

## REVENUE GROWTH CONTINUES Q3 CY22

### Highlights:

- *Osteopore achieved record revenue of S\$460,684 (A\$482,890) for Q3 CY22.*
- *Revenue increased 6.6% over Q2 CY22, resulting in the fourth consecutive quarter of revenue growth, and a 164% increase over the previous year's revenue for the corresponding period of Q3 CY21.*
- *Osteopore secured a US\$225,000 non-dilutive grant from the Government of Chile, to develop a novel 3D-printable implant that accelerates bone regeneration. This could potentially accelerate a patient's recovery time and be a breakthrough for the industry.*
- *Secured a non-exclusive Distribution Agreement to promote and sell Osteopore products within healthcare facilities (Veteran's Affairs and Department of Defense facilities) owned or operated by the United States federal government.*
- *Signed a distribution agreement to market and sell products within the People's Republic of China (China). Osteopore will begin conducting a number of clinical trials to obtain the required data to achieve National Medical Products Administration (NMPA) approval.*
- *All of Osteopore's products currently listed for use under the Australian Register of Therapeutic Goods (ARTG), will be formally included into the Prostheses List and eligible for reimbursement from all private health insurance funds.*
- *Commercial collaboration signed with Singular Health, whereby Osteopore branding will be added to the 3Dicom User Portal for surgeons to visualise our products in Virtual Reality along with their own scans for training and marketing purposes.*

**31 October 2022: Osteopore Limited** (ASX: OSX) ("Osteopore" or the "Company"), a revenue-generating manufacturer of regenerative implants that empower natural tissue regeneration, is pleased to release its quarterly results and Appendix 4C cash flow statement for the three-month period ending 30 September 2022.

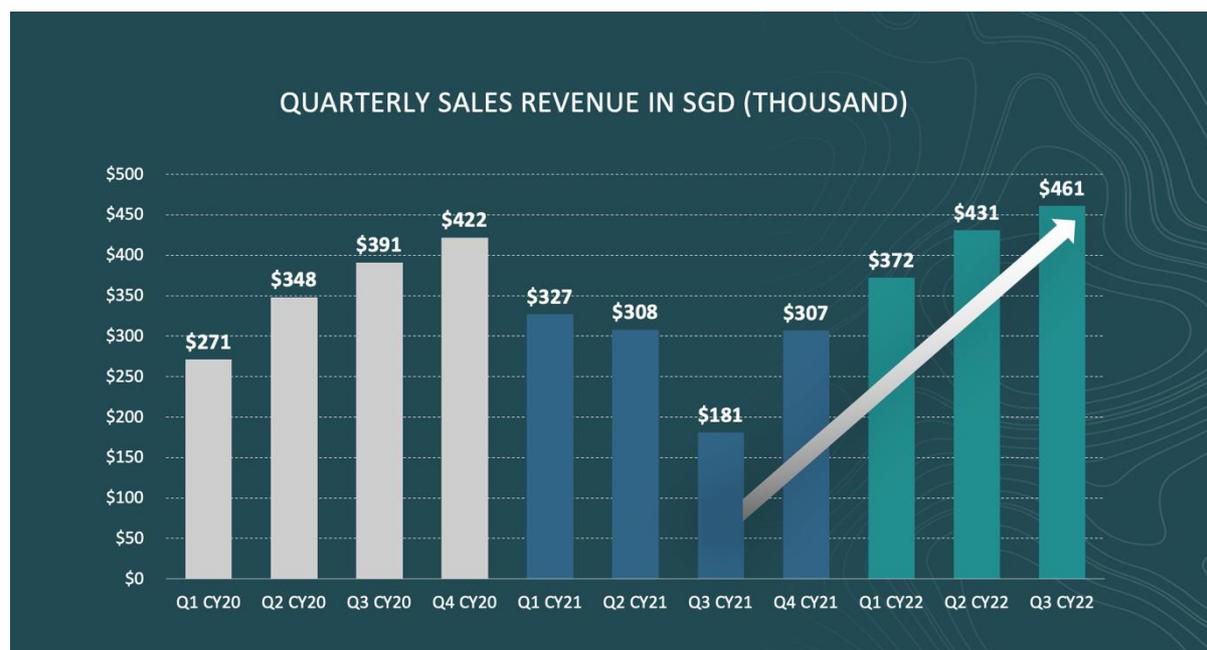
### Revenue growth continues

Osteopore achieved S\$460,684 (A\$482,890) in revenue for Q3 CY22 and ended the quarter with A\$1,314,695 cash on hand. Q3 CY22 revenue was up 6.6% on Q2 CY22, and up 164% over the previous year's revenue for the corresponding period of Q3 CY21. This result is the fourth consecutive quarter of revenue growth, and was led by increasing sales from Vietnam and Singapore, along with consistent volume of implants for rhinoplasty applications within Korea.

Since emerging from COVID-19, increasing numbers of patients are going to hospital to seek treatment, which has led to an increase in neurosurgery cases and demand for Osteopore's implants. In particular, we are witnessing strong demand from Vietnam, whereby over 40 percent of implants

delivered in July were consumed. This required another large order to be shipped during the quarter to meet demand.

Utilisation in rhinoplasty continues to grow, with Osteopore increasingly gaining exposure at exhibitions around Asia, particularly in South Korea. The Company also participated in a leading neurosurgical and plastic reconstruction surgery exhibition, generating more awareness of Osteopore’s technology in the USA and Asia. Overall, our outlook remains positive as the healthcare industry continues to gain confidence with economies opening up and our increase in aesthetic therapy sales reflects this change.



Osteopore Executive Chairman, Mark Leong said; “The Company continues to deliver on its growth strategy put in place earlier this year, and as a direct result revenue is beginning to scale. During the quarter, we made encouraging progress to re-ignite sales in the U.S. market by gaining exposure to healthcare facilities owned or operated by the United States federal government. We also deepened our penetration into the Australian market, and signed a distribution agreement to market and sell Osteopore products within the People’s Republic of China. Importantly, our research and development programs continue to produce results which could present significant commercial opportunities in the future.”

### **Osteopore to develop implants that accelerate bone regeneration**

In late September, Osteopore secured a US\$225,000 non-dilutive grant from the Government of Chile, to develop a novel 3D-printable implant that accelerates bone regeneration. Currently, Osteopore’s implants enable the natural stages of bone healing and are superior to other traditional bone regeneration procedures. However, by incorporating materials and compounds that speed up bone growth, a patients’ recovery could be accelerated.

If successful, this would be a world first breakthrough that places Osteopore at the forefront of technology development and would be considered the ‘holy grail’ of bone regeneration. The grant was awarded to Osteopore from the Scientific and Technological Development Support Fund

(FONDEF), a program that is part of the National System of Public Funds for Scientific and Technological Research in Chile.

### **Distribution agreement secured for U.S. Federal Healthcare Facilities**

Osteopore's U.S. based distributor Bioplate Inc, secured a non-exclusive Distribution Agreement with MellingMedical LLC to promote and sell Osteopore products within healthcare facilities owned or operated by the United States federal government. The initial focus will be supplying products to Veteran's Affairs and Department of Defense facilities that have neuro and trauma surgery capabilities.

MellingMedical has access to more than 165 Veteran's Affairs (VA) Medical Centers, 300 VA Outpatient Clinics, all 7 Consolidated Mail Outpatient Pharmacies, and 95 Department of Defense Medical Facilities. Bioplate and Osteopore are now working with MellingMedical to apply for listing in the Federal Supplies Schedule (FSS). Upon successful listing confirmation, Osteopore products will be available to all federal healthcare facilities.

### **Distribution agreement signed to enter the Chinese market**

Osteopore signed a distribution agreement with Kontour (Xi'an) Medical Technology (Kontour), to market and sell Osteopore products within the People's Republic of China (China). Kontour is a leading manufacturer and distributor of surgical supplies across China, and is listed on the Shanghai Stock Exchange with an estimated market value of ¥3.38bn (A\$711m)<sup>1</sup>

Under the terms of the exclusive four-year agreement, Kontour and Osteopore will conduct a number of clinical trials to obtain the required data to achieve National Medical Products Administration (NMPA) approval. If successful, NMPA approval will allow Osteopore products to be marketed and sold across the Peoples Republic of China.

Kontour has significant experience in the Chinese regulatory process, and anticipates NMPA approval will take an estimated 24 months. The focus will be gaining clearance for Osteopore's craniofacial (Neurosurgery) products, with Kontour agreeing to make every reasonable endeavour to purchase a minimum US\$500,000 of Osteopore products in the first year after NMPA clearance, and US\$1,000,000 in the second year.

### **Osteopore products added to the Australian Prostheses List**

All of Osteopore's products currently listed for use under the Australian Register of Therapeutic Goods (ARTG), will be formally included into the Prostheses List on the 25<sup>th</sup> November 2022. The Australian Prostheses List identifies implantable devices eligible for reimbursement from all private health insurance funds. This requirement is set out in the Private Health Insurance Act 2007.

Being incorporated into the Prostheses List ensures all Australian citizens with private healthcare coverage can be reimbursed for Osteopore products, with doctors and surgeons being able to choose the best available prostheses for privately insured patients as covered by all the individual healthcare insurance funds.

Osteopore products underwent a rigorous application and review process to be incorporated onto the list, and it is expected to remove barriers to the recommendation of our products to suitable patients in the future, as the implants could potentially reduce the overall healthcare costs of patients.

## **Commercial collaboration with Singular Health**

Following the evaluation of the recently completed 3Dicom VSP module for Virtual Reality, whereby Osteopore and Singular staff remotely collaborated on cranial scans in real-time, Osteopore agreed to four enterprise licenses of the 3Dicom R&D and VSP software. These four licenses will see Osteopore branding added to the 3Dicom User Portal for surgeons to visualise our products in Virtual Reality along with their own scans for training and marketing purposes.

With Osteopore providing both cutting-edge material and manufacturing techniques, and Singular Health providing design software and the opportunity for surgeons and designers to collaborate in future, the synergies of combining design and manufacture have already led to joint presentations and conversations by Osteopore and Singular Health to third parties in the USA, Australia, and Europe.

## **Corporate and Financial Summary**

The attached Appendix 4C provides details on the cashflows for the quarter ended 30 September 2022. As at 30 September 2022 the Company had a cash balance of A\$1,315,695. The Company's net cash used in operating activities for the quarter amounted to A\$991,000 and included expenditure on staff costs A\$569,000 and administration and corporate costs A\$350,000.

## **Related Party Transactions**

Payments in the September quarter to related parties of A\$42,000 included at Item 6 in the attached Appendix 4C, comprised director fees and salary.

*This announcement has been approved for release by the Board of Osteopore.*

For more information, please contact:

### **Mark Leong**

Executive Chairman

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## **About Osteopore Limited**

Osteopore Ltd is an Australian and Singapore based medical technology company commercialising a range of products specifically engineered to facilitate natural bone healing across multiple therapeutic areas. Osteopore's patented technology fabricates specific micro-structured scaffolds for bone regeneration through 3D printing and bioresorbable material.

Osteopore's patent-protected scaffolds are manufactured using a proprietary manufacturing technique with a polymer that naturally dissolve over time to leave only natural, healthy bone tissue, significantly reducing post-surgery complications commonly associated with permanent bone implants. Our 3D printer technology is not available in the market and unique to Osteopore.

## **Forward-Looking Statements**

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices, or potential growth of Osteopore Limited, are, or may be, forward-looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward-looking statements depending on various factors.

1 CNY = 0.210646

AUD | 1 AUD = 4.74730 CNY | Data taken from [www.xe.com](http://www.xe.com) on 17<sup>th</sup> August 2022.

## Appendix 4C

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

**Name of entity**

Osteopore Limited
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**ABN**

65 630 538 957
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**Quarter ended ("current quarter")**

30 September 2022
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	300	965
1.2 Payments for		
(a) research and development	(4)	(4)
(b) product manufacturing and operating costs	(112)	(373)
(c) advertising and marketing	(282)	(738)
(d) leased assets	-	-
(e) staff costs	(569)	(1,771)
(f) administration and corporate costs	(350)	(1,201)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	23	73
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(991)</b>	<b>(3,044)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(16)	(75)
(d) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
(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	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(16)</b>	<b>(75)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	(16)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>-</b>	<b>(16)</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	2,336	4,530
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(991)	(3,044)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(16)	(75)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(16)
4.5	Effect of movement in exchange rates on cash held	(14)	(80)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,315</b>	<b>1,315</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	810	1,334
5.2	Call deposits	505	1,002
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,315</b>	<b>2,336</b>

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

- |     |   | <b>Current quarter<br/>\$A'000</b> |
|-----|---|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 42                                 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | -                                  |

Payments made to Directors related to:

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

**7. Financing facilities**

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

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

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

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.

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(991)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,315
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,315
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>1.33</b>

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: Yes, the Company is expected to continue with current level of net operating cashflow.

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

Answer: The Company expects to meet its operational costs from proceeds from sales to customers, existing reserves and as required from additional funding. The Company has the ability to obtain further cash funds through the issue of equity securities.

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

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

## Compliance statement

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

Date: 28 October 2022

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.