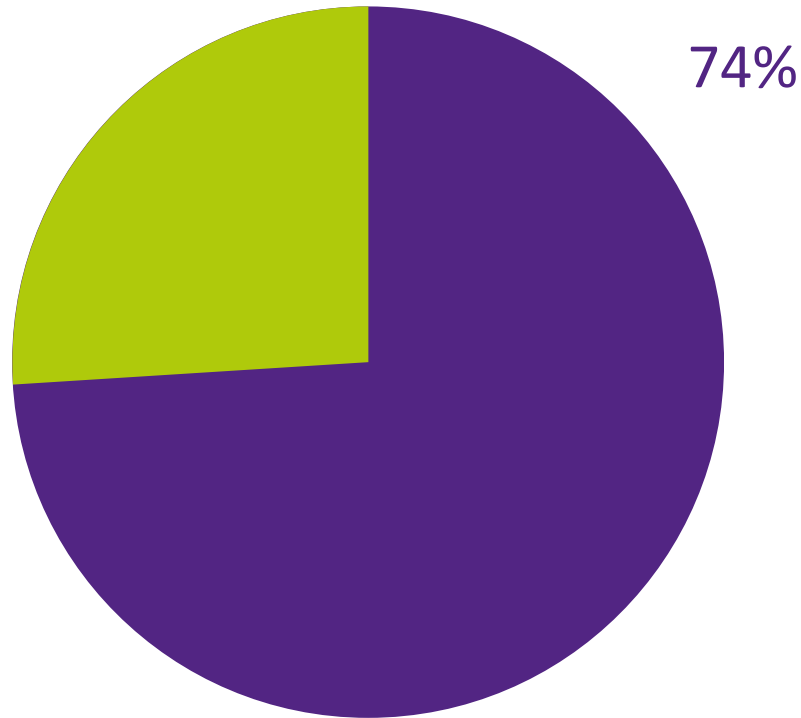
Anistel[™]

■ HUMAN HEALTH ■ ANIMAL HEALTH ■ CONTAMINATION CONTROL

The hospital is where our business is focussed. This is where the medical instruments that we disinfect are mainly used.

We have a presence in the veterinary market and in what we call the contamination control market, which means manufacturing facilities in the life sciences industry where very high standards of cleanliness are required. Our combined sales in these markets in 2018 were £2.4 m, 11% of all sales. It is in these two markets that the non-chlorine dioxide products that we make are mainly sold. Our long-term goal is to convert our customers to our chlorine dioxide and we are making steady progress towards this. And whilst we persevere with this long-term aim, both branded portfolios – Anistel for veterinary and Crystel for contamination control – make a meaningful contribution to profit and cash flow.

2018 REVENUE: ClO2 WIPES + FOAM SALES
AS A PERCENTAGE OF ALL ClO2 PRODUCT SALES



Tristel Trio™
Wipes System

Tristel Duo™
ULT

Tristel Duo™
OPH

■ ClO2 WIPES + FOAMS ■ ClO2 NON-WIPES + FOAMS

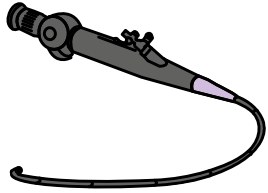
Whilst we use our chlorine dioxide chemistry in various formats: as soaking solutions and as sprays, it is the way in which we have been able to incorporate chlorine dioxide into wipes and foams to disinfect medical instruments that has been our great success story.

We call our wipe and foam products Trio and Duo, and they have been extraordinarily successful for us. Their sales represented 74% of all chlorine dioxide sales in 2018, and 66% of total worldwide sales. It is in the use of chlorine dioxide in a wipe and in a foam format that our key patents lie. Trio and Duo are truly unique, not only in that they use chlorine dioxide, but that they are recognised by regulatory bodies worldwide as high-level disinfectants and they are used manually. Most other high-level disinfectants for medical instruments are used in the form of a liquid for soaking, or in a gaseous or vapour form, and can only be used in a machine which protects the user from the disinfectant which is typically unpleasant to work with and potentially harmful. Our competitors sell the machines their chemicals are used in, as well as the consumable chemical.

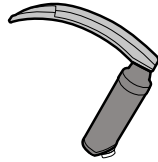
Our products on the other hand are applied manually; and we only sell consumable chemicals.

So, we are unique in two respects: we are the only company worldwide using chlorine dioxide as a high-level disinfectant for medical instruments, and our products are applied manually.

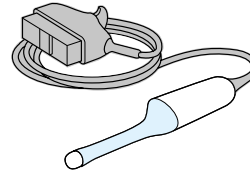
MULTIPLE USER SITES IN ALL HOSPITALS WORLDWIDE



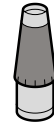
NASENDOSCOPE



LARYNGOSCOPE



ENDOCAVITY PROBE



TONOMETER PRISM



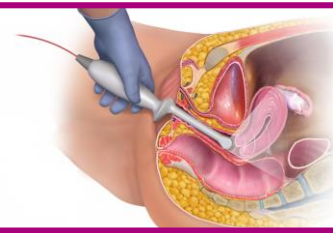
CLEFT PALLET

EAR, NOSE & THROAT
DEPARTMENT



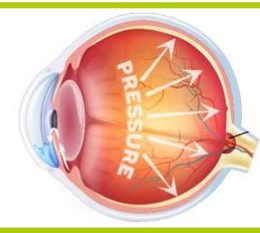
INTUBATION

ACCIDENT & EMERGENCY
DEPARTMENT



ECTOPIC PREGNANCY

ULTRASOUND
DEPARTMENT



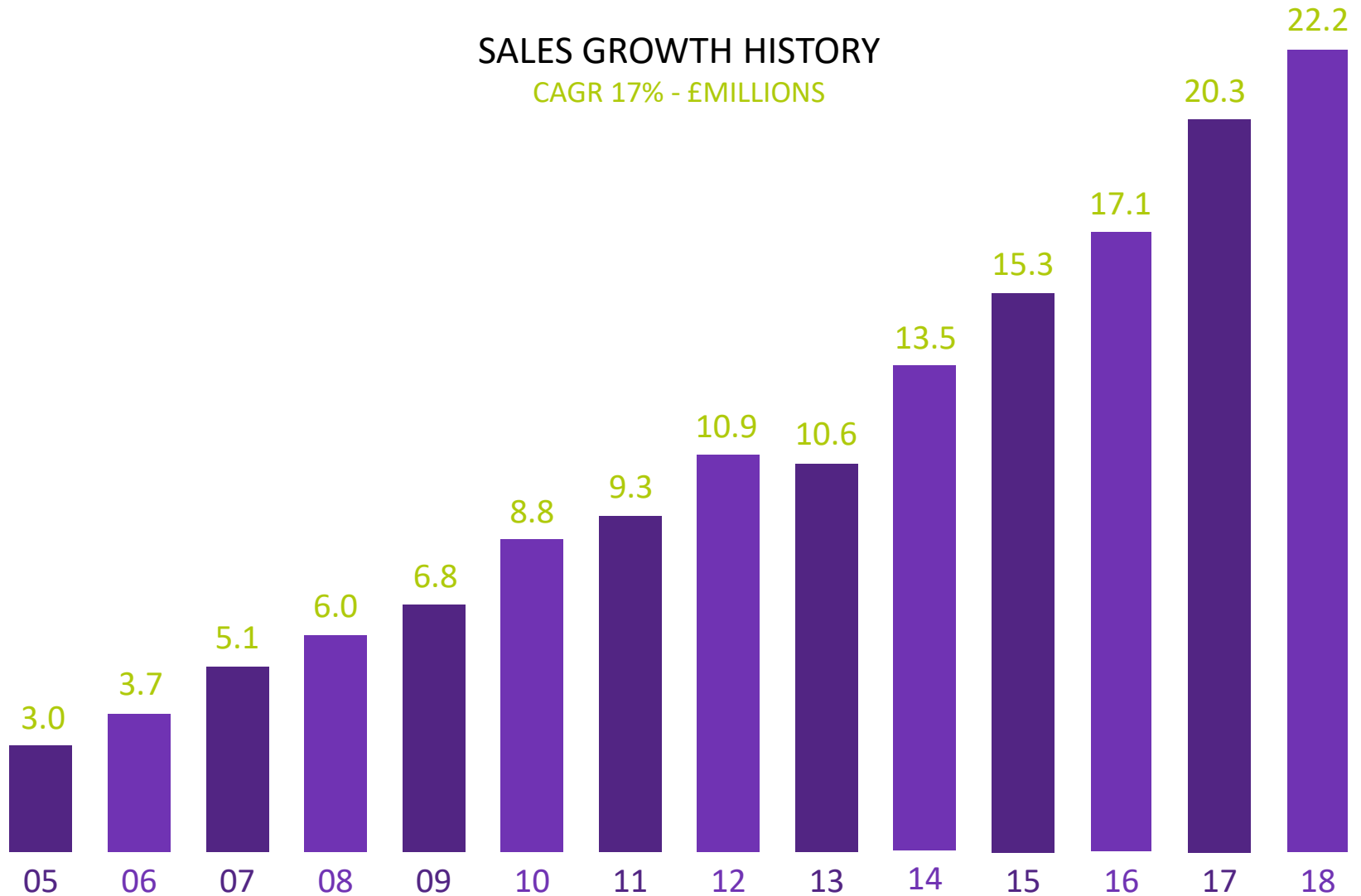
GLAUCOMA

OPHTHALMOLOGY
DEPARTMENT

When we refer to medical instruments requiring high-level disinfection we mean those medical devices that enter the body to perform a diagnosis. These instruments will be found in departments like endoscopy and ultrasound, and in ophthalmology, cardiology and in A&E. They span a very wide assortment of instruments that are used in multiple departments in every hospital, in every country in the world. The multitude of instruments that need high-level disinfection – which Tristel can achieve – is the reason why Tristel has a far larger addressable market than any of its competitors who focus on only a limited type of instrument.

SALES GROWTH HISTORY

CAGR 17% - £MILLIONS



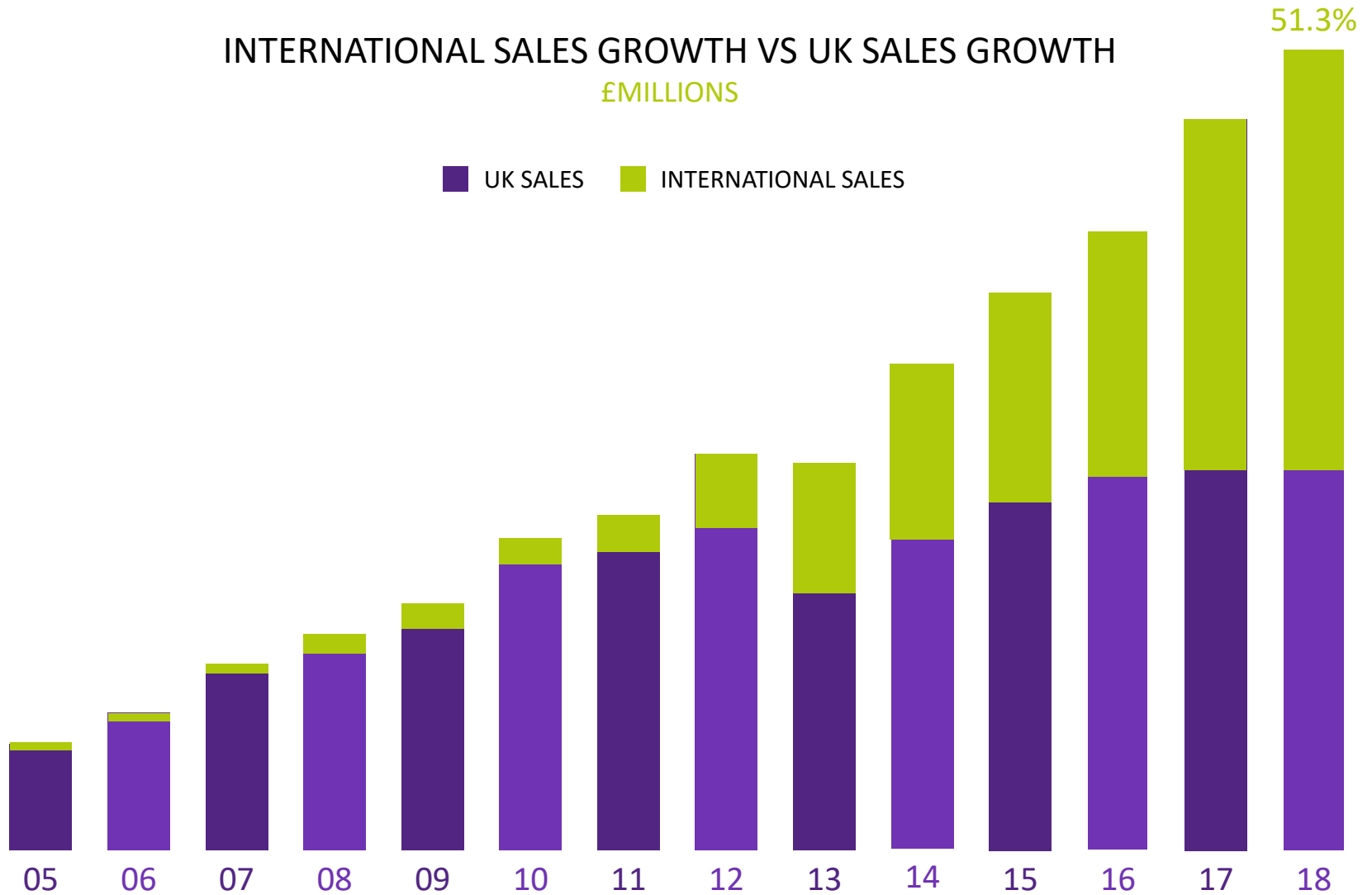
We have explained what we do and now we would like to look at our record.

Since we went public in 2005 we have grown our sales from £3m to £22m, at an annual compound rate of 17% over a thirteen-year period.

INTERNATIONAL SALES GROWTH VS UK SALES GROWTH

£MILLIONS

UK SALES INTERNATIONAL SALES



Back in 2005 almost all our sales were in the United Kingdom. A key achievement of the past thirteen years has been our expansion overseas and you can see from the chart that overseas sales have been growing far quicker than domestic sales – they have doubled in the past four years. In the year that ended a fortnight ago, overseas sales increased by £1.8m, or 19%, and accounted for over 51% of total group sales. As the proportion of overseas sales increases, the pace of sales at the group level will accelerate.

The reason why overseas sales growth is accelerating faster than in the UK is that here we have reached very high levels of penetration in the clinical departments we target. But overseas, this is not the case because we have not been in business there for so long. For example, we only started our business in Germany in 2010.

We have achieved thirteen years of consistent top-line growth at a compound annual rate of 17%. Very importantly, we have achieved this growth whilst being very profitable and cash generative, and our shareholders have been rewarded in terms of share price and dividend growth. Liz will examine how your company is managed for profit.

STRATEGIC OBJECTIVES

- LONG TERM SUSTAINABLE GROWTH IN SHAREHOLDER RETURNS
- INVEST IN GAINING REGULATORY APPROVALS WHICH ENABLE US TO ENTER NEW GEOGRAPHICAL MARKETS AND EXPAND WITHIN EXISTING MARKETS
- SALES GROWTH OF BETWEEN 10% AND 15% PER ANNUM, ON AVERAGE, OVER THREE YEARS
 - PBT MARGIN OF AT LEAST 15% (SUBSEQUENTLY INCREASED TO 17.5%), AFTER USA REGULATORY COSTS

When in October 2016 we revealed our three-year financial plan to take us to June 2019, we had just reported turnover growth of 12%, and a pre-tax profit margin of 19%. In our results announcement we informed our shareholders that we intended to begin a momentous project to seek approval by the FDA and EPA – the United States regulatory agencies which control access to the American healthcare market.

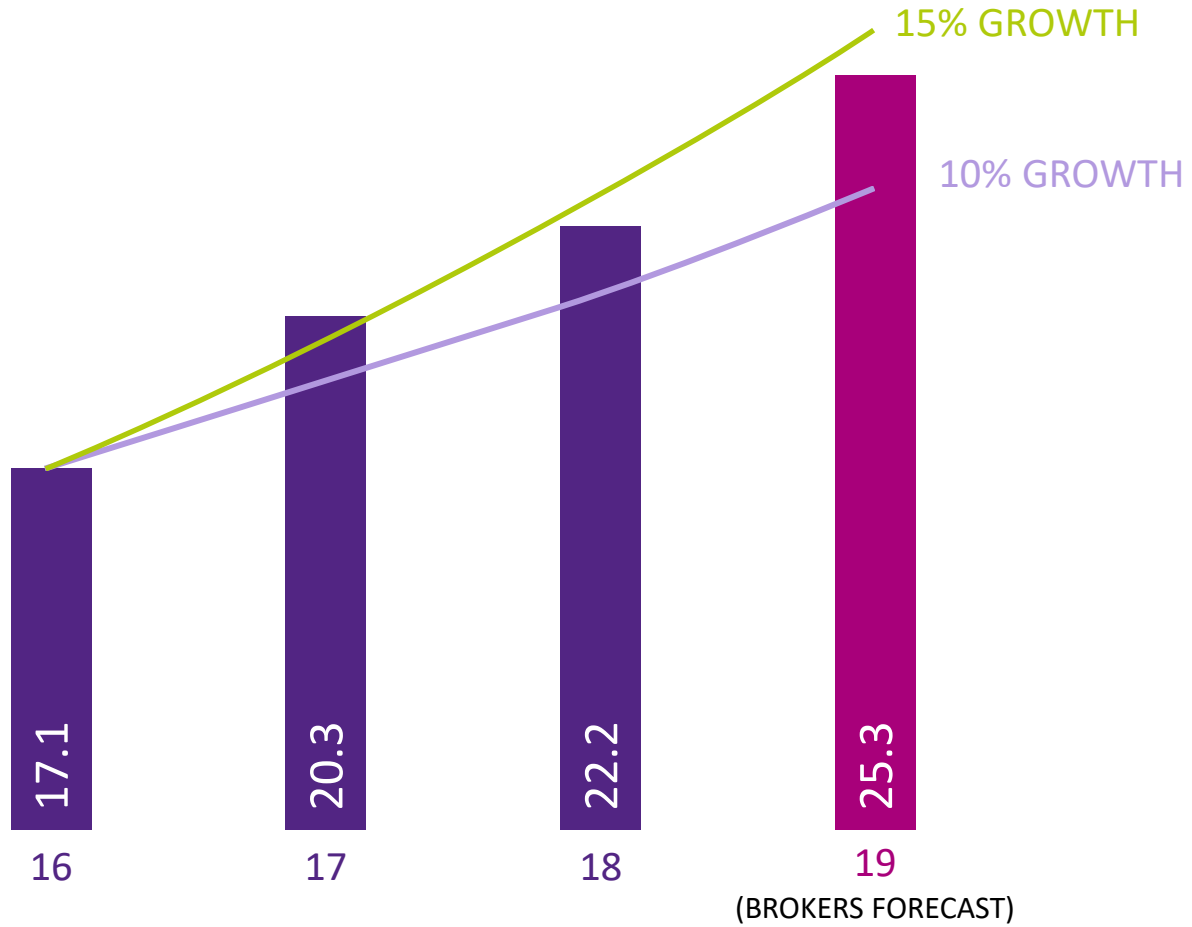
When we announced this intention, we could not be certain of the project timescales or cost, as we had not attempted this before, but we were confident it would take several years and exceed a million pounds of investment. We set the financial objectives to reassure our shareholders that we would continue to grow sales, profits, and dividends, whilst making this very important investment in future growth.

The financial objectives we set were:

To grow sales by between 10% and 15% per annum on average over the three years; and to achieve a minimum pre-tax profit margin of at least 15% whilst expensing all the costs of the North American regulatory project.

SALES GROWTH OBJECTIVE

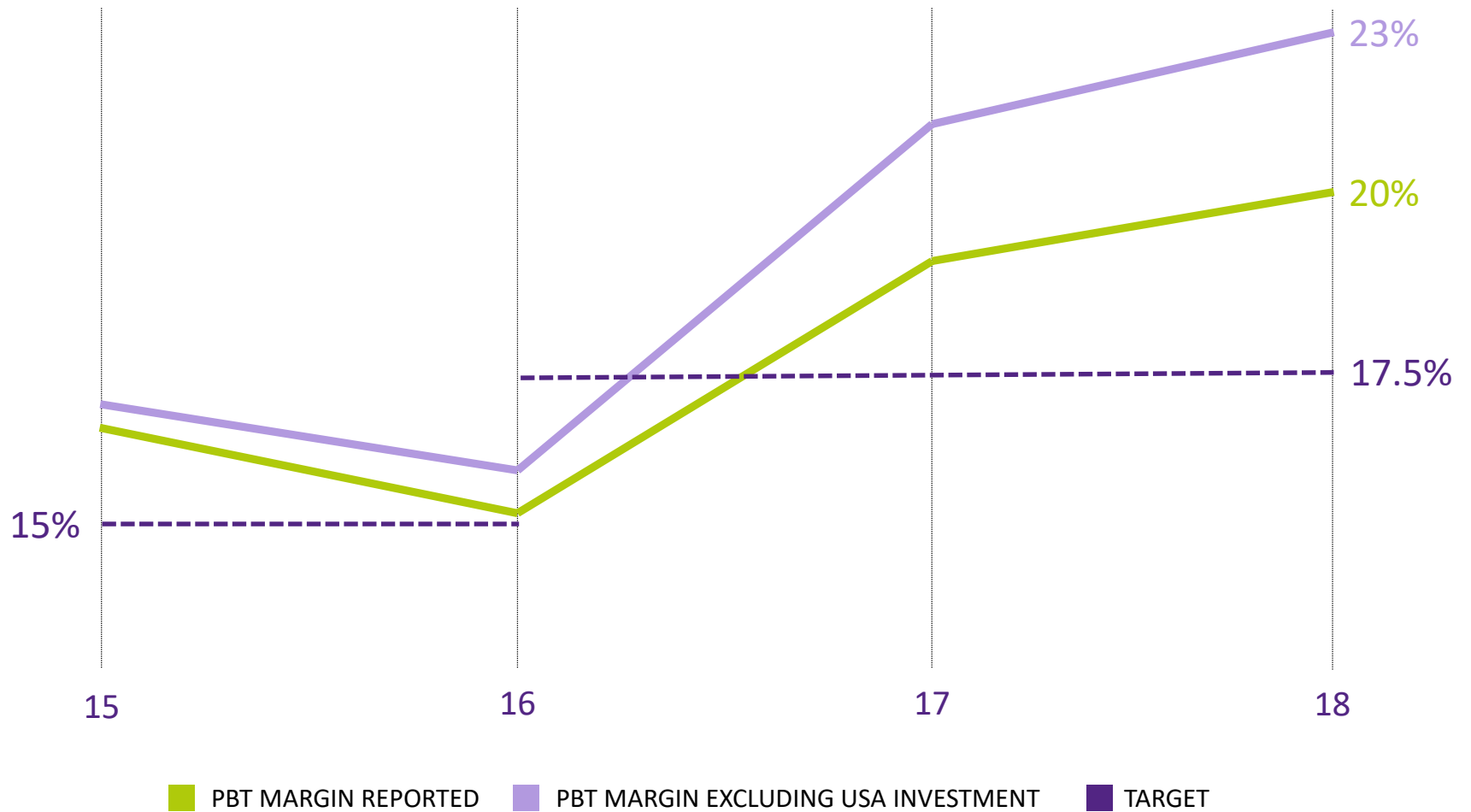
£MILLIONS



We are now entering the third and final year of the plan, with sales having increased on average by just under 15% in the first two years.

The two lines on the chart show where sales would end up at the end of this financial year if we achieve the top-end of our target, 15%, and the lower-end of our target, 10%. At the top-end we come out at £26m, and at the lower-end £22.8m. Our broker is currently forecasting sales for 2019 at the upper end of the range.

PROFITABILITY OBJECTIVES

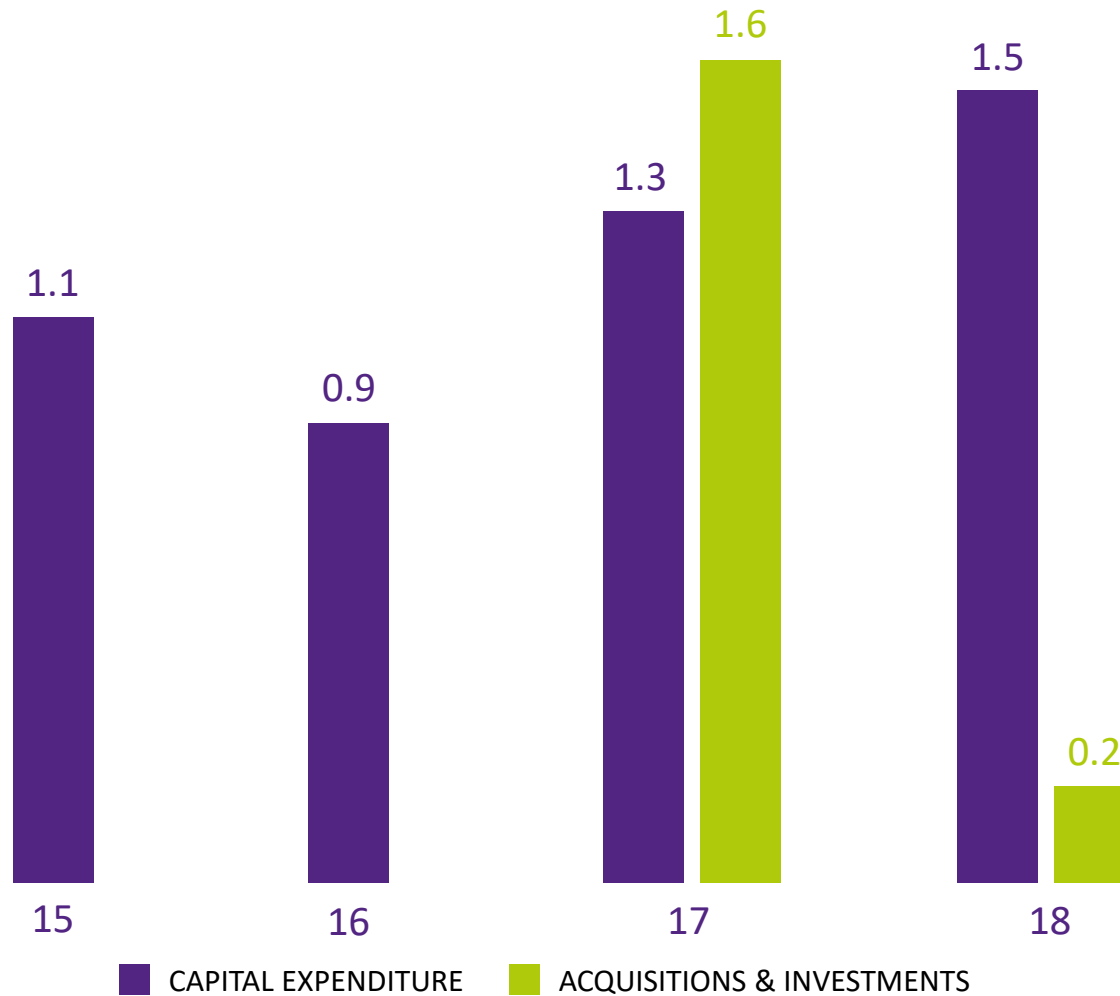


We have spent £1.3m over the past four years on the United States approval programme, all of which has been expensed. Despite this considerable spend, the target we set out to attain, of at least a 15% profit margin, was so comfortably achieved in the first year that we increased it to 17.5% for the final two years of the plan, and even at this raised level it has been exceeded in both years.

The underlying profit margin, if we were to exclude the USA investment, is 23%. We can achieve this because we are growing sales overseas at consistently high rates, whilst maintaining a tight control on operating costs.

CASH USE: CAPITAL EXPENDITURE, ACQUISITIONS + INVESTMENTS

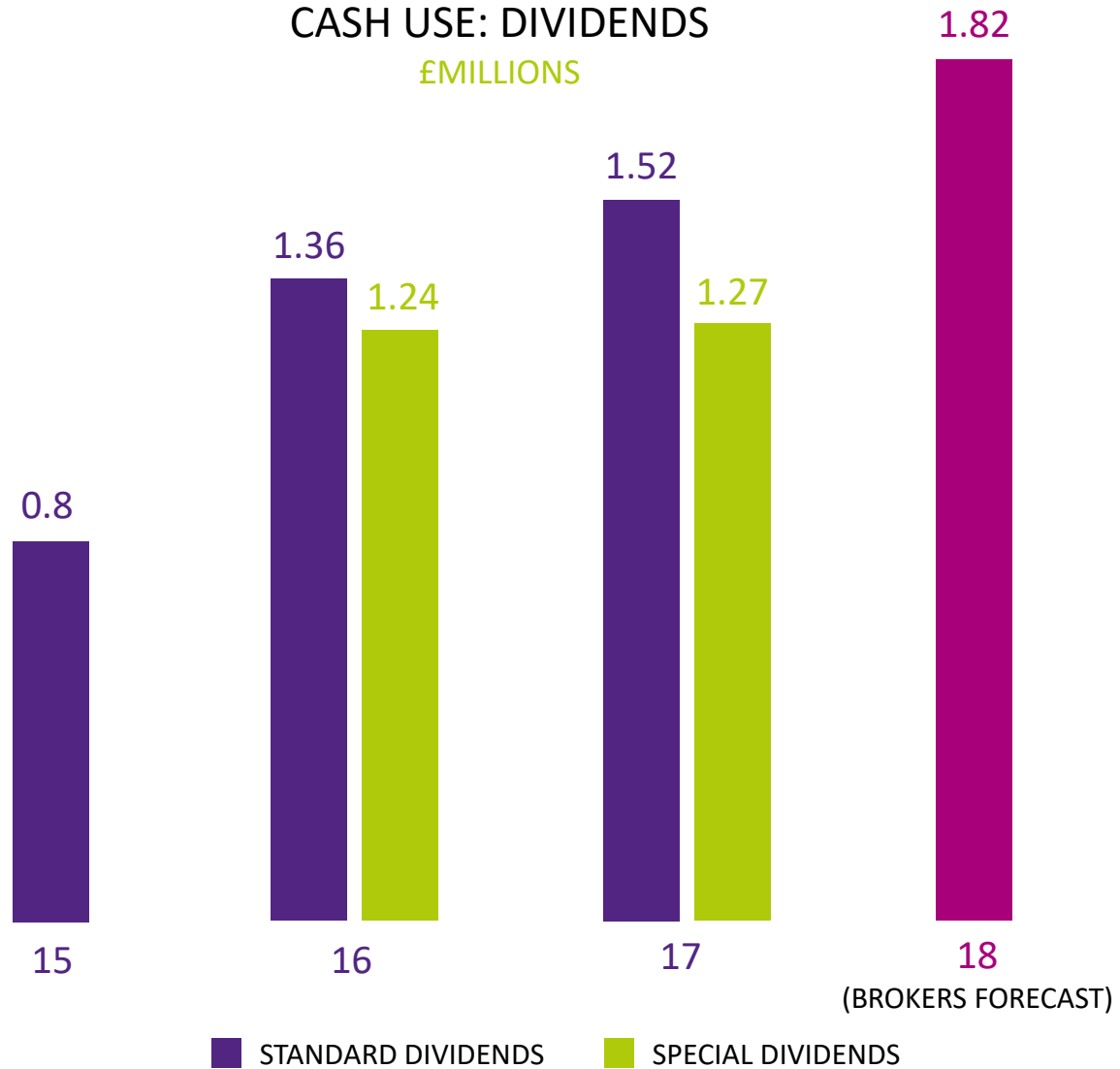
£MILLIONS



The business continues to be very cash generative. This has allowed us to continue to invest in the business infrastructure and acquire two of our long--standing distributors' businesses which have subsequently contributed to sales growth.

CASH USE: DIVIDENDS

£MILLIONS



■ STANDARD DIVIDENDS ■ SPECIAL DIVIDENDS

Whilst we have been making these investments we have simultaneously been increasing our standard dividend year on year. At the 30th of June we held £6.7m in the bank. We have previously stated that if the Board feels there are no suitable opportunities for the investment of surplus cash then a special dividend will be paid, as we did in 2015 and 2016. The Board has no plans to pay a special dividend at this time. Our standard dividend policy is to distribute half of net profit each year.

HOW CAN WE CONTINUE TO GROW OUR BUSINESS PROFITABLY?

- REPLICATE THE PENETRATION WE HAVE ACHIEVED IN OUR TARGETED CLINICAL AREAS IN THE UK, IN MULTIPLE MARKETS OVERSEAS
 - EXPAND OUR GLOBAL FOOTPRINT
 - FIND NEW CLINICAL AREAS TO TARGET – FOLLOW THE DEVICE!
- EXTEND OUR REACH INTO SURFACE DISINFECTION THROUGH PRODUCT INNOVATION – ENABLE CHLORINE DIOXIDE TO BE USED IN A FAR LARGER MARKET PLACE

We must do four things to accomplish the goal:

- Replicate the penetration we have achieved in our targeted clinical areas in the UK in multiple markets overseas
 - Expand our global footprint
 - Find new clinical areas and opportunities to target – follow the device!
- Extend our reach into surface disinfection through product innovation – enable chlorine dioxide to be used in a far larger marketplace

REPLICATE THE PENETRATION WE HAVE ACHIEVED IN OUR TARGETED CLINICAL AREAS IN THE UK, IN MULTIPLE MARKETS OVERSEAS

	UK	GERMANY	CHINA & HONG KONG	AUSTRALIA
NUMBER OF HOSPITALS IN COUNTRY (PUBLIC & PRIVATE)	672	1,950+	29,478	1,311
2018 SALES CIO ₂ WIPES & FOAMS	£6.1M	£3.6M	£0.3M	£2.3M
MARKET PENETRATION				
ENT	74%	12-15%	0.3%	15%
ULTRASOUND	61%	25%	-	20%
CARDIOLOGY	93%	60%	0.1%	25%
AIRWAY MANAGEMENT	35%	20%	0.1%	5%
OPHTHALMOLOGY	21%	12-15%	-	-
YEAR BUSINESS STARTED	1996	2010	2009	2011

NOTE: MANAGEMENT ESTIMATE BASED ON THE NUMBER OF TRISTEL USERS AS A PERCENTAGE OF THE TOTAL NUMBER OF POTENTIAL USER SITES

Replicate the penetration we have achieved in our targeted clinical areas in the UK in multiple markets overseas

The table says it all I think. The UK, Germany and Australia are our largest and most developed markets in which we have set up our own direct sales teams. The range of regulatory approvals is pretty much the same in each of these countries, although Australia has only just received approval for Duo for Ophthalmology. But each of the markets is clearly at a different stage of development. As they equilibrate, if we succeed in getting them to equilibrate, to the market penetration levels we enjoy in the UK you can extrapolate how the Group would grow.

Of course, it's not just about the UK, Germany, Australia, China and Hong Kong. We also have subsidiaries in Poland, Switzerland, Russia, and New Zealand, and we are in the process of finalising all the administrative paperwork for our subsidiaries in India and Japan. We also have 37 distributors in 39 countries.

We invest heavily in gaining new regulatory approvals. In the year just ended we received 61 approvals for 26 products in 23 countries. Today, we are awaiting 54 approvals for 24 products in 13 countries. This is our approval pipeline, many of which will be received this financial year. And we are preparing 19 registrations for 13 products in 8 countries, including the USA, Canada, India and South Korea.

EXPANDING OUR GLOBAL FOOTPRINT, INCLUDING THE USA



SURFACES INCLUDING NON-CRITICAL DEVICES

SURFACE DISINFECTANT WITH SPECIFIC CLAIMS

EPA FEDERAL APPROVAL GRANTED IN Q4 FY2018

STATE REGISTRATIONS COMMENCED AND
MARKETING IN SELECTED STATES

LABEL REVIEW SUBMISSION TO ENHANCE EFFICACY
CLAIMS AND ADD NEW PACK VARIANT UNDERWAY



SEMI-CRITICAL DEVICES

HIGH-LEVEL DISINFECTANT

510(k) PREMARKET NOTIFICATION
SUBMISSION EXPECTED DECEMBER 2018

FDA APPROVAL EXPECTED 2019

APPLICATIONS IN ULTRASOUND,
OPHTHALMOLOGY AND EAR, NOSE AND THROAT

Expand our global footprint, including the United States

To enter a market, we need two things: first, regulatory approval, and second a route through which we can sell our products. The stats I just gave you indicate just how much effort we are putting into expanding our global footprint; but the market that you all want to know about is the United States.

In the USA, we are pursuing two regulatory paths: one for the EPA (which stands for the Environmental Protection Agency) and one for the FDA (which stands for the Food and Drug Administration). Both projects are for the same Tristel product – Duo which is a chlorine dioxide foam.

The United States divides the regulatory responsibility for disinfectants between the two agencies.

The EPA takes charge of surface disinfectants, and this can include the surface of a medical instrument as long it does not enter the body. We obtained our first approval for Duo in April and we have just made a second submission to broaden the Duo's performance claims to make it more competitive. We have started the registration process for filing for an approval to sell in each state – we are starting with five states – and more will follow as we get the hang of the process. We have also appointed a manufacturing partner for the USA – Parker Laboratories – who will be selling our Duo into the ultrasound market as our distributor.

The FDA takes charge of instrument disinfectants if they go into the body – these require high-level disinfection – and we have just last week made a pre-submission review which will enable the agency to critique what we have done to date (which is a very substantial amount). We should have their response in three months' time and this will be used to guide us in the last stage of the project. We hope to make our final submission by the end of 2018.

The medical instruments we are looking for approval to disinfect are those used in ophthalmology, ultrasound and ENT. As we saw on an earlier slide, these are our strongholds in the UK and our other most developed markets.

FIND NEW CLINICAL AREAS AND OPPORTUNITIES TO TARGET
– FOLLOW THE DEVICE!

CERVICAL CANCER
IS DIAGNOSED
USING A
COLPOSCOPE.

Conventional colposcopes are expensive and bulky, and require intensive training to use them. The EVA System is a portable, internet-connected colposcope that is as simple to use as a smart phone.



A MOBILE
COLPOSCOPE
NEEDS A
DISINFECTANT THAT
IS EQUALLY
MOBILE.

Tristel Duo EVE is chlorine dioxide in a foam, intended for the high-level disinfection of colposcopes.



Find new clinical areas and opportunities to target – follow the device!

For us to continue our strong growth for another decade or more, we need to find new sets of instruments that require high-level disinfection for which our chlorine dioxide wipes and foams are ideal. We are going to see many opportunities in the coming years as medical devices are coupled with the computing power of mobile telephony, which will enable them to be used more widely within the hospital, and most importantly outside of the hospital. As I said earlier, our competitors use machines to handle their disinfectant chemistry. These machines require the infrastructure of a hospital to operate – they need engineers, power and water. We do not need any infrastructure.

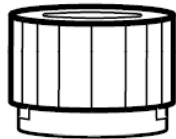
The first opportunity we have found is with the Israeli company Mobile ODT which uses a mobile phone to create a colposcope for cervical examinations. We have created a Duo version called Eve which we will be co-marketing with Mobile ODT around the world. I encourage you all to visit our table top presentation for the App we have developed for Duo Eve and for our deepening involvement in women's health.

EXTEND OUR REACH INTO SURFACE DISINFECTION THROUGH PRODUCT INNOVATION –
ENABLE CHLORINE DIOXIDE TO BE USED IN A FAR LARGER MARKET PLACE

SHOT

by

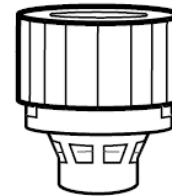
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HOT SHOT

by

cacheTM



DECOUPLING THE LIQUID FROM THE WIPE

Extend chlorine dioxide's reach into surface disinfection through product innovation

We have been using our chlorine dioxide chemistry for the disinfection of hospital floors for quite a few years; and with some good success. We have many hospital trusts in this country using our product. When we use our chemistry for this purpose it is as a liquid and is applied by a mop.

However, the largest spend by hospitals, in the UK and overseas, is on surface disinfectant wipes. You know the kind – the wipe that you will pull out of a flow wrap in your kitchen and use on a work surface. They are used in their millions in hospitals and are not very effective. They would not qualify for use on medical instruments that go into the body.

We have been working on an innovation for the past three years that will enable us to deliver our chlorine dioxide chemistry onto the same simple wipe format and compete with these products.

The hospital surface disinfection market is larger in chemistry use terms than the medical instrument market. We are very excited at our revenue possibilities when we are able to offer a combination of liquids and wipes for surface disinfection in hospitals. Again, please do take the opportunity to visit our table top presentation of our new concept which we are branding Cache.

THANK YOU
PANCHO