

ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

Adelaide, Australia

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**Topic: Ellex announces increase in USA reimbursement for iTrack procedures**

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**Adelaide, Australia, 10 November 2016** – Ellex Medical Lasers Limited (ASX:ELX), a global leader in medical devices for the diagnosis and treatment of eye disease, today announced important progress on its expansion of sales of the Ellex iTrack minimally invasive glaucoma surgery (MIGS) device.

### **Recap on iTrack and the Minimally Invasive Glaucoma Surgery (MIGS) Device Market**

iTrack is a single-use, minimally invasive glaucoma surgery (MIGS) device used to comprehensively restore the natural outflow pathways in open-angle glaucoma patients who are no longer responding to SLT or pharmaceuticals. iTrack, used in simple, fast ab interno procedure, accesses, catheterizes, and viscodilates the 360 degrees of the eye's natural drainage system. The iTrack procedure (known as "ABiC") can be performed either as a stand-alone procedure or as an adjunct to cataract surgery. The market for MIGS devices is growing rapidly; MarketScope estimates that it will be US\$700m per annum by the year 2020.

### **Reimbursement Increase for iTrack Procedure in USA Market**

The Center for Medicare and Medicaid Services (CMS), the US government agency that provides health insurance for 50 million retirees and those with disabilities, recently announced its reimbursement arrangements for the year commencing 1 January 2017. Decisions by CMS generally guide other private insurance payors.

Included in the announcement by CMS is an increase in the reimbursement available to Ambulatory Surgery Centres (ASCs) purchasing and using the iTrack from US\$976 per procedure during 2016 to US\$1,747 per procedure in 2017. These rates are a US national average and actual rates are determined regionally based on a national wage index.

Commenting on this change, Ellex CEO Tom Spurling stated "We expect that this increase will result in an increase in take up of our product and procedure in the US above the rate we have experienced in the last 12 months."

## **Appointment of Vice President, Ellex iTrack**

John Craig, an experienced ophthalmic sales professional, was appointed Vice President, Ellex iTrack in September 2016. In this capacity John will have a singular responsibility for growing the Ellex iTrack business, particularly in the USA. John has worked in sales of ophthalmic products for 20 years including time with industry majors, AMO and Bausch & Lomb. Recruitment of additional people is now underway to expand our direct sales network for this product.

## **iTrack Sales Growth to 31 October 2016**

Sales growth for iTrack in both the direct USA market and to distributors in the rest of the world for the 4 months to 31 October 2016 has been 35% on the prior corresponding period in 2015 on a constant currency basis. This rate of growth is higher than at the same time last year.

## **ABOUT ELLEX**

Ellex designs, develops, manufactures and sells innovative products 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](http://www.ellex.com)**

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