

Appendix 4E

Preliminary final report

Name of entity

Nova Eye Medical Limited

ABN or equivalent
Company reference

15 007 702 927

Half yearly (tick)

Preliminary final (tick)

Half year/financial year ended

30 June 2024

Results for announcement to the market

Extracts from this report for announcement to the market.

	Consolidated Group		
	Up/down	Movement %	2024FY \$A '000
Revenues from Continuing Operations	Up	37%	to 23,325
Loss from Continuing Operations Before Interest, Tax, Depreciation and Amortisation	Down	33%	to (5,731)
Net Loss from Continuing Operations before Tax	Down	48%	to (8,790)
Net Loss from Continuing Operations after Tax	Down	43%	to (8,790)
Net profit/ (loss) for the Period Attributable to Members	Down	43%	to (8,790)
Dividends (distributions)	Amount per security		Franked amount per security
Final dividend (Preliminary final report only)	Nil ¢		Nil %
Interim dividend (Half yearly report only)	Nil ¢		Nil %
Previous corresponding period	Nil ¢		Nil %

NTA Backing

	Consolidated Group	
	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	4.3 ¢	4.4 ¢

Compliance statement

1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

Identify other standards used

2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

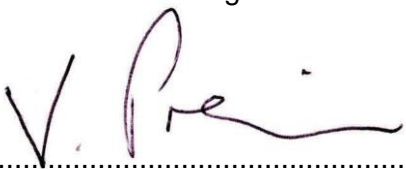
3 This report does give a true and fair view of the matters disclosed.

4 This report is based on ⁺accounts to which one of the following applies.

- (Tick one)
- | | | | |
|-------------------------------------|------------------------------------------------------------------------|--------------------------|------------------------------------------------------------|
| <input checked="" type="checkbox"/> | The accounts have been audited. | <input type="checkbox"/> | The accounts have been subject to review. |
| <input type="checkbox"/> | The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The accounts have <i>not</i> yet been audited or reviewed. |

5 The entity has a formally constituted audit committee.

6 There has been no changes in controlled entities.

Sign here:  Date: 26 August 2024
(Director)

Print name: Victor Previn



NOVAEYE
MEDICAL®

Annual Report:
Financial Year
Ended 30 June 2024



Corporate Governance



The Company has adopted and substantially complies with ASX Corporate Governance and Principles and Recommendations, 4th Edition ASX Corporate Governance Council.

The Corporate Governance Statement which was approved by the Board of Directors on 27 June 2024 is available for viewing on our website www.nova-eye.com.

Directors' Report

The Directors of Nova Eye Medical Limited (the "Company") submit herewith the annual financial report of the Company and the entities it controlled (the "Group" or "Nova Eye") at the end of, or during the financial year ended 30 June 2024. In order to comply with the provisions of the Corporations Act 2001, the Directors' report as follows:

The names and particulars of the Directors of the Company during or since the end of the financial year are:

Name

Mr V Previn	Executive Chairman
Mr R Coupe	Independent Director
Mr M Southard	Director
Mr T Spurling	Managing Director
Mr D Webb	Independent Director

Simon Gray is the Company Secretary of the Company.

Directors

Victor Previn, *Executive Chairman*

Victor Previn was appointed a Director on 16 July 2001. Victor is a professional engineer and one of the original founders of the Company. His career spans more than 40 years in both the ophthalmic laser industry and the wider ophthalmic device sector. Since October 2020 Mr Previn has also been a Director of Havilah Resources Ltd (ASX:HAV). Mr Previn was elected Chairman of the Board of Directors. He is also a member of the Audit & Risk Committee and the Remuneration & Nominations Committee.

Mr Previn beneficially holds 11,105,535 shares as at 26th August, 2024.

Rahmon Coupe, *Independent Director*

Rahmon Coupe was appointed an Independent Director on 15 May 2013. Mr Coupe has 37 years' experience in the areas of corporate management, intellectual property management, contract negotiation, business development and engineering and has worked across a diverse range of industries, including information technology, life sciences and public broadcasting. Mr Coupe holds an Honours Degree in Electrical and Electronic Engineering from the University of Adelaide. He is currently a member of the Audit & Risk Committee and the Remuneration & Nominations Committee.

Mr Coupe beneficially holds 1,341,200 shares as at 26th August, 2024.

Mike Southard, *Director*

Mike Southard was appointed as a Director on 2 July 2018 and completed his Executive role in December 2019. Mike spent 26 years with Alcon Laboratories of Fort Worth, Texas, as Vice President of the Global Surgical business. During Mike's tenure, the Alcon business grew dramatically from US\$85 million to US\$2.4 billion of sales per year. Prior to this, he was an Executive with Beecham Laboratories (now SmithKline Beecham), and Cooper-Vision, which was acquired by Alcon Laboratories. Mike is currently actively involved in ophthalmology, dermatology and orthopaedics through his consulting company based in Portland, Oregon, USA. He has vast experience in both the International and US markets and maintains

Directors' Report

important contacts with many of the world's key opinion leaders in all areas of eye surgery. Mike holds a Bachelor of Science from Oregon State University and an Executive MBA degree from Stanford University.

Mr Southard beneficially holds 20,000 shares as at 26th August, 2024.

Tom Spurling, *Managing Director*

Mr Spurling joined Nova Eye on 1 April 2021 as an Executive of the Group and was appointed Managing Director on 31 August 2021. Tom served as the Chief Executive Officer of Ellex Medical Lasers from 2011 to 2019. Tom has 30 years of senior executive experience serving in a range of commercial and management roles in Australia and the United States. Tom holds a Bachelor of Economics from the University of Adelaide.

Mr Spurling beneficially holds 845,256 shares as at 26th August, 2024

Dan Webb, *Independent Director*

Daniel (Dan) is based in Toronto, Canada and has a career that has spanned over 40 years in the marketing, sale and distribution of medical devices. After spending 10 years in various positions in ophthalmic device sales, Dan commenced his career with the medical laser company Coherent. In 1990 Dan established Coherent-AMT, now known as Clarion Medical Technologies (Clarion) to import, market, sell and distribute a range of medical devices, focusing on ophthalmic, aesthetic and surgical devices, in Canada. Dan and his partners grew Clarion revenues to approximately \$100 million per year. Clarion was sold to a multinational distribution business in 2020.

Mr Webb beneficially holds 555,556 shares as at 26th August, 2024.

Company Secretary

Simon Gray was appointed Company Secretary on 24 June 2020. Mr Gray had over 35 years' experience as a Chartered Accountant including 20 years as a partner with Grant Thornton, a national accounting firm. Mr Gray currently serves as a Director and Company Secretary of Havilah Resources (ASX:HAV). He is also Company Secretary and Chief Financial Officer of Vintage Energy Ltd (ASX:VEN) and is a Director of several unlisted companies.

Principal activities

The principal activities of the Company during the financial year were the design, development, manufacture, marketing and sales of surgical devices for the treatment of glaucoma, a leading cause of blindness. In addition, the Company is engaged in the commercialisation of the subthreshold nano-pulse ophthalmic laser, 2RT®, for the treatment of retinal disease via the AlphaRET segment.

For the year ended 30 June 2024, Nova Eye reported total revenues of \$23,325k, which was almost entirely related to sales of its glaucoma surgical devices and an operating loss after tax of \$8,790k. The operating loss after tax includes charges of \$2,989k for depreciation and amortisation. This represents growth in sales of 37% compared to the prior year. This compares with sales of \$17,025k and an operating loss after tax of \$15,293k in the prior year and charges of \$8,341k for depreciation, amortisation and impairment. As a direct result of the improvement in sales, the Company reported earnings before interest and tax (EBITDA) loss of \$5,731k. This was an improvement of \$2,876k over the EBITDA loss of \$8,607k reported for the year ended 30 June 2023.

Of the EBITD loss reported for the year ended 30 June 2024 an amount of \$4,190k was reported in the first six months of the 2024 fiscal year. In the second half of the 2024 fiscal year the Company reported an EBITDA loss

Directors' Report

of \$1,541k. The strong sales growth in the glaucoma surgical device segment has therefore translated into a material improvement in operating result.

The Company reported an operating loss before tax of \$8,790k. This is an improvement of \$8,212k over the operating loss of \$17,002k reported for the year ended 30 June 2023.

Glaucoma Surgical Devices

The Company designs, develops, manufactures, markets and sells glaucoma surgical devices (GSD) for the global market. The Company's devices are used by ophthalmic surgeons to reduce intraocular pressure (IOP) in patients with glaucoma.

The Glaucoma Surgical Devices segment of the business reported revenues of \$23,157k during the year to 30 June 2024, which was up from sales of \$16,661k reported in the 2023 fiscal year. An EBITDA loss of \$2,959k (\$6,284k in 2023) was also reported. Of the EBITDA loss reported for the year ended 30 June 2024 of \$2,959k, an EBITDA loss of \$2,534k was reported in the first six months of the 2024 fiscal year. In the second half of the 2024 fiscal year the GSD segment reported EBITDA loss of \$425k which represents a material improvement in operating result. The increased sales and material improvement in EBITDA loss was the direct result of strong sales growth for the Company's products, mainly in the USA.

AlphaRET

2RT® is a proprietary laser technology which has shown potential to treat patients with retinal disease including early/intermediate age-related macular degeneration (AMD). AMD is a chronic eye disease that can lead to debilitating loss of vision.

The Company's AlphaRET segment is responsible for the commercialisation of the 2RT® ophthalmic laser; a potential treatment to delay progression to late-stage AMD for patients who have the disease in its intermediate stage. No material revenues were generated by AlphaRET during the year ended 30 June 2024 or in the prior year. The focus of the business has been on servicing the small installed base of laser systems with existing customers, discussions with potential funding partners and planning commercialisation efforts. The 2RT® ophthalmic laser has the potential to materially disrupt the current AMD treatment paradigm.

Income tax

The Company has reported operating losses and, as of the 30 June 2024 result does not have any income tax payable in Australia or in any foreign income tax jurisdiction in which the company operates. Income tax loss carry back arrangements in Australia resulted in an income tax refund of \$884k during the year ended 30 June 2024.

Placement of new shares

In March 2024, the Company completed a Placement and Institutional Entitlement Offer of 23,830,112 ordinary shares to, and a fully underwritten Retail Entitlement Offer for, a further 14,285,714 ordinary shares. The new shares all had an issue price of 21 cents per share. Of the ordinary shares issued 1,476,887 shares were issued to Directors in exchange for cash payments of \$310,146. Shares issued under this placement and entitlement offer do not form part of remuneration paid to key management personnel.

The issue of shares resulted in net proceeds to the Company of \$7,430k. These funds have been applied to support sales and marketing expansion of the glaucoma surgical devices business

Events since the end of the financial year

There are no significant events effecting the Company since the end of the financial year.

Directors' Report

Business risks

Management periodically reviews business risks faced by the Group. These business risks are presented to the Audit & Risk Committee and an assessment is made on whether they could materially impact the Group's business operations. This assessment is based on an estimated ranking of likelihood and severity and is used to enact risk mitigation plans across the business.

Major business risks faced by the Group include;

- Foreign exchange rate volatility due to a majority of operating cashflows occurring in USD
- Disruption to supply chain for key components, including changes in quality of such components, used in manufacturing, or loss of a key supplier
- Failure to manage scale up of production to meet growing product demand
- Failure to meet regulatory guidelines, particularly the US Food & Drug Administration
- Changes in government health insurance reimbursement systems, particularly in the Company's largest market, the USA, impacts demand for our products
- Cyber security and data protection in an increasingly sophisticated cyber-crime environment

Management has ongoing efforts to plan for a wide range of scenarios and risks to ensure the Group is well-positioned to achieve the business goals.

Financial position

As of 30 June 2024, the consolidated group had net assets of \$21,330k. This compared with \$23,191k as of 30 June 2023.

Of this, on 30 June 2024 the consolidated group had current assets of \$14,749k, including \$6,151k of cash and \$4,081k of accounts receivable. Current liabilities on 30 June 2024 total \$5,683k.

Environment regulations and climate change

The Group holds licences to operate the manufacturing processes required to produce its products. It is not subject to significant environmental regulation or reporting requirements. There have been no known significant breaches of the Group's licence conditions.

The directors recognise the existence and importance of climate change. The Company has management systems in place within its risk management framework which ensures decision making considers the impact of such decisions on climate change and the environment.

Future developments

The Group will continue to focus on the further development of its business being the design, development, manufacture, marketing and sales of ophthalmic devices for use in ophthalmic procedures worldwide and business related to these capabilities.

The market in which the Group operates is highly competitive. Therefore, further disclosure of information regarding likely developments in the operations of the consolidated Group in future financial years and the expected results of those operations is likely to prejudice the competitive position of the consolidated Group. Accordingly, this information has not been disclosed in this report.

Dividends

There were no dividends paid in the year ended 30 June 2024.

Directors' Report

Share options and performance rights

At the date of this report the following shares under option were on issue as a result of the Company's employee options scheme.

	Performance Rights	Options
Opening Balance 1 July 2022	361,000	2,727,500
Issued during year	477,975	100,000
Exercised during year	(303,658)	-
Forfeited during year	(7,000)	-
Expired during year	-	-
Closing Balance 30 June 2023	528,317	2,827,500
Opening Balance 1 July 2023	528,317	2,827,500
Issued during year	147,000 (**)	100,000*
Exercised during year	(390,000)	-
Forfeited during year	(35,000) (**)	(100,000)
Expired during year	-	(647,500)
Closing Balance 30 June 2024	250,317	2,180,000

* 100,000 employee options were granted to employees of the Company for no consideration and vest at specified dates, commencing 7 August 2023.

The fair value of the options at the grant date was \$0.13, determined using the Black-Scholes Model. The model inputs for the fair value determination included:

- (i) Vesting period: 36 months after issuance;
- (ii) Exercise price: \$0.35;
- (iii) Expiry date: 36 months from the vesting date;
- (iv) Share price at grant date: \$0.24;
- (v) Expected price volatility of the company's shares: 99%;
- (vi) Risk-free rate: 3.8%.

** Performance rights issued/forfeited during the year were as follows:

(a) Performance rights issued in August 2023:

21,000 performance rights were issued to the employee of the Company on 18 August 2023.

- (i) 7,000 performance rights to convert to ordinary shares immediately on issue date;
- (ii) 7,000 performance rights to convert 9 months from issue date;
- (iii) 7,000 performance rights to convert 21 months from issue date;
- (iv) 14,000 performance rights in (ii) & (iii) were forfeited at employee's resignation.

(b) Performance rights issued in September 2023:

21,000 performance rights were issued to the employee of the Company on 1 September 2023.

- (i) 7,000 performance rights to convert to ordinary shares immediately on issue date;
- (ii) 7,000 performance rights to convert 9 months from issue date;
- (iii) 7,000 performance rights to convert 21 months from issue date;
- (iv) 14,000 performance rights in (ii) & (iii) were forfeited at employee's resignation.

(c) Performance rights issued in June 2024:

105,000 performance rights were issued to the employee of the Company on 1 June 2024.

- (i) 35,000 performance rights to convert 90 days from issued date.

Directors' Report

- (ii) 35,000 performance rights to convert 10 months from issued date.
- (iii) 35,000 performance rights to convert 22 months from issued date.

The fair value of the performance right issued during the year was \$0.21, determined using the share price of the capital raise.

(d) Performance rights forfeited in July 2023:

7,000 performance rights forfeited on 15 July 2023 at employee's resignation.

Indemnification of officers and auditors

During the financial year, the Company paid an insurance premium to insure the Directors of the Company (as named above), the Company Secretary, and all Executive Officers of the Company and of any related body corporate, against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of financial year indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate, against a liability incurred.

Diversity

The Board monitors the diversity of its workforce. Nova Eye Medical Limited is not required to complete Workplace Gender Equality Act 2012 reporting.

Directors' meetings

The following table sets out the number of Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a director or committee member).

Directors	Board of Directors		Audit & Risk Committee		Remuneration & Nominations Committee	
	Held	Attended	Held	Attended	Held	Attended
V Previn	8	8	2	2	1	1
R Coupe	8	8	2	2	1	1
M Southard	8	8	-	-	-	-
T Spurling	8	8	2	2	1	1
D Webb	8	8	-	-	-	-

Remuneration Report (Audited)

This remuneration report, which forms part of the Director's report, sets out information about the remuneration of the Directors and Executives (Key Management Personnel - "KMP") for the financial year ended 30 June 2024 in accordance with the Corporations Act 2001 and the Corporations Regulations 2001. This report has been audited as required by section 308(3C) of the Corporations Act.

The Company has determined that KMP are the Board, the Executive Chair and the Managing Director who have decision making responsibilities for the Company. The prescribed details for each person covered by this report are detailed below under the following headings:

- Director and Executive details.
- Remuneration policy for Directors and Executives.
- Relationship between the remuneration policy and Company performance.

Directors' Report

- Key terms of employment contracts.
- Remuneration of Directors and Executives.

Director and Executive details

The Directors of Nova Eye during the year were:

- Victor Previn – Executive Chairman.
- Rahmon Coupe – Independent Director.
- Mike Southard – Director.
- Tom Spurling – Managing Director.
- Daniel Webb - Independent Director.

Remuneration policy for Directors and Executives

The Board reviews the remuneration packages of all Directors and Executives on an annual basis. Remuneration packages are reviewed with due regard to performance and other relevant factors.

Relationship between the remuneration policy and Company performance

i) Non-executive and Independent Directors

Total remuneration for all Non-executive and Independent Directors, last approved by shareholders at the 2017 AGM, is not to exceed \$500,000 per annum.

All Non-executive and Independent Directors residing in Australia receive a Director's fee of \$40,000 AUD per annum. Directors residing in North America receive a Director's fee of \$40,000 USD per annum. The Executive Chairman also receives a \$10,000 AUD Chairman's fee per annum. Director's fees cover all main Board functions but exclude membership of the Audit & Risk Committee and Remuneration & Nominations Committee. From November 2019 a fee of \$5,000 AUD per annum is payable for membership of the Audit & Risk Committee and the Remuneration & Nominations Committee. In addition, the Company pays compulsory superannuation. The Company does not have a formal Board Retirement scheme. Non-executive Directors do not receive any performance-related remuneration.

ii) Executive Directors and Executive Management

Remuneration packages are set at levels that are intended to attract and retain Executives capable of managing the consolidated Group's operations, recognising the Group's size, industry and location.

Remuneration and other terms of employment for Executives are reviewed annually by the Board having regard to the individual's performance against goals and business plans, relevant comparative data and employment market conditions and independent expert advice.

Remuneration packages of Executives incorporate a base salary (which can be taken as cash or fringe benefits), superannuation and performance-related short and long-term incentives. The fixed component of remuneration is set to provide a base that is both appropriate to the position and is competitive in the market.

Short-term incentive payments are discretionary and take into account the extent to which specific operating targets set at the start of the financial year have been achieved. The operational targets consist of a number of key performance indicators (KPIs) covering both financial and non-financial measures of performance, the primary measure being the performance against profit targets.

Long-term incentives are linked to the improvement in the market value of the Company. The long-term incentive is intended to reward efforts and results that promote long term growth in shareholder value. Long-term

Directors' Report

incentives comprise the grant of options with an exercise period of 36 months after vesting and an exercise price 30-50% above the market price at the date of grant. Such grants are completed at the discretion of the Board.

The remuneration of key management personnel is based on an annual assessment of the individual's performance with reference to external data pertaining to Executive remuneration. There is no link between the Group's performance and the setting of remuneration except as discussed previously.

Targets are defined as either Earnings Before Interest, Tax, Impairment, Depreciation and Amortisation (EBITDA) or Earnings Before Tax (EBT), or sales targets depending on the business segment and the role of the employee involved. These have been chosen as the key measures by the Board as the most reflective performance indicators for the Group at this point in its life cycle.

The tables below set out summary information about the consolidated Group's earnings from continuing operations and movements in shareholder wealth for the five years to June 2024:

Performance Summary	30 June 2024 \$'000	30 June 2023 \$'000	30 June 2022 \$'000	30 June 2021 \$'000	30 June 2020 \$'000
Revenue	23,325	17,025	13,378	13,394	12,769
EBITDA	(5,731)	(8,607)	(5,943)	(3,668)	(5,748)
(Loss) / profit before tax	(8,790)	(17,002)	(7,817)	(5,251)	(7,249)
Net (loss) / profit after tax	(8,790)	(15,293)	(7,496)	(4,356)	35,653

Historical Share Price	30 June 2024 \$	30 June 2023 \$	30 June 2022 \$	30 June 2021 \$	30 June 2020 \$
Share price at start of year	0.270	0.190	0.320	0.680	0.530
Share price at end of year	0.220	0.270	0.190	0.320	0.680
Interim dividend/share	-	-	-	-	-
Final dividend/share	-	-	-	0.425cps	-
Attributable to ordinary equity shareholders of the Company					
Basic earnings per share	(4.31)cps	(9.81)cps	(5.18)cps	(3.03)cps	24.83cps
Diluted earnings per share	(4.31)cps	(9.81)cps	(5.18)cps	(3.03)cps	24.83cps
From continuing operations					
Basic earnings per share	(4.31)cps	(9.81)cps	(5.18)cps	(3.03)cps	(7.19)cps
Diluted earnings per share	(4.31)cps	(9.81)cps	(5.18)cps	(3.03)cps	(7.19)cps

Key terms of employment contracts

Remuneration and other terms of employment of the Managing Director and senior Executives are formalised in service agreements.

The payment of bonuses and other incentive payments are reviewed by the Remuneration and Nominations Committee annually as part of the review of Executive remuneration and a recommendation is put to the Board.

Tom Spurling – Managing Director

Directors' Report

- A cash salary package of \$250,000 (2023 - \$250,000) exclusive of superannuation to be reviewed annually. This is inclusive of all directors' fees. During the years ended 30 June 2023 and 30 June 2024 Mr Spurling took voluntary salary reductions.
- Employer or employee may terminate employment on giving of 90 days' notice and in the event of early termination at the option of the employer, by payment of a termination benefit equal to the base salary for the unexpired period of notice.
- LTI for the year ended 30 June 2023 and 30 June 2024 is based on the issue of 700,000 options in September 2021.
- STI is based on the overall business performance and the discretion of the Board Remuneration Committee.
- Other long-term benefits include annual leave and long service leave entitlements.

Victor Previn – Executive Chairman

- Salary package of \$210,000 (2023 – \$210,000) exclusive of superannuation to be reviewed annually. This is inclusive of all directors' fees.
- Employer or employee may terminate employment on giving of 90 days' notice and in the event of early termination at the option of the employer, by payment of a termination benefit equal to the base salary for the unexpired period of notice.
- There are no STI/LTI in place for Victor Previn in his capacity as Executive Chairman.
- Other long-term benefits include annual leave and long service leave entitlements.

Remuneration of Directors and Executives

i) Elements of Director and Executive Compensation

The remuneration structure that has been adopted by the Group consists of the following components:

- a) Fixed salary/fees
- b) Benefits – including the provision of motor vehicle, superannuation, and health benefits; and
- c) Short term incentive (STI) – the performance measures are set annually after consultation with the Directors and Executives and are specifically tailored to the areas where each Executive has a level of control.
- d) Long term incentive (LTI) – Long-term incentives are linked to the improvement in the market value of the Company.
- e) Other long-term benefits including accrual of annual leave and long service leave entitlements in line with statutory requirements.

The Board may, at its discretion, award bonuses for exceptional performance in relation to each person's pre-agreed KPI's.

Directors' Report

ii) Remuneration of Directors and Executives 2024Y

2024	Short-term employee benefits				Super annuation	Share-based payment		Other	Total
	Salary & fees	Director & Committee Fees	STI	Non-monetary benefits		Options	Rights		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Directors									
V Previn	210,000	-	-	-	23,100	-	-	21,414	254,514
R Coupe	-	50,000	-	-	5,500	-	-	-	55,500
M Southard	-	61,046	-	-	-	-	-	-	61,046
T Spurling	245,385	-	-	-	26,992	-	-	18,740	291,117
D Webb	-	61,046	-	-	-	-	-	-	61,046
Total	455,385	172,092	-	-	55,592	-	-	40,154	723,223

ii) Remuneration of Directors and Executives 2023Y

2023	Short-term employee benefits				Super annuation	Share-based payment		Other	Total
	Salary & fees	Director & Committee Fees	STI	Non-monetary benefits		Options	Rights		
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Directors									
V Previn	193,500	-	-	-	21,929	-	-	21,414	236,843
R Coupe	-	50,000	-	-	5,163	-	-	-	55,163
M Southard	-	59,189	-	-	-	-	-	-	59,189
T Spurling	210,759	-	-	-	24,584	-	-	17,208	252,551
D Webb	-	36,649	-	-	-	-	-	-	36,649
Total	404,259	145,838	-	-	51,676	-	-	38,622	640,395

Bonuses granted as compensation – 2023 and 2024

Name	Performance based remuneration							
	Fixed remuneration		Bonus		LTI		At Risk	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	%	%	%	%	%	%
V Previn	100	100	-	-	-	-	-	-
R Coupe	100	100	-	-	-	-	-	-
M Southard	100	100	-	-	-	-	-	-
T Spurling	100	100	-	-	-	-	-	-
D Webb	100	100	-	-	-	-	-	-

Directors' Report

Director and Executive shareholdings

The following table sets out each Director's relevant beneficiary interest in shares of the Company or a related body corporate as at the date of this report:

Directors	Beneficiary holdings of Directors and Executives			
	Opening Balance	Received on exercise of options	Movements	Closing Balance
V Previn*	9,871,587	-	1,233,948	11,105,535
R Coupe	1,192,178	-	149,022	1,341,200
M Southard	20,000	-	-	20,000
T Spurling**	551,339	-	293,917	845,256
D Webb	555,556	-	-	555,556

* Holding by Victor Previn Family A/C determined beneficial holding and included in Beneficiary holdings of Directors and Executives

** 93,917 increase relates to the placement of shares. The balance, 200,000 were purchased on market at market price.

KMP share option holdings

This table below shows a reconciliation of options held by any KMP's from the beginning to the end of FY 2024. There were no options issued or vested during the period.

2024 Name & Grant Date	Balance at the start of the year		Vested		Forfeited		Other changes	Balance at the end of the year	
	Unvested		Number	%	Number	%		Vested	Unvested
Tom Spurling									
17 September 2021	700,000		-	-	-	-	-	-	700,000

Value of options and performance rights issued to Directors and Executives

There were no options or performance rights issued to Directors and Executives during the year ended 30 June 2024.

Voting of shareholders at annual general meeting – 23 November 2023

Nova Eye Medical Limited received more than 98.4% of "yes" votes on its Adoption of Remuneration Report Motion for the 2023 financial year.

Other transactions with KMP and related parties

During the financial year ended 30 June 2024, the following transaction occurred between the Group and its Key Management Personnel and related parties:

- There were no loans to Key Management Personnel or related parties outstanding at 30 June 2024 or 30 June 2023.

Directors' Report

- On 1 July 2020, the Company entered into a lease agreement for a property at 107 Rundle St, Kent Town, South Australia with a company controlled by Mr Victor Previn. The terms of the lease are in line with similar properties in the area. Total payments made pursuant to the lease agreement during the year ended 30 June 2024 were \$87,550 including GST. Under AASB16 reporting requirements, the interest expenses relating to this lease for the year ended 30 June 2024 were \$5,970. At 30 June 2024, the outstanding lease liability balance was \$159,000.
- As of 1 July 2022 Nicholas Previn became an employee of Nova Eye Medical Limited. Total payments made to Nicholas Previn, a son of Victor Previn, pursuant to the employment agreement during the year ended 30 June 2024 were \$118,461 (2023: \$98,358) plus superannuation. At 30 June 2024, there were no amounts outstanding.

End of remuneration report

Proceedings on behalf of the Company

There are currently no pending proceedings on behalf of the Company. No persons have applied for leave of the court under Section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of these proceedings. No proceedings have been brought or intervened on behalf of the Group with leave of the court under Section 237 of the *Corporations Act 2001*.

Non-audit services

There were no non-audit services provided during the year ended 30 June 2024.

The Board considers any non-audit services provided during the prior year by the auditor and, in accordance with written advice provided by resolution of the Audit & Risk Committee, satisfies that the provision of those non-audit services during the year is compatible with, and does not compromise, the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services are subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit & Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor.
- the non-audit services do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditors of the Company, PricewaterhouseCoopers, and its related practices for audit and non-audit services provided during the year are set out in note 28 to the financial statements.

Auditor's Independence Declaration

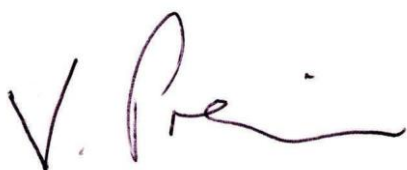
The lead auditor's independence declaration for the year ended 30 June 2024 is following this Directors' report.

Rounding off of amounts

The Company is a company of the kind referred to in ASIC Legislative Instrument 2016/191 and in accordance with that Instrument amounts in the Directors' Report and the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors.



V Previn
Chairman
Adelaide, 26th August 2024



Auditor's Independence Declaration

As lead auditor for the audit of Nova Eye Medical Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Nova Eye Medical Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Julian McCarthy', with a long horizontal stroke extending to the right.

Julian McCarthy
Partner
PricewaterhouseCoopers

Adelaide
26 August 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2024

	Note	Consolidated Group	
		2024 \$'000	2023 \$'000
Revenue	2	23,325	17,025
Other income	4(a)	635	952
Foreign exchange gain/(loss)		(387)	138
Changes in inventories of finished goods and work in progress		477	266
Raw materials and consumables used		(3,609)	(2,897)
Employee benefits expenses		(11,780)	(11,255)
Depreciation and amortisation expense	4(b)	(2,989)	(2,297)
Impairment expense	1(x)	-	(6,044)
Facility and property expenses		(3,004)	(2,096)
Legal fees		(454)	(646)
Advertising and marketing		(3,036)	(3,198)
Finance costs	3	(70)	(54)
Travel expenses		(1,269)	(1,133)
Consulting fees		(3,880)	(3,542)
Other expenses		(2,749)	(2,221)
Profit / (Loss) before income tax from continuing operations		(8,790)	(17,002)
Income tax (expense) / benefit	5	-	1,709
Profit / (Loss) for the year from continuing business		(8,790)	(15,293)
Profit / (Loss) after tax for the year		(8,790)	(15,293)

Notes to the financial statements are included on pages 22 to 60.

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 June 2024 (continued)

	Note	Consolidated Group	
		2024 \$'000	2023 \$'000
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit and loss</i>			
Exchange differences on translating foreign operations		(540)	282
Total exchange differences relating to foreign operations		(540)	282
Total comprehensive income for the year		(9,330)	(15,011)
Earnings per share:			
From continuing operations:			
Basic (cents per share)	17	(4.31)	(9.81)
Diluted (cents per share)	17	(4.31)	(9.81)
From profit attributable to the ordinary equity holders of the Company:			
Basic (cents per share)	17	(4.31)	(9.81)
Diluted (cents per share)	17	(4.31)	(9.81)

Notes to the financial statements are included on pages 22 to 60.

Consolidated Statement of Financial Position as at 30 June 2024

	Note	Consolidated Group	
		2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	25(a)	6,151	7,419
Trade and other receivables	6	4,081	2,221
Income tax refund receivable	5	-	884
Inventories	7	4,283	3,806
Prepayments		234	270
Total current assets		14,749	14,600
Non-current assets			
Trade and other receivables	6	68	71
Property, plant and equipment	8	710	965
Lease right-of-use asset	9	3,192	1,397
Intangible assets	10	7,033	8,454
Capitalised development expenditure	11	4,130	4,870
Total non-current assets		15,133	15,757
Total assets		29,882	30,357
Current liabilities			
Trade and other payables	12	3,566	4,311
Lease liabilities	13	480	639
Provisions	14	1,637	1,324
Total current liabilities		5,683	6,274
Non-current liabilities			
Lease liabilities	13	2,869	892
Deferred tax liability	5	-	-
Total non-current liabilities		2,869	892
Total liabilities		8,552	7,166
Net assets		21,330	23,191
Equity			
Issued capital	20	52,710	45,175
Reserves	15	(693)	(87)
Accumulated (losses) / profits	16	(30,687)	(21,897)
Total equity		21,330	23,191

Notes to the financial statements are included on pages 22 to 60.

Consolidated Statement of Changes in Equity for the financial year ended 30 June 2024

	Issued Capital \$'000	Share Option Reserve \$'000	Foreign Currency Reserve \$'000	Accumulated (Losses)/ Profits \$'000	Total \$'000
Balance at 30 June 2022	37,440	209	(648)	(6,604)	30,397
Issue of share capital	7,627	-	-	-	7,627
Payment of dividend	-	-	-	-	-
Employee share scheme	108	70	-	-	178
Total of transactions with owners	7,735	70	-	-	7,805
Profit / (Loss) for the year	-	-	-	(15,293)	(15,293)
Other comprehensive income	-	-	282	-	282
Total comprehensive income / (loss)	-	-	282	(15,293)	(15,011)
Balance at 30 June 2023	45,175	279	(366)	(21,897)	23,191
Issue of share capital	7,430	-	-	-	7,430
Payment of dividend	-	-	-	-	-
Employee share scheme	105	(66)	-	-	39
Total of transactions with owners	7,535	(66)	-	-	7,469
Profit / (Loss) for the year	-	-	-	(8,790)	(8,790)
Other comprehensive income	-	-	(540)	-	(540)
Total comprehensive income / (loss)	-	-	(540)	(8,790)	(9,330)
Balance at 30 June 2024	52,710	213	(906)	(30,687)	21,330

Notes to the financial statements are included on pages 22 to 60.

Consolidated Statement of Cash Flows for the financial year ended 30 June 2024

	Note	Consolidated Group	
		2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers		21,451	17,581
Grant income received		511	489
Payments to suppliers and employees		(30,646)	(26,237)
Interest and other costs of finance paid		(57)	(54)
Income tax refunded		884	1,397
Net cash (used in) / provided by operating activities	25(b)	(7,857)	(6,824)
Cash flows from investing activities			
Interest received		124	103
Payment for property, plant and equipment		(211)	(263)
Payment for intangible assets		(238)	(304)
Payments for capitalised development costs		-	(233)
Net cash (used in) / provided by investing activities		(325)	(697)
Cash flows from financing activities			
Principal elements of lease payments		(518)	(653)
Proceeds from issues of shares		7,430	7,470
Net cash (used in) / provided by financing activities		6,912	6,817
Net (decrease) / increase in cash and cash equivalents		(1,270)	(704)
Cash and cash equivalents at the beginning of the financial year		7,419	8,000
Effects of exchange rate changes on the balance of cash held in foreign currencies		2	123
Cash and cash equivalents at the end of the financial year	25(a)	6,151	7,419

Notes to the financial statements are included on pages 22 to 60.

Notes to the financial statements

Notes to the Consolidated Financial Statements for the financial year ended 30 June 2024

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1. Material accounting policies

This financial report includes the consolidated financial statements and notes of Nova Eye Medical Limited and controlled entities (the “Group”).

Statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Nova Eye Medical Limited is the Group’s Ultimate Parent Company. Nova Eye Medical Limited is a Public Company incorporated and domiciled in Australia. The address of its principal place of business during the year ended 30 June 2024 is 107 Rundle Street, Kent Town, South Australia, 5067.

The consolidated financial statements for the year ended 30 June 2024 were approved and authorised for issue by the Board of Directors on 26 August, 2024.

Basis of preparation

The financial report has been prepared on the basis of historical cost. All amounts are presented in Australian Dollars unless otherwise stated. Nova Eye Medical Limited is a for-profit entity for the purpose of preparing the financial statements.

Going concern

The consolidated financial statements are prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

The Group experienced an operating loss before tax of \$8,790k (2023: \$17,002k) and operating cash outflows of \$7,857k (2023: \$6,824k) for the year ended 30 June 2024. With respect to the operating cash outflow in 2024, of this amount approximately \$3,083k was the result of increased working capital requirements to support the sales growth. In 2023, the cash outflow from operations was augmented by a reduction in working capital of \$1,607k.

During the year ended 30 June 2024, sales of \$23,325k (2023: \$17,025k), growth of 37% over last year, improved gross margin, and improved productivity from the USA sales team drove an improved operating result. The Group’s reported earnings before interest and tax (EBITDA) loss was reduced from \$8,606k in 2023 to \$5,731k in 2024, with improved results as a result of sales growth in the second half of the year.

The decrease in cash and cash equivalents was \$1,268k for the year ended 30 June 2024. The Group holds cash and cash equivalents of \$6,151k (2023: \$7,419k) and has \$4,799k invested in working capital (2023: \$2,156k). The operating cash outflow in 2024 was partially offset by cash from investing and financing activities which included the placement of new shares for \$7,430k (net of transaction costs).

The continuation of the Group as a going concern is dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and to manage the level of other expenditure within its available cash resources. The Directors have considered the Group’s financial forecasts and available funds. This assessment has considered the performance of the Glaucoma Surgical Devices segment during the second

Notes to the financial statements

half of the year ended 30 June 2024. The Group's forecasts are however dependent on achieving sales targets and staged business development plans.

In the event the budget and plans are not met, the directors could achieve or generate positive cash inflow through a combination of:

- Raising share capital by way of a share purchase plan, share placement or rights issue. The Group has a proven track record of successfully executing such measures in the past
- Reducing its expenditure programs
- The Company is also exploring options for the AlphaRET business segment including potential fund raising.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the directors believe that the Group will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis.

Accounting policies

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2024 and the comparative information presented in these financial statements for the year ended 30 June 2023.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(i) Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value, either through Other Comprehensive Income (OCI) or through profit or loss; and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

1) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains

Notes to the financial statements

and losses. Impairment losses are presented as a separate line item in the statement of profit or loss and other comprehensive income.

2) Fair Value Through Other Comprehensive Income (FVTOCI)

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss and other comprehensive income.

3) Fair Value Through Profit and Loss (FVTPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

Impairment

The Group assesses on a forward-looking basis that the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach to measuring expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see note 6 for further details.

(ii) Financial instruments issued by the Company

Equity instruments

Equity instruments are classified as equity in accordance with the substance of the contractual arrangement. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the consolidated Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Notes to the financial statements

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

(iii) Foreign currency

For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars, which is the functional currency of Nova Eye Medical Limited and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entities functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned or likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during the period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the consolidated Group's foreign currency translation reserve. Such differences are recognised in profit or loss in the period in which the foreign operation is disposed.

(iv) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(v) Impairment of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment, and some are tested at cash-generating unit level.

Cash-generating units (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-

Notes to the financial statements

in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(vi) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated Group, being the Company (the parent entity) and its subsidiaries. A list of subsidiaries appears in note 22 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

If, after reassessment, the fair values of the identifiable net assets acquired exceeds the cost of acquisition, the deficiency is credited to profit and loss in the period of acquisition.

The consolidated financial statements include the information and results of each subsidiary from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated Group are eliminated in full.

(vii) Comparative financial information

Comparative financial information has been reclassified, wherever necessary to conform to the current year presentation.

Notes to the financial statements

(viii) Rounding of amounts

The Company is a company of the kind referred to in ASIC Legislative Instrument 2016/191 and in accordance with that Instrument amounts in the consolidated financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

(ix) Significant management judgement in applying accounting policies

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the Group that have a significant effect on the financial statements.

(x) Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Fair value of assets acquired in a business combination

The Group estimates the fair value of the assets and liabilities acquired in a business combination. The fair value estimates include judgement and management estimates.

Impairment of long-term assets

The Group tests whether non-financial assets (including capitalised development expenditure, intangible assets and property, plant and equipment), have suffered any impairment on an annual basis. The cash generating units (CGUs) of the Group are Glaucoma Surgical Devices segment and AlphaRET business segments which are capable of producing independent cash flows.

The ability of the AlphaRET segment to generate independent cash flows in the future is assessed as requiring the investment of an amount of cash that currently exceeds the cash available to the Company. As a result of this assessment there was an impairment loss recognised in the year ended 30 June 2023 for \$6,044k relating to the AlphaRET segment.

Glaucoma Surgical Devices

For the year ended 30 June 2024 and the prior year, the recoverable amount of the cash generating unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate stated below. The table below sets out the key assumptions within the value-in-use calculation for the CGU's:

Glaucoma Surgical Devices	30 June 2024	30 June 2023
Sales growth (% average annual growth rate)	18	18
Sales prices (% average annual growth rate)	0	0
Long-term growth rate (%)	2	1
WACC (%) pre tax	12.94	13.78

Notes to the financial statements

The Directors and management have considered and assessed reasonably possible changes for the key assumptions and have not identified any instances that could cause the carrying amount of the Glaucoma Surgical Devices CGU to give rise to a provision for impairment.

AlphaRET

There are no material long-term assets held by AlphaRET as at 30 June 2024.

2. Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts. Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of control to the buyer and where all obligations incidental to the sale have been completed by Nova Eye Medical Limited. The sales price for goods, where applicable is reduced by any amounts relating to future services yet to be performed such as preventative maintenance services. In such instances, transaction price is allocated between performance obligations on a relative standalone price-basis.

Timing of revenue recognition

	Consolidated Group	
	2024 \$'000	2023 \$'000
At a point in time	23,172	17,025
Over time	153	-
Total revenue from continuing operations	23,325	17,025

3. Finance costs

	Consolidated Group	
	2024 \$'000	2023 \$'000
Interest on bank overdrafts, trade finance and loans	-	-
Interest on obligations under leases	(70)	(54)
Total finance costs	(70)	(54)

4. Profit / (Loss) for the year

Profit / (loss) for the year has been arrived at after crediting (charging) the following gains and losses from continuing operations:

(a) Other income

Grant income

Government grants are assistance by the government in the form of transfers of resources to the consolidated Group in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government grants include government assistance where there are no conditions specifically relating to the operating activities of the consolidated Group other than the requirement to operate in certain regions or industry sectors, or to maintain certain expenditures on staff and facilities.

Government grants have been recognised as income in profit and loss over the periods necessary to match them with the related costs. Government grants that are receivable as compensation for expenses or losses

Notes to the financial statements

already incurred or for the purpose of giving immediate financial support to the consolidated Group with no future related costs are recognised in profit and loss in the period in which it is received.

Government grants relating to assets are treated as deferred income on the balance sheet and then recognised in profit and loss over the expected useful lives of the assets concerned. Grant funds received are to be spent in accordance with the contract. Monies not spent in accordance with the grant agreement may need to be refunded.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

	Consolidated Group	
	2024 \$'000	2023 \$'000
Grant income	511	489
Interest	124	103
Rent income	-	215
Other income	-	145
Total other income	635	952

(b) Depreciation and amortisation expense

Profit / (loss) before income tax has been arrived at after charging the following expenses. The line items below are attributable to continuing operations:

	Consolidated Group	
	2024 \$'000	2023 \$'000
Depreciation of property, plant and equipment and right-of-use assets	1,428	1,061
Amortisation of intangible assets	1,561	1,236
Total depreciation and amortisation expense	2,989	2,297

5. Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

Notes to the financial statements

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient future taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the consolidated Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the consolidated Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the consolidated Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is recognised directly in equity.

Notes to the financial statements

Income tax recognised in profit or loss

	Consolidated Group	
	2024 \$'000	2023 \$'000
Tax expense / (benefit) comprises:		
Current tax expense	-	(898)
Deferred tax expense / (benefit)	-	(811)
Total tax expense / (benefit)	-	(1,709)
The prima facie income tax expense on pre-tax accounting profit / (loss) from operations reconciles to the income tax expense / (benefit) in the financial statements as follows:		
Profit / (loss) from continuing operations before tax	(8,790)	(17,002)
Prima facie income tax expense / (benefit) at statutory corporate tax rate in Australia of 25% (i) (2022:25%)	(2,197)	(4,251)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-assessable R&D refund	(126)	(115)
Non-deductible expenses	-	393
Derecognition of deferred tax asset in relation to previous year and current year overseas tax losses	1,797	2,020
Sundry items	19	253
Under / (over) provision of income tax in previous year	507	(9)
Total income tax expense / (benefit)	-	(1,709)

(i) The tax rate used in the above reconciliation is the corporate tax rate of 25% for the year ended 30 June 2024 and the year ended 30 June 2023 payable by Australian corporate entities on taxable profits under Australian tax law. On 1 July 2020, the applicable corporate tax rate for the Australian tax group reduced from 30% to 26% and subsequently to 25% for the income tax year ended 30 June 2022 onwards.

(a) Deferred tax balances

Deferred tax assets / (liabilities) arising from the following:

2024 Continuing operations	Consolidated Group			
	1/07/23 \$'000	Charged to Profit and Loss \$'000	Charged to Equity \$'000	30/06/24 \$'000
Temporary differences				
Property, plant and equipment	(35)	17	-	(18)
Intangibles	(30)	2	-	(28)
Capitalised development costs	-	101	-	101
Section 40-880 deductions	155	-	-	155
Provisions	130	11	-	141
Tax losses	336	332	-	668
Other	(26)	11	-	(15)
Derecognition of deferred tax asset	(530)	(474)	-	(1,004)

Notes to the financial statements

2023 Continuing operations

	Consolidated Group			
	1/07/22 \$'000	Charged to Profit and Loss \$'000	Charged to Equity \$'000	30/06/23 \$'000
Temporary differences				
Property, plant and equipment	(45)	10	-	(35)
Intangibles	(31)	1	-	(30)
Capitalised development costs	(1,473)	1,473	-	-
Section 40-880 deductions	64	(64)	155	155
Provisions	121	9	-	130
Tax losses	-	336	-	336
Other	398	(424)	-	(26)
Derecognition of deferred tax asset	-	(530)	-	(530)
	(966)	811	155	-

The Australian Government has passed legislation which reduces the corporate tax rate for small and medium base rate entities from 27.5% to 26% for the 2020-21 income year and further to 25% for the 2021-22 and later income years. As the Company expects to qualify as a base rate entity with a turnover of less than \$50 million and less than 80% of its assessable income being passive income for the foreseeable future, it expects to benefit from the reduced tax rates in future reporting periods. As a consequence, the Company has remeasured its deferred tax balances based on the effective tax rate that will apply in the year the temporary differences are expected to reverse. The impact of the change in tax rate has been recognised in tax expense in profit or loss.

(b) Tax losses

	2024 \$'000	2023 \$'000
Unused tax losses for which no deferred tax asset has been recognised		
New Zealand - Molteno Ophthalmic Limited	410	234
Germany - Nova Eye Medical GmbH	-	439
USA - Nova Eye, Inc.*	30,081	25,162
Australia – Nova Eye Medical Limited Group	3,547	68
Potential tax benefit at tax rate*	10,043	8,096

*Being approximate average applicable rate of 30% in USA and 25% in Australia.

(c) Tax consolidation

Relevance of tax consolidation to the consolidated Group

Nova Eye Medical Limited and its wholly owned Australian subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Notes to the financial statements

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated Group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Nova Eye Medical Limited and each of the entities in the tax-consolidated Group has agreed to pay a tax equivalent to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable from or payable to other entities in the tax-consolidated Group.

The tax sharing agreement entered into between members of the tax-consolidated Group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated Group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated Group is limited to the amount payable to the head entity under the tax funding agreement.

6. Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

	Consolidated Group	
	2024 \$'000	2023 \$'000
Current		
Trade receivables	3,915	1,930
Allowance for doubtful debts	(13)	-
	3,902	1,930
Other receivables	70	153
Goods and services tax (GST) recoverable	109	138
	4,081	2,221
Non-Current		
Sundry receivables	68	71
	68	71

Impairment of trade receivables

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The Group recognises expected losses based on past payment profiles of the customers and by taking into account any forward looking macroeconomic factors that may affect the ability of the customers to settle the receivables. The Group has no history of material defaults and has not incurred any impairment losses from debtors. The Group also does not expect to incur any losses in relation to its debtors due to the credit quality of its customers. When taking these factors into account, the Group has a 0% expected loss rate on trade and other receivables.

Notes to the financial statements

30 June 2024	1-30 days	30 - 60 days	60 - 90 days	90 - 120 days	Total
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount - trade receivables	3,222	223	104	366	3,915

30 June 2023	1-30 days	30 - 60 days	60 - 90 days	90 - 120 days	Total
Expected loss rate	0%	0%	0%	0%	0%
Gross carrying amount - trade receivables	1,815	101	-	14	1,930

7. Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

	Consolidated Group	
	2024 \$'000	2023 \$'000
Raw materials – at cost	997	724
Work in progress – at cost	352	444
Finished goods – at cost	2,934	2,638
Total current inventories	4,283	3,806
Provision for stock obsolescence	-	-

8. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the items payable in the future to their present value as at the date of acquisition.

Depreciation is calculated on a straight line and diminishing value basis so as to write off the net cost or other revalued amount of each asset over its expected useful life.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the lease.

The following estimated useful lives are used in the calculation of depreciation:

- Plant and equipment 2 – 20 years

Notes to the financial statements

	Consolidated Group	
	Plant & Equipment at cost \$'000	Total \$'000
Gross carrying amount		
Balance as at 30 June 2022	2,562	2,562
Additions	263	263
Net foreign currency exchange difference	138	138
Balance as at 30 June 2023	2,963	2,963
Additions	211	211
Net foreign currency exchange difference	(109)	(109)
Balance as at 30 June 2024	3,065	3,065
Accumulated depreciation		
Balance at 30 June 2022	(1,426)	(1,426)
Depreciation	(467)	(467)
Net foreign currency exchange differences	(105)	(105)
Balance as at 30 June 2023	(1,998)	(1,998)
Depreciation	(450)	(450)
Net foreign currency exchange differences	93	93
Balance as at 30 June 2024	(2,355)	(2,355)
Net book value		
As at 30 June 2023	965	965
As at 30 June 2024	710	710

9. Right-of-use assets

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs, and
- Restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchaser option, the right-of-use asset is depreciated over the underlying asset's useful life.

Notes to the financial statements

	Consolidated Group	
	Buildings \$'000	Total \$'000
Net carrying amount		
Balance at 1 July 2023	1,397	1,397
Additions	2,336	2,336
Amortisation	(647)	(647)
Net foreign currency exchange difference	106	106
Net Balance at 30 June 2024	3,192	3,192

	Consolidated Group	
	Buildings \$'000	Total \$'000
Net carrying amount		
Balance at 1 July 2022	1,809	1,809
Amortisation	(594)	(594)
Net foreign currency exchange difference	182	182
Net Balance at 30 June 2023	1,397	1,397

10. Intangible assets

Patents, trademarks and licences

Patents and trademarks are recorded at cost less accumulated amortisation. Amortisation is charged on a straight-line basis over the estimated useful lives (2-20 years) of the products the patent covers. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period.

Intellectual property

Intellectual property acquired is recognised at fair value and is amortised straight line over 10 years.

Notes to the financial statements

	Consolidated Group			
	Intellectual Property \$'000	Patents & Trademarks \$'000	Brand \$'000	Total \$'000
Gross Carrying amount				
Balance at 30 June 2022	4,182	6,596	403	11,181
Additions / (disposals)	-	1,805	-	1,805
Impairment	(135)	-	-	(135)
Foreign currency exchange differences	404	197	7	608
Balance at 30 June 2023	4,451	8,598	410	13,459
Additions / (disposals)	-	235	-	235
Impairment	-	-	-	-
Foreign currency exchange differences	(186)	(178)	(5)	(369)
Balance at 30 June 2024	4,265	8,655	405	13,325
Accumulated amortisation and impairment				
Balance at 30 June 2022	(3,381)	(627)	-	(4,008)
Amortisation	(455)	(164)	-	(619)
Foreign currency exchange differences	(385)	7	-	(378)
Balance at 30 June 2023	(4,221)	(784)	-	(5,005)
Amortisation	(230)	(1,143)	-	(1,373)
Foreign currency exchange differences	186	(101)	-	85
Balance at 30 June 2024	(4,265)	(2,028)	-	(6,293)
Net book value				
As at 30 June 2023	230	7,814	410	8,454
As at 30 June 2024	-	6,628	405	7,033

11. Capitalised development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Internally-generated intangible assets are stated at cost less accumulated amortisation and impairment, and are amortised over the period which the products are sold:

Notes to the financial statements

- Capitalised development costs 5 – 10 years

Capitalised development costs at 30 June 2024 total \$4,130k of which all relate to GSD.

	Consolidated Group \$'000
Gross carrying amount	
Balance at 30 June 2022	11,411
Additions	233
Impairment expense	(5,909)
Foreign currency exchange differences	(28)
Balance at 30 June 2023	5,707
Additions	-
Impairment expense	-
Foreign currency exchange differences	(239)
Balance at 30 June 2024	5,468
Accumulated amortisation and impairment	
Balance at 30 June 2022	(561)
Amortisation expense	(617)
Foreign currency exchange differences	341
Balance at 30 June 2023	(837)
Amortisation expense	(567)
Foreign currency exchange differences	66
Balance at 30 June 2024	(1,338)
Net book value	
As at 30 June 2023	4,870
As at 30 June 2024	4,130

12. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

13. Lease liabilities

The group leases various offices, plant and equipment. Rental contracts are typically made for fixed periods of six months to eight years but may have extension options as described below.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an

Notes to the financial statements

asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

	Consolidated Group	
	2024 \$'000	2023 \$'000
Current		
Lease liabilities	480	639
	480	639
Non-current		
Lease liabilities	2,869	892
	2,869	892

14. Provisions

Provisions are recognised when the consolidated Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

Warranties

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the Company's best estimate of the expenditure required to settle the consolidated Group's liability.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, staff bonuses, annual leave, long service leave and sick leave when it is probable that settlement will be required, and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the compensation rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated Group in respect of services provided by employees up to reporting date.

Contributions to employee contribution superannuation plans are expensed when incurred.

Notes to the financial statements

	Consolidated Group	
	2024 \$'000	2023 \$'000
Current		
Employee benefits	1,637	1,319
Warranty (i)	-	5
	1,637	1,324
Non-current		
Employee benefits (ii)	-	-

(i) Warranty

The provision for warranty claims represents the present value of the Company's best estimate of the future outflow of economic benefits that will be required under the consolidated Group's warranty program. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

	Consolidated Group \$'000
Warranty (i)	
Balance at 30 June 2022	5
Additional provisions recognised	3
Amounts used	(3)
Balance at 30 June 2023	5
Additional provisions recognised	-
Amounts reversed	(5)
Balance at 30 June 2024	-

(ii) Leave obligations

The leave obligations cover the Group's liabilities for long service leave and annual leave which are classified as either other long-term benefits or short-term benefits. The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required period of service and also for those employees that are entitled to pro-rata payments in certain circumstances. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. The below reflects leave that is not expected to be taken or paid within the next 12 months.

	Consolidated Group	
	2024 \$'000	2023 \$'000
Leave obligations expected to be settled after 12 months	162	143

Notes to the financial statements

15. Reserves

	Consolidated Group	
	2024 \$'000	2023 \$'000
Foreign currency translation reserve (i)		
Balance at beginning of financial year	(366)	(648)
Translation of foreign operations	(540)	282
Balance at end of financial year	(906)	(366)
Other reserves (ii)		
Balance at beginning and end of financial year	279	209
Transfer to retained earnings	-	-
Share based payments	(66)	70
Balance at end of financial year	213	279
Total Reserves	(693)	(87)

- (i) Exchange differences relating to the translation from USA Dollars, the Euro and New Zealand Dollars, being the functional currencies of the consolidated Group's foreign subsidiaries in the USA, Germany and New Zealand, into Australian dollars are brought to account by entries made directly to the foreign currency translation reserve.
- (ii) Other reserves relate to the closing balance of employee option reserves.

16. Accumulated profits / (losses)

	Consolidated Group	
	2024 \$'000	2023 \$'000
Balance at the beginning of the financial year	(21,897)	(6,604)
Net income (loss) attributable to members of the parent entity	(8,790)	(15,293)
Balance at end of financial year	(30,687)	(21,897)

17. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by;
- the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares

Notes to the financial statements

	Consolidated Group	
	2024 cents	2023 cents
Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	(4.31)	(9.81)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(4.31)	(9.81)
Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	(4.31)	(9.81)
Total diluted earnings per share attributable to the ordinary equity holders of the Company	(4.31)	(9.81)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	Consolidated Group	
	2024 \$'000	2023 \$'000
Profit / (Loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:	(8,790)	(15,293)

	Consolidated Group	
	2024 No.	2023 No.
Weighted average number of ordinary shares for the purposes of basic earnings per share	204,140,886	155,960,317
Weighted average number of ordinary shares for the purposes of diluted earnings per share	204,140,886	155,960,317

18. Dividends

There were no dividends paid in the year ended 30 June 2024 and the year ended 30 June 2023.

	Consolidated Group	
	2024 \$'000	2023 \$'000
Adjusted franking account balance	-	884

19. Share-based payments

The Nova Eye Medical Employee Incentive Plan is designed to provide long-term incentives for employees to deliver long-term shareholder returns. Under the plan, participants are granted options and performance shares which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Notes to the financial statements

Options and performance shares are granted under the plan for no consideration and carry no voting or dividend rights.

When exercisable, each option is convertible into one ordinary share. The exercise price of options is based on the volume weighted share price at a date in the future.

Set out below is a summary of the options granted under the plan:

Employee Options

Consolidated Group
30 June 2024

	Average exercise price per share option	Number of options
Balance as at 30 June 2022	\$0.48	2,727,500
Vested and exercisable as at 30 June 2022	\$0.48	2,727,500
Balance as at 1 July 2022	\$0.48	2,727,500
Granted during year	\$0.27	100,000
Exercised during year	-	-
Forfeited during year	-	-
Balance as at 30 June 2023	\$0.47	2,827,500
Vested and exercisable as at 30 June 2023	\$0.47	2,827,500
Balance as at 1 July 2023	\$0.47	2,827,500
Granted during year	\$0.50	100,000
Exercised during year	-	-
Forfeited during year	-	(100,000)
Expired during year	-	(647,500)
Balance as at 30 June 2024	\$0.48	2,180,000
Vested and exercisable as at 30 June 2024	\$0.48	2,180,000

Fair value of options granted

100,000 employee options were granted to employees of the Company for no consideration and vest at specified dates, commencing 7 August 2023.

The fair value of the options at the grant date was \$0.13, determined using Black-Scholes Model. The model inputs for the fair value determination included:

- (i) Vesting period: 36 months after issuance;
- (ii) Exercise price: \$0.35;
- (iii) Expiry date: 36 months from the vesting date
- (iv) Share price at grant date: \$0.24
- (v) Expected price volatility of the company's shares: 99%
- (vi) Risk-free rate: 3.8%.

Notes to the financial statements

	Consolidated Group 30 June 2024	Consolidated Group 30 June 2023
Performance rights		
	Number of Performance Rights	Number of Performance Rights
Balance as at 30 June 2023	528,317	361,000
Rights granted during year	147,000	477,975
Rights exercised during year	(390,000)	(303,658)
Rights forfeited during year	(35,000)	(7,000)
Balance as at 30 June 2024	250,317	528,317

a) Performance rights issued in August 2023:

21,000 performance rights were issued to the employee of the Company on 18 August 2023.

- (i) 7,000 performance rights to convert to ordinary shares immediately on issue date.
- (ii) 7,000 performance rights to convert 9 months from issue date.
- (iii) 7,000 performance rights to convert 21 months from issue date.
- (iv) 14,000 performance rights in (ii) & (iii) were forfeited at employee's resignation.

(b) Performance rights issued in September 2023

21,000 performance rights were issued to the employee of the Company on 1 September 2023.

- (i) 7,000 performance rights to convert to ordinary shares immediately on issue date.
- (ii) 7,000 performance rights to convert 9 months from issue date.
- (iii) 7,000 performance rights to convert 21 months from issue date.
- (iv) 14,000 performance rights in (ii) & (iii) were forfeited at employee's resignation.

(c) Performance rights issued in June 2024:

105,000 performance rights were issued to the employee of the Company on 1 June 2024.

- (i) 35,000 performance rights to convert 90 days from issued date.
- (ii) 35,000 performance rights to convert 10 months from issued date.
- (iii) 35,000 performance rights to convert 22 months from issued date.

The fair value of the performance rights issued during the year was \$0.21, determined using the share price of the capital raise.

(d) Performance rights forfeited in July 2023:

7,000 performance rights forfeited on 15 July 2023 at employee's resignation.

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment during the year is \$39k (2023: \$178k).

Notes to the financial statements

20. Issued capital

Ordinary shares are classified as equity.

	Consolidated Group			
	2024 \$'000		2023 \$'000	
228,823,274 fully paid ordinary shares (2023: 190,327,893)	52,710		45,175	
	Company 2024		Company 2023	
	No. '000	\$'000	No. '000	\$'000
Fully paid ordinary shares				
Balance at beginning of financial year	190,328	45,175	145,580	37,440
Shares issued as consideration	-	-	-	-
Issue of shares: Capital raise (other shareholders) (note 1)	36,628	7,120	42,944	7,357
Issue of shares: Capital raise (Directors)(note 1)	1,477	310	1,500	270
Issue of shares under employee share scheme	390	105	304	108
Balance at end of financial year	228,823	52,710	190,328	45,175

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Note 1: On 15 March 2024, the Group made a placement and entitlement offer of 38,105,826 shares to sophisticated investors at 21c per share to raise a capital amount of \$7,430k net of transaction fees. Of this issue 1,490,000 shares were issued to Directors of the Group for consideration at 21c per share.

21. Commitments and contingencies

Commitments

Contractual commitments for the acquisition of property, plant, and equipment as at 30 June 2024 are nil (2023: nil).

Contingencies

There are no contingencies recognisable for the Company as at 30 June 2024 (2023: nil).

22. Subsidiaries

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair values of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair value.

Notes to the financial statements

Deed of cross guarantee

Nova Eye Medical Limited, Nova Eye Operations Pty Ltd and AlphaRET Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and Directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

Name of Entity	Country of Incorporation	Ownership Interest	
		2024 %	2023 %
Parent Entity			
Nova Eye Medical Limited (i)	Australia		
Subsidiaries			
Nova Eye Operations Pty Ltd	Australia	100	100
AlphaRET Pty Ltd	Australia	100	100
AlphaRET GmbH	Germany	100	100
Nova Eye Medical GmbH	Germany	100	100
Nova Eye, Inc.	USA	100	100
Nova Eye Hong Kong Ltd	Hong Kong	100	100
Molteno Ophthalmic Limited	New Zealand	100	100

(i) Nova Eye Medical Limited is the head of the Australian Tax Consolidated Group which includes AlphaRET Pty Ltd and Nova Eye Operations Pty Ltd.

23. Segment information

Each of these operating segments is managed separately as each of these sales lines require different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by Chief operating decision makers in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of distribution channels based on eye disease since the diversification of the Group's operations inherently has notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment;
- the manufacturing process;
- the type or class of customer for the products or service;
- the distribution method; and
- external regulatory requirements.

Notes to the financial statements

Glaucoma Surgical Devices

The Glaucoma Surgical Devices segment includes the design, manufacture, marketing and sale of the iTrack™, iTrack™ Advance and the Molteno3® glaucoma surgical device. These are all single use surgical devices.

AlphaRET

2RT® is an ophthalmic laser that has shown potential to be a therapy for patients in the early to intermediate stages of age-related macular degeneration. 2RT® is a patented nano-pulse laser device that rejuvenates retinal structures compromised by age-related macular degeneration (AMD).

Basis of accounting for purposes of reporting by operating segments

Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, by the Chief decision maker's with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Unless indicated otherwise in the segment assets note, investments in financial assets, deferred tax assets and cash and cash equivalents have not been allocated to operating segments.

Segment liabilities

Liabilities are allocated to segments where there is direct nexus between the incurrence of the liability and the operations of the segment. Tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expense, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment, these principally include:

- corporate costs;
- income tax expense; and
- deferred and current taxes

Notes to the financial statements

(a) Segment performance

	AlphaRET \$'000	Glaucoma Surgical Devices \$'000	Total \$'000
Year ended 30 June 2024			
Revenue from continuing operations			
External sales	168	23,157	23,325
Total segment revenue from continuing operations	168	23,157	23,325
Segment EBITDA	(750)	(2,959)	(3,709)
Depreciation and amortisation	(500)	(2,489)	(2,989)
Impairment expense	-	-	-
Segment results	(1,250)	(5,448)	(6,698)
Unallocated items:			
Corporate costs, quality and service charges			(2,275)
Finance costs			(70)
Interest and other revenue			635
Other			(382)
Net profit (loss) before tax from continuing operations			(8,790)
Year ended 30 June 2023			
Revenue from continuing operations			
External sales	364	16,661	17,025
Total segment revenue from continuing operations	364	16,661	17,025
Segment EBITDA	(1,041)	(6,284)	(7,325)
Depreciation and amortisation	(218)	(2,079)	(2,297)
Impairment expense	(6,044)	-	(6,044)
Segment results			
Unallocated items:			
• Corporate costs, quality and service charges			(2,225)
• Finance costs			(54)
• Interest and other revenue			808
• Other			135
Net profit (loss) before tax from continuing operations			(17,002)

Notes to the financial statements

(b) Segment assets	AlphaRET \$'000	Glaucoma Surgical Devices \$'000	Total \$'000
Year ended 30 June 2024			
Segment assets – opening	2,431	19,623	22,054
Segment asset changes for the year:			
Net movement in segment assets	(749)	2,426	1,677
Total segment assets	1,682	22,049	23,731
Reconciliation of segment assets to Group assets:			
Unallocated assets			6,151
Total Group assets			29,882
Year ended 30 June 2023			
Segment assets – opening	8,726	19,899	28,625
Segment asset changes for the year:			
Net movement in segment assets	(6,295)	(276)	(6,571)
Total segment assets	2,431	19,623	22,054
Reconciliation of segment assets to Group assets:			
Unallocated assets			8,303
Total Group assets			30,357

Notes to the financial statements

(c) Segment liabilities

	AlphaRET \$'000	Glaucoma Surgical Devices \$'000	Total \$'000
Year ended 30 June 2023			
Segment liabilities – opening	1,691	5,475	7,166
Segment liabilities changes for the year:			
Net movement in segment liabilities	408	1,215	1,623
Total segment liabilities	2,099	6,690	8,789
Reconciliation of segment liabilities to Group liabilities:			
Deferred tax liability	-	-	-
Total Group liabilities			8,789
Year ended 30 June 2022			
Segment liabilities – opening	2,536	2,726	5,262
Segment liabilities changes for the year:			
Net movement in segment liabilities	(845)	2,749	1,904
Total segment liabilities	1,691	5,475	7,166
Reconciliation of segment liabilities to Group liabilities:			
Deferred tax liability			-
Total Group liabilities			7,166

(d) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer:

	2024 \$'000	2023 \$'000
United States of America	17,309	9,836
Europe	3,939	4,109
Asia Pacific	1,766	2,722
Other	284	274
Australia	27	84
Total revenue	23,325	17,025

(e) Non-current assets by geographical region

The location of segment assets is disclosed below by geographical location of the assets. The amounts shown are exclusive of tax assets:

Notes to the financial statements

	2024 \$'000	2023 \$'000
United States of America	13,728	13,660
Europe	4	9
Australia	716	1,327
New Zealand	684	761
Total non-current assets	15,132	15,757

24. Related party disclosures

(a) Equity interests in related parties

Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 22 to the financial statements.

(b) Transactions between Nova Eye Medical Limited and its related parties

During the year ended 30 June 2024 there were transactions conducted between these entities. These transactions were conducted in accordance with agreements with terms on an arms-length basis. All profits generated in Group companies associated with these transactions have been eliminated on consolidation.

The following balances arising from transactions between the Company and its other related parties are outstanding at reporting date:

- Loans totalling \$64,988k (2023: \$61,044k) are receivable from subsidiaries which have been eliminated on consolidation.

The following transactions occurred between the Group and its other related parties:

- There are no loans to Key Management Personnel or related parties outstanding at 30 June 2024.
- On 1 July 2020 the Company entered into a lease agreement for a property at 107 Rundle St, Kent Town, South Australia with a company controlled by Mr Victor Previn. The terms of the lease are in line with similar properties in the area. Total payments made pursuant to the lease agreement during the year ended 30 June 2024 were \$87,550 including GST. Under AASB16 reporting requirements, the interest expense relating to this lease for the year ended 30 June 2024 were \$5,970. At 30 June 2024, the outstanding lease liability balance was \$159,000.
- In February 2021 the Company entered into a consulting agreement for engineering services with Mr Nicholas Previn, a son of Mr Victor Previn. The services under this consulting agreement were provided at commercial rates. As of 1 July 2022 Nicholas Previn became an employee of Nova Eye Medical Limited. Total payments made pursuant to the employment agreement during the year ended 30 June 2024 were \$118,461 plus superannuation. At 30 June 2024 there were no amounts outstanding.

Notes to the financial statements

(c) Key management personnel compensation

The aggregate compensation of the key management personnel of the consolidated Group is set out below:

	Consolidated Group	
	2024 \$	2023 \$
Short term employee benefits	627,477	550,097
Post-employment benefits	55,592	51,676
Share based payments	-	-
Other long-term benefits	40,154	38,622
Termination benefits	-	-
Total key management personnel compensation	723,223	640,395

25. Cash flow information

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments, net of outstanding bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flow is reconciled to the related items in the statement of financial position.

	Consolidated Group	
	2024 \$'000	2023 \$'000
Cash and cash equivalents	6,151	7,419
	6,151	7,419

Notes to the financial statements

(b) Reconciliation of profit / (loss) for the year to net cash flows from operating activities

	Consolidated Group	
	2024 \$'000	2023 \$'000
Profit / (loss) for year	(8,790)	(15,293)
Depreciation and amortisation of non-current assets	2,989	2,297
Impairment of non-current assets	-	6,044
Interest received	(124)	(103)
Net foreign exchange differences	(2)	(138)
Release of grant income	-	-
Non-cash employee benefits expense – share-based payments	39	178
	(5,888)	(7,015)
Changes in net assets and liabilities, net of effects from acquisition and disposal of businesses:		
(Increase)/decrease in trade and other receivables	(1,861)	(2)
Increase/(decrease) in trade and other payables	(796)	533
Decrease/(increase) in tax balances	884	685
(Increase)/decrease inventories	(477)	(266)
(Increase)/decrease in prepayments	36	10
(Decrease)/increase in deferred tax liabilities	-	(966)
Increase/(Decrease) in accruals and provisions	245	197
Total changes in net assets and liabilities	(1,969)	191
Net cash outflow from operating activities	(7,857)	(6,824)

(c) Net cash / (debt) reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Consolidated Group	
	2024 \$'000	2023 \$'000
Cash and cash equivalents	6,151	7,419
Lease liabilities- due within 12 months (including overdraft)	(480)	(639)
Lease liabilities- due after 12 months	(2,869)	(892)
Net cash / (debt)	2,802	5,888

Notes to the financial statements

	Cash/bank overdraft \$'000	Leases due within 12 months \$'000	Leases due after 12 months \$'000	Borrowings due within 12 months \$'000	Borrowings due after 12 months \$'000	Total \$'000
Net cash / (debt) as at 30 June 2022	8,000	(544)	(1,399)	-	-	6,057
Cash flows (net)	(581)	(95)	507	-	-	(169)
Bank overdraft usage	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Net cash / (debt) as at 30 June 2023	7,419	(639)	(892)	-	-	5,888
Cash flows (net)	(1,268)	159	(1,977)	-	-	(3,086)
Bank overdraft usage	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-
Net cash / (debt) as at 30 June 2024	6,151	(480)	(2,869)	-	-	2,802

26. Financial instruments

The consolidated Group enters into derivative financial instruments from time to time to manage its exposure to foreign exchange rate risk.

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, commercial bills and leases.

The totals for each category of financial instruments, as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2024 \$'000	2023 \$'000
Financial assets			
Cash and cash equivalent	25(a)	6,151	7,419
Trade and other receivables	6	4,081	2,292
Total financial assets		10,232	9,711
Financial liabilities			
Trade and other payables	12	3,566	4,311
Lease liabilities	13	3,349	1,531
Total financial liabilities		6,915	5,842

Capital risk management

The consolidated Group manages its capital to ensure that the entities in the Group will be able to continue as a going concern while maximising the return to shareholders through optimising the debt and equity balance.

The capital structure of the consolidated Group consists of cash and cash equivalents and equity attributable to the equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in note 20, note 15 and note 16 respectively. The consolidated Group operates globally, primarily through subsidiary companies established in the markets in which the consolidated Group trades. None of the subsidiary companies are subject to externally imposed capital requirements.

Notes to the financial statements

Operating cash flows are used to maintain and expand manufacturing facilities and distribution assets. The consolidated Group's policy is to manage capital centrally.

(a) Financial risk management objectives

The requirements are monitored on a continual basis and form part of the regular management and Board reporting.

The Chair of the Audit & Risk Committee and Executive Director review the treasury function of the consolidated Group to provide services to the business, coordinate access to domestic and international financial markets, and manage the financial risks relating to the operations of the consolidated Group. These risks include market risk (including currency risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

(b) Categories of financial instruments

The categories of financial instruments are identified in the Statement of Financial Position and notes thereto.

(c) Loans and receivables designated as a 'Fair Value Through Profit and Loss'

There were no loans and receivables designated as at 'Fair Value Through Profit and Loss' in 2024 or 2023.

(d) Market risk

The consolidated Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. It is the policy of the Group to naturally hedge foreign currency and interest rate exposure. The hedging policy allows the Group to enter into approved hedging instruments as required.

(e) Foreign currency risk management

The consolidated Group undertakes transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise.

The ongoing business has revenue and costs primarily denominated in United States dollars (USD), Euros (EUR) and New Zealand dollars (NZD). The business is therefore exposed to movement in the exchange rates of these foreign currencies.

The carrying amount of the consolidated Group's foreign currency denominated monetary assets and monetary liabilities at reporting date is as follows:

	Liabilities		Assets	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
EUR	-	-	1,430	531
USD	-	-	1,219	765
NZD	-	-	12	96

The following table details the consolidated Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currency. 10% represents management's assessment of the possible change in foreign currency rates within a reasonable period of time. The sensitivity analysis only includes outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in the currency rates. A positive number indicates an increase in profit or loss and other equity where the Australian dollar weakens against the USD. For a strengthening of the Australian dollar against the USD there would be an equal and opposite impact on the profit and other equity.

Notes to the financial statements

	EUR Impact		USD Impact		CAD Dollars		New Zealand Dollars	
	Consolidated		Consolidated		Consolidated		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit or loss	122	53	143	76	1	-	1	10

The exposures are mainly attributable to foreign currency denominated receivables, payables, cash and loans.

(f) Interest rate risk management

As of 30 June 2024, and 30 June 2023 the Company has no interest-bearing bank borrowings and is not exposed to interest rate risk.

(g) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated Group. The consolidated Group has adopted a global policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The consolidated Group's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded are spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved annually. The consolidated Group measures credit risk on a fair value basis.

Trade accounts receivable consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit reference check is conducted for the debtor.

The consolidated Group and the Company do not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the consolidated Group's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(h) Fair value of financial statements

The carrying amount of all financial assets and liabilities approximate their fair value.

(i) Liquidity risk management

The consolidated Group currently has sufficient cash at bank to meet its operational objectives within a reasonable time horizon.

(j) Maturity profile of financial instruments

The following tables detail the consolidated Group's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the expected cash flows of financial liabilities based on the earliest date on which the consolidated Group can be required to pay. The tables include both interest and principal cash flows.

Notes to the financial statements

2024	Interest rate maturity					5+ years \$'000	Total \$'000
	Less than 1 month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000			
Financial liabilities							
Finance lease	40	80	360	2,830	39	3,349	
Trade and other payables	3,566	-	-	-	-	3,566	
	3,606	80	360	2,830	39	6,915	

2023	Interest rate maturity					5+ years \$'000	Total \$'000
	Less than 1 month \$'000	1 to 3 Months \$'000	3 to 12 Months \$'000	1 to 5 Years \$'000			
Financial liabilities							
Finance lease	52	104	483	740	152	1,531	
Trade and other payables	4,311	-	-	-	-	4,311	
	4,363	104	483	740	152	5,842	

27. Parent entity information

The financial information for the parent entity, Nova Eye Medical Limited, for continued operations has been prepared on the same basis as the consolidated financial statements except for that outlined below.

	Parent Entity	
	2024 \$'000	2023 \$'000
Statement of Financial Position		
Total current assets	11,920	9,925
Total non-current assets	68,320	66,670
Total assets	80,240	76,595
Total current liabilities	(1,191)	(987)
Total non-current liabilities	(81)	(159)
Total liabilities	(1,272)	(1,146)
Share capital	52,742	45,175
Reserves	181	279
Accumulated profit / (losses)	26,045	29,995
Total Equity	78,968	75,449
Statement of profit or loss and Other Comprehensive Income		
Profit / (loss) for the year	4,477	382
Total comprehensive income after tax for the year	4,477	312

Except for those noted below, the accounting policies for the Nova Eye Medical Limited entity are consistent with those for the Nova Eye Group:

Notes to the financial statements

- Under tax funding arrangements, amounts receivable (or payable) recognised by the Nova Eye Medical Group for the current tax payable (or receivable) assumed of our wholly owned entities are booked as current assets or liabilities.
- Investments in controlled entities, included within non-current assets above, are recorded at cost less impairment of the investment value. Refer to note 22 for details on investments in controlled entities.

(a) Property, plant and equipment commitments

Contractual commitments for the acquisition of property, plant or equipment as at 30 June 2024 are nil (2023: nil).

(b) Contingent liabilities

There are no contingent liabilities.

28. Remuneration of auditors

	Consolidated Group	
	2024 \$	2023 \$
Audit or review of the financial report		
PricewaterhouseCoopers	128,750	123,785
	128,750	123,785
Other assurance services		
PricewaterhouseCoopers	-	-
Total remuneration of auditors (audit / assurance services)	128,750	123,785

The auditors of Nova Eye Medical Limited are PricewaterhouseCoopers.

The following non-audit services were provided during the year:

- Other: nil (2023: nil).

These services do not breach auditor independence.

29. Events after reporting date

No other matters or circumstances have arisen since the end of the year which significantly affected or could significantly affect the operations of the Group and require disclosure in the financial statements.

Notes to the financial statements

Consolidated Entity Disclosure Statement

As at 30 June 2024				
Name of Entity	Type of Entity	% of Share Capital	Place of Business/ County of Incorporation	Australian Resident or Foreign Resident ¹
Nova Eye Medical Limited	Body Corporate	-	Australia	Australian
Nova Eye Operations Pty Ltd.	Body Corporate	100%	Australia	Australian
AlphaRET Pty Ltd.	Body Corporate	100%	Australia	Australian
AlphaRET GmbH	Body Corporate	100%	Germany	Australian
Nova Eye Medical GmbH	Body Corporate	100%	Germany	Australian
Nova Eye, Inc.	Body Corporate	100%	USA	Australian
Nova Eye Hong Kong Ltd.	Body Corporate	100%	Hong Kong	Australian
Molteno Ophthalmic Ltd.	Body Corporate	100%	New Zealand	Australian

¹ These entities have been assessed for residency under the Income Tax Assessment Act 1997 and therefore not classified as a foreign resident. However, these Companies are also a tax resident in their respective countries of incorporation.

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5

- Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

In accordance with advice from tax experts, the board acknowledges that central management and control resides in Australia and therefore its foreign subsidiaries are residents for tax purposes.

Directors' declaration

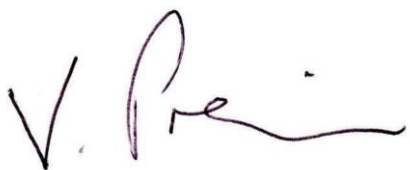
In the opinion of the Directors of Nova Eye Medical Limited:

- (a) The consolidated financial statements and notes of Nova Eye Medical Limited are in accordance with the Corporations Act 2001, including
 - i. Giving a true and fair view of its financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
 - ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) There are reasonable grounds to believe that Nova Eye Medical Limited will be able to pay its debts as and when they become due and payable, and
- (c) The consolidation entity disclosure statement on page 61 is true and correct.

The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Managing Director and Chief Financial Officer for the financial year ended 30 June 2024.

Note 1 confirms that the consolidated financial statements also comply with the International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

A handwritten signature in dark ink, appearing to read 'V. Previn', is written over a light blue horizontal line.

On behalf of the Directors by Victor Previn

Chairman

Adelaide, 26th August 2024



Independent auditor's report

To the members of Nova Eye Medical Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Nova Eye Medical Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss after tax of AU\$8,790,000 and net operating cash outflow of AU\$7,857,000 during the year ended 30 June 2024. The Group's ability to continue as a going concern is dependent on achieving sales targets, managing its cost base and securing additional funding when necessary. These conditions, along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	Key audit matters
<ul style="list-style-type: none"> Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. The Group's operations were mainly managed and assessed through two operating segments: Glaucoma Surgical Devices segment and AlphaRET segment. Our audit work covered the Glaucoma Surgical Devices segment given its financial significance to the Group as a whole. We performed further audit procedures at Group level, including procedures over corporate expenses, assets and liabilities which are not allocated to operating segments, inventory included in AlphaRET segment, consolidation of the Group's businesses and the preparation of the financial statements. 	<ul style="list-style-type: none"> Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: <ul style="list-style-type: none"> – Impairment assessment of non-current assets These are further described in the <i>Key audit matters</i> section of our report, except for the matter which is described in the <i>material uncertainty related to going concern</i> section.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter(s) described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment assessment of non-current assets (Refer to Note 1(v) and Note 1(x))</p> <p>The consolidated statement of financial position includes Property, plant and equipment of \$710 thousands, right-of-use asset of \$3,192 thousands, intangible assets of \$7,033 thousands and capitalised development expenditure of \$4,130 thousands (collectively referred to as “non-current assets”) as at 30 June 2024.</p> <p>Following the current years losses from continuing operations, the Group performed an impairment assessment at cash generating units (CGUs) level, using a value in use model, to determine if the carrying value of the non-current assets was recoverable as at 30 June 2024.</p> <p>The value in use model indicated that there was no impairment in relation to the non - current assets as at 30 June 2024.</p> <p>Given the significance of the carrying value of the related assets to the financial position of the Group, and the judgements and assumptions used in the value in use model (including sales growth rate, sales prices increase rate, long term growth rate and discount rate), the recoverability of these assets was a key audit matter.</p>	<p>We performed the following procedures, amongst others:</p> <ul style="list-style-type: none"> assessed whether the allocation of the Group’s non-current assets into cash generating units (CGUs) was consistent with our knowledge of ongoing operations and internal reporting. evaluated the key assumptions in the model including sales growth rate, long term growth rate, sales prices increase rate and discount rate by comparing them with historical results, and economic and industry forecasts. performed sensitivity analysis over key assumptions used in the value in use model. on a sample basis, tested the mathematical accuracy of the value in use model. evaluated the reasonableness of the disclosures made in note 1(x), including those regarding the key assumptions in light of the requirements of Australian Accounting Standards. <p>We also performed the following procedures for the value in use model:</p> <ul style="list-style-type: none"> assessed whether the CGUs included directly attributable cash flows and a reasonable allocation of corporate assets and overheads. on the sample basis, tested that the forecast cash flows used in the model were consistent with the most up-to-date budgets and business plans presented to the Board of Directors. evaluated the Group’s historical ability to forecast future cash flows by comparing budgets with reported actual results for the past three years.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.



In our opinion, the remuneration report of Nova Eye Medical Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PRICEWATERHOUSE COOPERS

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Julian McCarthy', is written over a thin horizontal line. The signature is stylized and cursive.

Julian McCarthy
Partner

Adelaide
26 August 2024

Number of holders of equity securities

Ordinary share capital

229,060,764 fully paid ordinary shares are held by 2,921 individual shareholders as of 26 August 2024.

All issued shares carry one vote per share.

Distribution of holders of equity securities

Range	Total Holders
1 - 1,000	116
1,001 - 5,000	866
5,001 - 10,000	500
10,001 - 100,000	1,154
100,001 Over	285
Holding less than a marketable parcel	402

Substantial shareholders

Ordinary Shareholders	Fully Paid	
	Number	Percentage
NATIONAL NOMINEES LIMITED	40,113,310	17.51

Number of holders of equity securities

Twenty largest holders of quoted equity securities

Ordinary Shareholders	Fully Paid	
	Number	Percentage
NATIONAL NOMINEES LIMITED	40,113,310	17.51
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,274,698	4.49
SEDICO PTY LTD <VICTOR PREVIN FAMILY A/C>	8,175,353	3.57
RUMINATOR PTY LTD	5,694,759	2.49
CANALA SUPER FUND PTY LTD <GIUSEPPE CANALA SF A/C>	4,515,857	1.97
CITICORP NOMINEES PTY LIMITED	3,519,291	1.54
HIGHLANDS INVESTMENTS HOLDINGS PTY LTD	2,600,113	1.14
BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	2,184,484	0.95
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,157,360	0.94
SEAN BARRETT PTY LTD <SUPER FUND A/C>	2,030,000	0.89
SUPER WIDE PTY LTD <SUPER WIDE SUPER FUND A/C>	1,900,717	0.83
DINWOODIE INVESTMENTS PTY LTD	1,856,714	0.81
MRS GLENIS NITA O'DONNELL	1,800,465	0.79
TOUCAN TRADING PTY LTD	1,781,716	0.78
MR JOHN KWOK MUN YUEN	1,776,312	0.78
BNP PARIBAS NOMS PTY LTD	1,746,547	0.76
INNOVATIVE GLAUCOMA SOLUTIONS LLC	1,736,653	0.76
MR ANTHONY WILLIAM SCOTT	1,622,195	0.71
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,607,554	0.70
PINE STREET PTY LTD <PINE STREET A/C>	1,406,250	0.61

Corporate Directory

Company & Headquarters

Nova Eye Medical Limited
107 Rundle Street
Kent Town, South Australia, 5067
AUSTRALIA

Directors

Mr V Previn	Chairman
Mr R Coupe	Independent Director
Mr M Southard	Director
Mr T Spurling	Managing Director
Mr D Webb	Independent Director

Company Secretary

Simon Gray

Corporate Accountant

Jordan Possingham

Independent Auditor

PricewaterhouseCoopers
70 Franklin Street
Adelaide, South Australia, 5001
AUSTRALIA

Australian Share Registry

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne, VIC, 3001
AUSTRALIA

Phone: (Australia) 1300 555 159
Phone: (Overseas) +61 3 9415 4062
Mon-Fri 8:30am-7pm AEST

Investor Relations

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Corporate Website

<https://www.nova-eye.com>

Corporate Governance Statement

<https://nova-eye.com/investors/corporate-governance/>