

Okay, let's make a start of it.

Uh, thank you everyone for coming along here tonight.

Uh, we are of course discussing, uh, Nova Eye Medical.

It's in our, it's our inaugural stock pick

for our Spotlight series.

I mean, the whole idea behind this was just to try
and help sort of focus, um, our collective research efforts
and, and bring a little bit more rigor to it.

Um, so we'll see how it goes.

It's the first time we've done this.

Uh, it might be a little bit rough and rough

and ready the first time around,

but it's something I'm, I'm keen to lean into.

So, uh, we'll see how we go

and we'll, no doubt learn along the way as to what works
and, and what doesn't.

Um, before I start, I've gotta give a few special mentions,

firstly to Winnie, AKA Luke for putting, uh, Novo Eye,

I guess, on the, on the radar.

Uh, it was his post that really sort of, I think,

brought it to a lot of our attention.

And I, I just thought this is a great, great candidate

for our first Spotlight series.

So thank you very much for that.

Luke, special mention, of course, to the ever prodigious,

Mike Brizi, uh, just, uh, an absolute force of nature,

but also to, uh, I'm not gonna read out everyone here,

but Ney Shapeshifter a dla, Dave, long par

Metis, uh, Mak.

Um, thank you all for, for your contribution.

It's really meant that we've got a little bit to get into, uh, here tonight.

So thank you very much for all of that.

Um, if you are, uh, uh, relatively new to the business and you haven't yet had the chance to catch up on the content that's been put on the platform, or just perhaps some of the reports and announcements that the company has released, that's fine.

I know a lot of people are, are pretty busy, but I will ask you to be a more passive observer during this session.

Uh, the goal of this session isn't to try and bring everyone up to speed when a little bit of reading on the forums will will get you 90% of the way there.

Um, following this, the plan is that we, you know, we put content on strawman.

We do a CEO interview.

We have a bit of a round table discussion, which is what we're doing right now.

And then I'm gonna put everything that I can into a report.

Um, I'll probably use a bit of AI to make that job, uh, easier and more thorough.

But very much I want to, I want to sort of spend a bit of time on polishing that all up, not as an investment recommendation.

It's not the business that we're in,
but something that you can just pick up and read,
and we'll give you all of the valuable insights
that we've managed to gather and,
and hopefully help you inform, um, yourself in terms
of whether or not this is a business
that you want to be involved with.

Um, if you did want to have a bit of an overview, actually,
speaking of ai, I had a play around with notebook, LM today
and Jesus, the tech is just moving forward in, in,
in forwards in leaps and bounds.

I produced a seven minute video that sort of tries
to capture, uh, what has already been discussed.

I'll do that again, uh,
once we've got a bit more content on here.

Um, but I would encourage you to, to watch that if you,
if you want a bit of a high level overview.

But let me set the scene before I sort of open the floor
and, and invite some, some various perspectives here.

We're dealing with, uh,
a reasonably early stage med tech business,
but the key thing is here is it's
kind of come out of the lab.

It's not only come out of the lab, it's, it's in, uh,
it's out there in the wild.

They have, they have commercialized,
not only has over variety commercialized,
but you know, over the last three years
or so, looking at, at things on an annualized basis,

at each half they've had incredibly strong revenue growth.

So if you have a 40%

or so, so they've got a product for whatever reason, people like it, that 40% figure needs to be held in context.

Of course, this is often an extremely small base,

but, you know, people are buying it,

and that, that's a very encouraging thing.

I guess a key part of the thesis that's been identified

right at the beginning by, by Winnie, is

that the potential is that this is at a bit

of a profitability inflection point.

This is a theme that comes up quite a bit on strawman, uh, for a very good reason.

You've got a business who has largely

invested in its fixed cost space, has got strong revenue, momentum, decent margins,

and, you know, you sort of do the maths on those things,

and one line stays a lot flatter than the than the other.

If I can do that with my hands,

and you tend to sort of start seeing some of

that gross profit really just dropped to the bottom line,

and you get these levels of growth that, um, impossible to sustain longer term,

but are very explosive when you sort of,

when you move off the mark.

And it's something that the market often misses.

Um, and so it, it does tend to represent a bit

of opportunity if you get it right in terms

of your expectation

that the company will maintain its sales momentum, uh, hold its costs, uh, you know, reasonably in line and, and, and experience that wonderful operating leverage that, that we all know and love.

I guess one of the things that came out of our CEO interview with Tom Sperling the other day was that he really struck me that he really seemed to be emphasizing that desire to be, uh, EBITDA break even in, in the current half.

I'm very much convinced that he has adopted this because he's probably just had all member of analysts and fund managers bashing his ears in recent times, saying, that's what we want, that's what we want.

Um, but it seems the message has been received, and, and that's what, that's what they're driving for as well.

So again, feeds into that inflection point kind of idea.

The other sort of angle, I suppose, again, just setting the scene, is that this is, um, a pretty novel device in an area that, um, it's a very large market.

It's treating glaucoma, I should have mentioned that before.

Um, and it's trying to sort

of disrupt some existing sort of approaches.

And every approach has its pros and cons, but I, the, the, the pros here is it's relatively low cost.

It's just a day surgery, surgery procedure.

There's no implant, there's no cutting.

It's very, uh, uh, minimally invasive as a procedure.

And although it's still early days, yet, the, uh,

the scientific data coming off the back of it really seems to be validating that this is, uh, a, a, a useful approach.

And of course, what really matters at the end of the day, and the reason why that the company would bother train, build up a bit of scientific cred and, and,

and sort of push that stuff, is they want the surgeons to adopt this, the ophthalmologist to actually adopt this at the end of the day.

And that's the other real pillar here of this thesis, is that the market itself for GLO glaucoma treatments is growing rather well, well, well, is probably not the right way to say it, but it is growing.

Um, but they're also capturing market share within that.

So depending on, on, on the figure you, you choose to, to go with something around three, 4% market share,

Tom said the other day, they reckon they could get to about 7% market share.

They could double that, you know, in the not too distant future.

He even put a figure on it saying if they were to do that, they might be around \$60 million in annual revenue, which is a lot more than what they're doing now.

And, uh, uh, again, uh, uh, keeping in mind that operating leverage, uh, angle there that that could, could result in some, some pretty nice net margins as well.

Um, now of course, the other thing to really stress here, um, is that all investments are not without their risks.

And this has definitely got risks.

So every single company does,

and we'll talk a bit about them,

and I, in fact, I don't wanna shy away from them at all.

That's really key to any investment.

As, as Munger likes to say,

you've gotta understand the bear case better than the bears.

And we've had some great, um, risks sort of put forward.

There's obviously competitive threats that are out there.

There's the risks to adoption,

and of course there's a balance sheet risk as well.

You know, yes, they're on the, uh, uh, on the, the cusp of,

of break even, but gosh, there's not a lot

of cash in the bank.

So they're, they're, they're cutting it pretty close.

And, uh, let's be realistic, even with a bit of success,

I think it's almost a given that they'll be raising capital

at some point in the not too distant future.

Not necessarily a bad thing,

as I'm very quick to often point out.

It's more about the return they get on the capital

that they raise, but, uh,

it is something to sort of be aware of.

So that's hopefully sort of frame things, um,

up a little bit for you.

Um, uh,

and the final thing, I think just 100%,

make sure I say this, that not advice

or care, no responsibility here.

So, oh, the other thing too is that we, I've done enough of these zoom sessions to know that it is hard to moderate something online when you're in a room and you can eyeball people and you can see body language, it's a little bit easier. I've done a lot of that, um, o over the career.

It's hard on Zoom, right?

Um, not everyone's comfortable to speak.

It's probably got people there sitting in, in their, their COSles by the pool, uh, you know, or in their Jarvis or just, just want to be shy.

Um, so that's fine as well.

So what I, what I've tried to do is I've tried to preload up some, uh, polls, uh, that we can use in Slido.

In fact, let me just share that with you all now in the room.

Uh, bear with me here for one moment.

If you are watching this through the website, you'll be able to just access it directly through the tools that, that are right in front of you.

If not, click on that link there just in the chat.

And, uh, if you've got any questions, add them along the way.

There's no polls there yet, but I'll make them live as we go.

Hopefully that helps us sort of coordinate things, um, uh, uh, a little bit better.

And as we go, is it, if it turns out that there are, uh,
there are differing opinions,
and there almost certainly will be, my goal here is not
to try and force a consensus here.

I think that's a, that's a very, um, unproductive way to,
to, uh, to spend our time here.

In fact, divergence of opinion is a,
is a really, really good thing.

So rather than, rather than try
and sort of, um, hash it out until we,
till we reach an answer, we'll just put a poll there.

People can vote how they like,
and this is all the kind of stuff I can put in the report,
so you can kind of see at least
where the differing opinions lie, where the divergence lies,
and perhaps where you stand with all of that.

So with all of that sort of said
and done, um, I guess I'll, I'll ask anyone who just wants
to sort of make any comments, uh, to,
to now put their hand up.

This is a, this is a good opportunity to do so.

Thank you, Mike. I was hoping you'd, you'd go first.

Yeah. So it was a one comment
that you made about not wanting a consensus.

So just think about what would happen on the market tomorrow
if there was a consensus that, that, um, I Nova was a buy.

Oh, yes. And everyone went on the buy queue.

This is not a liquid stock. Yes.

So it's like even 20 of us went in and put like 10

or 20 grand each on it.

The share price would pop.

Well said. Yes.

So there's a big warning on this one. Yeah,

E absolutely.

And, and, and in fact, e even if there isn't a consensus,

I've, look, let's be real, I've,

I've been doing this long enough to know that there are,

there are people who like to feel

as though there's an opportunity

to front run an anticipated consensus here as well,

and sort of trade these things.

I don't think it would ever work.

So just if you are thinking, if you are, if

that devil on your shoulder is going, oh,

I wonder if this is something I could trade.

Well, it's on you. We can't stop you.

But I, I, I would, I would just make the point

that these things tend to backfire pretty badly.

So if this is something that you ultimately decide

that you want to own, take Mike's advice here,

or heat his warning in terms of the liquidity,

that is something that's very much, um,

something to, to think about.

And I would also make the point too,

which I think is the broader point, yeah,

you can probably make a little bit of money if you get a lot

of successive trades, right?

The real money with an investment like this is,
it's the person who buys it
and in five, 10 years time realize it's
gone up 10 or a hundred fold.
And that's really the opportunity with companies like this.
Statistically, most of them won't do that.
Um, very large majority of them won't do that.
But that to my mind, sort of says if that's
what you are sort of expecting
and anticipating, you don't want a nickel and diamond
and you don't want to try and lock in a quick profit or try
and go in for a quick punt.
And frankly, whether you buy it now or 2 cents higher
or lower, it's not gonna make any difference.
So just, I'm just gonna echo Mike's sentiment there
and just be sensible with, with what you're doing here.
Um, what else would you say, Mike, you, you were,
you were prior to hitting record, you mentioned
that you had, you had some concerns that might be a,
this might be a good chance to sort
of air some of those now.
Yeah. Okay. So I, I, I probably, um,
I think given the tone of the video summary
and your valuation
and one of the other valuations that went on,
I'm probably gonna play a bit more
of the bear role based on what I've learned.
Brilliant. And, and part of, and,
and I haven't really come to a considered view yet.

I've, I've gone deep into the whole therapy area.

I've looked at the competition.

I've, I've read quite a lot of the clinical research.

I, this is, this is the kind of company I love researching, and, but I'm new to this whole area, so I've been Yep.

Been at this only for about a week. Yep.

Um, but I've, I've learned enough, um, to, to know

that there are some real patterns here

that I see in the dermal repair space, which is an area that I have invested in with, with some success.

O overall, I've made more money than I've, that I've lost.

Um, um, in terms of the maturity of the overall market, the, the market concentration, the, the margins, the characteristics in particular of the US market, the reimbursement models.

As I read, as I really get into this, I'm thinking, oh, this, this, this starts to feel a lot like dermal repair.

And one of the big stories

with the dermal repair companies is that they've all kind of been close to the inflection point,

and they never quite get through either the sort

of the sales and marketing costs go up,

or they have a bit of a, a g and a reset,

or there's some CapEx that you weren't expecting,

or, um, yeah, whatever.

There's some prop. I mean, the, the worst one that I did,

which is well documented, is avita,

where it really looked like it was set to win,

and they screwed up on the reimbursement codes.

So the, the doctors wanted to use the product, but because Medicare had stuffed up the codes, the hospitals couldn't get paid.

So the product was working really well.

The clinical research was fantastic.

The, the sales reps were all up and running, but the hospitals couldn't get reimbursed.

So the doctors were stopped by the hospitals from reordering and the share price tanked.

These are the sorts of things that happen in the US market and medical devices.

You can, you can believe you've ticked all the boxes and that, I mean, that's the first time I got caught out by that one.

And I think I lost about probably 20% on that, that investment.

So, you know, so I, so I'm coming at this probably from a bit of a bear angle because I've been burned plenty of times before in, in, um, medical devices.

And I think there are some specific risk factors on I that I think, um, investors should be thinking about.

Now, having said that, when I'm done, I may well, um, invest in this.

This is very much watchable, I get the bull case, but for the purposes of this call, um, I'm, I'm taking a, a a bit of a bear approach.

I haven't invested yet,

and I'm not at a position where I'm,

I'm ready to pull the trigger yet.

Yep. I, I should have disclosed the same too.

I don't own shares and I'm not planning to,
and even if I did decide to, I'd wait for a week until
after that report was out, which is, is worth mentioning.

Um, yeah, so, um,

I actually found it really valuable me is, uh,
a contribution a day, obviously works as an,
an anesthesiologist as well.

So as closer to the, closer to the, the front line than,
than than many of us.

Um, it, it really reminded me of the human dimension
that I often see in this space, Mike, where it's sort
of like, yes, the product's gotta work.

Uh, yes, you've gotta have the backing
that the demonstrates all of that.

But just the social adoption, um,
by practitioners is something that just takes time.

It's very rare that you see something
that explodes right out of the gate
and everyone just can't get their hands on.

So to me, it's a good reminder
that even when you do have success, well, two things,
you have, uh, issues like with Avita where there's,
you know, there's like these, let's call 'em hiccups,
you know, which, which kind of like, um,
put speed bumps, um, in the road.

But even if, even without all of that stuff,
this isn't the kind of thing where you wake up tomorrow
and all of a sudden there's 20% market share.

This is very slow. And also just to also reiterate the point
that all growth takes capital.

Um, and in fact, uh, we've seen Novari actually say
that they're gonna increase their sales force,
and they've, they've got a pretty good sales force.

It seems the efficiency's improving.

It's really nice, but what you don't want
to see is a whole bunch of new sales come through,
but the cost of those sales be so great that the, you know,
it kind of nullifies
that operating leverage sort of angle on it.

Yeah, it was one of the things
that Metis actually said in their first post that really,
um, got my attention.

And often when we, we have a straw, a straw person who,
who actually works in the industry or uses the product
or service and gives some kind of insight,
those things are absolutely gold.

So they, they made some comment about how, you know, why,
why it wasn't getting reimbursed in Australia and,
and what the standard of care in Australia was, um,
and around the evidence base.

And that set me off really looking at all the
published clinical research.

And I've written up, I've written this up in a couple
of the, the straws.

Um, one of the things with the clinical research here is that there are very few head-to-head trials.

So you've got different, um, studies which tend to be company sponsored.

Um, the end points can vary.

So one data set's not completely comparable to the other data set in, in terms of the interocular pressure, the IOP metrics.

So the amount at which the, the treatment reduces the pressure in the eyeball, which is one of the key endpoints.

If you try and compare, um, the different data sets across the different treatments, whether it's eye drops or stents or Omni or, um, iTrack, you find that the, um, pressure suppression, um, is kind of overlapping.

They're not really differentiated.

Um, the confidence intervals actually pretty broad.

Uh, the underlying patient populations aren't necessarily always that well characterized.

There's issues around whether the baseline is with, uh, medication, you know, the eyedrops being washed out to establish.

So most of these techniques, there's no real robust basis for them to claim that they're better from an efficacy perspective.

Yep. So that really made me think, oh my God, this is like a potentially a me too product

that doesn't have, from what I can see,
clear clinical differentiation.

And this is a classic thing
that people do in the US they have their own little,
what they call real world data sets.

So it's the iTrack register
and they publish updates from those and,
and they, they are useful data
and certainly they're used a lot
and allowed to be used a lot,
particularly in the US for marketing purposes.

There are other regulations in other jurisdictions.

So I'm not making a general point here,
but this has got all the hallmarks of like a me too.

It doesn't really come out as something that necessarily,
even though I, I, I don't understand that chart
that Winnie showed, which showed the site sciences,
the omni competitor flat on revenue.

Yeah. And I track, you know,
pretty nice healthy growth over the last three years,
particularly since the latest device was launched.

Mm-hmm. And so I, I just don't understand what is it
that's causing the US surgeons to switch?

It's not because they're flooding the field with lots
of sales reps because mm-hmm.

They've been holding their sales reps absolutely flat.

And that's something I don't understand.

I don't know any medical device CEO
that has a sales rep earning on average 2 million, um,

revenue contribution who isn't adding more sales reps.

I, I get the EBITDA positive thing, but look, it's working.

Capital is, this is David Williams from Poly Nova, right?

Yeah. It's working capital.

You add a sales rep with an all up cost, an Aussie dollars

of maybe, I don't know, 300,

\$400,000 when you add all the on costs.

And in six months they're doing, you know, half a million.

So they're paying themselves back in six months

and 12 months they're doing a million,

and a couple of years they're doing 2 million.

Well, you know, the rational resource allocator would,

would add some more reps,

and yet they've been flat on reps for three years.

And I just don't understand that.

Yeah, no, that's an excellent point.

I I, I don't get that either.

Only perhaps it's a cynical view

to just hold costs Absolutely.

As flat as you possibly can. I don't know.

But then it, it would feel

as though you're shooting yourself

in the foot a little bit there.

Um, let me, uh, Brian's made a, a comment here.

I'll read it out if you don't want to do it yourself, Brian.

Um, interesting.

I've been having a look at some of the US analyst reports.

The valuations are all over the place. Ain't that the truth?

I'm not a medical expert, but I wonder if Noex exposed or potential takeover bid.

Yeah, that's interesting. This happened to me in the mid nineties when a new and innovative solid state pH probe chemical food, water industry's brand was raffe was invented and introduced by our 98-year-old American company.

And we are swooped up, swooped on and bought out by the competitor.

Yeah, it's one of those, it's one of those things that's very bittersweet.

It's, it's, it's sweet in the sense that you usually get a little bit of a premium to the last traded price.

It's usually pretty bitter if it radically under, under, um, bakes the value that you see in the business.

But it's a good, it's a good point. Brian.

Um, just back on your point, Mike, how, how do you think, or what would you need to see to resolve that concern, I suppose?

I mean, I have indicated already that they are going to bulk that up.

Is this a, a case of just tracking updates over the next, you know, six to 12 months to see what they've done there and whether that sales efficiency is sort of being maintained or improved, or how do you get comfortable? Yeah,

So, so I, I had a few light bulbs that, um, I'm sorry, I probably wrote some very long and verbose posts today.

Um, no, that's great. I tend

to think out loud on, on straw, man. So you'll find I

Love it. No, no,

no issues here.

I'll contradict myself. So what I figured out is going on,

and, and this is some insights I got from a real, um,

deep dive, very much assisted by, um, a ai

but also meta's, um, posts, is that

what site sciences is doing is the entry.

So, so basically your cataract surgeon, um, who's used

to like doing procedures in the eye, those, so,

so the cataract procedure is, if you like the,

the bulk factory operation in, in ophthalmology, right?

A portion of those will then learn how to put the stents in

because it's relatively easy once, you know,

if you're skilled enough to do a, a cataract surgery,

putting the stent in is relatively straightforward

and that is the standard of care.

And, and the, the stents have been

around like for a long, long time.

So there's a lot of mentoring and support and the sales reps

and different products all over the place.

Okay. So now let's say that you are an ophthalmologist

and you, um, can do the cataract procedure

and it's economically advantageous for you as Tom.

Um, Sperling said that once you've got the patient there

with their high ball in front of you

and you put the cataract in to,

and you see that the, one of the 20% who's got glaucoma, because they tell you they're taking eye drops.

So you know, they've got a diagnosis, you can say, oh, well look, I can, I can either put a, um, a, a stent in.

As you get better at doing that, um, you've then got the omni the, the, um, canaloplasty and the trabu, the, the thing that cuts the tissue.

So what's happening is because the, um, Omni doesn't leave any hardware behind in the eyeball, um, for mild and moderate cases, it seems that some of the surgeons who are doing the stent procedure have been convinced to try the, um, the omni uh, device.

So what I figured is going on is that there's a, there's a, what's happening is those that are using the canaloplasty and the ectomy or whatever, however you say it, I don't even know how you say it, how to write it, I'm not gonna help you. I don't know.

Some of them are clearly being convinced to give the eye track go because it's a simpler device.

You can only do the 360, um, canop plasty using it and, and maybe it's a bit cheaper and the eyeballs don't bleed so much after the procedure. Um, so you, you know, it's, it's pretty much a wash in terms of the, the time each, the, the procedures takes.

So I think what's happening is the, the rate at which site sciences is converting over people from stents to try

the Omni is balanced

with the rate at which they're potentially losing people who are using Omni, but are now giving eye track a go.

Yeah. So there's some kind of like dynamic, um, equilibrium.

Yeah. And I think the reason I think that's probably the case, and now this explains the very small field force that they've got.

I mean, I know medical devices, you can't deal with the US market with a field force of 10 people.

Mm. You've gotta make choices on what regions you're gonna be.

And so I published another straw today where I said, look, if I was the vice president of sales for the, for the US and you told me you only had 10 people, this is where I'd put them.

And it's simply looking at where the population densities are, the clusters that you can maybe pick up in a hundred miles.

And and that's where the, that's where the clinics are.

'cause the clinics are where the patients are. Yeah.

So I reckon what's happening is Tom's got the spreadsheet or his US team have got the spreadsheet where they've got their current customers and within the, within drivable

or, you know, short commute distance, they know where the other clinics are that they're trying to convert.

And I reckon they're focusing on the, the clinics

that they know are using Omni.

Because if you've given omni a go,
you've already bought into the, the, um,
the canaloplasty ectomy is, is,
is worth it in whatever cases you clinically judge
compared to putting a stent in.

So it's probably, um, a softer target.

And they're probably not making the investment to go head
to head with site sciences to try
and convert the, the clinicians that are using stents.

Mm-hmm. And so I think the judgment Tom's made in sitting
with this very productive,

I mean 2 million revenue per sales rep in this therapy area
is, is fantastic.

Great. And so I think what he is decided is
as he adds each extra, um, sales rep that
marginal revenue is gonna drop
'cause he is gonna move into a harder space.

Yeah. He's on the go.

Gonna move into areas
where the reps are spending more time on the road
'cause there's more distance between clinics
or they're having to do more work and pay more visits
before they can convince someone to give,
give the eye track a go.

So I think he's operating in a sweet spot
until he gets profitable.

And so then from a valuation perspective,
the critical assumption that drives the valuation

of this business is how much increment,
assuming you can hold the rest of your GNA flat
and you don't have any r and d
and you don't have any CapEx, how much incremental sales
and marketing boots on the ground do you have to spend
to get your incremental revenue?

Mm. And that is the classic medical devices problem.

Yes. And so the question is until I can figure out,
because the range of assumptions
that I can put into my valuation for that are so wide Yeah.

That, as I said before,
I can get everything from negative 5 cents of value up
to like 70 cents.

And that's, that's, I, as you know, I like specky
specky investments, um,
but even this is, I haven't narrowed it down yet.

And so I think I need to understand a bit better
what's actually happening at the coalface in the US
'cause it's unlike anything going on anywhere else in the
world because of the nature of that market.

Yeah. Mike, given, given you've spent a bit
of time in this space, I mean, is it too naive to expect
that, that you get inbound sales inquiries,
you've seen it at a show, maybe you're keeping up with some
of the literature or you're focusing on some
of these registry results or, or something.

Or do, do you not, not just in regards to no override,
but just as in general is it feels as though

there might be a little bit of urging that is,
that is required and,
and if that is the case, then you just really don't get off
the ground unless you make that sales investment.
Um, right. So the important thing is of course is as you,
as you rightly say, there's a lot more to
getting sales happening in pharma
and med tech than the sales and marketing rep.
I mean, there's a lot of peer to peer.
So people go to conferences Yeah.
Up and coming new, um,
clinicians will learn from the opinion leaders.
And so that, you're right, there's a lot of inbound call.
Mm-hmm. But there does need
to be the sales infrastructure on the ground
because they need to have the materials, for example,
to put it through their, um, value analysis committee,
you know, to get the reimbursement authority.
Um, and the sales reps do actually you, you know, support
that, you know, where are we gonna get the product from?
At some point they come into contact with a sales rep
and the sales rep of course,
because sales reps are often lowly,
quite lowly clinically qualified.
So they might be an ophthalmic technician, for example.
They're probably unlikely to be a, a, a surgeon.
Um, but they will be directing mentors and
and peer clinicians to you, you,
or could you call someone at this?

They're doing a lot of coordination. Mm.

Because you're right, a lot of it is within the medical profession.

It's peer to peer.

I mean, sales rep, a sales rep hasn't got seven years of like medical training.

Right. So who's gonna, who's gonna change the way they do a procedure on, on the authority of a, I've, I've traveled with sales reps by the way, early in my career as part of my, my, um, graduate program.

I worked in manufacturing, but I had to go out with the sales reps.

And, and very often these sales reps will mark that they've been to a practice, but they haven't got past reception.

You know? Gotcha. They've just stumped their literature on the desk so they can, they can tick their KPI to say that they've been into that practice.

'cause Right. These clinicians are really, really busy.

It's different a bit sometimes in medical devices because in medical devices it's not like just taking a pill in the mouth.

There's, there's quite a lot of technique mm-hmm.

And, and capability to be built up.

So, so some, the, the, the sales reps tend to be a bit more highly skilled in medical devices and, and they will sometimes actually get into the,

the operating room in the early, in the early,
in the early procedures.

So, so yeah. It's, it's, it's complex.

But at the end of the day, um, the spend on sales
and marketing does correlate to whether
or not you can get sales growth.

And, and so before I can invest in, I,
I've gotta have a point of view on how that works,
otherwise, I'm sort of going, I feel I'm getting blind.

Yeah. And, and, and it's also a case of, um, necessary
but not sufficient, I suppose, as well.

Right. So yes. Okay. We need some more salespeople there.

But you know, there, there there's a, there's a big gulf
between someone who's highly, um, capable and,
and someone who isn't as well.

So it's not a mechanical thing.

Let's just hire some more salespeople.

That process can take a while.

Getting them trained up, making sure that they're aligned
and all of that kind of stuff
can be a bit of a challenge too.

Um, I, I was gonna make the point
before in regards to Omni, as I understand it,
you are looking at, at, at a, uh, procedure
that's more than double the cost of, uh, iTrack.

I know that like no matter what jurisdiction you are in,
but you know, certainly the US as much as anyway,
that there are, there's very eec there's very much an
economic dimension to this.

Do you think that that plays

to Nova's, um, advantage?

Um, I'm not sure about the double cost thing

because if, oh, so the wrong the Yeah.

The, the canal canaloplasty

and the ectomy, the thing that, um, Omni can do, both of

is based on my research, they both code under 6, 6, 1, 7 4.

It's if you add the stent that you code under 6, 6, 1, 7, 5.

Okay. So, and the thing that we don't really know, I mean,

Tom has said it's a thousand bucks

for the device in revenue,

but he's not really disclosing the real number.

And what I, what I haven't been able to figure out

by my AO driven searches is how much they're really playing

for Omni and how much they're really paying for iTrack.

I think that's quite closely guarded for purposes. Yeah.

And they probably don't offer the same, uh,

price across the board, you know, to private there.

There's probably a negotiation around that as well. So yeah.

It's a little bit opaque.

Yeah. Okay. Interesting. Uh,

You might be, so one of the, one of the things I, um,

hypothesized, um,

'cause again, I'm trying to think about

what all the possible reasons are.

So site sciences have got this much bigger sales force.

I think they've probably got what you would expect to see,

which is a sales force of about 40 or 50 mm.

So maybe they're locked in to a really high cost base and because of that, they're stuck in not having a lot of room to move on price.

And so maybe iTrack being really lean are coming into that and they, maybe they're stealing on, on price, they're stealing share on price.

I dunno. Again, it's just a, it's an open question.

Yeah. Yeah. Um, yeah, that's really interesting.

I, I, I'll read out the other comment from Brian who just on, on the last point there, the, that 98-year-old company had been slowly infiltrated by competitors management and sales, uh, that eventually brought it out.

So, you know, I guess, I guess board changes or management changes would be, be something to watch for there as well.

Um, and, and, um, who else?

We've got, um, Sharam making the point that in Influe doctors can be influential in terms of, of what, um, their peers do, which is aligns to, to the point that you made there, Mike.

Um, well, okay. That's really great. What else?

What else, um, do we think is worth keeping an eye on here?

Uh, I know that in regards to, not to make it too much about near term financials, but this break even Target was originally slated for the first half, which came and went.

And it wouldn't be the first time in history that, that, um,

you know, that target was pushed back again, even if it's for things that are really benign and not specific to the company.

Any, anything can happen with a, with a Trump tweet or, or, or God knows, uh, what is anyone particularly worried about the balance sheet or that need for cash?

Or do we just kind of think that it's one of those things that will, um, um, that they'll avoid.

I mean even if I, I suppose even if they miss their target, they'll be bloody closed and the cash burn rate will, will reduce significantly.

Um, but yeah, just, I'm, I'm,

I'm keen if anyone has any thoughts on that, can't make Mike do all the talking. Everyone

I'll, I'll, I'll shut up for a second. No, I

Don't mean, I, you might, you might,

I might be landing on you if no one else wants to pop their hand up, but

what do you think Mike? No one's gonna, well,

Okay, so, so now I think we have

to look really closely at the numbers.

So if you look at the US sales growth, they brought in, um, the advanced diet track model like a couple of years ago.

And so in 2024, I'm just looking at the US sales

because I think, yeah,

you've gotta strip away everything else.

'cause everything else is just like a, a mix of a bunch

of things that I aren't material
and it's really almost impossible to model.
And in medical devices
and also in pharma, if you crack the
US market, you have a business.
If you can't, you don't. So I'm almost like, I might add 10
or 15% in my revenue
or valuation for something else growing at a slower rate.
But it, this is, as far
as I'm concerned, it's all about the us.
So yeah, revenue growth in the us 2024,
over 20 23, 70 6%, remember this is
with this flat sales
and marketing workforce of, it varied
between I think 11.5 FTEs and 9.5 FTEs.
So it's gone up and down a little bit.
So maybe they've had a bit of retention or,
or turnover that they've had to manage there, but of churn.
Um, so 76%, 24 over 23,
then 20, 25 over 2024 with the same workforce.
Mm-hmm. Let's say 32.2%.
Mm-hmm. So that's a rapid, you know,
that's a rapid slowing down of the, of the growth rate.
Growth rate. So we know
that they're holding the workforce constant.
Again, I think I've heard Tom say under pressure in one
of the analyst calls, 'cause the analysts
keep going after this, right?
Because they don't understand why he's not adding more,

more sales marketing people.

I think he said maybe they've maybe added one at the beginning of the year, so maybe they're back up to 11.

But, so what do you think they're gonna do?

26 over 25

if you've gone 76% growth, 32% growth.

So is there a base effect there?

Like Yeah, there's base effect. Yeah.

So the incremental sales were, um, uh, in Aussie dollars in the us um, 17.3 million, then 22.9 million.

Right. And so went, so went 9.8 to 17.3 in 2024.

So that was plus um, um, seven, between seven and 8 million.

Yeah. 24 to 25 it only went up plus 5.5 million.

Yeah. Interesting. Incremental sales is slowing. Yes.

So if you don't add more basic input, you know, effort. Yes.

That's, so what's the rate at which that's, that's slowing off.

So be really careful about doing a kind of a linear projection of assume it's 30% or 40% for the next few years.

'cause I think you're gonna be horribly disappointed.

So then back to your question. Yes.

Will they get to break even this year?

I'm pretty sure they'll get to EBITDA break even,

because, you know, we all saw Tom, he is focused on it.

Yeah. Yeah. He's holding back every request

for increasing budgets like nothing else.

Yeah. And they've probably got enough momentum

that they'll squeak over the line on an

EBITDA positive basis.

But then what, what's the momentum

that's taking them forward?

And then when's he gonna start adding extra resource?

That's the, that's the question.

Yeah. It's also, I'm just thinking out loud,

it's a little bit of a worry that you would see that

that slow down in, in revenue from that same team,

because particularly given that there's so few of them

and such a large market,

and also you would imagine that your pitch gets better

and better the longer that you've been at it.

So it's not like they're hitting a, you know,

we've just saturated all the available sites.

There's always other plenty of sites that they could go to.

And, and, uh, I would imagine over time, you know,

you've got more, more scientific backing in the registry,

you've got more experience in selling the product,

you've got more doctors that you can refer to.

So yeah, you would almost expect that,

that you would also almost expect it

to certainly be not be going backwards, I guess.

Well, if it's clinically differentiated, yeah.

So doctors try it and they get better outcomes. Yeah.

Then they'll stick with it. But if they, if they're getting, if they're not getting better outcomes, you know, do they stick with it?

Do they, do they just, do they decide within all of the patient situations that present that, okay, well I think, I think this works better with this type of patient based on my reading of the, the literature and we're getting here, you know, I don't have that level of knowledge and I'm not clinically trained.

Right. Yeah. But I, I kind of just, I don't see the, the differentiation beyond the things that we've spoken about.

It doesn't look like it's a, looks very much like a me too product.

So I'm not sure that the efficacy or the economics are, are gonna provide that impetus behind it.

And, and it's almost, it, it strikes me as it, it, not impossible, but close to it in terms of how you can just reason from first principles as how that adoption will be.

It, it, it feels like something you either have to observe or not observe, and that either the proof will so, you know, be in the pudding to a degree.

And maybe that's not a terrible thing to wait for.

I mean, you know, I, I suppose there's the opportunity where, um, it turns out that, uh, credibility grows, adoption grows, usage grows,

and that's noticed by the market.

And so you end up waiting, but buying in at a higher price, but often in the market you end up paying a higher price, but for a, a much more de-risked opportunity.

And so it's a question of do you accept higher risk, which is, you know, let's put it plainly, which is, you know, a greater, a greater chance of losing your dough or a, or a, or a big chunk of it, but with the hope of greater upside.

Or do you leave some of that upside on the table as they say, but, but go into it with a much higher conviction.

Um, that's often, to be honest with you, that's where I get to with a lot of these companies.

'cause it's so far out of my wheelhouse.

It's just like I, you know, I've never used it,

I never will use it.

I've, I've got no idea about the, the, the field that it operates in.

But I think it's a reasonable enough interpretation that if you see people continuing to use it and more people use it, then it must do the job that, or at least it must solve a problem for someone otherwise that purely that, that, that, that simply wouldn't be the case.

So that might be something that people wanna hold back on,

I suppose, or one of the things

that people might wanna hold back on just to build up that level of confidence.

And yes, you'll probably kick yourself if it's at a higher price, but you might be very grateful if, if, if in fact, uh, the, the price isn't higher.

And, and those trends that we hope for do not emerge.

Yeah. I, I, where I've kind of landed, unless I get some insight that, that I can, that can help me really develop a conviction around this, I do wanna see at least one more data point of the sales growth in the US to understand what that capped team, what momentum is.

Have they got it? Just the, the, I've got two data points which says the momentum is, is tailing off.

Yeah. And so I could extrapolate that depending on what I believe that decay function looks like.

I could create, come up with any number under the sun.

I'd like to see another, I'd really like to see another data point where whether it's a six month one or a 12 month one.

And I think given the industry that this is in, unless some analysts start getting excited about, about this and start pumping it, I, I don't think this is gonna explode because it's a, it's a reasonably mature industry.

It's a pretty competitive industry.

Um, y you know, I, I think the downside of being wrong and, and then taking yet another investment with a 30 or 40% haircut Mm.

Versus paying a little bit more for it that I'm,

I'm gonna be on, I think I'm gonna be on

the cautious side on this one.

I've been burned too often.

Yeah, I, that's probably where I sit too.

I mean, it, it's, it's one of those things as well is,

I guess the way I framed it up

before, it suggests that

there is a big opportunity cost in, in waiting.

But then again, you can frame it differently.

I mean, 3% of the available market just in the US right?

They talked a bit about China, I think you're right to sort

of discount other areas, but they talked about China

and, you know, being three times the size

of the market, et cetera, et cetera.

I'm just making the point that if there is traction

and there is growing adoption, there is a long, long,

long way to run, you know, um, uh,

in a growing market there.

So it's, it's not as though, it's not as though it,

it fundamentally changes the risk re reward.

Oh, it, it changes the reward proposition,

but it probably makes the risk reward proposition

significantly better. Yeah. If

That makes sense. A, a

really good example of if, um, are other straw people

who are interested in looking at this one a case study.

Poly novo is a really, really good example. Okay.

So poly novo grew really strongly in the US sort of 40,

50% for, you know, three or four years

and internationally off a much smaller base.

It was growing, you know, you know,
initially 120% than a hundred percent than 90%.

And all of a sudden, um, it reported growth
of like 30%, 23%, 25%,

and international went from like 70,
80% also straight down to 25%.

Mm. And, you know, the market just didn't see that coming.

So this lucky, I sold out, I sold out,
and again, it's all published in the straw.

And I, I exited, um, poll novo at, at 180
because I was able to react.

Good trade. Yeah.

I was able to react on, on the slowdown
before the market clocked what was going on.

Yeah. Um, and so you've gotta be so careful, these,
these growth momentum in medical devices,
particularly in these contested spaces,
can change really, really quickly.

Yeah. I think poll Novo is now down at 90 cents or 95 cents.

Yeah. And by the way, I'm, I'm looking at poll novo
'cause I actually think it might be undervalued again, but

Yeah.

Yeah. We, we, we, we, yeah.

We love we love the erratic market, don't we?

Um, yeah,

I gotta see if I get David Williams along actually again.

Um, uh, yeah, so there's a few comments there in the,

the chat, uh, of Zoom rather than read them all out.

I I think I'll just, I'll, I'll, uh, add them to our library

for when we produce the report here.

Are there any angles here

that we haven't covered or touched on?

Um, have a think about that.

And in the meantime, what I might do,

if you've got your Slido link open, I might just put some

of the polls up here just to move things, move things along,

and just sort of see where the,

where the sentiment kind of lies.

Um, let's try this one here.

So I guess I'm, I'm interested in people's perception on the

overall risk of the investment.

And that's a very broadly framed

with Mike's identified some very specific risks,

but I, I'm, I'm just

after a general view as to overall, whether you see this

as very low risk, very high risk, or,

or anywhere in between.

There's, there's a, there's a scale there.

You won't see what other people have done

until you've voted.

I've, I've kept it that way intentionally.

All right.

How do we, how do we vote on

this? Oh, do you click the star?

Yeah, I think you just click this, uh, one to five stars.

So it's like a five, five stars for very high risk

and one for very low risk.

I'll load in my own thoughts here.

Uh, Andrew, where to click? Sorry.

Uh, just click on the stars there.

It should have a low risk, one is low risk, five is high risk. So more

Stars. I'm calling from my

mobile. I from mobile. Oh,

You'll have to, if you, if you look at the Zoom chat, uh, you'll find a link for up the top of the chat.

The chat, it says App Slido. Okay.

And you'll be, you'll be able to do it there.

All right. Thank you for that.

I'm gonna bring the other one up as well here.

I thought it'd be worth asking about the quality of management.

I know that came up in the, um, in some of the forums here and, and informed, I suppose, by what is typically a very long and brutal run as, as these med tech companies sort of try and go for commercialization.

There's a lot of big promise and hype and total addressable markets, and often things run up as everyone gets super excited.

And then the cold reality of sort of actually developing and getting something in market and generating sales comes home to roost.

You see this long 10 year period of just like soul crushing,

uh, uh, uh, losses.

Uh, if that's management's fault for poor communication or if that's the market's fault for, for having unrealistic expectations that that's for you to decide.

But I do point that out because it it did, it did come up in the thread.

So yeah, have a, have your say on management as well.

Thank you. I think we've got most people voting there.

I'm gonna, I'm, I move on to the next one.

Again, I don't wanna sort of overemphasize this.

I, I, I think a capital raise is inevitable.

And in fact, I think you probably want to see a bit of a capital raise on the back of some really good news.

'cause, um, to Mike's earlier point here,

that they really need to

ramp up their sales efforts if they wanna prosecute the opportunity that's in front of them.

So if things are going well, you'd want to, you want them to be able to do that.

I think the, the other investors often get pretty pretty cynical about this, and it's not unreasonable to do so.

But there is also the brutal reality of, of capital markets just being very, very, very fickle.

And, you know, as I've had more than one CEO mention to me, when the market gives you an opportunity, you take it, even if you don't need the capital, a lot of the time, they just take that as well.

Um, so, uh, anyway, uh, just, just some,

some thoughts on that.

If you wanna have a vote,

you've gotta hit send afterwards too.

I should have mentioned if you're on the mobile app,

Okey dokey.

Let's throw the next one. Do

shares represent good value?

Five stars is very, very cheap bargain of the century.

One is, it is super expensive.

And, and by the way, if you, I should have mentioned this,

if you're not sure, don't have to vote it, it's fine.

Um, only vote if you've got a view.

All right. Thank you. They're all coming through nicely.

Just make sure I haven't left anything out.

Um, I'll leave this Slido live if people are having trouble

accessing it on their phone.

So you'll be able to do it, do it, uh, later on. All right.

Um, is there any, oh, there's a lot we haven't discussed,

but we, we could spend hours and hours and hours doing this,

but I do wanna respect people's time, not

that I'm tying it up right now,

but just to move things along, anything that we haven't

yet discussed that that's worth discussing?

Uh, quick one for you.

And I turned my video on for a change.

Good day, Brian. How are you? Hi.

Another face. Um,

I had a look at December, 2023,

that stock spike that happened.

I'm thinking, oh my goodness.

And that was because of the US market approved.

Well, they didn't, they didn't disallow the, the incentives from Medicare and the Ah yes. Providers.

And that just, that jumped that stock price by what, 50%, 60%? It was significant.

Yep. Yeah, just watching for things like that, I guess. Yeah.

Yeah. There's some, there's some history and, um, I can't remember which straw person was that put me onto this, but, um, there's a history in this area when, um, when the, um, canaloplasty technology, when Omni started taking off, what happened was that, um, surgeons were coding it against the higher reimbursed, um, stent, um, process.

And there was a big clamp down on that and auditing.

Um, because when you're putting the stent in, it's a much higher, um, product.

And it was really interesting 'cause I was at the ophthalmologist on Monday, and we actually had a look at the, the description of the, um, the TGA, the Australian Health Services, um, description of the code.

And it's this big long sort of three line description.

And he was basically saying, oh yeah, you,

you could use iTrack.

And I said, well, no, it says

that you've gotta leave some furniture behind

to click this code.

Mm-hmm. Apparently what happened in the us um,

ophthalmologists were chalking up their procedures

against an incorrect code.

Yeah. And so there was a bit of a clamp down on that.

And then I think at that time there was also a

review on the reimbursement.

Um, again, I don't, I I, I know it was an issue.

I don't understand in detail what happened,

but these things can happen when they, when they, they when,

'cause they use these, um,

they use these reimbursement codes

to incentivize clinician behavior.

Um, and, and

so they can be reviewed when there's new evidence or,

or when they learn that there are certain practices.

Um, this is happening big time at the moment

with the dermal repair stuff outside of,

outside of hospitals.

Um, they reckon that the,

the physicians have been wroughting, um, Medicare by,

you know, using, um, expensive dermal repair codes to get,

to make themselves a lot of money.

So this is a whole facet of the US medical system that,

um, yeah. I

I guess that's why I brought it up. I, yeah,

Yeah. Absolutely.

Brian, you can be exposed to this

and, uh, you know, you could take a 50% increase,

you could probably get a 50% decrease.

And I look at Nova back in, um, we, we,

we kicked off like 1980 or so,

but 11th of June, 2001, it was \$5 35.

And, uh, here we are today at, you know,

16 cents, 17 cents. Mm-hmm.

Well, don't forget though that, that the old business

had a laser, had a la it, it sold, it divested Yeah.

Understand that Into that business.

And it returned a lot of that cash to shareholders. So Yes.

Be careful about looking back in

the history and the high price. No, no,

I was aware of that as well.

Yeah. Yeah. So it's a,

they've got a really interesting product,

but I, I mean, I got seriously burnt with that.

Mm-hmm. And, uh, Raffe probe, which was just a market,

there was nothing else like it on the

market back in the nineties.

And, uh, we got swooped on big time, so be very careful

what sales guys join them. Yeah.

You always, you're always

left wondering, aren't you Brian?

What, what could have been, you know, what,

what would it have happened if they

stayed on market? Right.

Oh, great. Yeah.

And it's a real, it's a really good point with, um, this company because if, for reasons that I certainly don't understand, iTrack is superior to Omni and one of the other medical device companies that are serving ophthalmology have a gap in their portfolio.

They could buy this business for a song. Yes.

Just look out all the management overhead, retain the factory, retain the 10 sales force, maybe, maybe put 20 extra sales reps on and, and add a lot of value overnight.

That, that's absolutely a risk here.

And maybe when you're doing evaluation, I know we don't buy in anticipation of m and a, but you should be thinking about as a scenario, which I think one of the valuations that was posted earlier today did have a bull case, which is the m and a you kind of should understand on some multiple of revenue.

How might this business be valued?

It, it's definitely a possibility.

I don't know if you say 5% or 10% probability, but it's definitely a chance it could happen.

Yeah.

Yeah. The company constitution was a really interesting read where, um, it would actually be possible for one of us

to go in and buy it out.

Oh, interesting. May maybe,
maybe we should all pass the hat around.

Not suggesting that. I'm just
saying it is actually possible.

So yeah, it's possible
that someone could infiltrate this slowly in the background.

Yeah, yeah. And, uh, get on the board
and, uh, start pushing people around.

I think the reaction to insiders to
that is can sometimes be telling too.

It's, it's just very eager to, to recommend
and suggest the takeover either says one of two things.

One is thank God because I never
thought I could make this work.

Um, which is interesting.

Or sometimes it's very often the case of I'm just tired.

I've been doing this for 15 years,
and I just, I just don't have it in me.

And someone's given me the chance to buy a yacht and retire.

You know, it's, it, it, I I I can, I can understand
that viewpoint, even though it might be frustrating when
there is legitimate stuff that, that, that is there.

But it is, it is sometimes interesting.

I think when you sort of read the board's recommendation
and conversations with, with shareholders is to, you know,
um, uh, their intent.

And, and, and, and while it might be frustrating sometimes
when people miss out on a near term pop, you know, it, I,

I do do find a bit of signal in management going, no way.

We're not getting rid of this. This is great.

We've been working at this for too long.

I, it doesn't mean that they're right, but it sh it,
but it perhaps reveals a little bit as to what they,
that they genuinely believe in, in the opportunity.

We'll, we, we'll cross that bridge even

and when we come to it, I guess,

Yes, Andrew, we Come back to the, sorry, Brian.

Yeah. One final comment from me was that just noticed some
of the stock analysts in America have been having trouble
getting hold to Tom.

Oh, really? And they've actually made comment to
that effect, which doesn't look well on our,
on a, you know, report.

No. Interesting. So,

So he is not picking up the phone.

Well, I, I'll tell you my experience, uh, with it.

So usually when I'm trying to line these things up,

I open up an A SX announcement,
see if there's an investor relations
email, something like that.

I'd, I'd like to pretend I'm super plugged into the, uh,
C-Suite network of Australia.

I'm not. So it's usually just a cold email.

Um, but Tom was pretty quick.

Yeah. Uh, getting back. Yeah.

So I mean, I, I don't know what to read into that,

but I, I know that my experience was, was, was not that,
and we're a little bit different too
'cause we're not, uh, you know,
we're just a little dinky in online investment club.
So they, uh, you know, if he was happy to give us time,
I'd like to think he would make a little bit of time
for any serious analyst with a bit of sway or, um,
but yeah, that's, that's an interesting insight,
Brian. So it was
Interesting. I think they
are quite, um, retail investor friendly
because when Winnie kicked off the initiative a week ago,
whenever it was, I was trying
to understand about their clinical trial stuff,
and I, I, I sent in a question, a couple of questions
to their investor relations guy.
He got back to me like within an hour.
Oh, that's okay. Yep.
And he gave me more than he gave me more
than I was asking for.
Yeah. It's interesting.
You, you were gonna make another point before Mike.
Oh yeah. Just coming back to your poll question about
what we thought about, um, management.
How long had Tom been CEO?
Not long. I think he was CEO before.
Am I getting my wires crossed?
I think he was before he took a hiatus
and then he came back again, I wanna say, because

Does he own many Share?

He's only been there five

and a half years, I think this time around.

Let me see.

Does he own many shares? I don't.

He's been, He's definitely got shares from memory,

but it was, I wanna say 1% of the company, maybe three,

\$300,000 worth.

Yeah. Right. So he's not, he's not backed up the truck

for someone of his station, I suppose.

I actually couldn't figure out

who are the major shareholders today.

I, I had different, uh, reports coming in from

various sectors.

I'll have a closer look at a SX tomorrow, but yeah,

Someone, someone posted in the chat actually

that Australian Ethical is one

of the largest shareholders That's

Straight. I thought it was HS bbc,

Um, One of the other ones.

Maybe they're, uh, on behalf of

HS bbc Australian Ethical have invested.

But yeah. Uh, that was, uh, yes.

It was an interesting, uh, conversation you had with Tom.

Thanks for doing that, Andrew. Oh,

Yeah. It's fascinating.

I I, I love, I love, I love doing it. Um,

I thought he, um, came across a lot better in your

interview than he does on the investor calls.

And I think sometimes we have to remind ourselves that these micro cap CEOs, they're not like, you know, the CEO of west farmers or combat Yes, yes.

These, these, these people don't spend a lot of their time and haven't had a huge amount of experience dealing with investors and analysts.

And that, to put it bluntly, they're not particularly polished in their communication.

Yep. And so I think he showed up a lot better in the straw man.

I, I was not impressed having listened to a couple of the investor recordings with them and how he dealt with questions.

Yep. And I think having a more relaxed conversational style, I think that I,

I think he came across a lot more impressively than, than he, than change my view of him, actually.

Well, that's good. I mean, look, I'm, I always,

I always finish those calls

and think, oh, you, you ser fan,

I feel dirty afterwards.

But the, the, the method to the madness,

and maybe I'm conning myself,

but I I do, I do think that it's,

you are more likely to let someone let their guard down when they see themselves in a friendly environment.

So I'm not trying to throw praise on them

because, you know, necessarily I love the company.

I think everyone should buy it,

but I just, if you start going at someone hard,
the the walls go up and you just don't get anywhere.

So, um, so hope,

hopefully a more casual a a a atmosphere works.

I, I definitely agree with your point though, Mike.

I've seen it happen a lot. And,

and what is very interesting with, with smaller cap CEOs,
particularly if they're sort of the founder ceo, sort of new
to this sort of arena,

I think they understandably overrate the significance
and the importance of analysts and fund managers.

Um, not that they're not important, I'm hasten to add all of
that kind of stuff, but particularly when you've got an
investor relations person in your ear, it's like, oh,
you've gotta do this and you've gotta do that.

I mean, you know, it there, I, I've actually had a few
CEOs sort of mention that there's a lot of pressure
around all of this stuff, which is why I'm

so often in these interviews

like, don't listen to those guys.

Don't worry about it. Just say

what you're gonna say and, and, and do that.

But I, there it,

it is, what am I trying to say?

I think it's actually a good thing if there's a little
less polish there.

I'm a little bit worried when you have the very,

very seasoned CEO who's done a thousand interviews
and a thousand analyst briefings.

'cause you, you'll, you'll, I'm sure all
of us have encountered this person who, you know, that, that
that person who has got the silver tongue
and is very good at answering, but it's, but it,
but it hides, um, perhaps a, a a deeper incompetence
or, you know, the, the, the,
the talent is more in the messaging rather than in the
operational delivering kind of stuff.

So sometimes, I always think the,
the classic example I think of here is, um, Wayne Hooper at,
at, uh, Levon.

Like he's just, what you see is what you get.

You know, and,
and in another parallel universe,
you could have a highly polished more, you know,
career-minded CEO and, and,
and maybe they would answer questions better,
but you'd probably get a lot less signal from it.

So it's, it's a bit of that.

Um, and just in regard, I asked, I asked, uh,
my bot here who's got the annual reports on it,
major shareholders and HSBC is up there at
18.5%, JP nor Morgan.

So these are all people holding on custody on, on behalf of,
of various funds and, and whatnot.

Um, yeah, but I can't, yeah, I think,

I think Tom's shareholding is less than 2%.

As I say, it's not nothing, you know, I mean, no one, no one throws, you know, two or \$300,000 around without thinking about it, maybe unless you're ghar, but, but it's not a massive, it's not a massive allocation.

I think we can say

One thing he said that, um, impressed me, or at least it really demonstrated that there's rigor in his management was when you asked him about, um, you know, registration in Australia.

And he said, look, you know, in terms of the marginal capital allocation decision, am I gonna invest in the clinical research to get a a, a TG a reimbursement decision in Australia, or am I gonna put a sales rep in Pennsylvania? Or he knew

Yeah. What market

he's not covering in the US where he would send the next rep if he had the extra money.

Yeah. So very clearly, and that actually gives me further confidence that they, they will as if revenue comes through, hit, hit the cashflow break even.

'cause this is a guy who's got his finger on the, the, the dollars, like when he says, when the sales reports come from the US and he knows what the outgoings are and what the incomings are, I mean, you know, he, he's got this managed with an inch of its life, I reckon.

Yeah. Yep. I, I imagine too.

So just in regard to the earlier question,
I think someone else put it in the chat here,
but he was CEO of Alex Medical, uh, lasers,
but 2011 to 2019 acted as a consultant for a bit
and then decided to come back to the job.
Now again, um, not reading too much into it,
but I would suspect having that very long history
with the business instrumental in its divestment
and it's, it's pivot to focus purely on, on iTrack,
that if you secretly thought that was terrible, I mean,
you just, you don't go, you don't go back
into the jaws, do you?
Of, of, of defeat. I I, maybe he couldn't get another job.
May, maybe it was the best offer on the table,
but I, I, I, I, again,
he could be completely wrong in his judgment.
Um, but to, to, to take on that role again, knowing
what he would know, I, I, maybe, maybe it suggests
that there's a, a degree of confidence there.
And as to your point, Mike, you know, he is just, he's,
he's got a very clear plan.
He's just, he's driving through this line in the sand of,
uh, you know, of, of, of break even.
And, and as the incremental cash comes through,
he knows exactly what to sort of do to,
to maximize revenues going forward.
We'll see,
One final comment from me, an extra final comment.

He, he, you gonna share this video with Tom?

I said to him, not the, maybe not the video,
but what I will do is I said I'd share our report
with him. Okay. Yeah,

That's fine. Yeah.

I have no issues.

No. Look, I, I, yeah, again, I, not, not
that I'm wanna hide anything that we've said,
but I, I do want to keep it behind closed doors.

It's, it's definitely give him the, the, the output
of our general thoughts.

But I'd like to be able to have a conversation more without,
with our guard down.

Not, not not having to worry about what,
what the CEO might think, but Yeah.

Yeah. I'll def we'll definitely share it.

And, and, and he even, he actually said he would, you know,
if any outstanding questions, whatever, he'd,
he'd be happy to come back.

So we'll, we'll, we'll avail ourselves of that if,
if we think it's necessary.

Thank you for organizing this.

I'd, uh, actually encourage everyone else
to turn their videos on next time. And

Me too. Well said. Maybe

Mute the, uh, mute the mic, but leave the videos on.

Yeah. What the heck, you know,
we're all, we're all in this together.

Yep. Thank you, Brian.

I was, I was thinking the, the same thing.

I, I, I know, I know it's, it,

it can be a little bit intimidating,

but in this post COVID world, yes.

We we're all gonna be a bit used to zoom by now, don't we?

And it, and it really does make

for a more engaged conversation.

Uh, well, okay, I think I'm gonna wrap it up,

but I'll just, I'll pass.

Oh, no, I won't. This is very important.

I'll put this on the forums as well.

I'd like to do this again.

Um, it's only the first run of it.

I would, I would like to do more of these kinds of things.

So, um, I've just got a poll there that is inviting people to put in some suggestions.

So if you've got a company that you'd, you'd like the, the group to sort of have a bit of a focus on, put some suggestions there.

I'll try and collate all of them together.

Um, and then, um, we'll put it out to the forum, and then we'll just, we'll let democracy rule, um, and, and we'll do the next spotlight on, on a company that most people are interested.

And there's no point doing something.

There's only like two people interested in a company.

It's not gonna make for a very valued, valued discussion.

But, um, yeah, uh, uh, we'll do that.

And the other thing is I've said, um, maybe give me a, a week or so, but I wanna put together a, um, uh, a, a report on all of this as well.

And I'll try and make that as, um, dynamic as possible.

So if new information comes to light after the factor as we go along, I'll, I'll try and update that report as well.

But yeah, listen, I'll, I'll let everyone go.

It's, uh, it's probably close to dinner time. Thank you.

Thank you. Thank you for everyone, uh, particularly Brian.

Particularly Mike.

Uh, mate, we, you are an absolute treasure.

Uh, I did see the yellow, I did see the gold, uh, bird come back for a moment there today, but it's, it's back now, isn't it?

Or is it gone? Oh, is it? Oh, okay.

I thought it might have gone again. Yeah, it's back there.

Yeah. Yeah. Oh, bugger. Okay, there.

Well, it's well deserved. I can't,

I can't really complain about it, so, so yeah, look, I'll, I'll shut up at this point, uh, other than to say thank you very much everyone.

And uh, yeah, we'll see you online. Thank you.

Thanks Andrew. A lot of fun. Bye all. Cheers.

Cheers.