

# CEO's Address Archie Fraser

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becomes reality

**Putting in vivo cellular imaging  
at your fingertips.**

ZEISS CONVIVO

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# The year in review

- Significant progress with cornerstone collaboration with Carl Zeiss Meditec for CONVIVO digital biopsy product.
- Evaluated and advanced discussions with potential distribution partners in North America, China and Europe for ViewnVivo product.
- Appointment of ViewnVivo distributors in North America and China.
- Successful first sale of ViewnVivo in China (Fudan University).
- Stanford University evaluation of ViewnVivo pre FY2017 year end.
- Capital raisings mean Optiscan is well funded to complete the commercialisation and collaboration of CONVIVO into the neurosurgery market.
- Sales revenue for FY2017 increases more than three fold to A\$1.3 million.

# Operational update

## Carl Zeiss Meditec (CZM) collaboration

- Solid momentum with cornerstone alliance:
  - Delivery of Production Equivalent Systems (PES) in December 2016 and February 2017.
  - Additional orders for systems delivered in 2HFY2017.
  - Optiscan now finalising the manufacture of additional Production Systems to be delivered over the coming weeks and months.
  - Soft launch of CONVIVO in EU at EANS Venice and US at CNS Boston in October.
  - Regulatory approvals that CZM are advancing expected to be completed during 1HFY2018.
    - These will then allow the collaboration product CONVIVO to be taken to market and rolled out globally by CZM.

# Operational update

Increasing acceptance of CONVIVO in neurosurgery community

*"...Neuropathologists would be on board with this product as it would help eliminate the one part of the job that is of least interest – generating frozen sections, and would allow them to focus on what they do best – interpret pathology images."*

After he was given a demo of the CONVIVO system, a surgeon commented that it was great to see the application of confocal microscopy being commercialized for the betterment of the patient diagnosis and treatment. He was impressed with how well CZM was able to take this science into a technology space.



Inside the CONVIVO Experience Center at CNS 2017.  
The CONVIVO system (on the right) works seamlessly with KINEVO 900.



Convivo demonstration at EANS Venice

# Operational update

## ViewnVivo

- Launch of the product in late 2016 with a stand-alone website: [www.viewnvivo.com](http://www.viewnvivo.com)
- Marketing activity progressing well in overseas markets:
  - Meetings with 1<sup>st</sup>-generation preclinical customers in Australia, USA, Singapore and China with a view to upgrading to ViewnVivo.
  - Execution of distribution agreement with Scintica Instrumentation Inc. for the North American market.
  - Execution of distribution agreement with China Gate Company for the China market.
  - Initial discussions with potential distribution partner in Europe.
  - Successful first sale of ViewnVivo in China (Fudan University).
  - Evaluation at Stanford University post FY2017 year end.
  - Progress with Australian research organisations continue.



# Competitive advantage

## Optiscan Point Scanning Technology

- Compared to competitive technologies, Optiscan's technology offer the following advantages:
  - Higher resolution.
  - 30-fold more image information content.
  - Others have gaps between the bundled fibres in the raw image – which is masked by software smoothing.
  - Variable imaging depth enabling 3D image stacks and visualisation.
  - Smaller sized probe for an equivalent information content
    - Optiscan Probe 4mm
      - equivalent bundled fibre probe would be >15mm in diameter, and would not replace “missing” data between pixels.
  - Use of a single probe for all imaging.



# Operational update

## Capital raisings

- During FY2017, Company raised \$4.1 million through two Placements and a rights issue
- In October, an additional \$3.5 million was raised through a Placement and a Share Purchase Plan
- Funds raised will be used to:
  - Meet both the firm and anticipated orders from the Company's global partner, Carl Zeiss Meditech;
  - Complete commercialisation of CONVIVO into the neurosurgery market;
  - Meet the anticipated product demand for the Company's recently launched ViewnVivo systems into the US, Asia and Europe;
  - Continue market global expansion of ViewnVivo
  - Fund additional sales and marketing costs of the Company's current products; and
  - Fund additional Research and Development activities and working capital requirements.

# Financial results

Highlights year on year:

- FY17 sales up by >A\$1m on FY16 (330% increase)
- Gross profit up 285%
- R&D Expenses up 74%
- Cash -27% (30 June)

Operating and Financial Overview			
	FY17	FY16	Change
Sales Revenues	\$1,333,263	\$309,697	330%
Gross profit	\$842,508	\$218,573	285%
R&D Expenses	(\$2,207,786)	(\$1,265,884)	74%
Net Loss	(\$2,952,148)	(\$1,337,012)	120%
Cash (30 June)	\$700,666	\$954,805	-27%



# Growth strategy

Three key pillars for success:

1. Commercialising CONVIVO through the CZM collaboration
2. Progressing sales of ViewnVivo – our second-generation preclinical research product
3. Exploring new market opportunities for related products and services

# Outlook

- Optiscan remains on track on its established commercialisation path.
- Driving the business into the production phase for commercial capitalisation of CZM collaboration.
- Progressing global sales and distribution channels of *ViewnVivo* products
- Significant anticipated demand for Optiscan technology through Optiscan's global partner CZM and the recently launched *ViewnVivo* systems.
- FDA approval for CONVIVO expected in 1HFY2018.
- Company expects a significantly improved performance for the 2017/18 period and beyond.

# Summary

- Optiscan remains on track with its commercialisation path.
- Solid progress on the production phase with CZM collaboration.
- View*n*Vivo commercialisation progressing well with increasing acceptance of the system by the global Preclinical Research community.
- Prime focus remains on CONVIVO and View*n*Vivo but Optiscan is also exploring other market opportunities.
- Significantly better financial performance expected in FY2018.