

Osteopore[®]

Q3 CY24 Quarterly Report

31 October 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 ended 30 September 2024.



Osteopore caps off its 7th straight quarter of revenue growth

Osteopore’s **quarterly revenue growth continued** into Q3 CY24 with its **7th straight quarter of unbroken growth**, peaking at **29% YoY and 1% QoQ**.



Osteopore strikes exclusive distribution agreement with Zimmer Biomet

Osteopore signs an **Exclusive Distribution Agreement** with **Zimmer Biomet** to **distribute craniofacial products** in EMEA and APAC.



Dr Yujing Lim appointed Executive Director

Osteopore appointed CEO **Dr Yujing Lim** as Executive Director. Dr Lim championed the signing of **Zimmer Biomet** and spearheaded the **A\$18.7m A*STAR & NDCS** partnership.

Quarterly highlights



Osteopore and the University of Chile complete pre-clinical bone implant studies

Osteopore and the **University of Chile** complete **pre-clinical bone implant studies** to speed up regeneration. The project has completed the **bench-testing phase** with **results including cytocompatibility**. The project is expected to begin **clinical studies in H2 CY25**.



Osteopore to raise A\$20m via redeemable convertible notes issue

In Q3 CY24, Osteopore entered a Term Sheet with **Advance Opportunities Fund** and **Advance Opportunities Fund I** to issue 4% convertible notes at a nominal value of **~A\$20m**.

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Osteopore is excited to sign an exclusive distribution agreement with Top 20 medical device company Zimmer Biomet, enabling us to leverage its sales and marketing prowess and network, while boosting the reach of our craniofacial products in EMEA and APAC.

Osteopore remains committed to developing the right conditions for revenue growth, as witnessed in Q3 CY24. Q3 CY24 was our seventh straight quarter of revenue growth with revenues spiking at ~29% YoY and ~1% QoQ.

The Company continues to pursue new ways to shore up our capital base and support business operations while keeping an eye on future growth opportunities. In Q3 CY24, Osteopore signed a Term Sheet with Advance Opportunities Fund to raise A\$20m.

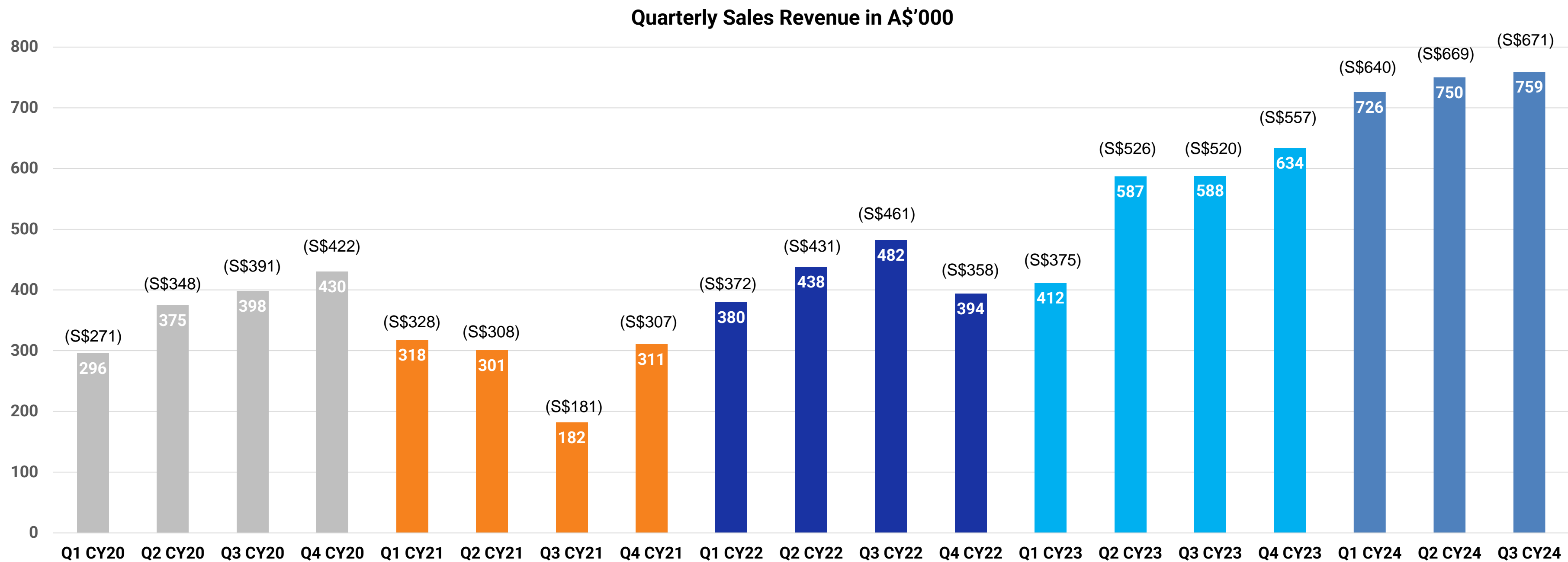
We appreciate the ongoing support of our investors, partners, and surgical community as we advance the next phase of our business, bolstered by the support of global medical technology leader Zimmer Biomet.

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Mark Leong
Executive Chairman

Osteopore’s unbroken revenue growth continued for a record 7th straight quarter, which saw revenues peak at ~29% YoY and ~1% QoQ

Osteopore’s RECORD 7th straight quarter of revenue growth resulted in a ~29% YoY and ~1% increase in Q3 CY24 revenues to A\$759,000 (S\$671,000)



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

Osteopore caps off its 7th straight quarter of revenue growth

- Osteopore's Q3 CY24 surpassed our previous record quarter of A\$750K (S\$669K) in Q2 CY24.
- In Q3 CY24, Osteopore achieved its 7th straight quarter of unbroken **revenue growth** – a record for the Company.
- In Q3 CY24, Osteopore's **revenues grew ~29% YoY** – and **~1% QoQ** – to **A\$759K** (S\$671K).
- 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**.

Osteopore strikes Exclusive Distribution Agreement with Zimmer Biomet¹

- On 16 July 2024, Osteopore signed an **Exclusive Distribution Agreement** with global medical technology leader **Zimmer Biomet** for its groundbreaking **craniofacial products**.
- Under the Agreement, Zimmer Biomet will serve as Osteopore's **exclusive distributor** for **craniofacial products** in **EMEA** and **APAC**, including **Australia** and **New Zealand**.
- The **multi-year Agreement** comprises **24 countries** in the **initial stages of distribution**, with an initial focus on EMEA.
- Currently, Osteopore is **marketing and selling** its craniofacial products in **10 countries** across **EMEA, Australia, and New Zealand**.
- In 2023, the **combined revenue from EMEA, Australia, and New Zealand** accounted for **8-9%** of the Company's **annual total revenue**.
- The Agreement's initial emphasis on **EMEA** enables Osteopore to instantly **double its presence in the region**.

¹ ASX announcement: 'Osteopore strikes Exclusive Distribution Agreement with Zimmer Biomet for its craniofacial products', 16 July 2024

Dr Yujing Lim appointed Executive Director²

- On 24 September 2024, the Board of Osteopore appointed Chief Executive Officer (CEO) **Dr Yujing Lim** as **Executive Director**.
- Dr Lim, CTO since 2018, was appointed CEO in July 2023. Prior to being appointed as CEO, he was previously COO from 2022-2023.
- Dr Lim oversaw the signing of an **exclusive distribution agreement** with Top 20 medical device company **Zimmer Biomet** and secured regulatory access in **ASEAN** and the **European Union (EU)**.
- Additionally, Dr Lim has spearheaded an **A\$18.7m** partnership with the **Agency for Science, Technology and Research (A*STAR)** and the **National Dental Centre of Singapore (NDCS)**.
- In 2022, Dr Lim was recognised by **Pharma Intelligence** as one of the 30 people to watch across the biopharma, medtech and healthtech sectors in **In Vivo's Rising Leaders**.

² ASX announcement: 'Dr Yujing Lim appointed Executive Director', 24 September 2024

Osteopore and the University of Chile complete pre-clinical bone implant studies³

- On 22 August 2024, Osteopore announced the completion of **pre-clinical bench** and **pre-verification studies** in partnership with the **University of Chile**.
- Osteopore previously stated that it had secured **US\$360,000** via the **Government of Chile** and the **University of Chile** to develop a potential **world-first 3D-printed bone implant** that can speed up bone regeneration.⁴
- The University of Chile is ranked **400th globally** in the **Best Global Universities**. The project has now completed the **bench-testing phase** with results indicating **cytocompatibility**.
- Moreover, with the addition of the **innovative compound** into Osteopore's bone implants, **osteogenic differentiation** was increased over the same analysis period as a baseline, indicating **faster osteogenesis**.
- Following these **positive results**, the project will now progress to **pre-clinical studies** of bone regeneration in a **biological model**.

³ ASX announcement: 'Osteopore and the University of Chile successfully complete pre-clinical bone implant studies to speed up regeneration', 22 August 2024

⁴ ASX announcement: 'Osteopore to develop implants that accelerate bone regeneration', 28 September 2022

Osteopore to raise A\$20m via redeemable convertible note issue⁵

- On 27 September 2024, Osteopore entered a **Term Sheet** with **Advance Opportunities Fund** and Advance Opportunities Fund I (AOF I) to issue 4% **redeemable convertible notes (RCNs)** at an **aggregate nominal value of ~A\$20m**, the notes issue is **subject to shareholder approval**.
- Funds raised from the notes issue will be used in **general business operations, development, project and investment opportunities**, and for the discharge or reduction of the Company's loans.

⁵ ASX announcement: 'Osteopore to raise A\$20m via redeemable convertible note issue', 27 September 2024

Professional society engagement and recognition



Brands for Good, Singapore

Osteopore was honoured to receive the Distinction Award in the Leadership for Good category at the 10th Anniversary of Brands for Good. Brands for Good recognises businesses for their commercial success and positive impact on communities, and the environment worldwide. We are deeply grateful for this recognition and proud to be acknowledged for our dedication and hard work. Thanks to the entire Osteopore team whose dedication and commitment have driven our success.



The Neurosurgical Week, India

At 'The Neurosurgical Week', our Director of Global Marketing, Khoon Seng Goh highlighted our significant progress in neurosurgery. We were also honoured to hear from Dr Sardhara, Director of the Department of Minimally Invasive Brain & Spine Surgery at Fortis Hospital, Mulund, Mumbai. Dr. Sardhara delivered an insightful presentation on Polycaprolactone (PCL), showcasing PCL as an ideal material for bone scaffolds.



National University Hospital (NUH) Pre-ASNO Congress Symposium, Singapore

Osteopore had the pleasure of connecting with doctors from around the world and discussing the role our innovative scaffold technology could play in the future of neurosurgery. Dr. Lee Kheng Hin's insightful presentation on "In Situ Tissue Engineering in Neurosurgery" was a standout. Dr Lee shared the successful restoration of the calvarium in a challenging case of multiple secondary thyroid skull metastasis using Osteopore's scaffold.



10th Septorhinoplasty Course, Singapore

Surgeons gathered in droves at the 10th Septorhinoplasty Course to learn the latest techniques in septorhinoplasty. Osteopore's Osteomesh® was showcased in the cadaveric session, providing participants with the opportunity to familiarise themselves with our product. Thank you to Dr. Eduardo Yap from the Philippines, who shared his experience regarding the safe application of Osteomesh® in septorhinoplasty.

Appendix 4C - Quarterly cashflow report

Corporate and financial summary

The attached Appendix 4C provides details of the cashflows for the quarter ended 30 September 2024.

As of 30 September 2024, the Company has a cash balance of approximately A\$1,439,000.

The net cash used during the quarter by the Company for its operating activities amounted to approximately A\$738,000, which is lower compared to the previous quarter. The reduction is mainly attributable to tighter cost control by the Company, captured in the following three categories:

- A) Marketing, business development & investor relations
- B) Staff costs
- C) Administration and corporate costs

Related party transactions

Payments in the September quarter to related parties of approximately A\$60,000 at Item 6 in the attached Appendix 4C, comprised of director fees and salaries.



Mark Leong

Executive Chairman

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Executive Director

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Appendix 4C

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

Name of entity

Osteopore Limited

ABN

65 630 538 957

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	620	1,907
1.2 Payments for		
(a) research and development	(137)	(258)
(b) product manufacturing and operating costs	(260)	(568)
(c) marketing, business development & investor relations (including allocated staff costs)	(338)	(1,365)
(d) leased assets	(27)	(79)
(e) staff costs (other than allocated staff costs under note 1.2(c))	(288)	(996)
(f) administration and corporate costs	(373)	(1,226)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	(6)	(7)
1.6 Income taxes paid	(19)	(59)
1.7 Government grants and tax incentives	89	199
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(738)	(2,450)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(5)	(12)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	(5)	(12)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,848
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	38	255
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(111)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(102)	(209)
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	(64)	2,783

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,225	1,115

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(738)	(2,450)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(12)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(64)	2,783
4.5	Effect of movement in exchange rates on cash held	21	3
4.6	Cash and cash equivalents at end of period	1,439	1,439

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,433	2,219
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)	1,439	2,225

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
60
-

Payments made to Directors related to:

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

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	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)	(738)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,439
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,439
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.95

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

- 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: With the growth in sales and various cost reduction initiatives, the Company is expected to lower its net operating cash flow level, notwithstanding the progressive settlement of payables.

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

Answer: The Company expects to meet its operational costs from proceeds from sales, existing reserves, and from additional funding (as required). The Company also has the ability to obtain further funds through the issue of debt and equity securities when required. As announced on 27 September 2024, the Company entered into a term sheet with Advance Opportunities Fund and Advance Opportunities Fund I (AOF I) (Subscribers) to issue 4% redeemable convertible notes (RCNs) – with an aggregate nominal value of up to AUD 20,000,000 – to the Subscribers (Notes). The issue of the Notes is subject to entry into formal documentation and shareholders and any regulatory approvals.

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

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

Compliance statement

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

Date: 31 October 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.