

6 June 2017

## Market Update

Optiscan remains on track with the strategic direction outlined at the AGM and in recent market updates. Recent progress includes:

- **The Carl Zeiss Meditec (CZM) collaboration:**
  - OIL has delivered all milestones, on time, in the OIL-CZM collaboration project.
  - This month, OIL sold and delivered the first batch of Production Systems (PS) to CZM in Germany.
  - The next steps are:
    - CZM to finalise the CE approval in Europe for the PS and Sterile Sheath (SS).
    - CZM to secure FDA approval in the US for the PS and SS.
- **Sales to Carl Zeiss Meditec (CZM)**
  - The next production batch of PS will be sold and delivered to CZM in July 2017.
  - OIL has forecast orders from CZM to build and supply PS for each Quarter, from July-17 to September-18.
  - Once FDA approval is granted for both the PS and SS, OIL expect this to result in a global product rollout by CZM.
- **Sales of ViewnVivo (our second-generation Preclinical Research product):**

### Take to Market Strategy:

- Market Coverage Strategy:
  - US Distribution Partner and market coverage,
  - China distribution and market coverage,
  - Other major Asian markets,
  - European markets,
  - Australia and New Zealand markets.
- Secure the right Distribution Partners in each major geographical region for sales and support.
- Support our Distribution Partners with product specialist support, marketing collateral, trade show presence, application development and technical support.
- OIL and MR Solutions have agreed to mutually terminate the exclusive agreement set up in 2014 for the distribution of 2<sup>nd</sup> generation OIL preclinical device. OIL and MR Solutions remain in ongoing discussions regarding ViewnVivo distribution opportunities where MR Solutions have coverage.

### USA:

- Following recent USA meetings, there has been a quantified level of interest in the ViewnVivo system from research organisations and potential distributors.
- In May-17 OIL installed 2 ViewnVivo systems in high profile research facilities in the USA for customer experiments, demonstrations, validation and specific research application testing.
- We expect that both the US based ViewnVivo installations will convert to sales.
- OIL is now in the final stages of securing an exclusive USA based Distribution Partner and expects this agreement to be finalised by the end of June-17.

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- ViewnVivo is now validated as a competitive product in the Preclinical Research market through improved applications capability, 30x resolution and superior image quality against direct competitors in this market segment.
- Customer feedback confirms that the OIL technology through ViewnVivo is enabling in vivo microscopic imaging, which to-date has not been possible through other imaging modalities.
- OIL will have a significant Optiscan and ViewnVivo presence at the World Molecular Imaging Congress (WMIC), an important industry conference and exhibition, to be held in Philadelphia 13-16 September 2017. <http://www.wmis.org/meetings/>

#### **China:**

- China will be a major market for the ViewnVivo product.
- OIL now has a ViewnVivo system in China for ongoing customer demonstrations and trials.
- OIL conducted a series of on site ViewnVivo product demonstrations to research institutions and potential distributors in April-17.
- During June/July-17 OIL will return to China for continued engagement with customers and potential distributors.
- OIL continue to explore opportunities in this market and has developed a risk mitigation strategy in doing so.

#### **Other Asian Markets:**

- Initial investigations have commenced on other major Asian markets.

#### **UK/Europe:**

- Discussions are ongoing with the USA based distribution partner who has coverage in Europe regarding the potential for European representation of ViewnVivo.

#### **Australia & New Zealand:**

- Evaluations of ViewnVivo continue with several Australian research entities and universities following on from the LMA Conference (February 2017).

- **Exploring new market opportunities for related Optiscan products and services:**

- Early discussions with a China based Endoscope manufacturer have validated the interest in OIL technology for other Clinical Endoscopy applications.
- This clinical area will not be the major focus until OIL has delivered on the existing opportunities identified as priority for the company.
- The next steps are:
  - The commercialisation of OIL-CZM collaboration project.
  - Global distribution network in place, prospect pipeline developed, sales and installations of ViewnVivo.

- **Other recent activities:**

- OIL relocated premises in May-17 to a stand-alone facility within the existing Monash area.
- OIL continue significant research activities into new markets and applications for our technology.

#### **Next Update**

Market Update will be soon after the next Optiscan board meeting which will take place mid July 2017.

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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.*