

Osteopore[®]

Q2 CY23 Results Presentation

JULY 2023



Osteopore Limited (ASX:OSX) (“**Osteopore**” or the “**Company**”), a revenue-generating manufacturer of regenerative implants that empower natural tissue regeneration, is pleased to release its quarterly results and Appendix 4C Cash Flow Statement for the three-month period ending 30 June 2023.

Quarterly highlights



Record quarterly revenues

Achieved Record quarterly revenues of A\$587,226 (S\$525,740) in Q2 CY23, a 43% increase on Q1 CY23



A\$10m China licensing partnership

Signed a A\$10m non-binding term sheet with CellHeal to propel commercialisation in China



Key leadership appointments

Promoted Dr Lim Jing to the role of CEO and appointed Hon. Michael Keenan as Non-Executive Director

Quarterly highlights



Oversubscribed shortfall placement

Raised A\$908,660
in our oversubscribed
shortfall placement



A\$4m China R&D partnership

Signed a A\$4m binding term sheet
with **CellHeal** to pursue
commercialisation in China



Singapore biologics collaboration

Signed non-binding term sheets
with **Accelerate** to pursue the
commercialisation of bioactive
compounds

Quarterly highlights



Singapore dental and oral and maxillofacial expansion

Signed an exclusive distribution partnership with Majeton to distribute products in Singapore



South African approval

Secured reimbursement approval from DHMS - South Africa's biggest medical insurer - for Osteomesh®

Quarterly highlights



EU market return

Transitioned to the new European Union Medical Device Regulation 2017/745 (MDR)



US market growth

Secured sub-distribution partnership with Kelyniam to boost our presence on the US East Coast



Osteopore is delighted to announce a Record quarter in Q2 CY23, with a 43% uptick in revenues to A\$587,226* (S\$525,740).

We continue to strengthen our leadership team with the appointment of Jing and Michael and are looking forward to growing our partnership with CellHeal in China.

Osteopore is dedicated to providing exceptional value to our shareholders, customers and partners, as we continue to pursue the 'holy grail' of regenerative medicine.



Mark Leong
Executive Chairman

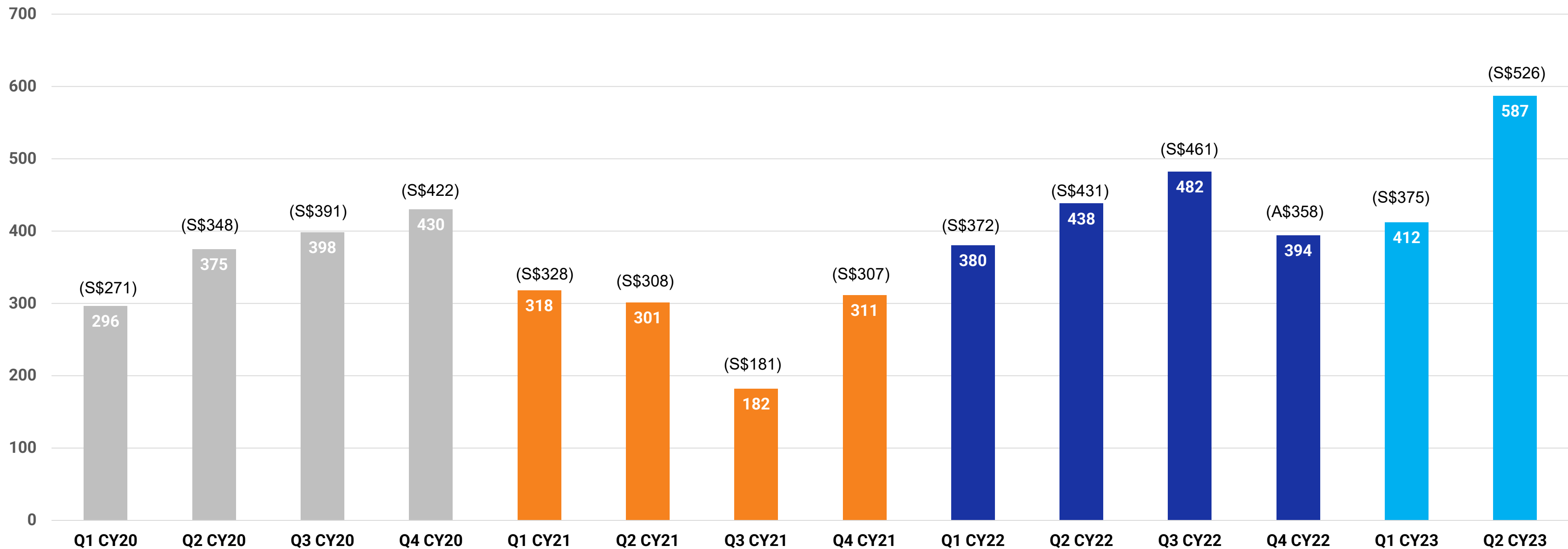
* A\$1/S\$0.8953: Average exchange rate from April to June 2023 is obtained from <https://www.rba.gov.au/>



Osteopore revenues grow 43% to A\$587,226

Q2 CY23 was a Record quarter for Osteopore with a 43% increase in revenues from Q1 CY23 to A\$587,226 (S\$525,740)

Quarterly Sales Revenue in A\$'000



* A\$/S\$: Average exchange rate of each quarter is obtained from <https://www.rba.gov.au/>

Osteopore signs A\$10m China licensing deal

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- Osteopore signed a **non-binding term sheet with CellHeal Therapeutics** to drive the commercialisation of certain products in China
- CellHeal will raise A\$10m to **set up manufacturing facilities**, attain regulatory approvals and license select Osteopore IP and technologies
- The transformational strategic partnership paves the way for **greater market penetration and visibility in China**
- The term sheet includes a proposed **royalty per product of 10-20%** for Osteopore as a percentage of net sales
- In 2021, China's regenerative medicine market was valued at A\$5.9 billion and is **projected to be worth A\$19.2 billion by 2030**

Osteopore strengthens leadership team ²

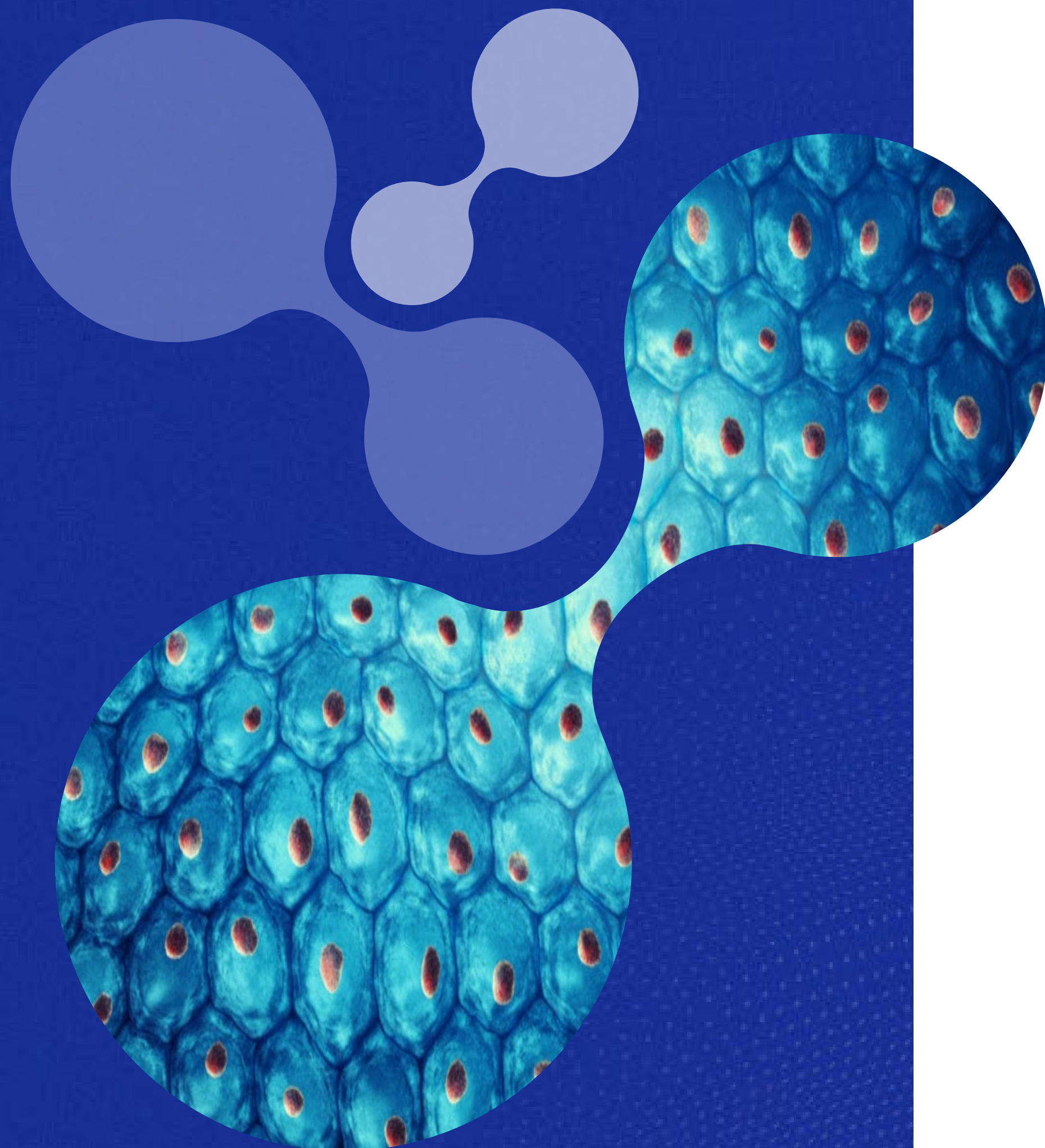
- Osteopore strengthened its leadership team with the **promotion of Dr Lim Jing to the position of CEO** and the appointment of Hon. Michael Keenan as a non-executive director
- Joining in 2014, **Dr Lim held the positions of CTO and COO prior to his elevation to CEO**. Dr Lim replaces Khoon Seng Goh, who shifts to Global Marketing Director
- Mr Keenan – past Australian Government MP and cabinet minister – held senior ministerial positions including Human Services – **providing direction and oversight for Medicare**
- Osteopore welcomed **Sengkang General Hospital Consulting Orthopaedic Surgeon** Asst. Professor Hamid Razak to our Scientific and Clinical Advisory Panel (SCAP)
- The Company also introduced **IPOS International Senior IP Strategist** Jin Wei Low and Lateral Capital Ventures CEO & Co-Founder Tommy Shin to our Corporate Advisory Panel

Osteopore A\$909k shortfall placement oversubscribed ³

- **Raised A\$908,660** in our oversubscribed shortfall placement
- The successful placement demonstrated our **investors' confidence in Osteopore's vision and capabilities**
- The capital injection signified the **enhanced interest in Osteopore's innovation capabilities** and growth potential
- The capital provides a solid runway, enabling Osteopore to **drive global expansion**, boost R&D, develop breakthrough products and secure regulatory approvals
- We express our sincere gratitude to our shareholders for their faith in Osteopore's vision to become a **global leader in regenerative medicine**

Osteopore signs A\$4m China R&D deal ⁴

- Signed a **binding term sheet with CellHeal Therapeutics** to pursue the commercialisation of regenerative dental, tendon and cartilage products in China
- The strategic partnership signifies a key milestone in Osteopore's mission to revolutionise regenerative medicine while **making deeper inroads into the Chinese market**
- The partnership seeks to capitalise on our regenerative implant technology and CellHeal's commercialisation expertise to **deliver patient-centered solutions in China**
- Pending regulatory approval and commercialisation activities, Osteopore **seeks to enter the Chinese market** via CellHeal's distribution and pharmaceutical network
- In 2021, China's regenerative medicine market was valued at A\$5.9 billion and is **projected to be worth A\$19.2 billion by 2030**

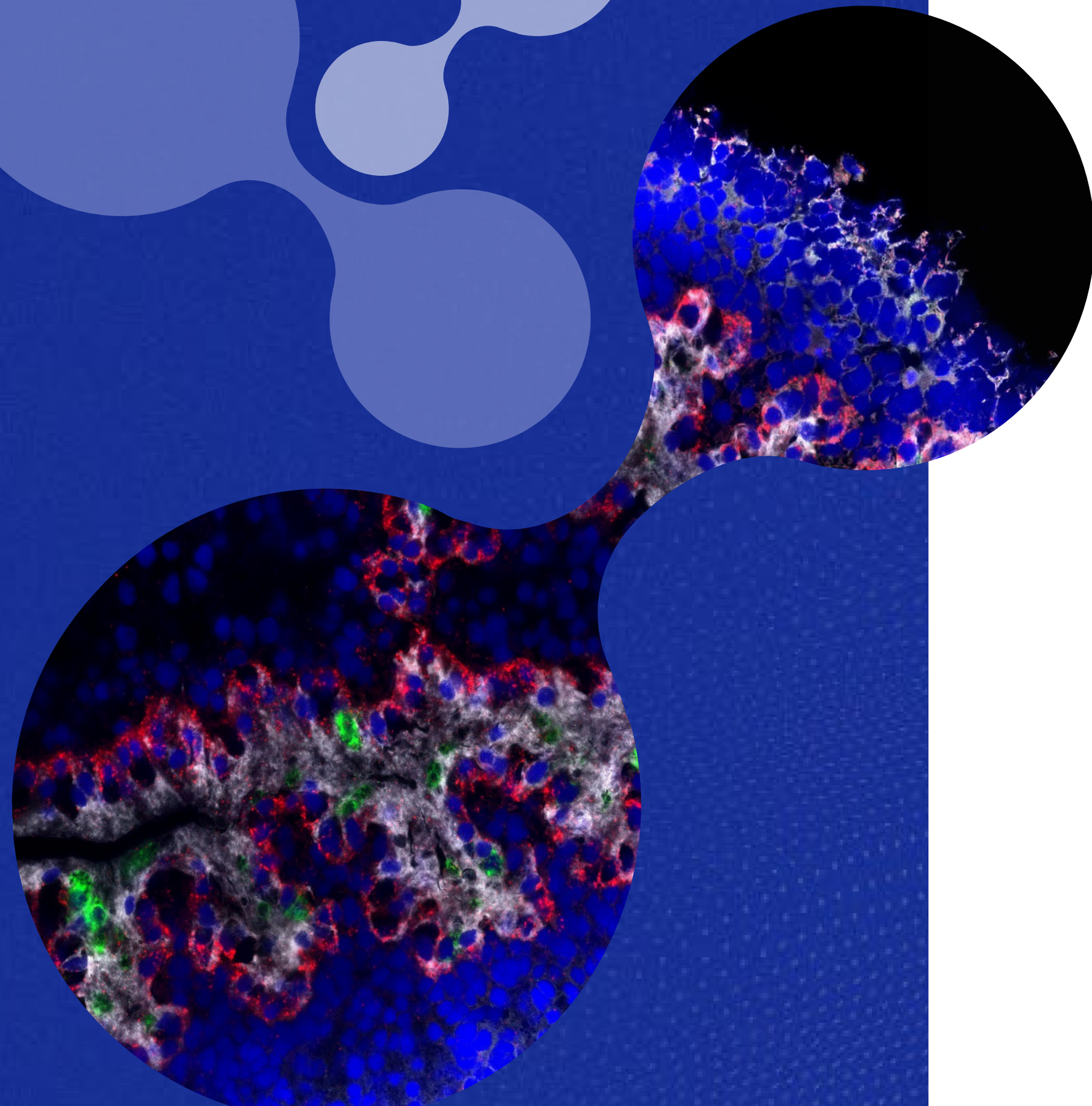


Osteopore signs Singapore biologics deal ⁵

- Signed two **non-binding term sheets with Accelerate Technologies** – the commercialisation arm of Singapore’s Agency for Science, Technology and Research (A*STAR)
- Osteopore will pursue licensing agreements with Accelerate to secure the rights to **commercialise and incorporate bioactive compounds** designed to speed up bone regeneration
- The market entry of these compounds could **reshape patient outcomes**, including fewer complications and improved recovery times, mobility and patient safety while lowering healthcare costs
- Osteopore will lead **human clinical trials at Singapore’s National University Hospital**. Success in these trials will **solidify our leadership position in bone regeneration**
- This compounds **Osteopore’s position to tap into the US\$420.5b (2025) biologics market**, while the market size for HS3 - a sugar molecule which targets specific growth factors in the body - is projected to reach US\$675.7m by 2030

Osteopore grows dental and oral maxillofacial presence in Singapore⁶

- **Signed an exclusive distribution partnership with Majeton** to promote and sell our dental and oral maxillofacial products across Singapore's dental clinics and hospitals
- Leveraging Majeton's distribution network, the partnership seeks to drive the adoption of our dental and oral and maxillofacial products and **grow our dental and oral maxillofacial presence in Singapore**
- Majeton will distribute Osteopore's products for applications such as **guided bone regeneration, immediate implant loading and socket preservation**
- According to the Ministry of Health, Singapore has **899 private dental clinics** and 248 public dental clinics - unlocking significant commercial opportunities for Osteopore in Singapore



South Africa's biggest medical scheme backs Osteomesh®

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- Osteopore **secured reimbursement approval** from South Africa's biggest medical scheme – Discovery Health Medical Scheme (DHMS), which has a market share of 57% - for Osteomesh®
- DHMS will **provide Osteomesh® with cover for craniofacial applications**, unlocking potential growth opportunities for other Osteopore applications in South Africa
- The reimbursement approval **expands Osteopore's presence in the South African market** and eliminates the barriers for patients requiring Osteopore implants
- The Middle East and Africa (MEA) craniomaxillofacial implants market – a market South Africa is expected to dominate – is **projected to grow to US\$93.87 million by 2029** at a CAGR of 5.5%

Osteopore transitions to new EU regulation ⁸

- Osteopore **successfully transitioned to the EU's Medical Devices Regulation 2017/745 (MDR)**
- **Only 12.7% of companies are granted MDR certificates by the end of 2022**, which means Osteopore joins a select group of companies
- Osteopore's MDR certification **reinforces our regulatory capabilities** and supports business continuity in the EU
- Leveraging MDR certification, Osteopore is well-placed to **re-engage hospitals, surgeons and healthcare providers**
- The EU represents a US\$550 million p.a opportunity, while Osteopore's key craniotomy and burr-hole-related products **signify a US\$410 million p.a. opportunity**

Osteopore boosts US presence⁹

- Osteopore's US sales distribution partner Bioplate signed a **strategic sub-distribution partnership with Kelyniam**
- Osteopore's products have **Food and Drug Administration (FDA) clearance** and are available in the US
- Kelyniam will focus on sales to 20 hospitals across 8 states, including **prestigious hospitals like Boston Medical Centre** and John Hopkins Hospital
- The deal will **enhance Osteopore's penetration and reach** in the US cranial implant market
- The US cranial implant market is a significant opportunity for Osteopore with an **addressable market of US\$1.1 billion** and a CAGR of 6.4% (2022-2030)

Surgeon engagement



Prof. Dharendra Srivastava, ESIC Dental College & Hospital

Osteopore hosted Oral Maxillofacial surgeon Prof. Dharendra Srivastava in Singapore. Prof. Dharendra met with NUCOHS' Ass. Prof. Raymond Wong, and shared his views on regenerative medicine and expressed his excitement for using our bioresorbable implants in India.

American Association of Neurological Surgeons (AANS)

Osteopore had an insightful experience at the AANS Annual Scientific Meeting in Los Angeles, USA. It was great exploring the science behind our bioresorbable bone scaffolds with many enthusiastic visitors. Osteopore was delighted to partner with our distributor Bioplate at the successful Meeting.

Bali Dental & OMF Surgeon Tour

Osteopore was delighted to host a group of dental, oral and maxillofacial surgeons from Bali at our production facilities in Singapore. We showcased our cutting-edge dental mesh, which has the potential to revolutionise dental surgery – garnering strong interest from the surgeons.

Malaysian Association of Oral & Maxillofacial Surgeons (MAOMS)

The 27th MAOMS was a resounding success for Osteopore with Dr GK Ananda's presentation on Osteomesh being the highlight – showcasing promising results in facial trauma cases. Osteopore congratulates Prof. Mohd Nazimi on becoming the next President of MAOMS.

Appendix 4C - Quarterly cashflow report

Corporate and financial summary

The attached Appendix 4C provides details of the cashflows for the quarter that ended 30 June 2023.

As of 30 June 2023, the Company had a cash balance of A\$1,857,000.

Related party transactions

Payments in the June quarter to related parties of A\$86,000 at Item 6 in the attached Appendix 4C, comprised director fees and salaries.

Sources

1. <https://app.sharelinktechnologies.com/announcement/asx/37980f51c6513bf22dc771855f85082e>
2. <https://app.sharelinktechnologies.com/announcement/asx/4a11b0f49ee5a8cc43282e756aecc265>
3. <https://app.sharelinktechnologies.com/announcement/asx/0951dce668871fcbe3f74bac1b8f7135>
4. <https://app.sharelinktechnologies.com/announcement/asx/3525f548ad996f8cd0aafdd61c0206c6>
5. <https://app.sharelinktechnologies.com/announcement/asx/b0c45b9ecd4c367f6c73850bc962d3b4>
6. <https://app.sharelinktechnologies.com/announcement/asx/7a22113501a85c2a191a7414ce350aae>
7. <https://app.sharelinktechnologies.com/announcement/asx/62cde9a614c8fae3542d11e945f3b158>
8. <https://app.sharelinktechnologies.com/announcement/asx/ba01ec7b99629f84cbb80b648dd20dc0>
9. <https://app.sharelinktechnologies.com/announcement/asx/308a224fcc59831bcd7cc854b2ddd3d4>



Osteopore[®]

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Appendix 4C

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

Name of entity

Osteopore Limited

ABN

65 630 538 957

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	577	892
1.2 Payments for		
(a) research and development	(43)	(79)
(b) product manufacturing and operating costs	(107)	(193)
(c) marketing, business development & investor relations (including allocated staff costs)	(722)	(1,280)
(d) leased assets	(25)	(46)
(e) staff costs (other than allocated staff costs under note 1.2(c))	(416)	(844)
(f) administration and corporate costs	(395)	(566)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	4
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	100	144
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,028)	(1,968)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(2)	(3)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
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	-	-
2.6 Net cash from / (used in) investing activities	(2)	(3)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,634	2,689
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(94)	(148)
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	-	-
3.10 Net cash from / (used in) financing activities	2,540	2,541

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	377	1,334

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,028)	(1,968)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,540	2,541
4.5	Effect of movement in exchange rates on cash held	(30)	(47)
4.6	Cash and cash equivalents at end of period	1,857	1,857

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,852	372
5.2	Call deposits	5	5
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,857	377

6. Payments to related parties of the entity and their associates

- | | Current quarter
\$A'000 |
|---|------------------------------------|
| 6.1 Aggregate amount of payments to related parties and their associates included in item 1 | 86 |
| 6.2 Aggregate amount of payments to related parties and their associates included in item 2 | - |

Payments made to Directors related to:

1. Non-executive director fees and superannuation;
2. Executive director fees

7. Financing facilities

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-

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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,028)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,857
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,857
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.81

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: Yes, the Company is expected to continue with the current net operating cash flow level.

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: The Company expects to meet its operational costs from proceeds from sales to customers, existing reserves, and as required from additional funding. With reference to the acquisition completed in March 2023 (refer to the Company's ASX announcement dated 30 March 2023), the Company expects a boost in revenue and gradual improvement in the cash flows position in the subsequent quarters. The Company also has the ability to obtain further cash funds through the issue of equity securities, when it is required.

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: Yes, the Company does expect to be able to continue its operations and meet its objectives through a combination of sales to customers, existing reserves, and potential to obtain future capital through the issue of equity, when it is required.

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.

Date: 31 July 2023

Authorised by: By the Board

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(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 – e.g., 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.