

ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

Adelaide, Australia

Date: 5 May 2017

Release: Immediate



Topic: Ellex iTrack MIGS Technology to Feature at 2017 American Society of Cataract and Refractive Surgery

Adelaide, Australia, 5 May 2017 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in medical devices for the diagnosis and treatment of eye disease, today announced that its proprietary iTrack™ minimally invasive glaucoma surgery (MIGS) technology will figure in the official scientific program of the annual American Society of Cataract and Refractive Surgery (ASCRS), Los Angeles, 5-9 May 2017. This will also coincide with the release of positive, interim 24-month ABiC™ case series data by Dr. Mark J. Gallardo (El Paso Eye Surgeons, Texas, USA).

ASCRS 2017

The annual ASCRS meeting is the preeminent scientific and industry event for cataract and refractive surgeons and medical personnel in the ophthalmic industry. Key physician presentations and courses featuring Ellex iTrack™ and ABiC™ at ASCRS 2017 are listed below.

1. ASCRS MIGS Skills Transfer Wetlab Session

Monday, 8 May 2017

ABiC™ with iTrack™ will figure alongside other leading MIGS procedures, such as iStent (Glaukos Corporation) and XEN (Allergan, Plc), at a MIGS Skills Transfer Wetlab session. During this CME-accredited event key faculty members, including Dr. Gallardo, will teach the key steps of the ABiC™ procedure.

According to Ellex CEO, Tom Spurling, the inclusion of Ellex iTrack™ in the ASCRS Skills Transfer program signals its acceptance as a major player in the MIGS space.

“This is a significant milestone for Ellex iTrack. It is the first time we have been chosen to feature in the ASCRS teaching program. Not only will delegates have an opportunity to undertake didactic and wetlab training on the ins and outs of the procedure, but they will do so at the same time as learning about other MIGS procedures, such as iStent.”

2. ASCRS Paper Session (Category: Glaucoma)

Saturday, 6 May 2017

Clinical outcomes with Ellex iTrack™ will be presented during three paper sessions. Dr. Gallardo will share the interim 24-month results from his case series involving mild-to-moderate glaucoma patients, and Dr. Mahmoud A. Khaimi (Dean McGee Eye Institute, University of Oklahoma, USA) will highlight the interim 18-month outcomes for ABiC™ as both a standalone treatment and as an adjunct to cataract surgery.

1:42 – 1:47pm, Mahmoud A. Khaimi, MD

“Ab-Interno Canaloplasty As a Standalone Treatment and in Adjunct to Cataract Surgery for the Treatment of Open-Angle Glaucoma”

1:47pm – 1:52pm, Mark J. Gallardo, MD

“Twelve-Month Outcomes of Ab-Interno Canaloplasty for Mild-to-Moderate Controlled and Uncontrolled Glaucoma

1:52 – 1:57pm

“Three-Year Outcomes of Canaloplasty Without Suture Placement for the Treatment of Open-Angle Glaucoma”

All educational content of the ASCRS•ASOA Annual Symposium & Congress is planned by its program committee and ASCRS•ASOA does not endorse, promote, approve or recommend the use of any products, devices or services.

3. EyeWorld Corporate Education Event

“A New MIGS on the Block?”

Saturday, 6 May 2017

The breakfast symposium, moderated by glaucoma specialist Steven Vold MD (Vold Vision, USA), will feature guest speakers Dr. Gallardo and Dr. Khaimi.

An avid user of MIGS and one of the highest volume iStent users in the USA, Dr. Gallardo will address his use of ABiC™ with iTrack™ as both an adjunct to, and in conjunction with, other MIGS procedures.

“Not only does it provide a therapeutic benefit, but it can also provide a diagnostic tool for evaluating the patency of the distal system. With this, we may be able to couple other MIGS procedures to ABiC for maximum benefit,” commented Dr. Gallardo.

Dr. Gallardo will also address the favourable benefit-to-risk ratio of ABiC™ with iTrack™.

“By lowering IOP without alteration of the trabecular meshwork, ABiC appears to have a much safer profile than most other MIGS procedures. It also has the added benefit of not hindering a patient’s suitability for additional ocular surgery in the future, if needed, including iStent implantation and supraciliary/suprachoroidal shunt implantation,” added Dr. Gallardo.

24-Month Data Update

The 2017 ASCRS will also mark the release of interim 24-month data for ABiC™ with iTrack™, based on the results of a 75-eye case series study by Dr. Gallardo at El Paso Eye Surgeons, Texas. The results show that ABiC™ can effectively reduce intraocular pressure (IOP) and medication dependence in glaucoma patients when used as both a standalone procedure, and as an adjunct to cataract surgery.

Interim data for the entire patient cohort show that at 24 months post-ABiC™ there was a total average decrease in IOP of 39% and a 70% reduction in medication burden. In 41 patients who underwent ABiC™ as a standalone procedure, there was a total average decrease in IOP

of 34% and 43% at 12 months and 24 months respectively. Medication use was also reduced by 60% at 24 months.

There were no complications or safety issues reported.

Dr. Gallardo's complete 24-month data is expected to be released in late 2017.

North American Investor Roadshow

To coincide with the 2017 ASCRS, Mr. Spurling will undertake a series of investor presentations with key members of US industry and the investment community prior to, and following, the congress period. Please refer to the presentation attached.

ABOUT ABiC

ABiC™ is a MIGS procedure that utilizes Ellex's proprietary iTrack™ illuminated microcatheter to circumferentially viscodilate Schlemm's canal, the collector channels and the trabecular meshwork. Unlike other MIGS procedures, it restores natural aqueous outflow without damaging ocular tissue or leaving behind a foreign body, such as a stent or shunt.

A key challenge faced by glaucoma surgeons using most MIGS procedures is the need to pinpoint the exact location of increased aqueous outflow resistance. However, it is not always possible to do so and there is no way for a surgeon to be sure that all sites of resistance have been located. Whereas other MIGS procedures treat only one aspect of aqueous outflow, ABiC™ comprehensively accesses, catheterizes, and viscodilates the trabecular meshwork, Schlemm's canal, and importantly, the distal outflow system, beginning with the collector channels, this eliminating the guesswork inherent in stent-based MIGS.

ABiC™ with iTrack™ has also been shown to be effective as both a stand-alone procedure and as a combined procedure performed in conjunction with cataract surgery.

During the procedure, the Company's patented iTrack™ illuminated microcatheter is inserted through a small corneal incision and placed into Schlemm's canal, a circular channel in the eye that collects aqueous humor and delivers it into the bloodstream. If aqueous humor cannot drain adequately through the trabecular meshwork and Schlemm's canal, pressure within the eye (intraocular pressure, IOP) can become elevated. Through a process of 360-degree viscodilation, ABiC™ with iTrack™ is designed to restore the natural outflow pathways for aqueous humor and provide sustained IOP reduction.

For additional information on ABiC™ with iTrack™ please visit www.glaucoma-iTrack.com

ABOUT ELLEX

Ellex designs, develops, manufactures and sells innovative product that help eye surgeons around the world to effectively and efficiently treat eye disease. Ellex is a world leader in this

field. Headquartered in Adelaide, Australia, Ellex has ophthalmic lasers and devices that treat glaucoma, retinal disease primarily caused by diabetes, secondary cataract and vitreous opacities, as well as age-related macular degeneration. Manufacturing is carried out in Adelaide, Australia and Fremont, California. Sales and service directly to eye surgeons is conducted via subsidiary offices in Minneapolis, Lyon, Berlin and Tokyo. A network of more than 50 distribution partners around the world services other markets.

For additional information about Ellex and its products, please visit www.ellex.com

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ELLEX MEDICAL LASERS LTD (ASX:ELX)
North American Investor Presentation – May 2017

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Large & Growing Market for Ophthalmic Products

- ✓ Participating in the global market for supply of products that treat major causes of blindness
- ✓ Annual spend on associated pharmaceuticals and devices is greater than US\$10B and growing

Established Core Business

- ✓ Track record of innovation for core ophthalmic lasers and diagnostic ultrasound business
- ✓ Strong brand with global distribution channel

Transformational Products

- ✓ Leveraged into the fast growing MIGS device market through iTrack™, a single use microcatheter
- ✓ 2RT™ as a very short pulse laser to potentially disrupt the emerging AMD treatment market

A World Leader in Ophthalmic Devices



Established corporate and brand identity with strong global distribution channels

- ✓ Designs, develops, manufactures and sells ophthalmic devices globally
- ✓ Strong track record of profitability and growth over 32 years - listed on ASX for 16 years
- ✓ Highly skilled management and operations team
- ✓ Employs 272 globally:
 - Based in Adelaide, South Australia – ophthalmic lasers and ultrasound devices: R&D, design, manufacture, marketing
 - San Francisco Bay Area, USA – Ellex iTrack HQ for iTrack MIGS device and manufacturing
 - ELX sales and service – Adelaide Headquarters, Lyon, Berlin, Tokyo, Minneapolis



Ellex Medical Lasers (ASX:ELX)

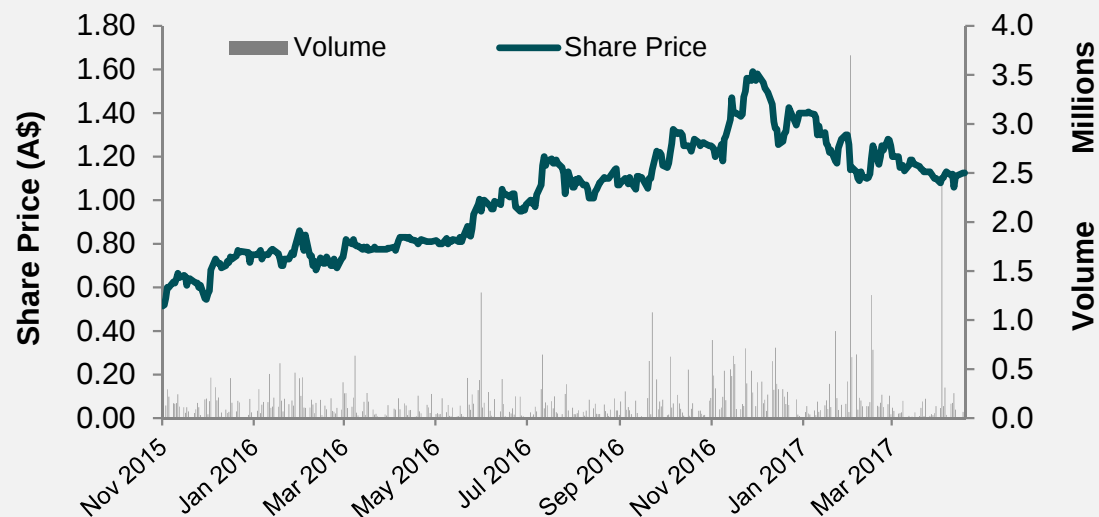


Capital Structure

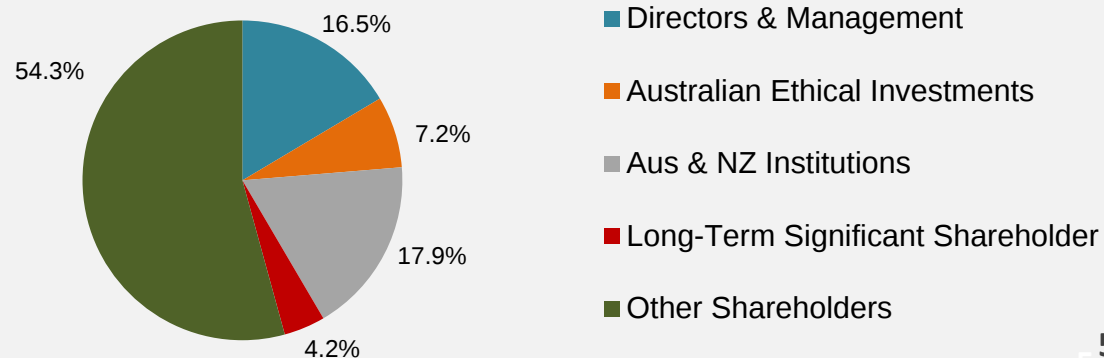
Shares on Issue	121,146,897
Share Price (1 May)	\$1.07
Market Cap	A\$130M (US\$98M)
Cash at Bank (31 Dec)	A\$14M (US\$11M)
Debt (31 Dec)	A\$4M (US\$3M)
Enterprise Value	A\$120M (US\$90M)

*AUD/USD = 0.75

Share Price History



Ownership Structure



Key Personnel



Victor Previn - Chairman

- Professional engineer and one of the original founders of Ellex
- Responsible for developing/commercialising technology platform of Ellex's core products
- >15 years experience in the global ophthalmic laser industry

Tom Spurling – CEO

- Appointed Group CEO in March 2011 with over two decades' experience in international business development
- Previously MD and General Manager of Tenix LADS Corporation, technology originally licensed by Tenix from the Australian Department of Defence

Maria Mailei – Company Secretary and Group Financial Controller

- >25 years senior financial management experience, specialising in international tax, reporting and corporate compliance
- Joined Ellex in April 2011 and holds a Masters in Professional Accounting and is a Certified Practising Accountant

Lisa Farquhar - GM, Global Sales and Marketing

- Joined Ellex in May 2011 – currently responsible for the Ellex's global sales network and marketing initiatives
- >20 years of sales and marketing experience in the medical industry and previously Sales Manager at Alcon Laboratories

Phil Prosser – Chief Technology Officer

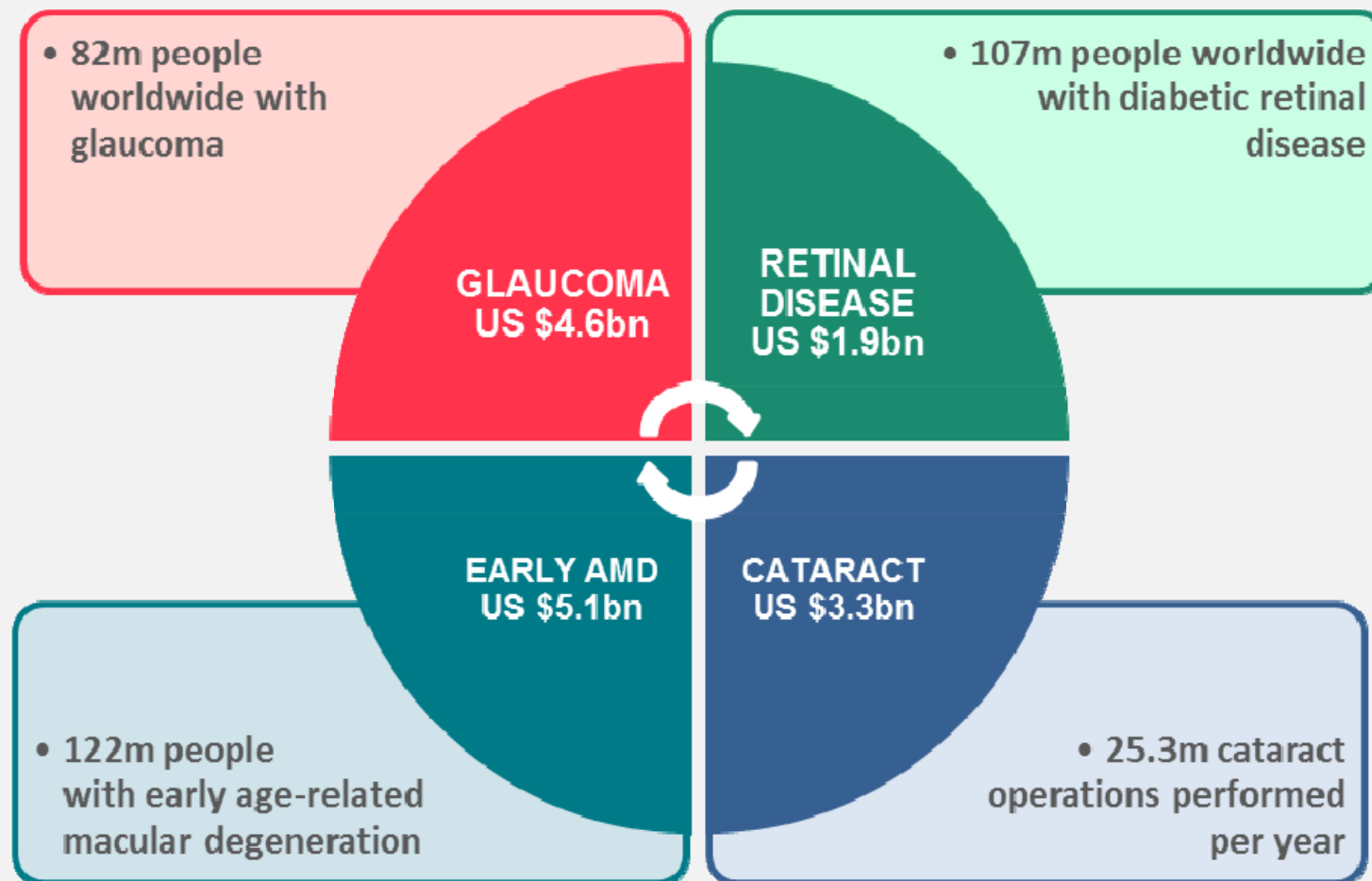
- Appointed as the Chief Technology Officer in 2016 with >25 years experience in development of products and leading edge technology in the medical and defence engineering fields
- Previously managed the Defence Engineering business unit in Tenix and was the head of capability for BAE Systems

Stuart McNab – Chief of Operations

- In excess of 25 years experience in the manufacturing sector
- Recently hired to oversee expansion of manufacturing operations to support growing demand

Targeting a Large & Growing Market

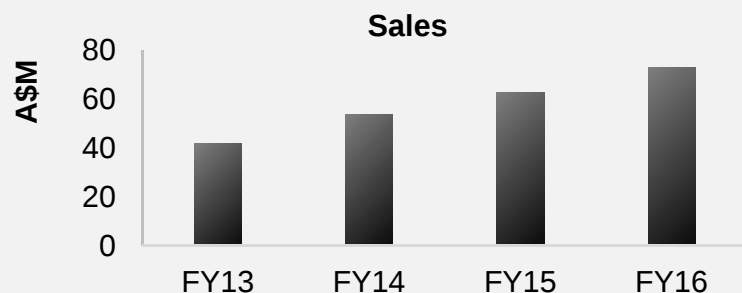
Comprehensive production portfolio, including a pipeline of transformation products targeting the broader medical device market



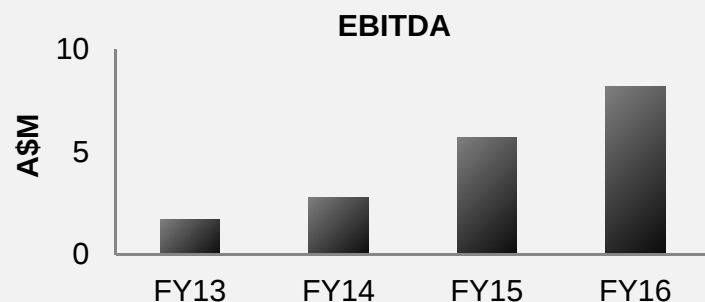
Strong Revenue & Profit Growth in Core Business



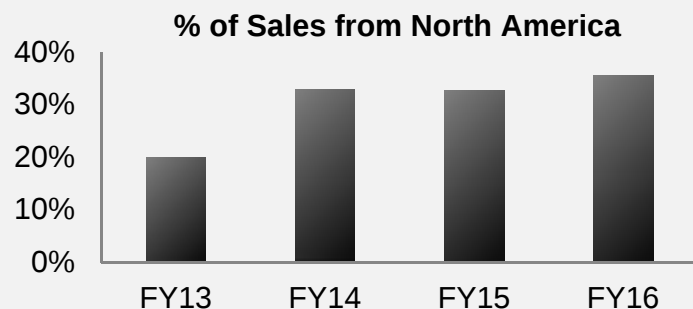
Sustainable core business – four consecutive years of revenue and profit growth



- ✓ 4 consecutive years of revenue growth
- ✓ FY16 Revenue of A\$73M (US\$55M)



- ✓ 4 consecutive years of increases in EBITDA and EBITDA margin
- ✓ Absolute profit improvement despite A\$1.7m (FY15 A\$1.0m) development expenses for growth in 2RT, iTrack

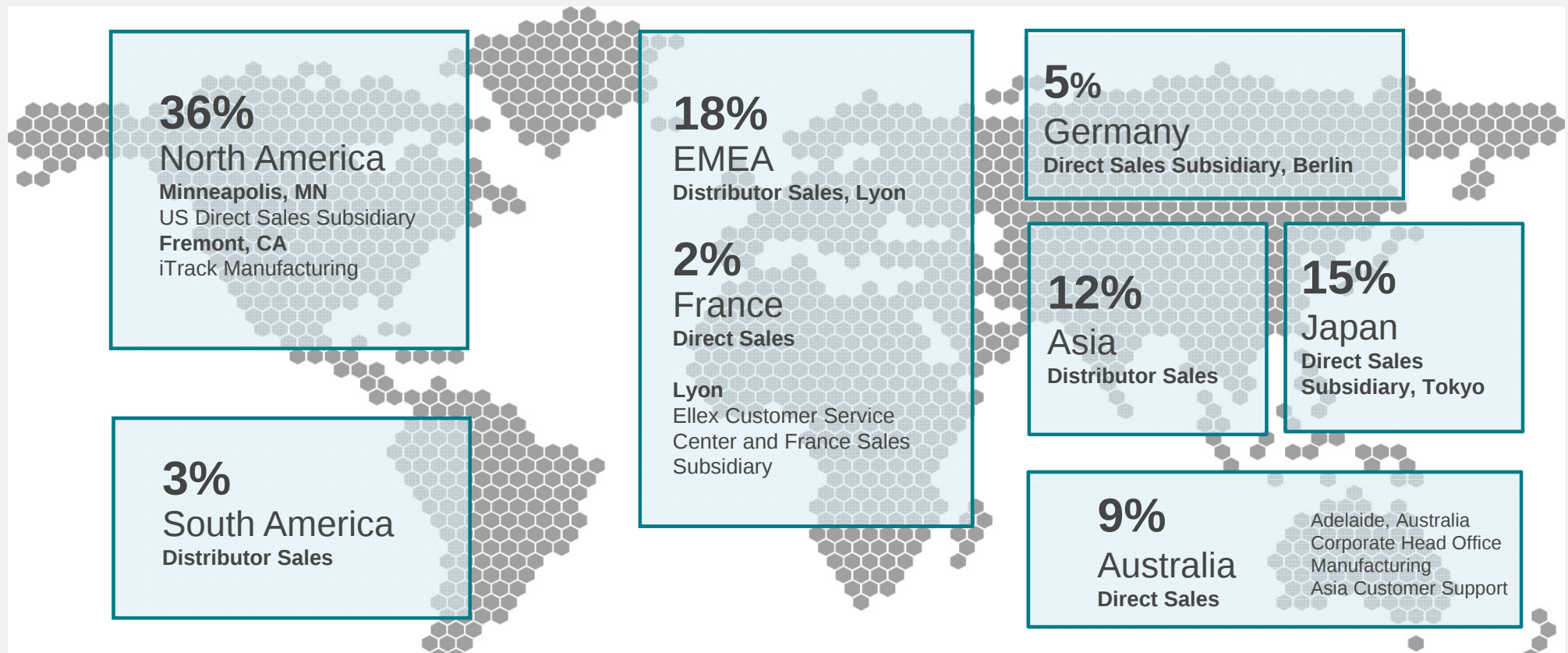


- ✓ Significant revenue contribution from North America

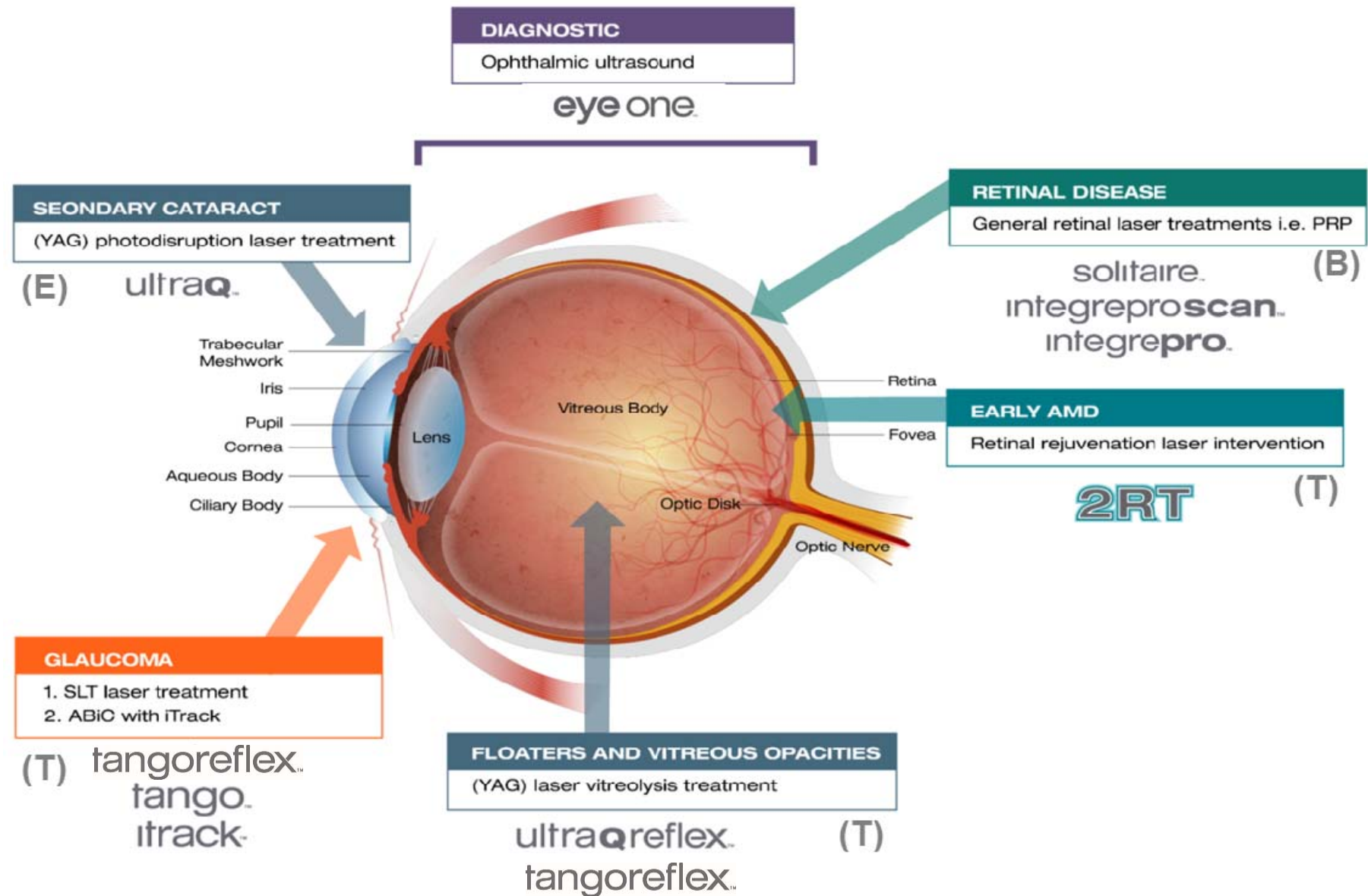
Trusted Global Brand in a Global Markets



Regional Revenue Contribution



Ellex Products & Applications



3 Business Segments – 1 Theme

Supporting minimally invasive ophthalmic procedures with devices that provide doctors with comfortable returns, lower patient costs and improved patient care

Segment	Revenue 1H FY17 (A\$M)	Business Model	Current Market Size	Current Estimated Market Growth Rate
Ellex laser & ultrasound	30.3	Capital equipment sales	US\$420m	4%
Ellex iTrack™ MIGS device	3.6	Consumable product	US\$177m	39%
Ellex 2RT™ for early AMD ⁽¹⁾	0.2	Capital equipment & procedure fee	US\$5.1bn current spend on pharma	Double digit growth in pharma spend

(1) Subject to outcome of phase III clinical trial reading out in mid 2018. Currently early adopter sales only



Ellex Laser & Ultrasound

Market Position, Size & Competitors – Laser & Ultrasound



Disease	Current Ellex Devices	Total annual spend on disease treatment with pharma and devices	Current device-market accessible to Ellex ⁽¹⁾	Assessed device-market position against competition
Glaucoma – early stage	SLT with TangoReflex™, Tango™, Solo™	US\$4.6 billion ⁽¹⁾	US\$50 million (CAGR 2%)	1. Ellex 2. Lumenis
Cataracts and Vitreous Floaters	Ultra Q™ and Ultra Q Reflex™	US\$3.3 billion plus 25.3 million cataract operations per year ⁽²⁾	US\$53 million (CAGR 1% plus more with vitreous floater treatment)	1. Ellex 2. Zeiss 3. Lumenis
Diabetic Disease of Retina	Integre Pro™ and Integre Pro Scan™	US\$1.9 billion ⁽³⁾	US\$323 million (CAGR 7%)	Ellex, Nidek, Lumenis, Topcon & Iridex
Diagnostic Ultrasound	Eyecubed™ Eyeone	Included above	US\$140m (CAGR 5%)	Ellex, Sonomed & Quantel

(1) Combination of Ellex estimate and MarketScope LLC Reports (2) MarketScope LLC Report dated April 2016 (3) PharmaPoint: Macular Edema and Macular Degeneration- Global Drug Forecast and Market analysis to 2023” published in Dec 2014

Secondary Cataracts & Vitreous Opacities



Laser Floater Removal performed with Ultra Q Reflex laser is the only outpatient-based, minimally invasive treatment option for floaters

- ✓ Everyone will develop a cataract by the age of 70
- ✓ ~25 million cataract operations performed worldwide annually
- ✓ Virtually every individual has experienced or will experience the visual shadows caused by debilitating vitreous opacities
- ✓ On average, seven in ten people are affected by floaters
- ✓ Proprietary, patented Ultra Q Reflex™ laser is the world's first and only ophthalmic laser designed for the treatment of floaters i.e. Laser Floater Removal (LFR)
- ✓ Provides physicians with a treatment for a common condition hitherto treated invasively or not at all

LFR

Ultra Q Reflex™ Laser



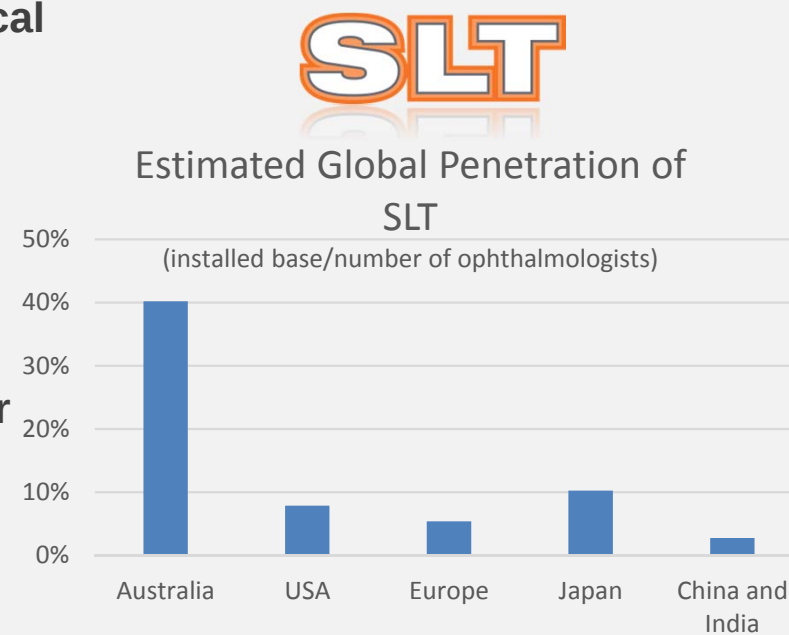
SLT for Glaucoma



Opportunity to increase market penetration of SLT as a first-line therapy in both developed and developing markets.

- ✓ **Current mainstay of glaucoma treatment is medication (topical drops) but it places a significant burden on patients to:**
 - **Comply with a daily medication regimen**
 - **Continuously pay for the drops**
- ✓ **A single treatment with Ellex SLT (AKA “Special Light Therapy”) can free a patient from the need for daily drops for up to 10 years**
- ✓ **Ellex is recognised as the global leader in SLT laser technology and sales - holding approximately 50% market share ⁽¹⁾**
- ✓ **Proven efficacy plus good financial returns to physicians**

(1) Market Scope 2016





iTrack™ MIGS Segment

Market Position, Size & Competitors - iTrack



Distinguished from competitor products

- ✓ Used and reimbursed in the USA without concurrent cataract surgery
- ✓ Each competitor device is a single point stent that either bypasses or penetrates Schlemms canal
- ✓ 360° solution clearing Schlemms canal and opening collector channels
- ✓ Can be repeated and revitalises natural outflow pathways, leaving nothing behind

Disease	Current Ellex Devices	Total annual spend on disease treatment between pharma and devices	Current device-market accessible to Ellex ⁽¹⁾	Assessed device-market position against competition
Glaucoma – earl/mid stage (1) MarketScope LLC Report dated April 2016	iTrack™	US\$4.6 billion ⁽¹⁾	US\$177 million growing to circa US\$920m by 2021 (CAGR 39%)	1. Glaukos (NYSE: GKOS) 2. Ellex Allergan and Alcon launching products

Allergan and Alcon devices differ to Ellex iTrack

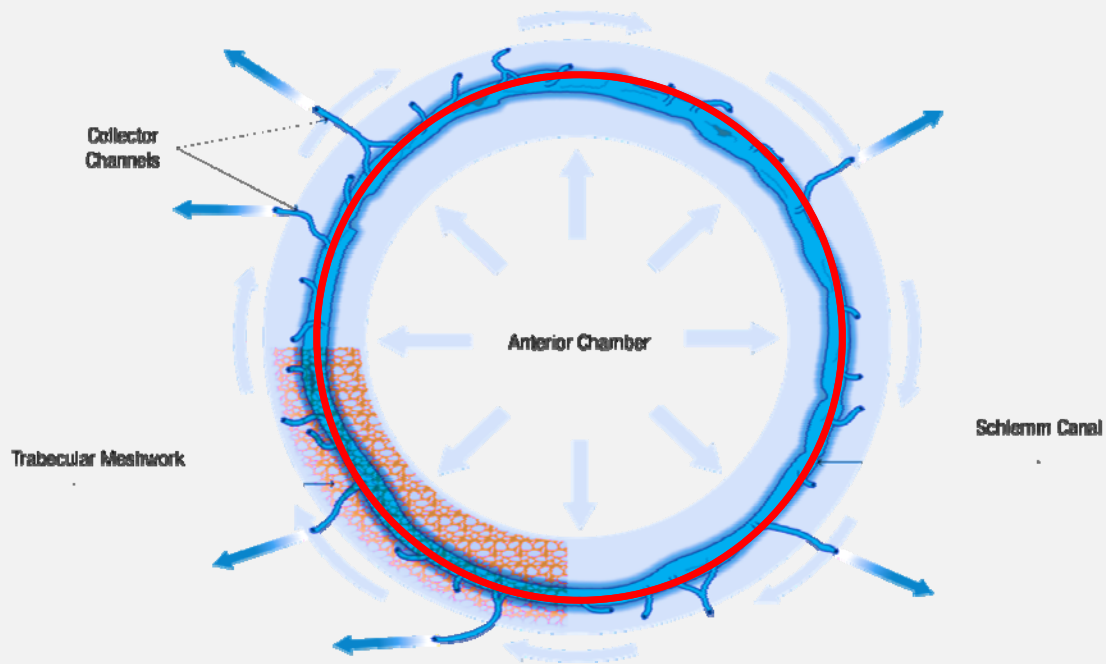
- They are for approx 6mm long permanent stents for patients with later stage glaucoma who do not have functioning natural outflow systems
- They bypass the natural outflow systems, Ellex iTrack enhances the natural systems
- They are indicated for use with cataract surgery only, Ellex iTrack can be used standalone

Ellex iTrack™ ABiC MIGS Procedure



Proprietary single-use microcatheter MIGS device

- ✓ ABiC (ab interno canaloplasty) procedure with Ellex iTrack™ method of action is based on 360° visco dilation of Schlemms Canal and flushing of collector channels
- ✓ Unlike other devices, not only is ABiC tissue sparing, it is an adjunctive therapy complementary to other MIGS devices and later stage glaucoma treatment
- ✓ USA Reimbursement increase effective 1/1/17 (2X pre 1/1/17 level), expansion of sales team in USA, and approval in China is driving rapid sales growth



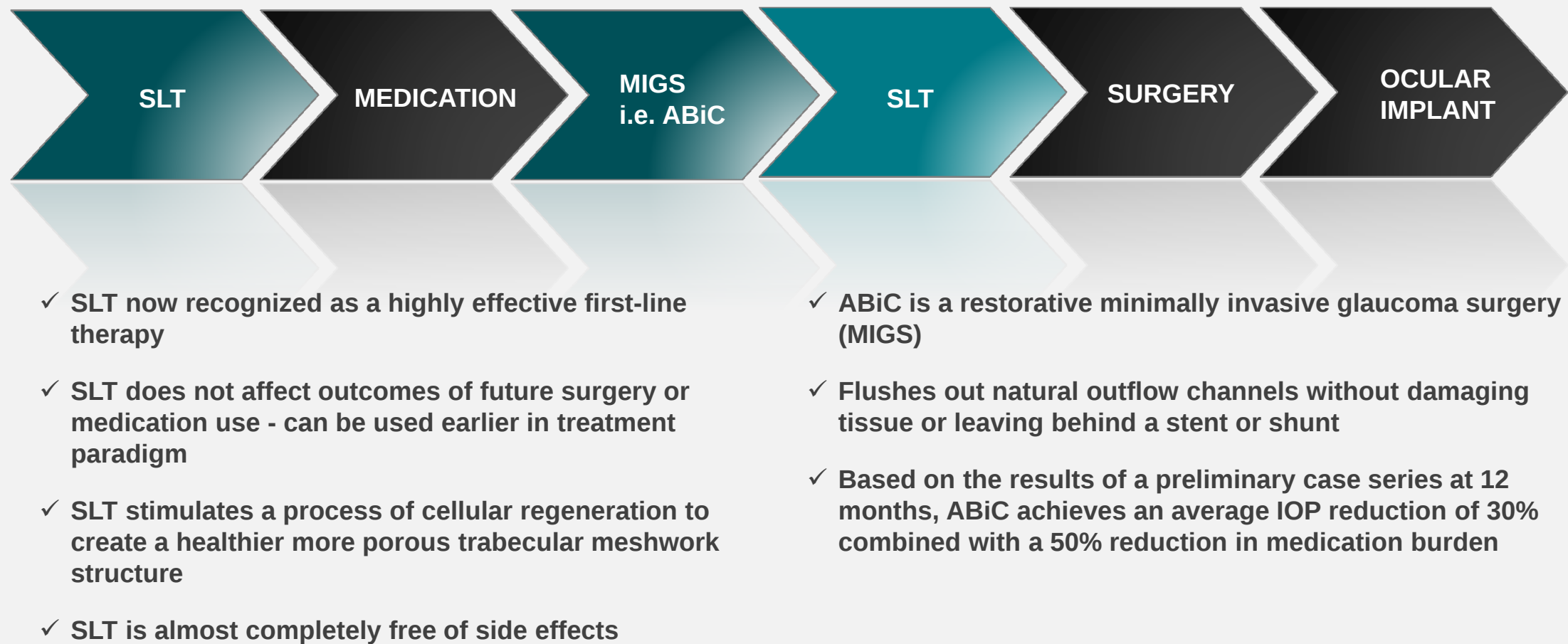
iTrack Sales By Region (US\$)

	H1FY16	H1FY17	H1FY17 CC	Growth %
USA	1.8	2.0	2.1	+15%
Asia	0.1	0.5	0.5	+400%
Rest of World	0.8	1.1	1.1	+38%
	2.7	3.6	3.7	+37%

Evolving Treatment of Glaucoma – SLT & MIGS



A new theme – Ellex Tango (SLT) and Ellex iTrack (MIGS) – unique offering from a single company





2RT™ for Early AMD Segment

Market Position, Size & Competitors – AMD



Current treatment options for AMD only address advanced complications associated with the disease which place a growing strain on health care systems

- ✓ Late stage treatment with anti-VEGF drugs preserves vision, however:
 - It is onerous on patients and caregivers; and
 - Is a burden for government health schemes to purchase the drugs (example of Australian data below)

Top 3 drugs by cost to Australian government year to 30 June 2016

Medication	Treats	Cost to Government (A\$)	Prescriptions
Ledipasvir & Sofosbuvir	Hepatitis C	\$942,824,000	25,205
Ranibizumab & Sflibercept	Macular degeneration	\$472,450,000	318,999
Adalimumab	Arthritis & inflammatory bowel diseases	\$335,857,859	194,405

Source: Reported on 5 December 2016 by Australia's ABC News

Market Position, Size & Competitors - AMD



Disease	Current Ellex Devices	Total annual spend on disease treatment with pharma and devices	Current device-market accessible to Ellex ⁽¹⁾	Assessed device-market position against competition
Early-Stage AMD and Clinically Significant Macula Edema	2RT™	US\$5.1 billion ⁽¹⁾ (CAGR 7%) in just 7 major economies	<u>Emerging</u> - market will be a function of the current annual spend of US\$5.1b	Ellex (assessed by ELX)

- ✓ Ellex unaware of any other company pursuing a therapy for AMD, early in the disease state. The focus is on late stage disease treatment only.
- ✓ Market Scope estimates that approximately 20m people globally have late stage AMD and 120m people have the disease in its early stage
- ✓ Competitor AMD activity focussed on the smaller market for late stage state disease, in-particular: Lengthening time between injection of pharma, Ocular implants that slowly release pharma, Stem cells replacement
- ✓ If the LEAD trial is successful, no other company will have a device clinically proven over a 36-month trial period

Method of Action & Clinical Trial



2RT is demonstrating that it has the potential to be the world's first interventional treatment for early to intermediate AMD

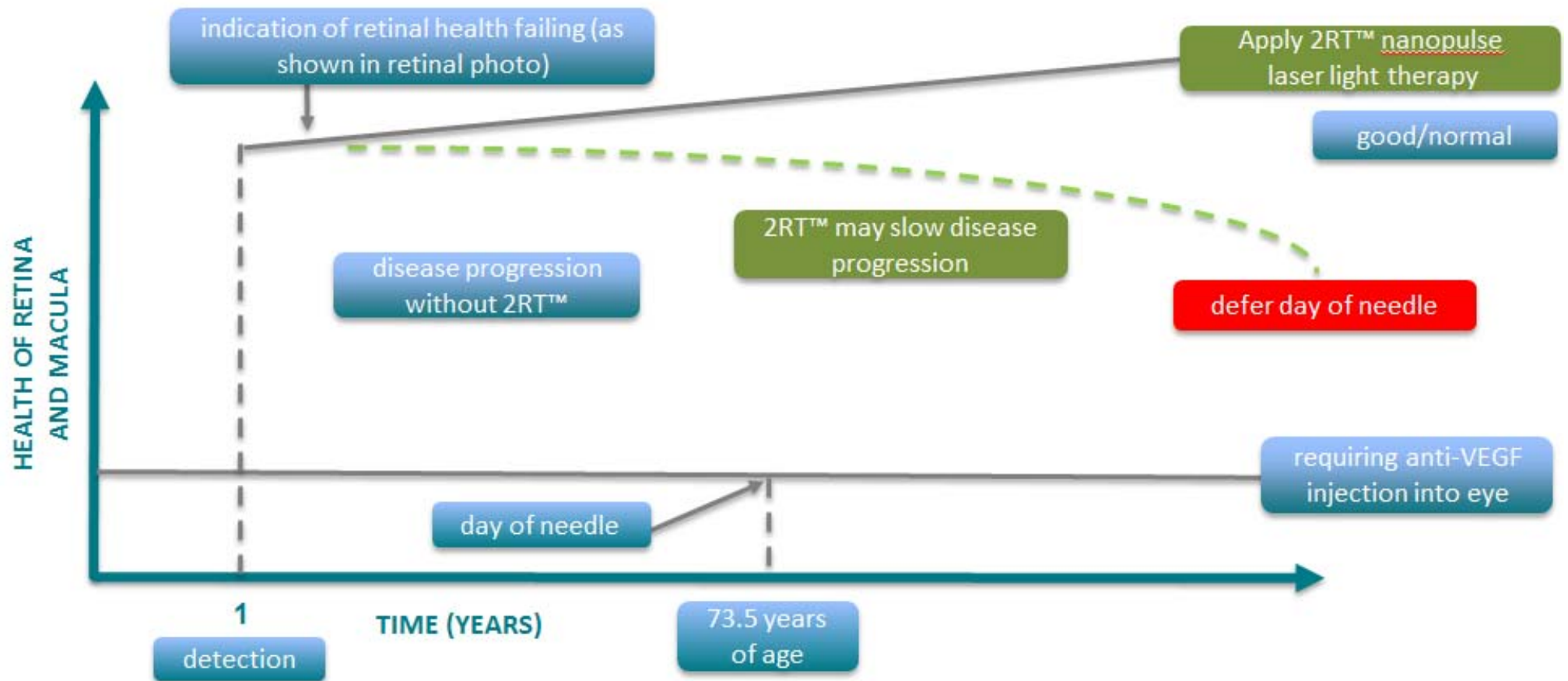
- ✓ Applied to retina early in disease state - stimulates retinal cells to rejuvenate and enables them to feed and support the macula, thereby slowing down the disease
- ✓ Promising results in initial and concurrent clinical trials
- ✓ Laser intervention in Early AMD (LEAD) trials a multi-centred, randomised, sham controlled, clinical trial with 292 patients enrolled
- ✓ Lead investigator Professor Robyn Guymer, a world-leading retinal professor who is based at the Centre for Eye Research Australia
- ✓ Measuring progression of disease, including progression to late stage, of patients in early / intermediate disease stage over 3 years
- ✓ We believe that this data set will form the largest study group and have the longest follow-up period for patients screened for early to intermediate stages of AMD
- ✓ We believe that 2RT therapy could be an immunisation that requires annual treatment. Our per procedure fee with annual treatment and with no other immunisations on the horizon means we believe we have a strong revenue potential

2RT



2RT to Defer Late-Stage AMD?

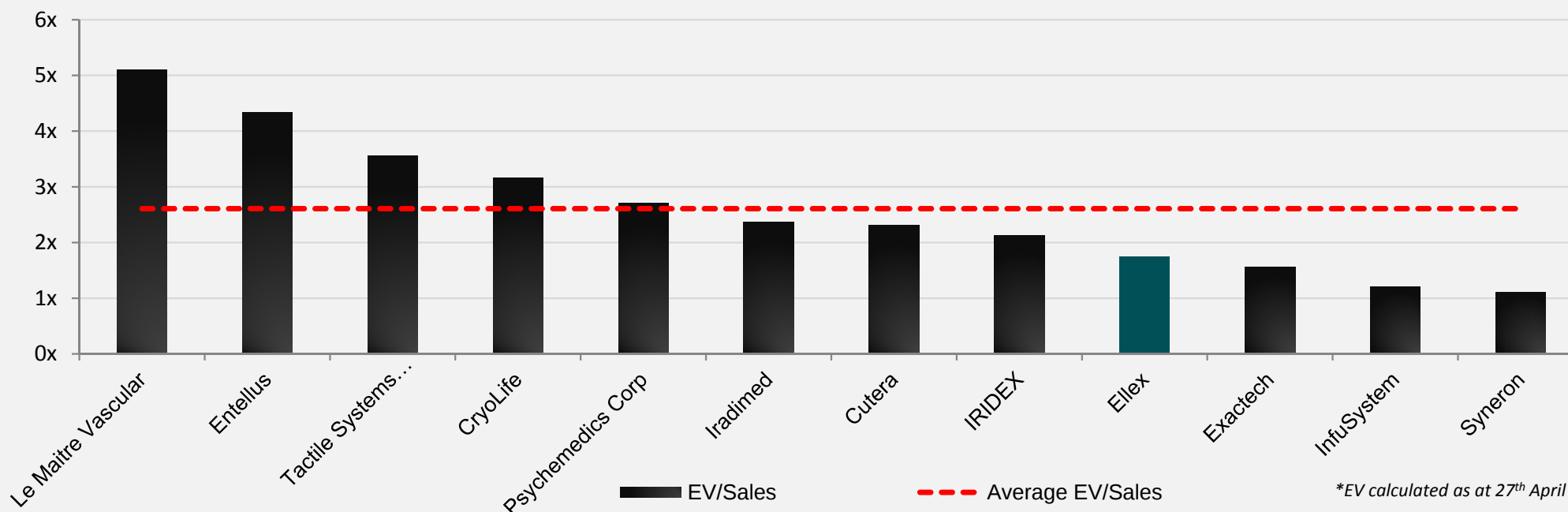
2RT™ may allow physicians to intervene and treat patients at a stage of the disease for which there is no alternative therapy



Ellex Valuation - Comparable Peer Analysis



Ellex trading lower than the average EV/Revenue multiple of its US-Listed Peers



Glaukos (NYSE: GKOS) is a comparable company in the MIGS treatment market:

- ✓ Founded in 1998, California-base and completed IPO in June 2015
- ✓ Launched iStent device in 2012 – micro sized implant used in conjunction with cataract surgery and designed to restore your eye's natural ability to reduce IOP
- ✓ Designed for patients with mild to moderate open-angle glaucoma



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