NOVADAQ
SPY Imaging for Surgeons
Forward-Looking Statements

NDQ:TSX

These slides accompany an oral presentation by Novadaq Technologies, Inc., which contains forward-looking statements. Actual results may differ materially from those expressed or implied in this presentation as a result of certain risks and uncertainties. These risks and uncertainties are described in detail in the Company’s documents that are filed with the Ontario Securities Commission and can be viewed on the website www.sedar.com.
Developed a new fluorescence imaging modality which we call SPY
- Allows surgeons to visualize perfusion, blood flow, tumor margins, lymph nodes – in real time during surgery

> 45 Publications - SPY adds highest value to complex procedures
- Enables better surgeries
- Reduces complication rates
- Results in lower healthcare costs

Multi-billion $ global market

Razor/razor blade business model accelerates market uptake and provides growing recurring revenues

Agreements with market leading partners (LifeCell™, ISRG, KCI, MAQUET)
LifeCell™ & ISRG began commercialization of SPY in U.S. in Q1-2011
- Installing 100 systems per quarter
- expanding installed base today, will drive recurring revenues tomorrow

Current revenues mainly from breast recon, robotic and cardiac applications
- SPY breast reconstruction penetration grew from 2% to 6% in 9 months

Adding new large applications to marketed systems in 2012
- Gastrointestinal and vascular surgery

Launching PINPOINT MIS System, endoscope with integrated SPY, H2-2012

Poised for profitability
- Double digit sequential revenue growth
- Leverageable business model as sales & marketing borne by partners
- NDQ gross margins 55-65%
- Q3-2011 revenues $4.2 million, operating cash burn <$0.5 million
SPY is quick and easy real-time fluorescence imaging
- 2 minutes to set up
- No radiation exposure

Surgeon in-charge of imaging
- Decides when and what to image
- Makes decisions based upon visualization of perfusion, blood flow, tumor margins, or lymph nodes
- Can image up to 10 times during complex surgeries
### Commercial Products
#### U.S. Markets

<table>
<thead>
<tr>
<th>Products</th>
<th>Indications</th>
<th>Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SPY Elite®</strong></td>
<td><strong>Breast Reconstruction</strong></td>
<td>93,000</td>
</tr>
<tr>
<td></td>
<td><strong>Colorectal</strong></td>
<td>211,000</td>
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<tr>
<td></td>
<td><strong>Head &amp; Neck</strong></td>
<td>52,000</td>
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<tr>
<td></td>
<td><strong>Total SPY Lead Indications</strong></td>
<td>356,000</td>
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<tr>
<td></td>
<td><strong>Other Reconstructive Procedures</strong></td>
<td>463,000</td>
</tr>
<tr>
<td><strong>da Vinci® FireFly</strong></td>
<td><strong>Partial Nephrectomy</strong></td>
<td>23,000</td>
</tr>
<tr>
<td></td>
<td><strong>Colorectal</strong></td>
<td>28,000</td>
</tr>
<tr>
<td></td>
<td><strong>Prostatectomy</strong></td>
<td>40,500</td>
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<tr>
<td></td>
<td><strong>Hysterectomy</strong></td>
<td>40,000</td>
</tr>
<tr>
<td></td>
<td><strong>Total da Vinci® FireFly</strong></td>
<td>131,500</td>
</tr>
<tr>
<td><strong>CO2 Heart Laser™</strong></td>
<td><strong>Transmyocardial Revascularization</strong></td>
<td>30,000</td>
</tr>
</tbody>
</table>

**Total Opportunity - Commercial Products** 980,500

1. Other Procedures: hernia repair, esophageal, microsurgery, tumor resection, body contouring, birth defects, etc.

Annual procedures represent U.S. markets as per clinical reports and company estimates.
# Products to be Introduced in 2012

<table>
<thead>
<tr>
<th>Products</th>
<th>Indications</th>
<th>Procedures</th>
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</thead>
<tbody>
<tr>
<td>Vascular/Wound Care</td>
<td>Amputation</td>
<td>160,000</td>
</tr>
<tr>
<td></td>
<td>Foot Ulcers</td>
<td>312,000</td>
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<tr>
<td></td>
<td><strong>Total Vascular/Wound Care</strong></td>
<td><strong>472,000</strong></td>
</tr>
<tr>
<td>PINPOINT MIS</td>
<td>Colorectal &amp; General Surgery</td>
<td>200,000</td>
</tr>
<tr>
<td></td>
<td>Other(^2)</td>
<td>300,000</td>
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<tr>
<td></td>
<td><strong>Total PINPOINT MIS</strong></td>
<td><strong>500,000</strong></td>
</tr>
<tr>
<td><strong>Total Opportunity – Pre-Commercial Products</strong></td>
<td></td>
<td><strong>972,000</strong></td>
</tr>
</tbody>
</table>

\(^2\)Other Procedures: gynecology, urology, pulmonary, bariatric

Annual procedures represent U.S. markets as per clinical reports and company estimates.
Agreements With Market Leaders

LifeCell™ Corporation – Plastic Recon., Gastrointestinal, Head & Neck
- 5-year North American agreement signed Sept 2010; product launched Feb 2011
- Revenue model - per patient (kits shipped) – systems placed with usage commitment

Intuitive Surgical® - Robotics
- Worldwide license and supply agreement with market leader in robotic surgeries
- da Vinci-SPY integrated system launched Feb 2011
- Majority revenue today – system sales

KCI – Wound Care
- 6 & 7 year agreements signed November 2011– North America, Europe, Japan
- Agreement encompasses two products: 1) expanded use of SPY Elite® for vascular surgery; 2) new device for wound perfusion assessment in clinics

MAQUET – Cardiac Surgery
- CO2 Heart Laser™ U.S. distribution agreement signed January 3, 2012 with market leader in cardiac surgery
Visible light visualization or fluorescence visualization or composite superimposed imaging of both

FDA cleared - clinical/market development trials in progress

Launch H2-2012 with direct sales

Piggyback on the acceptance of SPY by surgeons and hospitals
Visible light image showing colon anastomosis – indicates viable tissue

PINPOINT combined visible light + SPY imaging - shows ischemic tissue highly susceptible to post-op complication if not addressed intra-operatively

Courtesy of:
Danny A Sherwinter MD FACS
Director Division of Minimally Invasive and Bariatric Surgery
Maimonides Medical Center
Brooklyn NY
Source: Combined data from 12 published SPY studies in breast reconstruction
LifeCell Near Market Application
Colorectal Surgery

SPY n=74 (4%)

Historical data w/o SPY (range: 12%-18%)

Leak Rates

0%
8%
16%

Lower Colon Anastomoses

Source: Pineda et al., Tech Coloproctol (2011) 15:221
Using SPY fluorescence imaging, in 12 of 13 cases, tumors were easily distinguishable from normal renal parenchyma - surgical margins were negative on final pathology.

*Source:* Knof, Golijanin et al. 2011 AUA Presentation
• Mean cost of treatment without complications: $6,123
• Estimated distributed cost savings if SPY reduced infections 50%; necrosis 90%: **$2,140 per patient**

*Sources:* Dr. Geoffrey Gurtner (Stanford); Olsen et al. Arch Surg 2008
Key Measurable – Systems

Total Systems Shipped

SPY Elite® Installed Base in U.S. Hospitals >200 beds

9% with SPY

91% W/O SPY
Open SPY procedures include plastic/reconstruction and cardiac surgeries
Breast Reconstruction U.S. Market Share

Q1-11: 2%
Q3-11: 8%
Total product sales are approximately 2X of Novadaq revenues.
Operating Burn = cash used in operating activities – changes in working capital
Achievements Toward Broader Adoption

KOLs
• Stanford
• University of Illinois
• MD Anderson
• Johns Hopkins
• Duke University
• University of North Carolina
• East Cooper South Carolina
• NY Group for Plastic Surgery
• Cleveland Clinic (Florida)

Text Book Recommendations
>40 journal publications

Surgeon Reimbursement
CPT: $100-$200 per injection

Hospital Reimbursement
ICD-9-CM billing/tracking code

Clinical
Randomized, multi-center trials planned
Financial Highlights

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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<tbody>
<tr>
<td>Cash</td>
<td>$10.3 million at September 30, 2011</td>
</tr>
<tr>
<td>Convertible Debt*</td>
<td>$4.1 million at September 30, 2011</td>
</tr>
<tr>
<td>Operating Burn</td>
<td>approximately $0.15 million per month</td>
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<tr>
<td>Shares Outstanding</td>
<td>32.7 million (34.9 million fully diluted**)</td>
</tr>
<tr>
<td>Market Capitalization</td>
<td>C$163.7 million as of January 5, 2012</td>
</tr>
</tbody>
</table>

Note: US$ unless otherwise indicated

*5.0% senior unsecured convertible debentures due 2014; face value $5.15 million, $1.88 conversion price

**Net share settlement method (C$5.00 stock price); treasury stock method 37.7 million (excludes conv. debt)