

ASX RELEASE

Ellex Medical Lasers Limited (ASX:ELX)

Adelaide, Australia

Date: 1 September 2017

Release: Immediate

Topic: Ellex iTrack™ undertakes second stage production facility expansion



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- **Second stage production capacity enhancement for Ellex iTrack™ catheters to manufacture 50,000 per year in response to strong current demand and a favourable future demand outlook**
 - **This follows completion of the first stage production capacity enhancement from 10,000 to 20,000 Ellex iTrack™ catheters per year in July 2017**
 - **Approximately 10,000 Ellex iTrack™ catheters were sold in the 2017 financial year**
 - **Planning is also underway to expand total capacity well beyond 50,000 units per year to keep pace with forecast demand**

Adelaide, Australia, 1 September 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 increase the Company's production capacity of its Ellex iTrack™ product to approximately 50,000 units per annum from a current level of approximately 20,000 units per annum by expanding and upgrading its manufacturing facility in Fremont, California.

In July 2017, the production capacity at Fremont was upgraded from 10,000 units per annum to 20,000 units per annum. This second stage production increase is aimed at increasing capacity to 50,000 units per annum by July 2018, adding clean room facilities in an adjacent building in Fremont and by recruiting an additional technical staff.

"We see that a production capacity of 50,000 units per year will meet projected demand for Ellex iTrack™ for at least the next 12 months" commented Ellex CEO, Tom Spurling.

In addition, a third stage production capacity increase to more than double the 50,000 units per annum in order to maintain supply for future demand, is currently being planned.

"We are seeing material sales growth in the USA from our significant increase in marketing and sales spend as announced on 28 July 2017. We are committed to being ahead of the game to have manufacturing that can keep pace with demand from our customers" Mr Spurling said.

The expansion of the Fremont production facility will be funded from the group's existing cash resources and earnings.

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 Fremont, 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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