



IRIDEX

Investor Presentation

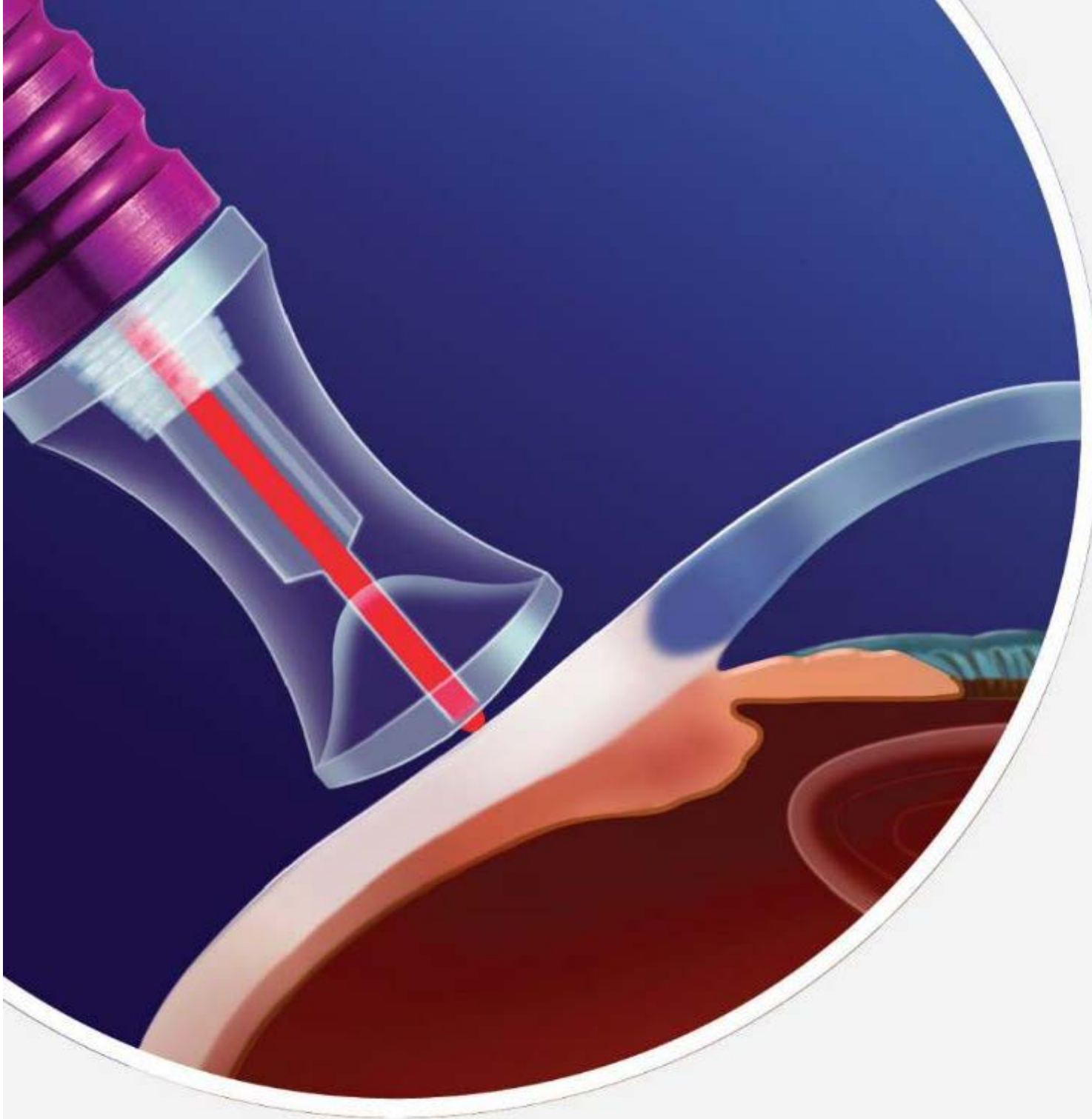
November 2020



Forward Looking Statements

The information in this presentation contains estimates and other forward-looking statements regarding future events, including statements about the plans, strategies and intentions related to the development and commercialization of our products and procedures. Certain forward-looking statements may be identified by reference to a future period or periods or by use of forward-looking terminology such as “forecast,” “believe,” “planned,” “initiate,” “potential,” “anticipated,” or “expected.” Such forward-looking statements, which we intend to be covered by the safe harbor provisions contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, are just predictions and are subject to risks and uncertainties that could cause the actual events or results to differ materially. Potential risks and uncertainties that could cause actual results to differ from the results predicted are more fully detailed under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 28, 2019, and our Quarterly Report on Form 10-Q for the quarter ended June 27, 2020, each filed with the Securities and Exchange Commission (the “SEC”) and any additional reports filed with the SEC following the date of this presentation. It is not possible for IRIDEX management to predict all risks nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. This presentation also contains estimates and other statistical data made by independent parties and by us relating to market potential. These estimates involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially and adversely from those anticipated. Except as required by law, we assume no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

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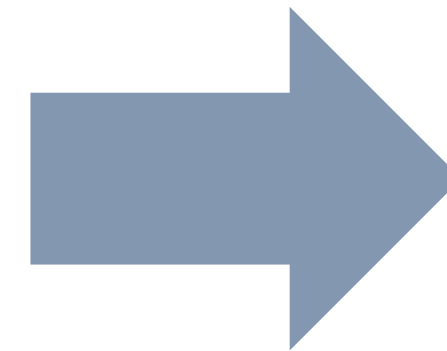
RETHINKING GLAUCOMA CARE

Rethinking Treatment Attacking Two Leading Causes of Blindness

- \$5B global glaucoma market
- \$3B global retinal equipment market

Initial Glaucoma Traction Proven:

- ✓ Recurring revenue procedure probes
- ✓ Significant and growing worldwide installed base
- ✓ Expansive clinical studies and KOL support
- ✓ 150K+ procedures proven safe and effective
- ✓ Established attractive reimbursement



**Growth through converting proven traction
into significant market penetration**

Building IRIDEX to Leverage Market Expansion Opportunity

Fiscal 2019 - 2020

Product and Technology

- *Release and successful launch of Rev2 MP3 probe*
- *FDA clearance of new system platform project*
- *Release of two versions of LIO critically needed to address customer needs*
- *Updates to TxCell scanner product*

New Leadership and Domain Expertise

In the past 12 months the executive team under a new CEO has managed a significant transition of Iridex, both strategically and tactically

Margin and Cost

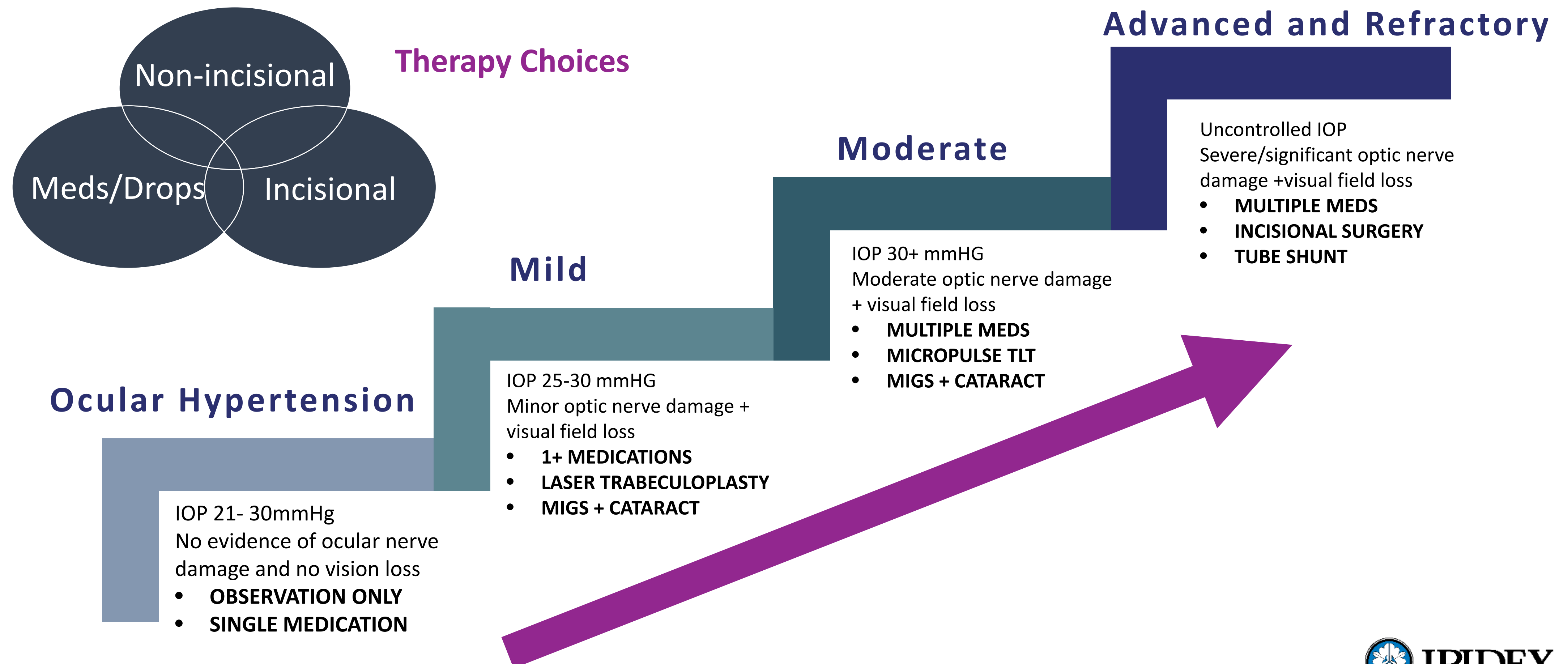
Implemented operational improvements to significantly reduce costs and increase efficiencies
Net Cash usage in 9 months of 2020 of only \$0.7M, despite COVID-driven revenue decline of 24% vs prior period

Operational Execution

Managed through COVID environment, both in field execution and internal remote work environment, to limit delays and continue strategic execution

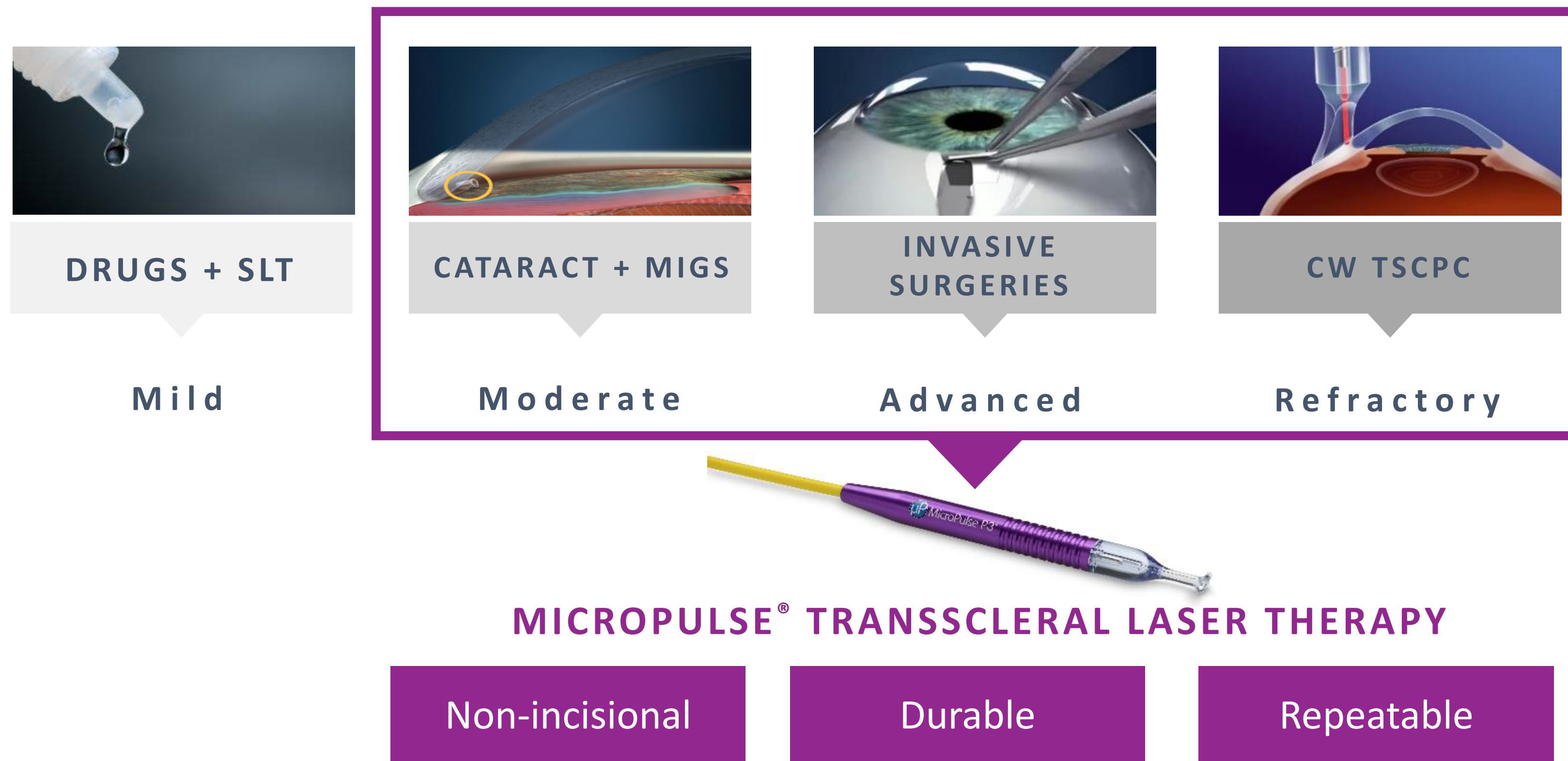
Glaucoma: Chronic, Progressive Disease without Cure

- *Objective: Limit rate of progression through control of intraocular pressure*
- *Need: An effective, repeatable, low-risk solution to extend non-incisional IOP control*

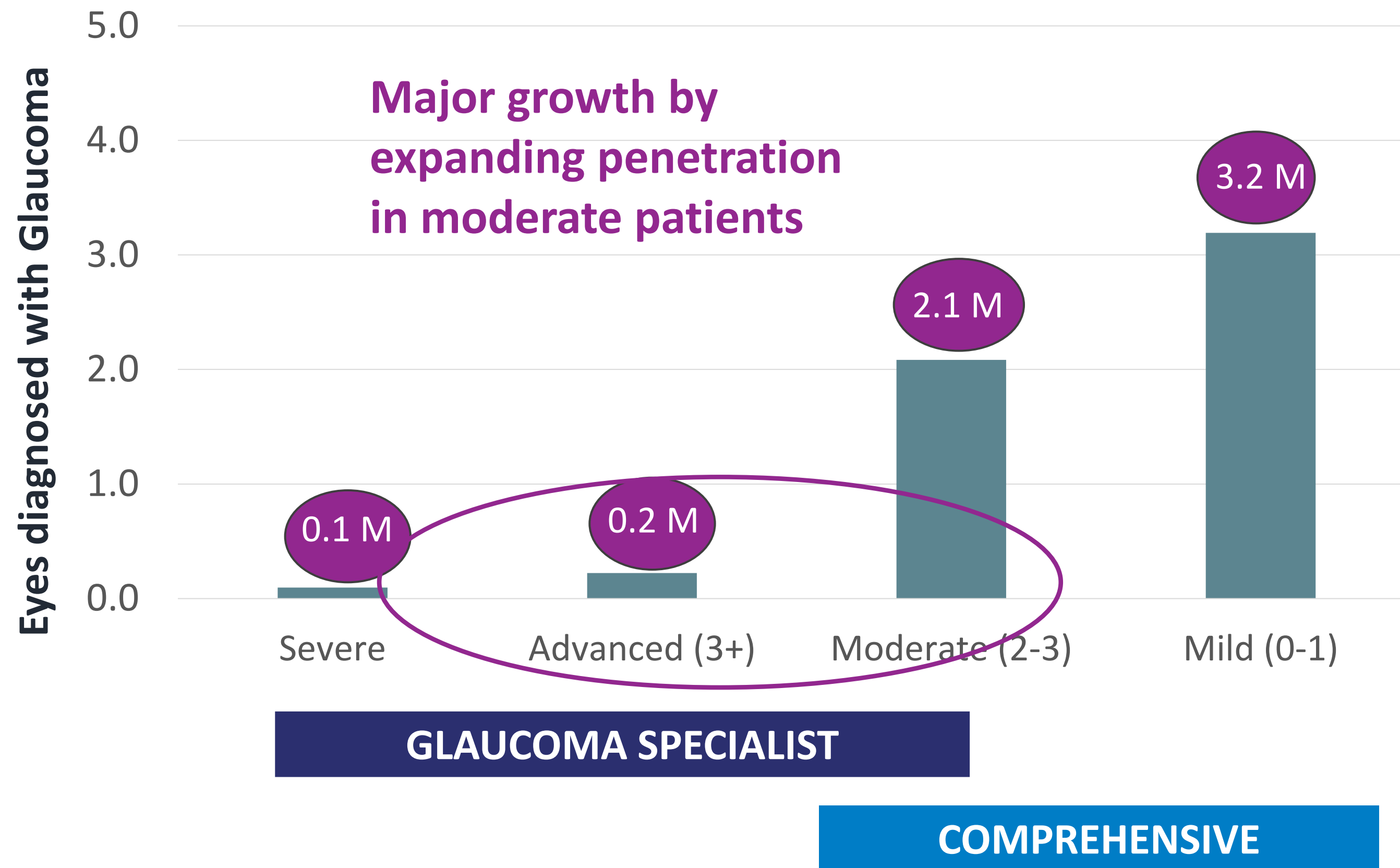


IRIDEX Solution: MicroPulse® Transscleral Laser Therapy

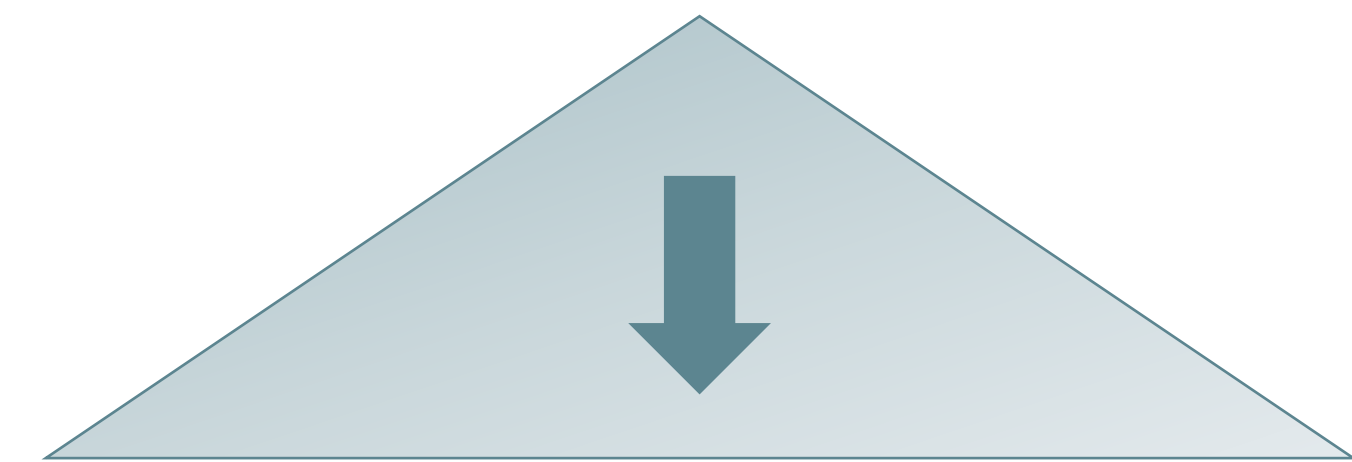
- *Objective: Target ciliary body tissue inducing thermal changes to safely reduce IOP*
- *Result: An effective, repeatable, low-risk solution to extend non-incisional runway*



U.S. Market Opportunity



- Our U.S. 2019 MP3 probes: 25K run rate
- Our U.S. 2019 installed systems: 800

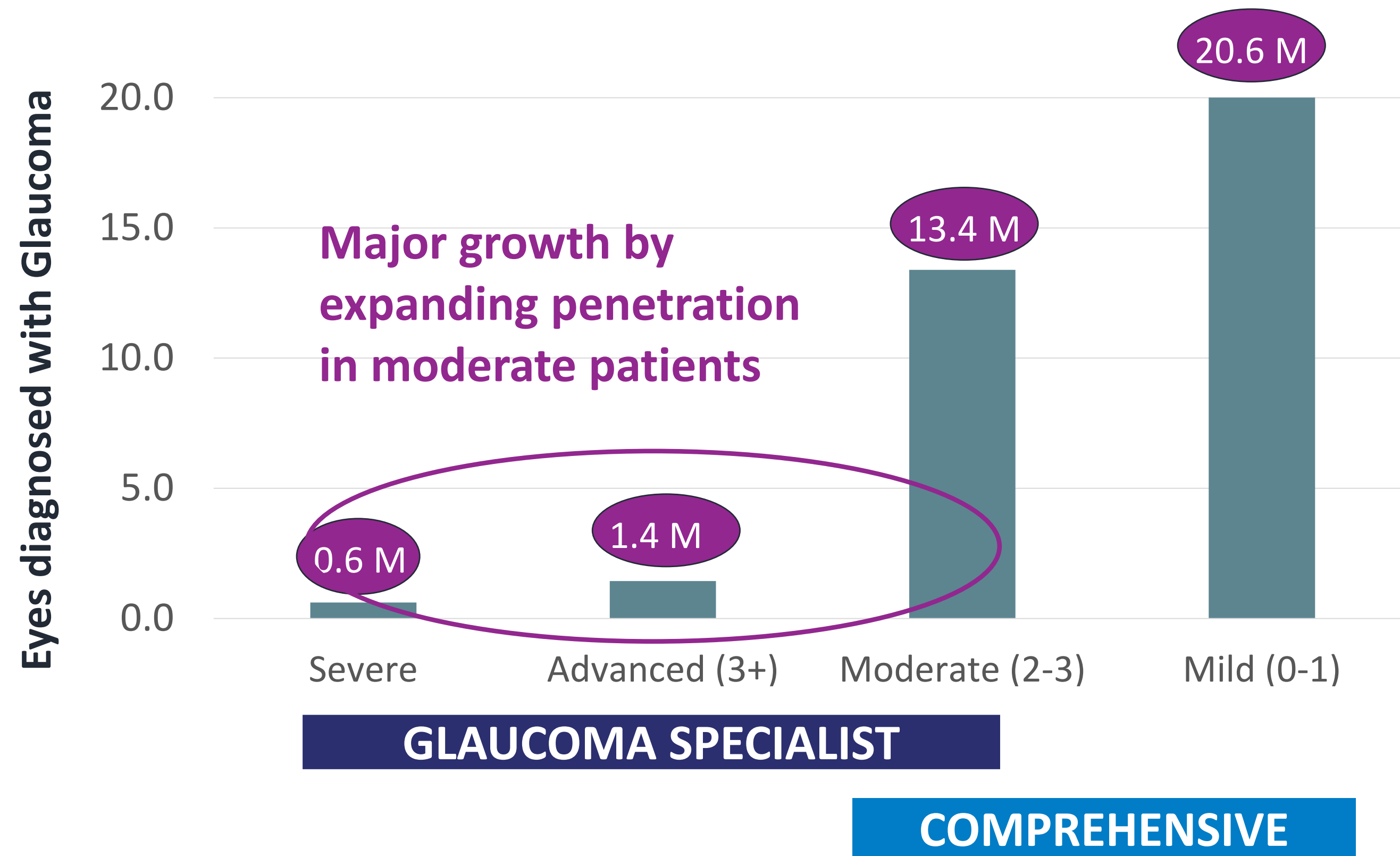


- 2.4 million potential eyes in U.S. moderate + patients
- Over 4,000 U.S. ASC and hospital target sites
 - 1,300 Glaucoma specialists
 - 8,700 Comprehensive ophthalmologists
- \$500 Million U.S. Probe Opportunity

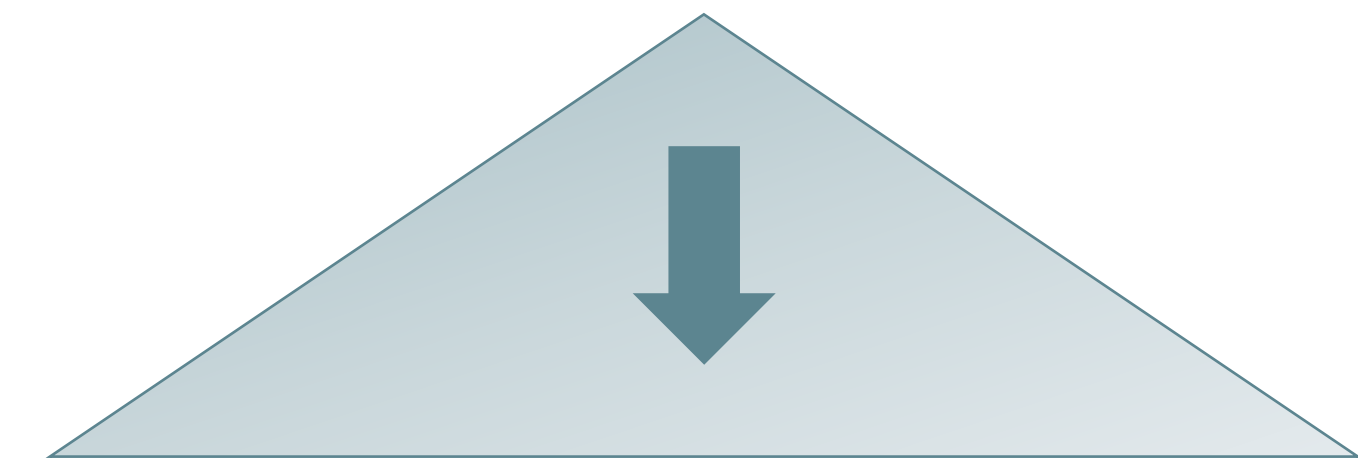
**\$50M probe revenue is
10% U.S. penetration**

*Market Scope and Company estimates

Rest of World Market Opportunity



- Our ROW 2019 MP3 volume: 25K run rate
- Our ROW 2019 installed systems: 900



- 4.5 million target eyes in developed economies
 - 3,000 Glaucoma specialists
 - 25,000 Cataract surgeons performing glaucoma procedures
- \$700 million ROW probe opportunity

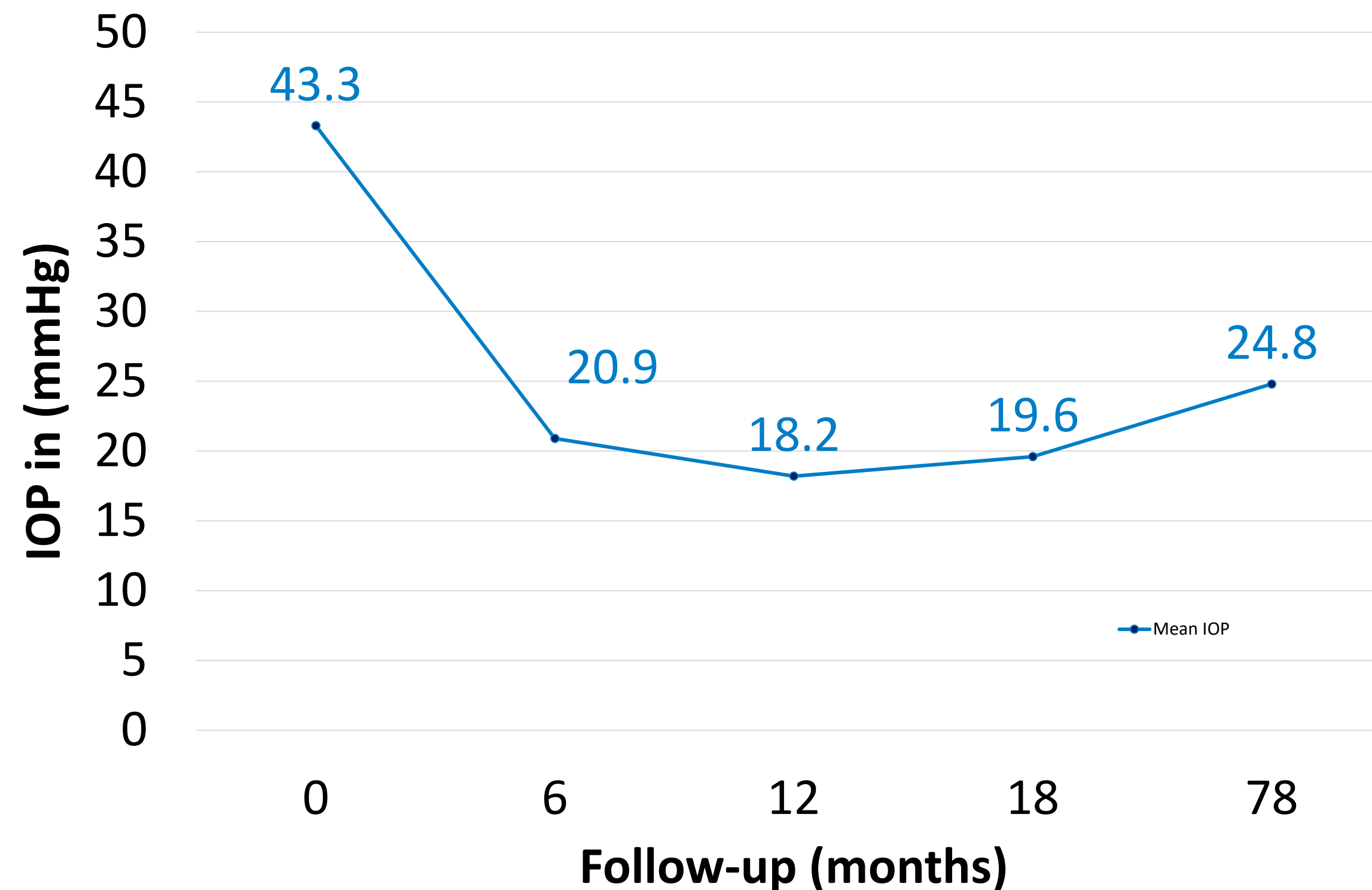
**\$50M probe revenue is
7% ROW penetration**

Repeatable Procedure Delivers Long-Term IOP Control

Clinical Outcomes Summary at 78 Months

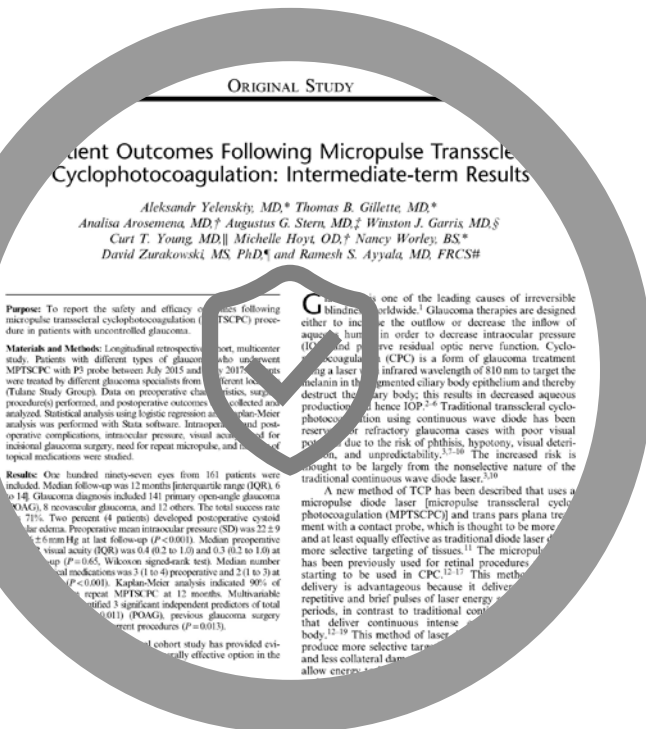
- 39% mean IOP reduction at 78 months
- Reduction in eye drops from mean of 1.8 to 1.1
- On average 3.6 treatments per patient with MP3 probe

NUHS Follow-up Study – 39% IOP reduction at 78 months



Clinical Validation

Over 150,000 procedures performed in 60 countries since 2015 Launch



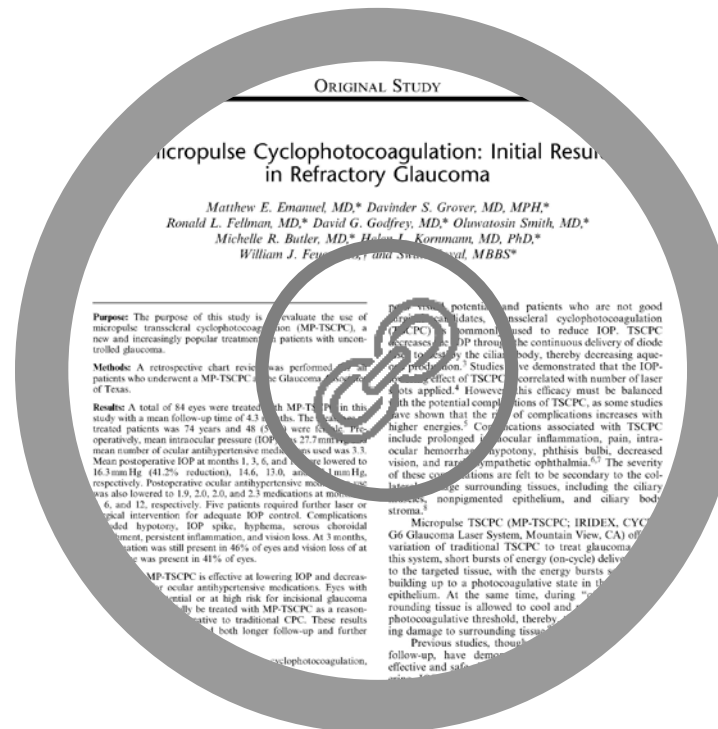
SAFE

70+ posters and presentations
show low adverse event
occurrence



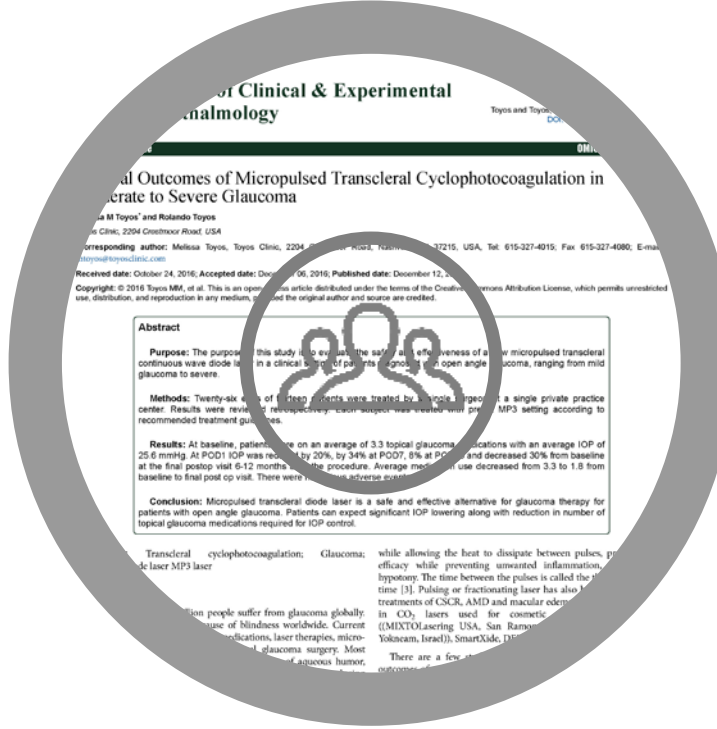
EFFECTIVE

19 peer-reviewed papers
demonstrate sustained IOP
reduction of 30-45% in
60-85% of patients



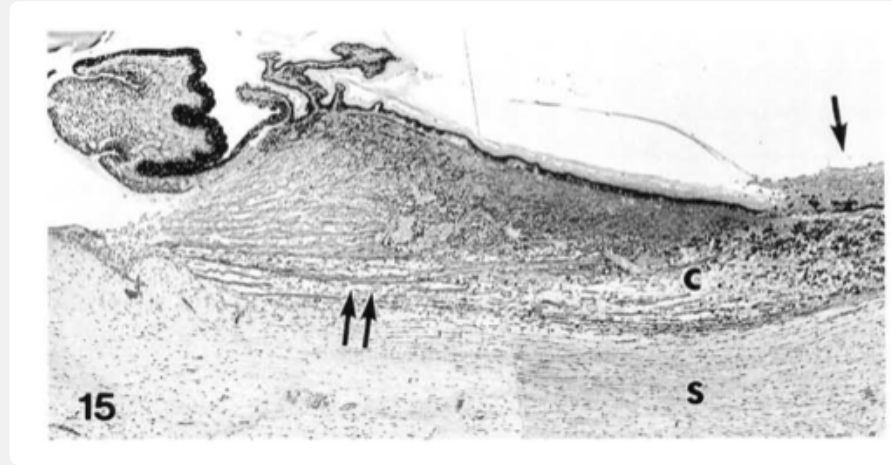
DURABLE

500+ eyes in studies
demonstrating durability
greater than 12 months

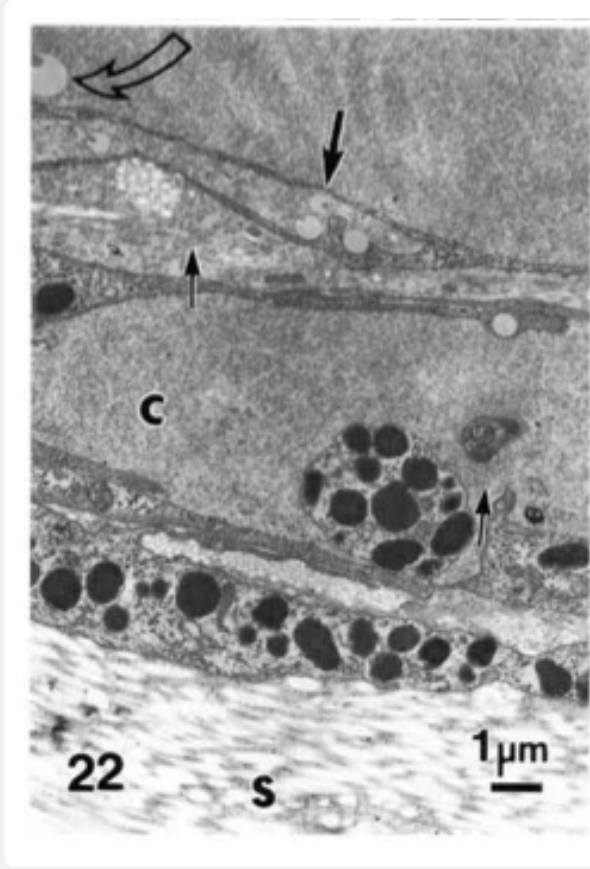


VERSATILE

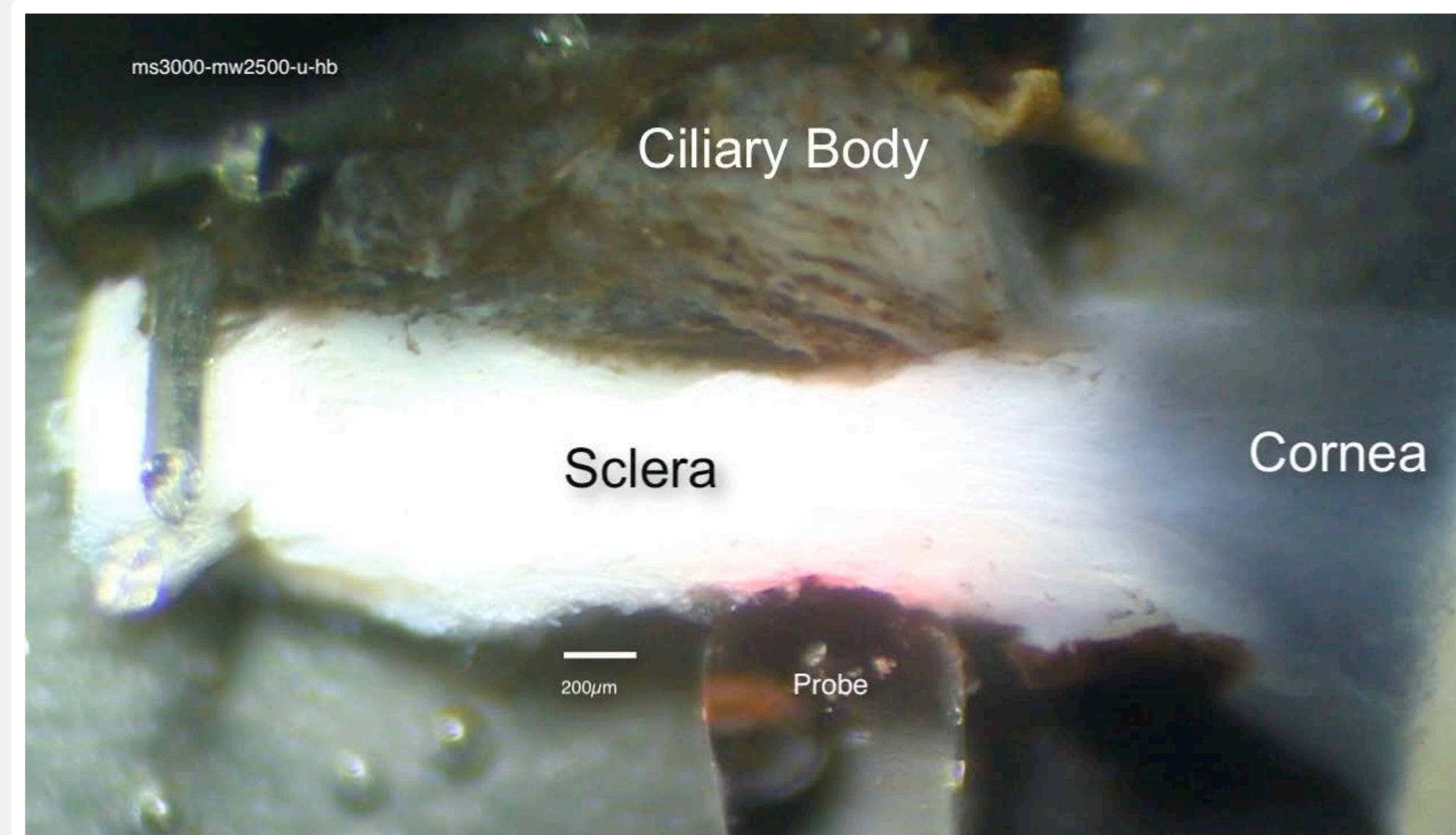
2,500+ eyes studied in a
wide spectrum of glaucoma
types and stages



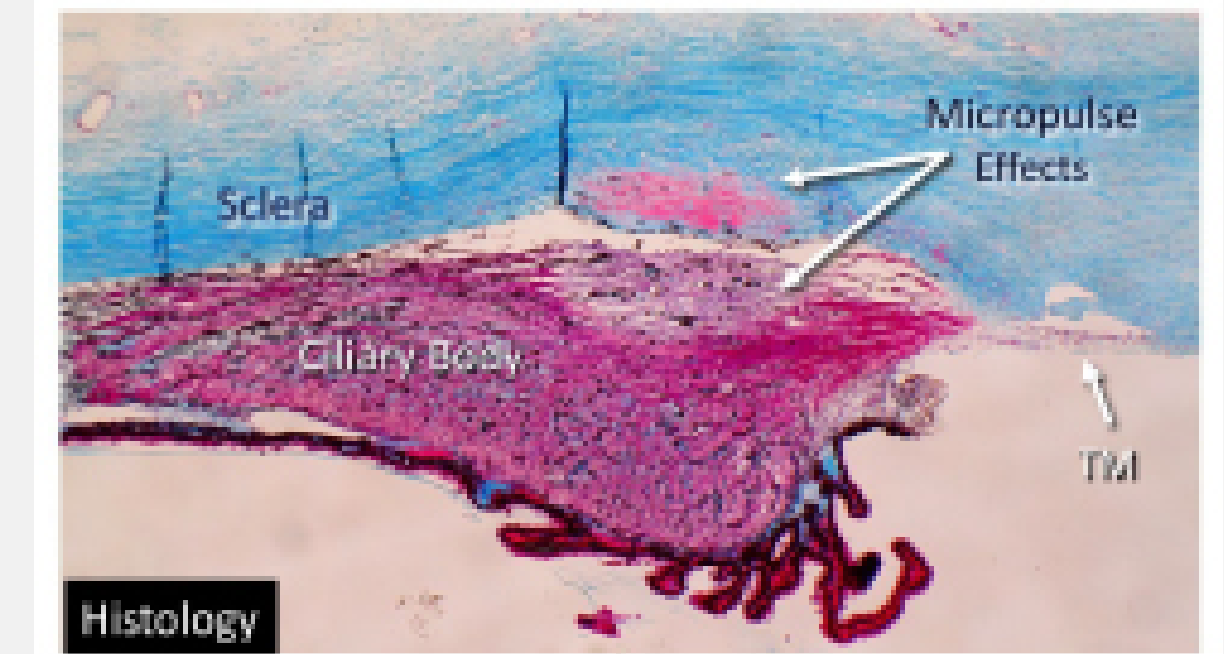
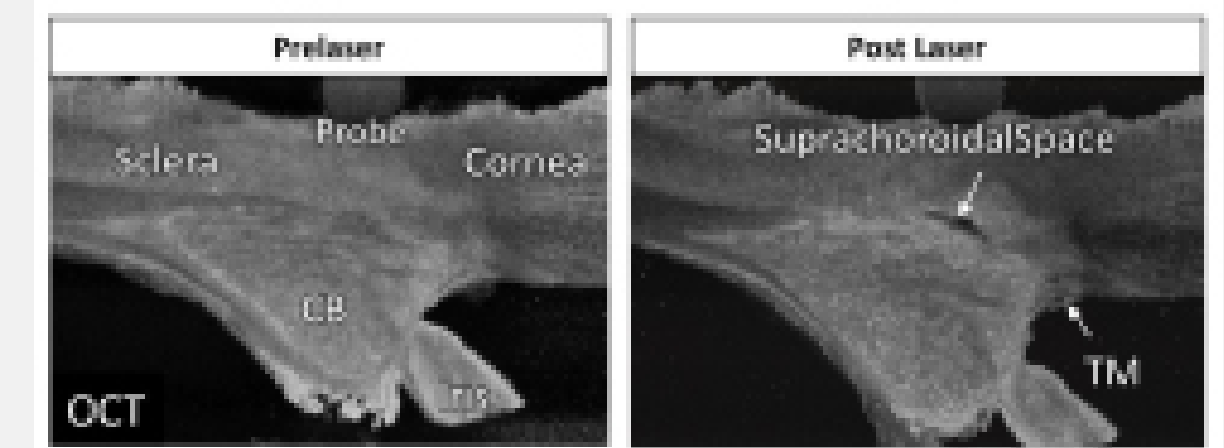
No spheres present
prior to therapy



Spheres transported
into supraciliary
space post therapy



Video courtesy of Murray Johnstone, MD showing
shrinkage of tissue during treatment



Supraciliary space enhanced by
shrinkage of treated tissue

SCIENTIFIC RATIONALE

Early work demonstrates that shrinking ciliary tissue may create a supraciliary space thereby increasing uveoscleral outflow.

MECHANISM OF ACTION

The presumed mechanism of action of MicroPulse TLT is dominated by heat-induced changes in ciliary body morphology resulting in increased uveoscleral outflow.

MicroPulse TLT – A Proven Procedure



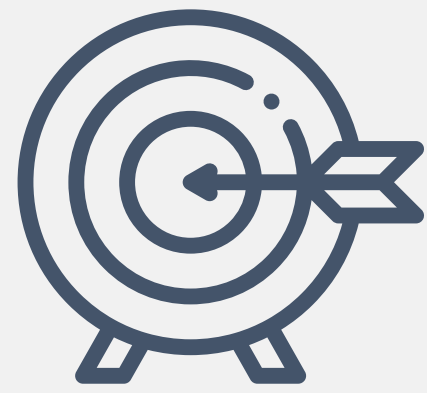
MicroPulse® P3 Probe
+
Cyclo G6® Laser System

- Easy to perform
- Non-incisional
- Benign safety profile
- Does not preclude other treatment options

- Durable up to 24 months per dosing
- Repeatable, multiyear IOP control
- Demonstrated in broad disease range
- Can reduce eye drop burden
- Cost effective

Sales Cycle: Focusing on Existing + New Customers

PHYSICIAN EDUCATION



Targeting



Commitment to
Benefits



Validation



Conversion

HANDS-ON TRAINING

Cyclo G6 Commercialization Initiatives



Strong Distribution Channel

- 20-person U.S. field team
- 60+ international distributors

Education and Training

- Expanding peer-reviewed publications
- Seminars/webinar/wetlabs
- KOL support
- IRIDEX-sponsored clinical trials
- Social media outreach

Product Enhancements

- Commercial rollout of enhanced probe tip
- Technique and protocol simplification focus



Retinal Disease

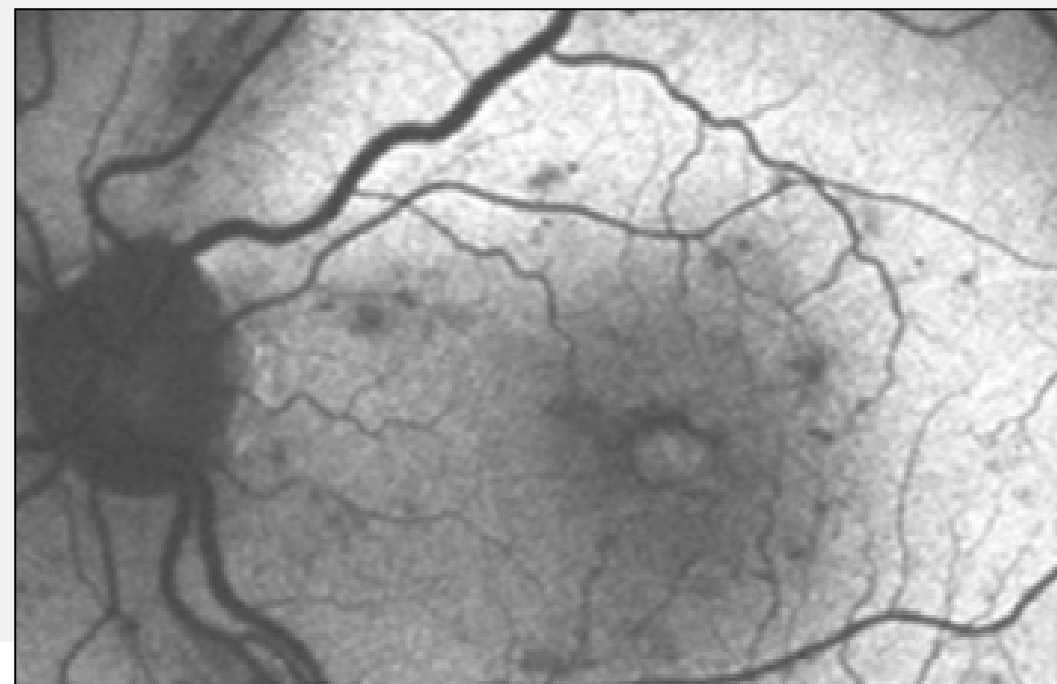
Business Overview

MicroPulse® Retina Laser Treatment

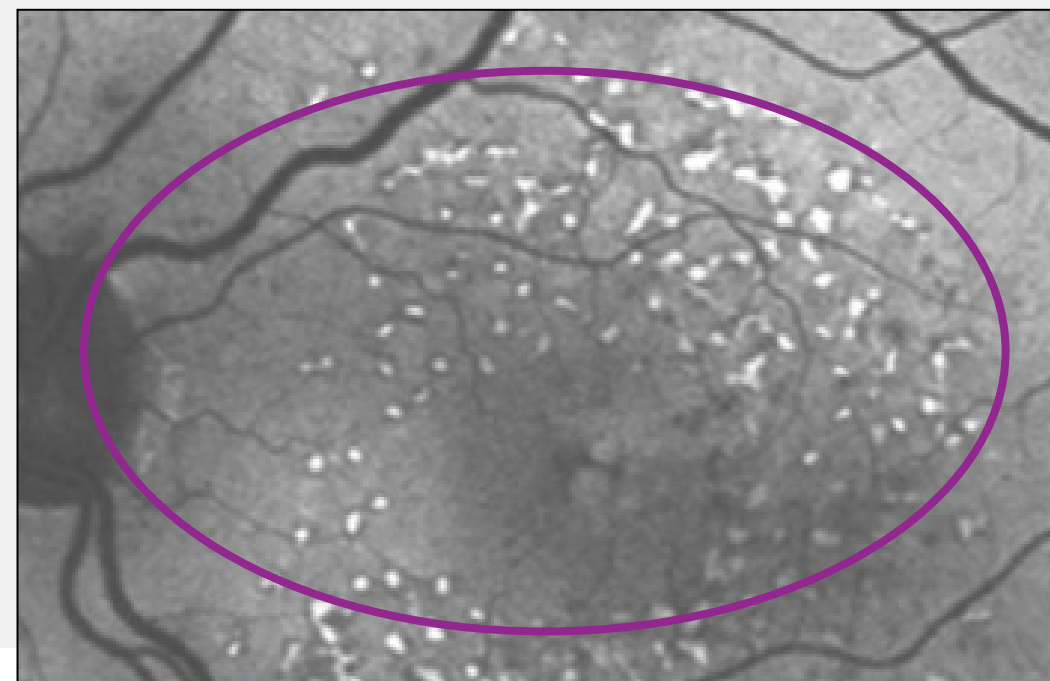
- Full Line of retina lasers and delivery devices with differentiated technology
- Premium position in retina laser systems, a more mature and price-competitive segment
- Retina business contributes more than half of overall revenue
- Significant contributor to total IRIDEX platform scale and operating expense coverage

Standard Laser

Pre-treatment



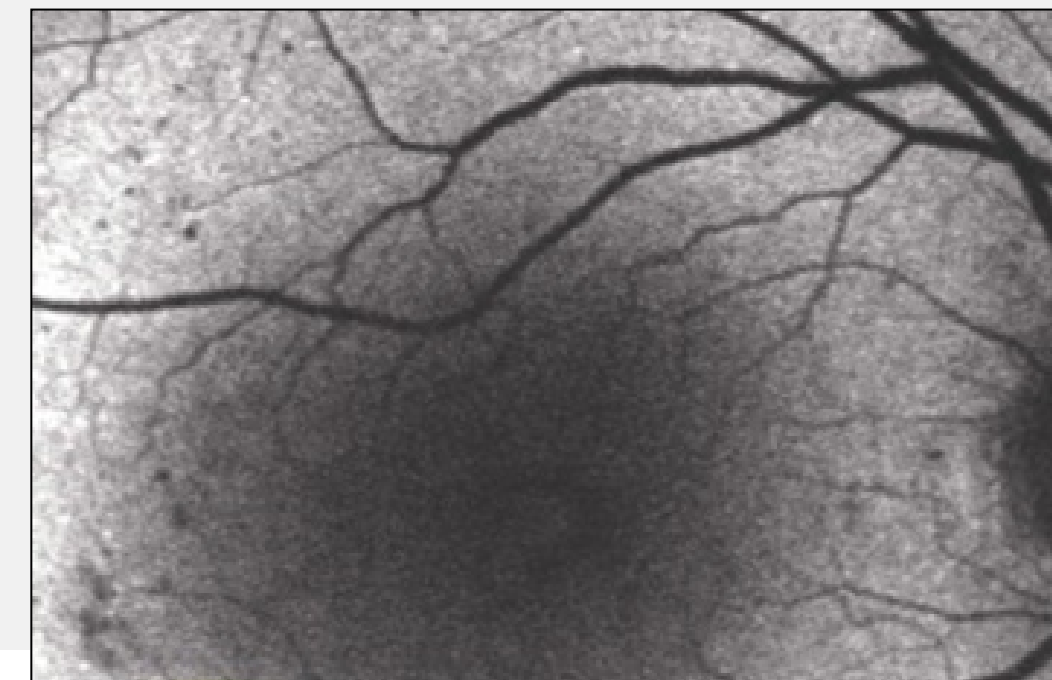
1 Year Post-treatment



Scarring clearly visible using legacy laser technology

MicroPulse Laser Treatment

Pre-treatment



1 Year Post-treatment



Scarring non-existent using MicroPulse



No visible tissue damage



Long-term vision stabilization



Significantly lower cost: financial and treatment burden

Established Customer Base and Broad Global Support



Safety

- 10-year follow-up data proved no detectable retina damage



Efficacy

- Randomized controlled trials showed improved vision and improved retinal sensitivity
- Over 135 published studies



Efficiency

- More treatable patients
- Improved patient pass-through rates
- Reduce financial cost and treatment burden



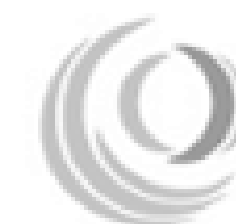
Economics

- Using anti-VEGF and MicroPulse therapy may reduce treatment burden and costs



Established

- More than 1 million patients treated
- Over 1,200 systems sold
- More than 65 countries served



Financial Update

Q3-2020

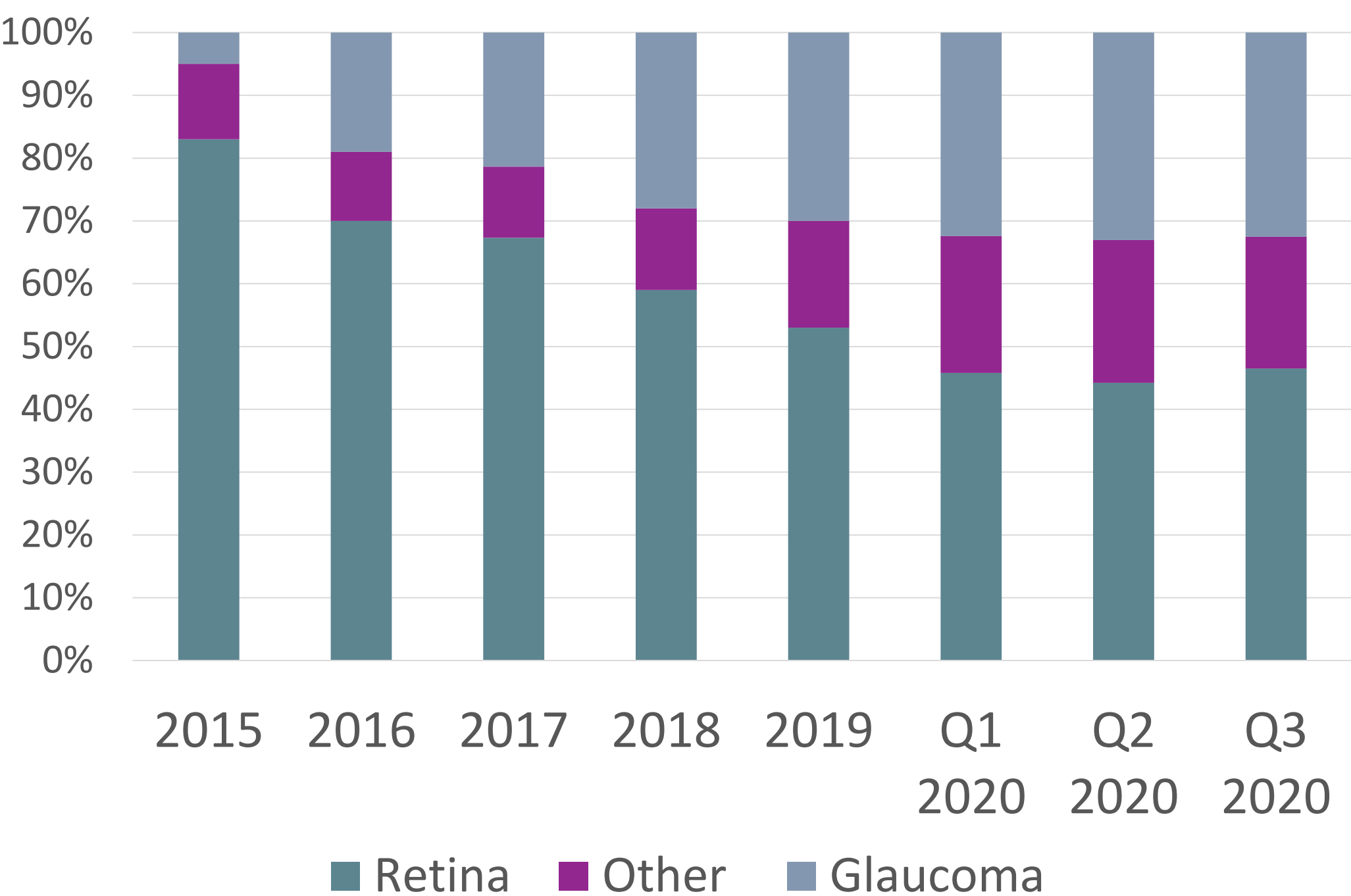
Impact of COVID-19 and Recent Developments

- Shifted to a broad virtual sales program reaching thousands during web events and maintain remote contact with key accounts
- Provided support to existing and new customers through remote proctoring for cases, web-based physician certification and educational seminars
- Gained increased attention to fit during COVID restrictions because procedure delivers strong efficacy, low risk and requires minimal follow up visits
- YTD net losses have decreased by \$1.1 million to -\$6.2 million from -\$7.3 million in the period of 2019
- Exited Q3 with Cyclo[®] G6 probe sales achieving 106% of prior year Q3

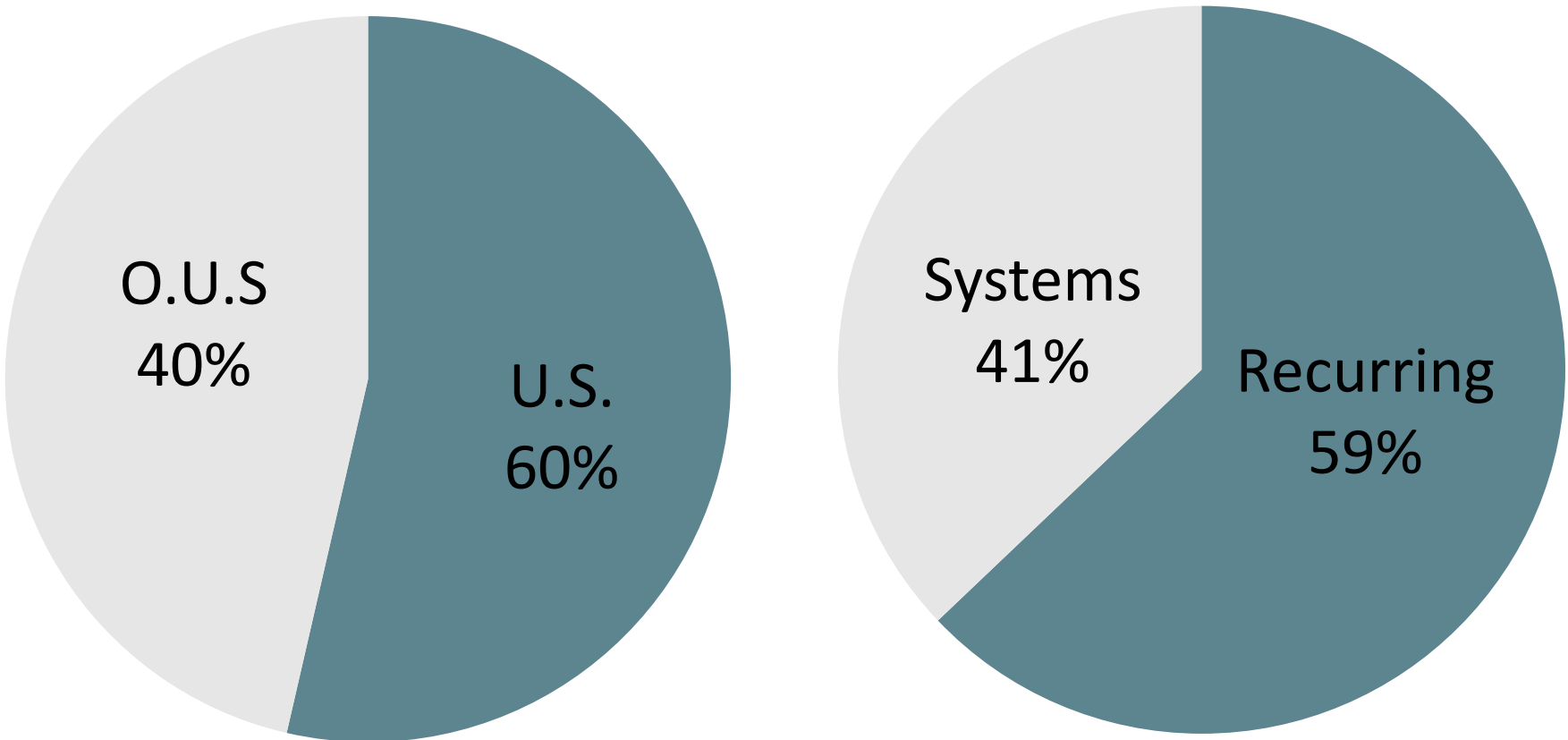
Financial Snapshot

Q3 2020 Revenue: \$8.8 MM

Significant Glaucoma Growth Shifting Revenue Mix



Revenue Breakdown at 9/26/20



Balance Sheet at 9/26/20 (\$ in millions)

Cash	\$11.9
PPP Loan	\$2.5

Longer-Term Growth Opportunities



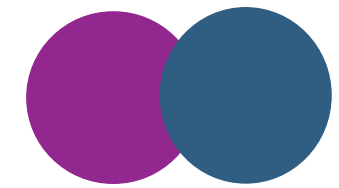
**Launch
New System
Platform and
Lasers**

**Long Runway for
Non-Incisional
Glaucoma
Paradigm**

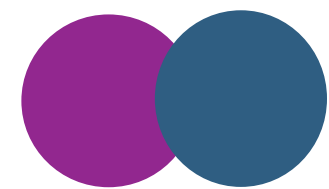
**Expand Country
Approvals and
Adoption Volume**

**Glaucoma and
Retina Therapy
Delivery Devices**

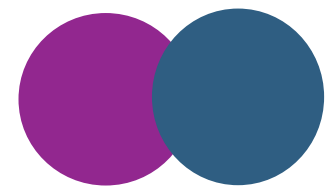
Key Takeaways



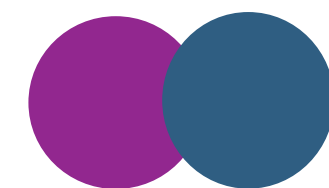
Significant market opportunity in non-incisional glaucoma therapy



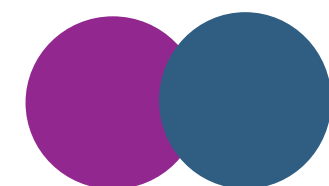
Initial penetration demonstrates market demand exists



Strong publication proofs and KOLs demonstrate efficacy and safety



Proven sales process to focus on adoption and usage to drive growth



Achieve financial returns through high margin disposables growth

Thank you