
Nova Eye Medical Achieves Growth in First Half in Glaucoma Surgical Devices Segment Despite Pandemic

Highlight financial results for the six months to 31 December 2020:

- Fully franked 13.5c dividend and 29.0c per share capital return funded from proceeds from sale of the Ellex Laser & Ultrasound business
- EBITDA-level result for the Glaucoma Surgical Devices Business Segment improved to a loss of \$0.3 million compared with a loss of \$1.7 million in pcp
- Unit sales of the Company's glaucoma surgical devices (iTrack™ and Molteno3®) increased by 8% compared to the prior comparable period (pcp)
- Group EBITDA loss reduced from \$(2.9) million in pcp to \$(0.8) million
- Despite disrupted growth as a result of COVID-19, the market for glaucoma surgical devices remains a fast growing segment in ophthalmology. Outlook for growth in this market is unchanged
- Cash balance of \$29.5 million

Adelaide, Australia, 25 February 2021 – Nova Eye Medical Limited (ASX: EYE)(Nova Eye Medical or the Company), a medical technology company committed to advanced ophthalmic treatment technologies and devices, today announces the half-year financial results for the period ended 31 December 2020 (1HFY21).

The Company's strong financial performance during the period was reflected by a 71% reduction in 1HFY21 EBITDA loss from \$2.9 million to \$0.8 million. This was a result of impactful sales execution and continued prudent cost management during the period, which resulted in a 24% reduction in operating costs. Sales momentum was relatively unchanged, despite COVID-19 negatively impacting the number of surgical visits and thus reducing sales demand. When adjusted for currency, sales revenue for the Company's glaucoma surgical devices reduced by 1%.

Mr Victor Previn, Executive Chairman of Nova Eye Medical, said: "I am pleased with the performance of the business in the first half. COVID-19 resulted in a material reduction in surgical volumes in the US and Europe during the period. The management and Board of Nova Eye Medical acted decisively in the early stages of the pandemic to focus on more efficient manufacturing and operations, however, in addition to directing our sales and marketing strategies towards existing customer accounts. This enabled us to execute our short- to medium-term growth strategies in parallel with a cost reduction strategy. With signs of a return to more normal trading conditions emerging, following the global roll-out of COVID-19 vaccinations, our improved EBITDA loss and

lower cash burn in the first half provides us with a strong platform for growth.”

Glaucoma Surgical Devices (iTrack™ and Molteno3®)

Sales revenue of the Company’s glaucoma surgical devices (iTrack™ and Molteno3®) declined by 3% in Australian dollars to \$6.4 million as compared to the pcp. When adjusted for the appreciation of the \$A against the \$US total glaucoma surgical devices sales revenue was down 1%. Total unit sales (iTrack™ and Molteno3®) increased by 8% following the acquisition of the Molteno3® ophthalmic assets.

On a regional basis, iTrack™ unit sales in China continued to show solid growth, maintaining momentum despite challenges posed by the pandemic. In the USA, which remains the largest market for the Company’s glaucoma surgical devices. In the USA, unit sales were up 9% from 3,399 units to 3,736 units as a result of good sales execution and the addition of Molteno into the portfolio. In October 2020, Nova Eye Medical commenced direct sales in Germany, which has helped to arrest the sales decline in the German market that resulted from changes to the former iTrack™ distribution network. Subject to a cessation in government mandated closures and a return to more normal trading conditions, the direct sales business in Germany is expected to deliver improved sales growth in 2021.

During the year, the Company continued to progress development of a next generation iTrack™ device aimed at significantly reducing surgical times and ease-of-use. Prototypes have now been deployed for a series of in-field clinical evaluations by key opinion leader (KOL) surgeons.

The global market for glaucoma surgical devices has been growing quickly, and while current year growth was interrupted by COVID-19 the market is expected to provide Nova Eye Medical with future growth – with the iTrack™ and Molteno3® consumable surgical devices uniquely positioned to address significant segments of the glaucoma disease cycle.

AlphaRET (2RT®)

The Company, via its special purpose subsidiary AlphaRET, continued to progress its Investigational Device Exemption (IDE) application with the US Food and Drug Administration (FDA), in order to commence a pivotal study for 2RT® to obtain regulatory clearance in the US market. Nova Eye Medical expects to complete the IDE submission in mid 2021, slightly delayed from the previously stated schedule. In consultation with the Company’s regulatory advisors and KOL clinicians, in addition to guidance received from the FDA as part of the Q-Sub process, the Company has undertaken several refinements of its application, which has lengthened the submission process.

There are currently no FDA cleared drug or device-based treatments for the treatment AMD in its early stage. A therapy to delay AMD disease progression, such as 2RT®, will address a very large unmet clinical need, which is currently estimated at US\$5.1 billion annually.

Outlook

Prudent financial management during COVID-19 ensured a material reduction in operating expenditures which, combined with impactful sales execution in the USA, has produced a credible result. With significant cash on hand, Nova Eye Medical is well positioned to capitalise on a recovery in the glaucoma surgical device market through 2021 as COVID-19 vaccination rates accelerate and ambulatory surgical centres re-open to patients. The Company has also laid the necessary groundwork to ramp up its efforts to secure an FDA pathway for its 2RT[®] technology.

Nova Eye Medical will continue to exercise a combination of prudent management of operating costs and good sales management during the remainder of the 2021 financial year whilst pursuing a number of objectives, including:

1. Investment into iTrack[™] and Molteno3[®] in clinical market development in preparation for aggressive sales drive post COVID-19
2. Completion and release of next generation iTrack[™] device for deployment post COVID-19 market recovery
3. File for 2RT[®] IDE with the US FDA

Investor Call

The Company will today host an investor conference call at 9.30am AEDT (9.00am ACDT, Adelaide time) with Mr. Tom Spurling, Director of Nova Eye Medical.

Details of the call are set out below.

In order to pre-register for the conference call and avoid a queue when calling, please follow the link below. You will be given a unique pin number to enter when you call which will bypass the operator and give you immediate access to the event. Investors are advised to register for the conference in advance by using the Diamond Pass link to avoid delays in joining the call directly through the operator:

<https://s1.c-conf.com/diamondpass/10012344-msg724.html>

Alternatively, you may dial in with the following details, approximately ten minutes before the scheduled start time and provide the Conference ID to an operator.

Conference ID: **10012344**

Participant Dial-in Numbers:

Australia Toll Free: 1800 908299

Australia Local: +61 2 9007 8048

New Zealand: 0800 452 795

Canada/USA: 1855 624 0077

Hong Kong: 800 968 273

Japan: 006 633 868 000

China: 108 001 401 776

Singapore: 800 101 2702

United Kingdom: 0800 0511 453

The presentation and audio can also be accessed via the webcast link:

<https://services.choruscall.com.au/webcast/novaeye-210225.html>

This release dated 25 February 2021 has been authorised for lodgement to ASX by the Board of Directors of Nova Eye Medical Limited and lodged by Simon Gray, Company Secretary.

– ENDS –

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ABOUT NOVA EYE MEDICAL

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

For additional information about Nova Eye Medical and its technologies, please visit: www.nova-eye.com