

**Osteopore Limited and Its Controlled Entities**  
**Appendix 4E**  
**For the year ended 31 December 2021**

**1. Company Details**

Name of entity: Osteopore Limited  
 ABN: 65 630 538 957  
 Reporting period: For the year ended 31 December 2021  
 Previous period: For the year ended 31 December 2020

**2. Results for Announcement to the Market**

Revenues from ordinary activities	down	26%	to	\$1,113,009
Loss from ordinary activities after tax attributable to the owners of Osteopore Limited	up	86%	to	\$3,620,898
Loss for the year attributable to the owners of Osteopore Limited	up	86%	to	\$3,620,898

**Dividends**

No dividend has been declared or paid for the year ended 31 December 2021 (31 December 2020: \$nil).

**Brief Explanation of Results**

The loss for the Group after providing for income tax amounted to \$3,620,898 (31 December 2020: \$1,945,886).

The net loss after tax from ordinary activities during the year ended 31 December 2021 is mainly attributable to:

- a decline in revenue due to the Group continuing to experience lower demand and market access from COVID-19 restrictions in its key markets in South Korea and Vietnam which was only partially offset by sales from the USA, Singapore, and Oman;
- due to impacts of COVID-19, elective surgery and procedures in many key markets were deferred, access to surgeons/distributors were impacted also resulting in reduced revenue.
- an increase in operational expenditure, including associated employee and marketing costs, to pursue the Company's global strategy to penetrate new markets.

The net loss after tax from ordinary activities during the year ended 31 December 2020 includes substantially higher grant and other income than that received in the current year.

**3. Net Tangible Assets**

	Reporting Period (Cents)	Previous Period (Cents)
Net tangible assets per ordinary security	4.49	7.67

Right-of-use assets recognized under AASB 16 Leases are classified as intangible assets for the purpose of determining the net tangible assets.

**4. Details of Associates and Joint Venture Entities**

There are no associates or joint venture entities.

**Osteopore Limited and Its Controlled Entities**  
**Appendix 4E**  
**For the year ended 31 December 2021**

**5. Details of Entities over which Control has been Gained or Lost during the Period**

Osteopore (Suzhou) Medical Technology Pte Ltd – incorporated 7 July 2021

	<b>\$</b>
Contribution of such entities to the Group's loss from ordinary activities before income tax during the reporting period	-
Contribution of such entities to the Group's loss from ordinary activities before income tax during the previous period	-

There are no other entities over which control has been gained or lost during the period.

**6. Audit Qualification or Review**

The financial statements are in the process of being audited.

**7. Attachments**

The Preliminary Financial Report of Osteopore Limited for the year ended 31 December 2021 is attached.

Signed



Mark Leong  
Executive Chairman  
Singapore  
28 February 2022

# Osteopore™

Empowering Natural Tissue Regeneration

**OSTEOPORE LIMITED  
AND ITS CONTROLLED ENTITIES**

**ACN 630 538 957**

**PRELIMINARY FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Osteopore Limited and its Controlled Entities**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended 31 December 2021**

	Note	Consolidated	
		31 Dec 2021	31 Dec 2020
		\$	\$
Revenue		1,113,009	1,504,578
Cost of sales		(301,366)	(549,252)
<b>Gross profit</b>		<b>811,643</b>	<b>955,326</b>
Other income		291,453	724,474
Selling and distribution expenses		(504,686)	(327,184)
Administrative expenses		(4,203,005)	(3,280,900)
<b>Operating loss</b>		<b>(3,604,595)</b>	<b>(1,928,284)</b>
Finance costs		(16,303)	(17,602)
<b>Loss before income tax</b>		<b>(3,620,898)</b>	<b>(1,945,886)</b>
Income tax benefit		-	-
<b>Loss after income tax</b>		<b>(3,620,898)</b>	<b>(1,945,886)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(86,039)	(64,625)
<b>Total comprehensive loss attributable to the owners</b>		<b>(3,706,937)</b>	<b>(2,010,511)</b>
Basic and diluted loss per share (cents)		(3.09)	(1.82)

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

**Osteopore Limited and its Controlled Entities  
Consolidated Statement of Financial Position  
As at 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		4,530,175	9,027,016
Trade receivables		400,737	305,189
Other assets		285,925	258,094
Inventories		201,625	151,382
<b>Total Current Assets</b>		<b>5,418,462</b>	<b>9,741,681</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		483,383	483,538
Right-of-use asset		104,446	22,715
<b>Total Non-Current Assets</b>		<b>587,829</b>	<b>506,253</b>
<b>TOTAL ASSETS</b>		<b>6,006,291</b>	<b>10,247,934</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		450,795	741,221
Employee provisions		75,896	56,375
Borrowings		-	427,359
Lease liabilities		79,940	26,634
<b>Total Current Liabilities</b>		<b>606,631</b>	<b>1,251,589</b>
<b>Non-Current Liabilities</b>			
Lease liabilities		26,769	-
<b>Total Non-Current Liabilities</b>		<b>26,769</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>633,400</b>	<b>1,251,589</b>
<b>NET ASSET</b>		<b>5,372,891</b>	<b>8,996,345</b>
<b>EQUITY</b>			
Issued capital	3	26,066,131	26,066,131
Reserves	4	(12,744,115)	(12,741,559)
Accumulated losses		(7,949,125)	(4,328,227)
<b>TOTAL EQUITY</b>		<b>5,372,891</b>	<b>8,996,345</b>

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

**Osteopore Limited and its Controlled Entities**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2021**

	Issued Capital	Share Based Payment Reserve	Common Control Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
<b>Balance at 31 December 2019</b>	<b>19,190,063</b>	<b>1,108,302</b>	<b>(14,915,451)</b>	<b>(33,293)</b>	<b>(2,382,341)</b>	<b>2,967,280</b>
Loss after income tax	-	-	-	-	(1,945,886)	(1,945,886)
Other comprehensive loss	-	-	-	(64,625)	-	(64,625)
Total comprehensive loss for the year	-	-	-	(64,625)	(1,945,886)	(2,010,511)
Placement (Note 3)	8,500,000	-	-	-	-	8,500,000
Share issue costs (Note 3)	(563,386)	-	-	-	-	(563,386)
Options issued (Note 4)	(1,060,546)	1,163,508	-	-	-	102,962
<b>Balance at 31 December 2020</b>	<b>26,066,131</b>	<b>2,271,810</b>	<b>(14,915,451)</b>	<b>(97,918)</b>	<b>(4,328,227)</b>	<b>8,996,345</b>
Loss after income tax	-	-	-	-	(3,620,898)	(3,620,898)
Other comprehensive loss	-	-	-	(86,039)	-	(86,039)
Total comprehensive loss for the year	-	-	-	(86,039)	(3,620,898)	(3,706,937)
Placement (Note 3)	-	-	-	-	-	-
Share issue costs (Note 3)	-	-	-	-	-	-
Options issued (Note 4)	-	83,483	-	-	-	83,483
<b>Balance at 31 December 2021</b>	<b>26,066,131</b>	<b>2,355,293</b>	<b>(14,915,451)</b>	<b>(183,957)</b>	<b>(7,949,125)</b>	<b>5,372,891</b>

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

**Osteopore Limited and its Controlled Entities**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2021**

		<b>Consolidated</b>	
	<b>Note</b>	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Loss before income tax		(3,620,898)	(1,945,886)
<i>Adjustments for</i>			
Depreciation expense		225,468	165,886
Share based payment expense	4	83,483	102,962
Finance costs		16,303	2,621
Interest income		(1,886)	(17,602)
Gain on assets disposed		(15)	(67)
Operating cash flows before changes in working capital		<u>(3,297,545)</u>	<u>(1,692,086)</u>
Changes in trade receivables		(57,061)	256,102
Changes in other assets		(131,040)	(249,258)
Changes in inventory		(50,243)	(127,855)
Changes in trade and other payables		(274,849)	18,104
Changes in provisions		19,521	22,289
Interest paid		(16,303)	(2,621)
Interest received		1,886	17,602
<b>Net cash (used in) operating activities</b>		<b><u>(3,805,634)</u></b>	<b><u>(1,757,723)</u></b>
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(194,616)	(381,044)
<b>Net cash (used in) investing activities</b>		<b><u>(194,616)</u></b>	<b><u>(381,044)</u></b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	8,500,000
Payment of share issue costs		-	(563,386)
Repayment of borrowings		(442,936)	(58,386)
Repayment of lease principal		(42,941)	(41,058)
<b>Net cash (used in) / provided by financing activities</b>		<b><u>(485,877)</u></b>	<b><u>7,837,170</u></b>
Net (decrease) / increase in cash and cash equivalents		(4,486,127)	5,698,403
Cash and cash equivalents at the beginning of the year		9,027,016	3,294,809
Effects of exchange rate changes on cash		(10,714)	33,804
<b>Cash and cash equivalents at the end of the year</b>		<b><u>4,530,175</u></b>	<b><u>9,027,016</u></b>

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

**Osteopore Limited and its Controlled Entities**  
**Notes to the Preliminary Financial Statements**  
**For the year ended 31 December 2021**

**Note 1. Significant Accounting Policies**

**General**

These consolidated financial statements and notes represent those of Osteopore Limited (the “Company”) and its controlled entities (“Group”). In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only.

**Basis of Preparation**

The preliminary financial report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirement of the Australian Accounting Standards Board (“AASB”), Urgent Issues Group Interpretations and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (‘IASB’).

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the interim financial report for the half-year ended 30 June 2021 and with any public announcement made by Osteopore Limited during the period in accordance with the continuous disclosure requirement of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial report. The financial statements have been presented in Australian dollars (AUD), which is the functional currency of the Company. The functional currency of the Company’s controlled entities is Singapore Dollars (SGD).

**New or Amended Accounting Standards and Interpretations Adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Accounting pronouncements which have become effective from 1 January 2021 and that have been adopted, do not have a significant impact on the Group’s financial results or position.

**New Accounting Standards and Interpretations Not Yet Mandatory**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.



**Osteopore Limited and its Controlled Entities**  
**Notes to the Preliminary Financial Statements**  
**For the year ended 31 December 2021**

**Note 2. Segment Reporting**

The Company has identified its operating segments based on the internal reports that are used by the Board in assessing performance and in determining the allocation of resources. Given the Company's operations since incorporation, the Board has identified two relevant business segments based on the Group's geographical presence – Singapore and Australia. The following tables are an analysis of the Group's revenue and results by reportable segment for the year ended 31 December 2021 and 2020.

	Singapore \$	Australia \$	Consolidated \$
<b>2021</b>			
Revenue from customers	1,113,009	-	1,113,009
Intersegment revenue	-	-	-
<b>Gross revenue</b>	<b>1,113,009</b>	<b>-</b>	<b>1,113,009</b>
Other income	290,084	1,369	291,453
<b>Total revenue</b>	<b>1,403,093</b>	<b>1,369</b>	<b>1,404,462</b>
<b>Loss for the year</b>	<b>(2,370,918)</b>	<b>(1,249,980)</b>	<b>(3,620,898)</b>
Current assets	916,887	4,501,575	5,418,462
Non-current assets	586,691	1,138	587,829
<b>Total assets</b>	<b>1,503,578</b>	<b>4,502,713</b>	<b>6,006,291</b>
<b>Total liabilities</b>	<b>538,586</b>	<b>94,814</b>	<b>633,400</b>
<b>2020</b>			
Revenue from customers	1,504,578	-	1,504,578
Intersegment revenue	-	-	-
<b>Gross revenue</b>	<b>1,504,578</b>	<b>-</b>	<b>1,504,578</b>
Other income	721,853	2,621	724,474
<b>Total revenue</b>	<b>2,226,431</b>	<b>2,621</b>	<b>2,229,052</b>
<b>Loss for the year</b>	<b>(877,058)</b>	<b>(1,068,828)</b>	<b>(1,945,886)</b>
Current assets	905,943	8,835,738	9,741,681
Non-current assets	506,253	-	506,253
<b>Total assets</b>	<b>1,412,196</b>	<b>8,835,738</b>	<b>10,247,934</b>
<b>Total liabilities</b>	<b>1,129,352</b>	<b>122,237</b>	<b>1,251,589</b>

Revenues from external customers in the Group's domicile, Australia, as well as its major markets, Singapore have been identified on the basis of the customer's geographical location.

**Osteopore Limited and its Controlled Entities**  
**Notes to the Preliminary Financial Statements**  
**For the year ended 31 December 2021**

**Note 3. Issued Capital**

	2021		2020	
	No. of Shares	\$	No. of Shares	\$
Fully paid ordinary shares	<b>117,268,238</b>	<b>26,066,131</b>	<b>117,268,238</b>	<b>26,066,131</b>

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

*Movements in ordinary share capital*

	Date	No. of Shares	Issue price (\$)	\$
<b>Balance at 31 December 2019</b>		<b>101,230,502</b>		<b>19,190,063</b>
Placement	28/8/2020	16,037,736	0.53	8,500,000
Share issue costs		-		(1,623,932)
<b>Balance at 31 December 2020</b>		<b>117,268,238</b>		<b>26,066,131</b>
<b>Balance at 31 December 2021</b>		<b>117,268,238</b>		<b>26,066,131</b>

**Note 4. Reserves**

	Consolidated	
	31 Dec 2021	31 Dec 2020
	\$	\$
Common control reserve	(14,915,451)	(14,915,451)
Share based payment reserve	2,355,293	2,271,810
Foreign currency translation reserve	(183,957)	(97,918)
	<b>(12,744,115)</b>	<b>(12,741,559)</b>

**Common Control Reserve**

In September 2019, the Company acquired 100% of OIS. The acquisition has been accounted for with reference to common controlled entities. The Group has adopted the predecessor accounting method to form one enlarged group. The Company has recorded the excess consideration above the net asset of OIS to a common control reserve in September 2019.

**Osteopore Limited and its Controlled Entities**  
**Notes to the Preliminary Financial Statements**  
**For the year ended 31 December 2021**

**Note 4. Reserves (Continued)**

**Share Based Payment Reserve**

The share-based payment reserve arises from the equity-settled compensation plan issued to its director, provided that the director remains in continuous employment with the Company from the date of grant. Equity-settled compensation plan is share of commons stock that vest and restricted share units are awards that will result in a payment if performance goals are achieved or the awards otherwise vest. The terms and conditions of these awards are established in the employment contract.

	<b>No. of Options</b>	<b>\$</b>
<b>Balance at 31 December 2019</b>	<b>9,700,000</b>	<b>1,108,302</b>
Options issued to executives (Note 5)	400,000	102,962
Options issued to lead manager (Note 5)	3,000,000	1,060,546
<b>Balance at 31 December 2020</b>	<b>13,100,000</b>	<b>2,271,810</b>
Vesting of contractor options (Note 5)	-	9,945
Issue of employee options (Note 5)	375,000	73,540
<b>Balance at 31 December 2021</b>	<b>13,475,000</b>	<b>2,355,295</b>

**Note 5. Share Based Payment Expense**

On 5 May 2020, 300,000 options exercisable at \$1.00 expiring on 2 December 2022 were issued to an advisor of the Board as an incentive for ongoing performance. All options vested at grant date.

On 5 May 2020, 100,000 options exercisable at \$1.00 expiring on 31 December 2022 were issued to a contractor as an incentive for ongoing performance. 50,000 options vest after 12 months of appointment of executive to the Company, and the remainder 50,000 options vest 24 months after the appointment of executive to the Company.

On 28 August 2020, 3,000,000 options exercisable at \$1.20 expiring on 28 August 2023 were issued to the Joint Lead Managers of the Placement. All options vested at grant date.

On 30 June 2021, 375,000 options exercisable at \$0.624 expiring on 2 November 2025 were issued to an employee as an incentive for ongoing performance.

**Osteopore Limited and its Controlled Entities**  
**Notes to the Preliminary Financial Statements**  
**For the year ended 31 December 2021**

**Note 5. Share Based Payment Expense (continued)**

The Group has measured the fair value of the options issued was estimated at the date of grant using the Black-Scholes option pricing model below:

<b>Grant Date</b>	<b>Expiry Date</b>	<b>Share Price at Grant Date</b>	<b>Exercise Price</b>	<b>Expected Volatility</b>	<b>Dividend Yield</b>	<b>Risk-Free Interest Rate</b>	<b>Fair Value at Grant Date</b>
23/06/2019	30/06/2022	\$0.20	\$0.25	100%	0%	0.89%	\$0.115
17/09/2019	30/06/2022	\$0.20	\$0.25	100%	0%	0.85%	\$0.111
05/05/2020	02/12/2022	\$0.595	\$1.00	101%	0%	0.235%	\$0.283
05/05/2020	31/12/2022	\$0.595	\$1.00	101%	0%	0.235%	\$0.288
28/08/2020	28/08/2023	\$0.60	\$1.20	120%	0%	0.29%	\$0.354
27/06/2021	02/11/2025	\$0.47	\$0.624	89%	0%	0.82%	\$0.284

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

<b>Grant Date</b>	<b>Expiry Date</b>	<b>31 Dec 2021 No. of Options</b>	<b>31 Dec 2020 No. of Options</b>
23/06/2019	30/06/2022	7,200,000	7,200,000
17/09/2019	30/06/2022	2,500,000	2,500,000
05/05/2020	02/12/2022	300,000	300,000
05/05/2020	31/12/2022	100,000	100,000
28/08/2020	28/08/2023	3,000,000	3,000,000
27/06/2021	02/11/2025	375,000	-
		<b>13,475,000</b>	<b>13,100,000</b>