ASX Announcement 30 April 2025
Optiscan Imaging Ltd (ASX:OIL)

APPENDIX 4C
QUARTERLY ACTIVITIES & CASHFLOW REPORT
QUARTER ENDED 31 MARCH 2025

Optiscan Imaging Limited (ASX:OIL) ('**Optiscan**' or the '**Company**'), a leader in medical imaging using confocal laser endomicroscopy, is pleased to announce its Appendix 4C Quarterly Cashflow report and business update for the quarter ended 31 March 2025 (the **'Quarter'**). All financial results are in Australian dollars and are unaudited.

Highlights for the Quarter

- Optiscan revealed InForm™, its next generation microscopic medical imaging device specifically designed for pathology workflows.
- Optiscan received $1.775m R&D tax refund, $1.0m more than in previous years, due to the successful Advance and Overseas Finding application.
- A comprehensive review of operations, sales and marketing functions, and clinical and regulatory strategy occurred, which resulted in some significant outcomes:
    - New key executive appointments were made, including the appointment of a Chief Financial Officer, Chief Commercial Officer and Director of Clinical & Regulatory Affairs, to implement the Company's transformation plan that is strategically focussed on clinical, regulatory and commercial outcomes;
    - A reorganisation of R&D, manufacturing and product assembly facilities to increase efficiency and meet demand for investigational devices and planned future growth.

Optiscan's Chief Executive Officer and Managing Director, Dr. Camile Farah, commented:

"Our achievements over the March 2025 quarter have further demonstrated Optiscan's ability to deliver on its strategic goals, which include an ongoing expansion of its product portfolio. The reveal of our InForm™ device, a realisation of the hard work put in by our R&D team, represents a watershed moment in the Company's product development strategy. The device significantly advances the evolution of digital pathology, and has the ability to massively improve the entire pathology workflow from bedside to laboratory and beyond from multiple perspectives - speed, accuracy and the flexibility of testing, analysis and diagnosis included.

"As Optiscan has continued to evolve and grow, we thought the time was right to undertake a comprehensive review of our operations to maximise the outputs from this growth process. The key outcomes from this

review were a number of new executive appointments that better position the Company to meet its clinical, regulatory and commercial goals, all while delivering an ongoing expansion of the Company's product portfolio. I am pleased to say that the new Sales & Marketing team coming out of this review process has hit the ground running, and is now more actively pursuing global development and sales opportunities for Optiscan's suite of Medtech offerings. Looking to the future, I'm excited by what's ahead as we move into the next stage of our transformation journey."

Unveiling of Optiscan's InForm™ Imaging Device for Pathology Workflows

The unveiling of InForm™, Optiscan's next generation microscopic medical imaging device specifically for pathology laboratory workflows (see ASX announcement dated 19 February 2025) marked a significant milestone in technological advancements. The InForm™ is set to transform pathology by delivering real-time digital insights across the full pathology workflow at point of contact with a tissue sample.

InForm™ is Purpose Built for Pathology

This innovative device was developed with substantial input from users, ensuring that it meets practical needs of those in the field. One of the new features of InForm™ is the introduction of co-registration video capabilities providing the user synchronous macroscopic and microscopic imaging of tissue samples, which provide precision sampling and review of data for efficient workflows. Additional features include built-in software algorithms that mimic traditional pathology staining, aimed at enhancing the visual familiarity of confocal endomicroscopy images to pathologists.

The new trolley design improves functionality and enhances the overall user experience. The InForm™ device has been successfully built at the Company's Melbourne manufacturing facility and is currently undergoing design history documentation before it undergoes verification and validation in the field, and subsequent regulatory submission.

The InForm™ Device's Global Market Opportunity

Laboratory medicine spans a wide range of tests on blood, tissue, and other samples, providing essential insights into diseases such as diabetes and cancer. The global anatomical pathology market is projected to reach US$53.27 billion by 2031[1], reflecting its critical role in modern medicine where pathology supports up to 70% of all clinical decisions[2].

The InForm™ device is Digital Imaging and Communications in Medicine (DICOM)-compliant and Picture Archiving and Communication System (PACS)-enabled, allowing the device to be connected to hospital or laboratory archiving systems in a fashion similar to that of radiology platforms such as CT scan or MRI. This is a unique and intentional feature for a pathology device, and is a key enabler for seamless adoption and integration of digital pathology into the wider healthcare system, that has lagged behind diagnostic radiology by decades. Additionally, the device is designed to integrate with Optiscan's cloud-based telepathology streaming platform, which allows remote consultation, in real time, anywhere in the world, and which is expected to be revealed in mid-2025.

Product Development Pipeline and Clinical Studies Further Progressed

Advancement of Telepathology Platform to MVP Phase

In this Quarter, beta-phase work on the cloud-based Telepathology platform was completed, which represented a significant milestone in its development. Following this, feedback from potential users was gathered, which identified several areas for improvement. These insights were analysed and addressed, leading to the implementation of various enhancements. The Company remains on track to deliver the final Minimum Viable Product (MVP) for its Telepathology platform in Q4 FY25.

Development of Optiscan's Veterinary Imaging Device is Well-Progressed

In November 2024, Optiscan progressed plans to expand into the veterinary medicine market, with the signing of a collaborative research agreement with the University of Minnesota College of Veterinary Medicine (see ASX announcement dated 18 November 2024). Since that time, Optiscan has significantly progressed the development of a dedicated veterinary product. The final veterinary device flowing from this work will highlight the results of research, development, and user feedback, ensuring that it meets the highest standards of functionality and reliability for this specific market segment. The prototype device is on track to be unveiled in Q4 FY25.

Enhancing Device Utility

Following a comprehensive review of sterilisation protocols to address a variety of clinical settings and operational needs, Optiscan successfully completed sterilisation validation for the Optiscan surgical probes and sterilisation trays. This validation significantly broadens the potential applicability of the InVue® systems, and is a key step in progressing clinical deployment of investigational products and data collection, in addition to potential future commercial opportunities.

Advancing Clinical Trials

As the planning for a clinical study at the Royal Melbourne Hospital has commenced, more InVue® systems are being manufactured. Patient recruitment is anticipated to begin in Q4 FY25. This early-stage data will shape protocols for expanded clinical trials planned for the US in FY26, pending FDA approvals.

FDA Pathway for InVue®

Over the Quarter, the regulatory team has worked closely with expert consultants in strategising the best regulatory path forward for the InVue® and Inform™ devices. Communication with the US Food & Drug Administration (FDA) continues, and more feedback from the FDA is expected in Q4 FY25 in relation to InVue® that will drive the nature of further validation that may be required.

Sales Pipeline Builds on Marketing Strategy Milestones

Optiscan continued to progress its sales and marketing strategy over the Quarter. The appointment of veteran medical sales executive Belinda Williamson as the Company's Chief Commercial Officer provides the Company with the necessary expertise to deliver on its commercialisation strategy.

USA: This Quarter focussed on high-impact demonstrations and strategic engagements across key academic and cancer research institutions. This work included advanced discussions with a tier 1 institution to place a ViewnVivo® system. Awareness around Optiscan's technology was expanded through a number of live demo sessions, which generated strong interest for translational and comparative research applications. The team continues preparation for relevant conferences, with a pending speaking slot secured at a premier preclinical imaging conference.

Europe: Business development efforts in Europe remained focussed, and have continued to be refined, informed by enhanced market segmentation and customer profiling. More collaborative efforts with Optiscan's business development partner in Europe are set to occur over the coming months.

China: In addition to the previously lodged funding applications which are still in the review stage, new opportunities have emerged that are being pursued by Optiscan's local Chinese distributor. The funding landscape in China continues to demonstrate a known long sales cycle for research capital equipment purchase decisions.

Marketing, Communications & Public Relations Initiatives

Optiscan continued its active engagement with media, investors, and key industry stakeholders as part of ongoing efforts to enhance the Company's public profile and communicate its strategic objectives. Dr Camile Farah, Optiscan's CEO and Managing Director, conducted several key interviews and presentations to discuss the Company's technology, commercial opportunities, and vision for the future. Notable initiatives included:

- Vital Signs podcast interview: Focussed on Optiscan pioneering pathology's digital future.
- Stockhead interview on taking pathology to the digital era: Focussed on pathology workflows and the digital transformation.
- Presentation at the ASX Gems Conference: Provided insights into Optiscan's innovative technology and growth trajectory.
- Bulls N' Bears interview on pathology workflows: Discussing the reveal of the InForm™ pathology device.

- Dr. Farah's attendance at LSI USA '25, a premier Medtech event bringing together top executives and investors to discuss latest industry trends and issues.

People and Culture

Following a comprehensive review of the Company's operations, sales and marketing functions, and clinical and regulatory strategy, Optiscan has made several changes to its executive team that will position the Company for success in executing its ambitions transformation plan (see ASX announcement dated 31 March 2025). The key appointments made were:

- Chief Financial Officer (CFO) appointment – Mr Darius Ooi, the current Finance Manager has been promoted to CFO and will lead the Corporate team (Finance, IT, Investor/Public Relations). Darius has been with the Company for nearly three years and has led the transformation of the Finance function to support the Company's global strategy with an expanding product portfolio.

- Chief Commercial Officer (CCO) appointment – Ms Belinda Williamson, a veteran medical sales executive, has been appointed to head the Customer team (Sales & Marketing) and oversee the Company's commercial plan as it edges closer to achieving regulatory submissions for its portfolio of hardware and software offerings. Belinda is a dynamic people leader with a proven track record of leading and managing teams that consistently deliver outstanding growth in sales and revenue and market share within the global health care delivery and medical device industry. She has held senior sales and marketing roles in large multinationals such as Johnson & Johnson Medical, Olympus Medical, Guidant Corporation, Boston Scientific, Bard Australia and Zimmer Australia.

- Director of Clinical & Regulatory Affairs appointment (US-based) – Ms Jessica Ward has been appointed to head the Clinical team, to manage the Company's burgeoning clinical and regulatory portfolios in Australia, Germany and the US. Jessica is a seasoned clinical affairs leader who has successfully driven global clinical and medical affairs initiatives for a number of renowned organisations, including the Stryker Corporation and Atrium Health.

This reorganisation and accompanying new appointments will enable Optiscan to be better placed to both successfully execute on its stated transformation, and clinical and regulatory strategies, and deliver the exciting products currently in the pipeline. The Company continues to update its policies, procedures and processes in line with sector wide changes to ensure it is fully compliant with new legislation and other regulations.

Facilities and Infrastructure

In line with the above-mentioned recent review of Optiscan's operations, the Company undertook significant enhancements to its facilities in preparation for the increased demand on its manufacturing and assembly capabilities and extensive R&D work. This work resulted in additional warehouse storage capacity, a new dedicated trolley assembly area, and a more robust R&D layout. These changes will create further efficiencies to operations, expediting the Company's ability to deliver investigational devices for its clinical trials and future manufacturing capacity.

Corporate Update and Outlook

In this Quarter, the Company continued to achieve strategic milestones that saw further expansion of its product portfolio. This includes the reveal of InForm™ device for pathology, the development of a prototype veterinary device, and the advancement of Telepathology platform to MVP stage. Despite these activities, cash management continues to be disciplined to ensure strategic objectives are achieved through optimised resource allocation.

Net cash outflow from operating activities was ($0.125m), the lowest quarterly cash used figure over the past two years. This was mainly due to the large tax refund received of $1.775m, as a result of the successful outcome of the Advance and Overseas Finding application that enables companies to claim a refundable tax offset on eligible R&D activities. This successful outcome will continue to support R&D activities both locally and internationally, resulting in higher tax rebates exceeding $1m annually.

Sales receipts from customers was lower for the Quarter at $0.013m, but the cumulative year-to-date amount of $1.03m has already exceeded last year's (FY24) cash receipts of $0.906m. The new Sales & Marketing team coming out of the above-mentioned comprehensive review of operations is now more actively pursuing global development and sales opportunities for Optiscan's suite of Medtech offerings.

With the Company's expanding product portfolio, there is increased interest in Optiscan's innovative technology, particularly its wide-ranging application in various medical areas of interest. To provide opportunities for further interaction with interested parties, Optiscan hosted a site tour for health analysts at its headquarters in Mulgrave, Victoria, following the end of the Quarter. Professor Bruce Mann, the Director of Breast Cancer Services for the Royal Melbourne and Royal Women's Hospital, attended and participated in this site tour. His insights, and those of other participants, which covered a wide range of critical topics in the current health landscape, strengthened Optiscan's value proposition in various medical applications.

Optiscan continues to pursue other opportunities which it looks forward to sharing with the market over coming months. These opportunities, aligned to the increased breadth and depth of the Company's executive team, will create further shareholder value and see Optiscan further deliver on its strategic plan. This is timely as the Company strategizes for the year ahead, a period that is expected to see the delivery of further key R&D-, clinical- and regulatory-related milestones, as well as material progress in its commercialisation strategy.

Note: All related party payments noted in Section 6 of the accompanying Appendix 4C during the Quarter relate to the payment of executive and non-executive director's fees, salaries and superannuation payments.

– ends –

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

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About Optiscan

Optiscan Imaging Ltd (ASX:OIL) is a commercial stage medical technology company creating a suite of digital pathology and precision surgery hardware and software solutions that enable live optical biopsy for life sciences, diagnostic and surgical applications. Optiscan pioneered the development and manufacturing of miniaturised digital endomicroscopes with spatial resolution more than 1000x that of medical CT and MRI.

Using a revolutionary "tissue contact" method, Optiscan's patented technology produces super high-resolution digital pathology images for cancer diagnosis and surgical treatment, to unlock real-time insights during surgery, diagnostics, and pre-clinical research. By enabling live, non-destructive, 3D, in-vivo digital imaging at the single-cell level, Optiscan's technology supports earlier disease detection, precision treatment, and improved patient outcomes across a wide selection of clinical applications and settings.

The global addressable market for Optiscan's medical imaging technology extends beyond traditional surgery and pathology, to also encompass the fast-growing digital health market including robotic surgery. With an expanding product suite and increased demand for digital health solutions, Optiscan is uniquely positioned to bridge the gap between surgery and pathology and deliver better outcomes for healthcare professionals and their patients.

To learn more about Optiscan, visit www.optiscan.com or follow us on LinkedIn, X or Instagram.

Disclaimer

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

1. https://www.globenewswire.com/news-release/2024/10/18/2965498/0/en/Anatomic-Pathology-Market-Size-Worth-53-27-Billion-Globally-by-2031-Exclusive-Report-by-The-Insight-Partners.html
2. https://pmc.ncbi.nlm.nih.gov/articles/PMC3799218/

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
OPTISCAN IMAGING LIMITED	
ABN	**Quarter ended ("current quarter")**
81 077 771 987	31 MARCH 2025

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	13	1,030
1.2	Payments for		
	(a) research and development	(940)	(3,501)
	(b) product manufacturing and operating costs	(238)	(958)
	(c) advertising and marketing	(37)	(192)
	(d) leased assets	-	-
	(e) staff costs	(670)	(2,295)
	(f) administration and corporate costs	(102)	(428)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	78	314
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	(5)	(34)
1.7	Government grants and tax incentives	1,776	2,174
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(125)**	**(3,890)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(72)	(84)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (term deposits > 3 months maturity)	-	5,141
2.6	**Net cash from / (used in) investing activities**	**(72)**	**5,057**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(48)	(121)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payments for lease liabilities)	(39)	(155)
3.10	**Net cash from / (used in) financing activities**	**(87)**	**(276)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	7,280	6,102
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(125)	(3,890)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(72)	5,057

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(87)	(276)
4.5	Effect of movement in exchange rates on cash held	3	6
4.6	**Cash and cash equivalents at end of period**	**6,999**	**6,999**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	3,962	4,280
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (short-term deposit)	3,037	3,000
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,999**	**7,280**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(206)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(125)
8.2	Cash and cash equivalents at quarter end (item 4.6)	6,999
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	6,999
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	56[1]

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

[1] Note net cash used during the quarter was considerably lower than usual due to receipt of the R&D Rebate resulting in a significant increase in estimated quarters of funding available. Using the average quarterly spend (over the last four quarters), the estimated quarters of funding available would be 4.9 quarters.

8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

30 April 2025

Date: .....

The Board of Directors

Authorised by: .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.