



ELLEX MEDICAL LASERS LTD (ASX:ELX)
Presentation to Annual General Meeting
Adelaide, Australia
28 November 2017

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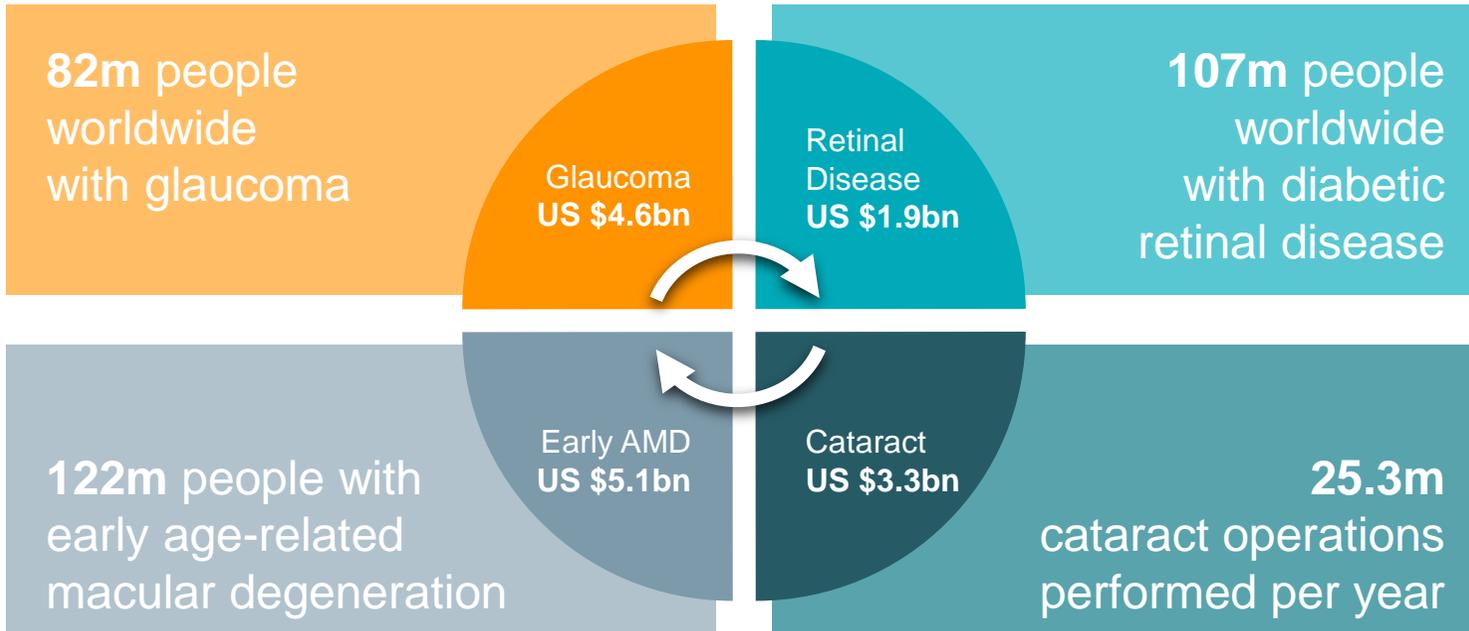


Presentation to 2017 Annual General Meeting

1. Our Opportunity
2. Our Strategy
3. Our Progress, Fiscal Year 2017
4. Our Outlook, Fiscal Year 2018



Targeting a Large and Growing Market



- Ellex has the brand, distribution channels, products and product pipeline to exploit this opportunity
- Glaucoma segment accessible to Ellex expected to grow from US\$285m pa to US\$1.4bn pa by 2022

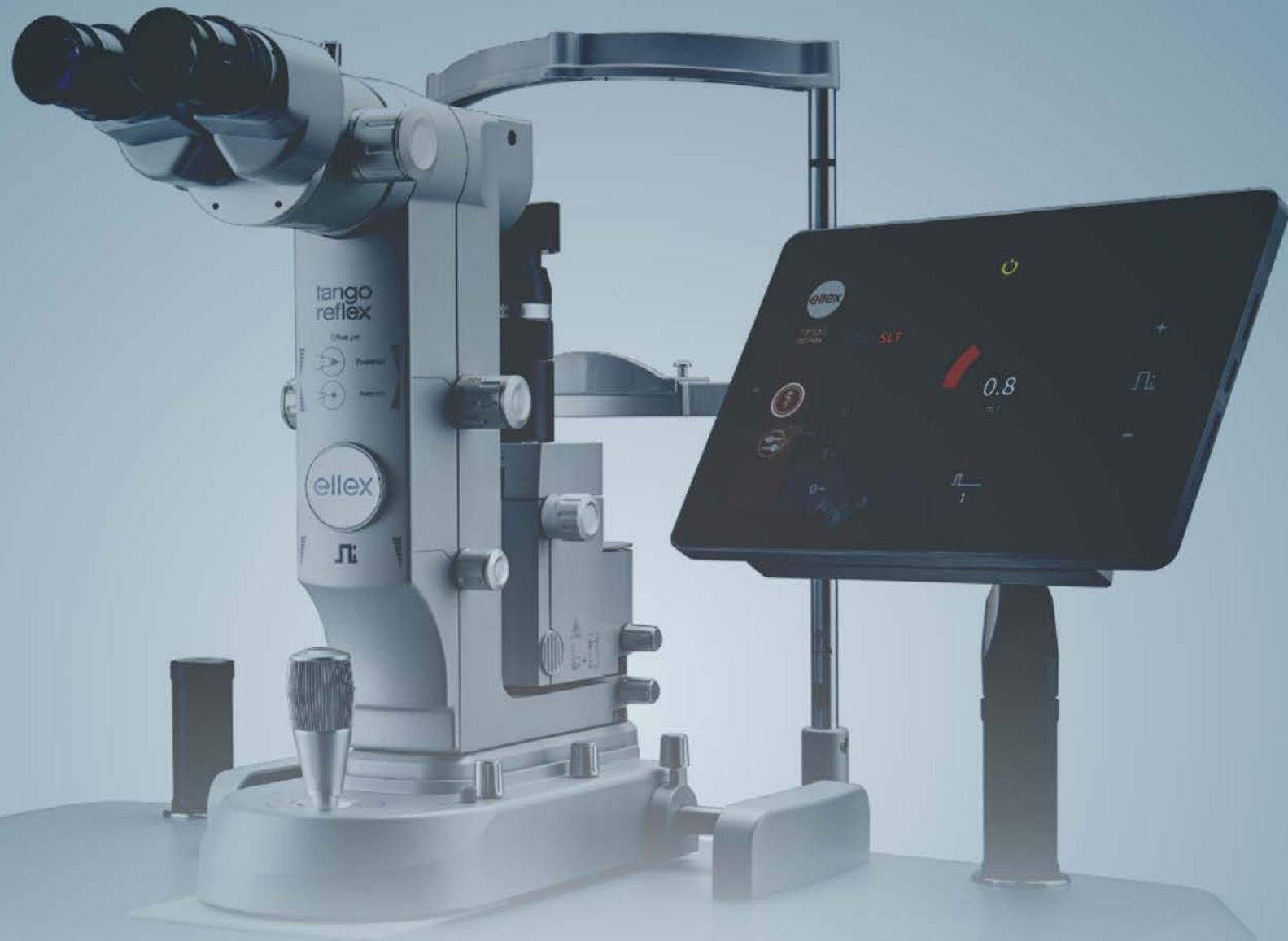


(1) MarketScope "2017 Ophthalmic Lasers Report", MarketScope Report "2017 Ophthalmic Lasers", "2017 Glaucoma Surgical Devices" and "2017 Glaucoma Pharmaceuticals".

Ellex is Structured around Three Business Streams Tied to the Opportunities

1. **Current Stream – Ellex Core Laser and Ultrasound** business delivering stable revenue and earnings
2. **The Next Stream – Ellex iTrack with SLT** for the emerging drug-free glaucoma therapy that is building significant momentum
3. **The Future Stream** – The treatment of early stage age-related macular degeneration **with 2RT** undergoing multicentre clinical trial to show efficacy





 Laser & Ultrasound

Ellex Core Laser & Ultrasound



Ellex Tango Reflex™



Ellex Eye One
Ultrasound™



Ellex Ultra Q
Reflex™



Ellex Integre Pro Scan™

- Ellex core business of laser & ultrasound products used by ophthalmologists worldwide has achieved revenue growth CAGR of 8% over FY2013 to FY2017. This exceeds industry growth rates.⁽¹⁾



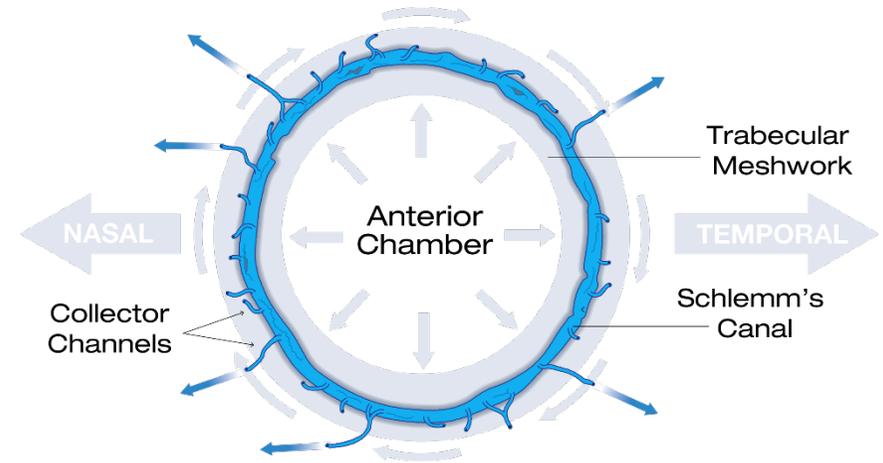
(1) The market growth rate estimated by MarketScope "2017 Ophthalmic Lasers Report"



ellex iTrack™ MIGS

Ellex iTrack™

A MIGS Device that Treats Glaucoma



- The Ellex iTrack™ is a unique, patent-protected microcatheter for treating patients with mid stage glaucoma used to clear and flush the main ocular drainage systems to restore natural biology
- Perfect compliment to Ellex SLT
- Can be repeated and revitalises natural outflow pathways, leaving nothing behind (US competitors stents)
- Current market accessible for MIGS and canaloplasty devices US\$240 million p.a. growing to US\$1.4bn p.a. by 2022 (44% CAGR)¹



(1) MarketScope "2017 Glaucoma Surgical Devices Report"



2RT[®] for Early AMD

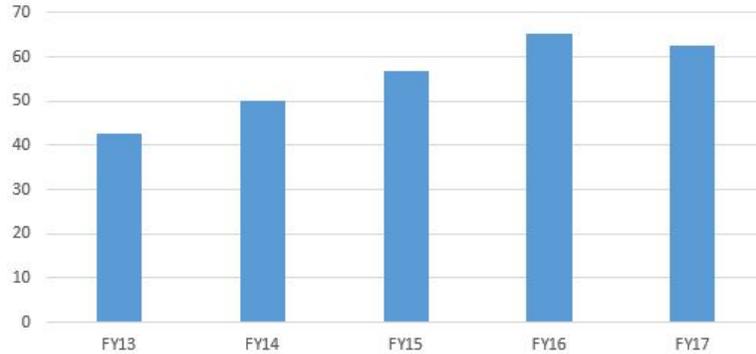
Ellex 2RT[®] - Potentially Game-changing Interventional Treatment for Early to Intermediate AMD

- Substantial growth opportunity pending results of clinical trial.
- Unique, patent-protected nano pulse laser that rejuvenates aging retinal cells, thus delaying progression to late stage AMD.
- Sales to early adopters taking place under CE mark. Ellex has in-place distribution channel to roll Ellex 2RT[®] out.

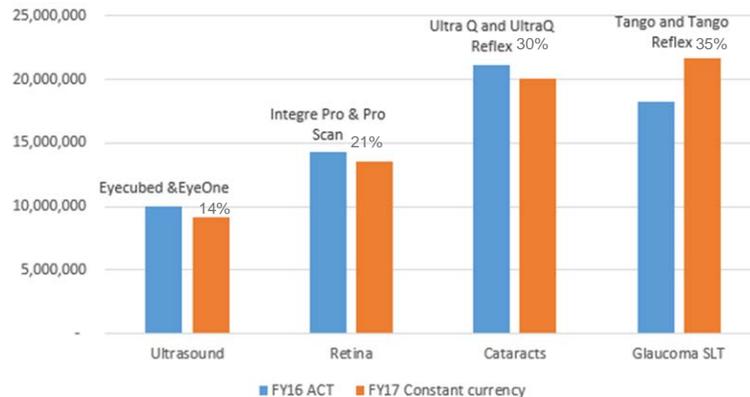


Ellex Core Laser & Ultrasound Progress in FY17

Laser and Ultrasound Revenue (A\$m)



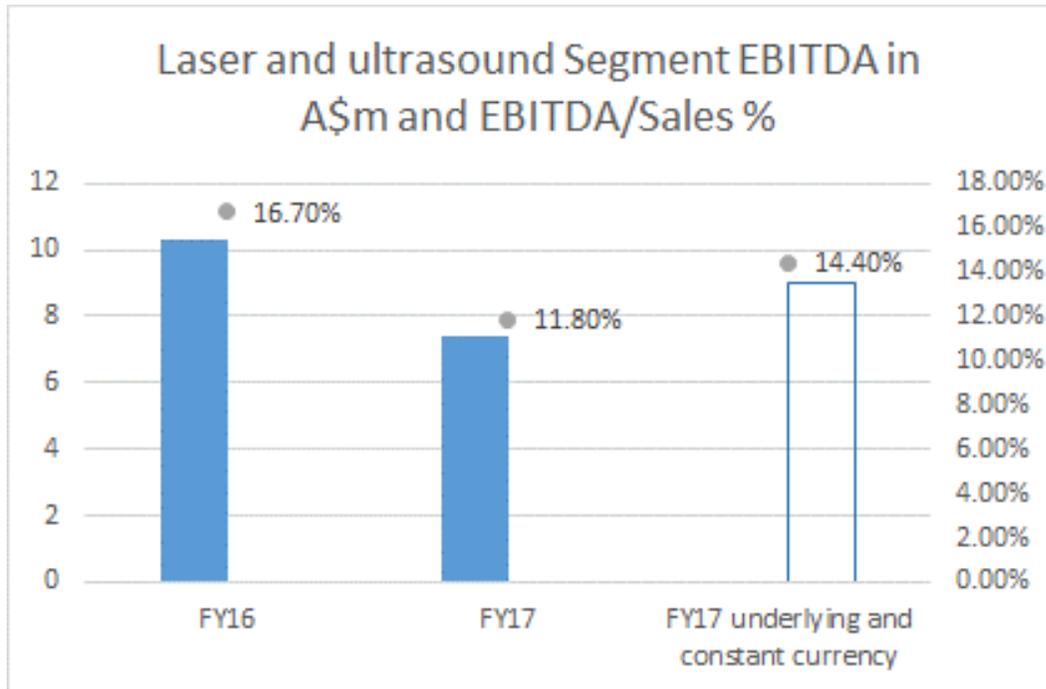
Core laser and ultrasound sales by eye disease A\$



- The core laser and ultrasound business provides products used everyday by ophthalmologists globally
- World-leading positions in cataracts and glaucoma lasers
- CAGR for revenue FY13 to FY17 is 8%
- Ellex has a dominant position in SLT lasers for glaucoma. Recently released and patented “Reflex” technology is expected to drive further growth in market share.
- Ellex also has a significant market positions in diagnostic ocular ultrasound and retinal lasers.



Ellex Core Laser & Ultrasound: Progress in FY17 (cont'd)



- Core laser and ultrasound profitability relatively stable
- Average fully-burdened gross margin percentage greater than 50%

Ellex Core Laser & Ultrasound: Manufacturing Upgrade



82 Gilbert Street, Adelaide, South Australia

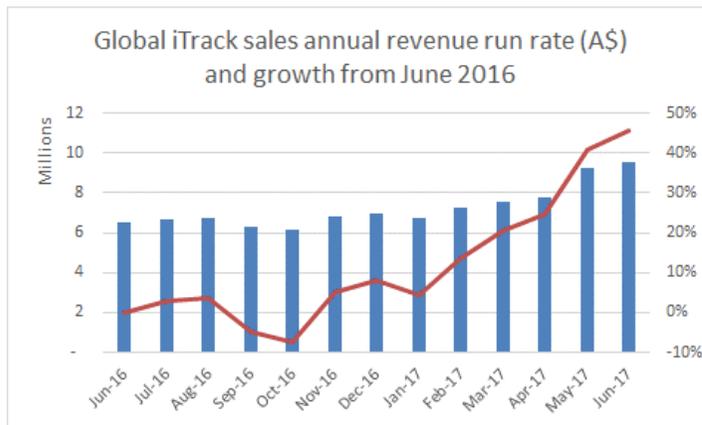
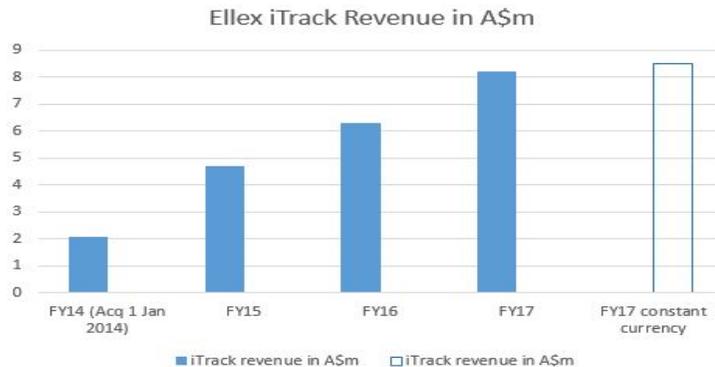


Second Avenue, Mawson Lakes, South Australia

- Expanded production footprint to 7,400sqm with increased cleanrooms capacity and precision machine shop capability
- Move project took place over August 2016 to March 2017 including site qualification audit by Australian Therapeutic Goods Administration (TGA)

Ellex iTrack™

Progress in FY2017 and Q1 FY2018



- Sales growth in FY17H2 accelerated due to expansion of USA sales team and improvement in reimbursement effective 1 January 2017 (71% growth in FY18 Q1 in USA and globally)
- Good growth in markets outside the US and sales into China
- Reported sales for the year to 30 June 2017 of A\$8.2m
- Acceleration of annual revenue to 46% above June 2016 annual revenue rate
- USA sales force recruitment, additional marketing, reimbursement increase on 1 January 2017



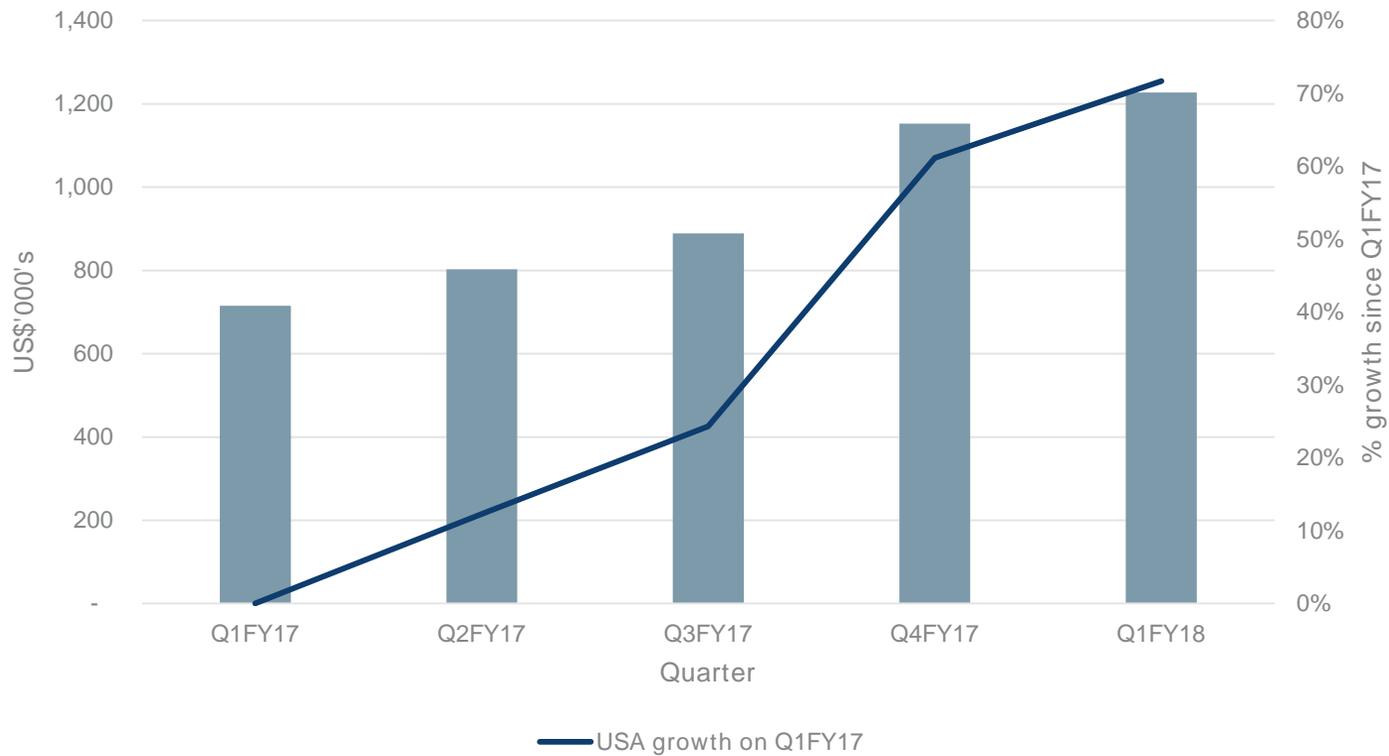
Ellex iTrack™

Progress in FY2017 and Q1 FY2018

	SALES BY REGION \$AM			
	FY16	FY17 Reported	FY18 Q1	Growth % Q1FY18
USA	3.9	4.7	1.2	+71
Asia	0.3	1.0	0.2	>100%
Rest of World	2.2	2.5	0.6	+36%
	6.3	8.2	2.0	+71%

Ellex iTrack™ USA Sales: Five Quarters of Growth

USA iTrack™ Sales by Quarter in US\$'000's



2018 Outlook: Strategy and the Recent Capital Raise

- \$23.2m raised on 2 November from Australian and US institutions to access this significant opportunity
- The additional funds are being used for:
 - Expansion of sales and marketing of Ellex iTrack™ in the USA and in strategic markets outside the USA
 - Production capacity expansion and product development for Ellex iTrack™
 - Improved marketing and clinical training in the core laser and ultrasound business



2018 Outlook: Strategy and the Recent Capital Raise (cont'd)

- As a result of the cash flow from the core laser and ultrasound business, combined with the recent capital raise, Ellex is now well capitalised to execute its growth strategy.

2018 Outlook:

- **Sales within the Core Laser and Ultrasound business** through to 31 October 2017 are 2% above sales for the same period in FY17 after allowing for the appreciation of the Australian dollar against the YEN, Euro and US\$.
- Ellex lasers for treating glaucoma and for treating vitreous opacities continue to perform well in the market
- **Sales for Ellex iTrack** for the three months to 30 September, 2017 grew 71% (in US\$) in the USA on the prior corresponding period. During the month of October 2017 this sales growth rate accelerated.
- The recent capital raise provides the opportunity to invest in sales team expansion, marketing (KOL engagement, symposia, journal production, studies, wetlab roadshows, international approvals and reimbursement and tradeshow attendance) and production infrastructure at Fremont across FY18 and FY19 in order to further increase the sales growth rate.





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THANK YOU