



**ASX Announcement**  
**29 April 2022**

## **APPENDIX 4C**

### **QUARTERLY ACTIVITIES & CASHFLOW REPORT**

### **QUARTER ENDED 31 MARCH 2022**

**Melbourne, Australia, 29 April 2022:** Optiscan Imaging Limited (ASX: OIL) (**Optiscan** or the Company), a leader in medical technology using confocal laser endomicroscopy, is pleased to release its Appendix 4C – Quarterly Cashflow report and business update for the quarter ended 31 March 2021 (**Quarter**). All financial results are in Australian dollars and are unaudited.

#### **Highlights for the Quarter**

- **Commenced a key management hire campaign in the quarter, resulting in several new hires including a Marketing Manager, Commercial Manager and Finance Manager, with others in progress**
- **Buttressed manufacturing capability with two new Precision Technician hires over the quarter**
- **Progress in University of Melbourne’s Dental School (MDS) clinical study to improve screening, diagnosis and treatment of oral cancer with data analysis well advanced**
- **Progress continues in preparing for the application for FDA approval for the InVivage™ device for use in oral cancer screening and surgery in the United States. Laser safety testing has been completed**
- **Updated ethics application submitted with Royal Melbourne Hospital for next stage Breast Cancer Surgical Margin Assessment Study**
- **Total Cash Flows of (\$1.3m) for the Quarter with Cash Flows from Operating Activities of (\$1.2m) for the Quarter ending 31 March 2022.**

#### **New Hire Campaign**

The appointment of new key management staff including in marketing, sales, finance, and operations reflect the exciting new stage of growth that the company is embarking on. Once FDA approval is received, these key appointments along with the existing management team, will underpin the company’s global preparedness to commercialise and market Optiscan’s unique technology.

#### **Oral Cancer Surgery and Screening Application – InVivage™**

##### **Oral Cancer Trial at Melbourne Dental School**

The Melbourne Dental School (MDS) trial to improve screening, diagnosis, and treatment of oral cancer continued in the March 2022 quarter with all planned imaging for this part of the trial to be completed by end of March 2022. Images from this study have been supplied for inclusion in Optiscan’s FDA submission. Image analysis and correlation to pathology will continue into the second quarter, with the final report from this study due by the end of September 2022.

##### **Australian Centre for Oral Oncology Research & Education**

Significant progress has been made in oral lesion imaging by Professor Farah and his team in Perth, with new cases imaged with multiple dyes and correlated with histopathology. Advanced correlation study analysis has been undertaken for potential development of alternative molecular markers to enhance imaging and improve diagnostic accuracy.

**Phone** (61 3) 9538 3333

**Website** [www.Optiscan.com](http://www.Optiscan.com)

16 Miles Street, Mulgrave, VIC, 3170 Australia

### **Adelaide Dental School**

Several cases of ex vivo oral cancer have been imaged while refinements of technical protocols with the Adelaide team are ongoing. This study will prove feasibility of using ex vivo imaging as an alternative workflow pathway, potentially leading to other advanced studies.

### **Preparations for seeking United States Food and Drug Administration (FDA) approval for the InVivage™ device in the United States**

During the Quarter, Optiscan continued to progress preparing for its application for 510(k) clearance to market the InVivage™ clinical device for use in human oral cancer screening and surgery in the United States. One of the few last hurdles have been passed, with laser safety testing being completed during the Quarter.

Optiscan has been working closely with United States based independent contract testing laboratories for medical devices and pharmaceuticals to progress various cleaning and disinfection tests. The nature of these tests means they involve various stages and iterations towards validation to satisfy FDA requirements.

### **Breast Cancer Surgical Margin Assessment Study**

Updated ethics application was submitted with Royal Melbourne Hospital in the Quarter and is currently under review. This amendment is to increase the number of patients in the study, and to add imaging during the tumor cut-up stage in the pathology laboratory. This will allow a direct comparison between the images obtained from the external surface of the resected lump with the tumor and tumor margins from within the lump, and provide a direct comparison between the images obtained live and the pathology histopathology slides. This assessment will prove the feasibility of our ex vivo approach and allow preparation for a larger in vivo study.

### **Corporate Update and Outlook**

\$120k revenue was derived from Carl Zeiss orders shipped in the Quarter (2 processors and 1 service probe). Orders for 5 new processors were received in the Quarter from Carl Zeiss (of value EUR 188k), with an anticipated similar number for each subsequent quarter this year.

Cash receipts from customers during the quarter totalled \$63k, with the company receiving \$153k cash inflow from grant income in the quarter. Research and development cash costs during the quarter amounted to \$597k. The Company incurred \$214k in cash outlay on manufacturing and operating costs.

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

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

#### **For investor queries, please contact:**

Prof Camile Farah  
CEO and Managing Director  
E: [cfarah@optiscan.com](mailto:cfarah@optiscan.com)

#### **About Optiscan**

Optiscan is a global leader in the development of microscopic imaging and related technologies for surgery and medical research. Based in Victoria, Australia, Optiscan was established in 1994, and listed on the ASX in 1997 (ASX: OIL). Optiscan has developed and patented endomicroscopic technology which enables real-time, 3D, 'in vivo' imaging of human tissue at the cellular level for cancer screening, diagnoses and in surgery.

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## **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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## Appendix 4C

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

**Name of entity**

OPTISCAN IMAGING LIMITED

**ABN**

81 077 771 987

**Quarter ended ("current quarter")**

31 MARCH 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	63	754
1.2 Payments for		
(a) research and development	(597)	(1,699)
(b) product manufacturing and operating costs	(175)	(928)
(c) advertising and marketing	(31)	(107)
(d) leased assets	-	-
(e) staff costs	(575)	(1,347)
(f) administration and corporate costs	(74)	(311)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	16
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	(77)
1.7 Government grants and tax incentives	153	1,144
1.8 Other (provide details if material)	-	2
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,231)</b>	<b>(2,553)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(39)	(43)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(39)</b>	<b>(43)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	221
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (payments for lease liabilities)	(48)	(148)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(48)</b>	<b>73</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	7,237	8,442
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,231)	(2,553)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(39)	(43)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(48)	73
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,919</b>	<b>5,919</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,919	7,237
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,919</b>	<b>7,237</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	484
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,231)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,919
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,919
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	4.81
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 April 2022

Date: .....

The Board of Directors

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

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.