

Market Update

Highlights:

- A minimum revenue of \$1.95m from the sale of systems that will be delivered to Zeiss by June 2018
- CE approval anticipated well within the first quarter 2018 enabling a strong sales push into Europe
- FDA submission early 2018 with approval anticipated well before the end of the first half of 2018

Optiscan Imaging Limited (ASX:OIL) is pleased to provide this month's market update following a recent visit by the Optiscan Chairman, Alan Hoffman, to the headquarters of Carl Zeiss Meditec ("CZM") in Oberkochen Germany. This update will therefore concentrate on the CZM project.

The key points of note are as follows:

CE Approval

- CZM anticipate CE approval will be following the approval of the sterility process of the sheath. This is anticipated to be well within the first quarter of 2018.
- Once CE mark is approved, the CZM Convivo systems can be sold in Europe.
- The CZM senior management are keen to strongly push European sales as soon as CE is approved.

FDA Approval

- Following the sheath sterility regulatory approval, the complete system (incl sheath and fluorescein) will be submitted to the FDA for approval.
- The CZM USA regulatory team is, in parallel, preparing the FDA submission to minimize any delay. The submission will be made early in 2018 with approval anticipated to be secured well within the first half of 2018.
- CZM senior management are keen to push USA sales as soon as FDA is approved.

Future Deliveries

The revenue for Optiscan from next shipments is anticipated to be as follows:

- | | |
|----------------|----------|
| • January 2018 | AUD700k* |
| • March 2018 | AUD625k* |
| • June 2018 | AUD625k* |

*Note: The CZM contract provides for payment in EUR. The above revenue figures are based on expected AUD/EUR exchange rates

These figures are based on anticipated orders along with orders already received. There is upside potential in the first half of 2018 depending on the timing of CE and FDA approvals and the subsequent sales push as referred to above.

Closing Remarks

"Optiscan is proud to be associated with Zeiss – a high quality organisation operating with a strong presence on the global stage. Their facilities, organisation and people reflect an organisation with a strong reputation for delivering a quality product on a global scale. Impressive as that is, even more impressive is their drive to achieve results. Optiscan is confident of strong results in 2018 due to its collaboration with a strong business partner in Zeiss," said Optiscan Chairman Alan Hoffman.

Mr Hoffman added "The board and management would like to take this opportunity to wish our shareholders a very Merry Christmas and a safe and Happy New Year"

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About Optiscan

Optiscan is an Australian company that has developed and patented miniaturised confocal microscopes and is now a global leader in the development and application of microscopic imaging technologies for Preclinical Research in science and life sciences as well as medical markets, such as neurosurgery. With the high cost of curative medicine, an opportunity exists for Optiscan's technology to be used globally to reduce costs and be used as a key tool for the early detection of disease, the effective treatment of disease and the improvement of treatment outcomes.