Investor Presentation
Results for the Year ended 30 June 2024

Nova Eye Medical Limited (ASX:EYE)

August 2024

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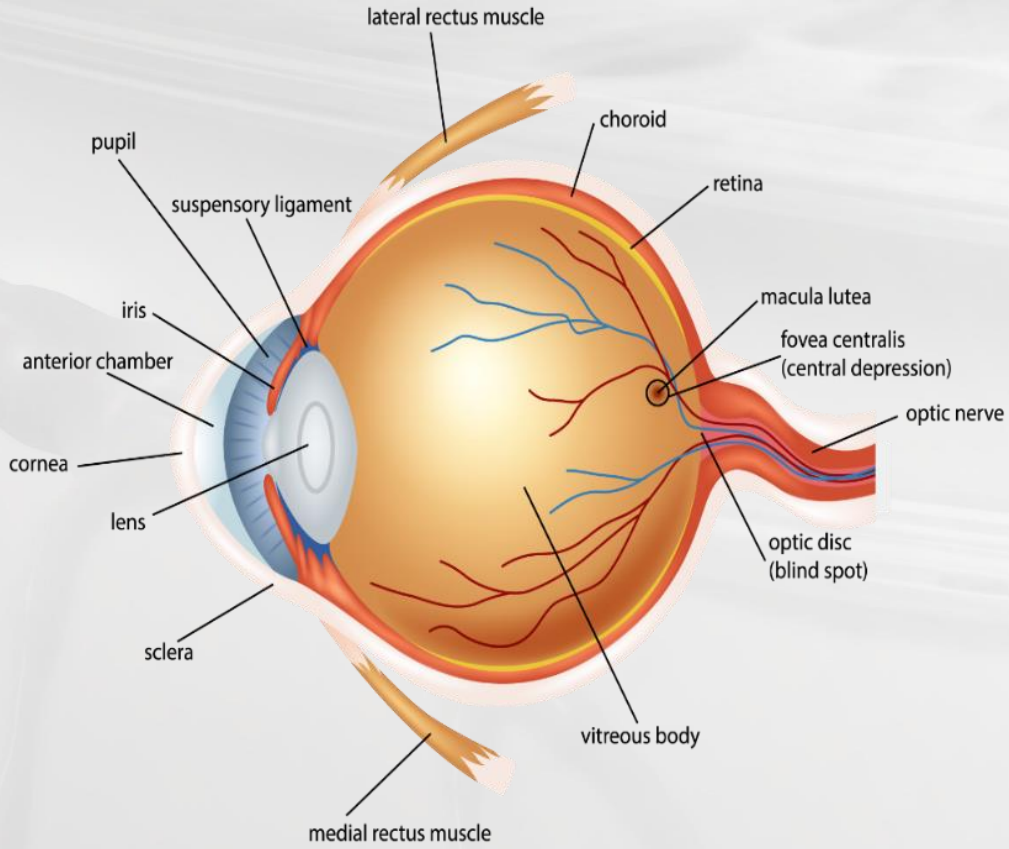


Highlights of FY24

Best performance, top and bottom line, in the history of Nova Eye

- FY24 group sales A$23.3 million, up 35% compared to pcp in constant currency. Notably, sales in the USA surged by 71%, reaching US$11.4 million (A$17.3 million)
- Group EBITDA loss of A$5.7 million for FY24 has improved by 33% ($2.9 million) on FY23, demonstrating the increasing leverage of the improved top line result
- Glaucoma segment trending towards profitability with $3.3 million (54%) EBITDA improvement on FY23
- An EBITDA loss of $0.4 million in H2FY24 was a $2.7 million improvement in profitability compared with H1FY24 and augers well for the future
- Substantial improvement in the operating result was driven by higher gross margin and return on sales and marketing investment

Substantial sales growth along with improvement in the operating result was foreshadowed in February 2024 and is being delivered

Large unmet need in glaucoma

The Glaucoma Opportunity Remains Strong

- 131 million(1) people with glaucoma worldwide with US$5.7 billion(1) annual expenditure of which 92%(1) is spent on medications and devices. Market for surgical devices is US$772 million(2) and forecast to reach US$1,560(2) million by 2029
- Significant medication drawbacks drive demand for surgical device alternatives
- Consumable surgical devices market projected market at 12% CAGR(2)

(1) Marketscope 2024 Glaucoma Surgical Device Market Report
(2) Marketscope 2024 Glaucoma Surgical Device Market Report, 2024 estimate and 2029 estimate incorporating stents, canal surgery, subconjunctival shunts and glaucoma drainage devices, growth through to 2028

Glaucoma Treatment Overview

- Traditional medication treatment paradigm is chronic medication use causes eye damage limiting future treatment options.
- Patients and surgeons are transitioning(1) from medications in favour of minimally invasive glaucoma surgery (MIGS) earlier in the disease state.
- MIGS are a solution to nonadherence and can offer improved safety profile and better certainty of outcome(1).
- Advancements in diagnostic technologies support earlier intervention.
- **Nova Eye is a key player in the global MIGS market with its canaloplasty device, *iTrack™ Advance*.**

(1) Marketscope 2024 Glaucoma Surgical Device Market Report

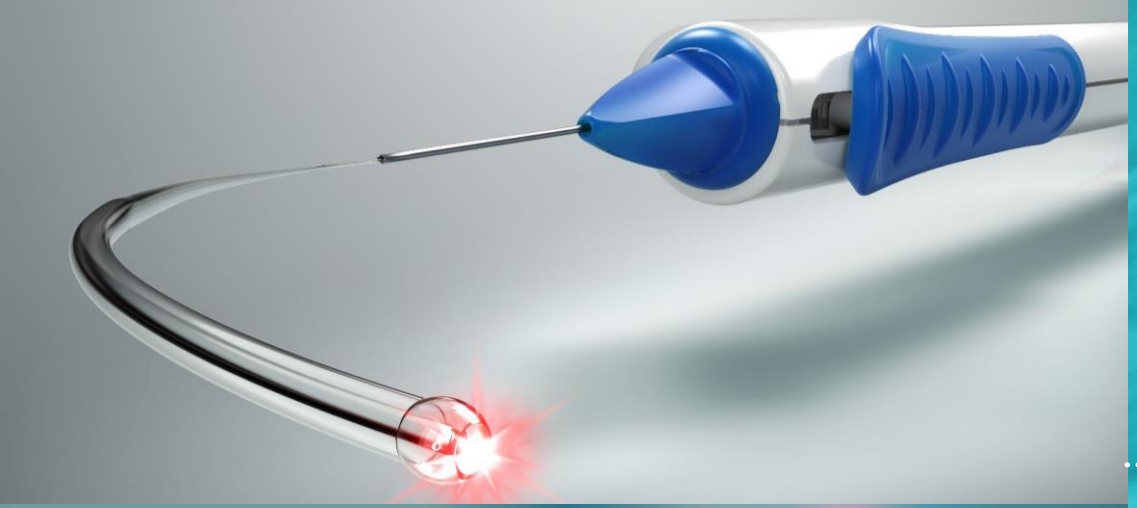
Patient adherence to glaucoma medications is poor

Approx 50% of patients are non-compliant with their medications

Approx 50% purposely discontinue their medication(s) within 6 months

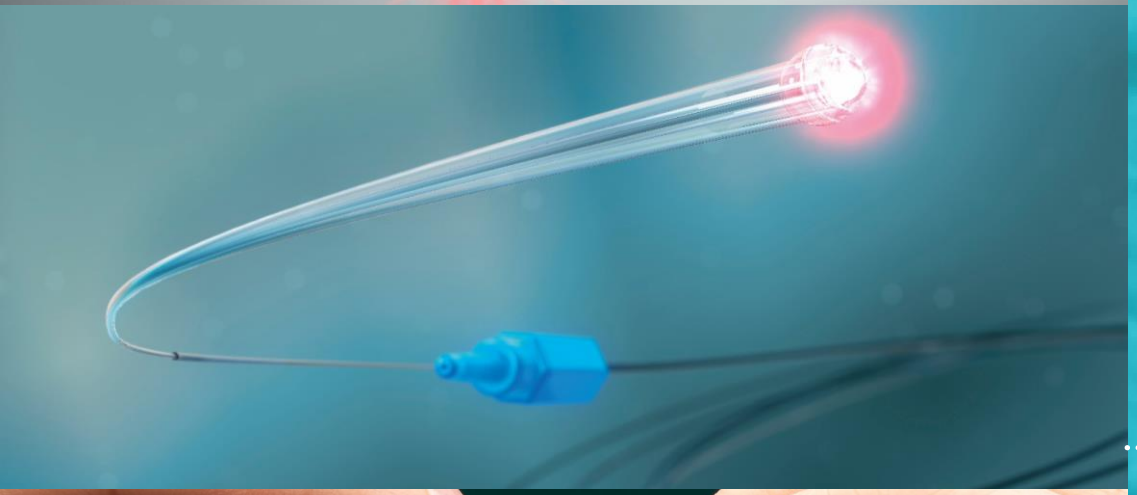
Nordstrom BL, Friedman DS, Mozaffari E, Quigley H, Walker AM. Persistence and adherence with topical glaucoma therapy. Am J Ophthalmol. 2005;140(4): 598-606

Glaucoma surgical devices are increasingly recognised as a viable alternative to medications – and this is the highest area of focus and return for the patient, the physician and the supplier.



Addressing disease progression

iTrack™ Advance
(mild to moderate)



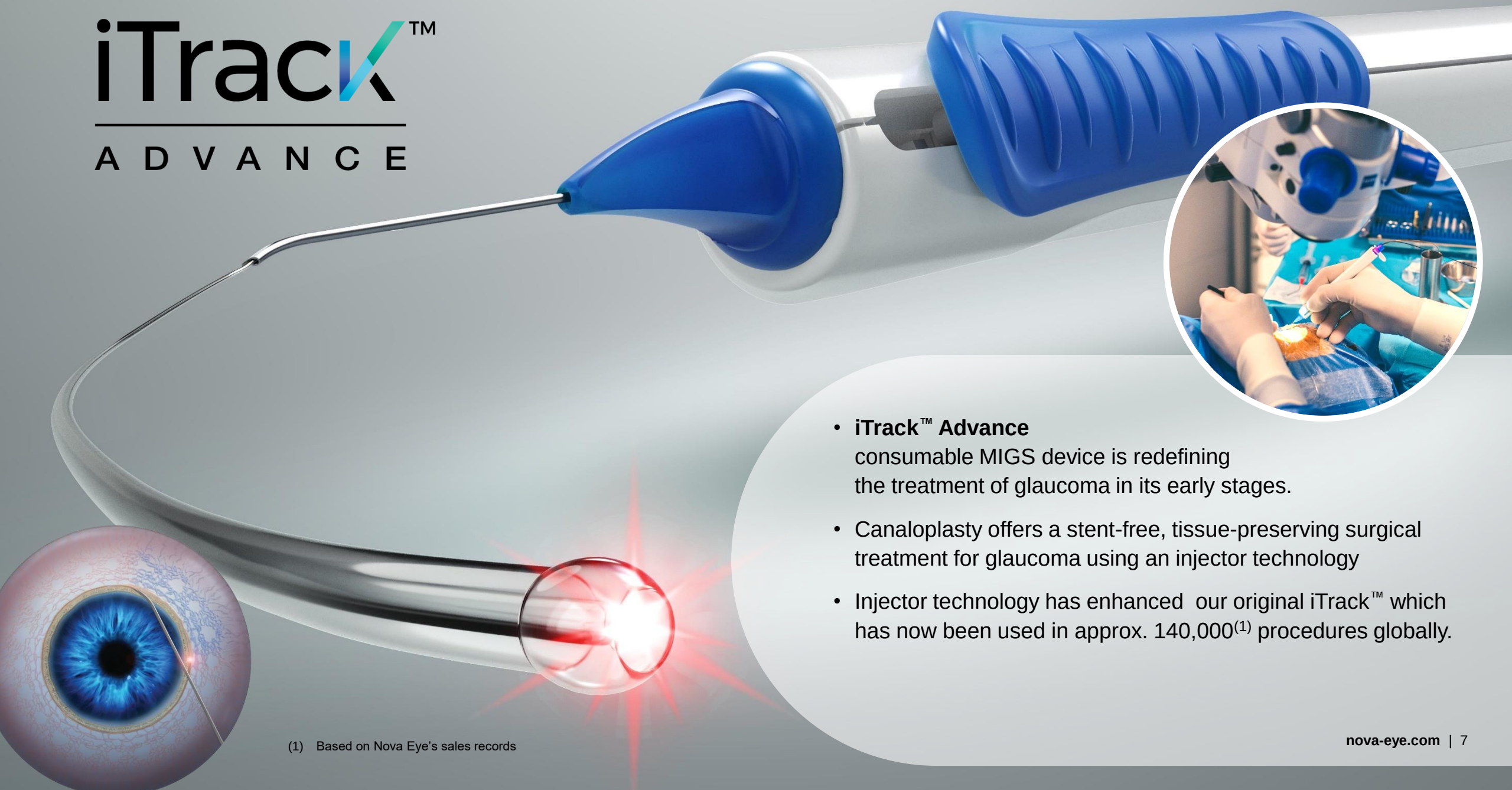
iTrack™
(mid stage)

Molteno3
(*Severe and Complex*)

Glaucoma

Nova Eye Current Product Portfolio

iTrack™ ADVANCE



- **iTrack™ Advance** consumable MIGS device is redefining the treatment of glaucoma in its early stages.
- Canaloplasty offers a stent-free, tissue-preserving surgical treatment for glaucoma using an injector technology
- Injector technology has enhanced our original iTrack™ which has now been used in approx. 140,000(1) procedures globally.

(1) Based on Nova Eye's sales records

Clinically Significant Features iTrack™ Advance vs Other MIGS

Designed to reduce the elevated IOP associated with glaucoma by improving trabecular flow through the natural outflow pathway.

Device	Company	Procedure	Patient Population	Natural Outflow Pathway			Implant-free	Preserves Tissue
				Trabecular Meshwork	Schlemm's canal	Collector Channels		
iTrack™ Advance	Nova Eye Medical	Canaloplasty	Mild-moderate glaucoma	✓	✓	✓	✓	✓
KDB(1)	New World Medical	Goniotomy i.e. cutting of tissue	Mild-moderate glaucoma	✓	✗	✗	✓	✗
OMNI(1)	Sight Sciences	Canaloplasty followed by goniotomy i.e. cutting of tissue	Mild-moderate glaucoma	✓	✓	✓	✓	✗
iStent(1)	Glaukos	Micro-trabecular bypass stent	Mild-moderate glaucoma	✓	✗	✗	✗	✓
Hydrus(1)	Alcon	Micro-trabecular bypass stent	Mild-moderate glaucoma	✓	✓	✗	✗	✓

(1) Based on collation of information in Marketscope 2024 Glaucoma Surgical Device Market Report and company information on websites

FY24 Global Sales in US$(1)

Channel (H1FY24 channel %)	FY23	H1 FY24	H2FY24	FY24	Growth on PCP
	US Dollars '000's				
USA (direct)	6,647	5,050	6,322	11,383	71%
Germany (95% direct 5% distributor)	1,513	718	913	1,631	8%
Rest of world (10% direct 90% distributor)	1,327	590	638	1,228	-7%
China (distributor)	1,786	315	681	996	
Total	**11,273**	**6,673**	**8,565**	**15,238**	**35%**

- Focus of sales and marketing investment in USA for iTrack Advance™ along with recruitment of additional sales representatives has resulted in substantial sales growth in the USA.
- In markets outside the USA (OUS), sales have been maintained demonstrating the "stickiness" of our customer base representing a base for future growth.
- Investments in additional OUS capability made in May through August 2024 expected to yield results in FY25
- China PCP was impacted by a delivery of previous order scheduled for 30 June 2022 delivery delayed export documentation until 5 July 2022. Adjusting for that, sales to China in line with pcp.

(1) Approximately 99% of the Company's revenue is denominated in US$ or Euros

Key USA growth metrics

USA Field sales	Field team at 31 December 2023	Annualised revenue per rep (weighted average) six months to December 2023	Field team 30 June 2024	Annualised revenue per rep (weighted average) six months to June 2024	Growth in revenue per rep
Sales representatives	7)1)	US$1.29m	11(1)	US$1.51m	17%
Sales rep supervision	1		2		
Clinical trainers	2		2		
Manager	1		1		

- Five (5) New sales representatives recruited progressively across the six months to 30 June 2024
- Growth in both the number of sales representatives and in the weighted average revenue per sales representative because of:
  - ✓ Investment in selection, management and training sales representatives (approximately 3 months)
  - ✓ Marketing investment to support product and brand awareness and direct lead generation
  - ✓ KOL engagement and podium presence to promote peer-to-peer selling
- Sales representative recruitment rate is a function of managing cash, revenue growth and bottom-line improvement

(1) Includes allowance for independent reps not full time of 1 FTE

Operating Results FY24 – Glaucoma (US$)[1]

	FY23	H1 FY24	H2 FY24	FY24
	USA dollars ('000's)			
Revenue	11,273	6,673	8,565	15,238
GM	7,548	4,604	6,262	10,866
	67%	**69%**	**73%**	**72%**
Operating expenditure	(11,548)	(6,193)	(6,530)	(12,723)
EBITDA (loss)	**(4,000)**	**(1,589)**	**(268)**	**(1,857)**
Working capital investment at period end[2]	$1,150	$1,445	$3,215	$3,215

Commentary

- Improved gross margin with expanded volumes
- Continuing production methods improvement to lower costs
- Improved return on marketing investment with recruitment of new sales reps in the USA has seen sales growth improve the bottom line
- Increased cash invested in working capital to support sales growth
- Last 4 half year periods, show progressive improvement in EBITDA

	EBITDA (loss) in US$'000's
H1FY23	(2,524)
H2FY23	(1,577)
H1FY24	(1,589)
H2FY24	(268)

(1) Approximately 99% of glaucoma segment revenues and 90% of the glaucoma segment costs are denominated in US$ or Euros
(2) Working capital is defined as accounts receivable plus Inventory less accounts payable at FX rate 1AUD = 0.67AUD

Reported Operating Results By Segment FY24 – A$

	FY23				FY24			
	Australian dollars ('000'S)							
Group	Glaucoma	AlphaRET	Corporate	Group	Glaucoma	AlphaRET	Corporate	Group
Revenue	16,661	364		17,025	23,158	168		23,325
GM	11,392	323		11,715	16,729	91		16,820
	68%				**72%**			
Operating expenditure	(17,676)	(1,364)	(2,225)	(21,265)	(19,688)	(841)	(2,275)	(22,804)
Other Income			943	943			254	254
EBITDA (loss)	**(6,284)**	**(1,041)**	**(1,282)**	**(8,607)**	**(2,959)**	**(750)**	**(2,021)**	**(5,730)**

Commentary:

- Group EBITDA loss reduced by $3.8 million compared with pcp
- EBITDA loss in H2FY24 of $1.5 million reduced from $4.2 million in H1FY24 (a $2.7 million improvement) augers well for future profitability improvements
- Material reduction in AlphaRET costs while search for funding options continues

	H2FY24 (six months to 30 June 2024) A$'000's			
	AlphaRET	GSD	Corporate	Group
Revenue	91	13,017		13,107
Gross Margin	54	9,622		9,676
		73%		-
Opex	(368)	(10,047)	(801)	(11,216)
EBITDA (loss)	**(314)**	**(425)**	**(801)**	**(1,540)**

USA reimbursement update - CMS

Proposed rate in 2025 tabled by Center for Medicare and Medicaid (CMS)

- On 10 July 2024 CMS announced canaloplasty was designated a "*device intensive procedure*" and has proposed an increase in reimbursement.
- The proposal is expected to be finalised before the end of 2024.

	2024			Proposed effective 1 January 2025		
Product	Facility Fee for applicable surgery (US$)		Physician Fee for applicable surgery (US$)	Facility Fee for applicable surgery (US$)		Physician Fee for applicable surgery (US$)
	HOPD	**ASC**		**HOPD**	**ASC**	
iTrack Advance for canaloplasty surgery	$3,877	$2,045	$607	$4,022	$2,643	$597
Molteno3 Glaucoma Drainage device	$3,877	$2,627	$1,107	$4,022	$2,715	$1,035

- This 30% increase in the ASC (Ambulatory Surgery Centre) fee will materially improve the economics for Facility to use canaloplasty from 1 January 2025.
- Currently many surgeons and Facilities use stents at the time of cataract surgery for patients with concurrent glaucoma.
- The proposed increase has the potential to move surgeon and Facility preference to canaloplasty in 2025.

USA reimbursement update - MACs

Draft Local Coverage Determinations (LCD) from Medicare Administrative Contractors

- Draft LCDs proposed on 30 May 2024 by 5 out of the 7 MACs that stents in combination with a surgical MIGS procedure in the same patient eye, at the same time, will not be reimbursed.
- MACs are proposing to stop surgeons using “Mixed MIGS” .“Mixed MIGS” means using a Stent PLUS a surgical MIGS procedure (either canaloplasty or goniotomy)
- The draft LCDs **do not propose to remove** reimbursement for canaloplasty surgery
- The surgical use of Mixed MIGS at the time of cataract surgery has evolved in recent years and provides excellent economics for surgeons and facilities – but the changes proposed will prevent this practice.
- Nova Eye current revenue stream has benefited partially from, but does not rely on, “Mixed MIGS” usage by surgeons
- **The finalisation of the draft LCD combined with the increase in reimbursement for canaloplasty proposed by CMS from 1 January 2025 will improve the likelihood that surgeons and Facilities select canaloplasty over stents at the time of cataract surgery**.

Summary and Outlook

Substantial sales growth along with improvement in the operating result was foreshadowed in February 2024 is being delivered.

- The expansion of the USA sales team in the second half along with the improvement in productivity of the USA sales team is expected to result in continued sales growth
- Reimbursement changes proposed, if implemented, are expected to improve demand in the USA in the second half of FY25
- Recent investments in commercial capability made outside the USA are expected to result in sales growth in FY25.
- Gross margin and operating expenditure to sales ratio improvement evident in H2FY24 augers well for future profitability
- July is typically a slower month for glaucoma product sales. Sales in July 2024 are materially above July 2023 showing continued strong demand for our products as we commence FY25.

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