

## Nova Eye Records FY20 Net Profit After Tax of \$35.7 Million

### Highlights:

1. \$61.0 million capital return and dividend from sale of Capital Equipment business
2. Net Profit After Tax (NPAT) of \$35.7 million
3. Ongoing debt free with \$26 million of cash, positions the company to capitalise on the dynamic market for glaucoma surgical devices
4. Continued progress with US Food and Drug Administration (FDA) for proposed 2RT® registration study
5. US\$1.1 million US government stimulus received
6. COVID-19 impact to iTrack™ US manufacturing; sales impacted by rolling closure of Ambulatory Surgical Centres (ASCs) from shelter in place directives through March-April

**Adelaide, Australia, 28 August 2020** – Nova Eye Medical Limited (ASX: EYE)(Nova Eye Medical or the Company), a medical technology company committed to advanced ophthalmic treatment technologies and devices, today announces the full year financial results ended 30 June 2020 (FY20).

Nova Eye Medical (formerly Ellex Medical Lasers) recorded a FY20 net profit after tax of \$35.7 million (FY20) driven by a \$55.8 million gain on the successful sale of the capital equipment business to Lumibird Group, which completed on 30 June 2020. Product revenues comprising iTrack for glaucoma and 2RT for intermediate age-related macular degeneration (iAMD) were down 21% on the prior corresponding period (pcp) to \$12.8 million, reflecting a reduction in surgical volumes in the US for iTrack as a result of COVID-19 shelter in place directives that impacted typical ordering patterns. Despite the revenue decline, the EBITDA level loss from the continuing operations improved by 16% from \$6.9 million in the pcp to \$5.8 million as a result of cost management initiatives.

Mr Victor Previn, Executive Chairman of Nova Eye Medical said “The 2020 financial year presented both significant opportunities for Nova Eye, with completion of the capital equipment business to Lumibird and subsequent return to shareholders, but also presented sales challenges due to the impact of COVID-19 on surgical procedures in the US and Europe. While the business successfully took steps to reduce operating expenditures during the year and there is some early evidence that sales maybe returning to pre-pandemic levels, the long term opportunity for our suite of consumable surgical devices in the burgeoning glaucoma market remains very strong.”

### Consumable glaucoma surgical devices (iTrack and Molteno)

The iTrack and Molteno (acquired on 31 July 2020) consumable surgical devices provide Nova Eye Medical with an opportunity to address significant segments of the cycle of disease progression but there remain

opportunities to address other stages of the disease to generate sustainable growth.

Despite this potential, the COVID-19 pandemic impacted sales in the last year. iTrack surgical system global unit sales were down 24% to 11,774 units versus the pcp and revenues were down 19% to \$11.6 million. As a result of reduction in predominately travel, advertising, marketing and congress expenses during the half, segment EBITDA improved 21% to a loss of \$4.1 million.

In the US, iTrack recorded a decrease in unit volumes of 28%, reflecting significant interruptions to surgical procedure volumes at ambulatory surgical centres (ASCs) associated with rolling shelter in place directives across a number of US states. Outside US (OUS) sales were down 26%. Chinese unit sales continued to show solid growth and were up 16% versus the pcp.

During the year, the Company continued to progress development of a next generation iTrack system, aimed at significantly reducing surgical times and ease of use for the surgeon. Nova Eye Medical is planning for regulatory and commercial initiatives later in FY21.

## **2RT**

During the year, Nova Eye Medical made solid progress via formal engagement with the US FDA to obtain its approval to conduct a pivotal study on US patients that, if successful will lead to regulatory clearance for treatment of patients with intermediate age related macular degeneration (iAMD), via an Investigational Device Exemption (IDE).

A therapy that delays AMD disease progression will address is a very large unmet clinical need currently estimated at US\$5.1 billion annually.

It is intended to seek an investment partner to fund the study with Nova Eye Medical retaining a significant equity stake.

## **Cash Flow and Balance Sheet**

Operating Cash outflow for the year from Nova Eye Medical continuing operations was \$3.7 million, a \$5.3 million improvement versus the pcp, reflecting a reduction in operating expenditures during the year and a US government stimulus payment, partially offset by lower receipts from customers.

The Company held cash and cash equivalents of \$95.6 million as at 30 June 2020, reflecting the receipt of transaction proceeds from Lumibird following completion of the transaction. On a pro-forma basis, after adjusting for the capital return and dividend payment to shareholders of \$61.0 million, and tax payable of \$8.1 million, the Company will retain \$26.5 million in cash, with no debt.

## **Outlook**

Nova Eye Medical has a number of objectives for the 2021 financial year, which are shown below:

1. Investment into iTrack and Molteno in clinical market development in preparation for aggressive sales drive post COVID-19
2. Product development including next generation iTrack for deployment post COVID-19 market recovery
3. File for 2RT IDE with the US FDA
4. Significantly reduced operating costs and continued prudent cash flow until market recovers

*This release dated 28 August 2020 has been authorised for lodgement to ASX by the Board of Directors of Nova Eye Medical Limited and lodged by Simon Gray, Company Secretary.*

– ENDS –

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## **ABOUT NOVA EYE MEDICAL**

Nova Eye Medical Limited is a medical technology company that develops, manufactures and sells a portfolio of proprietary ophthalmic treatment technologies and devices. Used by eye surgeons in more than 100 countries globally, these technologies include iTrack™ minimally invasive glaucoma surgery (MIGS), a consumable surgical device that restores the eye's natural outflow pathway to lower pressure inside the eye and to eliminate patient reliance on anti-glaucoma medications for mild-moderate glaucoma. The Molteno3® glaucoma drainage device platform is designed to enhance surgical utility and optimize clinical outcomes for long-term IOP control in cases of severe glaucoma. It also offers the benefit of a simplified and faster surgical profile. With its sales headquarters based in Fremont, California, Nova Eye Medical is supported by a global network of more than 50 distribution partners. Manufacturing facilities are located in Fremont, California and Dunedin, New Zealand.

For additional information about Nova Eye Medical and its technologies, please visit:  
[www.nova-eye.com](http://www.nova-eye.com)

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2RT® is a registered trademark of Nova Eye Medical Limited  
iTrack™ is a trademark of Nova Eye Medical Limited