Adelaide, Australia, 19 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 it will be hosting a site tour by institutional shareholders and analysts at the Company's new laser and ultrasound production facility at Mawson Lakes, South Australia.

Key details of the new site and the completion of the successful move to the site in April 2017, are in the attached presentation.

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

For further information on Ellex please contact:

Tom Spurling, CEO
Ellex Medical Lasers Limited
82 Gilbert Street, Adelaide, SA, 5000
W +61 8 8104 5293 | M +61 417 818 658
tspurling@ellex.com

Andrew Angus
Overland Advisers
M +61 402 823 757
andrewangus@overlandadvisers.com.au

Maria Maieli, CFO & Company Secretary
Ellex Medical Lasers Limited
82 Gilbert Street, Adelaide, SA, 5000
W +61 8 8104 5200
mmaieli@ellex.com
Manufacturing Site Upgrade & Expansion – Project Rationale

Ellex had been manufacturing ophthalmic lasers and ultrasound at a facility in a leased building at 82 Gilbert Street, Adelaide (“Gilbert Street”) since 2002, with machined parts being produced at a separate leased facility in Thebarton, located 5km from Gilbert Street (“Thebarton”). Both sites served us well but were not optimal for the growth outlook of our business.

A new company-owned site was selected and fitted out from March 2016 to December 2016 to expand capacity at Gilbert Street. This site, located in a technology and defence precinct at Second Avenue, Mawson Lakes (“Mawson Lakes”) is in the northern suburbs of Adelaide. Mawson Lakes is 16km north of Gilbert Street. The site for expansion was selected because:

- It provides additional production capacity to Gilbert Street and better production line layout to drive operating efficiencies.
- It is company-owned rather than leased, providing us with better control
- It enables us to combine the machine shop operation with the laser and ultrasound manufacturing on a single site

The expansion was successfully completed in mid April 2017 and is now augmenting the Gilbert Street production facility.
Location of Mawson Lakes Site
Laser & Ultrasound Manufacturing Upgrade

Special production facility being maintained at Gilbert Street to optimise efficiencies.
Well Controlled Change Process

- The design philosophy of new facility at Mawson Lakes was to optimise the product work flows coupled with a superior operating environment and process controls.
- A detailed change management plan defined the process controls for the validation build.
- Validation build was completed in December 2016.
- TGA issued the Conformity Assessment & EC Certificate with the additional Mawson Lakes on 17 February 2017.
- Main transformer upgrade was completed on the 5 March 2017.

Mawson Lakes TGA Validation and Certification Timeline

<table>
<thead>
<tr>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notify</td>
<td>Controlled Environment Complete</td>
<td>Notify TGA Conformity data</td>
<td>Confirm Data Complete</td>
<td>TGA Issue Updated Conformity Certificate to include Mawson Lakes</td>
<td>Power Upgrade</td>
<td></td>
</tr>
</tbody>
</table>

Complete Change management Plan Top Level

Facility Validation

TGA Audit

QMS Conformity
Mawson Lakes Provides Greater Floor Space

Mawson Lakes augments Gilbert Street as follows:

• Larger production footprint overall 4000m² vs 1900m²
• Increase in cleanroom capacity under constant HEPA filtration for laser build from 130m² to 330m²
• Precision machine shop to be expanded from 200m² to 600m²
Manufacturing Capacity Expansion

Mawson Lakes gives us the ability to grow production capacity:

- Short term, 3-6 months, capacity to increase production by 30% during day shift, and possible addition of night shift if warranted
- Medium term, 6+ months, capacity to increase production by 100%.
TGA Audit and Approval

The Australian Therapeutic Goods Administration (TGA) Conformity Assessment Audit was conducted on the 14th and 15th of December 2016. The audit scope included:

- An on-site Mawson Lakes facility validation, extensive review of verification data, reports produced by Ellex Medical and confirmation, acceptance of ongoing verification plans
- On site assessment at Gilbert Street Quality Management System to ensure continuing suitability and effectiveness

The TGA submitted the conclusive audit report which enabled the Conformity Assessment Certificate with the additional manufacturing facility to be updated and released.
Quality System

- Both Gilbert Street and Mawson Lakes are TGA approved as of 16 Feb 2017 *
- ISO13485 accredited for:
  The design, manufacture, distribution, installation and servicing of ophthalmic lasers and diagnostic ophthalmic ultrasound and their accessories
Ellex Machine Shop – Future Relocation
