



Corporate Update

July 2024

NYSE American: NBY

www.novabay.com
www.avenova.com

Forward-Looking Statements

This presentation contains forward-looking statements, within the meaning of applicable U.S. securities laws, which statements can, in some cases, be identified with terms such as "anticipate," "believe," "could," "continue," "expect," "estimate," "intend," "may," "might," "plan," "potential," "predict," "project," "should," "target," "will," "would," "project," "believe," "may," "plan," "preliminary," "will," "estimate," "continue," "anticipate," "intend," "expect," "target," "potential" and other similar expressions. These forward-looking statements reflect NovaBay Pharmaceuticals, Inc.'s (the "Company" or "NovaBay") current expectations and assumptions, which include expected market, potential and market acceptance of our products, our business strategies, current and projected revenue sources, expected future financial results, customer loyalty and satisfaction, which are subject to a number of risks and uncertainty that could cause actual results to differ materially from those anticipated. These risks and uncertainties include, but are not limited to, changing market conditions, the successful and timely completion of clinical studies, the establishment of corporate alliances, the impact of competitive products and pricing, new product development, uncertainties related to the regulatory approval process and our ability to comply with the continued listing standards of the NYSE American and maintain the listing of our common stock (including our ability to regain compliance with the stockholders' equity requirements of the NYSE American), additional capital needed to finance our operations, uncertainty regarding our ability to continue as a going concern, our product candidates, market opportunities, competitors, business plan and strategies, anticipated trends and challenges in our business and the markets in which we operate, and anticipated expenses and capital requirements other risks detailed in the Company's filings with the Securities and Exchange Commission, or the "SEC", which filings can be found at www.sec.gov. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. You should refer to the risks and uncertainties described in the "Risk Factors" section contained in the registration statement on Form S-1 (File No. 333-280423), which includes a preliminary prospectus (the "Registration Statement") and under similar headings in the other documents that are incorporated by reference into the Registration Statement for a discussion of important factors that may cause the Company's actual results to differ materially from those expressed or implied by our forward-looking statements. Also, these forward-looking statements represent the Company's estimates and assumptions only as of the date of the document containing the applicable statement. Unless required by law, we undertake no obligation to update or revise any forward-looking statements to reflect new information or future events or developments. Thus, you should not assume that our silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements. You should read this presentation and the accompanying Registration Statement together with the documents we have filed with the SEC that are incorporated by reference completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of the forward-looking statements in this presentation by these cautionary statements.



Corporate Overview - *NBY is a commercial eyecare company*

COMPLETE DRY EYE PRODUCT PORTFOLIO

- Best-in-class Avenova products for each step of the standard at home dry-eye treatment regimen.

AVENOVA® - BRANDED PORTFOLIO

- Suite of Rx and OTC products leverage the brand recognition of the Avenova lid and lash cleansing spray, which has been on the market for nearly 10 years.

relieve

treat

prevent

Drops

+

Compress

+

Cleansing Spray

+

Mirror

+

Wipes

+

Supplements



Investment Highlights

Predictable, Recurring Revenue

Consumable personal healthcare products with high customer loyalty create a predictable revenue stream. Doctor recommendations provide new customer acquisition at a low cost.

Multipronged Growth Strategy

As a purely commercial organization, R&D and clinical expenses are minimal. Resources are focused on driving growth through multiple sales channels that support one another.

Expense Management

DTC marketing efficiencies contributed to 12% YOY decrease in sales & marketing expenses.

Executing on Business Strategy - *growing beyond Avenova*

Q4 2023

Q4 2023

Q1 2024

Q1 2024

Q2 2024



Rx product expansion with addition of the Avenova Allograft through commercialization agreement.

AVENOVA®

DTC marketing efficiencies contributed to decrease in sales & marketing expenses.



Co-Promotion Agreement to market Eyenovia's ophthalmic steroid and Avenova Lid & Lash Spray.

DERMAdoctor

Sale of DERMAdoctor for \$1M in cash. Divested unprofitable business segment and expect to lower cash burn by \$200k-\$300k in future quarters.

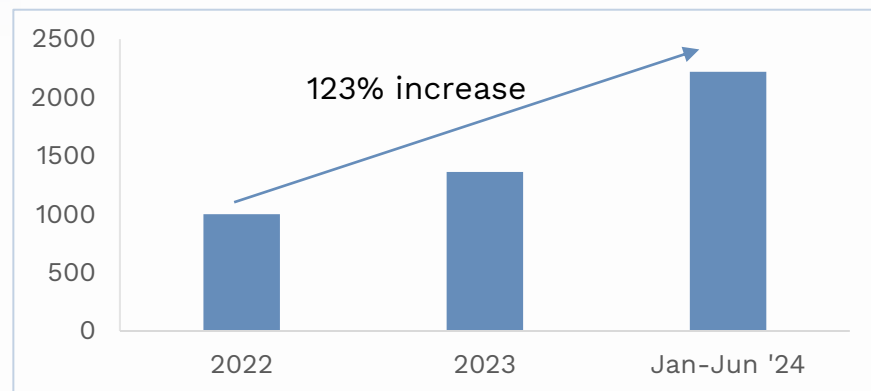


Co-Promotion activities commence.

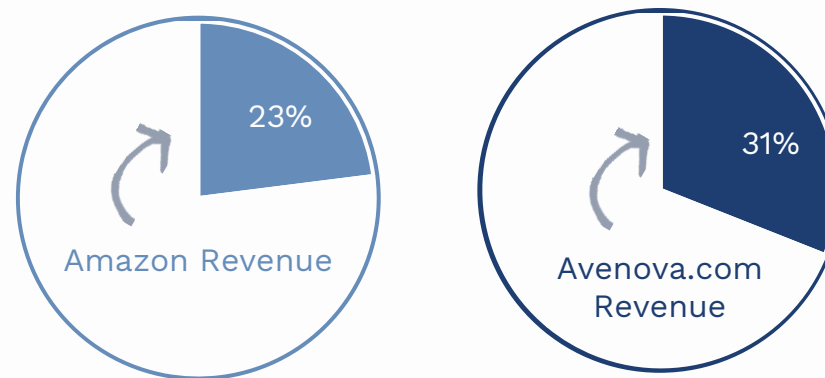
NovaBay continues to seek strategic transactions and expand product offerings

Building From a Highly Loyal Avenova Customer Base

AVENOVA SUBSCRIBERS ON AMAZON



CURRENT "SUBSCRIBE AND SAVE" SUBSCRIPTIONS (Q1 & Q2 2024)



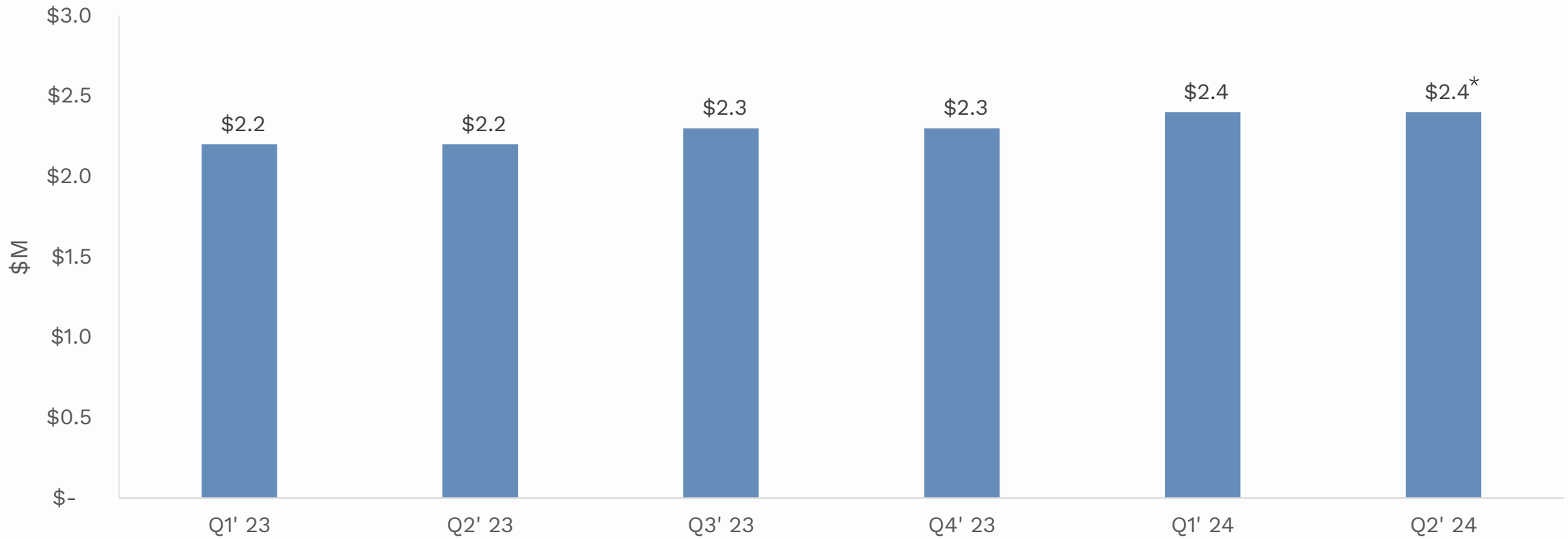
CUSTOMER RATINGS (as of June 2024)

- 4.5 stars by >14,000 customer ratings on all online channels

INCREASE IN SUBSCRIPTION BASE

- Only 14% of all online sales were subscription-based in 2022

Consistent Revenue From Eyecare Products



*Q2' 24 preliminary with estimated 2024 annual revenue of \$10M

our hero product!

Avenova Lid & Lash Cleansing Spray

- Launched in 2015, Avenova was the first hypochlorous acid lid and lash cleansing spray on the market.
- Hypochlorous acid has powerful antimicrobial properties with very low toxicity.
- Commercial strategy is to extend product offerings to become one-stop destination for standard dry eye treatment regimen and build on recognized high-quality brand name.
- We are executing on this strategy by offering complementary high-quality Rx products to leverage established sales channel.





Established Presence in Large, Growing U.S. Dry Eye Market

U.S. dry eye syndrome market is expected reach \$4.86 billion by 2030¹

- 16 million Americans have confirmed dry eye syndrome
- Dry eye syndrome is among the most observed clinical diseases in the U.S.

Complex multifactorial disease that may require personalized treatment²

2024 dry eye disease survey of eyecare professionals³

- High incidence among patients (68%) and increased clinical focus of practices
- 53% of eyecare professionals interested in expanding ocular surface disease services including dry eye and blepharitis
- Daily lid and lash hygiene and hypochlorous acid among top 3 treatments for dry eye disease, Demodex and blepharitis

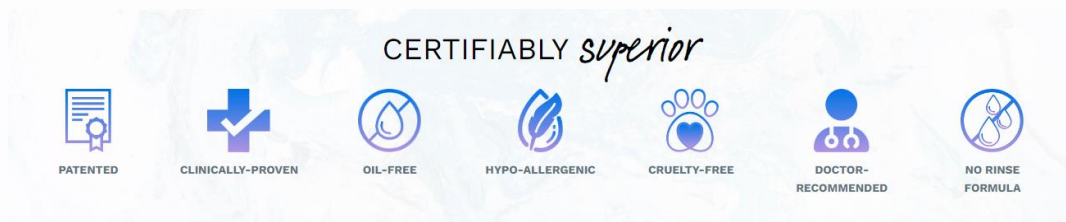
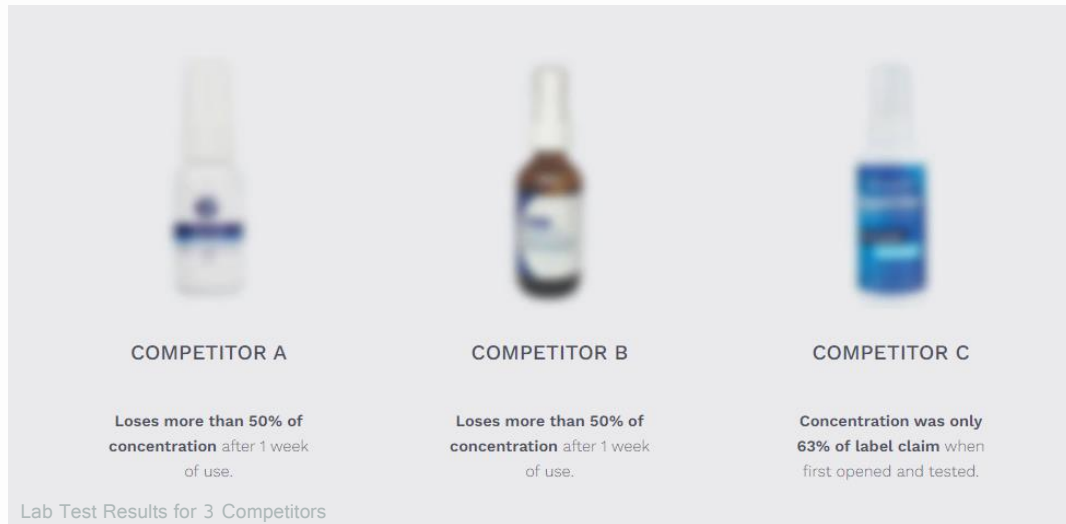
¹ <https://www.fortunebusinessinsights.com/u-s-dry-eye-syndrome-market-107538>

² Personalized Management of Dry Eye Disease: Beyond Artificial Tears, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9704006/>

³ Eyes on Eyecare 2024 Dry Eye Report survey of 337 respondents, <https://eyesoneyecare.com/resources/2024-dry-eye-report/>

Avenova Efficacy Advantages

- Inferior formulation can result in an ineffective solution and may contain harmful impurities such as bleach, plastic leachables and detergents
- Bottled in amber glass to ensure the safest, purest, and most powerful HOCl lid & lash spray on the market



The Avenova Difference.

NO BLEACH NO IMPURITIES NO IRRITATION

Purest, longest-lasting formulation of HOCl

No stinging or irritation

Non-toxic and non-sensitizing

Completely safe for regular, long-term use

safe for everyone!

Avenova Sales Channels - *a doctor recommended brand*

Rx - Retail Pharmacy

- Physicians prescribe Avenova Rx 40mL and patients fill prescriptions at a pharmacy of their choice (Walgreens, Walmart, Rite Aid, etc.)



Rx - Partner Pharmacy

- Physicians prescribe Avenova Rx 40mL and send it to a designated Avenova partner pharmacy
- Our 10 Partner Pharmacies nationwide offer a predesignated price for both insured and uninsured patients

Rx - Physician Dispensed

- Physicians purchase Avenova Rx 20mL, at a discounted price, and dispense the product through their offices
- Offers a one-stop shop experience for patient convenience
- Inside sales team of three individuals
- Optometrists and ophthalmologists buy from us and resell out of their offices



OTC

- Physicians refer patients to Avenova.com, Amazon, and Walmart
- Available 24/7 for customer convenience
- Physicians can provide patients with a one-time discount code on Avenova.com
- Digital marketing programs directly reach customers with lifestyle messaging



The Avenova Rx sales channels seed and foster growth in DTC channels.

Avenova Opportunities for Growth

Patients and Doctors can choose to purchase Avenova in the following ways:



RX + RETAIL PHARMACY

- Partnership with ImprimisRx, the nation's largest ophthalmic compounding pharmacy
- Rx version of Avenova available at 99% of retail pharmacies nationwide



PHYSICIAN DISPENSED

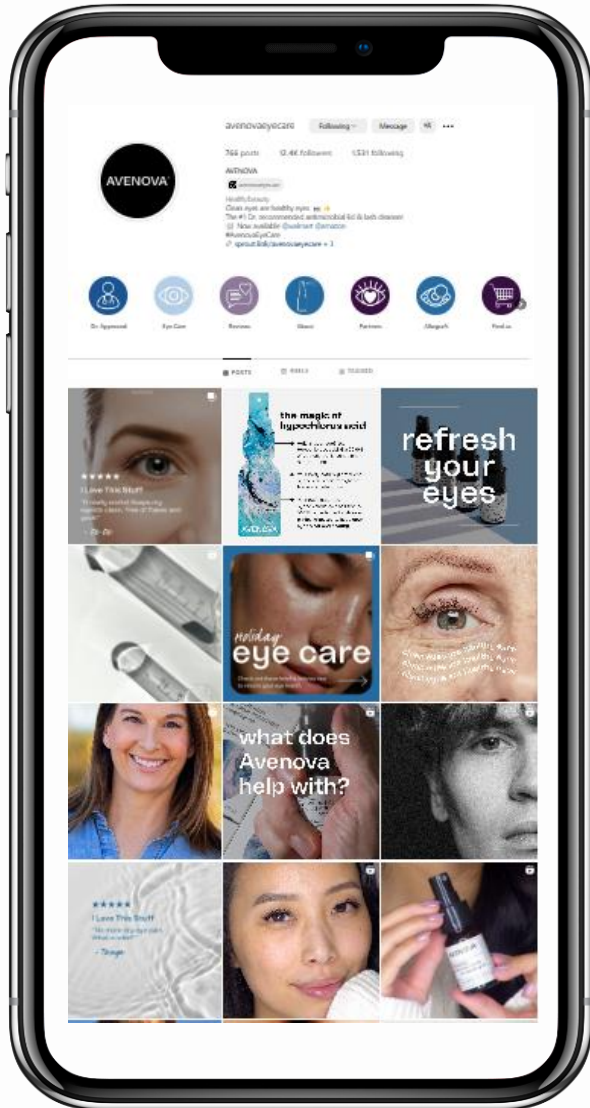
- New products and promotional programs build on recent sales-channel momentum
- Promoted through targeted email sequencing campaigns
- Using online tools for broader reach without increasing the sales organization
- Promote physician self-serve ordering through Avenova.com



OTC

- Easy access to Rx-strength product without a prescription
- Helps offset impact of high-deductible healthcare plans
- Provides stable gross-to-net pricing
- Benefits from “Doctor Recommended” halo effect from the Rx channel
- Product bundling to encourage use of companion products





Continued Growth in DTC Channel

- Vast majority of unit sales are currently through OTC channel
- Broad product accessibility through major online retailers
- Online “Subscribe & Save” feature on Avenova.com and Amazon.com, for repeat orders and revenue stabilization
- Core expertise in DTC digital marketing supports expansion of customer base

Capitalizing on Physician Dispensed Channel

ESTABLISHED RELATIONSHIPS WITH THOUSANDS OF EYECARE SPECIALISTS OPENS NEW REVENUE OPPORTUNITIES

- New affiliate programs provide network with access to special promotions aimed at increasing awareness of full suite of Avenova products
- Marketing opportunities for partnering companies to market their Rx eyecare products to established physician network
- Co-marketing agreements to promote Avenova spray through other companies' salesforces
- Supports DTC sales and provides a doctor-recommended halo effect around OTC product



Introducing

AVENOVA ALLOGRAFT

FEATHER LIGHT, BUT POWERFUL

New Differentiated, High-Quality Product
Addressing Large Market Opportunity

- The Avenova allograft is a dehydrated amniotic membrane utilized by eyecare professionals for the treatment of ocular surface diseases in the office setting
- Licensed & rebranded proprietary Rx product from BioStem Technologies (OTC:BSEM)
- Recent commercial launch through physician dispensed channel, expanding channel offering to capitalize and build on established sales channel
- Global ophthalmology amniotic membrane market estimated at >\$400 million, expected to grow 9.8% per year through 2030¹



Co-Promotion Agreement for Synergistic Product

- NovaBay to market Clobetasol Propionate Ophthalmic Suspension 0.05% for the treatment of post-operative inflammation and pain following ocular surgery
- Eyenovia to market Rx Avenova spray through its 10 field representatives across the U.S.
- Synergistic call point with both sales teams focusing on cataract surgeons
- First new ophthalmic steroid to enter the U.S. market in over 15 years¹



Eyenovia, Inc. (NASDAQ: EYEN), Eyenovia, Inc. is an ophthalmic technology company commercializing Mydcombi™ (tropicamide and phenylephrine hydrochloride ophthalmic spray) 1%/2.5% for mydriasis, Clobetasol Propionate Ophthalmic Suspension, 0.05% for postsurgical inflammation and pain, and developing the Optejet® device for use both in connection with its own drug-device therapeutic product for pediatric progressive myopia.

¹<https://eyenovia.com/products/clobetasol/>, <https://europe.opthalmologytimes.com/view/united-states-fda-approves-clobetasol-propionate-ophthalmic-suspension-0-05-from-formosa-pharmaceuticals-and-aimmax-therapeutics>

Cap Table & Debt Overview

Capitalization (as of July 5, 2024)	Common Stock Equivalents
Common Stock	1,348,481
Warrants (WAEP \$37.40)	224,777
Convertible Notes	119,495
Series B Convertible Preferred ¹	15,065
RSUs	5,148
Stock Options (WAEP \$1,757.18)	1,756
Total Fully Diluted	1,714,722

1. Convertible at \$8.75 per share.

Convertible Notes	Outstanding	Maturity	Interest	Conversion Price	Common Stock Equivalents
Sr. Secured May 2023 ^{2,3}	\$561,700	11/01/24	10% OID	\$45.50	12,349
Unsecured March 2024 ⁴	\$525,000	03/01/26	0%	\$4.90	107,146

2. Due in equal monthly installments

3. Mandatory redemption of at least 20% of gross proceeds from capital raise

4. Lump sum payment at maturity

NOTE: No full-ratchet anti-dilution or similar price protection features in outstanding securities.

Investment Highlights

Predictable, Recurring Revenue

Estimated FY 2024 net revenue of \$10M from eyecare products with one quarter of such revenue expected to come from existing customer base.

Multipronged Growth Strategy

Anticipated growth in both prescription and DTC channel.
"Doctor Recommended" halo effect creates a credible consumer brand.

Expense Management

Purely commercial organization with minimal R&D and clinical spend.
Efficient Sales and Marketing expense due to loyal customer base.