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<<John Young, Analyst, Canaccord Genuity>>

Good morning, everyone, and thank you for joining us for Canaccord Genuity's 2026 MedTech, Diagnostics, Digital Health, and Services Forum. My name is John Young, and I'm one of the analysts here. I'm very pleased to be joined today by the management team of STAAR Surgical. We have Warren Foust, President and CEO; and Deborah Andrews, EVP and Chief Financial Officer.

For those less familiar with the story, STAAR is a commercial-stage company focused on implantable lenses for vision correction. Its product, the EVO ICL, is a lens made from a proprietary biocompatible material called Collamer that is placed in the eye to correct nearsightedness without removing the corneal tissue the way LASIK does. As someone who has the product in their eyes, I can tell you this performance is remarkable.

So, Warren, thanks for joining us today. You were named permanent CEO in August after serving as interim Co-CEO since February. With a few months in the permanent seat, how would you characterize where STAAR stands today, and what are your top priorities for the next 12 months?

<<Warren Foust, President and Chief Executive Officer>>

Yeah. Thanks, Jon. Thanks for having us, first of all, and thanks for being patient. That's amazing. Look, we're really excited at STAAR. We've had a good start to the year. Deborah and I had the chance to lead the organization together for the first half of the year, and we established three priorities at that time: revenue growth, returning ourselves to growth, which we had been previously and we had lost track of, candidly, returning to profitability, which is an important metric, and then also establishing an innovation pipeline. For far too long, I think the company was sort of sitting in a takeout position, and you saw us go through a couple of years of disruption.

One, everyone was aware of while we were in the potential transaction with Alcon, and a year prior to that when that was happening behind the scenes, and the company lost a little bit of focus, and now we are really clearly focused on innovation. So now that we have strong revenue growth, and you just saw the third quarter results, 31% in China on an adjusted basis, which we're really proud of. That's our largest market. And so unlike most U.S. publicly traded companies, half the business in China, that has been for many years a shining star for us, and it was one that in almost all periods has grown up until the 2023, 2024 timeframe. So we feel like we've rectified that. So that's important. That's one of the priorities for us.

Now, as we look at going first-in-human with a couple of new lenses that we're excited about, we'll do that over the course of the next couple of months. That will set us on a pace for the innovation that is to come. So those three things I think we're most excited about.

<<John Young, Analyst, Canaccord Genuity>>

Got it. And then another change too is much of the leadership changes you've made since becoming, you know, permanent CEO. You brought in a new Chief Technology Officer, a new Head of BD, a new VP of Asia Pacific, and you're bringing back the former CEO, David Bailey, as Chief Commercial Officer. What gaps are you filling, and what specifically do you want David to do on the commercial side as well?

<<Warren Foust, President and Chief Executive Officer>>

Yeah, great question. We feel like we have a good squad. We have folks that have worked with Deborah in the past. You know, Deborah came back to join us, if you remember, in 2025 to reestablish that profitability and return to revenue growth, and has done such a great job in leading us to do that. Now, we are bringing back David Bailey, who was a former CEO here, and in the commercial organization, we have a real opportunity to drive execution in a more standardized way, to really ensure that we're incentivizing our field teams relative to our actual goals and objectives. I think that's really important.

But also to look at where it makes sense for us to be direct, where it makes sense for us to be indirect, look at margins across the entire organization, continue to help with the great cost cutting measures that we've made. We don't believe we can cut our way to profitability. We actually grow our way, and I think we're demonstrating that. But every amount of growth that we enjoy, we should take some leverage on the cost side, and so we intend to do that, and David can help us there.

I'd also mention, you mentioned the new Chief Technology Officer, Ben Park. Ben led emerging technology at Align Technologies for eight years. That's the Invisalign technology for the orthodontics in the room. And so, we're really excited about what he is going to bring. We've had many projects working in the background for years, but in some ways, they've been more almost academic from the standpoint of it's smart people working on really important things, but they've not been organized in a cadence that we believe that we can start to make investments against, be good at capital allocation, and then start to bring that forward in a true portfolio. So we're excited about that.

<<John Young, Analyst, Canaccord Genuity>>

And maybe we could jump to everyone's favorite topic, which is always China.

<<Warren Foust, President and Chief Executive Officer>>

Yeah.

<<John Young, Analyst, Canaccord Genuity>>

You know, the revenue grew 31% against the adjusted prior year base, and all that growth came from higher average selling prices on the shift to EVO+ and toric lenses, and you're also in a

backlog state during Q3. How are you just thinking about the opportunity for this continued EVO+ adoption in China, and maybe you could provide where in the mix it is today exiting the quarter?

<<Warren Foust, President and Chief Executive Officer>>

So, we've been – thanks. We've been really pleased with EVO+. We call it – they call it V5 locally, so V5 we'll refer to it as. When we started the year, we began the launch. We actually put a few units out at the end of 2025, but think of the launch as January of 2026. We put a few units out. We intended to move our production to Switzerland so that we can be tariff free as we take product from Switzerland to China, and we had a certain number of EVO+ units that we expected to sell and, candidly, the demand outstripped that pretty substantially and pretty fast. So we had to change our demand plan for the Swiss plant as we were scaling the plant up to build either V4 or V5. So we had some complexity in the supply chain, and that hit us a little bit in Q3.

As you said, our growth came from mix, average selling price because of mix, both toric and our V5. As a result, we weren't able to even ship enough V5 to the market. So we were a little light on units compared to what I think we could have been, so we could have had potentially even a little bit stronger quarter. But as far as the mix of it, what we said was at the end of Q2, we exited around 30%. We stopped giving that number because our hospitals, which compete with each other, they've asked us to stop providing that. But I can tell you that the mix of V5 has grown. I can tell you that the mix of toric.

Does everyone know what a toric is? When you have a spherical lens, your eye is designed to be shaped like a basketball. Half of us, probably, it starts to get shaped a little bit like a football. And so that changes the steep axis of your eye, and yours might be slightly different than mine and yours. And so, we make a custom lens. For every patient that needs that custom lens, all the way to 360 degrees of axis, we'll make that lens. And so, it's a competitive moat for us in a lot of ways, because we stock in the normal histogram most of those units, and then anything that falls outside of that, we make it as a truly custom lens.

And so that complexity of our supply chain creates a little bit of added issue when you think about this V5 launch and scale. So I think that's important, even as we think about competitors that come, because it's hard for them to do that. But that mix of toric is going up. We charge more for a toric because it is a custom lens. We charge more for V5 because it is a newer technology. And then, of course, the most, the highest premium product would be a V5 toric.

<<John Young, Analyst, Canaccord Genuity>>

Got it. And then, you know, what actions are underway to improve product availability? How quickly can you ramp supply and switch on to meet the demand, especially as we think of Q1, which is becoming more and more of a seasonally important quarter in China?

<<Warren Foust, President and Chief Executive Officer>>

That's right. And it's a great question. And one, we're having a discussion with our distributors pretty much ongoing. We feel like we're at a really good place now around supply. There were

two things that you should think about that we're tracking for 2026, one of which was just scaling the Swiss plant to be able to provide product to China, V4 or V5. We just got the DEKRA approval for our second clean room, which unlocks that opportunity for us. So we feel good that the overall capacity, irrespective of what type we're building, is there now. Now, it's about the demand mix of V5 versus V4. Because of the seasonally lower Q4, we have now the opportunity to catch our breath and to build up some V5 stock. So we're actually now, we're building both V4 and V5. All product that will go to China that's being built for the future is now being built out of the Swiss plant. So we feel like we're in a good place to supply.

<<John Young, Analyst, Canaccord Genuity>>

Got it. And then, I just want to quickly touch on ZEISS's announcement over the weekend of LUNANA, the phakic IOL in China. How do you view the evolving competitive landscape? And just remind us the differentiators most important to STAAR's position in the market over time.

<<Warren Foust, President and Chief Executive Officer>>

Sure. The most important message I'd like to deliver while I'm here is the landscape in refractive surgery is shifting. In some places, it has already shifted. The reality is, in the U.S., which is a market that has really good data, so it's a good one to cite. We're three years in a row now of double-digit decline in LASIK volume. You think about the height of LASIK procedures, it was probably 1.8 million, 1.9 million procedures. That's like, I don't know it's – now it's probably 500,000 procedures, which is 250,000 people bilaterally. So it's almost nothing. And so, you're seeing double-digit declines in LASIK. You're seeing double-digit increases in most markets in ICLs. And so you're seeing a movement away from LASIK.

And If you wonder why, all you have to do is look on Instagram, look on TikTok, look on WeChat, and you see negativity around the removal of corneal tissue. To do a LASIK procedure, you make a 270-degree arc in the eye, you fold that flap back, and then you take an excimer laser and you ablate the cornea, and you ablate the nerves, and you ablate the tissue, and it's irreversible. For low diopter corrections, minus one, minus a half on an IOL correction, minus two, it's not terrible. But the higher you go in correction, you can imagine you take more cornea. And when you do that, you create more potential for pain, more potential for neuropathy, more potential for ectasia.

And so, patients that are becoming more aware, because patients are choosing these devices. They are learning about it, they're understanding that they're removable and reversible, and they like that idea, so they're willing to pay a little bit more for it. And so, when it's positioned that way, with full informed consent, then patients are uniformly, they're saying, "This makes sense to me." So we're seeing that landscape shift. So I think that's a really important part of the discussion.

What's the first part of the question?

<<John Young, Analyst, Canaccord Genuity>>

Just the differentiation…

<<Warren Foust, President and Chief Executive Officer>>

Differentiation, yeah.

<<John Young, Analyst, Canaccord Genuity>>

…between you and LUNANA, yeah.

<<Warren Foust, President and Chief Executive Officer>>

Thank you. So Collamer is the difference. The word Collamer comes from the combination of collagen, which everybody likes in their body, collagen and polymers. And all other ICLs are acrylic lenses. They're plastics, and that's how you should think about them. And the reason that matters, I had the privilege of running J&J Vision for four years, and we were trying to make a lens. The reality is, the challenge with having an acrylic lens in the sulcus is complicated. We're all familiar with IOLs. There's 40 million or so of those that happen on an annual basis globally. In an IOL, the lens goes inside your capsular bag, which is a protected environment. Think of it that way. I describe a peanut M&M, if you took the top off and took the M&M out, put a new one in, and closed it back, all good.

An ICL is very different. And by the way, when you finish that process in an IOL, the last thing the surgeon does is they step on a foot pedal and they irrigate the capsular bag and they aspirate all of the fluid out of there. And it's safe and tucked in a nice little environment. In the sulcus, which you – if you're looking at my eye and you see my iris, which is the area right outside of my pupil, you literally just make a 2.8 millimeter nick, which is tiny, and then you use an injector and you shoot it in and you tuck it in behind the iris. So it literally sits there in the front of your eye, covered by your cornea, but right behind your iris. They can't even irrigate and aspirate that. They'll use a little small syringe and they'll try and get as much away from it as they can.

And so if you can imagine, if you have a harder plastic device sitting there, it chafes against the iris. It moves around in the eye and it causes micromotion, which can cause endothelial cell damage, which is a complication that would require removal. By the way, because Collamer is so biologically friendly, it sits there very nicely and it can do so for 30 years, and we've demonstrated that. And that's why we've been the leader in phakic IOLs with 90% plus leadership for that many years.

And so any lens that comes, we have full respect for, because that landscape of refractive surgery changing, this tells me that as the laser companies bring in ICL, they're essentially acknowledging that the future is lens-based. So we're thrilled about that. We actually think ZEISS coming is going to help because it's going to raise the narrative, and people are going to understand that they need lenses, maybe not lasers. But they're going to be an acrylic lens, and we're going to be a Collamer lens. And as long as the rest of lenses are non-Collamer, we have full respect for them, but we feel like we're in a pretty good position.

<<John Young, Analyst, Canaccord Genuity>>

And it sounds like, too, they won't have a toric option at launch as well, right? So...

<<Warren Foust, President and Chief Executive Officer>>

That's right.

<<John Young, Analyst, Canaccord Genuity>>

…better positioned.

<<Warren Foust, President and Chief Executive Officer>>

And they'll bring one at some point, potentially, but it's probably a year away. Who knows what their portfolio looks like? But even when they have a toric, remember that there are thousands of hospitals in China where they're going to start, and you have to get the product listed. You have to go through the process of going through the medical device approval process at each one of their facilities. You have to get pricing settled. That's usually an annual basis contract. You have to build inventory from a toric standpoint. You're going to have to build it custom. So the moat is, it's not impenetrable, but it's pretty deep. So we feel like we're okay. And, again, any amount of intrusion that happens by competitors, I think, is also going to be offset by the lift that's going to be the narrative of ICLs are better than lasers.

<<John Young, Analyst, Canaccord Genuity>>

Got it. And then maybe moving to the U.S. business. U.S. sales have exceeded $6 million for three straight quarters now, up about 15% in Q3. As you said, U.S. laser vision correction procedures continue to decline, down 5.8% this year. With the label now extended to age 60, what is holding back just faster U.S. adoption, especially when we think about what I think a lot of people had envisioned at launch for the product itself? What are you seeing in the market today, and just how do you get more patients off the sidelines?

<<Warren Foust, President and Chief Executive Officer>>

Yeah, it's a great question. I think when the U.S. launch was contemplated, I think the eyes were a little bigger than the stomach from the standpoint of there was this feeling that the U.S. would go exactly the way China has gone. There's a few reasons why it did it, but we're actually really pleased with the U.S. The base now is pretty big. You think $25 million, on the way to $30 million, growing at double-digits, so it's not nothing. So we're happy with that.

But what we're seeing, you know, if you go back to the beginning, there was this huge advertising campaign, Jonas Brothers, they're going to get all these people to come in and get them off the sidelines. And the reality is, people saw the advertisements, and they went into their practices, and guess what? The practice usually is named IQ Laser Vision, Kugler Laser Vision, such and such LASIK. 40% of the volume in the U.S. was incarcerated by the laser companies. And so, when the patient walked in, the surgeon said, "No, no, I know what you want. You're trying to get out of those glasses, and I have what you need." And they converted them to LASIK in many instances.

So we needed to do a lot of market development and preparation before the advertising tried to bring people to the surgeon. So that's one.

We know that the two biggest barriers to adoption by our customers are clinical confidence and economic confidence. We have to get someone clinically capable. If you know the refractive market for lasers, you know most of those surgeons that perform the highest volume of LASIK, they do not operate intraocularly. They're not even comfortable going to the operating room and sticking a diamond blade into a patient's eye. And so, you have to train those surgeons to do it, or you have to get them someone who would perform that function for them, for their business.

The other difference that the U.S. has that's not the same as China, for example, or even some of our other markets in Asia, it's an independent group of businesswomen and men that are running individual practices. Some of them are consolidated at the venture capital or private equity level, but it's like a rock fight amongst each individual. You know, look at everyone in this room if each one of you owns your practice. We can't scale like we would at [IR] [0:15:53] in China. And so, we have to go person by person. So we figure out which of you are clinically confident, and then we figure out which one of you have site of care advantageous conditions.

If you have to drive 2.5 miles down from your practice and leave through traffic and pay $1,500 to do a procedure, you're going to have to charge a patient $10,000. The economics and your time don't work. But if you have an in-office suite that allows you to walk down the hall and you control the full economics, then you're going to be pushing for cash pay IOL procedures, cash pay ICL procedures. So we've triaged our customers to figure out where that opportunity is, and then when we find that opportunity, then we partner with that surgeon and their practice on marketing, and we drive patients to that, and they're willing to offer EVO upfront, and we're seeing great success with that.

So then the back part of your question of when does it start to unlock. There's 350 million people in the United States roughly. There's 1.5 billion in China. Half of the Chinese population is myopic, maybe a third of the U.S. population. So it's coming, sadly, because our kids are reading like this, and you've got a kid on the way, they're going to be, don't let them do this. As that continues to happen, myopia is growing, it's an epidemic. We'll treat them as they come, but we hope it can get stopped before we have to.

<<John Young, Analyst, Canaccord Genuity>>

Got it. And then just maybe on that site of care, if we could just double-click on that. I think at the beginning of the launch, a lot of focus was put on that, but we probably haven't heard too much of an update on that. Just how are you thinking of those practice economics? I know at one point, STAAR was thinking about, you know, helping especially like younger surgeons create an office suite. Just any update there on just U.S. pricing and just the economic headwinds to surgeons for adoption of this procedure?

<<Warren Foust, President and Chief Executive Officer>>

You know, we found great success and have a lot of case studies where surgeons that we thought – we refer to it as walkout revenue. If you think about a patient walking in and being evaluated for ICL surgery, and if the price delta is $5,000 for LASIK bilaterally and $10,000 for ICLs, you're not going to get many of those people. If the price difference is $5,000 and $7,000, now you're in a real discussion. And so, what we're seeing is customers making their LASIK pricing $5,500 and on average, something like that, $5,500 and maybe $7,500 for ICLs.

And then they're having a conversation about at minus three and above, you should be considering ICLs because it's a removable technology. And the examples are they're closing many more patients. There's far fewer walking out. Of course, they're going to get the minus 10s. They always did. But now they're getting the minus sixes, the minus fives, the minus fours, and those are happier people. They go to their optometrist, and they're demonstrating happier faster. And so, where we're seeing that uptake, we're seeing continued adoption, and I think that's what's driving growth beyond where we were before.

<<John Young, Analyst, Canaccord Genuity>>

Got it. I think I want to touch on the pipelines. I do think there's some exciting updates there. So, first, just on the first-in-human trials for the two Collamer-based presbyopia products. They're expected to begin enrolling in the next few months. Can you just share about the objectives of these studies, how they fit into STAAR's broader innovation strategy?

<<Warren Foust, President and Chief Executive Officer>>

Sure. So myopia is a big epidemic, as we talked about. Very, very few people who have myopia are treated surgically for myopia. Presbyopia is a far bigger market, and it's why you see the IOL companies salivating over it. And as I said, there's probably 40 million IOL procedures. Many of those are refractive cataract procedures to try and deliver a multifocal experience to a patient, because that technology exists. When you think about when we launched EVO Viva back in 2020 or so, that was the first foray into an ICL, and we're really the only ones meaningfully positioned in that space because of what we talked about Collamer being able to sit in the sulcus and be able to provide that solution for a person.

The reality is, presbyopia, you've got probably a 10-year gap between when we become presbyopic, because the morning we wake up and we're 40, and you'll know one day, that when you look at your phone, all of a sudden you are doing this. And now I'm 51, and I have to have readers by my bed, and I don't want to because I run a vision company. And so the reality is, I don't want to get my natural crystalline lens completely taken out because I lose my ability to accommodate, which simply means the little zonules in my eye, which are muscles, they bend my crystalline lens because they are flexible, our lenses are, and that allows me to look at distance and then look at near, and I can do that interchangeably. When you take that ability because the lens is hard and I can no longer bend it, then I am 100% reliant upon the optic's ability at distance, at intermediate, and at near.

So the magic about an ICL for presbyopia would be that you still have the ability to accommodate. It's called residual accommodation. The technological challenge is, yours is better than mine, and

yours is better than mine, and so we have to solve that. And so that's some of what we're after in the early first-in-human trials. First-in-human trials, by definition, are designed to demonstrate safety and efficacy and to show that we can program the optic as we've designed it on the label. Once we've done that, and we have high confidence because we have Collamer material. Once we've done that, then we will go to whatever the next regulatory pathway is.

We know in the U.S., these are PMA devices generally, and so the likelihood is that it will be a clinical trial. That's when you would scale up, and then you would start to demonstrate what's your best corrected vision and so on. All of the vision metrics that you would have in a standard trial, but most of all, how many lines would you get? Can you nail distance, and would you get reading? Those are hurdles all to come, but they're ones that we think we understand pretty well now.

<<John Young, Analyst, Canaccord Genuity>>

Got it. And so should we think of the two trials as essentially two shots on goal or trying to serve different market segments? Just trying to understand better the strategy behind that.

<<Warren Foust, President and Chief Executive Officer>>

Yeah. It's such a good question. The way I would answer it is I would say, when EVO Viva was launched, the world did not know because they were living through the creation of categories. Monofocal plus wasn't a category. Extended depth of focus was an emerging category. Multifocal versus quadrifocal versus the spiral patterns that are now on lenses for IOLs. None of that existed, and the surgeons didn't understand how to counsel patients. That's when EVO Viva was launched. We understand all of that dynamic now, so we want to make sure that we're bringing offerings that can help us live into what the market is going to require. That's what all I can say.

<<John Young, Analyst, Canaccord Genuity>>

Got it. And then, another point from the earnings call was your ambition to launch a product in a critical market every 18 to 24 months over time. Just how should we think about the investments you'll be making, capabilities, and also potential partnerships that are needed to support that ambition?

<<Warren Foust, President and Chief Executive Officer>>

Yeah. New product is the lifeblood of an organization, and it's something that I think with hindsight that STAAR, we could have done better at. And so, you think of EVO+ in China, that's a new product because it's a new launch in a new and critical market. So sometimes a next launch of a new product in a critical market is an existing product that you have that's not in that market. It's going to take us some time to get to that point, but once we launch that next product in a critical market, our ambition is to every 18 to 24 months to do so, because our teams need it and our customers require it.

As far as investment, that's going to depend on whether it is in the U.S. PMA trial, whether with DEKRA, which is our notified body for the EU, for MDR, or in China or wherever else we decide to do trials, whether we have to do a full scale clinical trial and how many patients are needed and so on. But we're thinking a lot about capital allocation. We know that innovation is the thing that can move us the most. We will invest more in R&D as a result. We will also look to offset that in other expenditures, both G&A and OpEx, to try and fund it. Can it be fully self-funding? No. But we've, through Deborah's leadership, taken a really strong approach at how do we manage the economics. And we want this company to be profitable for our shareholders.

<<John Young, Analyst, Canaccord Genuity>>

And just speaking of profitability, you are on track for roughly $225 million of adjusted operating expense this year. Just beyond the gross margin temporary headwinds that you experienced in Q3, just what are the main drivers of operating leverage in 2027, and just how should we think about this long-term profitability of the business?

<<Deborah Andrews, EVP and Chief Financial Officer>>

Right. So the long-term levers are revenue growth, of course, continued expansion of our gross margin. It was low this year because of ERP implementation and launch in our new Swiss facility. But there's lots of room for growth in this area. Continued operating expense discipline, which should drive increased EBITDA margins, adjusted EBITDA margins. You know, they have been between 20% and 25% this year, so we're very proud about that, and we think there's further room for expansion.

<<John Young, Analyst, Canaccord Genuity>>

Got it. And then maybe just lastly, we just have a minute left, just the board authorized $50 million of share repurchase program in September. You were in a blackout period, so you were not able to use it yet, but how does the program fit within just the broader capital allocation priorities that you guys have outlined today?

<<Warren Foust, President and Chief Executive Officer>>

Look, we've done a nice job, I think, of building cash, and we feel like we've demonstrated a pathway for generating substantial free cash flow. So we want to be – as we talked about capital allocation, we want to be good stewards of investor capital. We're going to be sure that we keep enough money to manage the operations day-to-day, also invest into things that are going to drive long-term growth for the organization, innovation being a key for that. But there's other things too. There's opportunities for us to do things to improve our margins and to take efficiencies where we can. So we'll do those things, and then we still have money left over. As long as the share price stays at a place that is, in our view, from a board standpoint, substantially devalued, then we're going to take action against that.

<<John Young, Analyst, Canaccord Genuity>>

Okay. Great. Thank you so much for joining us today. I really appreciated the conversation.

<<Warren Foust, President and Chief Executive Officer>>

You got it. Thank you. Thank you, everybody.

<<Deborah Andrews, EVP and Chief Financial Officer>>

Thanks.