Fisher & Paykel Healthcare

Inspired and world-leading healthcare solutions

INVESTOR DAY, SYDNEY | 13TH OCTOBER 2015
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Presenter/Role</th>
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<tbody>
<tr>
<td>10:00am</td>
<td>Welcome</td>
<td>Marcus Driller (Investor Relations &amp; Corporate Affairs Manager)</td>
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<tr>
<td></td>
<td>Changing Demographics Creating Opportunities</td>
<td>Michael Daniell (Managing Director &amp; CEO)</td>
</tr>
<tr>
<td></td>
<td>Improving Care and Outcomes</td>
<td>Lewis Gradon (Senior VP - Products &amp; Technology, CEO Designate)</td>
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<tr>
<td></td>
<td>AIRVO &amp; Optiflow – World-Leading Technology</td>
<td>Chris Crone (AIRVO and Optiflow Marketing Manager)</td>
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<tr>
<td></td>
<td>Optiflow – A Growing Body of Evidence</td>
<td>Geraldine Keogh (Clinical Research Manager, RAC)</td>
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<td></td>
<td>Humidify to Protect during Surgery</td>
<td>Michael Blackhurst (Product Group Manager, Surgical)</td>
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<td>12:00pm</td>
<td>Lunch Break</td>
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<tr>
<td>12:30pm</td>
<td>Effective OSA Patient &amp; Data Management</td>
<td>Fiona Cresswell (Marketing &amp; Clinical Manager, OSA)</td>
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<td>Mask Matters Most</td>
<td>Andrew Somervell (General Manager, Product Groups)</td>
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<td>Working More Closely with our US Hospital Customers</td>
<td>Paul Shearer (Senior VP - Sales &amp; Marketing)</td>
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<td>Closing Comments</td>
<td>Michael Daniell (Managing Director &amp; CEO)</td>
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Time will be made available at the end of each presentation specifically for questions and answers.
Changing Demographics
Creating Opportunities

Michael Daniell (Managing Director & CEO)
Health Spending Growing 5%-7% Per Year

Total Expenditure on Health (US$/capita)\(^1\)
Demographics Driving Growth

Population age and weight both increasing

US population 65 years+ to grow ~80% over next 20 years\(^2\)
US males 60 - 74 years, average weight increased 0.4 kg/year since 1960\(^3\)

60% of US healthcare cost is after age 65 years\(^4\)

Developing markets increasing healthcare spending

China healthcare expenditure increased 19% in 2012, expected to triple by 2020\(^5\)

US Population over age 65 (millions)

- 1970: 10
- 1980: 15
- 1990: 20
- 2000: 30
- 2010: 40
- 2020: 50
- 2030: 60
- 2040: 70
- 2050: 80

\(^2\) Source: US Census Bureau
\(^3\) Source: Centers for Disease Control and Prevention
\(^4\) Source: Healthy Aging, Medicare and the Future of Health Care Costs, 2010
\(^5\) Source: World Health Organization
Typical Hospital Cost Breakdown

94% Other – includes labour, utilities, drugs, supplies, food, depreciation.

6% Medical devices
Lower Care Intensity = Lower Cost

Mean Annual COPD-Related Medical, Pharmacy, and Total Costs by Care Intensity Cohort

Mean Cost (2008 US$)

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<th>Cohort</th>
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<td>Urgent outpatient cohort</td>
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<td>ED cohort</td>
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<td>ICU cohort</td>
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Improving Care and Outcomes

Lewis Gradon (Senior VP - Products & Technology, CEO Designate)
Consistent growth strategy

- Improving care and outcomes
- Reducing cost to the healthcare system

Increase:
- Effectiveness of care
- Efficiency of care

Reduce:
- Intensity of care
- Healthcare system cost

Four key pillars:
- Continuous product improvement
- More devices for each patient
- Serve more patient groups
- Increase international presence
Market Opportunity and Patient Groups

RESPIRATORY & ACUTE CARE
- Invasive Ventilation
- Noninvasive Ventilation
- Hospital Respiratory Support
- Surgical Humidification

"NEW APPLICATIONS"
Applications outside of invasive ventilation

OBSTRUCTIVE SLEEP APNEA / HOMECARE
- Home Respiratory Support
- CPAP Therapy
Invasive Ventilation

- Almost always in the Intensive Care Unit (ICU) or Neonatal Intensive Care Unit (NICU)
- Patients are intubated
- Generally unconscious
- Ventilator breathes for the patient
The Intubated Airway

- Majority of inspired gas conditioning occurs in the upper airways
- Inadequate humidity is associated with secretion clearance complications
- Need to deliver gas at physiologically normal levels
  - 37°C body core temperature
  - 44mg/L 100% saturated
Effect of Humidity and Temperature on Mucus Transport

100% Humidity

90% Humidity

for 15 minutes

400 μm
Evaqua 2™ Breathing Circuits

Uniquely designed with F&P’s MicroCell™ and Evaqua™ technology, Evaqua 2 is an advanced breathing circuit which aims to increase the effectiveness of patient care through an easy-to-use system.
Patient Groups

Certain common medical conditions may require invasive ventilation,\textsuperscript{8} including:

**ADULT**
- **Acute obstructive disease**, including acute severe asthma
- **Burns and smoke inhalation**, including surface burns and inhalation injury
- **Cardiopulmonary problems**, including congestive heart failure
- **Chest trauma**, including blunt chest injury, penetrating injuries and rib fractures
- **Chest wall deformities**, including severe obesity
- **Chronic obstructive pulmonary disease**, including emphysema, chronic bronchitis, asthma and cystic fibrosis
- **Chronic restrictive pulmonary disease**, including pulmonary fibrosis
- **Fatigue/atrophy**, including muscle overuse and disuse
- **Head/spinal cord injury**, including pulmonary edema and brainstem injury
- **Neuromuscular disease**, including polio myelitis, muscular dystrophy, amyotrophic lateral sclerosis (ALS), malnutrition, cancer and infections
- **Postoperative conditions**, including thoracic and cardiac surgeries and apnea from unreversed anesthesia

**NEONATAL**
- **Respiratory distress syndrome** (typically due to preterm birth)
Noninvasive Ventilation
Noninvasive Ventilation

- Generally in HDU / ICU / NICU / ED
- Ventilator assists patient’s breathing through a mask
- Success improved by comfort, tolerance and compliance
NIV can be an uncomfortable therapy that some patients find difficult to tolerate

- Up to 70% of NIV patients experience adverse effects\(^9\)

AARC Clinical Practice Guideline 2012 Recommendations\(^10\)
- Active humidification for NIV is suggested to improve adherence and comfort
Patient Groups

Why would somebody require noninvasive ventilation?11

**ADULT**
- Chronic respiratory failure
- Chronic obstructive pulmonary disease
- Cystic fibrosis
- Neuromuscular disease
- Amyotrophic lateral sclerosis
- Obesity hypoventilation syndrome
- Restrictive Thoracic Disorders
- Duchenne muscular dystrophy

**NEONATAL**
- Respiratory distress syndrome (typically due to preterm birth)
Hospital Respiratory Support
Displacing Conventional Oxygen Therapy Devices

CONVENTIONAL OXYGEN THERAPY
- LOW FLOW NASAL PRONGS
- SIMPLE FACE MASK
- REBREATHER MASK

NONINVASIVE VENTILATION
Our leading humidification systems allow the delivery of high flows of air/oxygen mixtures to spontaneously breathing patients via an innovative nasal cannula.
Reduction of Dead Space
Dynamic Positive Airway Pressure

- Pressure dynamically changes depending on breath and flow
- Inspiration is easier
- Increased expiratory pressure leads to prolonged expiration
- Promotes slow, deep breathing

Compared to unassisted breathing tidal volume increased and respiratory rate reduced as flow increased

Tidal volume ($V_t$) comparison

Adapted from Mündel et al. 2013
Increased airway pressure was significantly correlated with increased lung volume of 25.6%\textsuperscript{13}
Clinical Outcomes

Optiflow is associated with:

**ADULTS:**
- REDUCED intubation\(^{14}\)
- REDUCED re-intubation\(^{15,16,17}\)
- REDUCED bilevel ventilation\(^{15}\)
- REDUCED nursing workload\(^{16}\)
- INCREASED ventilator free days\(^{14}\)
- IMPROVED comfort & patient tolerance\(^{15}\)
- IMPROVED compliance\(^{15}\)

**PAEDIATRICS:**
- REDUCED intubation\(^{18}\)
- REDUCED length of stay\(^{19}\)
- REDUCED respiratory distress\(^{20}\)

**NEONATES:**
- Noninferiority with nasal CPAP\(^{21}\)
- REDUCED nasal trauma\(^{22,23}\)
- REDUCED respiratory distress\(^{24}\)

Optiflow is associated with:

- Effectiveness
- Efficiency
- Intensity
- Escalation
- Cost
Reducing Length of Stay

Early Optiflow associated with:
- Decreased length of stay in ICU
- Decreased length of stay Post-ICU
- Reduced incidence of adverse events

"Every 1-day delay to HFNC increases ICU stay by one half-day. This suggests that first-line HFNC therapy may play a significant role in reducing ICU and hospital stay."

Gaunt et al. 2015

STUDY
- Supplemental oxygen ineffective
- Transitioned to Optiflow
- 145 heterogeneous patients
### Patient Groups

#### What patient groups could benefit from Optiflow?

**ADULT**
- Asthma
- Atelectasis
- Bronchiectasis
- Bronchitis
- Burns
- Carbon monoxide poisoning
- Chest trauma
- COPD

**NEONATAL**
- Community acquired pneumonia
- Emphysema
- Palliative Care
- Pneumonia
- Pulmonary embolism
- Respiratory compromise
- Viral pneumonia (H1N1)

These patients are located throughout the hospital – in the ICU, NICU, PICU, SICU, HDU, Ward and ED
Home Respiratory Support
Chronic obstructive pulmonary disease (COPD) is a lung disease which is commonly associated with smoking

- Emphysema and chronic bronchitis are both forms of COPD
- Chronic respiratory disease, primarily COPD, is the third leading cause of death in the US\textsuperscript{26}
- 6\% of US adults have been diagnosed with COPD\textsuperscript{27} (~15 million people)
- 4\% - 10\% COPD prevalence worldwide\textsuperscript{28} (~400 million people)
Surgical Humidification
Surgical Humidification

- Current standard of care is dry CO₂ gas to the surgical site
- Causes evaporation and cooling
- Humidification reduces risk of complications, hypothermia, adhesion and infection
Surgeries That May Benefit from Humidification

Laparoscopic and open surgeries

- **Cardiovascular-Thoracic Procedures** including aneurism repair, coronary artery bypass and heart valve replacement
- **General Procedures** including gastric bypass, appendectomy
- **Obstetric-Gynecologic Procedures** including hysterectomy
- **Organ-tissue transplants**
- **Urologic procedures** including nephrectomy and prostatectomy
Obstructive Sleep Apnea
Obstructive Sleep Apnea

Temporary closure of airway during sleep

- 2% - 7% OSA adult prevalence\textsuperscript{29}
- 70%–80% of those affected remain undiagnosed
- Prevalence increases with age and obesity
- Estimate >50 million people in developed countries
Looking Forward Next 12-18 Months

CONTINUOUS PRODUCT IMPROVEMENT
- Introduction of new products – Optiflow+ nasal cannula, myAIRVO 2, AirSpiral tube, UPS transport system, Eson 2 CPAP mask, Humigard surgical humidifier controller
- New humidifier controller, consumables and NIV mask to be released
- A new OSA platform, including masks, flow generators and informatics, to be released

MORE PRODUCTS FOR EACH PATIENT
- Opportunity to add active humidification to NIV patients
- Growing body of clinical evidence showing applicability for use of Optiflow outside the ICU

SERVE MORE PATIENT GROUPS
- Growing body of clinical and economic evidence that surgical humidification provides benefit during different surgical procedures
- Opportunity for myAIRVO to displace use of long term home oxygen therapy devices

INCREASE OUR INTERNATIONAL PRESENCE
- Direct hospital sales force in the US
- Adding to sales teams in existing markets
- Increased focus in emerging markets as spend on healthcare increases
- Lead changes in clinical practice
Key Points

- Consistent growth strategy
- Market could be 200 million patients per year in 10 - 15 years given demographics
- Exciting product pipeline
- 10 million patients treated last year using our medical devices
- 100 million patient opportunity
- 100 million patient opportunity
Optiflow & AIRVO
World-Leading Technology

Chris Crone (AIRVO and Optiflow Marketing Manager)
Product Showcase

F&P Optiflow™+

F&P Optiflow™ junior

F&P AIRVO™ 2

F&P 850™ System
From High-Acuity to Low-Acuity
Optiflow+

COMFORT+CONFIDENCE

- Comfort for patients drives compliance for better outcomes
- Confidence for clinicians from thoughtful design and robust research
- Three sizes
- Stable and versatile
- Part of a system
Optiflow+
Evaqua™ technology reduces formation of mobile condensate... reducing risk of infection and associated costs.
Optiflow Junior

Effective, gentle, easy

- **Effective**
  Delivers the flows that the clinician needs

- **Gentle**
  Facilitates development care

- **Easy**
  Simple for caregivers
The Previous “State of the Art”

- Designed for adults
- Difficult to fit and secure
- Added nurse workload means increased costs
Technology Spotlight

Wigglepads™

Evaqua™ flexi-tube
Designed using Computational Fluid Dynamics (CFD)
Optiflow Junior

- Effective, Gentle, Easy
- Designed as part of a system
- Enhancing the therapy to improve outcomes
AIRVO 2 – A Purpose-Built System

- A purpose-built system for delivering Optiflow therapy
- World-leading humidification and flow generation technology
- Versatile and mobile

**Combines:**
- Standalone humidifier
- Blender / Flow source
- Oxygen analyser

into a single, powerful, user-friendly device
Technology Spotlight

Oxygen analyser

- Ultrasonic technology
- Integrated into AIRVO
- No calibration, maintenance or replacement required
- Contributes to system-level safety with integrated alarms.
AirSpiral

- Unique
- Up to 96% less condensate
- Improved therapy efficacy
- Reduced clinician workload
Technology Spotlight

Integrated temperature sensors

- Proprietary technology
- No need for external sensors or probes
- Saves preparation and reprocessing time
Continuous power means continuous therapy

AIRVO mobility solution simplifies care

Reduces workload and costs

Transportable throughout the hospital
In Summary
Optiflow – A Growing Body of Evidence

Geraldine Keogh (Clinical Research Manager, RAC Product Group)
Growing body of evidence now demonstrates that nasal high flow is an effective treatment for patients with respiratory compromise.
Clinical Evidence - Adult

Number of NHF Publications

- Year: 2005 to 2014
- No. Publications: 0 to 25
Clinical Evidence – Adult (ICU)

High-Flow Oxygen through Nasal Cannula in Acute Hypoxemic Respiratory Failure

Nasal High-Flow versus Venturi Mask Oxygen Therapy after Extubation
Effects on Oxygenation, Comfort, and Clinical Outcome

Original Investigation | CARING FOR THE CRITICALLY ILL PATIENT
High-Flow Nasal Oxygen vs Noninvasive Positive Airway Pressure in Hypoxemic Patients After Cardiotoracic Surgery A Randomized Clinical Trial
Reduction in 90-day Mortality

**Optiflow reduced the need for mechanical ventilation in the most sick patients**

**Increased number of ventilator-free days**

**Halved 90-day mortality**

**STUDY**
- Randomised controlled trial, 23 intensive care units, France & Belgium
- 310 patients
- Optiflow compared with face mask oxygen and noninvasive ventilation to prevent the need for intubation
Optiflow led to significantly improved oxygenation, greater comfort and fewer patients required reintubation or NIV.
Lowers Nurse Workload

Optiflow resulted in a similar rate of reintubation as BiPAP

Significant advantages:
- Less skin breakdown
- Lower nurse workload (fewer interface displacements)

STUDY
- Non-inferiority trial, 6 intensive care units, France
- 830 patients
- Optiflow compared with noninvasive ventilation (BiPAP) after extubation

Stéphan et al. 2015

Original Investigation | Caring for the Critically Ill Patient
High-Flow Nasal Oxygen vs Noninvasive Positive Airway Pressure in Hypoxemic Patients After Cardiotoracic Surgery
A Randomized Clinical Trial

JAMA The Journal of the American Medical Association
Similar Rate of Reintubation as NIV

High flow conditioned oxygen therapy for prevention of reintubation in critically ill patients at high risk for extubation failure: a multicenter randomised controlled trial

Hernandez et al. 2015

STUDY
- Noninferiority trial, multi-centre, Spain
- 603 patients
- Optiflow compared with noninvasive ventilation after extubation
- Critically ill patients (heart failure, COPD, obesity, prolonged invasive ventilation)

Optiflow resulted in a similar rate of reintubation as noninvasive ventilation

Results presented at ESICM Congress, Berlin, 7 October 2015
Fewer COPD Exacerbations

Interim analysis showed patients treated with Optiflow had significantly:

- fewer COPD exacerbations; and
- less number of hospital admissions

Storgaard et al. 2015

STUDY

- Randomised controlled trial, Denmark
- 86 patients, COPD
- Optiflow compared with Long Term Oxygen Therapy (LTOT)
Clinical Evidence

- Demonstrated efficacy in neonates with respiratory compromise
- Increasing evidence supporting the use of nasal high flow in older infants
Growing body of evidence

- >90 papers on NHF published in neonatal and paediatric population
- >15 papers focus on paediatric population

NHF PAPERS PUBLISHED FROM 2000-2014
(NEONATAL AND PAEDIATRIC)
Use of High-Flow Nasal Cannula Support in the Emergency Department Reduces the Need for Intubation in Pediatric Acute Respiratory Insufficiency

Wing et al. 2012

STUDY
- Retrospective study, US
- 838 infants, bronchiolitis
- Determined whether Optiflow could decrease need for intubation

Optiflow led to a 50% decrease in need for intubation and mechanical ventilation
Improves Gas Exchange

Is treatment with a high flow nasal cannula effective in acute viral bronchiolitis?
A physiologic study

*Milési et al. 2014* ²⁰

**STUDY**
- Physiological study, PICU, France
- 21 infants, bronchiolitis
- Investigated flow rate and work of breathing

- Optiflow generated enough airway pressure to improve gas exchange
- Decreased work of breathing by ~50% and led to a rapid improvement in the respiratory distress
Potential for Substantial Cost Savings

High-flow nasal cannula oxygen therapy for infants with bronchiolitis: Pilot study

Mayfield et al. 2014

STUDY
- Pilot study, paediatric ward, Australia
- 94 patients, bronchiolitis
- Optiflow compared with standard low flow oxygen

- Demonstrated that Optiflow use in paediatric ward is safe
- Using Optiflow treatment in paediatric wards may result in substantial cost savings, without impact on safety of patient care
High Flow Nasal Cannula Treatment for Viral Bronchiolitis in Infants, a Randomised Controlled Trial

Schibler et al.

STUDY

- Multi-centre, randomised controlled trial, Australia & New Zealand
- 1,400 infants
- Optiflow compared to low flow oxygen therapy

Comparing transfer rate from regional hospital to tertiary centre
Consensus of Evidence - Infant

EARLY USE

PATIENT PHYSIOLOGY

INTEGRATED USE

PATIENT JOURNEY
Q&A
Surgical Humidification

Michael Blackhurst (Product Group Manager, Surgical)
Current Standard of Care

Surgery

CO₂
21 °C, 2% RH

Ambient air
20 °C, 50% RH

Warm humidified gas
31 °C, 90% RH

WARM HUMIDIFIED CO₂

REDUCES CELLULAR DESICCATION AND EVAPORATIVE COOLING

SHOWN TO SIGNIFICANTLY REDUCE THE RISKS OF POSTOPERATIVE COMPLICATIONS AND THEIR ASSOCIATED COSTS 37
HumiGard – Latest Surgical System

**Technology**
- Plug and play for ease of use
- Performance
- Patented improvements

A full suite of accesses for a wide variety of mounting equipment
Did you know that hypothermia can lead to a:

- 4-fold increase in mortality$^{33}$
- 6-fold increase in stroke$^{33}$
- 3-fold increase in surgical site infections$^{34}$
Maintaining Normothermia

Control | Cold, dry | Warm, humidified

AT THE START OF INSUFFLATION

AFTER TWO HOURS OF INSUFFLATION
Maintaining Normothermia

Standard warming compared to standard warming with additional insufflation of humidified CO₂

![Graph showing wound and core temperature changes over surgery time for two conditions: standard warming and standard warming with humidified CO₂ insufflation.](image-url)
A reduction in SSI rate from 12.1% to 4.7% with the use of warm, humidified CO₂ during laparoscopic colorectal surgery has been reported. Surgical Humidification mechanisms of action to help protect against SSI’s include:

- Protecting from operative hypothermia
- Protecting from bacterial growth
- Protecting the open wound from contamination, deflecting airborne particles
- Increasing tissue oxygenation

![Impact of Surgical Humidification on SSI Rates](chart.png)
Reduction in Costs Per Patient

- In laparoscopic colorectal resections: a retrospective case study of 252 patients
- 1:1 ratio before and after adoption of HumiGard™
- SSI rate dropped from 12.1% to 4.7%\textsuperscript{37}

- York Health Economics Consortium developed a model investigating laparoscopic and open surgery, on a 70:30 ratio
- Average spend to treat post-op complications is £43,759/100 patients
- With use of HumiGard this drops to £23,567/100 patients\textsuperscript{41}
- Presented at European meeting of ESCP Dublin 23-25 September 2015
- Insufflation of warm humidified carbon dioxide into the open wound significantly increases wound and core temperatures
- A small end-of-operation temperature difference between final core and wound edge temperature was positively associated with patient survival in open colon surgery
“Tumour cells rapidly fill the spaces left by the mesothelial cells, suggesting that the tumour cells have a strong preferential affinity for the basement membrane. Tumour cells that do invade then proliferate into the connective tissue.”42
Selection of HumiGard for a Technology Guideline in the Medical Technology Evaluation Programme by NICE.

Also considered for the ‘Inadvertent Perioperative Hypothermia’ guideline by NICE

Potential to accelerate rate of adoption
Q&A
Effective OSA Patient & Data Management

Fiona Cresswell (Marketing & Clinical Manager, OSA Product Group)
Stylish and Smart

User-friendly with a simple menu system

3 leading clinical technologies

- Responsive auto algorithm
- World leading humidification - ThermoSmart™
- Unique pressure relief - SensAwake™
Proactive Patient Management

![Image of patient management dashboard](image)

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Managed Data Transfer

STEP 1. Insert into Computer
When requested by your healthcare provider, remove the InfoUSB from your CPAP device and insert it into the USB port of a computer. A small light illuminates when connected to your computer. If the light does not illuminate, please turn the stick around.

STEP 2. Install InfoUSB Application

Mac
Launch the Mac App Store and search for InfoUSB. Install this free application. Upon successful installation, open the Launchpad and run InfoUSB.

A Mac running OSX 10.7 or later and an Internet connection are required.

Windows 8
Launch the Windows App Store and search for InfoUSB. Install this free application. Upon successful installation, open the app and run InfoUSB.

A PC or tablet running Windows 8 and an Internet connection are required.

Windows PC
Click on the Start button and open My Computer. Navigate to the drive called FPPHCARE. Open the folder and double-click on the Setup.exe file. Follow the on-screen instructions. Upon successful installation of the InfoUSB application, the message in Step 3 will appear.

A PC running Windows XP or later and an Internet connection are required.

Hi
In order to continue uninterrupted insurance coverage for your CPAP therapy you need to upload your CPAP data to us on a regular basis. The process for this is simple.
Simple Workflows
## Physician Collaboration

### Patient Data:

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<td>01 Apr 2015</td>
<td>Compliant</td>
<td>77% (30 Days)</td>
<td>Hole</td>
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<td>Carlie Daniels</td>
<td>10001410132</td>
<td>04 Dec 2012</td>
<td>05 Oct 2013</td>
<td>Non-Compliant</td>
<td>6% (30 Days)</td>
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<td>Mark Galué</td>
<td>11092592012</td>
<td>30 Mar 2013</td>
<td>17 Jul 2013</td>
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<td>99% (30 Days)</td>
<td>Hole</td>
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<td>Elisa Smith</td>
<td>111971071817</td>
<td>11 Apr 2012</td>
<td>04 May 2012</td>
<td>Non-Compliant</td>
<td>99% (30 Days)</td>
<td>Hole</td>
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<td>Mark Hopkins</td>
<td>12103322972</td>
<td>03 Mar 2013</td>
<td>28 Jul 2013</td>
<td>Non-Compliant</td>
<td>49% (30 Days)</td>
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<td>Summer Hollier</td>
<td>11092990032</td>
<td>25 Mar 2015</td>
<td>20 Apr 2015</td>
<td>Teaching Only</td>
<td>100% (30 Days)</td>
<td>Hole</td>
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<td>Lucas Miles</td>
<td>15095399031</td>
<td>11 Feb 2015</td>
<td>11 Mar 2015</td>
<td>Teaching Only</td>
<td>100% (30 Days)</td>
<td>Hole</td>
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<tr>
<td>Tash Atwood</td>
<td>10041499020</td>
<td>04 Feb 2015</td>
<td>10 Mar 2015</td>
<td>Teaching Only</td>
<td>100% (30 Days)</td>
<td>Hole</td>
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</tbody>
</table>

### Calculations:

- Compliance Rate: Calculated based on the number of days compliant and the total number of days monitored.
- Notes: Indicate any issues or special considerations for each patient.
Remote Prescription Management

Your data was sent successfully
Your healthcare provider has updated your prescription

F&P InfoUSB™

Your data has been sent successfully
Your healthcare provider has updated your prescription
Please remove your InfoUSB

Fisher & Paykel Healthcare
Scalable to Enterprise

Company user
Region user
Location user
Comprehensive Patient Reports
Easy Integration

Data available as a service
Mask Matters Most

Andrew Somervell (General Manager, Product Groups)
F&P OSA Masks

- Market leading mask technology
- Unique, patented designs
- Mask Matters Most
  - Masks are key to compliance
F&P Pilairo™ Q

Nasal Pillow

Ground-breaking

- Soft silicone AirPillow seal
- Choice of two headgear
- First manufacturer to come out with a single strap
- Diffuser to mitigate noise and draft
Set the standard for simplicity and ease-of-use

- Unique RollFit™ Technology
- Three key components – headgear, seal and frame
- One frame fits 3 seal sizes
- Diffuser to mitigate noise and draft
Award-winning Full Face mask

- Unique RollFit™ Technology
- Recognised for seal performance and ease-of-use
- Comfortable seal and headgear
Introducing... F&P Eson™ 2

Confidence comes easy
F&P Eson™ 2 - Get Ready for Easy

- New RollFit™ seal
- Intuitive, easy to use headgear
- Long life washable diffuser
- Introducing VisiBlue™, the use of colour cues to assist with mask use and care
Confidence comes easy with Eson 2...

...because Eson 2 has been designed to meet the needs of patients and sleep professionals, at every important milestone in the CPAP therapy journey.
Working More Closely with our US Hospital Customers

Paul Shearer (Senior VP - Sales & Marketing)
Agenda

1 US Opportunity
2 Why the Distribution Change?
3 Our Customers
4 Business Transition
US Healthcare costs are increasing at a rapid rate
- US Healthcare costs 18% of GDP$^{50}$
- ~$1 trillion hospital spend$^{51}$
- ~100,000 ICU beds$^{52}$

Total Expenditure on Health (US$/capita)$^{49}$
FPH Opportunity - Drivers of Growth

Affordable Care Act 2010 ("Obamacare")
- Expanded insurance coverage
- CMS Reimbursement linked to quality of care
- Hospital Value Based Purchasing (VBP): Incentives for clinical practice and patient experience improvements

Increasing prevalence of obesity
- 2012: 32% of the US population is obese
- 2030: 42% of the US population is obese

Aging demographics
- 2015: 15% of the US population older than 65
- 2030: 20% of the US population older than 65
Why? Our Strategic Rationale

- Control sales process
- Sales focus on FPH products
- Develop new opportunities
- Improve care and outcomes
Why? Hospital Distributor Acquired

- Hospital Distributor acquired
- Created uncertainty
- Decision made to go direct
- Alignment with FPH direct market strategy
Customers - New Channel and Customers

PREVIOUS DISTRIBUTOR

PRODUCT DISTRIBUTORS

GROUP PURCHASING ORGANISATIONS (GPOS)

5000+ HOSPITALS
Customers - Product Distributor’s Role

- Consolidate products and deliveries
- Provide just in time inventory
- Closely aligned with Hospitals
- Critical to the Hospital’s supply chain
- Fees paid to Distributors by Manufacturers and Hospitals
Customers - FPH Distribution Partners

National Distribution

- Cardinal Health™
- Owens & Minor
- Medline
- McKesson

Other
- Regional distribution and IDN self distribution
Customers - Group Purchasing Organisations’ Role

- Represent ~98% of US hospitals
- Combine the buying power of their members
- Negotiate standardised pricing and contract terms
- Offer consulting, data and technology programs
Customers - GPO Process

- **Membership**
  - Hospital

- **Negotiate:**
  - Pricing
  - Contracts
  - Fees

- **Promotion to Hospitals**
Customers - Estimated GPO Market Share

- Novation 27%
- MedAssets 27%
- Premier 22%
- HealthTrust 11%
- Government 6%
- Amerinet 5%
- Other 2%
Customers - Integrated Delivery Networks (IDNs)

- An Integrated Delivery Network (IDN) is a network of facilities and providers that work together to offer a continuum of care to a specific geographic area or market.
- Negotiate dollar and volume commitments with GPO contracted suppliers.
- FPH Technology Acquisition Program (TAP).
Transition - Operations Since July 2015

- Staff Recruitment
- New Distribution Facility
- Increased Inventory
- Implemented IT Systems
Transition - Customers Since July 2015

- Established Distribution Contracts
- Established GPO Contracts
- Shipping Product
- Uninterrupted Supply to Hospitals
Transition - Sales Strategy

Strengthen Customer Relationships
Customer Education & Evaluations

Promote New Product Applications
Accelerate Customer Adoption

Improve Care and Outcomes
Q&A
Concluding Comments

Michael Daniell (Managing Director & CEO)
References

References


References


47. National Institute for Health and Clinical Excellence (NICE). 2013. NICE support for commissioning for surgical site infection.


52. US Lifeline Major Accounts Exchange (MAX)


57. Annual Contract Volume (ACV) based on The MAX 2013 data
## Glossary

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>BiPAP</td>
<td>Bilevel Positive Airway Pressure – used during noninvasive ventilation</td>
</tr>
<tr>
<td>COPD</td>
<td>Chronic Obstructive Pulmonary Disease</td>
</tr>
<tr>
<td>CPAP</td>
<td>Continuous Positive Airway Pressure</td>
</tr>
<tr>
<td>DME</td>
<td>Durable Medical Equipment provider</td>
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<tr>
<td>ED</td>
<td>Emergency Department</td>
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<tr>
<td>FDA</td>
<td>United States Food and Drug Administration</td>
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<td>HDU</td>
<td>High Dependency Unit</td>
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<tr>
<td>HFNC</td>
<td>High Flow Nasal Cannula</td>
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<tr>
<td>HME</td>
<td>Heat and Moisture Exchanger</td>
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<tr>
<td>ICU</td>
<td>Intensive Care Unit</td>
</tr>
<tr>
<td>IV</td>
<td>Invasive Ventilation</td>
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<tr>
<td>KOL</td>
<td>Key Opinion Leaders</td>
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<tr>
<td>LTOT</td>
<td>Long Term Oxygen Therapy</td>
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<tr>
<td><strong>New apps</strong></td>
<td>New applications in our RAC product group outside of invasive ventilation (see slide 10)</td>
</tr>
<tr>
<td>NHF</td>
<td>Nasal high flow therapy</td>
</tr>
<tr>
<td>NICU</td>
<td>Neonatal Intensive Care Unit</td>
</tr>
<tr>
<td>NIV</td>
<td>Noninvasive ventilation</td>
</tr>
<tr>
<td>OSA</td>
<td>Obstructive Sleep Apnea</td>
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<tr>
<td>PICU</td>
<td>Paediatric Intensive Care Unit</td>
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<tr>
<td>RAC</td>
<td>Respiratory &amp; Acute Care</td>
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<tr>
<td>RCT</td>
<td>Randomised Controlled Trial</td>
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<tr>
<td>RN</td>
<td>Respiratory Nurse</td>
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<tr>
<td>RT</td>
<td>Respiratory Therapist</td>
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<tr>
<td>SICU</td>
<td>Surgical Intensive Care Unit</td>
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</table>