



NATIONAL
OPTICAL
CARE

Introduction Pack
September 2019

INTRODUCING NATIONAL OPTICAL CARE

National Optical Care (NOC) is a privately-owned Australian company that is currently acquiring a limited number of high quality optical and eye-care practices across Australia with a view to listing the single entity on the Australian Stock Exchange next year.

Our vision is to create a collective of optical and eye-care practices committed to the highest standards of personalised care. Our mission is to become the premier eye care provider in Australia and New Zealand. NOC's business proposition is that **"Together we are Stronger"**. This will be achieved by leveraging our combined expertise to deliver a superior experience to our clients and patients and strong financial returns for our shareholders.

We recognise that everyone reaches a point in life where they wish to consider their options for the future, and we believe our flexible approach to acquiring practices sets us apart. We are offering you a unique opportunity to realise the value of your practice whilst continuing to do the work that you love, helping to shape our future direction and positively influencing the industry.

We respect and value the reputation that you have built up over a significant portion of your life and we are committed to retaining your brand and the team that will continue to ensure the future success of the practice.

MARKET LEADERSHIP AND COMPETITIVE ADVANTAGE THROUGH:



PATIENT FIRST
PRACTICE NETWORK



EYE-CARE TRAINING
CENTRES



VERTICALLY INTEGRATED
MODEL



PRACTICE SUPPORT &
PROCUREMENT GROUP



BROAD PRODUCT &
SERVICE OFFERING

NATIONAL OPTICAL CARE **FOUNDERS**



JASON GOWIE
CHIEF EXECUTIVE OFFICER

Jason has over 25 years' experience across a number of industry sectors including Retail, Healthcare and Financial Services. Most recently Jason was the CEO & Executive Director of ASX listed retailer Godfreys Group (ASX:GFY). Prior to his role was Godfreys he was Managing Director & CEO of My Home GP a Government Accredited provider of after hour's home visiting doctor services. Additionally, Jason held the role of Divisional General Manager Sales & Service with Medibank Private during its IPO on the ASX in 2014.

Prior to his role with Medibank Private he was Managing Director Australia & New Zealand with Hearing Healthcare company Oticon Australia. Oticon Australia is part of William Demant Holdings, a global Hearing Healthcare company listed on the Danish Stock exchange. Oticon Australia is one of the largest Hearing Healthcare companies in Australia and New Zealand with a portfolio of retail businesses employing over 600 staff across its network of 180 audiology clinics.



TOMAS STEENACKERS
FOUNDING DIRECTOR

Tomas has over 15 years' experience in the veterinary and healthcare sectors with a focus on value chain synergy and business integration. Most recently, Tomas founded, developed and took to listing on the ASX, National Veterinary Care (ASX:NVL). National Veterinary Care aims to become the foremost provider of business services to the Australian and New Zealand veterinary industry.

Since listing on the ASX in 2015, Tomas has more than doubled the business to a thriving market leading organisation comprising of 100 veterinary clinics supported by 5 training facilities and complementary managed services. Prior to founding NVC, Tomas was the General Manager of Specialty, Emergency, and Pathology for Greencross Vets. He has additionally held senior roles with Terry White Management and Mayne Pharma.

BENEFITS OF JOINING NOC

Realise the Value of your Practice

You have spent a large portion of your life building your practice and we are offering you the opportunity to realise the value you have created whilst continuing to do the work you love. You will also have the option to take some of your sale proceeds as shares in NOC, enabling you to share in the success of NOC and generate a passive income through dividends

Retain Your Brand

Your practice will retain its own established brand and local identity. We respect and value the reputation that you have developed with your community and believe that keeping your practice name and brand is important. We also retain your practice team and they will continue to play an important role in the future success of the practice.

Professional Development

We are focused on developing our people and will establish Eyecare Training Centres that provide a range of professional development opportunities. Our Eye-Care Advisory Committee will harness the collective expertise across our community to help shape programs that ensure each member of our team is best equipped to always deliver the best standard of care and service.

Practice Support Services

Our Practice Support Office will provide you with the centralised services that are critical to the smooth running of your practice including; finance, payroll, human resources and recruitment, information technology and marketing. We understand that your priority is to deliver the best possible experience to your clients and that's why our experts are happy to support you with these other important tasks.



OPTIONS AVAILABLE FOR THE **SALE OF YOUR PRACTICE**

OPTION 1 **ALL CASH OFFER**

Key Terms:

- Valuation is based on 4-5 times normalised earnings (EBIT)
- 80% of the purchase price paid in cash on settlement
- 20% of the purchase price is deferred for 24 months after settlement.
- The deferred payment is subject to a performance claw back at the same multiple

Example:

Optometry Practice A has a normalised EBIT of \$200,000. At 4.5 times EBIT NOC would value the business at \$900,000.

On settlement you would receive \$720,000 from NOC in cash. The remaining \$180,000 would remain outstanding for the 24 months following settlement subject to a performance claw back.

OPTION 2 **CASH & SHARE OFFER**

Key Terms:

- Valuation is based on 4-5 times normalized earnings (EBIT)
- 80% of the purchase price paid in cash on settlement
- 20% of the purchase price is converted into NOC shares and held in escrow for 24 months after settlement.
- The deferred payment to be subject to a performance claw back at the same multiple

Example:

Optometry Practice A has a normalised EBIT of 200,000. At 5 times EBIT, NOC would value the business at \$1,000,000

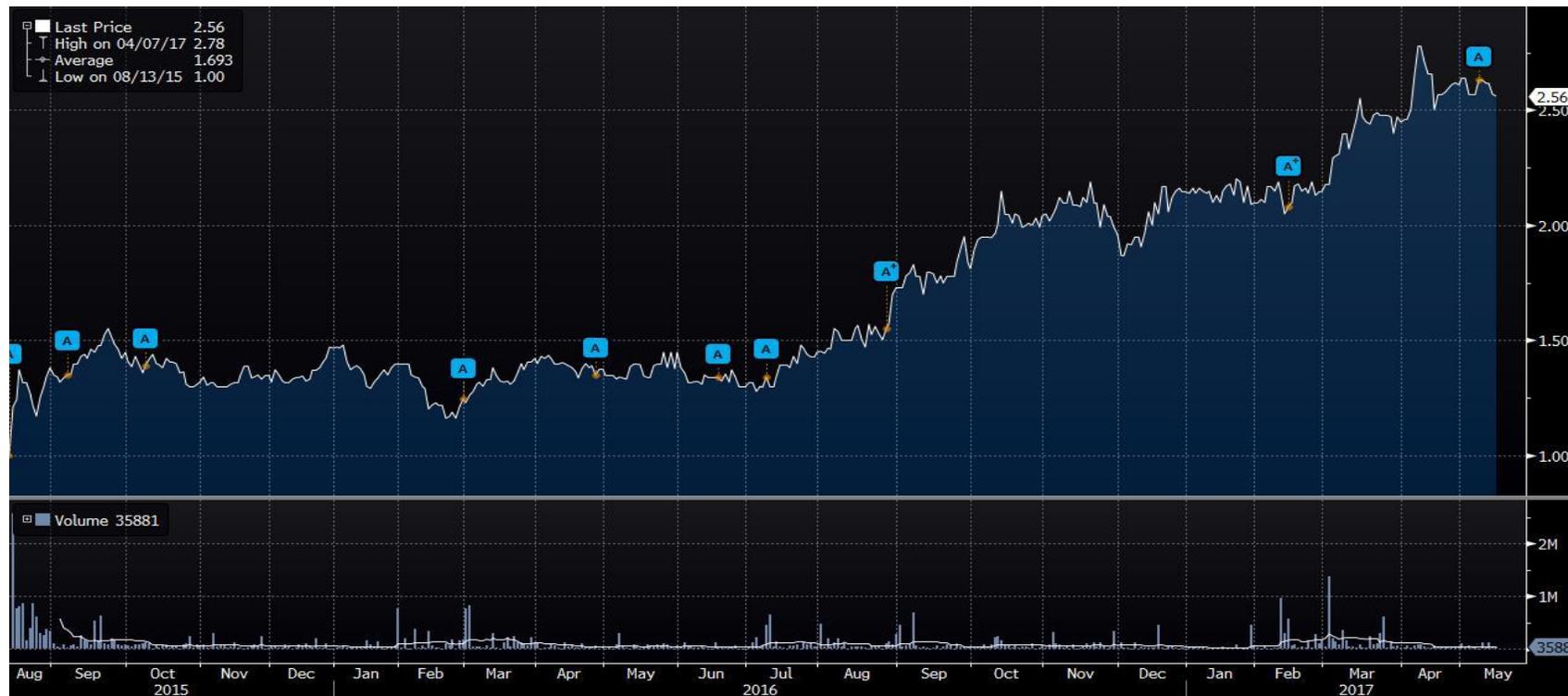
On settlement you would receive \$800,000 from NOC in cash and would be issued \$200,000 worth of shares.

The shares are held in voluntary escrow with Optometry Practice A, unable to sell them until 24 months post settlement. The shares are subject to performance claw back if the businesses of Optometry Practice A underperforms during the 24 months post settlement.

SHARE OFFER CASE STUDY: NATIONAL VET CARE

Why take shares as part consideration?

It could help increase the value you receive from the sale of your practice. The following is the share price growth of a peer consolidator listed on the Australian Securities Exchange, National Veterinary Care (ASX:NVL). National Veterinary Care saw substantial share price growth in the 2-year period following its IPO on the ASX.



- The blue A's represent additional acquisitions post listing by NVC

SHARE OFFER CASE STUDY: **NATIONAL VET CARE**

For example, if NOC listed at \$1 per share and emulated National Veterinary Care (ASX:NVL) with 250% share price growth over the 2-year period post IPO then its share price should be approximately \$2.50 per share in 2 years time.

In our previous example Optometry Practice A received 200,000 shares as part of the consideration for the sale of Optometry Practice A's businesses.

The value of these shares 2 years post settlement, if 250% share price growth is achieved, would be \$500,000.

The total consideration received by the vendor of Optometry Practice A over the 2-year period would have been approximately \$1.3 million which is equivalent to 6.5 x EBIT

HOW DO WE GET STARTED

What is involved in the acquisition process?

Every practice acquisition is unique; however all require specific details to ensure that you receive a fair offer for your practice.

Contact our CEO Jason Gowie to obtain an NDA and have a confidential discussion about joining NOC.

We will request that you send the following information:

- Last 3 years of profit and loss statements
- Last 3 years of tax returns
- List of employees, benefits, hourly or salary pay, and vacation
- Pictures and details of your practice

We will schedule a short non-intrusive visit from a member of the NOC team. Assuming your practice fits our guidelines and standards, we will submit an offer to purchase your practice.

When you accept our proposal, our legal team will send you documents for the sale of your practice. These documents are for you and your stakeholders to review. Please note due to ASIC regulations your business will be subject to an audit for the last financial year, but don't worry our team will walk you through the process to ensure it is not onerous on you.

TIMELINE

We are only looking to acquire a limited number of high quality and the response from interested parties to date has been very positive.

If you wish to be part of our exciting community then we need you to work with us to meet the following timeline:

- Financial information for the financial years 2017, 2018, 2019 to be sent in prior to 31 September 2019.
- Valuations to be prepared and agreed between both parties by 30 October 2019;
- Heads of Agreement setting out the NOC offer for your business to be signed off by both parties by early November 2019.
- Business sale contract to be prepared and signed off by end of December 2019.
- Settlement of your business, in conjunction with IPO currently proposed for May / June 2020.

Note: IPO and settlement timing is indicative only and subject to the requirements of ASIC and the ASX.

Join our community that believes in a lasting relationship with you.

Contact our CEO Jason to obtain an NDA for a confidential discussion about your practice joining NOC.

Jason Gowie
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