

Osteopore[®]

Q2 CY24 Quarterly Report

31 July 2024



ASX: OSX



Quarterly highlights

Osteopore Limited (ASX:OSX) (“Osteopore” or the “Company”), a revenue-generating manufacturer of regenerative implants that empower natural tissue regeneration, is pleased to release its quarterly results and Appendix 4C Quarterly Cash Flow Report for the three months ending 30 June 2024.



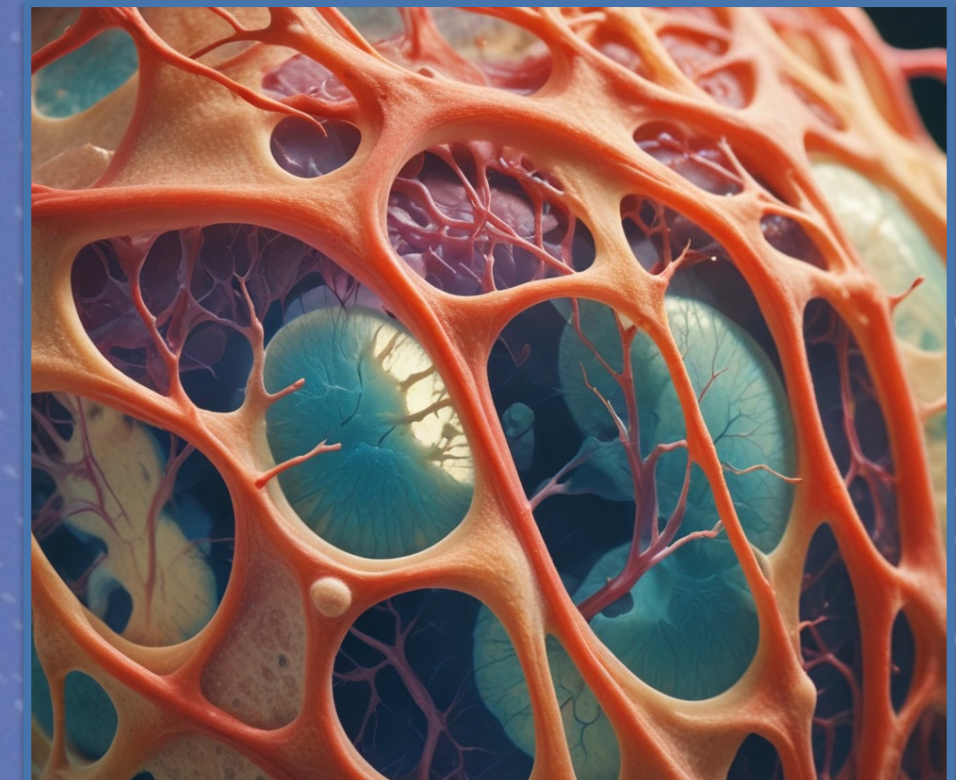
Osteopore caps off its 6th straight quarter of revenue growth

Osteopore’s **record** quarterly revenue growth continued into Q2 CY24 with its 6th straight quarter of unbroken growth, peaking at 28% YoY and 3% QoQ.



Osteopore successfully raises A\$2.9m from Entitlement Offer

In Q2 CY24, Osteopore raised **A\$2.86m** from its Entitlement Offer. Funds will strengthen the balance sheet, working capital, sales momentum, M&A, and R&D opportunities.



First-in-human knee preservation clinical trials begin in Singapore

First-in-human knee preservation studies commenced with **Heparan Sulphate 3 (HS3)** and **aXOpore®** via **High Tibial Osteotomy** at **National University Hospital Singapore**

Quarterly highlights



Osteopore and SingHealth partner on Global Centre of Excellence (GCoE)

Osteopore partners with **SingHealth** to create a GCoE at **Singapore General Hospital**, providing the platform to maximise **patient outcomes** via **high-value products**



A\$18.7m Osteopore, NDCS and A*STAR project hits key milestones

Osteopore progresses its **A\$18.7m** partnership with **NDCS** and **A*STAR** from adverse reaction and osteogenic differentiation testing towards **in vivo** studies in biological models

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Osteopore is delighted to kick off first-in-human knee preservation studies while setting up our Global Centre of Excellence for customised medical devices and progressing our dental implant project toward in-vivo studies.

The business remains dedicated to creating the optimal conditions for revenue growth, contributing to a RECORD Q2 CY24 – our 6th straight quarter of unbroken revenue growth – with revenues peaking at 28% YoY and 3% QoQ.

We continue to seek new ways to improve cost center performance, whilst streamlining expenses. In Q2 CY24, we raised A\$2.9m from our Entitlement Offer, which will boost our balance sheet and create new growth opportunities.

Osteopore recognises the continued support of our investors, partners, and surgical community as we embark on the next chapter of our business, built on a raft of exciting M&A and R&D opportunities in high-growth markets.

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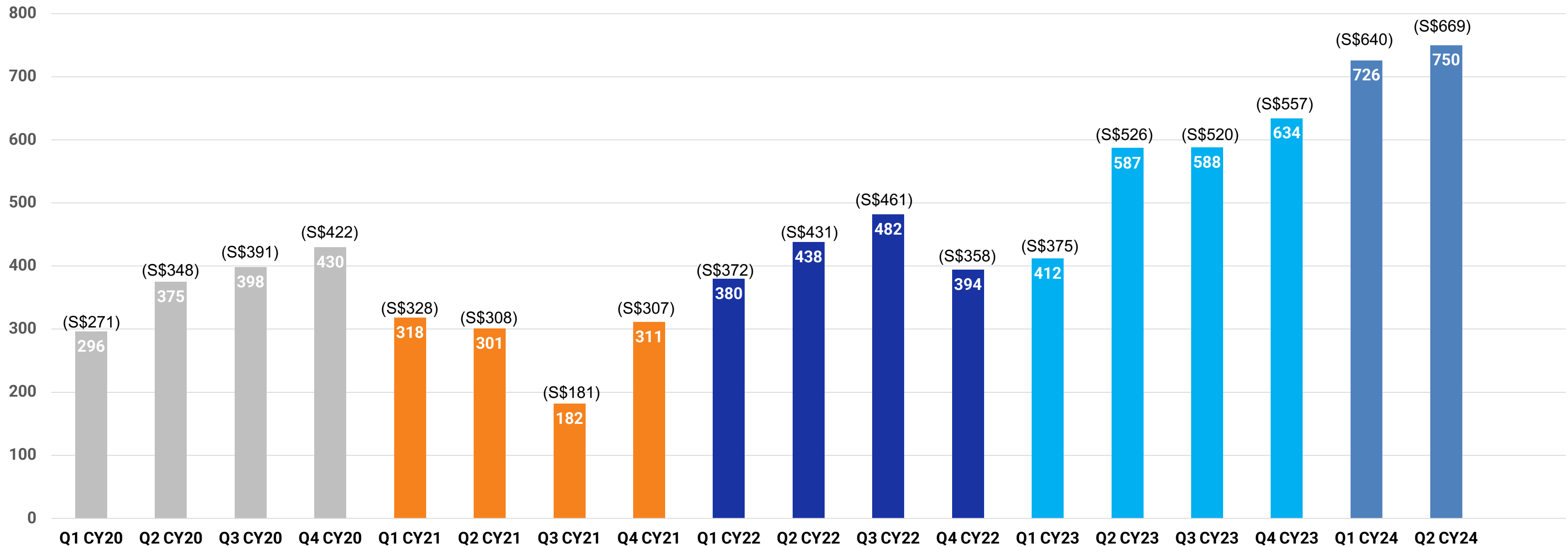
Mark Leong
Executive Chairman



Osteopore's unbroken revenue growth continued for a record 6th straight quarter, which saw revenues peak at ~28% YoY and ~3% QoQ

Osteopore's RECORD 6th straight quarter of revenue growth resulted in a ~28% YoY and ~3% increase in Q2 CY24 revenues to A\$750,000 (S\$669,000)

Quarterly Sales Revenue in A\$'000



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

Osteopore caps off its 6th straight quarter of revenue growth

- Osteopore's Q2 CY24 surpassed our previous record quarter of A\$726K (S\$640K) in Q2 CY24
- In Q2 CY24, Osteopore broke a new record with its 6th straight quarter of unbroken revenue growth – an all-time high for Osteopore
- In Q2 CY24, Osteopore's revenues grew ~28% YoY – and ~3% QoQ – to A\$750K (S\$669K)
- Capitalising on its strong Asia-Pacific sales in Q1 CY24, Osteopore seeks to continue building on its sales momentum during CY24.
- The business continues to seek opportunities to improve cost center performance, whilst streamlining expenses
- Osteopore remains dedicated to creating the optimal conditions for revenue growth and shareholder returns

First-in-human clinical trials begin in Singapore¹

- On 22 April 2024, the first patient was treated for knee preservation with **Heparan Sulphate 3 (HS3) and aXOpore®** via a **High Tibial Osteotomy (HTO)** at Singapore's **National University Hospital (NUH)**
- Studies seek to recruit **~12 patients** to create a safety profile for combining **HS3 and aXOpore®** and to ultimately explore the **product's efficacy in enhancing osteosynthesis** in HTO patients
- Targeting **bone morphogenetic protein-2 (BMP-2)**, **HS3 accelerates bone regeneration** in patients undergoing **knee preservation surgery** via HTO
- Osteopore is developing **HS3 – a glycosaminoglycan sugar –** with the **Agency for Science, Technology, and Research (A*STAR) Institute of Molecular and Cell Biology (IMCB)**
- **HS3 could potentially speed up bone regeneration, resulting in quicker recovery times, lower complication rates, and improved patient outcomes.**

¹ ASX announcement: 'First-in-human clinical trials begin in Singapore', 23 April 2024

Osteopore successfully raises A\$2.9m from Entitlement Offer²

- On 7 May 2024, Osteopore successfully completed its ~A\$3m **Renounceable Pro-Rata Entitlement Offer and Shortfall Offer**, and raised A\$2,860,160, signifying a **95% take-up** by eligible shareholders
- Funds raised will **strengthen Osteopore's balance sheet and maintain sales momentum**, whilst supporting the business to **develop breakthrough products, secure market approvals, explore M&A opportunities, and increase capital**.
- The Entitlement Offer enabled eligible shareholders to purchase **10 New Shares for every Share**, at an issue price of **A\$0.029 per New Share**.
- Moreover, eligible shareholders could secure **1 free-attaching option for every 5 New Shares**, while subscribing for **additional shares under the Shortfall Offer**.

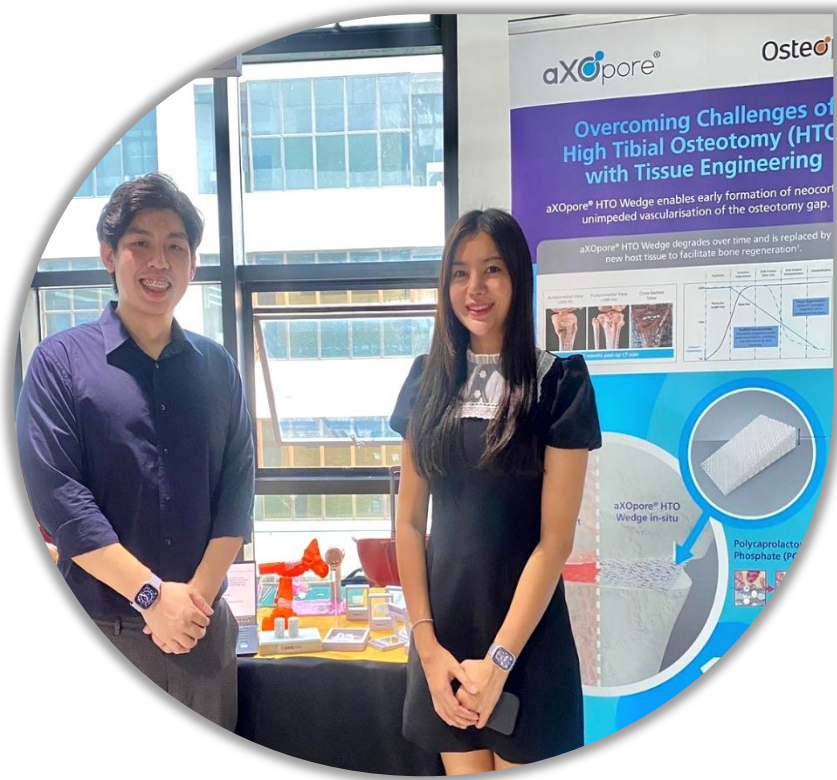
Osteopore and SingHealth partner on Global Centre of Excellence ³

- On 14 May 2024, Osteopore signed a non-exclusive partnership agreement with **SingHealth** – Singapore’s biggest public hospital cluster – via the **Alice Lee Innovation Centre of Excellence (A.L.I.C.E)**
- The partnership seeks to create a **Global Centre of Excellence (GCoE)** for customised medical devices (CMDs) at the **Singapore General Hospital (SGH) Campus**
- The GCoE enables Osteopore to set up a **dedicated workspace** on the SGH Campus to **co-develop, test, validate, adopt, and scale** its CMDs globally while deepening collaboration with SGH’s clinicians
- Through the GCoE, Osteopore seeks to demonstrate its capability to provide **high-value products** that promote **high-value care** and enhance **patient quality of life**, while decreasing overall **healthcare costs**
- The **US\$494.1b** global CMD market (2022) is expected to grow at a **Compound Annual Growth Rate (CAGR)** of **6.3%** from **2023** to **2029**.

A\$18.7m Osteopore, NDCS, and A*STAR project hits key milestones ⁴

- On 13 December 2021, Osteopore signed a partnership agreement with the **National Dental Centre Singapore (NDCS)** and the **Agency for Science, Technology and Research (A*STAR)** ⁵
- The project, which seeks to develop next-generation dental implants, has developed a **3D-printing technology** that combines patented **biological additives** and **polymer compounds** to speed up bone regeneration
- **Testing for adverse reactions** demonstrates the **non-cytotoxicity** of combining these additives and compounds, while **osteogenic differentiation testing** indicates high osteogenic differentiation
- The **A\$18.7m** next-generation dental implant project is now set to progress toward **in vivo studies** to gauge the efficacy of **bone regeneration**
- The next-generation dental implant project strengthens Osteopore's position in the **US\$27.55b** global dental bone graft and membrane **substitute market**

Professional society engagement and recognition



Siriraj Orthopaedics Pride & Innovation Conference, Thailand

Osteopore was delighted to participate in the Siriraj Orthopaedics Pride & Innovation Conference at Siriraj Hospital, Mahidol University in Bangkok, Thailand. Osteopore showcased its range of orthopaedic scaffolds, focusing on High Tibial Osteotomy (HTO) and critical-size defects. Thank you to everyone who visited our booth! We hope you now have a deeper understanding of the possibilities Osteopore's technology offers.



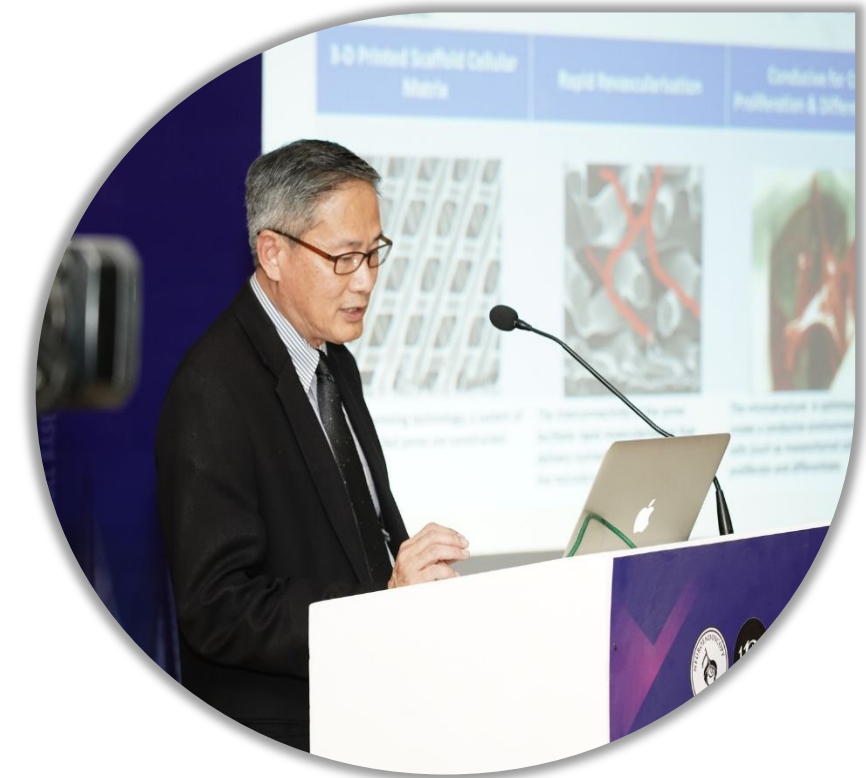
Gleneagles Hospital ICRS Masterclass, Malaysia

The ICRS Masterclass at Gleneagles Hospital in Kuala Lumpur, Malaysia, was a resounding success. Prof. Dr. Hamid Razak and Dr. Izan Ibrahim provided surgeons with their insights into achieving optimal tibial alignment and how the aXOpore® OTO HTO Wedge can support early weight-bearing and bone union. Thank you to Prof. Dr. Hamid, Dr. Izan, and ICRS for making the ICRS Masterclass a success.



IDEM 2024, Singapore

Osteopore capped off its successful engagement at IDEM 2024 – Asia-Pacific's leading dental exhibition and conference – in Singapore. We were delighted to see a big turnout at our booth from Australia, China, Indonesia, Malaysia, and Singapore. The spotlight on Osteomesh® in Guided Bone Regeneration was the highlight with attendees impressed by its game-changing qualities. Thank you to everyone who visited us to explore our cutting-edge technology!



NESICON 2024, India

Neurosurgery experts and enthusiasts alike united for NESICON 2024 in India. The skull base workshop drew a big crowd, with Osteomesh® the star of the show. Taksin Hospital Brain & Cerebrovascular Center Director Dr. Chaiyot Siangprasertkij shared his insights on skull base repair with bioresorbable scaffolds, highlighting his positive experiences with Osteopore. Thank you to Dr. Chaiyot, our distributor Alstro MedTech, and our very own Khoon Seng Goh, for your support!

Appendix 4C - Quarterly cashflow report

Corporate and financial summary

The attached Appendix 4C provides details of the cashflows for the quarter ending 30 June 2024.

As of 30 June 2024, the Company has a cash balance of approximately A\$2,225,000.

The net cash used during the quarter by the Company for its operating activities amounted to approximately A\$1,016,000, which is higher compared to the previous quarter (approximately A\$735,000).

The Company's increase in expenses this quarter is associated with its corporate actions and efforts to reduce outstanding payments. These are mainly captured in the following two categories:

- A) Marketing, business development & investor relations (including allocated staff costs)
- B) Administration and corporate costs

Related party transactions

Payments in the June quarter to related parties of approximately A\$81,000 at Item 6 in the attached Appendix 4C, comprised of director fees and salaries.

Osteopore[®]

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Appendix 4C

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

Name of entity		
Osteopore Limited		
ABN	Quarter ended ("current quarter")	
65 630 538 957	30 June 2024	
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	632	1,287
1.2 Payments for		
(a) research and development	(80)	(121)
(b) product manufacturing and operating costs	(177)	(313)
(c) marketing, business development & investor relations (including allocated staff costs)	(586)	(1,061)
(d) leased assets	(49)	(52)
(e) staff costs (other than allocated staff costs under note 1.2(c))	(325)	(708)
(f) administration and corporate costs	(458)	(853)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	(1)
1.6 Income taxes paid	(40)	(40)
1.7 Government grants and tax incentives	66	110
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,016)	(1,751)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(2)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other	-	-
2.6 Net cash from / (used in) investing activities	(1)	(1)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	2,848	2,848
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of share options	217	217
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(111)	(111)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	(73)	(73)
3.8 Dividends paid	-	-
3.9 Other	-	-
3.10 Net cash from / (used in) financing activities	2,881	2,881

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	389	1,115

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,016)	(1,751)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,881	2,881
4.5	Effect of movement in exchange rates on cash held	(28)	(18)
4.6	Cash and cash equivalents at end of period	2,225	2,225

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	2,219	383
5.2 Call deposits	6	6
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,225	389

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

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
81
-

Payments made to Directors related to:

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

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	1,112	1,112
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	1,112	1,112
7.5 Unused financing facilities available at quarter end		-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

On 28 December 2023, the Company signed a bridging loan agreement with Advance Opportunities Fund I (Lender), for a bridging loan of S\$1,000,000 to the Company. On 9 April 2024, the Company entered a variation deed with the Lender to extend the maturity date to 1 May 2025 on improved terms.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(1,016)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,225
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,225
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.19

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

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2024

Authorised by: By the Board

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(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.