



FIVE YEAR BUSINESS PLAN

Lions EYE Bank of Athens (L.EYE.B.A.)

I. Executive Summary

It is estimated that due to lack of access and high cost of cornea tissue, an amount of at least 4m Euros is lost annually from the Greek State Budget due to the cost of purchasing cornea tissue for transplants performed in Greece, the cost of funding transplant operations performed abroad together with the cost of labor productivity forgone due to untreated corneal diseases. L.EYE.B.A intends to provide affordable, high quality local tissue, openly accessible to every Greek patient with an estimated saving of 1.5m Euros in the year 2018 just from L.EYE.B.A originating cornea tissue and the additional 2.5m Euros from labor capacity regained.

It should be noted that the operation of L.EYE.B.A will act as a catalyst raising the number of corneal transplants close to 2,500 per year in 2018, a figure which is also the estimated total demand of cornea tissue for the overall Greek population. Evidently L.EYE.B.A, holding an estimated 40% of local market share in the same year will provide a paradigm for the establishment of additional eye banks to cover the local demand in tissue with a similar business model. At that point L.EYE.B.A will have a choice to become the preferred exporter of quality cornea tissue at the Eastern Mediterranean Region.

With a net worth of approximately 1m euros in the 5th year of its operation, an IRR of 10.1% and no liabilities side on its balance sheet, L.EYE.B.A will have the option to secure leveraged finance and/or additional charitable funds to materialize its expansion into the international markets as preferred regional tissue provider.

The Lions Eye Bank of Athens (L.EYE.B.A) as a modern eye bank will have to transgress from a pure non-processed, into a processed, pre-cut tissue provider right from the start as the global market clearly demands. Given the advances in stem cell research and technology, which will also incorporate new, efficient methodologies for ocular tissue development before the end of this decade, L.EYE.B.A will have to follow along this track and make a turning point strategic decision near the year 2018-2020 to switch to biomechanically produced autologous corneal tissue. The steering committee of L.EYE.B.A will have to make that technical and economic leap in a way that the overall project is not compromised and the new business model is still sustainable.

As a strategic choice L.EYE.B.A will become a regional tissue provider for southeast Europe. To cover the startup expenses of the operation (approximately 0,5m Euros) an equal amount will have to be secured as charity donation on the basis of the humanitarian mission of the organisation.

It should also be noted that in September 2013 the results of the *Cost-Benefit Analysis of Corneal Transplant* (a.k.a. the Lewin Study), by the Eye Bank Association of America, was publicised. That study looked at the net benefit of cornea transplantation through the reduction in medical costs and the increase in productivity of cornea recipients and their caregivers, and found

that the transplants performed in 2013 alone will have a net lifetime benefit to recipients and to the US society of nearly \$6 billion.

Lifetime Economic Cost-Benefit of Corneal Transplantation

Age Group	No. of Patients with a Corneal Transplant in 2013	Per-capita Cost and Benefit				Total Net Lifetime Benefit
		Medical Cost of Transplant	Benefits: Direct Medical	Benefits: Indirect	Net Lifetime Benefit	
0-17	362	\$19,200	\$27,000	\$233,000	\$241,000	\$87,240,000
18-39	2,466	\$18,900	\$40,000	\$219,000	\$240,000	\$591,840,000
40-64	9,125	\$15,900	\$63,000	\$218,000	\$265,000	\$2,418,125,000
65+	35,408	\$16,500	\$84,000	\$2,800	\$71,000	\$2,513,968,000
Average age	47,361	\$16,500	\$77,000	\$214,000	\$118,000	\$5,588,598,000

Source: Cost-Benefit Analysis of Corneal Transplant, September 2013, The Lewin Group

This study assumed full retirement at age 65, so the net indirect cost savings is small for these patients, but the per-capita lifetime net medical benefits of \$67,500 for patients age 65 or greater receiving corneal transplants in 2013 will save Medicare, Medicaid and patients in the U.S. a combined \$2.4 billion.