

Optiscan^o

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Annual Report FY 2025

ABN 81 077 771 987
30th June 2025

Optiscan^o

Optiscan Imaging Limited (ASX:OIL) is a global leader in the development, manufacturing, and commercialisation of imaging technologies for medical, translational and pre-clinical applications. Its technology enables real-time, non-destructive, 3D, in-vivo digital imaging at the single-cell level, and bridges the gap between surgery and pathology.



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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

Ms Elissa Hansen

Notice of annual general meeting

The Company is proposing to hold its Annual General Meeting on Friday, 7 November 2025

Registered office

16 Miles Street
Mulgrave, Victoria 3170
Phone No.: (03) 9538 3333

Principal place of business

16 Miles Street
Mulgrave, Victoria, 3170
Phone No.: (03) 9538 3333

Share register

Computershare Investor Registry Services
Yarra Falls
452 Johnson Street,
Abbotsford, Victoria, 3067
Phone No.: (03) 9415 5000

Auditor

William Buck
Level 20
181 William Street
Melbourne VIC 3000

Stock exchange listing

Optiscan Imaging Limited securities are listed on the Australian Securities Exchange (ASX code: OIL)

Website

www.optiscan.com

Corporate governance statement

www.optiscan.com/about-us/compliance

FY25 highlights



Revealed InForm™, a revolutionary imaging system for digital pathology



Revealed InSpecta™, a veterinary market-focused compact imaging device



Completed MVP for digital telepathology streaming software platform



Signed agreement with Long Grove Pharmaceuticals, manufacturer of contrast agent, AK-FLUOR®



Initiated breast cancer study in partnership with Royal Melbourne Hospital



Received \$1.775m R&D tax refund from the Australian Federal Government

Optiscan's Growing Footprint & Sales Pipeline



Expanded our business development, sales pipeline and clinical affairs footprint globally



Significantly progressed our journey from Original Equipment Manufacturer (OEM) to a strategically focused, diversified healthcare company



Revealed 3 new medical microscopic imaging devices over a 13 month period - InVue®, InForm™, InSpecta™

Chairman's Letter



Robert Cooke
Non-Executive Chairman

FY25 marked a turning point for Optiscan as we transitioned from development to clinical validation, positioning our platform for entry into global healthcare markets.

Dear Shareholder

The 2025 financial year (FY25) marked a powerful turning point in Optiscan's evolution. Significant progress across the business has shifted Optiscan from a development-focused company to one actively advancing clinical validation and commercial readiness.

In what has been a defining year of execution, Optiscan expanded its product portfolio, grew its commercial footprint across three continents, deepened its clinical network, and demonstrated strong momentum heading into regulatory validation. This steady trajectory confirms the strength of our underlying platform and the growing relevance of our technology across diverse healthcare environments.

Optiscan's success is anchored in its unique imaging platform, purpose-built to transform how cellular detail is captured, interpreted, and acted upon in real-time. FY25 saw the platform extend its reach and impact through two new cornerstone devices in InForm™ and InSpecta™; each engineered for a specific and critical segment of modern healthcare. With these devices, Optiscan now has an integrated suite of products addressing the surgical, pathology, and animal health markets.

From a development perspective, the Company achieved several product milestones. The InForm™ digital pathology device, designed for point-of-care and lab-based digital pathology, was unveiled and transitioned into the clinical validation phase. The InVue® surgical system was prepared for clinical studies in breast-conserving surgery in partnership with Royal Melbourne Hospital and the Mayo Clinic. Finally, the recently revealed InSpecta™ device was introduced to the veterinary market, enabling Optiscan to expand into a lucrative new market.

Optiscan's Telepathology Platform also achieved a major milestone as it reached minimum viable product stage, showcasing the core capabilities of remote digital pathology using Optiscan's software solution. At the same time, our AI collaborations made progress on developing automated lesion detection tools for gastrointestinal imaging, supported by clinical images generated from our endoscope currently under evaluation in Germany.

These milestones reflect more than just technical progress; they represent a deliberate shift from concept to clinical readiness. With validation now underway, Optiscan has entered a new phase of its commercialisation roadmap.

Meanwhile, our manufacturing and engineering teams delivered with discipline and precision. New probe and scanner designs were created, validated, and delivered for use in upcoming clinical studies. New production trolleys were developed and added to the product line, and flexible endoscopes were integrated with Optiscan imaging systems - representing our first GI imaging application. Importantly, manufacturing performance remained strong across all verticals, culminating in a second consecutive year of 100% on-time fulfilment for both internal and external orders.

Additional R&D initiatives progressed across applications in pathology, gastrointestinal imaging, and robotic surgery, supported by government-backed collaborations including the CRC-P grant with Monash University.

Commercially, Optiscan's footprint expanded across the US, Europe, and China through strategic conference engagement, direct customer meetings, and new business development pipelines. Our ViewnVivo® system gained traction across leading research institutions in the US and has established a pipeline of active opportunities. Our entrance into the veterinary market through InSpecta™, will mark the beginning of a new vertical for the Company, one which complements our broader clinical growth strategy.

Strategic collaborations continued to underpin our development pathway, and Optiscan further strengthened and extended our relationships with world-leading clinical institutions. Our relationship with the Mayo Clinic deepened as we began co-developing imaging solutions for robotic-assisted surgery and prepared for multi-site clinical studies. During the year, Optiscan also signed an exclusive Collaboration Agreement with US-based Long Grove Pharmaceuticals, which will see both companies work together to develop new applications for Long Grove's intravenous drug, fluorescein sodium (AK-FLUOR®). These collaborations not only represent a significant opportunity for integrating Optiscan's technology across a range of clinical applications and settings, whilst also demonstrating the strength of Optiscan's appeal in the global healthcare sector.


Quality and compliance systems were strengthened during the year. The implementation of our Greenlight Guru electronic quality management system (eQMS), along with successful ISO audit outcomes and supplier management improvements, have positioned us for regulatory success. We now enter FY26 with a maturing quality infrastructure and growing clinical evidence pipeline, both essential for FDA submissions and market entry.

FY25 also brought greater visibility and recognition for Optiscan in both industry and investment circles. Our leadership team presented at high-profile conferences, and our progress was covered by respected media outlets, helping to further strengthen brand awareness and engagement among key stakeholders.

What sets this year apart is not just the number of milestones achieved, but their interconnected nature. Product readiness is now aligned with clinical partners. Commercial leads are supported by field data. Manufacturing output is paired with study deployment, and all initiatives are now feeding into a broader, coordinated push toward regulatory validation and commercial launch. This is the kind of operational alignment that defines a company on the brink of significant inflection.

On behalf of the Board, I would like to thank our CEO, management, and the entire Optiscan team for their dedication and vision throughout FY25. Their ability to deliver on such a wide range of initiatives - while maintaining quality, focus, and ambition - is a testament to the culture that has been built within the Company. I also extend my sincere appreciation to our shareholders for your ongoing trust and belief in our strategy. We continue to act prudently with the resources we have been provided, working to maximise shareholder value at every step.

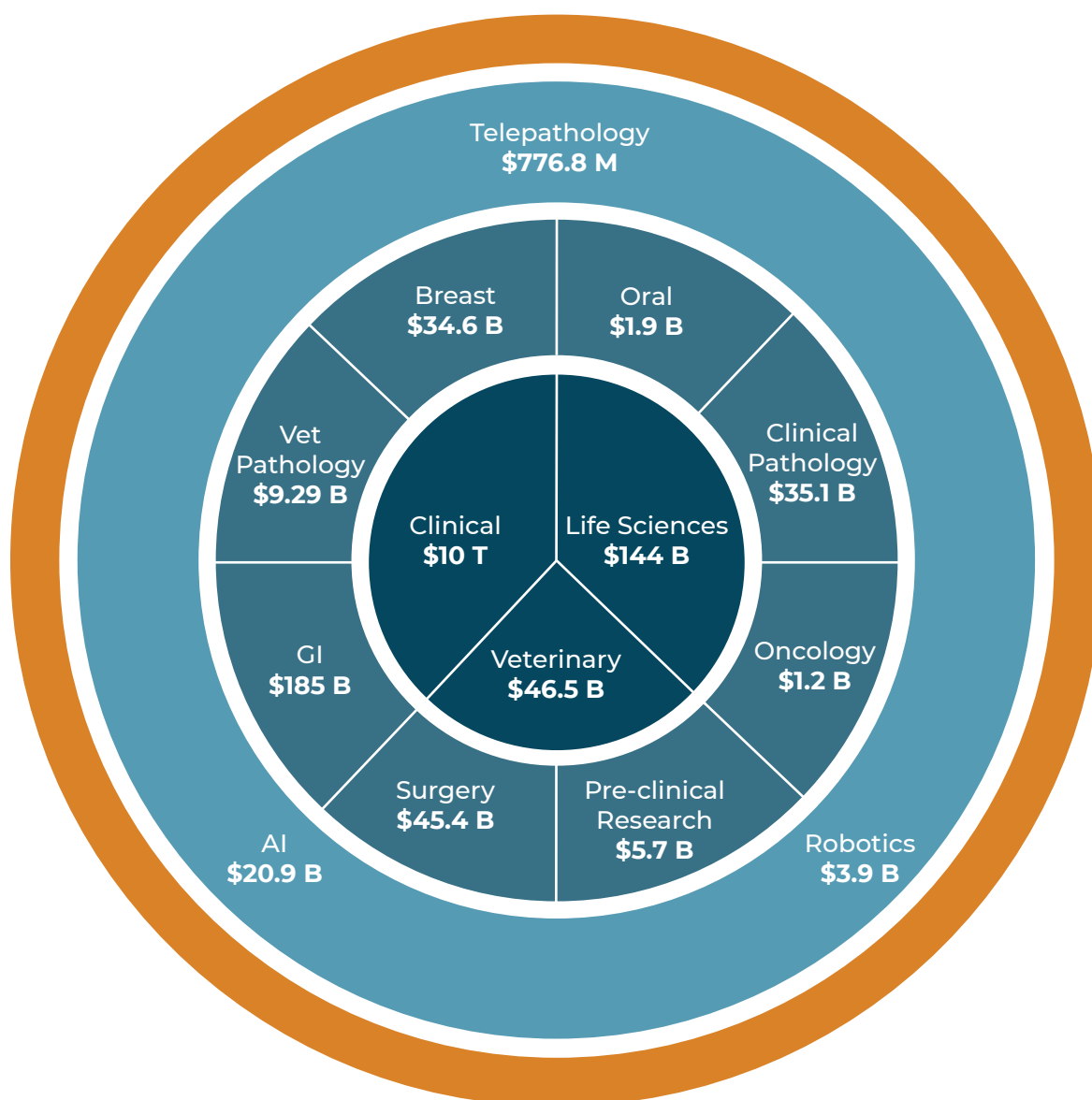
With a solid foundation in place and a robust pipeline of opportunities ahead, Optiscan is poised to deliver on its vision of transforming healthcare through real-time, high-resolution imaging. The path forward is clear, and FY26 promises to be a landmark year in the Company's journey from innovation to impact.



Robert Cooke
Non-Executive Chairman
Optiscan Imaging Ltd

Unlocking Optiscan's Potential: A strategic vision for the future

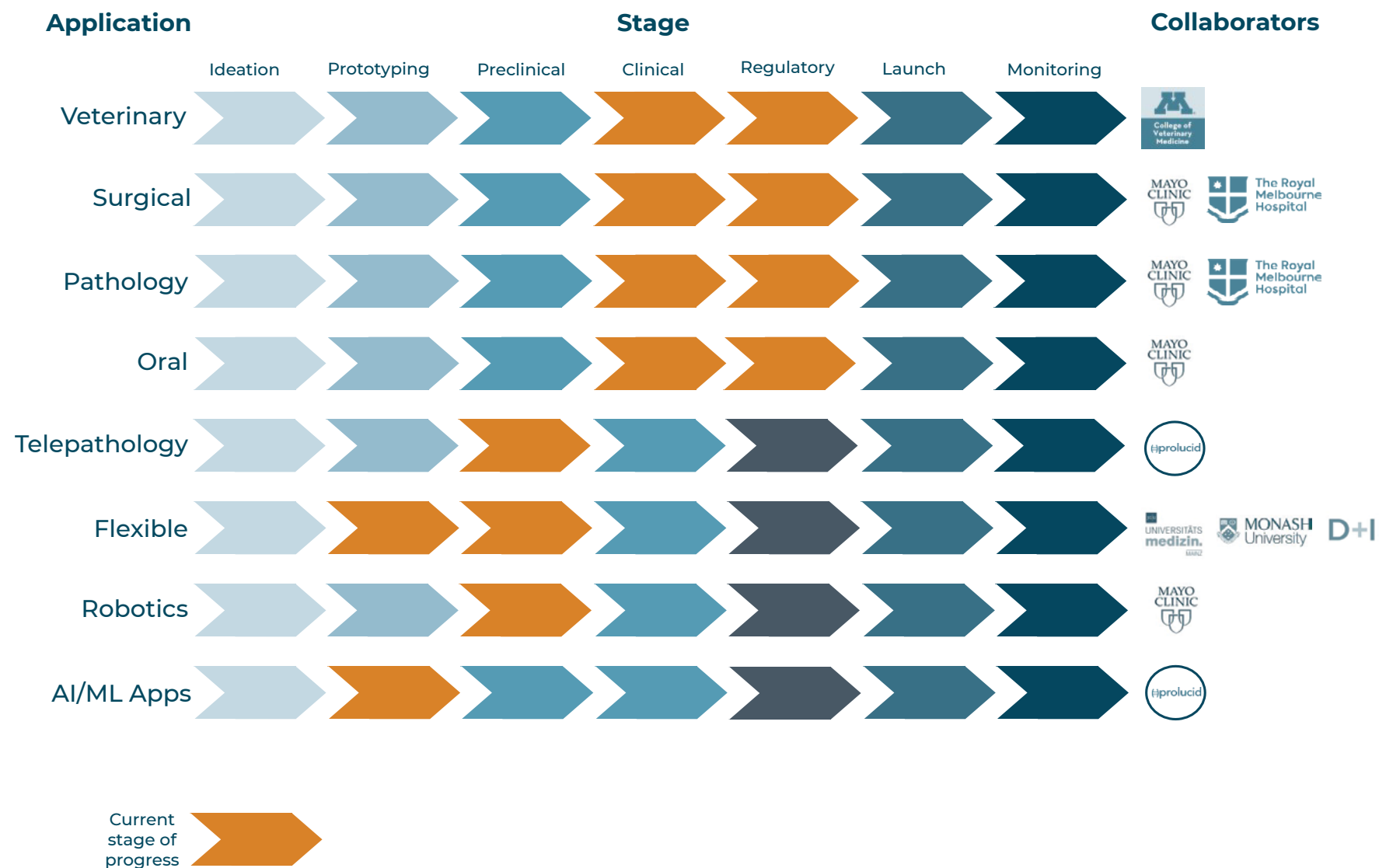
Over the past three years, Optiscan has undergone a strategic transformation. This has resulted in a more strategically focused company that plans future growth on an expanding product portfolio, built on the foundation of our core patented technology. Our core technology, a miniaturised high-resolution endomicroscope (which reveals subcellular detail), has potential applications in clinical, life sciences, and veterinary settings. By working closely with experts in various fields, we have gathered market research evidence supporting entry into multiple markets, with their respective market sizes* indicated below.



*Market sizes depicted in this pie chart are not to scale and are intended for representational purposes only.

All figures in the chart are represented in \$ (US) and their reference sources are listed at the end of this report under 'References'.

Advancement of product development pipeline



Product development highlights

Application

Focus Areas

Progress

Veterinary

InSpecta™



- Progress collaboration with Optiscan's veterinary partner institution, University of Minnesota College of Veterinary Medicine towards conducting validation studies, to help support regulatory submissions.
- Evaluate and finalise regulatory pathway strategy in preparation for submission to the FDA in FY26.

- Collaborative Research Agreement signed with University of Minnesota College of Veterinary Medicine, aimed at assisting Optiscan's expansion into the veterinary market. The collaboration will explore clinical applications of confocal imaging technology in companion animals, particularly in cancer diagnostics, and supports the development of innovative veterinary imaging solutions.
- Successful reveal of InSpecta™ in June 2025, a novel microscopic imaging device specifically designed for veterinary medicine.
- InSpecta™ was showcased at the prestigious American College of Veterinary Internal Medicine conference in June 2025, and has generated strong interest from veterinary specialists.

Surgical

InVue®



- Complete the clinical study at the Royal Melbourne Hospital in FY26 and utilise the findings to support regulatory submissions.
- Preparation for more extensive clinical studies to be conducted at the Mayo Clinic, subject to FDA review and approvals.

- Clinical study at the Royal Melbourne Hospital progressed to patient recruitment for a 50-patient breast-conserving surgical study.
- Following the reveal of InVue® in June 2024, substantial progress was made on InVue® product development.
- Manufactured multiple InVue® imaging devices for testing and clinical studies to be carried out at the Royal Melbourne Hospital, Mayo Clinic and other study locations.

Application

Focus Areas

Progress

Pathology

InForm™



- Complete R&D and pre-production testing for InForm™ pathology device to allow market reveal and progression to clinical studies and regulatory submission.
- Evaluate regulatory pathways most appropriate to pursue.
- Advance device to clinical testing stage and develop collaborative partnering agreements.

- Successful reveal of InForm™ in February 2025, a next generation microscopic medical imaging device that is set to transform pathology by delivering real-time digital pathology insights across the full pathology workflow.
- Substantial enhancements were made to InForm™ after its reveal, including the application software specifically designed for use in pathology workflows.
- Device ready for clinical testing deployment, and future telepathology development.

Oral

InVivage®



- Advance FDA pre-submission, followed by a formal meeting with the FDA on a suitable regulatory pathway.

- Continued discussions with the FDA on a suitable regulatory pathway for Optiscan's InVivage® product.
- Progressed documentation and clinical planning processes, in preparation for FDA pre-submission.

Application

Focus Areas

Progress

Telepathology



- Focus on validating the telepathology platform in real-world settings, incorporating user feedback, and preparing for broader clinical deployment.

- Successfully completed the Minimum Viable Product (MVP) phase of Optiscan's cloud-based telepathology streaming platform, enabling real-time collaboration between clinicians and pathologists, irrespective of their physical locations.
- Updated clinical devices to ensure seamless compatibility with the platform, facilitating efficient workflows for remote users.

Flexible



- Progress through the R&D phase to develop an Edge-AI-enabled gastrointestinal flexible endomicroscope.
- Continue testing and validating the clinical endomicroscope prototype with our partners at University Medical Center Mainz in Germany.

- Completion of the clinical endomicroscope prototype and delivered to University Medical Centre of the Johannes Gutenberg University Mainz, Germany for evaluation with renowned world-leading gastroenterologist Professor Ralph Kiesslich.
- Tested a scanner-integrated flexible endoscope and initiated data collection at University Medical Center Mainz in Germany for a study focused on real-time colorectal imaging.
- Signed agreement with Monash University to collaborate on developing the CRC-P supported project next-gen AI technology.

Robotics



- Development of detailed design work with Mayo Clinic, that will lay the foundation for prototype development.

- Advanced collaboration with Mayo Clinic through an onsite visit by Optiscan's team at Mayo Clinic in Rochester, Minnesota. This collaboration provided valuable design inputs, identified user needs, and facilitated specific design refinements for confocal probes intended for robotic surgical systems.
- Established processes around iterative testing and feedback cycles with Mayo Clinic surgeons, ensuring that the designs align seamlessly with real-world robotic surgical workflows.

Application

Focus Areas

Progress

AI/ML Applications



- Progress AI/ML development for use in various clinical applications.

- Continued progress on annotating images for oral, breast and gastrointestinal use cases.



CEO & Managing Director's Review



Dr Camile Farah
CEO & Managing Director

With new products launched and studies underway, FY25 was about execution as we laid the groundwork to take Optiscan from vision to impact.

Dear Shareholders,

FY25 has been a year of progress, precision, and preparation for Optiscan.

We commenced the year with a clear strategic focus: to translate our powerful platform technology into a suite of clinically and commercially ready products. Over the course of the year, we executed that strategy with discipline, delivering new product reveals, securing high-impact partnerships, initiating clinical validation studies, and laying the foundation for regulatory submissions and commercial entry.

Our continued investment in innovation, infrastructure, and personnel has positioned the Company well to take the next step in its evolution to become a global leader in digital health solutions.

Financial Performance

During FY25, the consolidated entity generated ordinary revenue of \$951,948 from sales, system rentals and the provision of services. This compared to \$1,155,604 in the previous corresponding period, with the resultant FY25-on-FY24 decline in total revenue of around 18% mainly due to lower orders from Carl Zeiss Meditech (CZM).

Other income generated by Optiscan over FY25 totalled \$3,106,879, an increase of 31% more than last year's FY24 figure of \$2,378,064. Within this total, the Company recorded research and development (R&D) incentive income of \$2,410,376, more than double the equivalent FY24 figure of \$994,658. This strong uplift is due to the successful Advance and Overseas Finding that enables the Company to receive R&D tax incentive on overseas R&D cost. With multiple R&D projects running in parallel and having clinical and regulatory activities both in Australia and overseas, this successful Overseas Finding Application will enable the Company to utilise the additional funds received to further our R&D, clinical, regulatory and commercial activities.



2

New devices revealed

InForm™ for digital pathology and InSpecta™ for veterinary medicine



\$4M

Total income increased

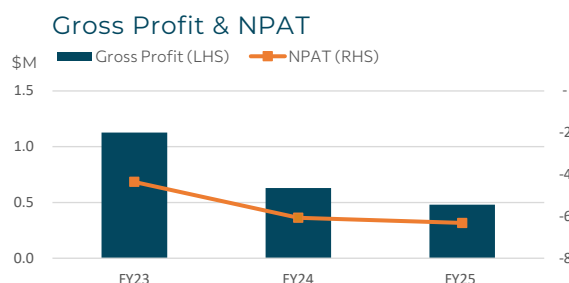
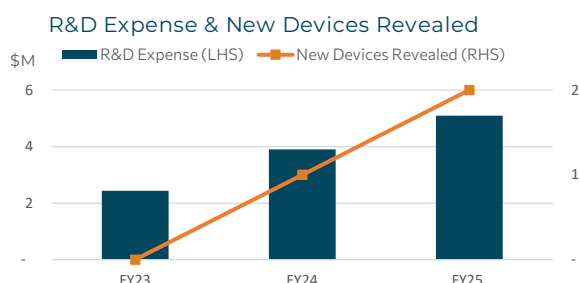
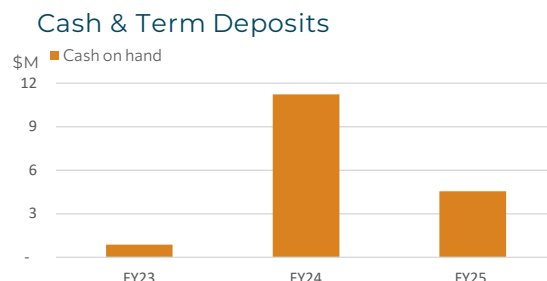
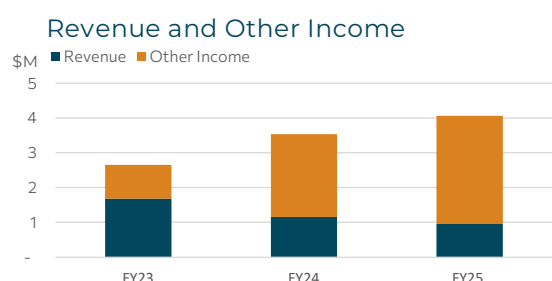
by \$0.5M from \$3.5M in FY24



\$1.77m

Cash received

as R&D tax incentive compared to \$0.67M in FY24



Bringing our vision to life

In FY25, we revealed two new devices that have each been designed and tailored to a critical segment of the healthcare ecosystem.

- **InForm™** - A next-generation digital pathology device, InForm™ brings slide-free, point-of-care imaging to a wide range of pathology workflows - from intraoperative specimen triage to frozen section replacement. Its potential to transform diagnostic speed and accuracy is now being tested through clinical collaborations.

- **InSpecta™** - Unveiled to the veterinary medicine community in June 2025, InSpecta™ brings Optiscan's real-time imaging to companion animals. The device has generated strong interest from veterinary specialists and is now moving toward validation studies with the University of Minnesota College of Veterinary Medicine.

Together, these devices increase the breadth and flexibility of our core platform, and the diversity of markets Optiscan is now positioned to serve.



INFORM
by Optiscan[®]

Partnering for real-world impact

Our ability to rapidly develop, refine and deploy advanced imaging systems is strengthened through partnerships with world-class institutions.

FY25 saw the continuation and expansion of our collaboration with the Mayo Clinic, including clinical study preparation, probe co-development for robotic-assisted surgery, and shared focus on breast cancer imaging. The signing of an agreement with Long Grove Pharmaceuticals in Q4 FY25 further strengthened our ability to support combination product studies and FDA submissions using fluorescein contrast agent.

In Australia, our longstanding collaboration with the Royal Melbourne Hospital progressed to patient recruitment for a 50-patient breast-conserving surgical study. In parallel, we tested a scanner-integrated flexible endoscope and initiated data collection at the University Medical Center Mainz in Germany for a study focused on real-time colorectal imaging.

These initiatives mark the beginning of a broader clinical validation program, with multi-site, multi-indication studies feeding into our regulatory and commercial pathways.

Building the future of digital pathology

In line with our digital health vision, we also achieved significant milestones in software. The minimum viable product (MVP) of our cloud-based Telepathology Streaming Platform was completed, showcasing our ability to enable virtual, remote assessment of live cellular images. Built to work in parallel with our clinical imaging systems, the platform reflects our broader strategy to deliver integrated, end-to-end digital solutions.

We also advanced our AI collaborations, with continued work alongside ProLucid Technologies for oral and breast imaging algorithms and Monash University and other partners as part of the CRC-P grant funded by the Australian Federal Government. Data generated from our GI studies in Germany will be used to train deep learning models aimed at detecting precancerous lesions. This is the first step in embedding AI into our diagnostic imaging workflow—a critical enabler of future scalability.

Signals from the market

Our commercial strategy gained traction across the US, Europe, and China. In the US, our life sciences device, ViewnVivo®, was showcased at leading research

conferences including American Society for Cell Biology, American Association for Cancer Research, and American College of Veterinary Pathology, and American College of Veterinary Internal Medicine. These events helped us deepen relationships with major research institutions and generate high-quality leads, in addition to enabling valuable market research.

Despite macroeconomic headwinds, we continued to build our pipeline in the US and maintain interest in China. In Europe, relationship development continued, with a focus on exploration of long-term strategic opportunities. ViewnVivo® was showcased at the prestigious Max Planck Institute as part of a broader tour of leading institutions, building relationships and raising visibility across the life sciences ecosystem.

Importantly, our reveal of InSpecta™ at the American College of Veterinary Internal Medicine Summit provided vital market insight and validation of our device. Our presence at this meeting allowed collection of valuable market research data that will inform future product positioning, pricing, and education strategies ahead of our anticipated commercial launch in the coming year.

Scaling with precision

Optiscan also strengthened its leadership team during FY25 with new executive appointments and strategic hires across our clinical and commercial operations, reinforcing our focus on market expansion and operational maturity.

Our engineering and manufacturing teams once again delivered excellence. All external orders were delivered on time and to specification. Deployment of our devices at the Royal Melbourne Hospital and Mayo Clinic for clinical validation studies required ramping up of manufacturing efforts. The integration of our scanner into a flexible endoscope, development of new probes and production-ready trolleys, and improvements in internal tooling reflect a robust and scalable supply chain.

Behind the scenes, we invested in infrastructure improvements across our R&D and manufacturing spaces. These upgrades have enhanced interdepartmental communication, streamlined product development, and better prepare us for increased production as new devices transition into market-ready solutions.

Laying the foundation for regulatory success

FY25 also marked a major step forward in our governance and compliance capabilities. We are progressing with the implementation of Greenlight Guru, our chosen electronic quality management system which will position us for US FDA readiness. We also completed a series of audits and procedural updates to ensure ISO 13485:2016 compliance.

This work has materially improved our internal systems and positioned us for a smooth and confident transition into regulatory submission and post market engagement.

FY25 also brought increasing recognition of Optiscan's leadership in innovation and MedTech development. Our Quality Assurance Manager, Yameena Cossins, was selected as a finalist in the prestigious Women in Industry Awards, a reflection of our growing reputation and strong internal culture.

Media interest in Optiscan intensified over the year, with feature articles, interviews, and coverage in leading industry and investment publications. This visibility not only validated our strategy but significantly boosted brand awareness and stakeholder engagement.

Across the globe, we had a strong presence at high-impact conferences, showcasing our world-first technology to researchers, clinicians, and investors. These events continue to be vital platforms for relationship-building and market development.

Advancing towards impact

As we enter FY26, Optiscan is no longer a company with potential - we are a company with proven capability.

We have products ready for validation, partners ready to trial them, and a platform that continues to demonstrate unmatched capabilities in real-time cellular imaging. The coming year will see us continue to invest in clinical studies, expand our evidence base, and progress toward regulatory submissions.

We have built strong foundations and are now ready to build real momentum. None of this would be possible without the extraordinary dedication of our team, the guidance of our Board, and the ongoing support of our shareholders. Thank you for joining us on this journey. We look forward to keeping you updated as we enter what promises to be a defining year for Optiscan.



Dr. Camile Farah

Chief Executive Officer & Managing Director
Optiscan Imaging Ltd

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or the 'Group') consisting of Optiscan Imaging Limited (referred to hereafter as 'Optiscan', the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Principal activities

The principal activity of the consolidated entity during the year was the development of a suite of hardware and software solutions for real-time digital pathology and precision surgery under its own label, a collaboration with Carl Zeiss Meditec, and developing new pre-clinical markets for Optiscan's ViewnVivo® products and services.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Operating and Financial review

The loss for the consolidated entity after providing for income tax amounted to \$6,311,952 (30 June 2024: \$6,060,496).

Financial performance

During the financial year ending 30 June 2025 (FY25), the consolidated entity generated ordinary revenue of \$951,948 from sales, system rentals and the provision of services, compared to \$1,155,604 in the previous corresponding period. The 17.6% decrease in sales revenue was mainly due to lower orders from Carl Zeiss Meditec (CZM).

Other income generated for the financial year was \$3,106,879 (2024: \$2,378,064). The Company recorded research and development incentive income of \$2,410,376 (2024: \$994,658), an increase by 142% mainly due to the successful Advance and Overseas Finding that enables the Company to receive R&D tax incentive on overseas R&D cost. With multiple R&D projects running in parallel, the increased R&D expense contributed to the R&D incentive income accrued for the year. The gastrointestinal flexible endomicroscope project associated with the CRC-P grant also progressed, resulting in grant payments received of \$361,907 (2024: \$835,761).

Directors

The following persons were directors of Optiscan Imaging Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:



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

Further investment in commercial and R&D activity for the financial period increased total expenses for FY25 to \$10,350,445 (2024: \$9,594,164). With higher investment in R&D over the year to achieve production-ready medical devices for regulatory submissions, the Company has been able to advance multiple R&D projects and also revealed two ground-breaking new microscopic medical imaging devices - InForm™ for pathology, and InSpecta™ for veterinary medicine. There was also increased business activities through strategic conference engagement, commercial initiatives, and adding capabilities to the team to deliver on the strategy that will advance clinical validation and commercial readiness.

The net operating cash outflow for FY25 was \$6,212,032 compared to \$5,744,450 for the previous financial year. This higher cash outflow is due to increased R&D and commercial activities as outlined above.

Financial position

The net assets decreased by \$6,155,477 to \$7,712,014 at 30 June 2025 (30 June 2024: \$13,867,491). The working capital position of the consolidated entity as at 30 June 2025 resulted in an excess of current assets over current liabilities of \$7,354,694 (30 June 2024: \$13,311,323).

The decrease in net asset position was due to cash used over the course of the year for R&D and commercial activities.



Likely Developments

The Company has successfully advanced multiple R&D projects in the past year and will continue to do so, through internal capabilities and through strategic partnerships. With the reveal of two new devices in FY25 that have each been designed specifically for digital pathology (InForm™) and veterinary medicine (InSpecta™), this brings the total devices revealed over the past 13 months to three, which includes the InVue® system for precision surgery.

The next phase of growth for the Company is obtaining the necessary certifications and clinical validation data for its medical devices. In Australia, we progressed to patient recruitment for a 50-patient breast-conserving surgical study at the Royal Melbourne Hospital. In parallel, work will continue with our overseas partners such as the University Medical Center Mainz in Germany for a study focused on real-time colorectal imaging, and preclinical studies for integration of the Company's surgical platform for robotic-assisted surgery currently underway at the Mayo Clinic in USA. Other clinical studies are planned over the coming year that will provide valuable information as the Company prepares for US FDA regulatory submissions.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year other than the appointment of Ms Elissa Hansen as Company Secretary, to replace Mr Justin Mouchacca on 4 February 2025.

Matters subsequent to the end of the financial year

As per the ASX announcement on 27 August 2025, the Company launched a fully underwritten pro-rata renounceable entitlement offer to raise up to \$17,750,992 to fund the next stage of its strategic transformation to a medical device manufacturer and digital healthcare solution provider. The entitlement offer is fully underwritten by existing substantial shareholder, Peters Investments Pty Ltd.

The entitlement offer is made on the basis of one (1) new share for every four (4) shares held, at an issue price of \$0.085. This will result in the issue of up to 208,835,201 shares in the Company, raising up to \$17,750,992. The whole process is scheduled to be completed by the end of September 2025.

Risk statement

The Group is committed to the effective management of risk to reduce uncertainty in its commercial activities and business outcomes and to protect and enhance shareholder value. There are various risks that could have a material impact on the achievement of the Group's strategic objectives and future prospects.

Key risks and mitigation activities associated with the Group's objectives are set out below:

Research and development risks

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. The Company is reliant on the success of its R&D projects and the effective and successful commercialisation of the results of the Company's R&D. The Company is developing medical imaging systems which must undergo vigorous testing to satisfy regulatory authorities.

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. 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. The Company strives to mitigate any potential product failures through its investment in R&D activities.



Manufacturing and supply chain risk

The Group relies on manufacturers to supply and manufacture key components of its products and is exposed to supply shortages, long order lead times and price increases. In addition, several of its existing suppliers are based in different countries which results in different lead times. The Group has taken active steps to manage these risks by exploring the relocation of some of its manufacturing and assembly elements to other countries, adopting a very specific focused discipline on managing its supplier relationships and procurement activities and increasing its inventory holdings of key products and product components, with inventory on hand having increased during the year.

Distribution network risk

The vast majority of the Group's sales are sold through its distribution network, with a number of formal distribution agreements in place across the regions in which it operates. These agreements include minimum purchase requirements and can, where deemed necessary, be terminated on relatively short notice. It remains important that the Group maintains good working relationships with its key distribution partners in order to enhance its growth prospects and financial performance. The Group's focus on developing highly innovative and sought after products and investment in client service capability with a view to supporting distributors and providing after sale service are mitigating factors which assist the Group in managing this risk. Further, the regular review of its distribution partners and the adjustment of coverage across regional and vertical markets is another mitigating factor that assists the Group in managing the distribution network risk.

Key personnel risk

The Group is reliant on its key management and technical personnel, and the Group's future prospects are dependent on retaining and attracting suitably qualified personnel. The Group manages these risks by ensuring it adopts remuneration practices, incentive schemes and employment policies which promote staff retention and recruitment. The Group's employment agreements also allow it to limit the ability of key personnel to join competitors or compete directly with the Group.

Intellectual property risk

The Group has developed a range of proprietary items of Intellectual Property (IP) that are regarded as

novel and inventive comprising know how, hardware, software, copyright and trademarks. The value of the Group's products is dependent on its ability to protect this IP. The Group manages this risk by ensuring that its dealings with employees, contractors and third parties are governed by legal agreements which support the Group's ownership and control over its IP and the disclosure of sensitive information belonging to the Group.

General economic conditions risks

The general economic climate may affect the performance of the Group. These factors include the general level of international and domestic economic activity, inflation and interest rates. These factors are beyond the control of the Group and their impact cannot be predicted.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.



Information on directors



Other current directorships:
None

Former directorships (last 3 years):
Memphasys Limited (ASX: MEM), appointed 26 April 2022, resigned 23 November 2024.

Special responsibilities:
Member of Audit & Risk and Remuneration & Nomination Committees.

Interests in shares:
290,000 fully paid ordinary shares

Mr Robert Cooke

Non-executive Chairman

B. Health Administration, Grad. Dip. Acc and Fin

Robert is a highly strategic and results focussed private health care leader. With a 40+ year career in the health industry, his experience spans executive leadership of publicly listed and privately owned healthcare companies, and management of private and public hospitals in Australia, Asia and the UK. Robert has a proven track record in setting strategy and delivering successful outcomes for stakeholders and shareholders, highly effective interaction with the financial community, and holds a unique understanding of the complex dynamics of the health care industry.

Robert is currently the Managing Director of Connelly Partners, a specialised health care consulting company. Before establishing Connelly Partners in 2018, Robert was the Managing Director & CEO of Healthscope, one of Australia's leading private hospital/medical centre/pathology operators between 2010 and 2017. Robert has served as a Director of ASX listed and private equity owned health care companies within Australia and internationally, and currently serves as Non-Executive Chair of Genesis Cancer Care, and Midas Healthcare.



Other current directorships:
None

Former directorships (last 3 years):
None

Special responsibilities:
None

Interests in shares:
8,899,985 fully paid ordinary shares

Interests in options:
9,000,000 unlisted options

Dr Camile Farah

CEO & Managing Director

BDS Sc MD Sc (OralMed OralPath) PhD MBA GCed (HE)
GCExLead FRACDS (OralMed) MAICD AFCHSM CHM FOMAA
FIAOO FICD FPFA FAIM FLWA

Camile is a commercially driven healthcare executive, clinician-scientist, and global authority in digital diagnostics and precision oncology, with over 25 years of experience leading transformational change across medtech, life sciences, and academic healthcare.

He currently serves as Chief Executive Officer and Managing Director of Optiscan Imaging Ltd (ASX:OIL) and holds multiple non-executive, honorary and advisory roles within the medtech, life sciences and healthcare sectors. He has held CEO, Board, and C-suite roles in medtech and diagnostic companies, driving commercial strategy, capital raising, global market expansion, and regulatory approvals.

Camile is internationally recognised for his deep expertise in digital pathology, optical imaging, and precision medicine, and has been instrumental in translating research innovation into clinical and commercial success and taking disruptive technologies from bench to bedside and from startup to scale-up.

A Fellow of multiple professional bodies and a former academic leader and director of major cancer research programs, Camile brings a rare blend of scientific credibility, clinical insight, and commercial acumen. His strategic vision and operational leadership continue to shape the global transformation and future of digital healthcare and integrated diagnostics.

Information on directors



Other current directorships:

Somnomed Ltd (ASX: SOM),
appointed 26 November 2020.

Former directorships (last 3 years):

None

Special responsibilities:

Chair of the Audit & Risk
Committee and member of the
Remuneration & Nomination
Committee.

Interests in shares:

99,716 fully paid ordinary shares

Interests in options: None

Ms Karen Borg

Non-executive Director

B. Arts

Karen has held senior roles in FTSE 100-250 medical device, technology, consumer products and government services organisations. Karen was most recently the Chief Executive Officer for Catholic Healthcare Ltd and prior to this was the CEO of Healthdirect and the inaugural CEO of Jobs for NSW. She was also the former President (Asia Pacific & Middle East) of ResMed (ASX: RMD) and held several senior roles with Johnson & Johnson Medical Devices in Australia and the United States. Karen began her career in the fast-moving consumer goods sector and worked for Goodman Fielder, Nestle and Revlon in global business development and marketing.

Karen was on the Board of Somnomed (ASX:SOM) before being appointed as Co-CEO for the company in February 2024. She is on the Board of KOPWA Aged Care Services and was previously on the Board of The North Foundation and Interim Chair of the Australian Vaccine Research Alliance. Karen has a Bachelor of Arts from the University of Sydney and was a NSW finalist for Telstra Business Woman of the Year 2017.



Other current directorships: None

Former directorships (last 3 years):

None

Special responsibilities:

Chair of the Remuneration &
Nomination Committee and
member of the Audit & Risk
Committee.

Interests in shares:

4,000,000 fully paid ordinary
shares

Interests in options: None

Mr Ron Song

Non-executive Director

Ron had a 25-year business career in Australia before being headhunted in 1999 to assist in expanding a multi-franchise European motor vehicle importership in Singapore. In a short time, Ron assisted in developing the importership into a highly profitable business. He subsequently expanded and developed the Singapore Audi importership, Premium Automobiles Pte Ltd, where he was the Managing Director for seven years.

Ron was then appointed as operation director to further develop a premier Singaporean wellness company, Fabulous Image Lifestyle, which was successfully sold to a pan-Asian operator.

Ron has established a network of business contacts in many areas of enterprise in Asia and Australia. He has contacts in the health sector in Asia as well as associations with businesses and the financial sector in Australia and Asia of value to Optiscan. During the last three years as a non-executive director of Optiscan, Ron was instrumental in raising millions of dollars in previous capital raises.

Information on directors



Mr Sean Gardiner
Non-executive Director
B. Com

Sean is a Managing Director and Head of Private Investments at the Clermont Group. Prior to joining Clermont, Sean worked at Morgan Stanley, where he spent 20 years in equity research across three locations and in seven different roles.

In 2000, he joined the London office, covering European Technology and Conglomerate stocks before, in 2005, moving to lead the EEMEA Telecom Services team. In early 2008, Sean transferred to Dubai to setup and manage the MENA Equity Research team. Sean relocated to Singapore in 2010 to oversee and manage the broader Asian research product as well as roll out ASEAN Real Estate coverage. In 2016, he was promoted to Head of ASEAN Research and ASEAN Equity Strategist. Prior to Morgan Stanley, Sean served his Chartered Accountancy articles in South Africa and he has a B.Com (PGDA) from the University of Cape Town.

Other current directorships: None
Former directorships (last 3 years):
Energy World Corporation Ltd (ASX:EWC) (Appointed 8 March 2022 and resigned 2 May 2023)
Special responsibilities:
Member of the Audit & Risk and the Remuneration & Nomination Committees.
Interests in shares: None
Interests in options: None

Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.



Ms Elissa Hansen
Company Secretary
B.Comm, Grad Dip Applied CorpGov, GAICD, FGIA

Elissa has over 20 years' experience advising boards and management on corporate governance, compliance, investor relations and other corporate related issues. She has worked with boards and management of a range of ASX listed companies including assisting companies through the IPO process. Elissa is a Chartered Secretary who brings best practice governance advice, ensuring compliance with the Listing Rules, Corporations Act and other relevant legislation.

Appointed as Company Secretary on 4 February 2025 following Mr. Justin Mouchacca's resignation.



Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Audit & Risk Committee		Remuneration & Nomination Committee	
	Attended	Held	Attended	Held	Attended	Held
Robert Cooke	9	9	2	2	2	2
Camile Farah	9	9	-	-	-	-
Karen Borg	8	9	2	2	2	2
Ron Song	9	9	2	2	2	2
Sean Gardiner	9	9	1	2	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having key commercial and R&D milestones form the core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

The Constitution of the Company and the ASX Listing Rules establish an aggregate or maximum level of remuneration available to non-executive directors, to be divided amongst the directors as agreed. The aggregate amount approved by shareholders to be available for remuneration of non-executive directors is \$400,000 per annum.

The Board has determined that non-executive directors shall receive only fixed remuneration by way of payment of fees. There is no variable, short term incentive remuneration for non-executive directors, nor is there any entitlement to retiring allowances or payments other than the statutory superannuation required by law.

Non-executive directors receive an annual fee for all services provided to the Company, including being a director of the Company and any of its subsidiaries, and for serving on board sub committees in accordance with the requirements of the Corporate Governance Policy.

Non-executive directors are encouraged to hold shares in the Company which have been purchased on market or through placements where participation by the directors has been approved by shareholders in general meeting. It is considered good governance for the directors to have a personal financial stake in the Company.

Executive remuneration

The Remuneration Committee is responsible for establishing the structure and amount of remuneration.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration. The level of fixed remuneration is set so as to provide a base level of remuneration, which is both appropriate to the position and competitive in the market.

Fixed remuneration is reviewed as required by the Remuneration Committee, and the process consists of a review of Company and individual performance, and comparative remuneration in the market. All employees are provided with the opportunity to receive their fixed remuneration in both cash and benefits, subject to there being no change in overall cost to the Company. Compulsory superannuation contributions are included in the determination of fixed remuneration.

Variable Remuneration

The objectives and structure of the Group's policy on Variable Remuneration is set out below.

Variable Remuneration - Short-Term Incentive (STI)

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by key management personnel with prime responsibility for meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the key management personnel to achieve the operational targets and such that the cost to the Company is reasonable in the circumstances.

Actual STI payments granted to key management personnel depend on the extent to which specific operating targets set at the beginning of the financial year are met. The operational targets consist of a number of Key Performance Indicators (KPI's) covering both financial and non-financial measures of performance. Typically included are such measures as achievement of budgeted financial outcomes and key milestones, for example, demonstrating clinical efficacy, achieving quality accreditation, obtaining regulatory clearance or measures such as control of expenditure or achievement of sales targets. The Board or Remuneration Committee establishes clear performance benchmarks, which must be met in order to trigger payments under the short-term incentive scheme.

The aggregate amount of annual STI payments available for key management personnel and other executives is subject to the approval of the Remuneration Committee. Payments made are usually delivered as a cash bonus.

Variable Remuneration - Long-Term Incentive (LTI)

Long-term incentives are delivered to executives and employees by way of grant of options under either at the Board's discretion or through an Employee Share Option Plan (whichever is relevant or has been adopted at the time). The objective of the long-term incentive plan is to reward executives and employees in a manner which aligns this element of remuneration with the creation of shareholder wealth.

The Board is responsible for the allocation of options, and determines the quantum of grants by reference to group and individual performance against targets.

Incentives and company performance

The link between incentive structure and company performance is an important aspect of remuneration philosophy. The purpose of the remuneration policies of the Group is to create an effective and transparent link between the incentives provided and the performance of the Group.

The Group is in the process of transition from a business predominantly engaged in research and development ("R&D") to one increasingly focused on commercialisation of its technology. Whilst substantial progress has been made, the transition from loss making R&D activities to profit making trading has not yet been completed. As a consequence, performance to date cannot appropriately be determined with conventional financial measurement tools. As the Group has expensed all R&D expenditure incurred to date, losses have been reported so conventional earnings measures such as profit growth, EPS or dividend yield and payout are not applicable.

In view of the limited relevance of financial measurement tools, the Board of Directors has determined that the performance of the Group is best reviewed in the context of achievement of key milestones. As such, STI is set based on achieving these milestones that will advance the company forward towards commercialisation of its technology.

Employment contracts

All staff including executives are engaged under rolling employment agreements. The contracts continue indefinitely subject to satisfactory performance, and provide one month's notice. Under the terms of the agreements:

- The Company may terminate the employment agreement by providing the requisite period of written notice or by providing payment in lieu of notice, based on the fixed component of remuneration. Any unvested options at the expiry of the notice period will be forfeited.
- On resignation any unvested options are forfeited.
- The Company may terminate the agreement at any time without notice if serious misconduct has occurred, in which case the executive is only entitled to that portion of remuneration that is fixed, and only up to the date of termination.

Voting and comments made at the Company's 21 November 2024 Annual General Meeting ('AGM')

At the 2024 AGM, 99.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables. The key management personnel of the consolidated entity consisted of the following directors of Optiscan Imaging Limited:

- Mr Robert Cooke - Non-executive Chairman
- Dr Camile Farah - CEO & Managing Director
- Ms Karen Borg - Non-executive Director
- Mr Ron Song - Non-executive Director
- Mr Sean Gardiner - Non-executive Director*

	Short term benefits			Post Employment Benefits	Long Term Benefits	Share-based Payments	
2025	Cash Salary and Fees (\$)	STI Incentives Bonuses (\$)	Annual Leave Expense (\$)	Superannuation (\$)	Long Service Leave (\$)	Equity-settled options (\$)	Total (\$)
Non-Executive Directors:							
Robert Cooke	90,909	-	-	10,455	-	-	101,364
Ron Song**	100,000	-	-	11,500	-	-	111,500
Karen Borg	50,000	-	-	5,750	-	-	55,750
Executive Directors:							
Camile Farah***	438,768	190,702	15,500	30,000	5,121	142,623	822,714
	679,677	190,702	15,500	57,705	5,121	142,623	1,091,328

* Sean Gardiner does not receive any remuneration as a Board member

** Additional \$50,000 listed in Cash salary and fees relates to a one-off additional payment (not a performance based STI or bonus) for additional services and time spent on Company's activities over and above the role as a Non-executive Director aimed at promoting the Company and its interests within the broader investment market.

- *** a) STI conditions for the CEO/MD were based on achieving key financial, R&D and business objectives set by the Board. These included:
1. Execution of the Company's stated strategy to pursue FDA submission for its medical devices.
 2. Progress with clinical studies and trials aimed at securing data required for FDA regulatory submissions.
 3. Progress with partnerships and collaborations that facilitate timely FDA submissions.
 4. Execution of the Company's technology roadmap in relation to new device/segment profile by progressing technology (hardware & software) developments, meeting timelines and milestones, and reporting on product portfolio projects.
 5. Alignment of technology roadmap with clinical partnerships and regulatory clearances to enable commercial success of product pipeline.
 6. Increased exposure of the Company and its technology in the market and to current shareholders and prospective investors/institutions.
 7. Increased Company brand awareness in the market by technology users, potential customers, shareholders, stakeholders, capital markets, and the medical fraternity.
 8. Increased awareness of the Company and its technology within the medtech sector.
 9. Reduction of Key Person Risk related to existing operations, increasing technical capacity, and planning for succession of key personnel.
 10. Broadening the staff profile to meet strategic imperatives specifically in sales, corporate development, business development and clinical trials.
 11. Increased revenue year on year from commercial activity, in addition to non-dilutive funding.
 12. Achievement of FY25 budget and cashflow management.
 13. Negotiation and execution of agreements designed to secure sound future financial performance.
- b) The total eligible bonus available under the performance-based STI incentives bonus plan is 50% of the base salary. Based on STI conditions achieved for FY25, the Board approved an 81% payout of \$190,702.

During the year, the Board appointed The Reward Practice (TRP) as an adviser to provide support regarding Executive benchmarking and incentive design. TRP were engaged by, and reported to, the Remuneration Committee. During the financial year, recommendations regarding the remuneration quantum and structure for the Managing Director and four Executives were provided. The remuneration recommendation was made in accordance with the requirements of section 9B of the Corporations Act 2001. The consultant was engaged by, and reported directly to, the Board through the Remuneration Committee. The consultant provided the Board with a written report containing remuneration recommendations, which were made free from undue influence by the key management personnel to whom the recommendations related. The Board is satisfied that the remuneration recommendations were made free from undue influence by the key management personnel. The total fees paid to TRP for the provision of these services during the financial year were \$47,300. Other than these services, TRP provided high level market practice insights on Non-Executive Director equity awards for a fee of \$2,800. It is anticipated that these recommendations will take effect in the next financial year (FY26), following shareholder approval where applicable.

	Short term benefits			Post Employment Benefits	Long Term Benefits	Share-based Payments (re-stated)	
2024	Cash Salary and Fees (\$)	STI Incentives Bonuses (\$)	Annual Leave Expense (\$)	Superannuation (\$)	Long Service Leave (\$)	Equity-settled options (\$)	Total (\$)
Non-Executive Directors:							
Robert Cooke	90,909	-	-	10,000	-	-	100,909
Ron Song	50,000	-	-	5,500	-	-	55,500
Karen Borg	50,000	-	-	5,500	-	-	55,500
Executive Directors:							
Camile Farah**	404,250	169,027	10,233	44,467	2,114	179,309	809,400
	595,159	169,027	10,233	65,467	2,114	179,309	1,021,309

* Sean Gardiner does not receive any remuneration as a Board member

** STI conditions were based on achieving key financial, R&D and business objectives set by the Board. The amount paid in 2024 is 75% of the total possible award under the STI arrangement.

The proportion of remuneration linked to performance in STI or LTI and the fixed remuneration proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
	2025	2024	2025	2024	2025	2024
Non-Executive Directors:						
Robert Cooke	100%	100%	-	-	-	-
Ron Song	100%	100%	-	-	-	-
Karen Borg	100%	100%	-	-	-	-
Executive Directors:						
Camile Farah	60%	56%	23%	21%	17%	23%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	Dr Camile Farah
Title	Chief Executive Officer (CEO) and Managing Director
Agreement commenced	13th December 2021
Term of agreement	No fixed term.
Details	Fixed remuneration of \$420,420 per annum plus superannuation of the greater of 10% or the statutory minimum. The CEO/Managing Director may terminate the Agreement by providing 6 months' notice in writing. The Company may terminate the Agreement by providing 12 months' notice in writing.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2025 (2024: Nil).

Options

On 9 March 2022, the Company issued a total of 12,000,000 unlisted options to the Managing Director following receipt of shareholder approval at the Company's 2021 annual general meeting of holders. The options have an exercise price of \$0.1925 (19.25 cents) per option, with 3,000,000 options having lapsed on 9 March 2025 and 9,000,000 options remaining exercisable by 9 March 2027. All of the options are subject to certain vesting conditions. Refer to vesting conditions noted below:

- 1,000,000 options vest on 5pm EST on 12 December 2022 subject to continued employment as Managing Director and CEO;
- 2,000,000 options vest on 5pm EST on 12 December 2023 subject to continued employment as Managing Director and CEO;
- 3,000,000 options vest after the Company's volume weighted average share price is greater than or equal to \$1.00 per share for a consecutive period of 15 trading days within 5 years following the date of issue;
- 3,000,000 options vest after the Company's volume weighted average share price is greater than or equal to \$1.50 per share for a consecutive period of 15 trading days within 5 years following the date of issue;
- 3,000,000 options vest after the Company's volume weighted average share price is greater than or equal to \$2.00 per share for a consecutive period of 15 trading days within 5 years following the date of issue.

* It is noted that when the options vest, the Managing Director will still be with the Company should he choose to exercise the options.

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date, Vesting Price, and Exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Camile Farah	1,000,000	20-Jan-22	12-Dec-22	9-Mar-25	\$0.1925	\$0.067
Camile Farah	2,000,000	20-Jan-22	12-Dec-23	9-Mar-25	\$0.1925	\$0.076
Camile Farah*	3,000,000	20-Jan-22	15 day VWAP - \$1.00	9-Mar-27	\$0.1925	\$0.081
Camile Farah**	3,000,000	20-Jan-22	15 day VWAP - \$1.50	9-Mar-27	\$0.1925	\$0.068
Camile Farah ***	3,000,000	20-Jan-22	15 day VWAP - \$2.00	9-Mar-27	\$0.1925	\$0.058

* Options vest after the Company's volume weighted average share price is greater than or equal to \$1.00 per share for a consecutive period of 15 trading days within 5 years following the date of issue.

** Options vest after the Company's volume weighted average share price is greater than or equal to \$1.50 per share for a consecutive period of 15 trading days within 5 years following the date of issue.

*** Options vest after the Company's volume weighted average share price is greater than or equal to \$2.00 per share for a consecutive period of 15 trading days within 5 years following the date of issue.

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Number of options granted during the year 2025	Number of options granted during the year 2024	Number of options granted during the year 2025	Number of options granted during the year 2024
Camile Farah	-	-	-	-

Details of options over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the years ended 30 June 2024 and 30 June 2025 are set out below:

Name	Grant date	Vesting date	Number of options granted	Value of options granted	Value of options vested	Number of options lapsed	Value of options vested
Camile Farah	20-Jan-22	12-Dec-22	1,000,000	67,000	67,000	(1,000,000)	(67,000)
Camile Farah	20-Jan-22	12-Dec-23	2,000,000	152,000	152,000	(2,000,000)	(152,000)
Camile Farah	20-Jan-22	Various	3,000,000	243,000	-	-	-
Camile Farah	20-Jan-22	Various	3,000,000	204,000	-	-	-
Camile Farah	20-Jan-22	Various	3,000,000	174,000	-	-	-

Additional information

The earnings of the consolidated entity for the five years to 30 June 2025 are summarised below:

	2025	2024	2023	2022	2021
Revenue	951,948	\$1,155,604	\$1,680,180	\$1,013,039	\$889,526
Net loss before tax	(6,291,618)	(\$6,060,496)	(\$4,351,500)	(\$4,233,037)	(\$2,126,695)
Net loss after tax	(6,311,952)	(\$6,060,496)	(\$4,351,500)	(\$4,233,037)	(\$2,126,695)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2025	2024	2023	2022	2021
Share price at financial year start (\$)	0.24	0.08	0.11	0.23	0.03
Share price at financial year end (\$)	0.11	0.24	0.08	0.11	0.23
Basic earnings per share (cents per share)	(0.76)	(0.74)	(0.70)	(0.68)	(0.38)

Additional disclosures relating to key management personnel (KMP)

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary Shares	Balance at the start of the year	Holdings at date of appointment as KMP	Additions	Disposals/ Holdings at date of cessation as KMP	Balance at the end of the year
Robert Cooke	290,000	-	-	-	290,000
Camile Farah	8,691,652	-	208,333	-	8,899,985
Ron Song	4,000,000	-	-	-	4,000,000
Karen Borg	99,716	-	-	-	99,716
Sean Gardiner	-	-	-	-	-
	13,081,368	-	208,333	-	13,289,701

Option holding

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Exercise	Lapsed	Balance at the end of the year
Camile Farah	12,000,000	-	-	(3,000,000)	9,000,000
	12,000,000	-	-	(3,000,000)	9,000,000

Other transactions with key management personnel (KMP) and their related parties

There were no transactions with KMP and their related parties. This concludes the remuneration report, which has been audited.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Optiscan Imaging Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under options
20-Jan-22	9-Mar-27	\$0.1925	9,000,000
8-Oct-23	7-Jun-27	\$0.081	200,000
			9,200,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

No ordinary shares of Optiscan Imaging Limited were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted.

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of William Buck

There are no officers of the Company who are former partners of William Buck.

Auditor's independence declaration independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Robert Cooke

Non-executive Chairman

29 August 2025

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of Optiscan Imaging Limited

As lead auditor for the audit of Optiscan Imaging Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Optiscan Imaging Limited and the entities it controlled during the year.

William Buck
William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

A. A. Finnis
A. A. Finnis
Director
Melbourne, 29 August 2025

Consolidated statement of profit or loss and other comprehensive income

	Note	2025 (\$)	2024 (\$)
Revenue	5	951,948	1,155,604
Cost of sales		(472,097)	(526,204)
Gross profit		479,851	629,400
Other income	6	3,106,879	2,378,064
Expenses			
Research & development and intellectual property expenses		(5,093,185)	(3,901,173)
Share-based payment expenses	7	(157,115)	(229,401)
Depreciation expense	7	(429,559)	(567,293)
Administration and general expenses		(4,172,657)	(4,346,386)
Finance costs		(25,832)	(23,707)
Loss before income tax expense		(6,291,618)	(6,060,496)
Income tax expense		(20,334)	-
Loss after income tax expense for the year attributable to the owners of Optiscan Imaging Limited		(6,311,952)	(6,060,496)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(641)	(399)
Other comprehensive income for the year, net of tax		(641)	(399)
Total comprehensive loss for the year attributable to the owners of Optiscan Imaging Limited		(6,312,593)	(6,060,895)

	Note	Cents	Cents
Basic loss per share	30	(0.76)	(0.74)
Diluted loss per share	30	(0.76)	(0.74)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position

	Note	2025 (\$)	2024 (\$)
Assets			
Current assets			
Cash and cash equivalents		4,551,755	6,101,137
Trade and other receivables	9	2,129,512	1,567,792
Inventories	10	1,674,334	2,000,088
Term deposits		-	5,130,891
Other		507,938	265,979
Total current assets		8,863,539	15,065,887
Non-current assets			
Property, plant and equipment	11	246,639	259,727
Intangibles	12	4,702	156,792
Right-of-use assets	13	1,440,363	147,582
Total non-current assets		1,691,704	564,101
Total assets		10,555,243	15,629,988
Liabilities			
Current liabilities			
Trade and other payables	14	810,429	1,040,409
Lease liabilities	15	134,492	180,601
Loans	16	31,544	40,304
Provisions for employee benefits	17	532,380	493,250
Total current liabilities		1,508,845	1,754,564
Non-current liabilities			
Lease liabilities	15	1,314,952	-
Provisions for employee benefits	17	19,432	7,933
Total non-current liabilities		1,334,384	7,933
Total liabilities		2,843,229	1,762,497
Net assets		7,712,014	13,867,491
Equity			
Issued capital	18	88,525,040	88,525,040
Reserves	19	492,979	581,573
Accumulated losses		(81,306,005)	(75,239,122)
Total equity		7,712,014	13,867,491

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity

	Issued capital	Foreign currency translation reserve	Share based payments reserve	Accumulated losses	Total equity
	(\$)	(\$)	(\$)	(\$)	(\$)
Consolidated					
Balance at 1 July 2023	71,863,358	(4,435)	2,127,587	(70,942,074)	3,044,436
Loss after income tax expense for the year	-	-	-	(6,060,496)	(6,060,496)
Other comprehensive income for the year, net of tax		(399)	-	-	(399)
Total comprehensive income for the year	-	(399)	-	(6,060,496)	(6,060,895)
Transactions with owners in their capacity as owners					
Contributions of equity, net of transaction costs	16,630,550	-	-	-	16,630,550
Share-based payments	-	-	229,401	-	229,401
Exercise of options	31,132	-	(7,132)	-	24,000
Lapsed options	-	-	(1,763,448)	1,763,448	-
Balance at 30 June 2024	88,525,040	(4,834)	586,408	(75,239,122)	13,867,491

	Issued capital	Foreign currency translation reserve	Share based payments reserve	Accumulated losses	Total equity
	(\$)	(\$)	(\$)	(\$)	(\$)
Consolidated					
Balance at 1 July 2024	88,525,040	(4,834)	586,408	(75,239,122)	13,867,491
Loss after income tax expense for the year	-	-	-	(6,311,952)	(6,311,952)
Other comprehensive income for the year, net of tax		(641)	-	-	(641)
Total comprehensive income for the year	-	(641)	-	(6,311,952)	(6,312,593)
Transactions with owners in their capacity as owners					
Share-based payments (note 31)	-	-	157,115	-	157,115
Lapse of share based payments (note 19)	-	-	(245,069)	245,069	-
Balance at 30 June 2025	88,525,040	(5,475)	498,454	(81,306,005)	7,712,014

The above statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows

	Note	2025 (\$)	2024 (\$)
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,060,189	906,492
Payments to suppliers and employees (inclusive of GST)		(9,790,747)	(8,738,655)
Interest received		378,507	496,056
Income taxes paid		(33,813)	-
Receipt of research and development tax incentive		1,775,734	672,320
Receipt of government grants		398,098	919,337
Net cash used in operating activities	29	(6,212,032)	(5,744,450)
Cash flows from investing activities			
Payments for plant and equipment		(93,070)	(87,351)
Use of / (investment in) term deposits		5,141,166	(5,145,506)
Net cash (used in) / generated from investing activities		5,048,096	(5,232,857)
Cash flows from financing activities			
Proceeds from issue of shares	18	-	16,698,816
Proceeds from exercise of share options		-	24,000
Share issue transaction costs		-	(104,499)
Repayment of borrowings		(168,837)	(203,587)
Repayment of lease liabilities		(213,076)	(207,434)
Net cash (used in) / generated from financing activities		(381,913)	16,207,296
Net increase / (decrease) in cash and cash equivalents		(1,545,849)	5,229,989
Cash and cash equivalents at the beginning of the financial year		6,101,137	875,371
Effects of exchange rate changes on cash and cash equivalents		(3,533)	(4,223)
Cash and cash equivalents at the end of the financial year		4,551,755	6,101,137

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements

Note 1. General information

The financial statements cover Optiscan Imaging Limited as a consolidated entity consisting of Optiscan Imaging Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, rounded to the nearest dollar, which is Optiscan Imaging Limited's functional and presentation currency.

Optiscan Imaging Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

16 Miles Street Mulgrave, Victoria, 3170

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting

Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Optiscan Imaging Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Optiscan Imaging Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity' or 'Group'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

The consolidated entity predominantly derives revenue from the sale of goods and services to customers on normal credit terms. The performance obligations of these contracts are the delivery of the product or service, as the case may be, at which point revenue from the sale of goods or services is recognised. Provision of services is carried on an individual contract basis and relevant revenue is recognised over time as and when the completed service is delivered.

The consolidated entity's future obligations to transfer

goods or services to a customer for which the Group has received consideration from the customer is recognised as a contract liability, and reports these amounts as such in its statement of financial position, until such time as the performance obligations are satisfied. If the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Sale of goods - medical devices

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery. Delivery occurs when the goods have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer and parties have accepted the goods in accordance with the sales contract. Revenue from these sales is recognised based on the price specified in the contract, net of any miscellaneous charges or discounts if applicable.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate. The provision of services varies but some relate to service contracts for repair of medical devices previously sold that is out of the warranty period and process policies which are requested from customers.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Grant income

When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where expenditure has

been incurred that gives rise to an entitlement under a grant agreement, the grant income is accrued. Revenue is recognised only to the extent that there is reasonable assurance that the grant will be received and conditions attached will be complied with.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity makes use of a simplified approach in accounting for trade and other receivables and records any required loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the consolidated entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Costs comprise of direct materials. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The depreciation rates applied to the main classes of plant and equipment are:

- | | |
|------------------------|------------------|
| ○ Plant and equipment | 20% - 40% |
| ○ Production equipment | 20% |
| ○ R&D equipment | 20% - 40% |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each

reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial, Trinomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price

volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Optiscan Imaging Limited, excluding any costs of servicing equity other

than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

R&D tax incentive

Research and development tax incentive income is recognised at fair value when there is reasonable assurance that the income will be received. The expected future R&D tax incentive, for qualifying R&D expenditure for the current financial year, has been accrued and is also recognised on the statement of financial position. It has been established that the conditions of this future R&D incentive have been met and that the expected amount of the incentive can be reliably measured.

Note 4. Operating segments

Identification of reportable operating segments

The Group operated predominantly in the confocal microscope industry. The Group's sales comprise sales of goods within that segment. AASB 8 requires operating segments to be identified on the basis of internal reports about the components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The board reviews the Group as a whole in the business segment of confocal microscopes.

The majority of sales revenues are attributed to Germany, being 66% (2024: 73%), and other overseas markets 34% (2024: 27%). There was one other customer that contributed revenues greater than 10%, which amounted to \$191,142 during the financial year (2024 one customer: \$266,813).

All non-current assets are located in Australia.



Note 5. Revenue

	2025 (\$)	2024 (\$)
Sales revenue	951,948	1,155,604

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	2025 (\$)	2024 (\$)
Major product lines		
Sale of goods (goods transferred at a point in time)	877,342	1,074,188
Services provided (services provided at a point in time)	74,606	81,416
	951,948	1,155,604
Geographical regions		
Germany	629,400	842,704
China	191,142	266,813
Australia	56,800	12,906
United States	74,606	33,181
	951,948	1,155,604

Note 6. Other income

	2025 (\$)	2024 (\$)
Government grants - R&D tax incentive ¹	2,410,376	994,658
Cooperative Research Centres - Projects (CRCP) grant ²	361,907	835,761
Interest income	334,597	547,645
Other income	3,106,879	2,378,064

¹The refundable R&D tax offset is accounted for under AASB 120 Accounting for Government Grants and Disclosure of Government Assistance.

The R&D Tax Incentive program provides tax offsets for expenditure on eligible R&D activities. Optiscan, having expected aggregated annual turnover of under \$20 million, is entitled to a refundable R&D credit of 43.5% on the eligible R&D expenditure incurred on eligible R&D activities.

The Company was successful in its application for an Advance and Overseas Finding that will enable the Company to claim R&D tax incentive on R&D cost incurred overseas. As a result, the R&D tax incentive accrual for the year (FY25) has increased significantly to \$1,694,550. There was also an adjustment to last year's (FY24) claim for an additional \$715,826 relating to overseas R&D cost now claimable.

²The Company received grant income through the successful CRC-P grant application that will result in \$3m contribution from the Federal Government over the next 3 years. This grant will accelerate product development to develop its Edge-AI-enabled gastrointestinal flexible endomicroscope, and integrate AI into various areas of the Company's product offerings.

Note 7. Expenses

Loss before income tax includes the following specific expenses:

	2025 (\$)	2024 (\$)
Depreciation		
Plant and equipment	107,827	104,206
Buildings right-of-use assets	169,642	160,997
Intangibles amortisation	152,090	302,090
Total depreciation	429,559	567,293
Superannuation expense	322,443	322,102
Share-based payments expense	157,115	229,401
Employee benefits expense excluding superannuation	3,735,378	3,656,524

Note 8. Income tax expense

	2025 (\$)	2024 (\$)
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(6,291,618)	(6,060,496)
Tax at the statutory tax rate of 25%	(1,572,904)	(1,515,124)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	39,279	57,350
Non assessable gains	(423,637)	(264,977)
R&D Tax Incentive deductions foregone for tax offset	973,879	609,143
Expenditure not allowable for income tax purposes	1,894	1,194
Deferred tax assets/(liabilities) estimate not recognised	981,489	1,112,414
Income tax expense	-	-
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	60,864,620	56,938,663
Potential tax benefit @ 25%	15,216,155	14,234,666

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 9. Current assets - trade and other receivables

	2025 (\$)	2024 (\$)
Trade receivables	316,550	397,554
R&D Tax incentive grant receivable	1,694,550	1,059,908
GST refund receivable	87,958	25,972
Other receivables	30,454	84,358
	1,812,962	1,170,238
Trade and other receivables	2,129,512	1,567,792

No expected credit loss provision (ECL) has been recorded upon review of all trade and other receivables, as the risk and materiality to the financial statements are low. Management are of the opinion that these receivables are reflective of fair value and should not be impaired.

The ageing of the past due but not impaired trade receivables are as follows:

	2025 (\$)	2024 (\$)
Not overdue	308,226	331,043
0 to 3 months overdue	8,324	66,511
Over 3 months overdue	-	-
	316,550	397,554

Note 10. Current assets - inventories

	2025 (\$)	2024 (\$)
As stated at the lower of cost or net realisable value:		
Raw materials and work in progress	1,223,741	1,607,594
Finished goods	450,593	392,494
	1,674,334	2,000,088

Cost of sales reflects the value of inventory sold in the period. No inventory items were impaired at 30 June 2025 (2024: Nil).

Note 11. Non-current assets - property, plant and equipment

	2025 (\$)	2024 (\$)
Plant and equipment - at cost	806,617	766,559
Less: Accumulated depreciation	(641,325)	(605,913)
	165,292	160,646
Production equipment - at cost	74,540	71,086
Less: Accumulated depreciation	(25,112)	(12,750)
	49,428	58,336
R&D equipment - at cost	62,561	61,149
Less: Accumulated depreciation	(30,642)	(20,404)
	31,919	40,745
	246,639	259,727

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment	Production equipment	R&D equipment	Total
	(\$)	(\$)	(\$)	(\$)
Balance at 1 July 2023	170,695	44,903	42,672	258,270
Additions	73,992	24,047	7,624	105,663
Depreciation expense	(84,041)	(10,614)	(9,551)	(104,206)
Balance at 30 June 2024	160,646	58,336	40,745	259,727
Additions	40,057	3,454	1,412	44,923
Depreciation expense	(35,411)	(12,362)	(10,238)	(58,011)
Balance at 30 June 2025	165,292	49,428	31,919	246,639

Note 12. Non-current assets - intangibles

	2025 (\$)	2024 (\$)
Cost		
Balance at 1 July	651,505	651,505
Acquired separately	(8,841)	-
Balance at 30 June	642,664	651,505
Accumulated amortisation		
Balance at 1 July	(494,713)	(192,623)
Amortisation expense	(152,090)	(302,090)
Disposal	8,841	-
Impairment losses	-	-
Balance at 30 June	(637,962)	(494,713)
Net carrying amount		
At 1 July	156,792	458,882
At 30 June	4,702	156,792

Intangibles are mainly made up of Intellectual Property (IP) in the form clinical and histopathological datasets. Other software assets have been reclassified as intangibles in 2024.

The estimated useful lives for intangibles for the current period are:

Datasets 2 years

Other software 5 years

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Datasets (\$)	Other software (\$)	Total (\$)
Balance at 1 July 2023	450,000	8,882	458,882
Additions	-	-	-
Amortisation expense	(300,000)	(2,090)	(302,090)
Balance at 30 June 2024	150,000	6,792	156,792
Additions	-	-	-
Amortisation expense	(150,000)	(2,090)	(152,090)
Balance at 30 June 2025	-	4,702	4,702

Note 13. Non-current assets - right-of-use assets

	2025 (\$)	2024 (\$)
Land and buildings - right-of-use	1,440,363	147,582

The consolidated entity leases land and buildings for its offices and manufacturing under agreements of between 1 to 8 years. The amount disclosed is for the head office on 16 Miles Street, Mulgrave Victoria 3170. The office lease has been renewed in May 2025 for another 8 years.

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings (\$)
Balance at 1 July 2023	308,579
Revaluation increments	-
Depreciation expense	(160,997)
Balance at 30 June 2024	147,582
Additions	1,462,423
Depreciation expense	(169,642)
Balance at 30 June 2025	1,440,363

Note 14. Current liabilities - trade and other payables

	2025 (\$)	2024 (\$)
Trade payables	373,561	539,875
Accrued expenses	329,339	408,660
Other creditors	107,529	91,874
	810,429	1,040,409

Refer to note 21 for further information on financial instruments.

Note 15. Lease liabilities

	2025 (\$)	2024 (\$)
Current liability		
Lease liabilities	134,492	180,601
Non-current liability		
Lease liabilities	1,314,952	-

The amount disclosed is for the head office on 16 Miles Street, Mulgrave Victoria 3170. The office lease has been renewed in May 2025 for another 8 years. Refer to note 21 for further information on financial instruments.

Note 16. Current liabilities - loans

	2025 (\$)	2024 (\$)
Loans	31,544	40,304

The loan was from a commercial financial provider for insurance premium funding. No security or covenants were required for the loan.

Note 17. Provisions

	2025 (\$)	2024 (\$)
Current liability		
Annual leave	305,136	253,174
Long service leave	227,244	240,076
	532,380	493,250
Non-current liability		
Long service leave	19,432	7,933

Note 18. Equity - issued capital

	2025 Shares	2024 Shares	2025 (\$)	2024 (\$)
Ordinary shares - fully paid	835,340,803	835,340,803	88,525,040	88,525,040

Movements in issued capital

Details	Date	Shares	(\$)
Balance	1-Jul-23	626,305,602	71,863,358
Shares issued for entitlement offer	13-Jul-23	109,808,760	8,784,701
Shares issued for entitlement offer	31-Jul-23	98,926,441	7,914,115
Shares issued on exercise of options	2-Nov-23	100,000	10,377
Shares issued on exercise of options	6-Dec-23	200,000	20,755
Capital raising costs			(68,266)
Balance	30-Jun-24	835,340,803	88,525,040
Balance	30 June 2025	835,340,803	88,525,040

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an

optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business/company or research and development (R&D) project was seen as value adding relative to the current company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

Note 19. Equity - reserves

	2025 (\$)	2024 (\$)
Foreign currency reserve	(5,475)	(4,834)
Share-based payments reserve	498,454	586,408
	492,979	581,574

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Foreign currency transaction reserve	Share based payments reserve	Total
	(\$)	(\$)	(\$)
Balance at 1 July 2023	(4,435)	2,127,587	2,123,152
Other comprehensive income for the year	(399)	-	(399)
Share based payments expense	-	229,401	229,401
Transfer from share based payments reserve on exercise of options	-	(7,132)	(7,132)
Lapse of share based payments	-	(1,763,448)	(1,763,448)
Balance at 30 June 2024	(4,834)	586,408	581,574
Other comprehensive income for the year	(641)	-	(641)
Share based payments expense	-	157,115	157,115
Transfer from share based payments reserve on exercise of options	-	-	-
Lapse of share based payments	-	(245,069)	(245,069)
Balance at 30 June 2025	(5,475)	498,454	492,979

Note 20. Equity - dividends

There were no dividends paid, recommended or declared during the current financial year (2024: nil).

Note 21. Financial instruments

Financial risk management objectives

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits, loans and, from time to time, convertible notes and derivatives.

In the context of the Group's overall risk profile, financial instruments do not represent the most significant exposure. Commercial risk associated with our business partnerships, technology risk around future development and market risk relating to adoption of the technology will have considerably more impact on our risk profile than the risks relating to financial instruments.

The Group monitors its exposure to key financial risks, principally currency and liquidity risk, with the objective of achieving the Group's financial targets whilst protecting future financial security.

The Group enters into derivative transactions from time to time, mainly forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations. These derivatives provide economic hedges, but do not qualify for hedge accounting and are based on limits set by the Board. It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Group's financial instruments are foreign currency risk, liquidity risk, interest rate risk and credit risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest and foreign exchange rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts and regular internal reporting. There is a lesser degree of risk management in relation to interest rate risk and credit risk, as these are considered to have less capacity to materially impact the Group's financial position at the present time.

The Board reviews and agrees policies for managing each of these risks as summarised below. Primary responsibility for identification and control of financial risks rests with the Board. It reviews and agrees policies for managing each of the risks, including the use of derivatives, hedging cover of foreign currency, credit allowances, and future cash flow forecast projections.

Market risk

Foreign currency risk

As nearly all of the Group's sales revenue and accounts receivable, as well as some expenses and inventory purchases, are denominated in United States Dollars and Euro, the Group's statement of financial position can be affected by significant movements in these exchange rates. At 30 June 2025, there were no economic hedges in place in respect of net foreign currency exposures, as there were no bank facilities in place.

At 30 June 2025, had the Australian Dollar moved by the same amount illustrated in the table below, with all other variables held constant, post-tax loss and equity would have been affected as follows:

	AUD strengthened			AUD weakened		
	% change	Effect on profit before tax (\$)	Effect on equity (\$)	% change	Effect on profit before tax (\$)	Effect on equity (\$)
2025						
Trade receivables	10%	31,655	31,655	10%	(31,655)	(31,655)
2024						
Trade receivables	10%	39,755	39,755	10%	(39,755)	(39,755)

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents. The impact of movements in interest rates is not material in the context of the Group's operations or trading results.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note. The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer, and are regularly monitored. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from the possibility of default of the counter party. This is considered unlikely as the Group places cash and cash equivalents only with recognised Australian trading banks.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

The Group's objective is to maintain adequate funding of its activities. Capital management is a process of monitoring cash reserves and forecast cash requirements, and there are no externally imposed capital requirements.

The contractual maturities of the Group's and parent entity's financial assets and liabilities set out in the table are equivalent to the maturity analysis of financial assets and liability based on management's expectation. The amounts disclosed in the financial statements reflect the expected maturity of assets and liabilities.

Trade payables and other financial liabilities mainly originate from investments in working capital, principally inventories. These liabilities and relevant assets are considered in the Group's overall liquidity risk, which is monitored through review of forecasts of liquidity reserves on the basis of expected cash flow.

The Group's activities are funded from its cash reserves.

Fair value of financial assets and liabilities

The methods for estimating fair value are outlined in the relevant notes to the financial statements, and unless specifically stated, carrying value approximates fair value for all financial instruments.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation transaction. Management has assessed that the fair value of cash and short-term deposits, trade receivables, and trade payables approximate their carrying amount due to the short term nature of the instruments.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2025	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	(\$)	(\$)	(\$)	(\$)	(\$)
Non-derivatives					
Trade payables*	373,561	-	-	-	373,561
Accruals*	329,339	-	-	-	329,339
Loans	31,544	-	-	-	31,544
Lease liabilities	134,492	147,485	529,357	638,110	1,449,444
Other payables	107,529	-	-	-	107,529
Total non-derivatives	976,465	147,485	529,357	638,110	2,291,417

* These balance are non-interest bearing.

2024	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	(\$)	(\$)	(\$)	(\$)	(\$)
Non-derivatives					
Trade payables*	539,875	-	-	-	539,875
Accruals*	408,660	-	-	-	408,660
Loans	40,304	-	-	-	40,304
Lease liabilities	180,601	-	-	-	180,601
Other payables	91,874	-	-	-	91,874
Total non-derivatives	1,261,314	-	-	-	1,261,314

* These balance are non-interest bearing.

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 22. Key management personnel disclosures

Directors

The following persons were directors of Optiscan Imaging Limited during the financial year:

Mr Robert Cooke	Non-executive Chairman
Dr Camile Farah	CEO & Managing Director
Mr Ron Song	Non-executive Director
Ms Karen Borg	Non-executive Director
Mr Sean Gardiner	Non-executive Director

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	2025 (\$)	2024 (\$)
Short-term employee benefits	885,879	774,419
Post-employment benefits	62,826	67,581
Share-based payments	142,623	179,309
	1,091,328	1,021,309

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	2025 (\$)	2024 (\$)
Audit services - William Buck		
Audit or review of the financial statements	61,150	59,000
Other services - William Buck		
Tax services	16,250	9,005
	77,400	68,005

Note 24. Contingent liabilities

The group has contingent liabilities in relation to bank guarantees on issue at balance date amounting to \$57,570 (2024: \$58,200).

Note 25. Related party transactions

Parent entity

Optiscan Imaging Limited is the parent entity

Subsidiaries

Interests in subsidiaries are set out in note 27.

Key management personnel

Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with Directors

There were no transactions with related parties of Directors during the financial year.

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related entities at the current and previous reporting period.

Loans to/from related parties

There were no loans provided during the current and previous financial years.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at commercial rates.

Note 26. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2025 (\$)	2024 (\$)
Profit/(Loss) after income tax	(84,298)	11,244
Total comprehensive income/(loss)	(84,298)	11,244

Statement of financial position

	2025 (\$)	2024 (\$)
Total current assets	2,776,397	11,008,263
Total assets	2,776,397	11,158,263
Total current liabilities	-	-
Total liabilities	-	-

	2025 (\$)	2024 (\$)
Equity		
Issued capital	88,614,693	88,614,693
Share-based payments reserve	498,454	586,408
Accumulated losses	(86,336,750)	(78,042,839)
Total equity	2,776,397	11,158,263

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025	2024
Optiscan Pty Ltd	Australia	100%	100%
Optiscan Imaging, Inc.	United States	100%	100%

Note 28. Events after the reporting period

As per the ASX announcement on 27 August 2025, the Company launched a fully underwritten pro-rata renounceable entitlement offer to raise up to \$17,750,992 to fund the next stage of its strategic transformation to a medical device manufacturer and digital healthcare solution provider. The entitlement offer is fully underwritten by existing substantial shareholder, Peters Investments Pty Ltd.

The entitlement offer is made on the basis of one (1) new share for every four (4) shares held, at an issue price of \$0.085. This will result in the issue of up to 208,835,201 shares in the Company, raising up to \$17,750,992. The whole process is scheduled to be completed by the end of September 2025.

Note 29. Reconciliation of loss after income tax to net cash used in operating activities

	2025 (\$)	2024 (\$)
Loss after income tax expense for the year	(6,311,952)	(6,060,496)
Adjustments for:		
Share-based payments	157,115	229,401
Finance costs	25,832	23,707
Depreciation	429,559	567,293
Other non-cash expense	39,938	33,010
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	(561,720)	(591,866)
(Increase)/decrease in inventories	325,754	(562,618)
(Increase)/decrease in prepayments	(249,295)	106,360
Increase/(decrease) in trade and other payables	(117,893)	448,463
Increase in other provisions	50,629	62,296
Net cash used in operating activities	(6,212,032)	(5,744,450)

Note 30. Earnings per share

	2025 (\$)	2024 (\$)
Loss after income tax attributable to the owners of Optiscan Imaging Limited	(6,311,952)	(6,060,496)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	835,340,803	822,940,438
Weighted average number of ordinary shares used in calculating diluted earnings per share	835,340,803	822,940,438
	Cents	Cents
Basic earnings per share	(0.76)	(0.74)
Diluted earnings per share	(0.76)	(0.74)

As at 30 June 2025, the Group has 9,200,000 unlisted options on issue (30 June 2024: 13,100,000). These options are considered to be non-dilutive whilst the Group is in a loss position.

Note 31. Share-based payments

Employee Share-Based Payment Plans

The Company provides benefits to nominated employees and non-executive directors in the form of share-based payment transactions, whereby employees and non-executive directors render services in exchange for shares or rights over shares.

For the financial year 2025, no new share-based payment scheme in exchange for services was issued. In the 2024 financial year, the Company issued 1,100,000 unlisted options to several employees, exercisable at \$0.081 and \$0.084 per option on or before 7 June 2027. The options were calculated based on the Black-Scholes model for share-based payments.

Set out below are summaries of options granted under the plan:

2025							
Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20-Jan-22	9-Mar-25	\$0.1925	3,000,000	-	-	(3,000,000)	-
20-Jan-22	9-Mar-27	\$0.1925	9,000,000	-	-	-	9,000,000
8-Oct-23	7-Jun-27	\$0.081	400,000	-	-	(200,000)	200,000
6-Nov-23	7-Jun-27	\$0.084	500,000	-	-	(500,000)	-
2-Apr-24	7-Jun-27	\$0.084	200,000	-	-	(200,000)	-
			13,100,000			(3,900,000)	9,200,000
2024							
Grant date	Expiry date	Exercise Price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20-Dec-18	30-Nov-23	\$0.08	800,000	-	(300,000)	(500,000)	-
29-Jul-21	29-Jul-23	\$0.209	1,000,000	-	-	(1,000,000)	-
20-Jan-22	9-Mar-25	\$0.1925	3,000,000	-	-	-	3,000,000
20-Jan-22	9-Mar-27	\$0.1925	9,000,000	-	-	-	9,000,000
8-Oct-23	7-Jun-27	\$0.081	-	400,000	-	-	400,000
6-Nov-23	7-Jun-27	\$0.084	-	500,000	-	-	500,000
2-Apr-24	7-Jun-27	\$0.084	-	200,000	-	-	200,000
			13,800,000	1,100,000	(300,000)	(1,500,000)	13,100,000

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2025 Number	2024 Number
20-Jan-22	9-Mar-25	-	3,000,000
8-Oct-23	7-Jun-27	66,666	-
		66,666	3,000,000

For the options granted during the current financial year, the Black-Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
8-Oct-23	7-Jun-27	\$0.073	\$0.081	100.00%	-	4.30%	\$0.045
6-Nov-23	7-Jun-27	\$0.077	\$0.084	100.00%	-	4.30%	\$0.047
2-Apr-24	7-Jun-27	\$0.079	\$0.084	100.00%	-	4.30%	\$0.049

All of the options granted in the current year are for employees, with each employee having their total options split into 3 equal tranches vesting on the anniversary dates (annually from Grant date) of continuous employment for 1 to 3 years.

Consolidated entity disclosure statement

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Optiscan Imaging Limited	Body corporate	Australia	N/A	Australia
Optiscan Pty Ltd	Body corporate	Australia	100%	Australia
Optiscan Imaging, Inc.	Body corporate	USA	100%	USA

Basis of preparation

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the Corporations Act 2001).

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the group.

Directors' declaration


In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Robert Cooke
Non-executive Chairman
29 August 2025

Independent auditor's report to the members of Optiscan Imaging Limited

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of Optiscan Imaging Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2025,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

R&D Tax Incentives	Area of focus (refer also to notes 2, 3 and 9)	How our audit addressed the key audit matter
	<p>Under the research and development (R&D) tax incentive scheme, the refundable R&D tax offset is the Group's corporate tax rate plus an 18.5% premium. A registration of R&D Activities Application is filed with AusIndustry in the following financial year and, based on this filing, the Group receives the incentive in cash.</p> <p>Management performed a detailed review of the Company's total R&D expenditure to determine the potential claim under the R&D tax incentive legislation.</p> <p>The process of calculating the R&D tax rebate and receivable balance requires judgement and specialised knowledge in identifying eligible expenditure, which gives rise to anticipated R&D tax incentives. Balances in relation to R&D tax incentives are therefore considered to be a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> — Obtaining the 30 June 2025 R&D rebate calculations prepared by management and performing the following procedures: — Assessing the qualifications of managements independent expert engaged to review managements calculations; — Developing an understanding of the model, identifying and assessing the key assumptions in the calculation; — Testing included expenditure for reasonableness against the eligibility criteria; — Testing the mathematical accuracy of the balance; and — Comparing the estimates made in previous years to the amount of cash received after lodgement of the R&D tax claim. <p>We also evaluated the disclosures in the financial statements for appropriateness and consistency with accounting standard</p>

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report



Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of Optiscan Imaging Limited, for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

What was audited?

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2025.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

Alan Finniss

A. A. Finniss
Director
Melbourne, 29 August 2025

Shareholder information

Additional information required by Australian Securities Exchange (ASX) and not shown elsewhere in the Annual Report, current as at 1 August 2025, is advised hereunder.

Stock Exchange Quotation

The Company's shares are quoted on the ASX under the code "OIL".

Classes of Securities

The Company has the following equity securities on issue:

Security Description	Number of Securities	Number of Security Holders
Listed Fully Paid Ordinary Shares (OIL)	835,340,803	3,644
Unlisted Options exercisable at \$0.1925 and expiring 9 March 2027	9,000,000	1
Unlisted Options exercisable at \$0.081 and expiring 7 June 2027	200,000	1

Voting Rights

The voting rights attaching to ordinary shares are set out in Clause 13.13 of the Company's Constitution and are summarised as follows:

- each shareholder entitled to vote may vote in person or by proxy, attorney or representative or, if a determination has been made by the Board in accordance with clause 13.35, by Direct Vote;
- on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote (even though he or she may represent more than one shareholder); and
- on a poll, every person present who is a Shareholder or a proxy, attorney or Representative of a Shareholder (or where a Direct Vote has been lodged) 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 the Share, but in respect of partly paid Shares, shall have such number of votes being equivalent to the proportion which the amount paid (not credited) is of the total amounts paid and payable in respect of those Shares (excluding amounts credited). Holders of options have no voting rights until such options are exercised

Restricted Securities

There are no current restricted securities.

Unmarketable Holders

There are 1,619 shareholders holding less than a marketable parcel of shares based on the closing price of \$0.105 on 1 August 2025 representing a total of 2,708,461 shares.

On-market Buy-back

There is no current on-market buy-back.

Corporate Governance Statement

Refer to the Company's Corporate Governance statement at: <https://www.optiscan.com/about-us/compliance>

Distribution of Security Holders

Distribution of shares and the number of holders by size of holding are:

Range	Number of holders	Units	% Units
1 to 1,000	721	383,455	0.05
1,001 to 5,000	1,031	2,990,006	0.36
5,001 to 10,000	462	3,736,835	0.45
10,001 to 100,000	973	34,380,807	4.12
100,001 and over	457	793,849,700	95.03
Total	3,644	835,340,803	100.00

Equity Security Holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

Rank	Name	Number of holders	% IC
1	PETERS INVESTMENTS PTY LTD	235,840,699	28.23
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	156,477,921	18.73
3	IBSEN PTY LTD (NARULA FAMILY SET NO3 A/C)	38,500,000	4.61
4	CITICORP NOMINEES PTY LIMITED	38,456,930	4.60
5	HARECH PTY LTD (PORTER SUPER FUND A/C)	16,659,185	1.99
6	BNP PARIBAS NOMS PTY LTD	15,374,184	1.84
7	MR CHRIS GRAHAM + MRS DIANE GRAHAM (C & D GRAHAM S/F A/C)	12,700,000	1.52
8	DIXSON TRUST PTY LIMITED	8,474,270	1.01
9	CAMILE FARAH + MARIE MATIAS (FARAH & MATIAS FAMILY A/C)	8,000,000	0.96
10	BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS	7,377,386	0.88
11	KEBIN NOMINEES PTY LTD	6,784,479	0.81
12	MR KAH CHIN LEE	5,088,888	0.61
13	IBSEN PTY LTD (IBSEN SUPERFUND A/C)	5,000,000	0.60
14	MR CHRISTOPHER JOHN MARTIN	4,209,448	0.50
15	MR WALLY KNEZEVIC	4,134,260	0.49
16	MR ALFRED JOSEPH WINKELMEIER + MRS CHRISTINE EDITH WINKELMEIER <THE WINKELMEIER S/F A/C>	3,710,000	0.44
17	SEMBLANCE PTY LTD (GRAEME MUTTON RETIRE S/FUND)	3,540,000	0.42
18	SASH PTY LTD (KNEZEVIC SUPER FUND A/C)	3,515,741	0.42
19	MR JUBRAN WILLIAM TOAK + MR MELHEM WILLIAM TOAK	3,422,996	0.41
20	SASH PTY LTD (KNEZEVIC SUPER FUND A/C)	3,422,223	0.41
Total		580,688,610	69.48
Balance of Register		254,652,193	30.52

Substantial holders

Substantial holders in the company are set out below:

	Number of Shares	Voting Power (%)
Peters Investments Pty Ltd	232,218,150	27.799
Orchid Capital Investments Pte Ltd	155,109,996	18.57
Ibsen Pty Ltd	43,500,000	5.21

References

Clinical – Global healthcare spending - <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/Finance/gx-rise-global-health-care.pdf>

Oral Cancer - \$1.93 and CAGR of 6.5% - <https://www.marketresearchfuture.com/reports/oral-cancer-treatment-market-1820>

Breast Cancer - \$28.8 billion and CAGR 9.9% - <https://www.precedenceresearch.com/breast-cancer-market>

GI Market - \$185.4 billion and CAGR of 2.75% - <https://www.statista.com/outlook/hmo/hospitals/inpatient-care/gastroenterology/worldwide>

Clinical Pathology - \$35.1 and CAGR 7% - <https://www.marketsandmarkets.com/Market-Reports/anatomic-pathology-market-137323145.html>

Veterinary Medicine - <https://www.grandviewresearch.com/industry-analysis/veterinary-medicine-market>

Veterinary Pathology - \$9.29 billion and CAGR of 10% - <https://www.grandviewresearch.com/industry-analysis/veterinary-diagnostics-market>

Veterinary Surgery - \$45.4 and CAGR 7% - <https://www.marketsandmarkets.com/Market-Reports/veterinary-surgical-procedures-market-192772026.html>

Veterinary Oncology - \$1.18 billion and CAGR 11.29% - <https://www.grandviewresearch.com/industry-analysis/veterinary-oncology-market>

Life Sciences - <https://www.grandviewresearch.com/industry-analysis/life-science-tools-market>

Global AI in Healthcare - <https://www.marketsandmarkets.com/Market-Reports/artificial-intelligence-healthcare-market-54679303.html>

Robotic Surgery – \$3.92 billion - <https://www.grandviewresearch.com/industry-analysis/surgical-robot-market>

Telepathology - <https://www.futuremarketinsights.com/reports/digital-telepathology-market>

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Optiscan Imaging Ltd (ASX: OIL) is a global leader in the development, manufacture and commercialisation of endomicroscopic digital imaging technology solutions for medical, translational and pre-clinical applications.

Our unique technology offers real-time, 3D, in vivo imaging at the single-cell level, in a non-destructive manner that enables clinicians to make immediate informed decisions.

We are driven by delivering digital healthcare solutions giving healthcare providers and researchers high quality, live, microscopic images and associated tools.

Our technology helps facilitate earlier detection and management of disease thus improving patient outcomes and reducing the cost of curative medicine and associated procedures within healthcare systems.

We are united in the common pursuit of revolutionising healthcare with live digital microscopic solutions that enable immediate informed decisions, provide economic efficiencies within health systems and improve patient outcomes.

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