



NOVA EYE MEDICAL LIMITED
(FORMERLY ELLEX MEDICAL LASERS LIMITED)
ANNUAL GENERAL MEETING
(ASX:EYE)

PRESENTATION AND UPDATE
27 November 2020

CHAIRMAN ADDRESS
VICTOR PREVIN



INVESTOR PRESENTATION

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RECENT FINANCIAL HIGHLIGHTS

\$100M

CASH SALE TRANSACTION









- Sale of the Ellex brand and capital equipment business to Lumibird for \$100 million in cash (completed 30 June 2020)
- Strong cash position from transaction proceeds and no debt

\$61M

RETURN TO SHAREHOLDERS

- \$61.0 million return of capital and dividend from transaction proceeds to shareholders (completed July 2020)

FY20 COMPANY SNAPSHOT (ASX:EYE)

			
<p>Market Capitalisation¹ \$47 million</p>	<p>Pro-Forma Cash² \$26.5 million</p>	<p>Pro-Forma Enterprise Value³ \$16.5 million</p>	<p>Global Employees 50</p>
			
<p>Directors & Mgt. Own 14%</p>	<p>FY20 Revenue⁴ \$12.8 million</p>	<p>FY20 EBITDA⁵ -\$5.8 million</p>	<p>FY20 Cash Outflow from Continuing Operations -\$3.7 million</p>

¹ Data for market capitalisation as at 18 November 2020, ² Pro-Forma cash calculated as 30 June 2020 cash less return to shareholders, less tax, less transaction-related costs ³ Enterprise Value calculated as market capitalisation, less pro-forma cash; ⁴ Revenue excludes discontinued operations (Ellex Lasers & Ultrasound), ⁵ EBITDA excludes discontinued operations (Ellex Lasers & Ultrasound)

NOVA EYE BUSINESS

Rebranding of the company to Nova Eye on 30 June 2020, now focused on consumable surgical devices for glaucoma – and leveraging these technologies for future growth and development.

WE ARE COMMITTED TO GLAUCOMA

- Grow market penetration of our proprietary iTrack™ and Molteno3® glaucoma technologies.
- Establish Nova Eye Medical as a leading glaucoma technology company.

WE ARE GROWING OUR GLAUCOMA PIPELINE

- Develop new generation products based on our iTrack™ and Molteno3® portfolios, as well as additional treatment technologies for different stages of the glaucoma disease process.

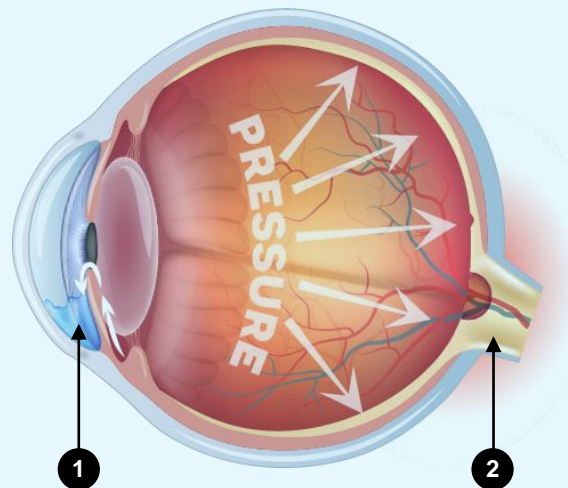
2RT® IS A SIGNIFICANT BUT DISCRETE OPPORTUNITY

- Develop and fund commercialisation pathway for our proprietary 2RT® technology for intermediate age-related macular degeneration (iAMD).

ABOUT GLAUCOMA

Glaucoma is the leading cause of blindness in the developed world – but up to 50% of patients with glaucoma do not realise they have the disease and >50% of diagnosed patients are non compliant .

- Glaucoma is a group of diseases that cause vision loss due to optic nerve damage.
- Progressive, irreversible disease.
- Reducing intraocular pressure (IOP) is the only proven treatment for glaucoma.
- There is no cure for glaucoma.
- Topical medications are standard of care but nonadherence is ubiquitous.



1
Drainage canal becomes blocked; too much fluid stays in the eye and IOP rises.

2
High IOP damages optic nerve.

WHAT CAUSES GLAUCOMA?

Blocked drainage causes rise in IOP. Elevated IOP can damage the optic nerve.

IOP is measured in millimetres of mercury (mmHg). Normal IOP in healthy eyes ranges from 10-21 mmHg.

GLAUCOMA SEVERITY

Mild: IOP 25-30 mmHg with moderate nerve damage & visual field loss

Moderate: IOP > 30 mmHg with moderate nerve damage & visual field loss

Advanced: uncontrolled IOP with significant nerve damage & visual field loss

NOVA EYE GLAUCOMA OPPORTUNITY

Nova Eye has been reorganised to focus on glaucoma treatment.

GROWING MARKET

The glaucoma consumable surgical devices market is the fastest growing segment of the ophthalmic market.

UNMET NEED

Significant drawbacks associated with medications. Additionally, multifactorial nature of glaucoma recommends stepped, nuanced treatment approach over the life of the patient.

With a proprietary product portfolio and an established glaucoma salesforce, supported by a targeted marketing effort and ongoing collaboration with the industry's leading glaucoma physicians, Nova Eye Medical is well positioned to execute its glaucoma opportunity.

SUSTAINABLE BUSINESS

Aging global population is driving glaucoma prevalence. The annual market size has been estimated at US\$4.9 billion.

SIGNIFICANT NEED

It is estimated that 82 million people worldwide have glaucoma.

REDEFINING GLAUCOMA TREATMENT

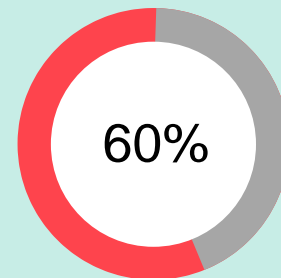
Glaucoma management is in a period of renaissance with the realisation that pharmaceuticals do not represent the best treatment option.

- Topical medications are considered standard of care but nonadherence is ubiquitous
- Device solutions are increasingly recognized as a viable alternative – and this is the highest area of focus and return for the patient, the physician and the supplier.



10-25% of newly prescribed patients don't refill second prescription

Quigley HA Glaucoma: What Every Patient Should Know 2011; Friedman DS et al Invest Ophthalmol Vis Sci. 2007.



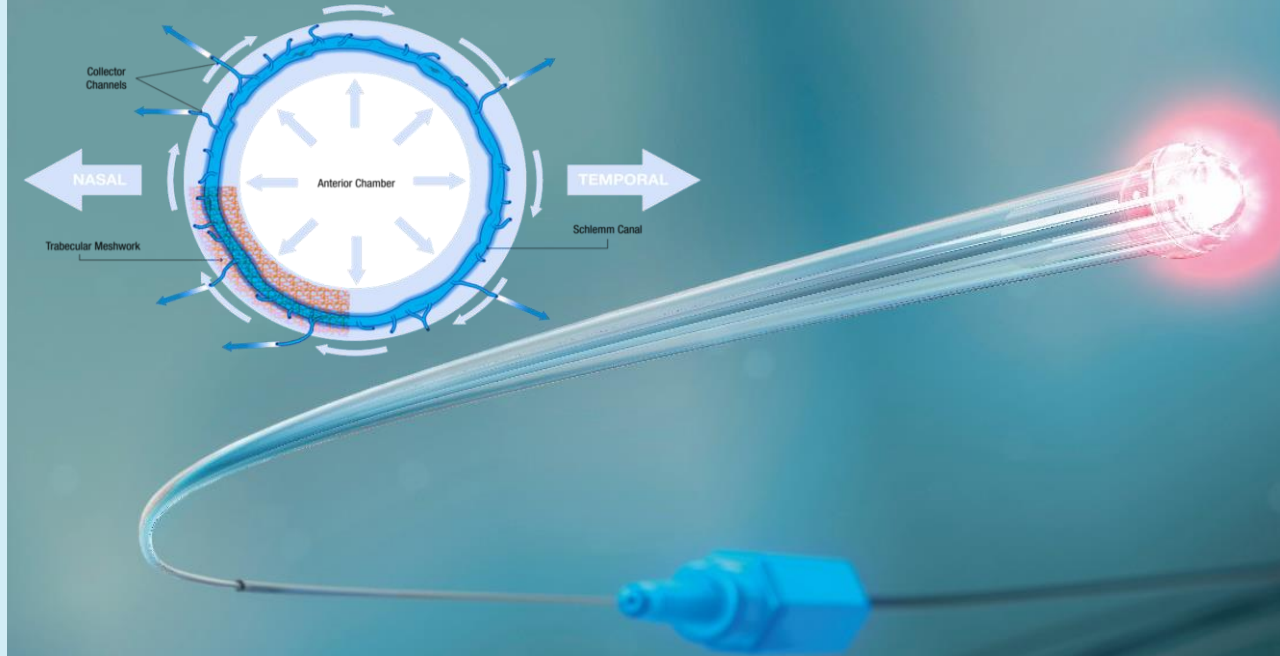
Only 40-60% of newly prescribed patients take their medication beyond the first 12 months

Quigley HA Glaucoma: What Every Patient Should Know 2011; Friedman DS et al Invest Ophthalmol Vis Sci. 2007.

iTrack™

A unique, patented product that provides “angioplasty of the eye” ; a unique point of difference in the fast-growing, minimally invasive glaucoma surgery (MIGS) market.

- Our proprietary iTrack™ technology is a key player in the fast-growing MIGS market
- The iTrack™ is a unique, patent-protected microcatheter for treating patients with glaucoma
- It is used to clear and flush the main ocular drainage systems that are compromised as a result of glaucoma.
- Investment in product development being undertaken to improve surgical efficiency and physician take up.



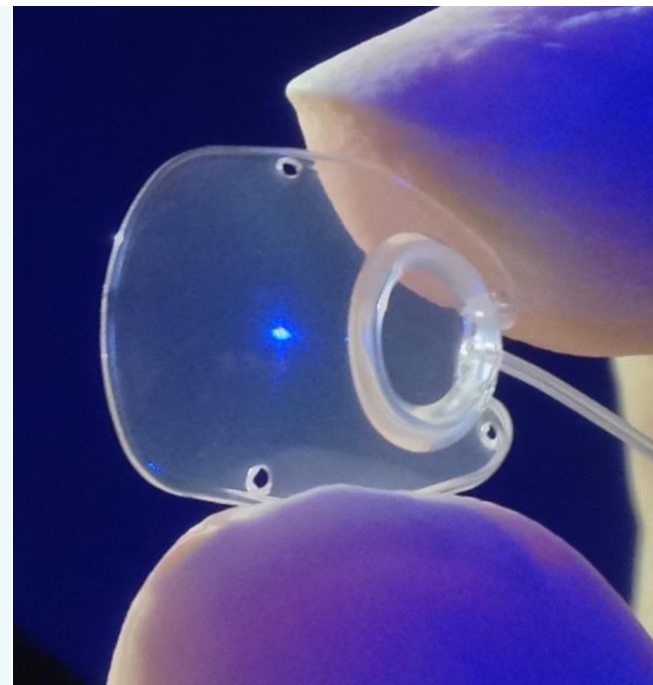
Molteno3[®]

Molteno, the inventors of Glaucoma Drainage Devices, have partnered with Nova Eye

- Acquired on 3 August 2020 for NZ\$1.05m (A\$0.99m) in cash, representing an acquisition multiple of 1.2x FY20 revenues¹.
- The Molteno3[®] range offers significant product advantages and commercial upside but is significantly underpenetrated at <4% market share [J&J – 29%, New World Medical – 67%]²
- The global glaucoma drainage device is valued at A\$100m³ and has a well-established reimbursement pathway.
- Nova Eye Medical will leverage its current sales and marketing infrastructure to support Molteno3[®] sales.
- Recent clinical data (published July 2020) highlights benefits of Molteno3[®] compared to Baerveldt[®] (J&J) with similar efficacy and a significantly shorter surgical time (-15.7 minutes).
- Nova Eye Medical will invest in R&D to expand the Molteno3[®] product range.

¹ Unaudited revenues for year ended 31 March 2020 of NZ\$0.838m

^{2,3} Marketscope data



OUR GLOBAL PRESENCE

Nova Eye Medical has approximately 50 staff globally, supported by a network of distributors in more than 50 countries.



FY20 FINANCIAL PERFORMANCE

Despite a reduction in surgical volumes due to the COVID-19 pandemic, the implementation of a number of cost management initiatives during the period delivered an improved EBITDA-level performance.

		\$000's		
		FY19	FY20	% Change
Revenue	iTrack™	14,324	11,572	-19%
	2RT® (early adopter)	1,816	1,197	
		16,140	12,769	-21%
COGS (excl labour)		(2,977)	(3,022)	
Gross Margin		13,163 82%	9,747 76%	
Operating Expenditure		(20,095)	(15,558)	-23%
EBITDA (loss)		(6,932)	(5,811)	+16%
Amortisation & depreciation		1,031	1,438	
Loss before tax & gain on sale		(7,963)	(7,249)	+9%

- Worldwide iTrack™ unit volumes decreased 11% on pcp, revenues down 19%: COVID-19 impacts
- USA unit sales down 28%, OUS (excluding China) down 35% primarily due to 2H COVID-19 impact on surgical procedure volumes, Chinese unit sales up 16%
- Operating expenditures down 23%: pre & post COVID-19 restructure and cost-out.
- EBITDA loss of \$5.8 million improved 16% versus pcp

AlphaRET

AlphaRET Pty Ltd is a newly established wholly owned subsidiary of Nova Eye Medical (ASX:EYE), established in October 2020 to facilitate the commercial development of the Company's proprietary 2RT[®] Project.

- Current AMD therapy only treats the symptoms of the disease, and is only available for late-stage AMD.
- 2RT[®] is applied to AMD patients in the high risk intermediate stage.
- The 2018 multi-centre trial ("LEAD") demonstrated a four-fold reduction in the rate of progression to late-stage AMD.
- Estimated global annual market for 2RT[®] of 55 million patients.
- Expansion of 2RT[®] indication for use (IFU) to include iAMD requires an additional pivotal study for registration.
- Solid progress with US FDA during the 2020 year via Q-sub process.
- Anticipate filing an Investigational Device Exemption (IDE) in 2H CY2020/early CY2021.
- AlphaRET will partner for funding the 2RT[®] IDE study.



FY21 SALES PERFORMANCE

Despite continued uncertainty in global markets arising from COVID-19, focused sales management teamed with an experienced, dedicated glaucoma sales force has demonstrated sales growth particularly in USA both over the prior comparative period and the COVID-19 period.

	Prior comparative period (A\$million)	COVID 19 "first wave" period (A\$million)	Current period (A\$million)		
	4 months to 31 October 2019	4 months to 30 June 2020	4 months to 31 October 2020	Growth on PCP	Growth on COVID period
Total glaucoma surgical devices revenue (A\$m)*^	3.9m	2.7m	4.4m	13%	63%

*Unaudited

^Approximately 75% of sales are made in the USA

OUR OUTLOOK

Nova Eye Medical has a number of objectives for the 2021 financial year to support growth of our core glaucoma business, and to execute the 2RT[®] opportunity.

1

GLAUCOMA SALES FOCUS: investment into iTrack™ and Molteno3[®] market development in preparation for aggressive sales drive post COVID-19.

2

INVESTMENT IN GLAUCOMA TECHNOLOGY PIPELINE: product development including next generation iTrack™ for deployment post COVID-19 market recovery.

3

2RT[®] COMMERCIALISATION: file for 2RT[®] IDE with the US Food and Drug Administration (FDA).

4

MEASURED GROWTH: significantly reduced operating costs have been evident in the first four months of FY21 and continued prudent cash flow until market recovers.

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