

Glaukos Announces Settlement of Patent Litigation with Transcend Medical

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LAGUNA HILLS, Calif.--(BUSINESS WIRE)-- Glaukos Corporation (NYSE:GKOS) announced today that it has entered into a settlement agreement with Transcend Medical, Inc. to resolve all existing patent litigation between the two companies.

Under the settlement agreement, Glaukos grants Transcend a covenant not to sue Transcend for patent infringement in connection with Transcend's CyPass Micro-Stent devices, appliers and delivery systems. In exchange, Transcend grants Glaukos a covenant not to challenge the validity or enforceability of any Glaukos patent and will make quarterly payments to Glaukos equal to 1% of future net sales of the CyPass Micro-Stent devices until April 8, 2022 or up to a maximum aggregate payment amount of \$6 million. These CyPass Micro-Stent devices are not currently approved by the U.S. Food and Drug Administration (FDA). Glaukos and Transcend also have agreed to file a joint stipulation of dismissal with prejudice of all of their claims against each other in this matter, with each party responsible for its own legal expenses. The settlement agreement eliminates the need for the trial that was scheduled to begin November 2, 2015 in the U.S. District Court for the District of Delaware.

The covenant not to sue is limited to Transcend's Micro-Stent ab interno devices that facilitate drainage of aqueous humor through the uveoscleral, or unconventional, outflow pathway and are used to treat glaucoma. The settlement agreement does not affect Glaukos' ability to commercialize its iStent Supra[®] Suprachoroidal Micro-Bypass Stent, which accesses the unconventional outflow pathway and is currently being evaluated in a U.S. IDE pivotal trial. The covenant not to sue expressly excludes devices that drain aqueous humor to other locations such as into Schlemm's canal, aqueous humor collector ducts or channels, or implants that elute any drug or another therapeutic agent.

"We believe this settlement provides an efficient and reasonable solution to this patent dispute," said Thomas Burns, Glaukos president and CEO. "It allows us to move forward and focus our full attention and resources on executing our growth strategy to transform glaucoma therapy with a family of micro-scale injectable therapies that can be used individually or in combination to address the full range of glaucoma disease states and progression."

About Glaukos

Glaukos (www.glaukos.com) is an ophthalmic medical technology company focused on the development and commercialization of breakthrough products and procedures to transform the treatment of glaucoma, one of the world's leading causes of blindness. The company pioneered Micro-Invasive Glaucoma Surgery, or MIGS, to revolutionize the traditional glaucoma treatment and management paradigm. Glaukos launched the iStent®, its first MIGS device, in the United States in July 2012 and is leveraging its platform technology to build a comprehensive and proprietary portfolio of micro-scale injectable therapies designed to address the complete range of glaucoma disease states and progression. The company believes the iStent, measuring 1.0 mm long and 0.33 mm wide, is the smallest medical device ever approved by the FDA.

Forward-Looking Statements

All statements other than statements of historical facts included in this press release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future are forward-looking statements. Although we believe that we have a reasonable basis for forward-looking statements contained herein, we caution you that they are based on current expectations and are subject to risks and uncertainties that may cause our actual results to differ materially from those expressed or implied by the forward-looking statement, including the effects of the settlement agreement and our ability to execute our growth strategies to transform glaucoma therapy. All forward-looking statements included in this press release are expressly qualified in their entirety by the foregoing cautionary statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake any obligation to update, amend or clarify these forward-looking statements whether as a result of new information, future events or otherwise, except as may be required under applicable securities law. Additional risks, uncertainties and other factors relating to our operations and business environment are described in detail under the caption "Risk Factors" and elsewhere in our filings with the Securities and Exchange Commission (SEC), including our Quarterly Report on Form 10-Q for the quarter ended June 30, 2015, which are available in the Investor section of our website at www.glaukos.com and at www.sec.gov.

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