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OSTEOPORE LIMITED

ACN 630 538 957

ENTITLEMENT OFFER PROSPECTUS

For a renounceable pro rata offer to Eligible Shareholders of approximately 103,286,890 New Shares at an issue price of \$0.029 per New Share on the basis of 10 New Share for every 1 Existing Shares with 1 free attaching New Option for every 5 New Shares acquired to raise up to \$3,000,000 before costs. This Prospectus is also being issued for the Shortfall Offer described in this Prospectus.

This document is important and requires your immediate attention. This document should be read in its entirety before deciding whether to apply for equity securities. Equity securities offered by this Prospectus should be considered speculative, refer to the 'Risk Factors' in section 6 of this Prospectus for a summary of key risks associated with an investment in equity securities. If after reading this Prospectus you have any questions about the equity securities being offered under this Prospectus, then you should consult your stockbroker, accountant or other professional adviser.

This is a prospectus issued in accordance with section 713 of the *Corporations Act 2001* (Cth).

IMPORTANT NOTICES

This Prospectus is dated 13 March 2024 and a copy of this Prospectus was lodged with the ASIC on that date. Neither ASIC nor the ASX (nor their respective officers) take any responsibility for the content of this Prospectus.

The Company will apply to ASX for the New Shares to be granted quotation on ASX within 7 days after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

This Prospectus including each of the documents attached to it and which form part of this Prospectus is important and should be read in its entirety prior to making an investment decision. If you do not fully understand this Prospectus or are in any doubt as to how to deal with it, you should consult your professional adviser.

In particular, it is important that you consider the risk factors (see **section 6** of this Prospectus) that could affect the performance of the Company before making an investment decision.

Investors should note that past Share price performance of the Company provides no guidance to its future Share price performance. Neither the Company nor any other person warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to this Prospectus. The New Shares the subject of this Prospectus should be considered speculative.

EXPOSURE PERIOD

No exposure period applies to this Prospectus by operation of *ASIC Corporations (Exposure Period) Instrument 2016/74*.

EXPIRY DATE

No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

PHYSICAL ACCESS TO DOCUMENTS

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 5, 191 St Georges Terrace, Perth WA 6000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to section 8.1 for further information).

WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus may be downloaded from the Company's website at www.osteopore.com. Any person accessing the electronic version of this Prospectus for the purpose of making an investment in the Company must be an Australian or New Zealand resident and must only access the Prospectus from within Australia or New Zealand.

Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus. The information on the Company's website at www.osteopore.com does not form part of this Prospectus.

The Corporations Act prohibits any persons passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

TARGET MARKET DETERMINATION

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (TMD) as set out on the Company's website www.osteopore.com. By making an Application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

FOREIGN JURISDICTIONS

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the New Shares or to otherwise permit a public offering of the New Shares in any jurisdiction in which it would be unlawful. The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia, except to the extent permitted in section 3.15, should observe any such restrictions.

RISK FACTORS

Shareholders and potential investors should be aware that subscribing for New Shares in the Company involves a number of risks. The key risk factors of which Shareholders and investors should be aware are set out in section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Shareholders and investors should consider consulting their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects' or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, 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, the Directors and the management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in section 6 of this Prospectus.

NO INVESTMENT ADVICE

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for equity securities under this Prospectus to

determine whether it meets your objectives, financial situation and needs.

PRIVACY STATEMENT

Chapter 2C of the Corporations Act requires information about a Shareholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a Shareholder.

By completing an Application Form, you are providing personal information to the Company through the Share Registry which will manage Applications on behalf of the Company. The Company, the Share Registry on behalf of the Company, may collect, hold, use and disclose that personal information to process your Application and service your needs as a Shareholder.

Information contained in the Share register will also be used to facilitate dividend payments (if any), corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with legal and regulatory requirements. You have a right to gain access to their personal information that the Company and Share Registry may hold about you, subject to certain exemptions under law.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Company with your personal information, you agree to this information being collected, held, used and disclosed as detailed in this privacy statement.

The Company aims to ensure that the personal information it retains about you is accurate, complete and up-to-date. To assist with this, please contact the Company or the Share Registry if any of the details you have provided change.

GLOSSARY

Certain capitalised terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary at the end of the Prospectus.

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SUMMARY OF IMPORTANT DATES

Event	Date
Prospectus Lodgement Date	13 March 2024
Announcement of Prospectus & Appendix 3B with ASX	13 March 2024
"Ex" date	15 March 2024
Rights start trading	15 March 2024
Record date to determine Entitlements	18 March 2024
Prospectus with Application Form dispatched	19 March 2024
Entitlement Offer opens for receipt of Applications	19 March 2024
Rights trading ends at close of trading	22 March 2024
Securities quoted on a deferred settlement basis	25 March 2024
Last day to extend the Closing Date (before noon AEDT)	26 March 2024
Closing Date as at 5.00pm	2 April 2024
Announcement of results of the Entitlement Offer	5 April 2024
Issue of New Shares and New Options and lodgement of Appendix 2A with ASX applying for quotation of New Shares	8 April 2024
Quotation of New Shares issued under the Offer	9 April 2024
Issue of remaining Additional New Shares under Shortfall Offer (if any)	By no later than 3 months after the Closing Date

This timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the ASX Listing Rules and Corporations Act.

1. LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of your Directors, I am pleased to invite you to participate in Osteopore Limited's (the **Company**) 10 for 1 renounceable pro-rata entitlement offer at the issue price of \$0.029 per New Share, with 1 free attaching New Option for every 5 New Shares acquired to raise approximately \$3,000,000 (before Costs) (**Entitlement Offer**).

The Entitlement Offer is designed to give preference to Shareholders to subscribe for further equity securities at an attractive price. On a pari-passu and pro-rata basis, Eligible Shareholders can participate with potential upside due to free attaching New Options. In addition, the Entitlement Offer has been structured to be renounceable, so that Shareholders can trade their rights should they wish to return some value without participating in the Entitlement Offer.

As this Entitlement Offer comes shortly after the completion of a share consolidation, we wish to provide clarity into the Company's objectives. Despite the recent share consolidation exercise for reasons which were valid at that time, since then there has been further review of the Company's position and ability to raise additional funds, and in light of this the Board considers the raising is nonetheless required and urgent. In order to maximise Shareholder value and ensure Shareholders inclusivity, we have decided to follow up with this Entitlement Offer. The Entitlement Offer is intended to facilitate Shareholders the opportunity to remain invested at favourable terms.

The Entitlement Offer is seen as compelling for several reasons despite a longer timetable than a placement:

- It allows the design of an attractive structure (in terms of discount) to all Existing Shareholders to encourage participation.
- On a pari-passu and pro-rata basis, Eligible Shareholders can participate avoiding dilution associated with a placement.
- The rights can be structured to allow OSX to raise more funds than a typical placement.
- It allows Shareholders to participate in potential upside with free attaching New Options.
- Structured as renounceable, this gives Existing Shareholders the ability to trade their rights thereby realising value for their Entitlement if they do not wish to take them up.
- Ability to stay invested in OSX which has been showing an ability to increase sales and lower costs while still developing new opportunities.

The Company appreciates your ongoing support and understanding as we implement these measures to strengthen the Company's foundation and support its continued growth. The Company has demonstrated 31% Year-on-Year revenue growth based on FY 2023, in particular 61% Year-on-Year revenue growth in Q4 2023. It has also shown Quarter-on-Quarter revenue growth trajectory over the past 5 quarters. With the Company heading in the right direction commercially, the proceeds from this Entitlement Offer will be used to support the Company's immediate needs for sales momentum, develop and launch new breakthrough products, secure regulatory clearances in new markets, provide capacity for continued exploration of potential partnerships and acquisition of complementary technologies and business aimed at increasing Company value as well as provide general working capital.

Entitlement Offer

The Entitlement Offer represents a 94.42% discount to the Company's closing share price of \$0.52 on 12 March 2024), The Entitlement Offer will be renounceable and will not be underwritten.

The Company will issue up to approximately 103,286,890 New Shares pursuant to the Entitlements Offer on a 10:1 basis per Share held on the Record Date to raise a maximum of \$3 million (before costs). The New Shares will rank equally in all respects with the Company's existing Shares. The Company will apply to ASX for quotation of the New Shares.

The Company will issue up to 20,657,378 New Options, freely attaching on a 1:5 basis per New Share acquired under the Entitlement Offer. The New Options will entitle the holder to subscribe for one Share

at an exercise price of \$0.0387 per New Option. The New Options expire on the date that is 24 months from the Closing Date.

Your rights to subscribe for New Shares under the Entitlement Offer are renounceable. These rights are expected to start trading from 15 March 2024.

Further details in respect of how Shareholders can participate in the Entitlement Offer are set out in 5.

Eligible Shareholders may also apply (in excess of their Entitlement) for New Shares not subscribed for pursuant to the Entitlement Offer at the same issue price as the Entitlement Offer (subject to the allocation policy set out in section 3.10) (the **Shortfall Offer**). Further details in respect of how Shareholders can participate in the Shortfall Offer are set out in 3.10.

Use of funds

Proceeds from the Entitlement Offer (including the Shortfall Offer) will be principally used to:

- support sales momentum;
- develop and launch new breakthrough products;
- secure regulatory clearances in new markets;
- provide capacity for continued exploration of potential partnerships and acquisition of complementary technologies and business aimed at increasing Company value;
- provide general working capital; and
- pay the costs of the Offer (further details of which are set out in section 8.13).

In the event the circumstances change or other opportunities arise, the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders.

Further details regarding the use and sources of funds is provided in section 4.1 of this Prospectus.

Further Information

Please read this Prospectus carefully before deciding whether or not to invest. Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 2 8072 1400.

An investment in the Company contains specific risks which you should consider before making that decision, including those specified in section 6. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

On behalf of the Board, I encourage you to participate in the Entitlement Offer and thank you for your continuing support.

Yours sincerely



Mark Leong
Executive Chairman
OSTEOPORE LIMITED

2. INVESTMENT OVERVIEW

This section is intended to highlight key information for Eligible Shareholders. It is an overview only and is not intended to replace the Prospectus. Eligible Shareholders should read the Prospectus in full before deciding to invest in New Shares.

Overview Information		Further Information																	
<p>2.1</p> <p>Timetable</p> <p>The full timetable for the Entitlement Offer is set out on page 1 of this Prospectus and should be considered in full. However, critical dates you should note are as follows:</p> <table border="1"> <thead> <tr> <th>Key Timetable Dates</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td>Commencement of Rights Trading</td> <td>15 March 2024</td> </tr> <tr> <td>Record Date</td> <td>18 March 2024</td> </tr> <tr> <td>Entitlement Offer Opening Date</td> <td>19 March 2024</td> </tr> <tr> <td>Cessation of Rights Trading</td> <td>22 March 2024</td> </tr> <tr> <td>Entitlement Offer Closing Date</td> <td>2 April 2024</td> </tr> <tr> <td>Announcement of Results</td> <td>5 April 2024</td> </tr> <tr> <td>Issue of New Shares & New Options under Entitlement Offer</td> <td>8 April 2024</td> </tr> <tr> <td>Quotation of New Shares under Entitlement Offer</td> <td>9 April 2024</td> </tr> </tbody> </table> <p>The timetable is indicative only and subject to change. The Company reserves the right to vary the above dates, subject to the ASX Listing Rules and Corporations Act</p>	Key Timetable Dates	Date	Commencement of Rights Trading	15 March 2024	Record Date	18 March 2024	Entitlement Offer Opening Date	19 March 2024	Cessation of Rights Trading	22 March 2024	Entitlement Offer Closing Date	2 April 2024	Announcement of Results	5 April 2024	Issue of New Shares & New Options under Entitlement Offer	8 April 2024	Quotation of New Shares under Entitlement Offer	9 April 2024	<p>Refer to Page 1</p>
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<p>2.2</p> <p>Key Offer Statistics</p> <table border="1"> <thead> <tr> <th>Key Statistics</th> <th>At Maximum Subscription¹</th> </tr> </thead> <tbody> <tr> <td colspan="2">New Shares</td> </tr> <tr> <td>Offer Price per New Share</td> <td>\$0.029</td> </tr> <tr> <td>Entitlement Ratio (based on Existing Shares)</td> <td>10:1</td> </tr> <tr> <td>Shares currently on issue</td> <td>10,328,689</td> </tr> <tr> <td>New Shares to be issued²</td> <td>103,286,890</td> </tr> <tr> <td>Gross proceeds of Entitlement Offer</td> <td>\$3,000,000</td> </tr> <tr> <td>Shares on issue post-Entitlement Offer</td> <td>113,615,579</td> </tr> </tbody> </table>	Key Statistics	At Maximum Subscription ¹	New Shares		Offer Price per New Share	\$0.029	Entitlement Ratio (based on Existing Shares)	10:1	Shares currently on issue	10,328,689	New Shares to be issued ²	103,286,890	Gross proceeds of Entitlement Offer	\$3,000,000	Shares on issue post-Entitlement Offer	113,615,579	<p>Refer to section 3</p>		
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<p>2.3 Effect on Control</p> <p>The maximum number of New Shares which will be issued pursuant to the Entitlement Offer is 103,286,890 (representing 999% of all issued Shares as at the date of this Prospectus).</p> <p>The potential effect the Entitlement Offer will have on the control of the Company will depend on the extent to which Eligible Shareholders take up their Entitlements under the Entitlement Offer.</p> <p>If all Eligible Shareholders take up their Entitlement, the issue of Shares under the Entitlement Offer will have no effect on the control of the Company (with Shareholders holding the same percentage interest in the Company as currently held, other than changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer). However, if not all Shareholders take up their Entitlement, or if some Shareholders renounce their Entitlement, then changes to the ownership interests of the Company could occur as a result of Eligible Shareholder applying for Additional New Shares under the Shortfall Offer or as a result of the Entitlement Offer not being subscribed to the fullest extent.</p>	<p>Refer to section 4.3</p>												
<p>2.4 Potential Dilution of Non-Participating Shareholders</p> <p>In addition to the impact the Entitlement Offer may have on control of the Company, Shareholders should be aware that if they do not participate in the Entitlement Offer and the Entitlement Offer is fully subscribed, their holdings will be diluted by up to 90% (as compared to their holdings and number of Shares on issue as at the Record Date).</p> <p>Set out in section 4.4 is a table showing theoretical examples of the potential dilution of non-participating Shareholders holding different interests in the Company as at the Record Date, setting out the impact a 90% dilution may have on their shareholding.</p>	<p>Refer to section 4.4</p>												

Overview Information	Further Information
Shareholders considering whether to participate in the Entitlement Offer should refer to section 4.4 for further information.	
<p>2.5 Key Risk Factors</p> <p>Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. There are a number of risks and uncertainties, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operating and financial performance of the Company, its prospects, and/or the value of its securities.</p> <p>The Directors consider that summary of risk factors set out in section 6, which is not exhaustive, represents some of the major risks which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the risk factors set out in section 6 in full, in addition to the other information presented in this Prospectus.</p> <p>To further supplement the risk disclosure set out in section 6, the Directors wish to highlight the following material risks to the Company:</p> <p>(a) Funding to maintain strategic growth and operations</p> <p>The Company requires a successful Entitlement Offer that is substantially fully subscribed in order to maintain its current strategic growth and operations.</p> <p>(b) Loss making operation, future capital needs and additional funding</p> <p>The Company is currently loss making and will require further financing in the future in addition to the amounts raised pursuant to the Entitlement Offer. Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all.</p> <p>(c) Reliance on key customers</p> <p>The Company's largest markets by revenue are currently South Korea, Vietnam, and Singapore. If the Company were to lose one or more of its significant customers, its revenue may significantly decline. This could adversely affect its business, results of operations, and financial condition.</p> <p>(d) Securities investment and market risks</p> <p>The general economic climate (e.g. interest rates, political decisions) may affect the value of the Company's quoted securities regardless of the Company's operating performance.</p> <p>(e) Reliance on key personnel</p> <p>Success of the business will depend on the Directors and key management, including Lim Yujing and Goh Khoo Seng. Although these individuals have entered into a</p>	Refer to section 6

Overview Information			Further Information																														
	contract with the Company, there is no assurance that such contracts will not be terminated. If terminated, new personnel will need to be employed, which may adversely affect the business.																																
2.6	<p>Directors' Interest in Securities</p> <p>The relevant interest of each of the Directors in the equity securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below:</p> <table border="1"> <thead> <tr> <th rowspan="2">Director</th> <th colspan="2">Current^{1 2}</th> <th colspan="2">Entitlement</th> </tr> <tr> <th>Shares</th> <th>Options</th> <th>New Shares</th> <th>New Options</th> </tr> </thead> <tbody> <tr> <td>Mark Leong</td> <td>12,500</td> <td>2,500</td> <td>125,000</td> <td>25,000</td> </tr> <tr> <td>Teoh Swee Hin</td> <td>594,192</td> <td>118,838</td> <td>5,941,920</td> <td>1,118,384</td> </tr> <tr> <td>Daniel Ow</td> <td>Nil</td> <td>Nil</td> <td>-</td> <td>-</td> </tr> <tr> <td>Michael Keenan</td> <td>Nil</td> <td>Nil</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> 1. Refer to the Appendix 3Y for each Director (available from the Company's ASX announcements platform) for further particulars with respect to these security holdings; and 2. In addition to the Shares and Options referred to above, Mark Leong holds 616,668 Performance Rights, and Professor Teoh Swee Hin and Daniel Ow each hold 61,668 Performance Rights. <p>The Board recommends all Shareholders take up their Entitlements. The Directors reserve the right to take up their respective Entitlement in whole or in part, or to transfer any of their Entitlement, at their discretion, though each Director has indicated that they will participate in the Entitlement Offer.</p>			Director	Current ^{1 2}		Entitlement		Shares	Options	New Shares	New Options	Mark Leong	12,500	2,500	125,000	25,000	Teoh Swee Hin	594,192	118,838	5,941,920	1,118,384	Daniel Ow	Nil	Nil	-	-	Michael Keenan	Nil	Nil	-	-	Refer to section 8.5
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2.7	<p>Details of Substantial Shareholders</p> <p>Based on publicly available information as at the date of this Prospectus, those persons (together with their associates) which have a relevant interest in 5% or more of the Shares on issue are set out below:</p> <table border="1"> <thead> <tr> <th>Director</th> <th>Shares</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>CITICORP NOMINEES PTY LIMITED</td> <td>1,013,582</td> <td>9.81%</td> </tr> <tr> <td>BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS</td> <td>1,009,983</td> <td>9.78%</td> </tr> </tbody> </table>			Director	Shares	%	CITICORP NOMINEES PTY LIMITED	1,013,582	9.81%	BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS	1,009,983	9.78%	Refer to section 8.4																				
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Overview Information			Further Information
	Ms Irene Ng Ai Chen	658,833	6.38%
<p>In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Entitlement Offer, subject only to changes resulting from any Ineligible Shareholders being unable to participate in the Entitlement Offer.</p> <p>However, to the extent the Entitlement Offer is not taken up in full by all Shareholders (including those who have acquired additional renounceable rights under the Entitlement Offer) or to the extent any Shareholder participates within the Shortfall Offer, then changes to the ownership interests of the Company could occur.</p>			

3. DETAILS OF THE OFFERS

3.1 The Entitlement Offer

A renounceable pro rata entitlement issue to Eligible Shareholders of approximately 103,286,890 New Shares (assuming no existing Options are exercised before the Record Date) on the basis of 10 New Shares for every 1 Existing Share at an issue price of \$0.029 cents per Share to raise \$3,000,000 before issue costs (**Entitlement Offer**).

3.2 Free Attaching Options

New Shares issued under the Entitlement Offer will be issued with a corresponding 1 for 5 free attaching option to acquire a Share (**New Option**). Each New Option will have an exercise price of \$0.0387 and an expiry date of 24 months after the Closing Date. The terms of the New Options are fully set out in 7.3.

3.3 Minimum Subscription

There is no minimum subscription for the Entitlement Offer.

3.4 No Underwriting

The Offer is not underwritten.

3.5 Eligibility for Entitlement Offer

Eligible Shareholders who are on the Company's Share Register at 4.00pm WST on the Record Date, 18 March 2024, are eligible to participate in the Entitlement Offer.

3.6 Fractional Entitlements

Fractional entitlements under the Entitlement Offer will be rounded up to the nearest whole number. For the purposes of determining Entitlements, holdings in the same name are aggregated, to the extent permitted by the Listing Rules. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the Listing Rules.

An Application Form setting out your Entitlement to New Shares accompanies this Prospectus.

3.7 Opening and Closing Dates of Entitlement Offer and Withdrawal or Early Close

The Entitlement Offer will open on 19 March 2024 or such later date as may be prescribed by ASIC, and will remain open until 5.00pm (WST) on 2 April 2024 (5.00pm (EST) for BPAY®), subject to the right of the Company to withdraw the Entitlement Offer or either close the Entitlement Offer at an earlier time and date or extend the Closing Date, in each case without prior notice.

3.8 Acceptances

This Entitlement Offer may be accepted in whole or in part prior to 5.00pm (WST) on 2 April 2024 subject to the rights of the Company to extend the Entitlement Offer period or close the Entitlement Offer early.

Instructions for accepting your Entitlement are set out in section 5 and on the Application Form which accompanies this Prospectus.

3.9 Rights Trading

The Entitlement Offer is renounceable. This means that the rights of Eligible Shareholders to subscribe for New Shares under this Prospectus are transferable and may be traded on ASX. If you wish to sell all of your Entitlement on ASX, refer to the instructions in section 5.5.

Eligible Shareholders who choose not to take up their Entitlement and choose not to transfer their rights will receive no benefit and their shareholding in the Company will be diluted as a result.

3.10 Applying for Additional New Shares under the Shortfall Offer

Any Entitlements not taken up may become available as Additional New Shares. The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months from the Closing Date. The issue price for each Additional New Share issued under the Shortfall Offer will be \$0.029, being the same price at which New Shares are offered under the Entitlement Offer. Participants in the Shortfall Offer will also be issued 1 free attaching New Option for every 5 Additional New Shares subscribed for under the Shortfall Offer.

Eligible Shareholders may, in addition to their Entitlement, apply for such Additional New Shares, regardless of the size of their present holding, by completing the accompanying Application Form in accordance with the instructions set out on that form.

It is possible that there will be few or no Additional New Shares available for issue, depending on the level of take up of Entitlements by Shareholders. There is also no guarantee that in the event Additional New Shares are available for issue, they will be allocated to all or any of the Eligible Shareholders who have applied for them.

It is an express term of the Entitlement Offer that Applicants for Additional New Shares will be bound to accept a lesser number of Additional New Shares allocated to them than applied for, if so allocated. If a lesser number of Additional New Shares is allocated to them than applied for, excess Application Monies will be refunded without interest as soon as practicable. Refunds will be made via direct credit to the bank account recorded with the Company's Share Registry. Shareholders can update their direct credit details via <https://investor.automic.com.au/#/home>

The Company reserves the right to scale back any Applications for Additional New Shares in its absolute discretion.

Allocation of Additional New Shares under the Shortfall Offer will be at the discretion of the Board. To the extent commercially practicable and taking into account the Company's requirements for funds, the Directors will endeavour to allot the Additional New Shares to a spread of Eligible Shareholders, in order to mitigate the control effects which may arise from issuing Additional New Shares to a single or small number of investors. If the Shortfall Offer is oversubscribed, scale back will be applied to applications under the Shortfall Offer on a pro-rata basis to the respective Shareholders of Eligible Shareholders.

In exercising their discretion to allocate Additional New Shares, the Company will take into consideration a number of factors, including the Company's best interests, the Applicant's existing equity securities in the Company, the extent to which the Applicant has sold or bought equity securities in the Company before and after both the announcement of the Entitlement Offer and the Record Date, the financial needs of the Company, and the optimal composition of the Company's register following the Shortfall Offer.

The Company notes that no equity securities will be issued to an Applicant under this Prospectus, including under the Shortfall Offer, if the issue of such equity securities would contravene the takeover prohibition in section 606 of the Corporations Act. Similarly, no equity securities will be issued via the Shortfall Offer to any related parties of the Company.

3.11 Allotment and Application Monies

New Shares will be issued only after all Application Monies has been received and ASX has granted permission for the New Shares to be quoted. It is expected that New Shares will be issued on 8 April 2024.

All Application Monies received before New Shares are issued will be held in a special purpose account. After Application Monies is refunded (if required) and New Shares are issued to Applicants, the balance of funds in the account (excluding accrued interest) will be received by the Company.

3.12 ASX Quotation

Application will be made within 7 days of the date of issue of this Prospectus for the New Shares to be granted Official Quotation by ASX. If such an application is not made within these seven days, or if the New Shares are not admitted to Official Quotation within three months after the date of this Prospectus, none of the Shares offered by this Prospectus will be issued.

In that circumstance, all Applications will be dealt with in accordance with the Corporations Act and all Application Monies received pursuant to this Prospectus will be repaid as soon as practicable, without interest.

The fact that ASX may agree to grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or the New Shares. ASX takes no responsibility for the contents of this Prospectus.

3.13 Issue of Securities

Securities issued pursuant to the Entitlement Offer will be issued in accordance with the ASX Listing Rules and the timetable set out in this Prospectus. Securities issued pursuant to the Shortfall Offer may be issued on a progressive basis.

3.14 Ineligible Foreign Shareholders

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would not be lawful to issue the Prospectus or make the Entitlement Offer (**Ineligible Foreign Shareholders**). No action has been taken to register or qualify the Shares or the Issue or otherwise to permit an offering of the Shares in any jurisdiction outside Australia and New Zealand, except to the extent set out in section 3.15.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This document is not for publication or distribution, directly or indirectly, in or into the United States of America (including its territories and possessions, any state of the US and the District of Columbia). This document is not an offer of securities for sale into the United States or to, or for the account or benefit of, US Persons. The securities referred to herein have not been and will not be registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons. No public offering of securities is being made in the United States.

The Company believes that it is unreasonable to extend the Entitlement Offer and Shortfall Offer to Ineligible Foreign Shareholders. The Company has formed this view having considered:

- (a) the number and value of the New Shares that would be offered to those Shareholders; and
- (b) the cost of complying with the legal requirements and the requirements of regulatory authorities in overseas jurisdictions.

3.15 Treatment of Eligible Overseas Shareholders

The Entitlement Offer contained in this Prospectus is open to certain eligible overseas Shareholders falling within the categories summarised below (**Eligible Overseas Shareholders**). It is the responsibility of any Eligible Overseas Shareholder who submits an Application Form to obtain all necessary approvals for the allotment and issue of the New Shares under this Entitlement Offer and, if applicable, Additional New Shares under the Shortfall Offer. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant to the Company that there has been no breach of such laws and that all relevant approvals have been obtained.

New Zealand

Equity securities under this Prospectus are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to the offer of equity securities under this Prospectus. Equity securities offered in connection with the Offer may not be offered, sold or issued in Malaysia except

pursuant to, and to persons prescribed under, Schedules 6 and 7 to the Malaysian Capital Markets and Services Act.

Singapore

This Prospectus and any other materials relating to equity securities issued in connection with the Offer have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document relating to equity securities may not be issued, circulated or distributed, nor may they be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Prospectus has been given to persons in Singapore on the basis that they are an existing holder of the Company's Shares and to the extent this is not the case, the Prospectus should be returned immediately. This Prospectus may not be forwarded to any person in Singapore.

Any offer is not made to persons in Singapore with a view to equity securities being subsequently offered for sale to any other party in Singapore. There are on-sale restrictions in Singapore that may be applicable to investors who acquire such securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

3.16 Appointment of Nominee for Ineligible Shareholders

Pursuant to ASX Listing Rule 7.7 and section 9A(3)(c) of the Corporations Act, the Company has appointed a nominee, Alto Capital, (**Nominee**) to sell the Entitlements to which Ineligible Shareholders are entitled. As the Entitlement Offer is a renounceable rights issue, the Company is required to appoint a nominee to arrangement for the sale of the Entitlements that Ineligible Shareholders would have otherwise been entitled to. The number of Entitlements that the Company will transfer to the Nominee will be the same number of Entitlements that would have otherwise been available to Ineligible Shareholders if they were able to participate in the Entitlement Offer.

ASIC's approval of the Nominee for the purposes of section 615 of the Corporations Act is not being sought in connection with the Entitlement Offer, given the volume of Ineligible Shareholders Entitlements is low (being approximately 4.9% of all Entitlements) and given the Company has undertaken that it will not issue any New Shares in connection with the Entitlement Offer to the extent such issue would contravene the takeover prohibition in section 606 of the Corporations Act

The Nominee will have absolute and sole discretion to determine the timing and price at which the Entitlements may be sold and the manner of any such sale. The proceeds of the sale of these Entitlements will firstly be applied against the expenses of such sale, including brokerage, and any balance will accrue to the relevant Ineligible Shareholders as described below. The net proceeds of the sale of Entitlements of Ineligible Shareholders will then be forwarded by the Company as soon as practicable to the Ineligible Shareholders, in proportion to their share of such Entitlements (after deducting brokerage commissions and other expenses). If any such net proceeds of sale are less than the reasonable costs that would be incurred by the Company for distributing those proceeds, such proceeds may be retained by the Company. Further, if, in the reasonable opinion of the Nominee, there is no market or no viable market, for the Entitlements of Ineligible Shareholders, or a surplus of sale proceeds over the expenses of the sale of Ineligible Shareholders Entitlements cannot be obtained, then such Entitlements will be allowed to lapse and they will form part of the Shortfall Offer.

The ability to sell Entitlements on ASX, and the price at which Entitlements must be sold, will depend on various factors, including market conditions. Notwithstanding that the Nominee must sell all Entitlements otherwise applicable to Ineligible Shareholders, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. To the maximum extent permitted by law, neither the Company or the Nominee, nor their respective related bodies corporate, nor the directors, officers, employees,

agents and advisors of any of them, will be liable for a failure to sell Entitlements at a particular price.

The terms of the Nominee's appointment, along with a summary of fees payable to the Nominee, is set out in section 8.7.

3.17 Rights attaching to New Shares and New Options

From the time of issue, the New Shares issued under this Prospectus will rank equally in all respects with Existing Shares. A summary of the rights attaching to Shares as set out in the Company's Constitution are contained in section 7.2 of this Prospectus.

A summary of the rights and liabilities attaching to the New Options is set out in section 7.3 of this Prospectus.

3.18 Major Activities and Financial Information

A summary of the major activities and financial information of the Company for the year ended 31 December 2022 is contained in the Company's annual report, which was published to the market on 30 March 2023 (**Annual Report**), and for the half year ended 30 June 2023, the Company's Half Yearly Report and Accounts announced on ASX on 31 August 2023.

The Company's continuous disclosure notices (i.e its announcements to the ASX) since lodgement of the Annual Report are detailed in 8.1. Copies of these documents are available free of charge from the Company. Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offer.

3.19 Tax Consequences

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

The Directors do not consider that it is appropriate to give Shareholders advice regarding the taxation consequences of the Company applying for Shares under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

3.20 Notice to nominees and custodians

Nominees and custodians that hold Existing Shares should note that the Entitlement Offer is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of securities. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

3.21 CHESS

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a whole owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of equity securities. If you are broker sponsored, ASX Settlement Pty Limited will send you a CHESS statement.

The CHESS statement will specify the number of equity securities issued under this Prospectus, provide details of our holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the equity securities, including a notice to exercise the New Options.

If you are registered on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry and will contain the number of equity securities issued to you under this Prospectus and your security holder reference number.

A CHESSE statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 Purpose of the Offer

The purpose of the Entitlement Offer is to raise approximately \$3,000,000 in cash. The Directors intend to apply the proceeds from the Entitlement Offer for the following purposes in accordance with the table set out below.

Use of Funds	Amount	%
Sales & Marketing Opportunities <i>(additional funds above and beyond base working capital to be used to support sales momentum, develop and launch of new breakthrough products and secure regulatory clearances in new markets, provide capacity for continued exploration of potential partnerships and acquisitions of complementary technologies and businesses aimed at increasing Company value)</i>	\$1,500,278	50%
Working Capital <i>(funds for ongoing operational activities and payables)</i>	\$1,350,000	45%
Expenses of the Offer	\$149,722	5%
Total	\$3,000,000	100%

The table assumes that there are no exercise of Options between the date of this Prospectus and the Record Date and that Entitlements are taken up in full. Further information regarding expenses in connection with the Offer are set out in section 8.13.

In the event that circumstances change or other opportunities arise the Directors reserve the right to vary the proposed use of funds to maximise benefits to Shareholders. In particular, assuming the Entitlement Offer is taken up in full, the Directors believe the Company will have sufficient working capital to achieve its stated objectives. In the event the Entitlement Offer (including pursuant to the Shortfall Offer) is not fully subscribed, operational objectives are likely to be modified, which may result in delay or substantial changes to the Company's future plans.

4.2 Effect of the Offer

The effect of the Entitlement Offer will be (assuming full subscription of the Entitlement Offer is achieved and no Options are exercised prior to the Record Date) that:

- (a) cash reserves will initially increase by approximately \$3,000,000 (before payment of costs of the Entitlement Offer);
- (b) increase the number of Shares on issue by 103,286,890;
- (c) increase the number of Options on issue by 20,657,378; and

as such, the capital structure of the Company following the Entitlement Offer is as follows:

Issued Share Capital	Number of Shares
Shares on issue prior to the Entitlement Offer	10,328,689
New Shares issued pursuant to the Entitlement Offer	103,286,890
Total Shares on issue after completion of Entitlement Offer	113,615,579

Issued Options	Number of Options
Options on issue prior to the Entitlement Offer, comprising: <ul style="list-style-type: none"> 3,510,164 listed Options expiring 24 April 2026; and 12,500 Options expiring 2 November 2025. 	3,522,664
New Options to be issued pursuant to the Entitlement Offer	20,657,378
Total Options on issue after completion of Entitlement Offer	24,180,042

In addition the Company has 900,004 performance rights on issue as at the date of this Prospectus. The Entitlement Offer will have no impact on the performance rights on issue.

4.3 Effect of the Entitlement Offer on the Control of the Company

The maximum number of New Shares which will be issued pursuant to the Entitlement Offer is 103,286,890. This equates to 999% of all the issued Shares in the Company as at the date of this Prospectus following completion of the Entitlement Offer.

The potential effect the Entitlement Offer will have on the control of the Company will depend on the extent to which Eligible Shareholders take up their Entitlements under the Entitlement Offer.

If all Eligible Shareholders take up their Entitlement, the issue of Shares under the Entitlement Offer will have no effect on the control of the Company and all Shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Entitlement Offer. However, if not all Shareholders take up their Entitlement, or if some Shareholders renounce their Entitlement, then changes to the ownership interests of the Company could occur as a result of Eligible Shareholder applying for Additional New Shares under the Shortfall Offer or as a result of the Entitlement Offer not being subscribed to the fullest extent.

4.4 Potential dilution of non-participating Shareholders

Shareholders should be aware that if they do not participate in the Entitlement Offer and the Entitlement Offer is fully subscribed, their holdings will be diluted by up to 90% (as compared to their holdings and number of Shares on issue as at the Record Date).

For illustrative purposes, the table below shows how dilution may impact the holding of Shareholders:

Example Holder	Holding at Record Date	Pre-Offer %	Entitlement under Offer	Holding if Offer not taken up	Post-Offer %
Example 1	1,000,000	9.68%	10,000,000	1,000,000	0.88%
Example 2	500,000	4.84%	5,000,000	500,000	0.44%
Example 3	250,000	2.42%	2,500,000	250,000	0.22%
Example 4	125,000	1.21%	1,250,000	125,000	0.11%
Example 5	75,000	0.72%	750,000	75,000	0.06%

Notes:

- (a) *the above table is based on a share capital of 10,328,609 Shares at the date of the Prospects and 103,286,890 Shares on completion of the Entitlement Offer and assumes that, other than under the Offer, no additional Shares are issued (including on exercise or conversion of existing Options and performance rights on issue);*

- (b) *the dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted by Eligible Shareholders are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting shortfall is not subsequently place, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.*

4.5 Pro-forma Statement of Financial Position

Reviewed Statement of Financial Position 30 June 2023

To illustrate the effect of the Entitlement Offer on the financial position of the Company, set out in 4.5(a) below is the reviewed statement of financial position of the Company and the unaudited pro forma statement of financial position as at 30 June 2023 (the **Balance Date**), prepared on the basis of the accounting policies normally adopted by the Company.

The unaudited pro forma statement of financial position has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The unaudited pro forma statement of financial position has been prepared on the basis that the assets and liabilities of the Company have not been subject to any material change between 30 June 2023 and completion of the Entitlement Offer (including the Shortfall Offer, if any) except for movements in working capital resulting from transactions and expenditures incurred in the normal course of business including corporate costs and the costs of the Entitlement Offer.

Other than as specified above and in the ordinary course of business, there have been no other material transactions between 30 June 2023 and the date of this Prospectus.

Unaudited Statement of Financial Position 31 December 2023

For completeness, and given the length of time that has passed since the Balance Date and the fact that the Company's preliminary financial report for the year ended 31 December 2023 is now available (having been lodged with ASX on 29 February 2024 (**Preliminary Financial Report**)), set out in 4.5(b) below is an additional unaudited pro forma statement of financial position of the Company which utilises a balance date as at 31 December 2023.

(a) **Unaudited Pro Forma Statement of Financial Position as at 30 June 2023**

	Reviewed 30/6/2023	Fully Subscribed Entitlement Offer Note 1	Pro forma 30/6/2023
CURRENT ASSETS			
Cash and cash equivalents	1,857,390	2,856,598	4,713,988
Trade receivables	461,209	-	461,209
Other assets	959,524	-	959,524
Inventories	303,383	-	303,383
TOTAL CURRENT ASSETS	3,581,506	2,856,598	6,438,104
NON-CURRENT ASSETS			
Plant and equipment	331,465	-	331,465
Right-of-use asset	47,763	-	47,763
Intangible assets	990,937	-	990,937
TOTAL NON-CURRENT ASSETS	1,370,165	-	1,370,165
TOTAL ASSETS	4,951,671	2,856,598	7,808,269
CURRENT LIABILITIES			
Trade and other payables	2,572,917	-	2,572,917
Provisions	60,521	-	60,521
Lease liabilities	48,501	-	48,501
TOTAL CURRENT LIABILITIES	2,681,939	-	2,681,939
NON-CURRENT LIABILITIES			
Lease Liabilities	4,284	-	4,284
TOTAL NON-CURRENT LIABILITIES	4,284	-	4,284
TOTAL LIABILITIES	2,686,223	-	2,686,223
NET ASSETS	2,265,448	2,856,598	5,122,046
EQUITY			
Issued capital	29,470,027	2,856,598	32,326,625
Reserves	(13,324,631)	-	(13,324,631)
Accumulated losses	(13,879,948)	-	(13,879,948)
TOTAL EQUITY	2,265,448	2,856,598	5,122,046

Notes:

1. The unaudited pro forma statement of financial position has been prepared on the basis of the following assumptions:

(a) The Pro Forma Historical Financial Information has been prepared by adjusting the statement of financial position of the Group as at 30 June 2023 to reflect the financial effects of the followings:

Pro-forma transactions

(i) The Entitlement Offer is fully subscribed and \$2,995,320 is raised by the issue of 103,286,890 Shares at \$0.029 per share, less share issue costs of \$138,722.

(b) **Unaudited Preliminary Financial Report – Pro Forma as at 31 December 2023**

The Company released to the ASX its unaudited Preliminary Financial Report on the 29 February 2024. The effects of the pro forma transactions on the 31 December 2023 preliminary unaudited financial reports are as follows:

	Unaudited Preliminary Financial Report 31/12/2023	Fully Subscribed Entitlement Offer Note 1	Pro forma 31/12/2023
CURRENT ASSETS			
Cash and cash equivalents	1,114,800	2,856,598	3,971,398
Trade receivables	543,654	-	543,654
Other assets	1,029,088	-	1,029,088
Inventories	278,978	-	278,978
TOTAL CURRENT ASSETS	2,966,520	2,856,598	5,823,118
NON-CURRENT ASSETS			
Plant and equipment	259,479	-	259,479
Right-of-use asset	25,639	-	25,639
Intangible assets	779,889	-	779,889
TOTAL NON-CURRENT ASSETS	1,065,007	-	1,065,007
TOTAL ASSETS	4,031,527	2,856,598	6,888,125
CURRENT LIABILITIES			
Trade and other payables	2,347,405	-	2,347,405
Borrowings	1,164,339	-	1,164,339
Provisions	58,080	-	58,080
Lease liabilities	29,100	-	29,100
TOTAL CURRENT LIABILITIES	3,598,924	-	3,598,924
TOTAL LIABILITIES	3,598,924	-	3,598,924
NET ASSETS	432,603	2,856,598	3,289,201
EQUITY			
Issued capital	29,529,999	2,856,598	32,386,597
Reserves	(14,383,770)	-	(14,383,770)
Accumulated losses	(14,713,626)	-	(14,713,626)
TOTAL EQUITY	432,603	2,856,598	3,289,201

Notes:

1. The unaudited pro forma statement of financial position has been prepared on the basis of the following assumptions:

(b) The Pro Forma Historical Financial Information has been prepared by adjusting the statement of financial position of the Group as at 31 December 2023 to reflect the financial effects of the followings:

Pro-forma transactions

The Entitlement Offer is fully subscribed and \$2,995,320 is raised by the issue of 103,286,890 Shares at \$0.029 per share, less share issue costs of \$138,722

5. ACTIONS REQUIRED BY ELIGIBLE SHAREHOLDERS

5.1 What you may do

As an Eligible Shareholder, you may:

- subscribe for all or part of your Entitlement (refer **section 5.2**);
- apply for Additional New Shares (refer **section 5.3**);
- allow all or part of your Entitlement to lapse (refer **section 5.4**); and
- sell all or part of your Entitlement (refer **section 5.5**).

If you wish to participate in the Entitlement Offer or Shortfall Offer (as applicable) you must make payment by BPAY® (for Australian based Shareholders) or Electronic Funds Transfer (EFT) (for Eligible Overseas Shareholders that are unable to pay via BPAY®). You must follow the payment instructions set out on your personalised Application Form which can be accessed via <https://investor.automic.com.au/#!/loginsah>.

5.2 To subscribe for all or part of your Entitlement

If you wish to subscribe for all or part of your Entitlement, you are required to make payment for your nominated portion of your Entitlement via BPAY® or EFT by following the instructions on your personalised Application Form. Please read the instructions carefully.

5.3 To apply for Additional New Shares

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares regardless of the size of their present holding in connection with the Shortfall Offer described in section 3.10. To apply for Additional New Shares, you must make a payment for more than your Entitlement via BPAY® or EFT by following the instructions on your personalised Application Form. Please read the instructions carefully. The excess will be taken to be an application for Additional New Shares under the Shortfall Offer.

You should note that your Application for Additional New Shares is subject to the terms described in section 3.10. In particular, you should note that the allocation of Additional New Shares is at the Company's absolute discretion as per the allocation policy described in this Prospectus. Accordingly, your Application for Additional New Shares may be scaled back and Application Monies returned to you. The Company's decision on the number of Additional New Shares to be allocated to you will be final.

5.4 Entitlements not taken up

If you are a Shareholder and do not wish to accept all (or part) of your Entitlement, you are not obliged to do anything. You will receive no benefit or New Shares and your Entitlement may be dealt with in accordance with the Shortfall Offer described in section 3.10.

If you wish to receive a benefit, you must take action to accept your Entitlement in accordance with the instructions above and on the back of the accompanying Application Form.

The number of Existing Shares you hold as at the Record Date and the rights attached to those Existing Shares will not be affected if you choose not to accept any of your Entitlement.

5.5 Sell all or part of your Entitlement

If you wish to sell all or part of your Entitlement you may trade your Entitlement on ASX or transfer it to a third party.

To sell all or part of your Entitlement on ASX, you must provide instructions to your stockbroker regarding the Entitlement you wish to sell on ASX. Trading of Entitlement rights will commence on ASX on 15 March 2024 and will cease on 22 March 2024. There is no guarantee that an Eligible Shareholder will be able to sell all or any part of their rights on ASX or that any particular price will be paid for the rights on ASX.

You may elect to transfer all or part of your Entitlement to another person other than on the ASX. If the purchase of your Entitlement is an Ineligible Foreign Shareholder if they were a Shareholder, that purchaser will not be able to take up the Entitlement they have purchased.

If you are a Shareholder on the Issuer Sponsored sub-register and you wish to transfer all or a proportion of your Entitlement to another person other than on ASX, submit a completed standard renunciation (obtainable from the Company's Share Registry) to the Share Registry by email as per the instructions within the Application Form and standard renunciation at any time after the issue of this Prospectus and on or before the Closing Date.

If you wish to transfer all or part of your Entitlement to or from another person on the CHES sub register you must engage your CHES controlling participant (usually your stockbroker). If the transferee wants to exercise some or all of the Entitlement, you should follow your stockbroker's instructions as to the most appropriate way to take up the Entitlement on their behalf. The Application Monies for New Shares the transferee of the Entitlement wants to acquire must be received in accordance with this Prospectus.

5.6 Timing of payments

Payment under the Entitlement Offer and Shortfall Offer (if any) is due by no later than 5.00pm (AEDT) on the Closing Date. It is your responsibility to ensure that your payment is received by the Company by no later than 5.00pm (EST) on 2 April 2024. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

Note that when paying by BPAY® you are not required to submit a personalised Application Form but are taken to make the statements on that form and which are set out in section 5.8. For instructions on how to pay by BPAY® refer to section 5.7 below.

5.7 How to pay

The price of \$0.029 per New Share is payable on acceptance of your Application. If you wish to participate in the Entitlement Offer or Shortfall Offer you must make payment by BPAY® or EFT. Australian based Shareholder may only pay via BPAY®.

Cash, cheques, bank drafts and money order payments will not be accepted. Receipts for payments will not be issued.

The Company will treat Eligible Shareholders as applying for as many New Shares as their BPAY® or EFT payment will pay for in full. If an Eligible Shareholder's payment will pay for more than their full Entitlement, the Company will treat the Eligible Shareholder as applying for their full Entitlement and the excess will be taken to be an application for Additional New Shares pursuant to the Shortfall Offer.

Any Application Monies received from Eligible Shareholders for more than their final allocation of equity securities will be refunded, except for where the amount is less than \$1.00. No interest will be paid on any Application Monies received or refunded. Application Monies received from Eligible Shareholders will be held on trust until such time as the relevant New Shares are issued or the Application Monies refunded. To the fullest extent permitted by law, each Eligible Shareholder agrees that any Application Monies paid by them to the Company will not entitle them to any interest against the Company and that any interest earned in respect of Application Monies will belong to the Company. This will be the case, whether or not all or none (if any Offer is withdrawn) of the New Shares applied for by a person are issued to that person.

For payments by BPAY® or Electronic Funds Transfer (EFT), please follow the instructions set out on your personalised Application Form which can be accessed at <https://investor.automic.com.au/#/loginsah>. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. When paying by BPAY®, please make sure to use the specific Biller Code and unique Reference Number which can be obtained from your personalised Application Form. When paying by EFT please make sure to use the unique Reference Number which can be obtained from your personalised Application Form.

If Eligible Shareholders have more than one holding, they must login separately for each holding and use the Reference Number specific to the relevant holding. Alternatively, if Eligible Shareholders have requested a personalised Application Form and have more than one holding, they will receive separate forms for each holding. If Eligible Shareholders do not use

the correct Reference Number specific to that holding, or inadvertently use the same Reference Number for more than one of their holdings, their application will be recorded against the holding associated with the Reference Number they use.

Payment of any Application Monies cannot be withdrawn by you once received. No cooling off period applies.

5.8 Application Forms are binding

A completed and lodged Application Form constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the applicable form is not completed correctly, it may still be treated as a valid Application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form with the requisite Application Monies, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and, or, where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- agree to be bound by the terms of the Entitlement Offer, the Constitution and to be recorded in the Company's register of members and option holders (as applicable) as the registered holder of relevant equity securities;;
- represent and warrant that you have received a copy of the Prospectus with the Application Form and have considered each in full;
- declare that all details and statements in the Application Form are complete and accurate;
- declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares (and corresponding New Options) to be issued to you, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- in relation to the Entitlement Offer and otherwise as informed to the Company, declare that you are the current registered holder of Shares and are an Australian or Eligible Overseas Shareholder, and you are not in the United States or a US Person, or acting for the account or benefit of a US Person;
- acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs; and
- acknowledge that the New Shares have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws in particular the US Securities Act.

For enquiries concerning the Application Form, your Entitlement or general enquiries, please contact the Share Registry on 1300 288 664 (within Australia) and +61 2 9698 5414 (outside Australia) or consult your professional advisor. Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 2 8072 1400.

6. RISK FACTORS

6.1 Introduction

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. There are a number of risks and uncertainties, both specific to the Company and of a general nature, which may, either individually or in combination, affect the future operating and financial performance of the Company, its prospects, and/or the value of its securities. The Company and its controlled entity have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risks which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus. Additional risks and uncertainties that the Company is unaware of, or that it currently does not consider to be material, may also become important factors that may have an adverse effect on the Company. Investors should specifically consider the factors contained in this section and elsewhere in the Prospectus in light of their own investment objectives and financial circumstances, and should seek professional advice from their accountant, stockbroker, lawyer or other professional advisor before deciding whether to invest in Shares

The principle risks include, but are not limited to, those set out in sections 6.2 and 6.3.

6.2 Company Specific Risks

(a) Funding to maintain strategic growth and operations

The Company is in a position where successful completion of the Entitlement Offer by Shareholders would enable the Company to be in a position to maintain its strategic growth and operations. The principal risk the Company faces is in the potential consequences on our operations and strategic initiatives if necessary funds proposed to be raised under the Entitlement Offer are not promptly secured. Insufficient financial support could impede the Company's ability to capitalise on emerging opportunities, invest in critical projects, and navigate unexpected economic headwinds. This could, in turn, affect the Company's market position and competitiveness.

In addition, the absence of immediate funding could impact the Company's ability to scale production and meet market demand. Without adequate resources, the Company runs the risk of being unable to fulfil its orders and consequently denying patients who rely on the Company's innovative product for clinical outcomes.

(b) Loss making operation, future capital needs and additional funding

The Company is currently loss making (having incurred net losses in each year since inception) and will require further financing in the future, in addition to amounts raised pursuant to the Offers. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the current market price (or Issue Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

The future capital requirements of the Company will depend on many factors, including the pace and magnitude of the development of its business and sales, increasing operating costs and inflation risks which may adversely affect the Company's performance. As such, the Company may need to raise additional funds from time to time to finance the ongoing development and commercialisation of its technology and to meet its other longer-term objectives.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its

operations and this could have a material adverse effect on the Company's activities and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

(c) **Competition, marketing and new technologies**

The industry in which the Company is involved is subject to increasing global competition which is fast-paced and fast-changing. While the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business. For instance, new technologies could result in the Company not being differentiated to other similar offerings.

The Company's success depends on, in large part, on effectively marketing its products to surgeons. In order for the Company's products to gain widespread adoption, the Company must successfully demonstrate to surgeons the medical and economic benefits of its products compared to competitors' products, including Rapidsorb (DePuy Synthes), Medpor (Stryker), and Titanium Burr Hole Cover (DePuy Synthes). The Company also may face challenges because in situ tissue engineering is relatively new as compared to the current standard of care for bone regeneration. Standard care for the previous several decades has involved permanent implants and bone grafts whereas the Company's products have only been commercially available since approximately 2006 (such that the Company has a limited track record compared with its competitors).

Acceptance of the Company's products depends on educating surgeons as to the distinctive characteristics, perceived benefits, safety, ease of use and cost effectiveness of its products as compared to its competitors' products and communicating to surgeons the proper use of its products. If the Company is not successful in convincing surgeons of the merits of its products or educating them on the benefits of its products, they may not use its products and the Company may be unable to increase its sales, sustain its growth or achieve profitability. In addition, the Company believes support of its products by surgeons is essential for market acceptance and adoption. If the Company does not receive support from surgeons or long-term data does not show the benefits of using its products, surgeons may not use it. In such circumstances, the Company's results of operations would be materially adversely affected.

A number of third-party competitors are currently offering products and services similar to the Company's products. Furthermore, the competitive landscape for bone regeneration is crowded and continues to evolve at a rapid pace. Various other companies, many with greater resources, are developing or commercialising products that potentially compete with the Company's products. This competition could have a material adverse effect on potential acceptance, use, pricing and sales of the Company's products.

(d) **Intellectual property risk**

Osteopore International has a patent portfolio of 25 patents, trade secrets and registered trademarks. The Company relies on laws relating to patents, trade secrets, copyright and trademarks to assist to protect its proprietary rights. However there is a risk that unauthorised use or copying of the Company's software, data, specialised technology, manufacturing processes or platforms will occur (including as a result of cyber attacks and network security breaches). The process of obtaining patent protection is expensive and time-consuming, and the Company may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. If the Company fails to protect its intellectual property secrets,

competitors may gain access to its proprietary information which could harm the Company's business.

There is a risk that the Company will be unable to register or otherwise protect new intellectual property it develops in the future. Competitors may be able to work around any of the applications or other intellectual property rights used by the Company, or independently develop technologies or competing products that are not covered by the Company's intellectual property rights. This may materially adversely impact the Company's revenue, legal expenses and profitability.

The patent positions of pharmaceutical and medical device companies can be highly uncertain and involve complex legal, scientific and factual questions for which important legal principles remain unresolved. The Company seeks to protect its trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as its consultants and vendors, or its former or current employees.

The Company also enters into confidentiality and invention and patent assignment agreements with its employees and consultants. Despite these efforts, however, any of these parties may breach the agreements and disclose the Company's trade secrets and other unpatented or unregistered proprietary information, and once disclosed, the Company is likely to lose trade secret protection.

If the Company believes its intellectual property rights have been infringed, it may initiate or otherwise be involved in litigation against third parties for infringement, or to establish the validity, of the Company's rights. Any litigation, whether or not it is successful, could result in significant expense to the Company and divert the efforts of its personnel. In addition, unauthorised use of the various brands of the Company in counterfeit products or services could not only result in potential revenue loss, but also have an adverse impact on its brand value and perception of product quality.

(e) **Medical or product liability claims**

Generally, medical technology companies may be subject to claims alleging negligence, product liability or breach of warranty that may involve large claims and significant defence costs whether or not such liability is imposed. These claims may be brought by individuals seeking relief for themselves, or increasingly, by groups seeking to represent a class. Claims could be made against the Company for liabilities resulting from adverse medical consequences to patients.

(f) **Contractual risk**

There are a number of risks associated with contracts entered into by the Company, including the risk that those contracts may contain unfavourable provisions, or be terminated, lost or impaired, or renewed on less favourable terms. As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

In accordance with the Company's acquisition of 100% of the business activities carried on by Lomic Korea Co., Ltd, 3D Aesthetic Solutions Pte Ltd, 3D Healthcare Solutions Co., Ltd and 3D Aesthetic Medical Equipment and Supplies Trades (the **Target Business**), as announced 23 January 2023, the Company entered into a binding asset purchase deed (**APA**) with Mr Lim Jae Hoon (**Vendor**) on 22 January 2023. In accordance with the terms of the APA, the Company has committed to make the following cash payments to the Vendor (further details in respect of which are set out in the Company's announcement dated 23 January 2023), including, three future payments of \$300,000 (exclusive of VAT) in aggregate, subject to the satisfaction of milestones relating to the Target Businesses generating particular cumulative amount of sales during the 24 month period after completion of the APA (**Milestone Payments**).

There can be no certainty that the Company will have sufficient funds to satisfy the Milestone Payments if and when they become payable. In the event that the Company does not have the available cash to meet the Milestone Payments and isn't able to raise sufficient funds, it may default on its payment obligations, which may give rise to a potential claim against the Company. There is no guarantee that further capital will be available on terms satisfactory to the Company, or at all, and further equity raisings will dilute the interests of existing Shareholders.

(g) **Regulatory risk**

The Company is subject to continuing regulation, including quality regulations applicable to the manufacture of its devices and various reporting, certification renewal and audit requirements and regulations. The Company has policies and procedures in place which are designed to ensure continuing compliance with applicable regulations for its existing products in the jurisdiction in which it operates. There can be no guarantee that the regulatory environment in which the Company operates may not change in the future which may impact the Company's existing approvals and products. The Company intends to expand the application of its products in target jurisdictions (including Australia, USA, Europe and China). Further regulatory approvals may be required to expand into these jurisdictions including but not limited to Australian TGA approval, China FDA registration, registration of second generation materials with the US FDA and further CE Mark conformity. The Company may not be able to obtain the necessary approvals and clearances in a timely fashion or may not be able to obtain the necessary approvals or clearances at all.

(h) **Supplier and manufacturer risk**

The Company may be unable to successfully sustain and to further scale-up manufacturing of its products in sufficient quality and quantity, which would delay or prevent it from developing and commercialising any approved products.

Osteopore sources certain key components for its devices from third party suppliers. The Company relies in particular on a primary third-party supplier located in the Netherlands for materials used in its products, thereby making the Company vulnerable to supply shortages and price fluctuations, which could harm its business, operations, financial condition and cash flows (particularly if the Company is unable to reduce its expenses including on a per unit costs basis).

The delivery of such components may be delayed, or a specific supplier may not be able to deliver at all, which may lead to a longer sales cycle or may force the Company to shift to another supplier. There is a risk that the Company could be disrupted if no alternative suppliers were able to be sought which may (among other things) cause significant delays in the shipment of the Company's products which may in turn cause the Company to breach its obligations to customers. Even if operations are not disrupted, potential price fluctuations for the Company's products may have a material affect on the Company's operations, financial performance and cash flow. Additionally, there is a risk that key components provided by third party suppliers may be defective.

(i) **Equipment risk**

Osteopore uses 3D printing technology to develop biometric microarchitectures that facilitate natural tissue regeneration. The core micro-extruder technology is integrated with a 3D printer. Whilst there are other providers of equipment (including 3D printers), inability to access the appropriate equipment in a timely fashion and on commercial terms may have an adverse effect on Osteopore's business and financial position.

(j) **Licences risk**

Osteopore licences software from a third-party provider for use in development of fused deposition modelling 3D printing instruction software. Whilst there are other alternative software providers, there is a risk that the business could be disrupted if

there is a disagreement, dispute or the third-party provider is no longer able to provide its service to the Company.

The Company is also party to licence agreements that give it various commercialisation rights, the loss of which (whether due to the Company's actions or inactions or those of the respective counterparties) may adversely affect its business.

The loss of (i) the licenses granted under such agreements, or (ii) the rights provided under such agreements, would prevent the Company from developing, manufacturing or marketing products covered by the license, and could materially harm its business, financial condition, results of operations and prospects.

(k) **New applications/ products and clinical testing**

The Company has identified a number of new applications that are complementary to its existing products, including dental, spinal/ orthopedic and long bone market segments. These new products must still undergo further clinical studies (and the Company may in the future identify future products which may similarly require clinical studies) and those tests and trials may show that its new products do not work in a safe and effective manner. The Company intends to conduct clinical studies of the licensed intellectual property in the future, but there can be no guarantee that relevant regulatory agencies will allow the Company to undertake such trials and/or the development and approval process for any new products or applications of existing products may take longer, cost more than expected and may result in the licensed intellectual property not producing a viable device.

If serious adverse events or other undesirable side effects are identified during the use of the Company's products in clinical trials or investigator-sponsored trials, it may adversely affect the Company's development of such product candidates.

Clinical trials by their nature are very expensive, take a long time to complete, and are difficult to design and implement and involve uncertain outcomes. Furthermore, results of earlier preclinical studies and clinical trials may not be predictive of results of future preclinical studies, clinical trials or commercial success. Clinical trials may be delayed, suspended or terminated for many reasons, which will increase the Company's expenses and delay the time it takes to develop and expand our products in additional applications.

(l) **New markets**

The Company will look to expand its product offerings into new markets. Any efforts to enter a new market space holds the risk that the product offering does not meet the needs of the market at an acceptable price point, the product does not meet the relevant regulatory standards and/or the underlying intellectual property is not registrable in the market. New markets usually cost substantially more to penetrate than a known market.

(m) **Distribution risk**

The Company has a number of distribution agreements in place with third party distributors and currently depends on third-party distributors for the majority of its product sales. The Company intends to focus on developing and marketing the Company's products through the use of distributors in key target markets. Each distributor is required to maintain all regulatory approvals with respect to each of the Company's products and is required to keep the Company generally informed of the regulatory requirements in the relevant territory.

Under each distribution agreement, there is a risk of:

- (i) failure by the distributor to pay any amount owing to the Company under the distribution agreement;
- (ii) failure by the distributor to comply with post market requirements pertaining to tracking, vigilance and reporting procedures per ISO 13485 and any national or state requirements; or

- (iii) failure by the distributor to obtain all regulatory approvals required to sell and distribute the Company's products in the territory.

The Company may be required to terminate the relevant agreement upon any of the above occurring and the Company may be unable to replace that distributor without disruption to its business. Further, there is a risk that the Company enters into distribution agreements on terms that may not be commercially acceptable or may have a negative impact on the Company's growth and profitability.

(n) **Reliance on key personnel**

Success of the business will depend on the Directors and the management of the Company to develop the business and manage operations, and on the ability to attract and retain key quality staff and consultants.

The Company has key management personnel including Goh Khoo Seng and Lim Yujing. It is important to retain and attract additional suitable qualified personnel. Although these individuals have entered into contracts with the Company, there is no assurance that such contracts will not be terminated. If such contracts are terminated or breached, or if these individuals no longer continue in their current roles, new personnel will need to be employed, which may adversely affect the business. The Company is also substantially dependent on the continued service of its existing development personnel because of the complexity of its services and technologies. There is no assurance that the Company will be able to retain the services of these persons.

(o) **Reliance on key customers**

The Company's largest markets by revenue are currently South Korea, Vietnam and Singapore. This geographic concentration makes the Company particularly sensitive to regulatory, economic, and competitive conditions in those countries, and any material change in such conditions in these countries could have a disproportionate effect on its business, results of operations and financial condition. Furthermore, the Company's operating results may vary significantly from quarter to quarter because of seasonality, bulk orders, shipments to distributors or otherwise.

If the Company were to lose one or more of its significant customers, its revenue may significantly decline. The loss of one or more of the Company's significant customers could adversely affect its business, results of operations, and financial condition. Because of these and other factors, it is possible that in some future period the Company's operating results may not meet investor expectations or those of public market analysts.

(p) **Legal proceedings**

Legal proceedings may arise from time to time in the course of the business of the Company including enforcing or defending its intellectual property rights against infringement and unauthorized use by the competitors or in relation to a contract dispute.

As at the date of this Prospectus, there are no material legal proceedings affecting the Company and the Directors are not aware of any legal proceedings pending or threatened against or affecting the Company.

(q) **Dilution risk**

Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the Entitlement Offer and may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities. The Company may undertake offerings of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such Shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, voting power of the Company's existing Shareholders may be diluted.

(r) **Pandemic**

A pandemic, including new waves or variants of COVID-19, may prevent the Company, its suppliers, customers, and other business partners from conducting business activities for an indefinite period of time, including due to shutdowns that may be requested or mandated by governmental authorities. Such measures taken in response to a pandemic may adversely impact the Company's operations and are likely to be beyond the control of the Company.

The outbreak of COVID-19 has impacted global economic markets. COVID-19 has also impacted, and may continue to impact, the Company's headquarters, manufacturing, and warehousing and distribution facilities, as well as those of its third-party vendors, including through the effects of facility closures, employee furloughs, reductions in operating hours, staggering shifts and other social distancing efforts, labour shortages, decreased productivity and unavailability of materials or components. The long-term effects of the outbreak and the global reaction to it, on the performance of the Company remains unknown.

The Directors continue to monitor the situation and have considered the impact of COVID-19 on the Company's business and financial performance. In compliance with its continuous disclosure obligations, the Company will continue to update the market regarding the impact of COVID-19 on its revenue channels and any other material adverse impacts on the Company.

(s) **Unforeseen expenditure risk**

Expenditure may need to be incurred that has not been taken into account in the preparation of this Prospectus. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of the Company.

(t) **Future acquisitions and strategic investments risk**

The Company may in the future explore potential acquisitions of companies or technologies, strategic investments, or alliances to strengthen its business. Acquisitions involve numerous risks, any of which could harm the Company's business and operating results and there is no guarantee acquisition opportunities will be identified or that they will successfully complete or improve the Company's operations or financial performance.

(u) **Personal information collation risk**

The Company collects, stores and processes highly sensitive, highly regulated and confidential information. The provision of secure and reliable information storage and processing services is integral to the businesses and operations of the Company in the corporate wellness industry. While the Company has in place strict policies and procedures when collecting data, if the Company's systems or data is compromised for any reason there is a risk that the Company may become involved in legal action due to breaching data confidentiality agreements.

6.3 **Securities Investment and Market Risks**

(a) **General economic climate**

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

(b) **Policies and legislation**

Any material adverse changes in government policies or legislation of markets in which the Company's products are sold, or any other country that the Company has economic interest in, may affect the viability and profitability of the Company.

(c) **Enforcement of contracts in foreign jurisdictions**

From time to time, as part of its business, the Company has entered and will continue to enter into contracts which are governed by the laws of countries other than Australia.

Should a contractual dispute result in court action or should the Company be required to enforce its rights, the procedure of the courts in various foreign jurisdictions may be different to those in Australia.

(d) **Negative publicity may adversely affect the Share price**

Any negative publicity or announcement relating to any of the Company's substantial Shareholders, key personnel or activities may adversely affect the stock performance of the Company, whether or not this is justifiable. Examples of such negative publicity or announcements may include involvement in legal or insolvency proceedings, failed attempts in takeovers, joint ventures or other business transactions.

(e) **Securities Investments**

Investors should be aware that there are risks associated with any securities investment. The prices at which the Company's Shares trade may be above or below the Entitlement Offer price, and may fluctuate in response to a number of factors including the risk factors identified in this section as well as securities market factors such as limited liquidity of the Shares and large share price movements due to trading by major Shareholders.

(f) **Issue of Additional Securities**

In certain circumstances, the Directors may issue equity securities without any vote or action by Shareholders. If the Company were to issue any equity securities the percentage ownership of existing Shareholders may be reduced and diluted.

(g) **Share Market Fluctuations and Economic Conditions**

(i) The Company's financial performance and ability to execute its business strategy will be impacted by a variety of general market, political, social, stock market and business conditions beyond the Company's control.

(ii) Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors including but not limited to:

- (A) general economic outlook;
- (B) interest rates and inflation rates;
- (C) currency fluctuations;
- (D) changes in investor sentiment toward particular market sectors;
- (E) the demand for, and supply of, capital;
- (F) political and environmental events; and
- (G) wars, terrorism or other hostilities.

(iii) The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

6.4 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the equity securities offered under this Prospectus.

Therefore, the equity securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

7. RIGHTS ATTACHING TO NEW SHARES AND NEW OPTIONS

7.1 General

The following is a summary of the more significant rights attaching to New Shares and New Options to be issued pursuant to this Prospectus. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders. To obtain such a statement, persons should seek independent legal advice.

The rights attaching to the New Shares arise from a combination of the Company's Constitution, the Corporations Act, the Listing Rules and general law. A copy of the Company's Constitution is available for inspection during business hours at its registered office.

7.2 Rights attaching to New Shares

The New Shares to be issued pursuant to this Prospectus are ordinary shares and will as from their allotment rank equally in all respects with all ordinary fully paid Shares.

A summary of the rights attaching to the New Shares is set out below:

(a) **General meeting and notices**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) **Ranking of shares**

At the date of this Prospectus, all Shares are of the same class and rank equally in all respects. Specifically, the Shares issued pursuant to this Prospectus will rank equally with existing Shares.

(c) **Voting rights**

Subject to any rights or restrictions, at general meetings of Shareholders or classes of shareholders:

- (i) every Shareholder present and entitled to vote may vote in person or by attorney, proxy or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder, has one vote for every fully paid Share held and a fraction of one vote for each partly paid up Share held, equal to the proportion which the amount paid up on that Share (excluding amounts credited) is to the total amounts paid up and payable (excluding amounts credited) on that Share.

(d) **Dividend rights**

Subject to the rights of the holders of any shares with special rights to dividends, the Directors may determine or declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount is paid is of the total amounts paid and payable in respect of such Shares.

No dividend carries interest against the Company and the declaration of Directors as to the amount to be distributed is conclusive.

The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(e) **Variation of rights**

If at any time the share capital is divided into different classes of shares, the rights attaching to the Shares may only be varied by the consent in writing of the holders of three-quarters of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares in that class.

(f) **Transfer of shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in the approved form, and signed by the transferor and the transferee. Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may refuse to register a transfer of Shares upon which the Company has a lien. The Company must refuse to register a transfer of Shares where the Corporations Act, Listing Rules or ASX Settlement Operating Rules or a law about stamp duty requires the Company to do so.

(g) **Future increase in capital**

The issue of any Shares is under the control of the Board of the Company as appointed from time to time. Subject to restrictions on the issue or grant of equity securities contained in the Listing Rules, the Constitution and the Corporations Act (and without affecting any special rights previously conferred on the holder of an existing Share or class of shares), the Directors may issue Shares and other equity securities as they shall, in their absolute discretion, determine.

(h) **Rights on winding up**

If the Company is wound up, the liquidator may with the sanction of special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be divided and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(i) **Alteration of constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

7.3 **Rights attaching to New Options**

Each New Option will give the holder the right, but not the obligation, to subscribe for one ordinary fully paid Share in accordance with the terms set out below.

Each New Option is exercisable within the 24 months following the Closing Date (**Expiry Date**). Any Options not exercised by 5.00pm WST on the Expiry Date will automatically lapse. Further terms of the New Options are as follows:

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon exercise of the New Option.

(b) **Exercise Price**

The amount payable upon exercise of each New Option is \$0.0387.

(c) **Expiry Date**

As set out above, each New Option will expire at 5:00pm (WST) on the Expiry Date, being the date that is 24 months from the Closing Date. A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise**

A holder may exercise New Options by lodging with the Company, before the Expiry Date:

- (i) a written notice of exercise of New Options specifying the number of New Options being exercise (an **Exercise Notice**); and
- (ii) an electronic funds transfer for the Exercise Price for the number of New Options being exercised pursuant to the Exercise Notice.

(e) **Exercise Notice**

An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price for each New Option subject to the Exercise Notice in cleared funds. The New Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 10,000 must be exercised on each occasion.

(f) **Issue of Shares on Exercise**

Within 5 Business Days of receipt of an Exercise Notice accompanied by the Exercise Price for each New Option, the Company will issue the number of shares required under these terms and conditions in respect of the number of New Options specified in the Exercise Notice.

(g) **Transferability**

The New Options will not be transferable without the prior written approval of the Company.

(h) **Ranking of Shares**

All Shares allotted upon the exercise of New Options will, upon allotment, be full paid and rank *pari passu* in all respects with other Shares.

(i) **Reconstruction**

If at any time the issued capital of the Company is reconstructed, all rights of a holder of New Options are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participating Rights**

There are no participating rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising New Options.

(k) **Amendments**

A New Option does not confer the right to a change in the Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.

(l) **Dividend and Voting Rights**

A New Option does not confer on the holder an entitlement to vote at general meetings of the Company or to receive dividends.

8. ADDITIONAL INFORMATION

8.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111 AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus are in the same class of Shares that have been quoted on the official list of the ASX during the 12 months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which specific content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of Shares on the Company and the rights attaching to the Shares. Provided the Company has otherwise complied with its continuous disclosure obligations under the Corporations Act and the Listing Rules, it is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial statements of the Company for the financial year ended 31 December 2022, contained within the Annual Report;
 - (ii) the half year report of the Company for the half year ended 30 June 2023 lodged with ASX 31 August 2023; and
 - (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial statements referred to in paragraph (i) above until the issue of the Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of the Annual Report on 31 March 2023:

Date	Description of Announcement
06/03/2024	Appendix 3Y – Change of Director’s Interest Notice x 3
04/03/2024	Update – Consolidation/Split – OSX
04/03/2024	Completion of Consolidation of Capital
29/02/2024	Appendix 4E Preliminary Final Report
21/02/2024	OSX advances capital consolidation for long-term growth
31/01/2024	Activities Updated Qtr Ending December 2023 and Appendix 4C
29/01/2024	OSX achieves 100k implants, to accelerate commercialisation
23/01/2024	Consolidation/Split – OSX
23/01/2024	Notice of General Meeting
28/12/2023	Osteopore signs Bridging Loan agreement
18/12/2023	Osteopore secures Hainan Approval for Neurosurgery
05/12/2023	Change of Director’s Interest Notice – TSH
30/11/2023	Negotiation ongoing for InnoVentures Definitive JV Agreement
31/10/2023	Activities Update Qtr Ending September 2023 and Appendix 4C
05/10/2023	Change of Director’s Interest Notice
18/09/2023	Clarification Announcement
18/09/2023	Investor Webinar Presentation
12/09/2023	MOU with Temasek-linked Innoventures – Orthopaedics in China
04/09/2023	Resignation of Joint Company Secretary
31/08/2023	Half Yearly Report and Accounts
29/08/2023	Timeline extended for definitive agreements with CellHeal
28/08/2023	Notification of cessation of securities – OSX
01/08/2023	Clarification Announcement
01/08/2023	Investor Presentation
31/07/2023	Initial Director’s Interest Notice – MK
31/07/2023	Activities Update Qtr Ending June 2023 and Appendix 4C
25/07/2023	OSX receives A\$10m commitment for commercialisation in China
18/07/2023	Osteopore strengthens Board & Management by key appointments
07/07/2023	Change of Director’s Interest Notice – ML
07/07/2023	Rectification of Breach of ASX Listing Rule 10.11
29/06/2023	Application for quotation of securities – OSX
26/06/2023	Notice of Breach of ASX Listing Rule 10.11

23/06/2023	Change of Share Registry Details
20/06/2023	Shortfall oversubscribed for Osteopore's Global Expansion
08/06/2023	Strategic Partnership for Clinical R&D in China worth \$4m
30/05/2023	Results of Annual General Meeting
25/05/2023	Notification regarding unquoted securities – OSX
16/05/2023	Largest South African Medical Insurer provides cover for OSX
12/05/2023	Notification regarding unquoted securities – OSX
05/05/2023	Change of Registered Office
28/04/2023	Change of Director's Interest Notice - TSH
28/04/2023	Change of Director's Interest Notice – ML
28/04/2023	Notice of Annual General Meeting
28/04/2023	Activities Update Qtr Ending March 2023 and Appendix 4C
27/04/2023	OSX Successfully transitions to EU Medical Device Regulation
26/04/2023	Reinstatement of Security Class to Quotation
26/04/2023	Top 20 and Distribution List – Options
24/04/2023	Application for quotation of securities - OSX
24/04/2023	Application for quotation of securities – OSX
24/04/2023	Security Class Suspension from Quotation
24/04/2023	Non-Renounceable Entitlement Offer – Results
14/04/2023	Osteopore Increases Presence in Singapore Dental Market
14/14/2023	Osteopore to Commercialise Innovative Bone Regeneration Tec
13/04/2023	Employee Securities Incentive Plan
13/04/2023	Non-Renounceable Entitlement Offer – Closing Date
11/04/2023	OSX Strengthens Presence in the Eastern Region of USA
05/04/2023	Annual General Meeting Date

The following documents are available for inspection through the period of the Offer during normal business hours at the registered office of the Company:

- this Prospectus;
- the Constitution; and
- the consents referred to in section 8.10 and the consents provided by the Directors to the issue of this Prospectus.

8.2 Information excluded from continuous disclosure notices

As at the date of this Prospectus, there is no information that has not been disclosed under this Prospectus and the continuous disclosure requirements of the ASX Listing Rules and which the Board considers an investor would reasonably require in order to assess the Company's assets and liabilities, financial position and prospects and the rights and liabilities attaching the securities of the Company.

8.3 Market Prices of Existing Shares on ASX

The highest and lowest market sale price of Existing Shares, which are on the same terms and conditions as the New Shares being offered under this Prospectus, during the three months immediately preceding the lodgement of this Prospectus with the ASIC, are set out below.

	3 months high	3 months low
Existing Shares	\$0.779 7-8 December 2023	\$0.479 21-22 February 2024

The Company's Existing Shares were subject to a capital consolidation which completed on 5 March 2024, whereby the Company's Existing Shares were consolidated on a ratio of 15 to 1. Details of the market price of the Company's Existing Shares set out in the table above have been adjusted to reflect the Company's post-consolidation market price as and where applicable, by dividing the actual market price at the relevant time by fifteen, being the ratio of consolidation.

8.4 Substantial Shareholders

Those persons which (together with their associates) have a relevant interest in 5% or more of the Existing Shares are set out below:

Shareholder	Shares	%
CITICORP NOMINEES PTY LIMITED	1,013,582	9.81%
BNP PARIBAS NOMS PTY LTD UOBKH A/C R'MIERS	1,009,983	9.78%
Ms Irene Ng Ai Chen	658,833	6.38%

Based on publicly available information as at the date of this Prospectus.

8.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the issue of Shares pursuant to this Prospectus; or
- (c) the issue of Shares pursuant to this Prospectus,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or issue of Shares pursuant to this Prospectus.

Interests held by Directors and their associates in the Shares as at the date of this Prospectus are:

Director	Ordinary Shares	Convertible Securities
Mark Leong	12,500 Shares	2,500 Listed Options 616,668 Performance Rights
Professor Teoh Swee Hin	594,192 Shares	118,838 Listed Options 61,668 Performance Rights
Daniel Ow	Nil	61,668 Performance Rights
Michael Keenan	Nil	Nil

8.6 Remuneration of Directors

The Directors' remuneration is disclosed in the Company's annual reports. The Directors' annual remuneration (inclusive of superannuation and share-based payments) in respect of the past two financial years is as follows:

	Year ended 31 Dec 2023 ¹			Year ended 31 December 2022		
	Salary, Fees & Super	Share-based Payments	Total	Salary, Fees & Super	Share-based Payments	Total
Mark Leong	\$150,000	\$64,904 ²	\$214,904	\$150,000	-	\$150,000
Professor Teoh Swee Hin	\$39,870	\$6,490 ²	\$46,360	\$39,690	-	\$39,690
Daniel Ow	\$39,870	\$6,490 ²	\$46,360	\$39,690	-	\$39,690
Michael Keenan³	\$18,236	-	\$18,236	NA	NA	NA

Notes:

1. Details of 2023 Remuneration are based on the Company's Preliminary Financial Report dated 29 February 2024 and have not yet been audited.
2. Being the value of Performance Rights issued to the Directors as approved by the Shareholders at a general meeting of the Company held 31 March 2023. Further information regarding the Directors' securities holdings are set out in 8.5. The Company notes that the vesting conditions for Performance Rights held by the Directors have not yet been met.
3. Mr Michael Keenan was appointed as Non-Executive Director of the Company on 18 July 2023.

Please refer to the remuneration report, which is contained from page 9 of the Company's latest Annual Report and the Company's Corporate Governance Statement for full details of the remuneration of the Company's executive and non-executive Directors. The Annual Report and Corporate Governance Statement were both lodged with ASX on 31 March 2023 and are available on the Company's announcements platform at the ASX website (www.asx.com.au ASX Code: OSX).

8.7 Material Contracts to the Entitlement Offer

Terms defined within this section 8.7, as indicated in bold within parentheses, have the meaning given herein.

Advance Capital Fundraising Mandate

The Company has entered into a mandate with Advance Capital Partners Pte Ltd (**Advance Capital**) dated 28 December 2023 in connection with fund raising and general corporate advisory activities (the **Mandate**). In connection with the Mandate, Advance Capital will be entitled to a fee of up to \$90,000 (being 3% of the proposed maximum subscription of \$3,000,000) as a result of the Entitlement Offer (in the event the Entitlement Offer is fully subscribed). The material terms and conditions of the Mandate are summarised below.

Scope of Appointment	<p>Advance Capital is appointed to act as a consultant to the Company in connection with:</p> <ul style="list-style-type: none"> • (Fundraising) Placement and fundraising exercises required by the Company, including coordinating with suitable placement and broking professionals and introducing institutional and sophisticated investors. In particular, Advance Capital is engaged to assist in structuring rights issue offers (Rights Offering), including the Entitlement Offer, to optimal terms in relation to the Company's current market capitalisation, as well as engaging potential investors in connection with such rights issues; and • (Corporate Advisory) Corporate advisory services to search for and conduct exploratory discussions with viable third-party businesses targeted for majority acquisitions (Acquisition), including assistance in negotiating and executing agreements with viable third party businesses targeted for acquisition in the event transactions proceed, <p>(together, the Appointment)</p>
Term	<p>Advance Capital's Appointment is for a period of twelve months from the date of its appointment. The term of the Appointment may be extended by mutual agreement after the end of the term.</p>
Fees & Expenses	<p>The Company agrees to pay Advance Capital the following fees in connection with the Appointment:</p> <ul style="list-style-type: none"> • with respect to fundraising services, 3% of successful funds raised pursuant to a Rights Offering; and • with respect to corporate advisory services, 5% of the purchase price paid to the target in connection with an Acquisition. <p>In addition to the fees set out above, the Company agrees to pay Advance Capital a retainer fee of \$5,000 per month for six months from commencement of the Appointment.</p> <p>All out-of-pocket expenses incurred by Advance Capital in connection the Appointment and which are subject to the prior written approval of the Company shall be borne by the Company, provided that such expenses shall be capped at US\$30,000.</p>
Termination Events	<p>Either party may terminate the Appointment at any time without any continuing obligations (other than accrued rights and liabilities).</p>

The Mandate otherwise contains provisions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

Nominee Appointment

The Company has appointed ACNS Capital Markets Pty Ltd, trading as Alto Capital, as its nominee to sell the Entitlements of Ineligible Shareholders in accordance with section 9A(3) of the Corporations Act (the **Nominee Appointment**). In connection with the Nominee Appointment, the Company will pay the Nominee a fee of \$10,000 + GST. The scope of services provided by the Nominee pursuant to the Nominee Appointment are described in section 3.16 above.

The Nominee Appointment is otherwise subject to terms and conditions standard for an agreement of its nature.

Management Set Off

The Company has entered into a letter agreement between it, Osteopore International Pte Ltd and Lim Yujing, the Company's Chief Executive Officer, dated 12 March 2024 (the **Set Off Agreement**) pursuant to which:

- (a) the Company notes that it has outstanding payables to Mr Yujing in the amount of S\$99,151.55 (the **Outstanding Amount**) in connection with salary and expense claims; and
- (b) Mr Yujing notes that he intends to subscribe for 944,004 New Shares under the Entitlement Offer, being approximately 60% of his Entitlement (the **Proposed Subscription**).

Pursuant to the Set Off Agreement, Mr Yujing and the Company have agreed to set off monies payable by Mr Yujing in connection with the Proposed Subscription against the Outstanding Amount owing to Mr Yujing. As a result of the Set Off Agreement, the total cash amount the Company may expect in connection with the Entitlement Offer will be reduced by approximately \$27,376, however the Company's outstanding liabilities to Mr Yujing shall be reduced by the same amount.

8.8 Related Party Transactions

From time to time, the Company may be party to transactions with related parties including:

- (a) employment, consulting and other service arrangements; and
- (b) payment of directors' fees.

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting, unless it is resolved by the Board of Directors that the Director can be present at the meeting but does not vote on the matter.

The Company considers that it has made appropriate disclosure of past related party transactions. Other than any further disclosure specifically set out above or made elsewhere in this Prospectus, including in section 8.7 above, the Company does not intend to make any further disclosure of such transactions which will have proceeded either on an "arms-length" basis, reasonable remuneration bases or been approved by Shareholders in general meeting.

8.9 Interests of Experts and Advisers

- (a) Other than as set out below or elsewhere in this Prospectus, including in section 8.7:
 - (i) no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus, any promoter of the Company or broker to the Entitlement Offer, holds, or held at any time during the 2 years before lodgement of this Prospectus with the ASIC, any interest in:
 - (A) the formation or promotion of the Company;

- (B) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or in connection with the Entitlement Offer; or
- (C) the Entitlement Offer; and
- (ii) no amounts have been paid or agreed to be paid, and no benefits have been given or agreed to be given, to any of those persons in connection with the formation or promotion of the Company or the Entitlement Offer.
- (b) Squire Patton Boggs has acted as solicitor to the Company in relation to the Entitlement Offer and is entitled to be paid approximately \$30,000 (plus GST) in respect of these services. Squire Patton Boggs has received or is entitled to receive approximately \$10,490 (plus GST) in legal fees from the Company in the two years prior to the date of this Prospectus.

8.10 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors of the Company, any underwriters, persons named in the Prospectus with their consent as proposed Directors of the Company, persons named in the Prospectus with their consent as having made a statement in the Prospectus, and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

- (a) Squire Patton Boggs, in its capacity as solicitors to the Company, has given (and not before the date of this document withdrawn) its consent to be named in this document in the form and context in which it is named. Squire Patton Boggs has not:
 - (i) authorised or caused the issue of this Prospectus;
 - (ii) made, or purported to have made, any statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this section; or
 - (iii) assumed the responsibility for any part of this Prospectus except as set out in this section and to the maximum extent permitted by law, expressly disclaims responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.
- (b) Atomic Pty Ltd has given its written consent to being named as the share registry to the Company in this Prospectus. Atomic Pty Ltd has not withdrawn its consent prior to the lodgment of this Prospectus with ASIC.

8.11 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings against the Company and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.12 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing Shares.

8.13 Estimated Expenses of the Entitlement Offer

The estimated expenses of the Entitlement Offer are approximately \$149,722 including legal, ASIC, ASX fees and printing costs, in the following amounts:

Item	Fees
Legal fees	\$30,000

ASIC fees	\$3,206
ASX fees	\$11,833
Fundraising fees	\$90,000
Nominee fees	\$11,000
Printing and other miscellaneous costs	\$3,683
Total	\$149,722

8.14 Privacy

The Application Form accompanying this Prospectus requires you to provide information that may be personal information for the purposes of the *Privacy Act 1988* (Cth) (as amended). The Company (and its Share Registry on behalf of the Company) may collect, hold and use that personal information in order to assess your Application, service your needs as a Shareholder and provide facilities and services that you request and to administer the Company.

Access to information may also be provided to the Company's agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy.

If you do not provide the information requested of you in the Application Form, the Company's Share Registry may not be able to process your Application or administer your holding of Shares appropriately. Under the *Privacy Act 1988* (Cth) (as amended), you may request access to your personal information held by (or on behalf of) the Company. You can request access to your personal information by telephoning or writing to the Company to the attention of the Privacy Officer.

9. DIRECTORS' AUTHORISATION

The Directors have made all reasonable enquiries in the preparation of this Prospectus and on that basis have reasonable grounds to believe that any statements made by Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with ASIC.

This Prospectus is prepared on the basis that certain matters may reasonably be expected to be known to likely investors and their professional advisers.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Signed on behalf of the Directors pursuant to a resolution of the Board.



Mark Leong
Executive Chairman
Osteopore Limited

10. GLOSSARY

The following defined terms apply throughout this Prospectus unless the context requires otherwise:

\$	Australian dollars unless otherwise specified.
Additional New Shares	means New Shares in addition to an Eligible Shareholder's Entitlement for which an applicant makes an Application.
Annual Report	has the meaning given in section 3.18.
Applicant	person who submits an Application.
Application	an application for Shares under the Entitlement Offer pursuant to this Prospectus.
Application Form	the application form for New Shares under the Entitlement Offer attached to this Prospectus.
Application Monies	amounts received in dollars by the Company from Applicants for Shares under this Prospectus.
ASIC	the Australian Securities & Investments Commission.
ASX	ASX Limited ACN 008 624 691.
ASX Clear Operating Rules	the operating rules of ASX Clear Pty Ltd ACN 001 314 503.
ASX Listing Rules or Listing Rules	the Listing Rules of ASX as amended from time to time.
ASX Settlement Operating Rules	the settlement rules of ASX Settlement Pty Ltd ACN 008 504 532.
Auditor	Grant Thornton Audit Pty Ltd
Balance Date	has the meaning given in section 4.5.
Closing Date	the last date on which Application Forms may be submitted being 2 April 2024, unless otherwise determined by the Company.
Company	Osteopore Limited ACN 630 538 957
Constitution	the Constitution of the Company.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Directors or Board	the directors of the Company as at the date of this Prospectus.
Eligible Shareholder	means a Shareholder who is eligible to participate in the Entitlement Offer
Eligible Overseas	has the meaning given in section 3.15.

Shareholders	
Entitlement or 'rights'	means a Shareholder's entitlement to subscribe for New Shares offered by this Prospectus.
Entitlement Offer	has the meaning set out in section 3.1 of this Prospectus.
EST	means Eastern Standard Time.
Exercise Notice	has the meaning given in 7.3(d).
Existing Shares	means a fully paid ordinary share in the capital of the Company on issue as at the Record Date.
Expiry Date	means the expiry date of New Options issued under this Entitlement Offer, being 24 months after the Closing Date as set out in section 7.3.
Ineligible Foreign Shareholders	has the meaning given in section 3.14.
Issue Price	means \$0.029 per New Share.
Mandate	has the meaning given in section 8.7.
New Options	means the Options issued as free attaching options in connection with the Entitlement Offer.
New Share	means a fully paid ordinary share in the capital of the Company to be issued pursuant to the Entitlement Offer.
Nominee	has the meaning given in section 3.16.
Official Quotation	quotation of the Shares on the ASX.
Opening Date	the first date on which Applications can be accepted by the Company being, 19 March 2024.
Option	an option to acquire a Share.
Prospectus	this prospectus dated 13 March 2024.
Record Date	means 18 March 2024
Share(s)	fully paid ordinary shares in the capital of the Company.
Share Registry	Atomic Pty Ltd
Shareholder	a holder of a Share(s).
Shortfall Offer	has the meaning set out in section 3.10 of this Prospectus.
US person	has the meaning given to that term in Regulation S under the US Securities Act.
US Securities Act	means the United States Securities Act of 1933, as amended.

WST

Perth, Western Australia time.

CORPORATE DIRECTORY

Directors

Mark Leong – Executive Chairman
Professor Teoh Swee Hin – Non-Executive Director
Daniel Ow – Non-Executive Director
Michael Keenan – Non-Executive Director

Registered Office

Level 5, 191 St Georges Terrace, Perth WA 6000
Telephone: +61 8 9482 0500
Email: investor_relations@osteopore.com
Website: www.osteopore.com/

ASX code

OSX

Company Secretary

Kellie Davis – Company Secretary

Solicitors

Squire Patton Boggs (AU)
Level 11, Brookfield Place
125 St Georges Terrace
Perth WA 6000

Auditor

Grant Thornton Audit Pty Ltd*
Central Park, Level 43
152-158 St Georges Terrace
Perth WA 6000

Share Registry

Automic Pty Ltd
126 Phillip Street
Sydney, NSW 2000

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.

INSTRUCTIONS FOR COMPLETION OF THIS FORM

The right to participate in the Entitlement Offer is optional and is offered exclusively to all Shareholders who are registered as holders of fully paid ordinary Shares in the capital of the Company on the Record Date with a registered address in Australia, New Zealand, Malaysia, or Singapore (**Eligible Shareholders**).

ACCEPTANCE OF OFFER

By making a BPAY® or EFT payment:

- you represent and warrant that you have read and understood the Prospectus and that you acknowledge the matters, and make the warranties and representations contained therein and in this Entitlement and Acceptance Form; and
- you provide authorisation to be registered as the holder of Shares acquired by you and agree to be bound by the Constitution of the Company.

1 Acceptance of Full or Partial Entitlement for Shares

If you wish to accept your full entitlement:

- make payment by BPAY® or EFT for your full entitlement by following the instructions on this Entitlement and Acceptance Form.

If you only wish to accept part of your entitlement:

- calculate the payment amount for the portion of your entitlement that you wish to take up in accordance with the partial entitlement section of this Entitlement and Acceptance Form; and
- make payment by BPAY® or EFT for that portion of your entitlement by following the instructions on this Entitlement and Acceptance Form.

2 Applying for Shortfall Shares

If you accept your full entitlement and wish to apply for Shortfall Shares in excess of your entitlement:

- make payment by BPAY® or EFT of the total payment amount for your full entitlement AND your participation in the Shortfall Offer by following the instructions on this Entitlement and Acceptance Form.

Your application for Shortfall Shares may not be successful (wholly or partially). The decision in relation to the number of Shortfall Shares in excess of your entitlement to be allocated to you will be final. No interest will be paid on any application monies received and returned.

3 Payment

By making a payment via BPAY® or EFT, you agree that it is your responsibility to ensure that funds are submitted correctly and received by the Share Registry by the closing date and time. Payment must be received by the Share Registry by 5:00pm (WST) on 2 April 2024.

By making payment of application monies, you certify that you wish to apply for Shares under the Entitlement Offer as indicated on this Acceptance Form and acknowledge that your acceptance is irrevocable and unconditional.

It is your responsibility to ensure your CRN or unique Payment Reference is quoted, as per the instructions in Section 3. If you fail to quote your CRN or unique Payment Reference correctly, Automic may be unable to allocate or refund your payment. If you need assistance, please contact Automic.

Payment by BPAY®: You can make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. To BPAY® this payment via internet or telephone banking use your reference number on this Form. Multiple acceptances must be paid separately.

Payment by EFT: You can make a payment via Electronic Funds Transfer (EFT). Multiple acceptances must be paid separately. Please use your unique reference on this Form. This will ensure your payment is processed correctly to your application electronically.

Applicants should be aware of Automic's financial institution's cut off-time, their own financial institution's cut-off time and associated fees with processing a funds transfer. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time, including taking into account any delay that may occur as a result of payments being made after 5:00pm (Sydney time) and/or on a day that is not a business day (payment must be made to be processed overnight). You do not need to return this Form if you have made payment via BPAY® or EFT. Your reference number will process your payment to your application electronically and you will be deemed to have applied for such Shares for which you have paid.

4 Elect to be an e-shareholder - receive communications by email

As a valued shareholder, the Company encourages shareholders to elect to receive their shareholder communications electronically. This will ensure you receive all future important shareholder communications in a faster and more secure way and reduce the environmental footprint of printing and mailing.

RENOUNCIATION OF RIGHTS

SALE OF YOUR ENTITLEMENT BY YOUR STOCKBROKER IN FULL OR IN PART: Instructions will need to be with your Stockbroker in sufficient time to sell your Rights. Rights trading commenced 15 March 2024 and is expected to cease on 22 March 2024. To sell your entitlement, complete the panel below titled "Instructions to your Stockbroker" and forward this form to your Stockbroker with sufficient time to sell your Rights before the last day of Rights trading. To sell part of the balance of your entitlement, make payment for the new Securities being accepted, complete the front of this form and forward it to your Stockbroker with sufficient time to sell your Rights before the last day of Rights trading.

- The rights referred to in this form may be transferred electronically in CHES without surrendering the form.
- The form should not be relied upon as evidence of the current Entitlement of the person should not be relied upon as evidence of the current Entitlement of the person named in the form.

DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER: A Standard Renunciation must be used for all disposals of entitlements other than through a Stockbroker. These may be obtained by contacting Automic Group.

IMPORTANT NOTICE TO HOLDERS WITH SECURITIES ON THE CHES SUB-REGISTER: Holders whose existing Securities are held on the CHES Sub-register as detailed overleaf should, in the first instance, contact their sponsoring Broker in respect of any proposed sale of their Rights.

If you require further information about the Offer, please contact Automic on 1300 288 664 or +61 2 9698 5414 between 8:30am and 7:00pm (Sydney time).