

OPTISCAN IMAGING LIMITED
ACN 077 771 987

ENTITLEMENT ISSUE PROSPECTUS

For a pro-rata renounceable entitlement issue of one (1) Share for every three (3) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.08 per Share to raise up to approximately \$16,698,816 (based on the number of Shares on issue as at the date of this Prospectus) (**Offer**).

This Offer is partially underwritten by Peters Investments Pty Ltd and Orchid Capital Investments Pte Ltd (together, the **Underwriters**). Refer to Section 6.4.1 for details regarding the terms of the underwriting.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If, after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Shares offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 30 May 2023 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares offered by this Prospectus should be considered as highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be made by an original Entitlement and Acceptance Form or Shortfall Application Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your

financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, 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, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 5.

Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or

to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Singapore.

For further information on overseas Shareholders please refer to Section 2.9.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 6 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.optiscan.com. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian, New Zealand or Singapore resident and must only access this Prospectus from within Australia, New Zealand or Singapore.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus, or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 (03) 9598 3333 during office hours or by emailing the Company at info@optiscan.com.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely

upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 8.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Securities, the

Company may not be able to accept or process your application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offers or how to accept the Offer please call the Company Secretary on + 61 (03) 9598 3333.

CORPORATE DIRECTORY

Directors

Mr Robert Cooke
Non-Executive Chairman

Dr Camile Farah
Managing Director

Ms Karen Borg
Non-Executive Director

Mr Ron Song
Non-Executive Director

Mr Sean Gardiner
Non-Executive Director

Company Secretary

Mr Justin Mouchacca

Registered Office

16 Miles Street
MULGRAVE VIC 3170

Telephone: + 61 (03) 9598 3333
Facsimile: +61 (03) 9562 7742

Email: investors@optiscan.com
Website: www.optiscan.com

Auditor*

Grant Thornton Audit Pty Ltd
Collins Square, Tower 5 727 Collins Street
MELBOURNE VIC 3008

Share Registry*

Computershare Investor Registry Services
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067

Telephone: +61 (03) 9415 5000

Legal Advisers

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
PERTH WA 6000

Underwriters

Orchid Capital Investments Pte Ltd
Level 46, UOB Plaza 1
80 Raffles Place
Singapore 058624

Peters Investments Pty Ltd
86 Forrest Street
COTTESLOE WA 6011

*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

TABLE OF CONTENTS

1.	KEY OFFER INFORMATION.....	1
2.	DETAILS OF THE OFFER.....	7
3.	PURPOSE AND EFFECT OF THE OFFER.....	15
4.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	19
5.	RISK FACTORS	22
6.	ADDITIONAL INFORMATION	30
7.	DIRECTORS' AUTHORISATION	40
8.	GLOSSARY	41

1. KEY OFFER INFORMATION

1.1 Timetable

Lodgement of Prospectus with the ASIC	Pre-market open on Tuesday, 30 May 2023
Lodgement of Prospectus and Appendix 3B with ASX	Pre-market open on Tuesday, 30 May 2023
Ex date	Thursday, 1 June 2023
Rights start trading	Thursday, 1 June 2023
Record Date for determining Entitlements 5:00pm WST)	Friday, 2 June 2023
Offer opening date, Prospectus sent out to Shareholders and Company announces this has been completed	Wednesday, 7 June 2023
Rights stop trading	Wednesday, 21 June 2023
Securities quoted on a deferred settlement basis	Thursday, 22 June 2023
Last day to extend the Closing Date	Friday, 23 June 2023
Closing Date as at 5:00pm WST*	Thursday, 29 June 2023
Announcement of results of issue	Thursday, 6 July 2023
Quotation of Shares issued under the Offer**	Thursday, 6 July 2023

*The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. Accordingly, the date the Shares are expected to commence trading on ASX may vary.

1.2 Key statistics of the Offer

Shares

	Minimum Subscription¹	Maximum Subscription²
Offer Price per Share	\$0.08	\$0.08
Entitlement Ratio (based on existing Shares)	1:3	1:3
Shares currently on issue	626,205,602	626,205,602
Shares to be issued under the Offer	188,291,663	208,735,201
Gross proceeds of the issue of Shares	\$15,063,333	\$16,698,816
Shares on issue post-Offer	814,497,265	834,940,803

Notes:

1. Assuming the Minimum Subscription of \$15,063,333 is achieved under the Offer.
2. Assuming the Maximum Subscription of \$16,698,816.08 is achieved under the Offer.
3. Refer to Section 4.1 for the terms of the Shares.

1.3 Key Risk Factors

Prospective investors should be aware that subscribing for Shares involves a number of risks and an investment in the Company should be considered as highly speculative. The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are set out in Section 5.

1.4 Directors' Interests in Securities

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:

Director	Shares	Options	Share Entitlement	\$
Mr Robert Cooke	217,500 ¹	Nil	72,500	\$5,800
Dr Camile Farah	6,524,985 ²	12,000,000 ³	2,174,995	\$174,000
Ms Karen Borg	99,716	1,000,000 ⁴	33,239	\$2,659
Mr Ron Song	3,000,000 ⁴	Nil	1,000,000	\$80,000
Mr Sean Gardiner	Nil	Nil	Nil	Nil

Notes:

1. Held indirectly by Robert Cooke ATF The Cooke Superannuation Fund.
2. Comprising:
 - (i) 500,000 Shares held by Phoenix Financial Pty Ltd ATF Phoenix Super Fund A/C;
 - (ii) 24,985 Shares held by Dr Marie Matias (the spouse of Dr Farah); and
 - (iii) 6,000,000 Shares held by Camile Farah and Marie Matias ATF The Farah & Matias Family Trust.
3. Exercisable at \$0.1925 each on or before 9 March 2027.
4. Exercisable at \$0.209 each on or before 29 July 2023.

The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part at their discretion.

1.5 Details of Substantial Holders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Peters Investments Pty Ltd	107,375,000	17.15%
Orchid Capital Investments Pte Ltd	89,485,000	14.29%
Ian Mann	41,955,945 ¹	6.70%

Notes:

1. Comprising:
 - (i) 37,199,500 Shares held by Ibsen Pty Ltd ATF Narula Family Set No3 A/C;
 - (ii) 4,256,445 Shares held by Ibsen Pty Ltd ATF Ibsen Superfund A/C; and
 - (iii) 500,000 Shares held by Ezahc Pty Ltd.

In the event all Entitlements offered under the Offer are accepted there will be no change to the substantial holders on completion of the Offer.

1.6 Underwriting

The Offer is partially jointly underwritten by Peters Investments Pty Ltd (**Peters Investments**) and Orchid Capital Investments Pte Ltd (**Orchid Capital**). Refer to Section 6.4.1 for details of the terms of the underwriting.

1.7 Effect on Control**(a) Underwriting by Peters Investments**

Peters Investments is presently the Company's largest substantial holder and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to Peters Investments may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

As at the date of this Prospectus, Peters Investments has a voting power of 17.15% (107,375,000 Shares).

Assuming no other Shareholder takes up their Entitlement and Peters Investments takes up its full Entitlement (being 35,791,667 Shares) and underwrites the full Peters Commitment (being 86,875,000 Shares), Peters Investments may be issued a total of 122,666,667 Shares under the Offer equating to a maximum aggregate holding by Peters Investments of 230,041,667 Shares which would result in a maximum potential shareholding of 28.24% upon completion of the Offer.

In the event that the voting power of Peters Investments increases above 20%, no breach of section 606 of the Corporations Act will occur as such subscription and issue of Shares will fall within the exception to section 606 of the Corporations Act under Item 10 of section 611 of the Corporations Act.

Peters Investment's present relevant interest and voting power under several scenarios are set out in the table below and are based on the assumption that Peters Investments takes up its full Entitlement and its maximum underwriting allocation under each scenario:

Event	Shares to be issued under Peters Investments' Entitlement	Shares to be issued pursuant to the Peters Commitment	Total Shares held by Peters Investments	Undiluted voting power of Peters Investments
Prospectus Date	-	-	107,375,000	17.15%

Event	Shares to be issued under Peters Investments' Entitlement	Shares to be issued pursuant to the Peters Commitment	Total Shares held by Peters Investments	Undiluted voting power of Peters Investments
100% subscribed	35,791,667	-	143,166,667	17.15%
75% subscribed	35,791,667	43,664,717	186,831,384	22.38%
50% subscribed	35,791,667	61,248,087	204,414,754	24.48%
25% subscribed	35,791,667	80,442,320	223,608,987	26.78%
0% subscribed	35,791,667	86,875,000	230,041,667	28.24%

The number of Shares held by Peters Investments and its voting power in the table above show the potential effect of Peters Investment taking up its full Entitlement and partially underwriting the Offer.

However, the Board considers that it is unlikely that no Shareholders will take up their Entitlements under the Offer. The underwriting allocation and therefore voting power of Peters Investments will reduce by a corresponding number of Entitlements accepted under the Offer by Shareholders.

Refer to Section 2.6 for further details of the allocation under the Shortfall Offer.

(b) **Underwriting by Orchid Capital**

Orchid Capital is presently a substantial holder in the Company and is not a related party of the Company for the purposes of the Corporations Act. The issue of Shares under this Prospectus to Orchid Capital may increase its interest in the Company and dilute the Shareholding of other Shareholders to the extent they elect not to participate in the Offer or are ineligible to participate in the Offer.

As at the date of this Prospectus, Orchid Capital has a voting power of 14.29% (89,485,000 Shares). Under the terms of the Underwriting Agreement, Orchid Capital have agreed that its voting power will not exceed 19.04% upon completion of the Offer.

Assuming no other Shareholder takes up their Entitlement and Orchid Capital takes up their full Entitlement (being 29,828,333 Shares) and underwrites the full Orchid Commitment (being 35,796,663 Shares), Orchid Capital may be issued a total of 65,624,996 Shares under the Offer equating to a maximum aggregate holding by Orchid Capital of 155,109,996 Shares which would result in a maximum potential shareholding of 19.04% upon completion of the Offer.

Orchid Capital's present relevant interest and voting power under several scenarios are set out in the table below and are based on the assumption that Orchid Capital takes up its full Entitlement and its maximum underwriting allocation under each scenario:

Event	Shares to be issued under Orchid Capital's Entitlement	Shares to be issued pursuant to the Orchid Commitment	Total Shares held by Orchid Capital	Undiluted voting power of Orchid Capital
Prospectus Date	-	-	89,485,000	14.29%
100% subscribed	29,828,333	-	119,313,333	14.29%
75% subscribed	29,828,333	2,739,083	122,052,417	14.62%
50% subscribed	29,828,333	17,392,847	136,706,180	16.37%
25% subscribed	29,828,333	30,435,747	149,749,080	17.94%
0% subscribed	29,828,333	35,796,663	155,109,996	19.04%

The number of Shares held by Orchid Capital and its voting power in the table above show the potential effect of Orchid Capital taking up its full Entitlement and partially underwriting the Offer.

However, the Board considers that it is unlikely that no Shareholders will take up their Entitlements under the Offer. The underwriting allocation and therefore voting power of Orchid Capital will reduce by a corresponding number of Entitlements accepted under the Offer by Shareholders.

Refer to Section 2.6 for further details of the allocation under the Shortfall Offer.

1.8 Potential dilution on non-participating Shareholders

In addition to potential control impacts set out in Section 1.7, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33.33% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).

For illustrative purposes, the table below shows how the dilution may impact the holdings of Shareholders:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.60%	3,333,333	10,000,000	1.20%
Shareholder 2	5,000,000	0.80%	1,666,667	5,000,000	0.60%
Shareholder 3	1,500,000	0.24%	500,000	1,500,000	0.18%
Shareholder 4	400,000	0.06%	133,333	400,000	0.05%
Shareholder 5	50,000	0.01%	16,667	50,000	0.01%

Notes:

1. This is based on a share capital of 626,205,602 Shares as at the date of the Prospectus and assumes no other Shares are issued, and no Options are exercised, prior to completion of the Offer.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Underwriting and Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

2. DETAILS OF THE OFFER

2.1 The Offer

The Offer is being made as a pro-rata renounceable entitlement issue of one (1) Share for every three (3) Shares held by Shareholders registered at the Record Date at an issue price of \$0.08 per Share. Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, approximately 208,735,201 Shares may be issued under the Offer to raise up to approximately \$16,698,816.

As at the date of this Prospectus the Company has 44,582,573 Options on issue all of which may be exercised prior to the Record Date in order to participate in the Offer.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.1 for further information regarding the rights and liabilities attaching to the Shares.

The purpose of the Offer and the intended use of funds raised are set out in Section 3.

2.2 What Eligible Shareholders may do

The number of Shares to which Eligible Shareholders are entitled is shown on the personalised Entitlement and Acceptance Form which can be accessed at www.investorcentre.com/au. Eligible Shareholders may choose any of the options set out in the table below.

Option	Key Considerations	For more information
Take up all of your Entitlement	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement, then your application for Shares under this Prospectus must be made by following the instructions on the personalised Entitlement and Acceptance Form can be accessed at www.investorcentre.com/au. Please read the instructions carefully.Payment can be made by the methods set out in Section 2.3. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form.	Section 2.3 and Section 2.4.
Take up all of your Entitlement and also apply for Shortfall Shares	<ul style="list-style-type: none">Should you wish to accept all of your Entitlement and apply for Shortfall Shares, then your application for your Entitlement and additional Shortfall Shares under this Prospectus must be made by following the instructions on your personalised Entitlement and Acceptance Form can be accessed at www.investorcentre.com/au. Please read the instructions carefully.	Sections 2.3, 2.4 and 2.6.

Option	Key Considerations	For more information
	<ul style="list-style-type: none"> • Payment can be made by the methods set out in Section 2.3. Payment should be made for your Entitlement and the amount of the Shortfall for which you are applying. • If you apply for Shortfall Shares beyond your Entitlement you are deemed to have accepted your Entitlement in full. You should note that the allocation of Shortfall Shares is at the Company's absolute discretion as per the allocation policy set out in Section 2.6. Accordingly, your application for additional Shortfall Shares may be scaled-back. • The Company's decision on the number of Shortfall Shares to be allocated to you will be final. 	
Sell all of your Entitlement on ASX	<ul style="list-style-type: none"> • The Entitlements under the Offer are renounceable which means that all or part of an Eligible Shareholder's rights to subscribe for Shares under the Offer may be traded on ASX. • If you wish to sell all of your Entitlement on ASX, provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlements will commence on ASX on Tuesday 30 May 2023 and will cease on Wednesday 7 June 2023. • There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their Entitlement on ASX or that any particular price will be paid for the Entitlements sold on ASX. 	N/A
Take up a proportion of your Entitlement and sell the balance on ASX	<ul style="list-style-type: none"> • If you wish to take up only part of your Entitlement, your application must be made by completing the personalised Entitlement and Acceptance Form can be accessed at www.investorcentre.com/au for the number of Shares you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. • Subsequently, provide instructions to your stockbroker regarding the proportion of your Entitlement you wish to sell on ASX. 	Section 2.3 and Section 2.4

Option	Key Considerations	For more information
<p>Take up a proportion of your Entitlement and allow the balance to lapse</p>	<ul style="list-style-type: none"> If you wish to take up only part of your Entitlement and allow the balance to lapse, your application must be made by completing the personalised Entitlement and Acceptance Form can be accessed at www.investorcentre.com/au for the number of Shares you wish to take up and making payment using the methods set out in Section 2.3 below. As set out in Section 2.3, if you pay by BPAY or EFT, you do not need to return the Entitlement and Acceptance Form. 	<p>Section 2.3 and Section 2.4</p>
<p>Sell all or a proportion of your Entitlement other than on ASX</p>	<ul style="list-style-type: none"> You may elect to transfer all or a proportion of your Entitlement to another person other than on ASX. If the purchaser of your Entitlement is an Ineligible Shareholder or a person that would be an Ineligible Shareholder if they were a registered holder of Shares, that purchaser will not be able to take up the Entitlement they have purchased. If you are a Shareholder on the issuer sponsored subregister and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, forward a completed standard renunciation and transfer form (obtainable from the Share Registry) and the applicable transferee's cheque for the Shares they wish to subscribe for payable to "Optiscan Imaging Limited" and crossed "Not Negotiable" to the Share Registry by post at any time after the issue of this Prospectus and on or before the Closing Date at the following address: <p style="text-align: center;">By Post Optiscan Imaging Limited C/- Computershare Investor Services Pty Limited GPO Box 52 Melbourne VIC 3001</p> If you wish to transfer all or a proportion of your Entitlement to or from another person on the CHESS subregister you must engage your CHESS controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for Shares the transferee of the Entitlement wants to acquire must be 	<p>N/A</p>

Option	Key Considerations	For more information
	received by Share Registry.	
Allow all or part of your Entitlement to lapse	<ul style="list-style-type: none"> Shareholders should be aware that their Entitlement may have value. Entitlement are renounceable, which enable Eligible Shareholders who do not wish to take up part or all of their Entitlement to seek to sell or trade all or some of their Entitlement on ASX or otherwise. If you do not wish to accept or trade any part of your Entitlement, you are not obliged to do anything. If you do not take up your Entitlement or dispose of your Entitlement by the Closing Date, the Offer to you will lapse. 	N/A

2.3 Payment options

(a) By BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

You should be aware that your own financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment. **It is your responsibility to ensure that funds submitted through BPAY® are received by Friday 16 June 2023 (AEST) on the Closing Date. The Company shall not be responsible for any delay in the receipt of the BPAY® payment.**

Guidance where you have more than one CRN (Shareholding of Shares)

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those Shareholdings only use the CRN specific to that Shareholding as set out in the applicable Entitlement and Acceptance Form. **Do not use the same CRN for more than one of your Shareholdings.** This can result in your Application

monies being applied to your Entitlement in respect of only one of your Shareholdings (with the result that any Application in respect of your remaining Shareholdings will not be valid).

(b) **By Electronic Funds Transfer (overseas applicants)**

For payment by Electronic Funds Transfer (**EFT**) for overseas Eligible Shareholders, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via EFT if you are the holder of an account that supports EFT transactions to an Australian bank account. Please note that should you choose to pay by EFT:

- (i) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form;
- (ii) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your Application monies; and
- (iii) if you pay more than is required to subscribe for your Entitlement, you will be taken to have applied for Shortfall Shares (if any) under the Shortfall Offer, to the extent of the excess.

(c) **By Cheque**

Payment by cheque or cash will not be accepted.

2.4 Implications of an acceptance

Returning a completed Entitlement and Acceptance Form or paying any Application monies by BPAY® or EFT will be taken to constitute a representation by you that:

- (a) you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety; and
- (b) you acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® or EFT payment instruction is given in relation to any Application monies, the application may not be varied or withdrawn except as required by law.

2.5 Minimum subscription

The minimum subscription in respect of the Offer is \$15,063,333, being the sum of the Underwritten Amount, and each Underwriter's respective Entitlements. Refer to Section 6.4.1 for details of the terms of the underwriting and the agreement by the Underwriters to subscribe for their full Entitlement under the Offer.

2.6 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer. (**Shortfall Shares**).

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.08 being the price at which Shares have been offered under the Offer. The Shortfall Offer is open to Shareholders and also other applicants.

If you do not wish to take up any part of your Entitlement you are not required to take any action. That part of your Entitlement not taken up will form part of the Shortfall Offer and potentially be allocated to other Eligible Shareholders or other third parties as part of the Shortfall Offer. The Shortfall Offer will only be available where there is a Shortfall between applications received from Eligible Shareholders and the number of Shares proposed to be issued under the Offer.

Eligible Shareholders who wish to subscribe for Shares above their Entitlement are invited to apply for Shortfall Shares under the Shortfall Offer by completing the appropriate section on their Entitlement and Acceptance Form or by making payment for such Shortfall Shares in accordance with Section 2.3.

Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriters. The Board will use its discretion in a manner not to exacerbate a potential unacceptable control effect.

In this regard, Shortfall will be allocated in priority to Eligible Shareholders who take up their full Entitlement, who are not related to Directors, on a pro rata basis in accordance with Eligible Shareholders' Entitlements under the Offer, followed by allocations to any other applicants with any remaining Shortfall Shares to be placed to the Underwriters in accordance with the terms of the Underwriting Agreement, the details of which are set out in Section 6.4.1.

If the Offer is oversubscribed (by take up of Entitlements and applications for Shortfall Shares by Eligible Shareholders), scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective shareholdings of Eligible Shareholders. There is no guarantee that Eligible Shareholders will receive Shares applied for under the Shortfall Offer. In this instance, no Shares would be issued to the Underwriters beyond their existing Entitlements.

The Underwriters note that no Shares will be issued to an applicant under this Prospectus or via the Shortfall Offer if the issue of Shares would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no Shares will be issued via the Shortfall Offer to any related parties of the Company.

2.7 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

2.8 Issue of Shares

Shares issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at Section 1.

Shares issued pursuant to the Shortfall Offer will be issued at the one time. Where the number of Shares issued is less than the number applied for, or where no issue is made surplus Application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Shares issued under the Offer will be mailed as soon as practicable after the issue of Shares and for Shortfall Shares issued under the Shortfall Offer as soon as practicable after their issue.

2.9 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia, New Zealand or Singapore.

New Zealand

The Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the transitional provisions of the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021 (New Zealand).

This Prospectus has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Shares may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4)

Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an existing holder of Shares. If you are not such a Shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Nominees and custodians

Nominees and custodians may not submit an Entitlement and Acceptance Form on behalf of any Shareholder resident outside Australia, New Zealand or Singapore without the prior consent of the Company, taking into account relevant securities law restrictions. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2.10 Appointment of Nominee

Pursuant to ASX Listing Rule 7.7 and section 615 of the Corporations Act, the Company has appointed a nominee, Canaccord Genuity (Australia) Limited, to sell the Entitlements to which Ineligible Shareholders are entitled. The nominee will have the absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The Company has sought ASIC approval for the appointment of the nominee, as required by section 615 of the Corporations Act. The approval is currently pending.

The proceeds of the sale of these Entitlements will firstly be applied against expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below.

The net proceeds of the sale of these Entitlements will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commission and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company.

Notwithstanding that the nominee must sell Entitlements, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. In this regard, the nominee will not be required to sell Ineligible Shareholders' Entitlements at a particular price.

Shareholders resident in Australia, New Zealand or Singapore holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3. PURPOSE AND EFFECT OF THE OFFER

3.1 Purpose of the offer

The purpose of the Offer is to raise up to approximately \$16,698,816 before costs.

The funds raised from the Offer are intended to be applied in accordance with the table set out below:

Item	Proceeds of the Offer	Minimum Subscription (\$)	%	Maximum Subscription (\$)	%
1.	Fund R&D of a new stand-alone flexible scope GI device with AI capability ¹	3,452,009	22.92%	3,667,059	21.96
2.	Fund R&D of new rigid scope devices for Breast, Cervical, and Vet ²	4,201,831	27.89%	4,463,593	26.73
3.	Fund development of improved image capture, AI and telepathology capabilities for rigid platforms ³	3,882,724	25.78%	4,124,607	24.70
4.	Clinical studies to satisfy FDA in relation to premarket notifications applications ⁴	2,823,228	18.74%	2,999,107	17.96
5.	Adoption of unique slide-free, biopsy-free technology ⁵	418,139	2.78%	444,188	2.66
6.	Working capital purposes	235,402	1.56%	950,262	5.69
7.	Expenses ⁶	50,000	0.33%	50,000	0.30
	Total	15,063,333	100	16,698,816	100

Notes:

1. For further details, please refer to the announcement titled 'Optiscan Partners with Prolucid Technologies to Develop AI Algorithms' released on the ASX on 30 January 2023.
2. For further details, please refer to the paragraph titled 'Breast Cancer Imaging Study' on page 2 of the of the quarterly report released on the ASX on 28 April 2023 (**Recent Quarterly Report**).
3. For further details, please refer to the paragraph titled 'Artificial Intelligence and Telepathology Applications' on page 2 of the Recent Quarterly Report.
4. For further details, please refer to the announcement titled 'Optiscan Intends to Pursue De Novo Pathway for Invivage' dated 2 March 2023, and the paragraph titled 'Food and Drug Administration on page 2 of the Recent Quarterly Report.
5. For further details, please refer to the announcement titled 'Optiscan Establishes US Commercial Operation in Minnesota' dated 3 April 2023.
6. Refer to Section 6.8 of the Prospectus for a breakdown of the expenses of the Offer.

On completion of the Offer, the Board believes the Company will have sufficient working capital to achieve its stated objectives. In the event the Offer is not fully

subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

In addition, it should be noted that the Company's budgets and forecasts will be subject to modification on an ongoing basis depending on the results achieved from its business activities and operations.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

3.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted prior to the Record Date, will be to:

- (a) increase the cash reserves by approximately \$16,648,816 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer; and
- (b) increase the number of Shares on issue from 626,205,602 as at the date of this Prospectus to 834,940,803 Shares.

3.3 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted, and no other Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	626,205,602
Shares offered pursuant to the Offer	208,735,201
Total Shares on issue after completion of the Offer	834,940,803

Options

	Number
Options currently on issue ¹	
Unquoted Options exercisable at \$0.08 on or before 30 November 2023	800,000
Unquoted Options exercisable at \$0.209 on or before 29 July 2023	1,000,000
Unquoted Options exercisable at \$0.1925 on or before 9 March 2025	3,000,000
Unquoted Options exercisable at \$0.1925 on or before 9 March 2027	9,000,000
Total Options on issue after completion of the Offer	13,800,000

Notes:

1. The Company currently has 1,100,000 Options on issue, which are exercisable at \$0.065 each on or before 31 May 2023 (being the date after lodgement of this Prospectus and prior

to the Offer opening date). As at the date of this Prospectus, it is unknown whether these Options will be exercised and converted into Shares and, if so, how many Options will be exercised and converted into Shares. Given this uncertainty, for the purposes of the above capital structure and this Prospectus, the Company has assumed that these Options are not exercised and has excluded them from the calculations above. However, there remains a possibility that some or all of these Options are exercised.

The capital structure on a fully diluted basis as at the date of this Prospectus would be 640,005,602 Shares and on completion of the Offer (assuming all Entitlements are accepted, and no Shares are issued including on exercise or conversion of other Securities on issue prior to the Record Date) would be 848,740,803 Shares.

No Shares or Options on issue are subject to escrow restrictions, either voluntary or ASX imposed.

3.4 Pro-forma balance sheet

The reviewed balance sheet as at 31 December 2023 and the unaudited pro-forma balance sheet as at 31 December 2023 shown below have been prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options or convertible securities are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	UNAUDITED 31 December 2022	PROFORMA Maximum Raise	PROFORMA Minimum Raise
	\$	\$	\$
CURRENT ASSETS			
CURRENT ASSETS			
Cash	3,064,655	19,713,471	18,077,988
Trade and other receivables	995,965	995,965	995,965
Inventories	1,194,286	1,194,286	1,194,286
Other current assets	382,336	382,336	382,336
TOTAL CURRENT ASSETS	5,637,242	22,286,058	20,650,575
NON-CURRENT ASSETS			
Plant and equipment	201,249	201,249	201,249
Intangibles	600,000	600,000	600,000

	UNAUDITED 31 December 2022	PROFORMA Maximum Raise	PROFORMA Minimum Raise
	\$	\$	\$
Right-of-use assets	389,078	389,078	389,078
Other non-current assets	52,650	52,650	52,650
TOTAL NON-CURRENT ASSETS	1,242,977	1,242,977	1,242,977
TOTAL ASSETS	6,880,219	23,529,035	21,893,552
CURRENT LIABILITIES			
Trade and other payables	879,292	879,292	879,292
Lease liabilities	184,461	184,461	184,461
Loans	154,357	154,357	154,357
Provisions	378,821	378,821	378,821
TOTAL CURRENT LIABILITIES	1,596,931	1,596,931	1,596,931
CURRENT LIABILITIES			
Lease liabilities	278,339	278,339	278,339
Provisions	20,809	20,809	20,809
TOTAL NON-CURRENT LIABILITIES	299,148	299,148	299,148
TOTAL LIABILITIES	1,896,079	1,896,079	1,896,079
NET ASSETS (LIABILITIES)	4,984,140	21,632,956	19,997,473
EQUITY			
issued capital	71,912,959	88,561,775	86,926,292
Options Reserve	2,321,695	2,321,695	2,321,695
Accumulated losses	(69,250,514)	(69,250,514)	(69,250,514)
TOTAL EQUITY	4,984,140	21,632,956	19,997,473

Notes:

1. The pro forma statement of financial position above includes adjustments for the full acceptance of Entitlements under the Offer amounting to \$16,698,816 for the maximum raise and \$15,063,333 for the minimum raise.
2. The pro forma statement of financial position above includes adjustments for the costs of the offer amounting to \$50,000 for both raise amounts.

4. RIGHTS AND LIABILITIES ATTACHING TO SHARES

4.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to the Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

5. RISK FACTORS

5.1 Introduction

The Shares offered under this Prospectus should be considered as highly speculative and an investment in the Company is not risk free.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Prospectus.

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors. The key risks associated with the Company's business, the industry in which it operates and general risks applicable to all investments in listed securities and financial markets generally are described below.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

Before determining whether to invest in the Company you should ensure that you have a sufficient understanding of the risks described in this Section 5 and all of the other information set out in this Prospectus and consider whether an investment in the Company is suitable for you, taking into account your objectives, financial situation and needs.

If you do not understand any matters contained in this Prospectus or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.2 Company specific

Risk Category	Risk
Potential for dilution	<p>In addition to potential control impacts set out in Section 1.6, Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by approximately 33.33% (as compared to their holdings and number of Shares on issue as at the date of this Prospectus).</p> <p>It is not possible to predict what the value of the Company, a Share or an Option will be following the completion of the Offer being implemented and the Directors do not make any representation as to such matters.</p> <p>The last trading price of Shares on ASX prior to the Prospectus being lodged of \$0.10 is not a reliable indicator as to the potential trading price of Shares after implementation of the Offer.</p>

Risk Category	Risk
<p>Control risk – Peters Investments</p>	<p>Peters Investments is currently the largest Shareholder of the Company and has a relevant interest in approximately 17.15% of the Shares in the Company. Assuming Peters Investments takes up its full Entitlement and no other Shareholders accept their entitlements, Peters Investment's voting power in the Company could be as high as 28.24%.</p> <p>Peters Investment's significant interest in the capital of the Company means that it is able to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p> <p>Although the Company considers it unlikely to occur, upon completion of the Offer, Peters Investments may hold a relevant interest in more than 25% of the Company (refer above to Section 1.7(a) for the potential voting power of Peters Investments in various scenarios). If Peters Investments' interest were to increase above 25%, it would mean that it would have the potential to prevent a special resolution from being passed by the Company (such resolution requiring at least 75% of the votes cast by members entitled to vote on the resolution). Special resolutions are required in relation to approve certain Company matters including potentially seeking the delisting of the Company, amending the Constitution, approving the voluntary winding up of the Company and, if at any time the share capital of the Company is divided into different classes of Shares, approving the variation of the rights attached to any such class.</p>
<p>Control risk – Orchid Capital</p>	<p>Orchid Capital is currently a substantial Shareholder of the Company and has a relevant interest in approximately 14.29% of the Shares in the Company. Assuming Orchid Capital takes up its full Entitlement and no other Shareholders accept their entitlements (which the Company considers unlikely to occur), Orchid Capital's voting power in the Company could be as high as 19.04% (refer above to Section 1.7(b) for details of the potential voting power of Orchid Capital in various scenarios).</p> <p>Orchid Capital's significant interest in the capital of the Company means that it is in a position to potentially influence the financial decisions of the Company, and its interests may not align with those of all other Shareholders.</p>
<p>Additional requirements for capital</p>	<p>The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the</p>

Risk Category	Risk
	<p>scope of its operations and scale back its current business activities as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.</p>
<p>Climate Risk</p>	<p>There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> (a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.
<p>Coronavirus (COVID-19)</p>	<p>The coronavirus (COVID-19) is continuing to impact global markets, commodity prices and foreign exchange rates. The Company's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact the Company's operations and are likely to be beyond the control of the Company.</p> <p>The COVID-19 pandemic may also give rise to labour shortages and delays if the Company's personnel or contractors are hospitalised due to COVID-19 which may cause delays or cost increases. In addition, the effects of COVID-19 on the Company's Share price and global financial markets generally may also affect the Company's ability to raise equity or debt or require the Company to issue capital at a discount, which may in turn cause dilution to Shareholders.</p>

Risk Category	Risk
	<p>The Directors are monitoring the situation closely and have considered the impact of COVID-19 on the Company's business and financial performance. However, the situation is continually evolving, and the consequences are therefore inevitably uncertain.</p>
<p>Research and Development</p>	<p>Biotechnology, scientific research, medical product development and the commercialisation of the results of that work can be considered high-risk undertakings. Investment in research and development (R & D) companies cannot be assessed on the same fundamentals as trading and manufacturing companies.</p> <p>The Company is reliant on the success of its R & D projects and the effective and successful commercialization of the results of the Company's R & D.</p> <p>The Company is developing medical imaging systems which must undergo vigorous testing to satisfy regulatory authorities.</p> <p>The development of new medical devices is an inherently high-risk process with a traditionally high rate of failure. There is no guarantee that the Company's R & D projects will be successful or prove themselves to be commercially effective and successful.</p> <p>The failure to achieve the objectives of the Company's R & D projects may prevent the Company from being able to commercialise a technology. This, in turn, may cause the Company to cease being able to operate as a going concern and have a serious adverse effect on the value of its securities.</p>
<p>Competition</p>	<p>There is significant competition in the biomedical technology industry generally. There is no assurance that competitors will not succeed in developing products that are more effective or economic than the products manufactured or developed by the Company, or which would render the products obsolete and/or otherwise uncompetitive.</p> <p>The Company may be unable to compete successfully against future competitors where aggressive policies are employed to capture market share. Such competition could result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect the Company's future business, operating results and financial position.</p>
<p>Intellectual Property</p>	<p>The future commercial value of any of the Company's technology will depend, to a very large extent, on the ability of the Company to protect its assets and intellectual property through patents. Whilst the Company believes appropriate and sufficient steps have been taken to protect the Company's proprietary technology, the law in any jurisdiction in which the Company operates may not provide adequate protection or enable the Company's rights to be</p>

Risk Category	Risk
	<p>enforced with adequate force or effect.</p> <p>There can be no assurance the measures already taken by the Company have been, or will be, adequate to protect the Company's proprietary technology.</p>
Contractual Risk	<p>The Company's ability to efficiently conduct its operations relies on the terms of its existing contractual arrangements. As in any contractual relationship, the ability for the Company to ultimately receive benefits from these contracts is dependent upon the relevant third party complying with its contractual obligations. To the extent any such third-party defaults in its obligations, it may be necessary for the Company to enforce its rights under any of the contracts and pursue legal action. Such legal action may be costly, and no guarantee can be given by the Company that a legal remedy will ultimately be granted on appropriate terms.</p>
Regulatory Risk and Government Policy	<p>Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia and in other markets in which the businesses of the Company do and will operate, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.</p> <p>Traditionally, Government policies in Australia set high standards in granting marketing approvals for new medical devices. There is no guarantee any of the Company's devices/systems will achieve the required regulatory approval/s for commercialisation of the device or system. Any delay or failure in obtaining the required regulatory approval for any potential product would likely have a serious adverse effect on the Company's value and financial performance, and consequently the value of the Company's securities. The Company notes that this applies specifically in relation to the Company's recent announcement of its De Novo submission for the InViVage device because the timing for obtaining food and drug administration (FDA) approvals are inevitably uncertain.</p>
Insurance Arrangements	<p>The Company maintains insurance within ranges of coverage the Company believes to be consistent with industry practice, including for potential product liability risks that are inherent to R & D, marketing and the sale of its imaging systems.</p> <p>However, no assurance can be given that the Company will be able to continue to obtain such insurance coverage at reasonable rates or any coverage it arranges will be adequate and available to cover any such claims.</p>
Operational Risks and Costs	<p>The Company's current business is exposed to operational risks present in the current business including risks arising from system failure, failure of security and physical</p>

Risk Category	Risk
	protection systems, customer services, staff skills and performance, premises presently being occupied without a long-term lease, property maintenance, and potential end-of-lease property make good costs. Operational risk has the potential to have a material adverse effect on the Company's financial performance and position and reputation as well as the price of its securities. The Company will endeavour to take appropriate action or obtain appropriate insurance to mitigate these risks, however, certain residual risk will remain with the Company.
Development and commercialisation of technologies	The Company is relying on its ability to develop and commercialise its projects. A failure to successfully develop and commercialise its projects could lead to a loss of opportunities and adversely impact on the Company's operating results and financial position.

5.3 General risks

Risk Category	Risk
Economic	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.
Market conditions	<p>Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> (a) general economic outlook; (b) introduction of tax reform or other new legislation; (c) interest rates and inflation rates; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; and (f) terrorism or other hostilities. <p>The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in bio-tech stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Litigation risks	The Company is exposed to possible litigation risks including intellectual property claims, contractual disputes, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations,

Risk Category	Risk
	financial performance and financial position. The Company is not currently engaged in any litigation.
Dividends	Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All prospective investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p>
Reliance on key personnel	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.
Economic conditions and other global or national issues	<p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities.</p> <p>General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance.</p> <p>Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company remains unknown. The Company's Share</p>

Risk Category	Risk
	price may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.

5.4 Speculative investment

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Prospective investors should consider that an investment in the Company is highly speculative.

There is no guarantee that the Shares offered under this Prospectus will provide a return on capital, payment of dividends or increases in the market value of those Shares.

Before deciding whether to subscribe for Shares under this Prospectus you should read this Prospectus in its entirety and consider all factors, taking into account your objectives, financial situation and needs.

6. ADDITIONAL INFORMATION

6.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

6.2 Continuous disclosure obligations

As set out in the Important Notes Section of this Prospectus, the Company is a disclosing entity for the purposes of section 713 of the Corporations Act. Accordingly, information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
26 May 2023	Trading Halt
15 May 2023	Optiscan Oral Study Published in Prestigious Medical Journal
28 April 2023	OIL March 2023 Quarterly Report and Appendix 4C

Date	Description of Announcement
21 April 2023	Change of Director's Interest Notice
21 April 2023	Notification of cessation of securities – OIL
3 April 2023	Optiscan Establishes US Commercial Operation in Minnesota
31 March 2023	Change of Director's Interest Notice - K Borg
30 March 2023	Change of Director's Interest Notice - R Cooke
14 March 2023	Optiscan Platform Highly Accurate for Oral Cancer Diagnosis
2 March 2023	Optiscan Intends to pursue De Novo Pathway for InVivage
27 February 2023	OIL Appendix 4D and 31 December 2022 Half-year report
30 January 2023	Optiscan partners with ProLucid to develop AI Algorithms
27 January 2023	OIL December 2022 Quarterly Report and Appendix 4C
11 January 2023	Section 708A Cleansing Notice
11 January 2023	Application for quotation of securities - OIL
12 December 2022	Change of Director's Interest Notice
8 December 2022	Section 708A Cleansing Notice
8 December 2022	Application for quotation of securities - OIL
8 December 2022	Application for quotation of securities - OIL
8 December 2022	Application for quotation of securities - OIL
25 November 2022	Amended Company Constitution
24 November 2022	Results of Annual General Meeting
24 November 2022	Optiscan Managing Director 2022 AGM Presentation
24 November 2022	Optiscan Chairman's AGM Address
4 November 2022	Statement pursuant to Listing Rule 4.7C.3
31 October 2022	OIL September 2022 Quarterly Report and Appendix 4C
25 October 2022	2022 AGM - Letter to Shareholders & Proxy Form
25 October 2022	Notice of Annual General Meeting/Proxy Form
25 October 2022	Proposed issue of securities - OIL
25 October 2022	Optiscan Imaging Acquires Intellectual Property

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.optiscan.com.

6.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus

with the ASIC and the respective dates of those sales were:

	(\$)	Date
Highest	\$0.105	5 April 2023
Lowest	\$0.075	2 March 2023
Last	\$0.10	26 May 2023

6.4 Material Contracts

6.4.1 Underwriting Agreement

The Company has entered into a joint underwriting agreement (**Underwriting Agreement**) with Peters Investments and Orchid Capital, pursuant to which the Underwriters have agreed to subscribe for their full Entitlements and partially underwrite the Offer up to a total value of \$9,813,733 (the **Underwriting Commitment**) (being 58.8% of the funds to be raised under the Offer (and equal to 122,671,663 Shares) (**Underwritten Shares**).

The material terms and conditions of the Peters Underwriting Agreement are summarised below:

Agreement to Subscribe for Full Entitlement	The Underwriters each agree to subscribe for their full entitlement under the Offer, being: <ul style="list-style-type: none"> (a) 35,791,667 Offer Shares for Peters Investments; and (b) 29,828,333 Offer Shares for Orchid Capital. 																		
Underwriting	<p>The Underwriters have agreed to partially underwrite the Offer to the value of the Underwriting Commitment. The maximum total subscription funds committed by the Underwriters' is set out below:</p> <table border="1"> <thead> <tr> <th></th> <th>Relevant Interest in the Company at the date of the Prospectus</th> <th>Full Entitlement under the Offer</th> <th>Max Underwritten Shares</th> <th>Max Underwritten Shares</th> <th>Max Interest in the Company following Offer</th> </tr> </thead> <tbody> <tr> <td>Peters Investments</td> <td>17.15%</td> <td>35,791,667</td> <td>86,875,000¹</td> <td>\$6,950,000</td> <td>28.24%²</td> </tr> <tr> <td>Orchid Capital</td> <td>14.29%</td> <td>29,828,333</td> <td>35,796,663¹</td> <td>\$2,863,733</td> <td>19.04%³</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> 1. This excludes the Underwriters' respective entitlements under the Offer. 2. This assumes no other subscribers take up their entitlement in the Offer and includes the Underwriters' respective entitlements under the Offer, which the Underwriters have each agreed to subscribe for. 3. Orchid Capital has agreed to ensure that its interest in the Company does not increase to above 19.04% upon completion of the Offer. Accordingly, Orchid Capital's maximum relevant percentage upon completion of the Offer is capped at 19.04%. 		Relevant Interest in the Company at the date of the Prospectus	Full Entitlement under the Offer	Max Underwritten Shares	Max Underwritten Shares	Max Interest in the Company following Offer	Peters Investments	17.15%	35,791,667	86,875,000 ¹	\$6,950,000	28.24% ²	Orchid Capital	14.29%	29,828,333	35,796,663 ¹	\$2,863,733	19.04% ³
	Relevant Interest in the Company at the date of the Prospectus	Full Entitlement under the Offer	Max Underwritten Shares	Max Underwritten Shares	Max Interest in the Company following Offer														
Peters Investments	17.15%	35,791,667	86,875,000 ¹	\$6,950,000	28.24% ²														
Orchid Capital	14.29%	29,828,333	35,796,663 ¹	\$2,863,733	19.04% ³														
Conditions Precedent	The Underwriting Commitment is conditional upon: <ul style="list-style-type: none"> (a) the Company lodging the Prospectus in relation to the Offer with ASIC; (b) the Underwriters confirming, they agree to the content of the Prospectus, such agreement to be evidenced 																		

	<p>by the Underwriters giving their consent to be named in the Prospectus; and</p> <p>(c) no Termination Event occurring.</p>
<p>Shortfall Offer allocation policy</p>	<p>Allocation of the Shortfall Shares will be at the discretion of the Board in conjunction with the Underwriters. The Board will use its discretion in a manner which minimises the control effect of the Offer.</p> <p>Shortfall Shares will be allocated in priority to Eligible Shareholders who take up their full entitlement under the Offer, who are not related to directors of the Company, on a pro rata basis in accordance with Eligible Shareholders' entitlements under the Offer and to other applicants under the Shortfall Offer, with any remaining Shortfall Shares to be placed to the Underwriters in accordance with the process set out below.</p> <p>The Company shall determine the number of Shortfall Shares in respect of which the Company shall require each Underwriter to provide valid applications for (the Underwritten Shortfall Shares) in accordance with the following process:</p> <ul style="list-style-type: none"> (a) calculated on a pro-rata basis between each Underwriter based on their shareholdings in the Company as at the date of the Prospectus; (b) if the issue of Shortfall Shares would result in Orchid Capital's holding in the Company being more than 19.04% of all the Shares on issue on completion of the Offer: <ul style="list-style-type: none"> (i) Orchid Capital shall be required to subscribe for that number of Underwritten Shortfall Shares up to the value of the Orchid Commitment (i.e. up to a maximum of 19.04% of all the Shares on issue on completion of the Offer); and (ii) Peters Investments shall be required to subscribe for that number of Underwritten Shortfall Shares up to a maximum of the value of the Peters Commitment (i.e. up to a maximum of 28.24% of all the Shares on issue on completion of the Offer), and (c) the total number of Underwritten Shortfall Shares to be subscribed for by the Underwriters shall not exceed the value of the Underwriting Commitment.
<p>Termination Events</p>	<p>Either Underwriter may terminate the Underwriting Agreement if any of the following events occur between the date of the Underwriting Agreement and the closing date of the Offer (Termination Events), unless one or more Termination Events have been previously announced by the Company on the ASX or otherwise notified to the Underwriters:</p> <ul style="list-style-type: none"> (a) Prospectus: any of the following occurs in relation to the Prospectus: <ul style="list-style-type: none"> (i) it is not lodged with the ASIC by the

- lodgement date (or such later date agreed in writing by the Underwriters); or
- (ii) the ASIC makes an order under section 739 of the Corporations Act and such order is not lifted within 30 days;
- (b) **ASX listing:** ASX does not give approval for the Shares issued pursuant to the Offer to be listed for official quotation, or if approval is granted, the approval is subsequently withdrawn, qualified or withheld;
- (c) **Index changes:** the All-Ordinaries Index or the S&P/ASX Small Ordinaries Index as published by ASX is at any time after the date of the Underwriting Agreement is 20% or more below its respective level as at 5.00pm on the Business Day immediately preceding the date of the Underwriting Agreement and remains at or below that level on any three (3) trading days (which are not necessarily consecutive) prior to and including the Issue Date;
- (d) **Return of capital or financial assistance:** the Company or a related body corporate takes any steps to undertake a proposal contemplated under section 257A of the Corporations Act or passes or takes any steps to pass a resolution under section 260B of the Corporations Act, without the prior written consent of the Underwriters;
- (e) **Alteration of capital structure or Constitution:** except as described in the Prospectus, the Company alters its capital structure or its Constitution without the prior written consent of the Underwriters, such consent not to be unreasonably withheld;
- (f) **Default:** the Company is in material default of any of the terms and conditions of the Underwriting Agreement or breaches any warranty or covenant given or made by it under the Underwriting Agreement (in any material respect);
- (g) **Event of Insolvency:** an event of insolvency (as defined in the Underwriting Agreement) occurs in respect of it or a related body corporate;
- (h) **Prescribed Occurrence:** a prescribed occurrence (as defined in the Underwriting Agreement) occurs, other than as disclosed in the Prospectus with the consent of the Underwriters;
- (i) **Suspension of debt payments:** the Company suspends payment of its debts generally; or
- (j) **Change in shareholdings:** a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to the Company and is recommended for approval by a majority of independent directors of the Company.
- (k) **due diligence:** any information supplied by or on behalf of the Company to the Underwriters, the results of the due diligence investigation performed in

respect of the Offer or the results of the investigation or the verification material are false, misleading or deceptive or likely to mislead or deceive (in the reasonable opinion of a Joint Underwriter), including by way of omission;

- (l) **adverse change:** in the reasonable opinion of an Underwriter, any adverse change or effect occurs which materially impacts or is reasonably likely to impact the condition, assets, liabilities, trading, operational or financial position or performance, profits, loss, management or prospects of the Company or a related body corporate (including but not limited to an administrator, receiver, receiver and manager, trustee or similar official being appointed over any of the assets or undertaking of the Company or a related body corporate);
- (m) **investigation:** any person is appointed under any legislation in respect of companies to investigate the affairs of the Company or a related body corporate;
- (n) **hostilities:** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, Philippines, Indonesia, Japan, Russia, the United Kingdom, the United States of America, or the Peoples Republic of China, other than hostilities involving Afghanistan or Iraq, any country bordering Afghanistan or Iraq or any Arab country (being a country the majority of whose inhabitants are of Arab ethnicity);
- (o) **extended Force Majeure:** a force majeure which prevents or delays an obligation under the Underwriting Agreement, lasting in excess of 2 weeks occurs;
- (p) **indictable offence:** a director of the Company or any related body corporate is charged with an indictable offence;
- (q) **banking facilities:** the Company's bankers terminating or issuing any demand or penalty notice or amending the terms of any existing facility or claiming repayment or accelerated repayment of any facility or requiring additional security for any existing facility; or
- (r) **Supplementary Prospectus:** an Underwriter or the Company reasonably forms the view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section Part 6D.2 of the Corporations Act and the Company:
 - (i) does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriters; or
 - (ii) the Underwriters reasonably form the

Underwriting Fees	<p>view that a supplementary or replacement document (as appropriate) must be lodged with ASIC under section 719 or section 724 of the Corporations Act and the Company does not lodge a supplementary or replacement document (as the case may be) in the form and content and within the time reasonably required by the Underwriters.</p> <p>There will be no underwriting fees payable by the Company to the Underwriters in respect of the Offer.</p>
--------------------------	--

The Underwriting Agreement otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

6.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (d) as an inducement to become, or to qualify as, a Director; or
- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (i) the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities as at the date of this Prospectus, together with their respective Entitlement, is set in Section 1.4.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in

general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$400,000 per annum.

A Director may be paid fees or other amounts (i.e. non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive Directors as disclosed in the Company's FY22 Annual Report.

Director	FY ended 30 June 2022	FY ending 30 June 2023
Mr Robert Cooke	\$252,009 ¹	\$100,454 ⁵
Dr Camile Farah	\$408,966 ²	\$1,257,119 ⁶
Ms Karen Borg	\$148,657 ³	\$57,399 ⁷
Mr Ron Song	\$47,666 ⁴	\$55,250 ⁸
Mr Sean Gardiner	\$nil	\$nil

Notes:

1. Includes a cash-based payment of \$90,909, a superannuation payment of \$9,091 and share based payments of \$152,009.
2. Includes a cash-based payment of \$247,486, an annual leave payment of \$14,847, a superannuation payment of \$9,091, a long service leave payment of \$32 and share based payments of \$123,589.
3. Includes a cash-based payment of \$43,333, a superannuation payment of \$4,333 and share based payments of \$100,991.
4. Includes a cash-based payment of \$43,333 and a superannuation payment of \$4,333.
5. Includes a cash-based payment of \$90,909 and a superannuation payment of \$9,545.
6. Includes a cash-based payment of \$385,000, a superannuation payment of \$40,425, and share based payments of \$831,694.
7. Includes a cash-based payment of \$50,000, a superannuation payment of \$5,250 and share based payments of \$2,149.
8. Includes a cash-based payment of \$50,000 and a superannuation payment of \$5,250.

6.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;

- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (f) the formation or promotion of the Company; or
- (g) the Offer.

Steinepreis Paganin has acted as the legal advisers to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has been paid fees totalling \$17,571.51 (excluding GST and disbursements) for legal services provided to the Company.

Canaccord Genuity (Australia) Limited has been appointed as the nominee under section 615 of the Corporations Act, subject to ASIC approving its appointment as nominee. Canaccord Genuity (Australia) Limited will be paid a management fee of \$8,000 (excluding GST) for nominee services provided to the Company and a broker fee of 1% of gross proceeds raised through the sale of ineligible Shares (excluding GST).

6.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the securities), the Directors, the persons named in the Prospectus with their consent as Proposed Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section; and
- (c) has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Peters Investments has given its written consent to being named as an underwriter to the Offer in this Prospectus.

Peters Investments (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 107,375,000 Shares. Peters Investments has indicated that it is its current intention to subscribe for its full Entitlement under the Offer in respect of all of the Shares in which it has a relevant interest.

Orchid Capital has given its written consent to being named as an underwriter to the Offer in this Prospectus.

Orchid Capital (including its related entities) is a Shareholder of the Company and currently has a relevant interest in 89,485,000 Shares. Orchid Capital has indicated that it is its current intention to subscribe for the Orchid Commitment under the Offer.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus.

6.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$50,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	3,206
ASX fees	28,440
Legal fees	15,000
Printing and distribution	1,000
Miscellaneous	2,354
Total	50,000

7. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Mr Robert Cooke
Non-Executive Chairman
Optiscan Imaging Limited

8. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at Section 1.1 (unless extended).

Company means Optiscan Imaging Limited (ACN 077 771 987).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

CRN means Customer Reference Number in relation to BPAY®.

Directors means the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a Shareholder as at the Record Date who is eligible to participate in the Offer.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Ineligible Shareholder means a Shareholder as at the Record Date whose registered address is not situated in Australia, New Zealand or Singapore.

Offer means the renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Orchid Capital means Orchid Capital Investments Pte Ltd (UEN 200615860M).

Orchid Commitment means the amount to which Orchid Capital had agreed to partially underwrite the Offer, being \$2,863,733.

Peters Commitment means the amount to which Peters Investments has agreed to partially underwrite the Offer, being \$6,950,000.

Peters Investments means Peters Investments Pty Ltd (ACN 008 699 287).

Prospectus means this prospectus.

Record Date means the date specified in the timetable set out at Section 1.1.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Shares not applied for under the Offer (if any).

Shortfall Application Form means the Shortfall Offer application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall Shares on the terms and conditions set out in Section 2.6.

Shortfall Shares means those Shares not applied for under the Offer (if any) and offered pursuant to the Shortfall Offer.

Underwritten Shares means the 122,671,663 Shares to be subscribed for by Peters Investment and Orchid Capital pursuant to the terms of the Underwriting Agreement.

Underwriters means together, Peters Investments and Orchid Capital.

Underwriting Agreement means the agreement between the Company, Peters Investments and Orchid Capital pursuant to which Peters Investments and Orchid Capital have agreed to accept their full entitlements under the Offer and to underwrite the Offer up to the total value of the Underwriting Commitment.

Underwriting Commitment means \$9,813,733, being the aggregate of the Peters Commitment and the Orchid Commitment.

WST means Western Standard Time as observed in Perth, Western Australia.