



**Via Email and X.com**

Mr. Brian Moore

Sr. Director, Investor, Media Relations and Corporate Development

STAAR Surgical Company

1911 Walker Ave, Monrovia, CA, 91016

Email: [bmoore@staar.com](mailto:bmoore@staar.com)

Tel: (626) 303-7902, Ext. 3023

Dear Mr Moore:

I hereby submit the following suggestions and ideas to increase shareholder value at STAA:

1. **New Products**. Any great company is constantly innovating. STAA cannot be the exception. It needs new and exciting products to boost organic growth. For example, assuming these are technically feasible, the company could develop interocular lenses that have the ability to change a patient's underlying eye color. This could enable STAA to achieve "viral" status among certain cohorts of end users. For example, STAA already has a large presence in Asia (and virtually all Asians have brown eyes). The ability to change ones eye color could become a status symbol akin to having blue eyes. Or, at a minimum, the ability to lighten one's eye color could be a significant marketing draw. (As a last resort, consider adding a laser procedure to remove iris pigmentation (for example, to make brown eyes blue) as an "add-on" option with traditional STAA ICL procedures.) As another example, the company could develop interocular lenses functioning similar to auto-dimming eye glasses (i.e., ICLs which would incorporate a dimming function in bright light, so that patients would no longer need sunglasses). The point of the foregoing is that the company's leadership needs to think outside the box to supercharge growth, as the status quo pace of growth is unacceptable.
2. **Cost Cutting Measures**. The positive side to any temporary (cyclical, rather than secular) decline in a business is the ability to cut excess costs. Employee morale (among remaining employees, that is) will be better when cuts happen in bad times rather than good, since they will be thankful merely to survive with their jobs intact. STAA should undertake a wholesale re-examination of its cost base and remove any excess fat that currently exists. G&A should come down by a **minimum** of 15% across the board. It is unclear why the company has not provided more information on the magnitude of the expected cost cuts, instead referring generically to "appropriate cost cutting measures...that will impact headcount and discretionary spend" in its Q4 2024 earnings press release. [*Note that Southwest Airlines recently made an announcement along the lines outlined above, specifying that its "workforce reduction of approximately 1,750 Employee roles is focused almost entirely on corporate overhead and leadership positions and represents approximately 15% of corporate positions, including senior leadership and directors" (emphasis added). NOTE: A PDF of the full Southwest PR separately attached hereto.*]
3. **United States Market Emphasis; Affiliate Marketing**. It is time to prioritize the US market, given its vast revenue potential vis-à-vis any other market. There are literally millions of untapped



potential customers in the United States. STAA should consider doing some new deals with US-based celebrities or influencers (testimonials, etc.) whereby they are compensated for referrals of new customers via their social media feeds, including follow-up data analysis to determine the ROI of such campaigns. These are typically done through affiliate links. Regular users of STAA's ICLs could also be rewarded for referrals via affiliate links, for example when they post YouTube videos describing their (positive) experience using STAA's products. [For a good example of such viral marketing, please see the discussion of Tesla here: [How Tesla's Referral Program Earned Elon Musk 40x ROI](#). NOTE: A PDF copy is separately attached.] If STAA is not familiar with this form of marketing, it should immediately hire somebody with a proven track record in social media marketing.

4. Stock Buyback and Insider Buying. The company should authorize a stock buyback to be implemented over the next 6-12 months in an amount equal to at least the amount of incremental cost savings STAA obtains from its G&A downsizing activities referenced in paragraph 2 above. With approximately 50 million shares outstanding, even \$10-15MM in buybacks is meaningful at prevailing STAA share prices (i.e., mid-teens). In addition, the board of directors and C-suite denizens at STAA should reach into their (apparently very tight) pockets and buy some stock on the open market, especially now that it has been significantly marked down. Over the past 5 years, there have only been four (4) insider purchases by directors totaling 7,100 shares (and zero insider purchases by senior company executives). In my opinion insider buying is probably most important signifier that those running the company are financially aligned with the true owners of the company, the shareholders.

I would appreciate it if you could forward this letter to the board of directors and senior management at STAA. Please contact me if you would like to discuss any of the above items further. Thanks very much.

Sincerely,

Scott Klarquist

CIO, Seven Corners Capital Management, LLC