

2 March 2017

Market Update

In keeping with the commitments made at the 2016 AGM, we intend providing Market Updates after each board meeting. With no board meeting held in January, this update follows the most recent board meeting.

Report for the Half Year ended 31 December 2016

The half year report was released on Tuesday 28 Feb 2017. As you would expect, the mid-year report provides much of the content for this Market Update. The mid-year report shows that Optiscan is on track for the strategic direction outlined at the AGM as highlighted below:

- **Developing the Carl Zeiss Meditec (CZM) collaboration:**
 - A very successful visit to the CZM headquarters in Germany by CEO Archie Fraser (Feb 2017) has further solidified the OIL/CZM relationship, ensured parallel direction and determined key milestones for 2017 and beyond.
 - Sales of Production Equivalent Systems (PES) to CZM took place in Dec-16 and Feb-17.
 - The PES units have been tested fully by CZM who have confirmed that these units are now production ready.
 - Order for additional PES have been received - to be delivered in May-17.
 - Commencement of discussions with a Melbourne based high quality manufacturer with a view to assisting Optiscan in meeting future production demands into 2017 and well beyond.
- **Sales of ViewnVivo – our second-generation pre-clinical research product:**
 - Optiscan was the Major Sponsor of the prestigious National Conference of Light Microscopy Australia (LMA) held in Melbourne on 1-3 February 2017.
 - Australian research organisations have already applied for grants for purchase of the ViewnVivo units in advance of production later this financial year.
 - Discussions have commenced with potential Distribution Partners for the ViewnVivo product including increased involvement from MR Solutions in 2017.
 - ViewnVivo marketing activity is progressing well with both local and overseas market engagement.
 - Commencement of discussions with a Melbourne based high quality manufacturer with a view to assisting Optiscan in meeting future production demands into 2017 and well beyond.
- **Exploring new market opportunities for related Optiscan products and services:**
 - Whilst our prime focus will be on Zeiss and ViewnVivo in the short-term, our development team, headed up by Peter Delaney, will continue to investigate opportunities for Optiscan. The key point here is that we will ensure delivery of key projects whilst keeping an eye on the future.

The full **Report for the Half Year ended 31 December 2016** can be found via our website or the ASX.

Company Secretary and CFO

On 30 December 2016, we announced the resignation of Michael Corry as joint Company Secretary with Justin Mouchacca taking on the role as sole Company Secretary. At that time, Michael Corry retained the role of CFO.

We wish to further advise that Michael Corry has resigned from Optiscan with Justin Mouchacca now taking the dual roles of Company Secretary and CFO.

Michael worked diligently with the board and executive to establish a high level of governance and compliance at Optiscan and was integral to the timing and seamless reinstatement of Optiscan to the market in August 2016. He also played a significant role in the capital raising the company has achieved over the past 6 months. We wish Michael well and thank him for his contribution to Optiscan.

Alan Hoffman
Chairman
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About Optiscan

Optiscan is an Australian company that has developed and patented miniaturised confocal microscopes, and is a global leader in the development and application of microscopic imaging and related technologies for medical and research markets.

Disclaimer

All statements other than statements of historical fact included on this announcement including, without limitation, statements regarding future plans and objectives of Optiscan, are forward-looking statements. Forward-looking statements can be identified by words such as 'anticipate', 'believe', 'could', 'estimate', 'expect', 'future', 'intend', 'may', 'opportunity', 'plan', 'potential', 'project', 'seek', 'will' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on assumptions regarding future events and actions that are expected to take place. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, its directors and management of Optiscan that could cause actual results to differ from the results expressed or anticipated in these statements.