

Osteopore[®]

Q3 CY23 Results Presentation

SEPTEMBER 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 months ending 30 September 2023.

Quarterly highlights



Strong quarterly revenues

Strong quarterly revenues of A\$588,678 (S\$520,182) in Q3 CY23, which is a 22% YoY increase



Temasek-linked China partnership

Signed an MoU with Temasek-linked InnoVentures to progress Osteopore's orthopaedic expansion into China



Growth in key business segments and regions

45% YoY growth in aesthetics and 53% YoY growth in Europe Middle East & Africa (EMEA)

Quarterly highlights



Record sales growth

YTD 2023 sales doubled compared to FY2022 in Indonesia, Netherlands, South Africa, Switzerland and Thailand



Strong YTD sales from acquired distribution business

YTD sales from acquired business surpassed FY22 with growth expected to continue into Q4 2023



CellHeal deal timeline extended

Timeline extended for Osteopore and CellHeal to reach definitive agreements for the Term Sheet

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With Jing as our CEO, we are confident in his and the new leadership team's capabilities and expertise to put us in the best position for success.

Revenues continue to grow with another strong quarter, and while we continue to explore new markets and applications, we recognise the importance of balancing revenue growth with cost control.

As we progress our China strategy with CellHeal, InnoVentures, and Kontour, we are committed to accelerate commercialisation and cementing our position in China and regenerative medicine.

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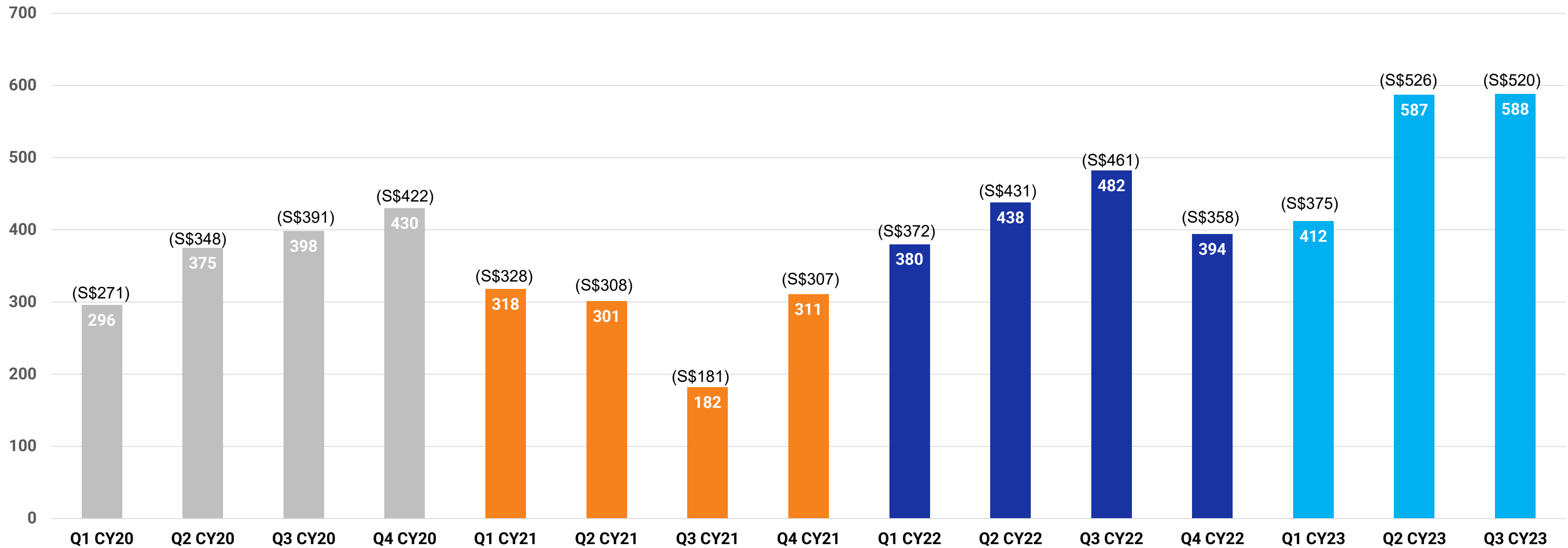
Mark Leong
Executive Chairman



Osteopore revenues grew 22% YoY to A\$588,678

Q3 CY23 was a continuation of Q2 CY23 with a 22% YoY increase in revenues to A\$588,678 (S\$520,182)

Quarterly Sales Revenue in A\$'000



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

Osteopore Q3 CY23 revenues grew 22% YoY to A\$588,678

- Osteopore's **Q3 CY23 revenues are on par** with our record quarter in **Q2 CY23**
- The continuation of strong quarterly revenues further demonstrates the **success of our product adoption story**
- Building on our record-breaking Q2 CY23 with a strong Q3 CY23 puts **Osteopore in a strong position for Q4 CY23**

Osteopore signs MoU with Temasek-linked InnoVentures¹

- Osteopore signed a **Memorandum of Understanding (MoU) with InnoVentures** to enter into a joint venture (JV) agreement aimed at commercialising orthopaedic products in China
- One of InnoVenture's key investors is Vertex Ventures HC – the venture capital offshoot of **Singapore government-owned investment company Temasek Holdings**
- Following the JV Company's (JV Co) creation, **InnoVentures will receive an exclusive royalty-free license** for select Osteopore Intellectual Property (IP) **in return for 30% equity**
- InnoVentures will **support capital-raising efforts** and participate in the identification and selection of an organisation to support the JV Co

¹ ASX Announcement: 'Osteopore signs MoU with Temasek-linked Innoventures to progress China expansion', 12 September 2023

Encouraging growth from key business segments, regions

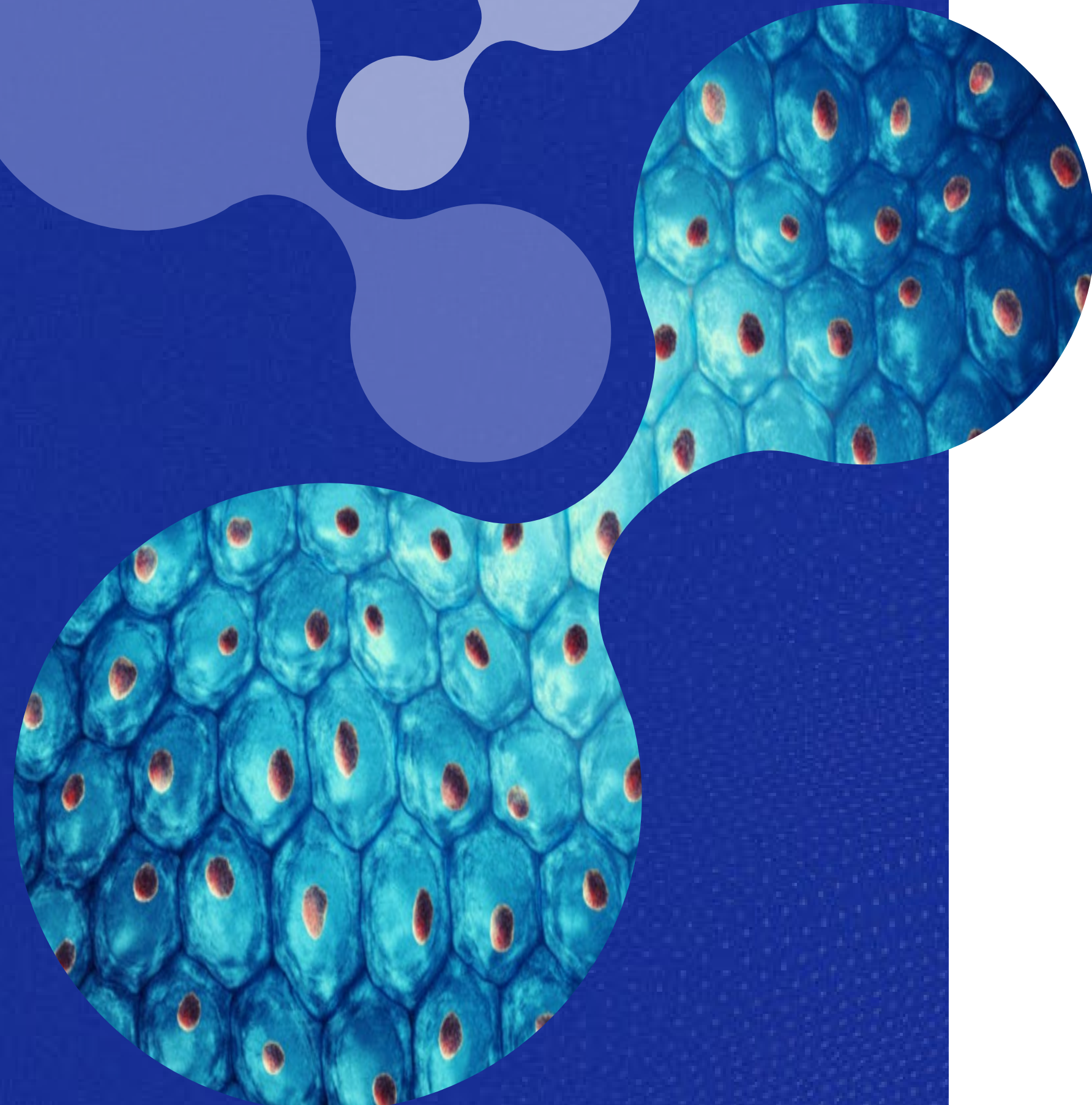
- **Contributing ~82% of Osteopore's total revenue, Asia grew by 15% YoY**
- **Osteopore's Europe, Middle East & Africa (EMEA) revenues grew by 53% YoY**
- **Focusing on the aesthetic business** has proven to be the right decision for Osteopore with **revenues growing by 45% YoY**
- The increase in revenues from Vietnam stems from **rhinoplasty products**
- The Asia-Pacific aesthetics market is **expected to reach US\$4.3 billion by 2032** at a CAGR of 9.9% (Market Research Future, 2023)²

Strong YTD sales from acquired distribution business³

- Korean sales have grown despite **delays with the Ministry of Food & Drug Safety (MFDS) certificate transfer**, resulting in the Korean business only being fully operational from July 2023
- YTD sales from acquired business surpassed FY22
- Sales from acquired distribution business continues to be a **major revenue driver for the Company**

Timeline for CellHeal definitive agreement further extended

- On 25 July 2023, Osteopore **signed a non-binding Term Sheet with CellHeal Therapeutics** (CellHeal) to pursue the commercialisation of regenerative dental, tendon and cartilage products in China ⁴
- The Term Sheet enables Osteopore to negotiate definitive agreements for the **licensing of select IP and technologies to CellHeal**
- There was an extension of timeline to 31 October 2023 to reach definitive agreements ⁵
- **Negotiations with CellHeal are still ongoing** and will extend beyond the originally announced date of 31 October 2023. **A date for the agreement to be signed will be announced when ascertained**



⁴ ASX Announcement: 'OSX receives A\$10m commitment for commercialisation in China', 25 July 2023

⁵ ASX Announcement: 'Timeline extended for definitive agreements with CellHeal', 29 August 2023

Professional society engagement and recognition



SIMTech Industry Partner Recognition Award

Osteopore CEO Dr Jing Lim was proud to receive the prestigious Industry Partner Recognition Award at the 30th Anniversary of the Singapore Institute of Manufacturing Technology (SIMTech). The Award stems from a collaboration to develop next-generation scaffolds for jaw implants that enhance and speed up bone regeneration.



Nepalese Association of Oral & Maxillofacial Surgeons (NAOMS)

Osteopore was delighted to participate in the 1st International Congress of NAOMS. Our booth was buzzing with excited attendees keen to explore Osteomesh for Alveolar Height Augmentation. Nepalese OMF surgeons shared their experiences and insights, recognising Osteomesh as a game-changer for OMF.



5th PABMI Lombok Scientific Meeting

The 5th PABMI Lombok Scientific Meeting was a massive success for Osteopore with attendees gaining a deeper understanding of our products' benefits and applications for dental. Dr Andi delivered a captivating workshop, which showcased the capabilities of Osteostrip for Orthognathic Surgery and Osteomesh for Orbital Floor Reconstruction.



20th ASEAN Neurological Surgery Congress

Thank you to the incredible speakers who made the 20th ASEAN Congress of Neurological Surgery a success. Osteopore was delighted to have Dr Marian Christoph Neidert, Prof. Thiam-Chye Lim and Ms. Emma Toh speak about the application of Osteopore's 3D-printed PC scaffold implant to neurosurgery.

Appendix 4C - Quarterly cashflow report

Corporate and financial summary

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

As of 30 September 2023, the Company has a cash balance of A\$825,000.

The Company's net cash used in operating activities during the quarter amounted to A\$979,000, which is approximately 5% lower compared to the previous quarter (A\$1,028,000). The reduction is due to tighter cost control by the Company, mainly from the marketing, staff costs and administration & corporate, cost segment.

The Company made payments for research and development amounting to A\$133,000 during the quarter, compared with A\$43,000 in the previous quarter. These payments are mainly related to regulatory testing for China and the ongoing project with the National Dental Centre (Singapore) and A*STAR.

Related party transactions

Payments in the September quarter to related parties of A\$54,000 at Item 6 in the attached Appendix 4C, comprised director fees and salaries.

Sources

1. <https://app.sharelinktechnologies.com/announcement/asx/6a480b27651fa518a6c561f3abc3c903>
2. <https://www.marketresearchfuture.com/reports/asia-pacific-aesthetics-market-5659>
3. <https://app.sharelinktechnologies.com/announcement/asx/58863aac631bc84ff7f3bd4125417481>
4. <https://app.sharelinktechnologies.com/announcement/asx/5a23ab239cadedc5600663c5318426e1>
5. <https://app.sharelinktechnologies.com/announcement/asx/37980f51c6513bf22dc771855f85082e>



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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 September 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	565	1,457
1.2 Payments for		
(a) research and development	(133)	(212)
(b) product manufacturing and operating costs	(169)	(362)
(c) marketing, business development & investor relations (including allocated staff costs)	(577)	(1,857)
(d) leased assets	(26)	(72)
(e) staff costs (other than allocated staff costs under note 1.2(c))	(321)	(1,165)
(f) administration and corporate costs	(384)	(950)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	63	207
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(979)	(2,947)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(6)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 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	(3)	(6)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	(29)	(177)
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	(29)	2,512

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	1,857	1,334

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(979)	(2,947)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(6)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(29)	2,512
4.5	Effect of movement in exchange rates on cash held	(21)	(68)
4.6	Cash and cash equivalents at end of period	825	825

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	820	1,852
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)	825	1,857

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 | (54) |
| 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.

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8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(979)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	825
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	825
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.84

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 has been showing a boost in revenue and higher receipts from customers. 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 October 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.