



ASX Announcement
25 October 2022

OPTISCAN IMAGING ACQUIRES INTELLECTUAL PROPERTY

Optiscan Imaging Limited (ASX: OIL) is pleased to announce that it has entered into a binding terms sheet (**Terms Sheet**) with Managing Director, Prof Camile Farah, to acquire intellectual property in the form of clinical and histopathological datasets ('**Datasets**') (**Proposed Acquisition**), which will be subject to shareholder approval pursuant to ASX Listing Rule 10.1 at the Company's upcoming annual general meeting which is scheduled to be held on Thursday 24 November 2022 (**AGM**).

The Datasets consist of two hundred and twenty eight (228) matched patient libraries of oral cancer, precancer subtypes and normal tissues including confocal image files, corresponding non-confocal optical images (white light and autofluorescence), histopathological images with consensus diagnoses, and matching annotated clinical data, with long term follow-up details.

Further details on the Datasets are included in the Independent Expert's Report which accompanies the notice of meeting to be released by the Company in respect of the AGM (**AGM Notice**).

The Proposed Acquisition of the Datasets is expected to benefit the Company through:

- Improvements to the Company's current and future US FDA 510(k) submissions for use of fluorescein (*in vivo* use) and acriflavine (*ex vivo* use) as topical contrast agents for determination of cellular microstructure, and diagnostic and surgical utilisation.
- Increased utility of the Company's InVivage® oral imaging system as a diagnostic and surgical tool for head and neck cancers, the precision of which arises because confirmed clinical and histopathological diagnoses are matched to images from the Company's confocal platform.
- Immediate use of data for image analysis and the creation of artificial intelligence (AI) algorithms for development of computer assisted diagnostics. The inclusion of AI algorithms in regulatory applications will strengthen the Company's submissions, avoid future delays, and open new revenue streams once cleared.
- Facilitation and acceleration of new device developments with enhanced configurations that ensure the Company stakes a leadership role in AI software development for confocal microscopy, and increases its revenue streams.
- Immediate utility and avoidance of delays and related expenses associated with access to third party data, or payment of licences or royalties for similar datasets allowing the Company to be in control of its AI algorithms, software development and improved intellectual property.
- Utilisation for sales and marketing materials through inclusion in scientific publications, marketing literature, grant applications and in support of scientific and commercial collaborations, and as an evidence base for clinical applications sought by customers and technology partners.

Consideration for the Proposed Acquisition is 6 million fully paid ordinary shares in the Company, which will be issued to Prof Farah and placed into a voluntary escrow for a period of 12 months from issue (**Consideration Shares**). The issue of the Consideration Shares is subject to shareholder approval under ASX Listing Rule 10.11 at the AGM.

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It is expected that Completion will occur on or around 1 December 2022.

There will be no changes to the Board or senior management as a consequence of the Proposed Acquisition.

A summary of the material terms of the Terms Sheet are set out in Schedule 1.

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

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For investor queries, please contact:

Prof Camile Farah

CEO & Managing Director – Optiscan Imaging Ltd

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About Optiscan

Optiscan Imaging Ltd (ASX:OIL) is a global leader in the development, manufacturing, and commercialisation of confocal endomicroscopic imaging technologies for medical, translational and pre-clinical applications. Our technology enables real-time, non-destructive, 3D, *in-vivo* imaging at the sub-cellular level.

We are driven by developing technology and its use to give healthcare providers and researchers the highest quality real-time microscopic imaging tools to enable the early detection and management of disease, improve patient outcomes, and reduce the high cost of curative medicine and associated procedures.

Our patent-protected proprietary technology, using specially miniaturised componentry, has created a pen-sized digital microscope, which can be used on any tissue it contacts to produce high resolution digital pathology images for cancer diagnosis and surgical margin detection in real-time. The aim of our technology development is for earlier diagnosis and subsequent treatment of cancerous tumours with expected associated improved patient outcomes.

Disclaimer

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

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Terms Sheet

The material terms of the Terms Sheet are as follows:

- (a) **(Conditions)** The conditions precedent which must be satisfied prior to the Company completing the Acquisition **(Completion)** are:
 - (i) the Company obtaining the requisite shareholder approvals; and
 - (ii) the Company and Professor Farah obtaining all necessary governmental, regulatory and third party approvals, consents and waivers as required,prior to 31 December 2022 unless otherwise mutually agreed between the parties,
- (b) **(Consideration)** The consideration payable by the Company on completion is 6,000,000 Consideration Shares (which will be subject to either ASX imposed escrow, or a voluntary escrow period of 12 months);
- (c) **(Warranties)** The Terms Sheet contains standard warranties and representations on behalf of the parties typical for an agreement of this nature; and
- (d) **(Other):** The Terms Sheet otherwise contains terms and conditions typical for an agreement of this nature.

Further details on the Intellectual Property Portfolio are set out below and in the Independent Expert's Report.