

Osteopore Limited and Its Controlled Entities
Appendix 4E
For the year ended 31 December 2022

1. Company Details

Name of entity: Osteopore Limited
ABN: 65 630 538 957
Reporting period: For the year ended 31 December 2022
Previous period: For the year ended 31 December 2021

2. Results for Announcement to the Market

Revenues from ordinary activities	up	52%	to	\$1,692,387
Loss from ordinary activities after tax attributable to the owners of Osteopore Limited	up	16%	to	\$4,195,222
Loss for the year attributable to the owners of Osteopore Limited	up	16%	to	\$4,195,222

Dividends

No dividend has been declared or paid for the year ended 31 December 2022 (31 December 2021: \$nil).

Brief Explanation of Results

The loss for the Group after providing for income tax amounted to \$4,195,222 (31 December 2021: \$3,620,898).

The net loss after tax from ordinary activities during the year ended 31 December 2022 is mainly attributable to:

- a temporary pause in European sales due to the implementation of the new Medical Device Regulations (MDR) and the Company being in a transitioning phase to the MDR;
- an increase in operational and marketing costs as the Company continues to penetrate new markets with the signing up of craniofacial distributors in South Africa, the United Arab Emirates and Colombia, and a Maxillofacial distributor in Australia. In addition, the Company continues to engage with its distribution partners to ensure sales teams are educated and supported to drive adoption and sales; and
- participation in more Trade Shows and Exhibitions to grow our market presence in craniofacial and aesthetic businesses.

The net loss after tax from ordinary activities during the year ended 31 December 2021 is mainly attributable to decline in revenue resulting from lower demand and market access from COVID-19 restrictions in its key market, and an increase in operational expenditure.

3. Net Tangible Assets

	Reporting Period (Cents)	Previous Period (Cents)
Net tangible assets per ordinary security	1.64	4.49

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

4. Details of Associates and Joint Venture Entities

There are no associates or joint venture entities.

Osteopore Limited and Its Controlled Entities
Appendix 4E
For the year ended 31 December 2022

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

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

6. Audit Qualification or Review

The financial statements are in the process of being audited.

7. Attachments

The Preliminary Financial Report of Osteopore Limited for the year ended 31 December 2022 is attached.

A handwritten signature in black ink, appearing to read 'Mark Leong', with a stylized, flowing script.

Mark Leong
Executive Chairman
Singapore
28 February 2023



Empowering Natural Tissue Regeneration

**OSTEOPORE LIMITED
AND ITS CONTROLLED ENTITIES**

ACN 630 538 957

**PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 31 December 2022**

Osteopore Limited and its Controlled Entities
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2022

	Note	Consolidated 31 Dec 2022 \$	31 Dec 2021 \$
Revenue		1,692,387	1,113,009
Cost of sales		(419,098)	(301,366)
Gross profit		1,273,289	811,643
Other income		88,461	291,453
Selling and distribution expenses		(1,011,943)	(504,686)
Administrative expenses		(4,524,653)	(4,203,005)
Operating loss		(4,174,846)	(3,604,595)
Finance costs		(20,376)	(16,303)
Loss before income tax		(4,195,222)	(3,620,898)
Income tax benefit		-	-
Loss after income tax		(4,195,222)	(3,620,898)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(17,451)	(86,039)
Total comprehensive loss attributable to the owners		(4,212,673)	(3,706,937)
Basic and diluted loss per share (cents)		(3.39)	(3.09)

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

Osteopore Limited and its Controlled Entities
Consolidated Statement of Financial Position
As at 31 December 2022

		Consolidated	
	Note	31 Dec 2022	31 Dec 2021
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		1,334,221	4,530,175
Trade receivables		830,717	400,737
Other assets		709,218	285,925
Inventories		279,163	201,625
Total Current Assets		3,153,319	5,418,462
Non-Current Assets			
Property, plant and equipment		398,244	483,383
Right-of-use asset		68,918	104,446
Total Non-Current Assets		467,162	587,829
TOTAL ASSETS		3,620,481	6,006,291
LIABILITIES			
Current Liabilities			
Trade and other payables		1,372,432	450,795
Employee provisions		67,005	75,896
Lease liabilities		45,359	37,808
Total Current Liabilities		1,484,796	564,499
Non-Current Liabilities			
Lease liabilities		28,819	68,901
Total Non-Current Liabilities		28,819	68,901
TOTAL LIABILITIES		1,513,615	633,400
NET ASSET		2,106,866	5,372,891
EQUITY			
Issued capital	3	27,012,056	26,066,131
Reserves	4	(14,002,999)	(12,744,115)
Accumulated losses		(10,902,191)	(7,949,125)
TOTAL EQUITY		2,106,866	5,372,891

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

Osteopore Limited and its Controlled Entities
Consolidated Statement of Changes in Equity
For the year ended 31 December 2022

	Issued Capital	Share Based Payment Reserve	Common Control Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 31 December 2020	26,066,131	2,271,810	(14,915,451)	(97,918)	(4,328,227)	8,996,345
Loss after income tax	-	-	-	-	(3,620,898)	(3,620,898)
Other comprehensive loss	-	-	-	(86,039)	-	(86,039)
Total comprehensive loss for the year	-	-	-	(86,039)	(3,620,898)	(3,706,937)
Options issued (Note 4)	-	83,483	-	-	-	83,483
Balance at 31 December 2021	26,066,131	2,355,293	(14,915,451)	(183,957)	(7,949,125)	5,372,891
Loss after income tax	-	-	-	-	(4,195,222)	(4,195,222)
Other comprehensive loss	-	-	-	(17,451)	-	(17,451)
Total comprehensive loss for the year	-	-	-	(17,451)	(4,195,222)	(4,212,673)
Transfer within equity	-	-	-	-	1,242,156	1,242,156
Share placement (Note 3)	1,000,000	-	-	-	-	1,000,000
Share issue costs (Note 3)	(54,075)	-	-	-	-	(54,075)
Share-based payments (Note 4)	-	723	-	-	-	723
Expired options (Note 4)	-	(1,221,933)	-	-	-	(1,221,933)
Forfeit of issued employee options (Note 4)	-	(20,223)	-	-	-	(20,223)
Balance at 31 December 2022	27,012,056	1,113,860	(14,915,451)	(201,408)	(10,902,191)	2,106,866

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

Osteopore Limited and its Controlled Entities
Consolidated Statement of Cash Flows
For the year ended 31 December 2022

		Consolidated	
	Note	31 Dec 2022	31 Dec 2021
		\$	\$
Cash flows from operating activities			
Loss before income tax		(4,195,222)	(3,620,898)
<i>Adjustments for</i>			
Depreciation expense		218,219	225,468
Share based payment expense	4	723	83,483
Finance costs		9,967	16,303
Interest income		(6,742)	(1,886)
Gain on assets disposed		-	(15)
Operating cash flows before changes in working capital		(3,973,055)	(3,297,545)
Changes in trade receivables		(429,980)	(57,061)
Changes in other assets		(368,293)	(131,040)
Changes in inventories		(77,538)	(50,243)
Changes in trade and other payables		921,637	(274,849)
Changes in employee provisions		(8,891)	19,521
Interest paid		(9,967)	(16,303)
Interest received		6,742	1,886
Net cash used in operating activities		(3,939,345)	(3,805,634)
Cash flows from investing activities			
Acquisition of plant and equipment		(63,975)	(194,616)
Net cash used in investing activities		(63,975)	(194,616)
Cash flows from financing activities			
Proceeds from share placement		945,000	-
Payment of share issue costs		(54,075)	-
Repayment of borrowings		-	(442,936)
Repayment of lease principal		(48,681)	(42,941)
Net cash provided by / (used in) financing activities		842,244	(485,877)
Net decrease in cash and cash equivalents		(3,161,076)	(4,486,127)
Cash and cash equivalents at the beginning of the year		4,530,175	9,027,016
Effects of exchange rate changes on cash		(34,878)	(10,714)
Cash and cash equivalents at the end of the year		1,334,221	4,530,175

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

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2022

Note 1. Significant Accounting Policies

General

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

Basis of Preparation

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

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the interim financial report for the half-year ended 30 June 2022 and with any public announcement made by Osteopore Limited during the period in accordance with the continuous disclosure requirement of the *Corporations Act 2001*.

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

New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Accounting pronouncements which have become effective from 1 January 2022 and that have been adopted, do not have a significant impact on the Group’s financial results or position.

New Accounting Standards and Interpretations Not Yet Mandatory

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2022

Note 2. Segment Reporting

The Company has identified its operating segments based on the internal reports that are used by the Board in assessing performance and in determining the allocation of resources. Given the Company's operations since incorporation, the Board has identified two relevant business segments based on the Group's geographical presence – Singapore and Australia. The following tables are an analysis of the Group's revenue and results by reportable segment for the year ended 31 December 2022 and 2021.

	Singapore	Australia	Consolidated
	\$	\$	\$
2022			
Revenue from customers	1,692,387	-	1,692,387
Intersegment revenue	-	-	-
Gross revenue	1,692,387	-	1,692,387
Other income	81,719	6,742	88,461
Total revenue	1,774,106	6,742	1,780,848
Loss for the year	(2,926,937)	(1,268,285)	(4,195,222)
Current assets	1,919,539	1,233,780	3,153,319
Non-current assets	467,162	-	467,162
Total assets	2,386,701	1,233,780	3,620,481
Total liabilities	1,252,153	261,462	1,513,615
2021			
Revenue from customers	1,113,009	-	1,113,009
Intersegment revenue	-	-	-
Gross revenue	1,113,009	-	1,113,009
Other income	290,084	1,369	291,453
Total revenue	1,403,093	1,369	1,404,462
Loss for the year	(2,370,918)	(1,249,980)	(3,620,898)
Current assets	916,887	4,501,575	5,418,462
Non-current assets	586,691	1,138	587,829
Total assets	1,503,578	4,502,713	6,006,291
Total liabilities	538,586	94,814	633,400

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

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2022

Note 3. Issued Capital

	2022		2021	
	No. of Shares	\$	No. of Shares	\$
Fully paid ordinary shares	123,934,904	27,012,056	117,268,238	26,066,131

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There is no current on-market share buy-back.

Movements in ordinary share capital

	No. of Shares	Issue price (\$)	\$
Balance at 31 December 2020	117,268,238		26,066,131
Balance at 31 December 2021	117,268,238		26,066,131
Share placement	6,666,666	0.15	1,000,000
Share issue costs	-		(54,075)
Balance at 31 December 2022	123,934,904		27,012,056

Note 4. Reserves

	Consolidated	
	31 Dec 2022	31 Dec 2021
	\$	\$
Common control reserve	(14,915,451)	(14,915,451)
Share based payment reserve	1,113,860	2,355,293
Foreign currency translation reserve	(201,408)	(183,957)
	(14,002,999)	(12,744,115)

Common Control Reserve

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

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2022

Note 4. Reserves (Continued)

Share Based Payment Reserve

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

	No. of Options	\$
Balance at 31 December 2020	13,100,000	2,271,810
Vesting of contractor options	-	9,945
Issue of employee options	375,000	73,538
Balance at 31 December 2021	13,475,000	2,355,293
Vesting of options	-	723
Expired options	(10,100,000)	(1,221,933)
Forfeit of issued employee options	(187,500)	(20,223)
Balance at 31 December 2022	3,187,500	1,113,860

Note 5. Share Based Payment Expense

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

On 30 June 2021, 375,000 options exercisable at \$0.624 expiring on 2 November 2025 were issued to an employee as an incentive for ongoing performance. 187,500 of these options lapsed unvested on resignation of the employee.

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2022

Note 5. Share Based Payment Expense (continued)

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

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
28/08/2020	28/08/2023	\$0.60	\$1.20	120%	0%	0.29%	\$0.354
27/06/2021	02/11/2025	\$0.47	\$0.624	89%	0%	0.82%	\$0.284

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

Grant Date	Expiry Date	31 Dec 2022 No. of Options	31 Dec 2021 No. of Options
23/06/2019	30/06/2022	-	7,200,000
17/09/2019	30/06/2022	-	2,500,000
05/05/2020	02/12/2022	-	300,000
05/05/2020	31/12/2022	-	100,000
28/08/2020	28/08/2023	3,000,000	3,000,000
27/06/2021	02/11/2025	187,500	375,000
		3,187,500	13,475,000