



ASX Announcement
25 September 2020

OptiScan Capital Raising

OptiScan Imaging Limited (ASX: OIL) (**'the Company'** or **'OptiScan'**) is pleased to provide the following update in relation to the capital raising announced to ASX on 22 September 2020.

OptiScan advises that it has now received binding commitments from sophisticated and professional investors (**Placement**) for 118,951,500 fully paid ordinary shares (**Placement Shares**) to be issued at an issue price of \$0.0825 (8.25 cents) per share, raising \$9,813,499 before costs.

The Company has utilised its placement capacity in accordance with ASX Listings rules 7.1 and 7.1A to issue the Placement shares with 71,173,620 Placement Shares being issued in accordance with its 7.1 capacity and 47,777,880 Placement Shares being issued with its 7.1A capacity. The Placement Shares will be issued at a 16% discount to the 15 day trading volume weighted average price of shares (VWAP) prior to the trading halt.

For every four Placement Shares, the Company proposes to grant one free attaching option, exercisable at \$0.15 (15 cents) per option, each option entitling the holder to subscribe for one fully paid ordinary share and with an expiry date of 30 months from the date of issue (**Placement Option**). The issue of the Placement Options will be subject to shareholder approval at the upcoming AGM on or about November 26.

As part of the Placement, the Company has entered into a binding Subscription Agreement (**Agreement**) with Orchid Capital Investments Pte. Ltd (Clermont), a Singapore incorporated entity which is a member and investment vehicle of the Clermont group of entities (**Clermont Group**). Clermont will be a cornerstone investor in the Placement and has applied for up to approximately \$7,382,513 (89,485,000 fully paid ordinary shares), subject to the final number of Placement Shares issued. The application by the cornerstone investor is for 15.00% of total issued ordinary shares in the Company immediately following Clermont's subscription. Clermont will have the right (but not the obligation) to appoint one non-executive Director to the board of OptiScan pursuant to the Agreement, subject to maintaining at least a 10% interest in the Company.

The Agreement contains terms which are typical to agreements of a similar nature including warranties from the Company and rights of termination in favour of Clermont in circumstances which include events of fraud, insolvency, a suspension of the Company's shares for 2 or more days prior to the issue of the Placement Shares, or the suspension of trading in all securities on the ASX or other specified exchanges.

Funds raised from the Placement will be used for inventory expansion, testing for regulatory purposes, product research and development, funding of potential clinical trials, market development, recruitment, and working capital. Capital raising and advisory fees of up to 4% will be paid on the amount raised.

Clermont Group is an international business group headquartered in Singapore. Clermont Group builds and invests in businesses in the healthcare, financial services and aerospace industries, and its operating companies employ over 6,000 people around the world. As the owner of the leading private hospital group

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in Vietnam, Clermont Group's expertise and track record make it the perfect partner for OptiScan as it accelerates its ambition to become a world-scale medical imaging and diagnostics company.

Executive Chairman of OptiScan, Mr. Darren Lurie, said: "We are delighted to have received the strong support of the Clermont Group and additional investors in the Placement. The Placement provides validation of and the resources needed to support the Company to deliver on its strategy of seeking regulatory approvals and embarking on the commercialisation of the InVivage device around the world. We look forward to having access to the networks and experience of the Clermont Group in assisting us to achieve these goals."

Execution of Executive Services Agreement

OptiScan is pleased to announce that it has entered into an Executive Services Agreement (Agreement) with the Company's Executive Chairman, Mr. Darren Lurie. Over the past two and a half years, Darren has been instrumental in the development of the Company's InVivage™ clinical device and the oral cancer application, introduction and liaison with multiple leading cancer centres for clinical trials, receipt of a Federal Government grant for approximately \$1million, re-structuring of the FIVE2 (Viewnvivo) distribution arrangements resulting in positive sales results, significant reduction in the cash outflows of the Company and completion of two capital raisings.

Darren will continue his role as Executive Chairman and be appointed as Chief Executive Officer of the Company. The key terms of the Agreement are noted in Annexure A of this announcement.

Center for Devices and Radiological Health of the United States Food and Drug Administration (FDA)

The FDA has advised OptiScan that it is still gathering information in response to OptiScan's request for feedback regarding the proposed content to support a 510(k) application in Oral Cancer Surgery and/or Oral Cancer Screening, submitted at the end of June. OptiScan now expects that it will receive this feedback from the FDA by the middle of October.

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This announcement has been authorised for release by the Board of OIL.

For investor queries, please contact:

Darren Lurie
Executive Chairman – OptiScan Imaging Limited
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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 or any of the other parties referred to herein, 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.

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Annexure A

Key terms for the Executive Services Agreement are as follows:

- Fixed Remuneration of \$300,000 plus superannuation.
- Chairman's fee of \$75,000 plus superannuation.
- No fixed term.
- Notice period by both the Company and Executive – 3 months in writing.
- Sign-on bonus – the Company will pay Mr Lurie a sign on bonus amounting to \$150,000. The sign-on bonus is proposed to be paid for work completed in multiple roles and over the previous years along with his commitment to signing on with the Company to be Chief Executive Officer.
- Short term incentive (STI) – Mr Lurie will receive a short-term incentive payment amounting to \$130,000 upon the Company's InVivage system receiving approval from the United States Food and Drug Administration.
- Long term incentive (LTI) – subject to shareholder and all other regulatory approvals, the Company proposes to grant Mr Lurie the following options in accordance with the Company's Employee Incentive Option Plan:
 - o 1,500,000 unlisted options, exercisable at \$0.15 (15 cents), vesting condition CEO after 31 May 2021 and expiring 30 November 2024 (**Tranche 1**).
 - o 1,500,000 unlisted options, exercisable at \$0.15 (15 cents), vesting condition CEO after 30 November 2021 and expiring 31 May 2025 (**Tranche 2**).
 - o 1,500,000 unlisted options, exercisable at \$0.15 (15 cents), vesting condition CEO after 31 May 2022 and expiring 30 November 2025 (**Tranche 3**).
 - o 1,500,000 unlisted options, exercisable at \$0.15 (15 cents), vesting condition CEO after 30 November 2022 and expiring 31 May 2026 (**Tranche 4**).