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Ellex Group Key Information

<table>
<thead>
<tr>
<th>Key Information (ASX:ELX)</th>
<th>AUD</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Cap (2 Oct)</td>
<td>A$105million</td>
<td>US$79million</td>
</tr>
<tr>
<td>Revenue</td>
<td>A$79.1million</td>
<td>US$60million</td>
</tr>
<tr>
<td>Cash at Bank (30 June 2018)</td>
<td>A$23.1million</td>
<td>US$17.3million</td>
</tr>
<tr>
<td>Borrowings (30 June 2018)</td>
<td>A$15.0million</td>
<td>US$11.3million</td>
</tr>
<tr>
<td>Operating cash flow during 12 months to 30 June 2018</td>
<td>A$0.5million</td>
<td>US$0.4million</td>
</tr>
</tbody>
</table>

* AUD/USD exchange rate 0.75

✓ Participating in the global market for supply of products that treat the four major causes of blindness; glaucoma, diabetic eye disease, cataracts and age-related macular degeneration

✓ Strong base business brand with global distribution channel

✓ Growth strategy from unique products that restore and rejuvenate ocular systems

✓ Growth strategy self-sustaining from existing cash from operations

✓ Recently reported results of major clinical trial for a nano-pulse laser therapy for Age-Related Macular Degeneration (AMD) – LEAD Study

✓ Ellex 2RT® slowed progression of intermediate AMD to late AMD by 77% versus sham in a well-defined, clinically significant patient group

3 Segments:
- Ellex Laser & Ultrasound
- Ellex iTrack™
- Ellex 2RT®
Ellex Established Global Sales Channel

- **41%** North America
  - Minneapolis, MN
  - US Direct Sales Subsidiary
  - Fremont, CA
  - US Head Office
  - iTrack™ Manufacturing

- **15%** EMEA
  - Lyon
  - Distributor Sales

- **15%** EMEA
  - U.S. Head Office and Manufacturing

- **11%** Australia
  - Direct Sales
  - Adelaide
  - Corporate Head Office

- **6%** Germany
  - Direct Sales Subsidiary

- **7%** Asia
  - Direct Sales Subsidiary

- **3%** France
  - Direct Sales

- **2%** South America
  - Distributor Sales

- **15%** Japan
  - Direct Sales Subsidiary
  - Tokyo

- **7%** Asia
  - Direct Sales

- Manufacturing Laser & Ultrasound in Adelaide, Australia
- Manufacturing Ellex iTrack™ in Fremont, CA
Ellex 2RT® and the LEAD Clinical Trial

The LEAD trial has validated the safety and efficacy of Ellex 2RT® retinal rejuvenation laser as an intervention for many people with intermediate Age-Related Macular Degeneration (iAMD) and provides a platform for Ellex to access a large commercial opportunity.

- **Secondary endpoints** – safety, change in drusen volume and visual function, progression to advanced AMD in non-study eye (only safety reported to date)
- Largest ever randomised study conducted in iAMD patients with a non-thermal, non-invasive pulse laser intervention and to show significant efficacy in this population
- Excellent safety profile noted
- Results are applicable only to Ellex 2RT® – authors discourage extrapolation of results to other thermal or non-thermal lasers
- Important new clinical information to guide retinal specialists in patient selection towards those without evidence of RPD

- **Double-masked, randomised, sham-controlled trial over 36 months in 292 patients with iAMD across six sites with 1:1 randomisation to Ellex 2RT® or sham treatment received at six monthly intervals**¹
- **Sub Group** – post hoc analysis on patients without coexistent reticular pseudodrusen (RPD) deposits representing 76% of enrolled patients versus 24% with RPD at baseline – **clinically significant 77% reduction** in rate of progression to advanced AMD (p=0.002) over 36 months
- **Primary endpoint** – progression to advanced AMD in treated eye of Ellex 2RT® patients versus sham patients

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¹ Guymer RH, et al. Sub-Threshold Nanosecond Laser Intervention in Age-Related Macular Degeneration: The LEAD Randomized Controlled Clinical Trial. Ophthalmol 2018; In press
The Commercial Opportunity for Ellex

- Ellex 2RT® has multiple approvals and is patent protected to 2035:
  - CE Mark: AMD in 2014 and DME* in 2012
  - FDA (510(k)): CSME** in 2013

- Where Ellex 2RT® is approved for AMD, these markets represent an addressable 15 million patients per annum for screening and then treating those early stage patients without detectable RPD¹

- Addressable market similar in size (patients) to late stage ‘wet‘ AMD – 15 million patients

- Ellex’s commercialisation plan will be developed based on physician feedback, peer-to-peer educational programs focused on disease diagnosis, patient selection and treatment protocols

- Future regulatory clearances in the US, Japan and China will increase the pool of treatable patients to 25 million per annum²

- No currently approved treatments for iAMD – only dietary and lifestyle modifications (a standard that resulted from analysis of the AREDS1 and AREDS2 studies³,⁴)

- AREDS2 showed an 18% reduction in progression

- Therapeutic approvals have been limited to late stage ‘wet‘ AMD, which represents the minority of AMD patients

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¹ DME – Diabetic Macular Edema; "CSME" – Clinically Significant Macular Edema
² Marketscope Report August 2017 Ophthalmic Laser Report Table 2 “Global Forecast for AMD in all its Forms”, adjusted for Ellex estimates on RPD patients
³ 3m in the USA, 6m in China and 1m in Japan
⁵ Age-Related Eye Disease Study 2 Research Group. Lutein + zeaxanthin and omega-3 fatty acids for age-related macular degeneration: the Age-Related Eye Disease Study 2 (AREDS2) randomized clinical trial. JAMA. 2013 May 15;309(19):2005-15
Highlights of Announcement of the LEAD Study Results

• The study results were published in “Ophthalmology” the journal of the American Academy of Ophthalmology and presented on 20 September 2018 by Prof. Guymer at EURETINA in Vienna, Austria

• Significant interest from doctors in the dramatic reduction in progression seen in RPD minus patients

• To provide such exquisite precision in ideal patient for treatment was of high clinical interest (noting the RPD positive patients may not be candidates for therapy)

• Applauded the use of Multi Modal Imaging (MMI) techniques in monitoring progression of iAMD – remains a guiding tool for treatment decisions by clinicians

• Given the strength of the study, Ellex intends to meet with the FDA to determine next steps required for US commercial launch in AMD
Ellex 2RT® LEAD Summary Results

**Primary Endpoint**: No significant difference in progression to late AMD under ITT analysis (p=0.122); Non-significant trend in favour of 2RT®

**RPD(-) Group**: A clinically meaningful 77% reduction in the rate of progression (HR=0.23); significant treatment effect in this patient population (p=0.002); RPD is a key biomarker of retinal pigment epithelium (RPE) dysfunction and has a high association with progression to late-stage AMD

**RPD(+) Group**: Non-significant (p=0.112) Increased rate of progression to late-stage AMD in the 2RT® treatment group; data is clinically valuable in selecting patients who are likely to respond to Ellex 2RT®

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*ITT – Intent to Treat; Adjusted Hazard Ratio (HR) - The potential confounders of baseline age (as a continuous measure), sex, intake of Lutein-Vision® or Macu-Vision® at baseline (yes vs. no for each), presence of RPD and pigmentary abnormalities (definitely present vs. absent/questionable) were additionally included as covariates in a fully adjusted model as specified a priori*
Ellex Group Summary FY18

• Group sales growth of 13%¹ compared to prior year to $79.1m

• Implementation of targeted glaucoma sales growth strategy demonstrating tangible results with 39%¹ growth in the year and four-year CAGR of 28%

• $11.4m¹ of Ellex iTrack™ sales accelerating with solid growth in the last quarter of 20%¹: Ellex iTrack™ achieved 48% revenue growth in the USA and 20% outside the USA for the year. EBITDA-level loss of $5.2m as a result of investment in USA sales and marketing infrastructure.

• Ellex Laser & Ultrasound sales up 10.4%¹ for the year, driven by strong glaucoma laser sales combined with improvement in divisional EBITDA to $8.3m.

• Reduction in corporate costs in FY18 of $0.5m (13.5%) compared to prior corresponding period (pcp)

• Despite the investment in Ellex iTrack™, as a result of good working capital management, cash flow from operations was up $4million compared with pcp to a positive $0.5million, indicating the self-sustaining nature of the growth strategy

• Cash at bank of $23m at 30 June 2018

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<table>
<thead>
<tr>
<th>$Am</th>
<th>Lasers &amp; Ultrasound</th>
<th>2RT®</th>
<th>iTrack™</th>
<th>Corporate Costs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>67.5</td>
<td>0.5</td>
<td>11.1</td>
<td>--</td>
<td>79.1</td>
</tr>
<tr>
<td>EBITDA/(loss)</td>
<td>8.3</td>
<td>(1.0)</td>
<td>(5.1)</td>
<td>(3.4)</td>
<td>(1.2)</td>
</tr>
<tr>
<td>FY17</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>62.5</td>
<td>0.9</td>
<td>8.2</td>
<td></td>
<td>71.6</td>
</tr>
<tr>
<td>EBITDA/(loss)</td>
<td>7.3</td>
<td>(0.4)</td>
<td>(1.3)</td>
<td>(4.1)</td>
<td>1.5</td>
</tr>
</tbody>
</table>

(1) Based on constant currency, converting FY18 at FY17 average A$ exchange rates for USD, EUR, YEN
## Ellex Group Performance by Business Segment in FY18

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue FY18</th>
<th>Segment EBITDA $Am/(loss)</th>
<th>Business Model</th>
<th>Current Market Size per annum</th>
<th>Current Estimated Market Growth Rate</th>
<th>Ellex Revenue Growth in FY18 in Constant Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ellex Core Laser &amp; Ultrasound</td>
<td>67.5</td>
<td>8.3</td>
<td>Capital equipment sales</td>
<td>US$350m</td>
<td>2%&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>10.4%</td>
</tr>
<tr>
<td>Ellex iTrack&lt;sup&gt;TM&lt;/sup&gt;</td>
<td>11.1</td>
<td>(5.1)</td>
<td>Consumable product</td>
<td>US$300m&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>35%&lt;sup&gt;(2)&lt;/sup&gt;</td>
<td>39%</td>
</tr>
<tr>
<td>Ellex 2RT&lt;sup&gt;®&lt;/sup&gt; for early AMD</td>
<td>0.5</td>
<td>(1.0)</td>
<td>Capital equipment &amp; procedure fee</td>
<td>US$5bn to US$10bn&lt;sup&gt;(3)&lt;/sup&gt;</td>
<td>7.1% growth&lt;sup&gt;(3)&lt;/sup&gt; in 7 major economies</td>
<td>0%</td>
</tr>
<tr>
<td>Corporate &amp; other</td>
<td></td>
<td>(3.4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total EBITDA</td>
<td></td>
<td>(1.2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<sup>(2)</sup> MarketScope "Glaucoma Surgical Device Report" dated August 2017 estimates for MIGS and canal-based devices 2017 to 2022.
<sup>(3)</sup> PharmaPoint: Macular Edema and Macular Degeneration- Global Drug Forecast and Market analysis to 2023" published in Dec 2014.
Glaucoma is the **second-leading** cause of blindness in the developed world.
1. Increased uptake of Ellex Tango™ as primary therapy
2. Increased market penetration of Ellex iTrack™ MIGS device
3. Exploit synergies between Ellex Tango™ and Ellex iTrack™

Age related macular degeneration is the **leading** cause of blindness in the developed world.
1. Outcome of clinical trial reported on 21 September 2018
2. Addressable market of 15 million patients annually in existing 2RT® markets (equivalent in size to wet AMD market)
3. Leverage existing global sales channel to commercialize Ellex 2RT® in key markets
Growth in glaucoma device demand driven by emerging recognition of poor patient compliance and side effects associated with topical medication.
Ellex Restorative Glaucoma Therapy
Device Revenue Drives Growth

- Over the 4 years to FY18, Ellex achieved a CAGR of 28% for glaucoma revenues. MarketScope estimates the current US$350m per annum market will grow to US$1.4bn per annum at a CAGR of 33%.

- With Ellex Tango™ and Ellex iTrack™, Ellex has a demonstrated capacity to compete and grow sales in this fast-growing market.
Ellex iTrack™ Unique Characteristics Drives Customer Targeting

- There are now a large number of ophthalmic physicians considering options for minimally invasive interventional glaucoma surgeries ahead of eye drops and invasive surgery, and many options being presented.

- Ellex is targeting a segment of physicians for whom the clinical benefits of the Ellex iTrack™ surgical system resonate and for whom the device fits into the physicians surgery and practice pattern.

- We estimate that there are many physicians in the USA alone and Ellex iTrack™ penetration is currently low but growing.
Ellex iTrack™ – USA sales

Improved sales and re-orders in the USA due to:

- Improved experience of sales team;
- Investment in sales team management;
- Specific targeting of physicians for whom the benefits of iTrack™ resonate;
- Consultative selling to physicians focussing on surgical technique, patient selection and helping physicians determine their treatment approach for glaucoma;
- Deployment of capital on additional marketing since January 2018 to improve podium presence and communication of the restoration and rejuvenative message.
Ellex iTrack™ – Global Sales

Ellex iTrack™ – Global Sales

Global (USA plus OUS) iTrack™ Sales by Quarter

OUS sales growth from:

- Additional take up from doctors in China. We continue to work with our distribution in China to advance physician training and hospital approvals. During the 8 months to August 2018, Ellex iTrack™ was presented by our Chinese Key Opinion Leaders at 14 ophthalmic conferences in 7 major Chinese cities.

- Advancement of the ABiC technique with German physicians.

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Units:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>4,347</td>
<td>6,392</td>
<td>47%</td>
</tr>
<tr>
<td>China</td>
<td>1,165</td>
<td>1,550</td>
<td>33%</td>
</tr>
<tr>
<td>Rest of world</td>
<td>4,143</td>
<td>4,695</td>
<td>13%</td>
</tr>
<tr>
<td></td>
<td>9,655</td>
<td>12,637</td>
<td>31%</td>
</tr>
<tr>
<td>US$ sales revenue:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>USA</td>
<td>3,604,816</td>
<td>5,322,153</td>
<td>48%</td>
</tr>
<tr>
<td>China</td>
<td>555,000</td>
<td>752,250</td>
<td>36%</td>
</tr>
<tr>
<td>Rest of world</td>
<td>2,046,254</td>
<td>2,456,505</td>
<td>20%</td>
</tr>
<tr>
<td></td>
<td>6,206,070</td>
<td>8,530,908</td>
<td>38%</td>
</tr>
</tbody>
</table>
## Ellex Laser & Ultrasound Market

<table>
<thead>
<tr>
<th>Disease</th>
<th>Current Ellex Devices</th>
<th>Total annual spend on disease treatment with pharma and devices</th>
<th>Current device-market accessible to Ellex (1)</th>
<th>Assessed device-market position against competition (2)</th>
</tr>
</thead>
</table>
| Glaucoma – early stage          | SLT with TangoReflex™, Tango™               | US$4.6bn\(^{(1)}\)                                              | US$46m (CAGR 1.5%)                            | 1. Ellex  
2. Lumenis                                         |
| Cataracts and Vitreous Floaters | Ultra Q™ and Ultra Q Reflex™                | US$3.3bn plus 25.3 million cataract operations per year\(^{(1)}\) | US$66m (CAGR 2% plus more with vitreous floater treatment) | 1. Ellex  
2. Lumenis  
3. Nidek                                             |
| Diabetic Disease of Retina      | Integre Pro™, Integre Pro Scan™ and Solitaire | US$1.9bn\(^{(1)}\)                                              | US$221m (CAGR 2%)                             | Ellex, Nidek, Lumenis, Topcon & Iridex               |
| Diagnostic Ultrasound           | Eyecubed™ and Eyeone                        | Included above                                                  | US$140m (CAGR 5%)                             | Ellex, Sonomed & Quantel                               |

\(^{(1)}\) MarketScope Ophthalmic Lasers Report 2017  
\(^{(2)}\) Assessment conducted by Ellex based on publicly available information
Ellex Laser & Ultrasound Sales by Eye Disease

- 41% growth in glaucoma laser sales (MarketScope estimates market growth rate at 1.5%). Some impact on cataract and vitreous opacities laser growth due to TangoReflex™, the combined glaucoma and floater treatment laser. This performance has been driven by technical benefits of product vs competitors and the rejuvenative glaucoma therapy message.

- Despite lower selling prices, thermal lasers for retinal disease grew marginally.

- Improvement in operating margin for the business segment as a result of focus on glaucoma therapy device strategy and careful cost management.
Ellex Group Outlook for FY19

- Ellex expects to grow group sales and have an improved operating result in FY19 subject to global economic conditions and foreign exchange rates.
- Glaucoma growth strategy is expected to be primary growth driver in FY19.
- Ellex iTrack™ will continue to grow in FY19 with an improvement in operating result expected as the benefits of FY17 and FY18 sales and marketing investments crystallise.
- Ellex Laser & Ultrasound segment sales are expected to grow primarily due to on-going glaucoma laser sales growth.
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