Highlights:

- Sales of Ellex iTrack™ up 57% in the USA and 40% globally compared with the pcp
- Improved new customer acquisition and revenues for Ellex iTrack™ in all but one US territory demonstrates improved geographic penetration
- Global sales of Ellex glaucoma business reached a record US$22.3 million with an acceleration to 40% growth compared with the pcp

Adelaide, Australia 16 April 2018 – Ellex Medical Lasers Limited (ASX:ELX), a global leader in medical devices for the diagnosis and treatment of eye disease, today announced a sales update for Ellex iTrack™, and its wider glaucoma business, for the 9 months ended 31 March 2018. The wider Ellex glaucoma business comprises the Ellex iTrack™ minimally invasive glaucoma surgery device (MIGS) and the Ellex tango™ SLT laser for early stage disease. Ellex holds a unique global position for early to mid-stage restorative glaucoma therapy.

Ellex iTrack™ Sales Update

Ellex iTrack™ global sales were US$6.1 million for the nine month period, up 40% on prior comparative period (refer to Figure 1).

Details of sales are described in the table below:
USA Ellex iTrack™ Sales

Sales growth in the USA was a sound 57% for the nine-month period compared with the third quarter of the 2017 fiscal year.

Key points for the nine months were:

- Seventh consecutive quarter of growth in sales of Ellex iTrack™ in the USA.

- The progression in sales across the nine months, including the growth from Q2FY18 to Q3FY18 was characterised by three themes:
  - Strong growth in the East region where penetration has historically been low
  - Continued good growth in the West region
  - A decline in sales in the Southwest region. Ellex has implemented corrective initiatives in this region.

- Increase in new account acquisition across the nine-month period, particularly in the latest quarter (refer to Figure 2). These statistics clearly demonstrate a growing broad-based acceptance of Ellex iTrack™ amongst surgeons.

- As of 31 March 2018 there are approximately 260 active accounts.

### Units:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>2,932</td>
<td>4,537</td>
<td>55%</td>
</tr>
<tr>
<td>Asia</td>
<td>673</td>
<td>1,050</td>
<td>56%</td>
</tr>
<tr>
<td>Rest of world</td>
<td>3,336</td>
<td>3,441</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,941</strong></td>
<td><strong>9,028</strong></td>
<td><strong>30%</strong></td>
</tr>
</tbody>
</table>

### US$ sales revenue:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>2,392,152</td>
<td>3,762,112</td>
<td>57%</td>
</tr>
<tr>
<td>Asia</td>
<td>324,000</td>
<td>502,250</td>
<td>55%</td>
</tr>
<tr>
<td>Rest of world</td>
<td>1,618,802</td>
<td>1,803,654</td>
<td>11%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,334,954</strong></td>
<td><strong>6,068,016</strong></td>
<td><strong>40%</strong></td>
</tr>
</tbody>
</table>
Recruitment of a net additional 3 sales representatives to total 14 as of 31 March 2018. Ellex is focusing on enhancement of the depth of the Ellex iTrack™ management team.

Sales for March 2018 reached new record levels as a result of reorders from new customers that were recruited in December 2017. This trend has continued into April.

The construction of the Stage 2 production capacity expansion project at Fremont was completed in March and currently verification and validation procedures are in progress. The project is on schedule.

The rate of sales growth in the USA is expected to increase in the last quarter of FY18 as a result of additional sales representative recruitment in under-penetrated territories, improved sales management and the continued expansion of our marketing program.

**Rest of World Ellex iTrack™ Sales**

Sales to customers outside the USA for the nine months ended 31 March 2018 were 19% higher than in the prior comparative period:

- Good increase in sales to our distributor in China. The market for Ellex iTrack™ in China is highly prospective as Ellex iTrack™ is the only MIGS device approved for use.
- Good increase in sales in Germany, Russia and Brazil.
Wider Ellex Glaucoma Business

Global sales for the glaucoma business for the 9 months ended 31 March 2018 were US$22.3 million, up 40% on PCP as described in the table below:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Ellex iTrocar™</td>
<td>2.7</td>
<td>3.2</td>
<td>4.3</td>
<td>6.1</td>
<td>40%</td>
</tr>
<tr>
<td>Ellex tango™</td>
<td></td>
<td></td>
<td>11.7</td>
<td>16.2</td>
<td>38%</td>
</tr>
<tr>
<td>Glaucoma device revenue</td>
<td>13.9</td>
<td>13.0</td>
<td>16.0</td>
<td>22.3</td>
<td>40%</td>
</tr>
</tbody>
</table>

“This is a nice acceleration of the sales growth well above the 23% recorded at the same time in the 2017 fiscal year and is evidence of the strength and growing acceptance of the unique combination of the Ellex iTrocar™ MIGS and Ellex tango™ SLT laser in the fast-growing glaucoma device market. Our messaging to the ophthalmic market is very much about this combined therapy approach,” commented Ellex CEO, Mr. Tom Spurling.

“Growth in demand for glaucoma devices is driven by emerging recognition of poor patient compliance and side effects associated with medication. With Ellex iTrocar™ and Ellex tango™, we offer surgeons restorative glaucoma therapy options that eliminate these problems. This is the central theme to our growth strategy,” added Mr. Spurling.

Figure 3 - Ellex has a unique global position in glaucoma therapy and sales growth is accelerating
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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