



Q1 CY23 RESULTS PRESENTATION

28 APRIL 2023



ASX: OSX



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 31 March 2023.

QUARTERLY HIGHLIGHTS



Achieved revenue of **S\$375,329 (A\$411,584)** in Q1 CY23, representing a 4.6% increase over the previous quarter



Acquired multiple medical distribution businesses, which are expected to **boost revenue through higher margins**



Initiated Entitlement Offer and **successfully raised A\$1.7m** from eligible shareholders



Secured **Taiwanese** regulatory approval for an additional application of Osteomesh®



Successfully registered new product aXOpore® with the **United Kingdom's** Regulatory Agency

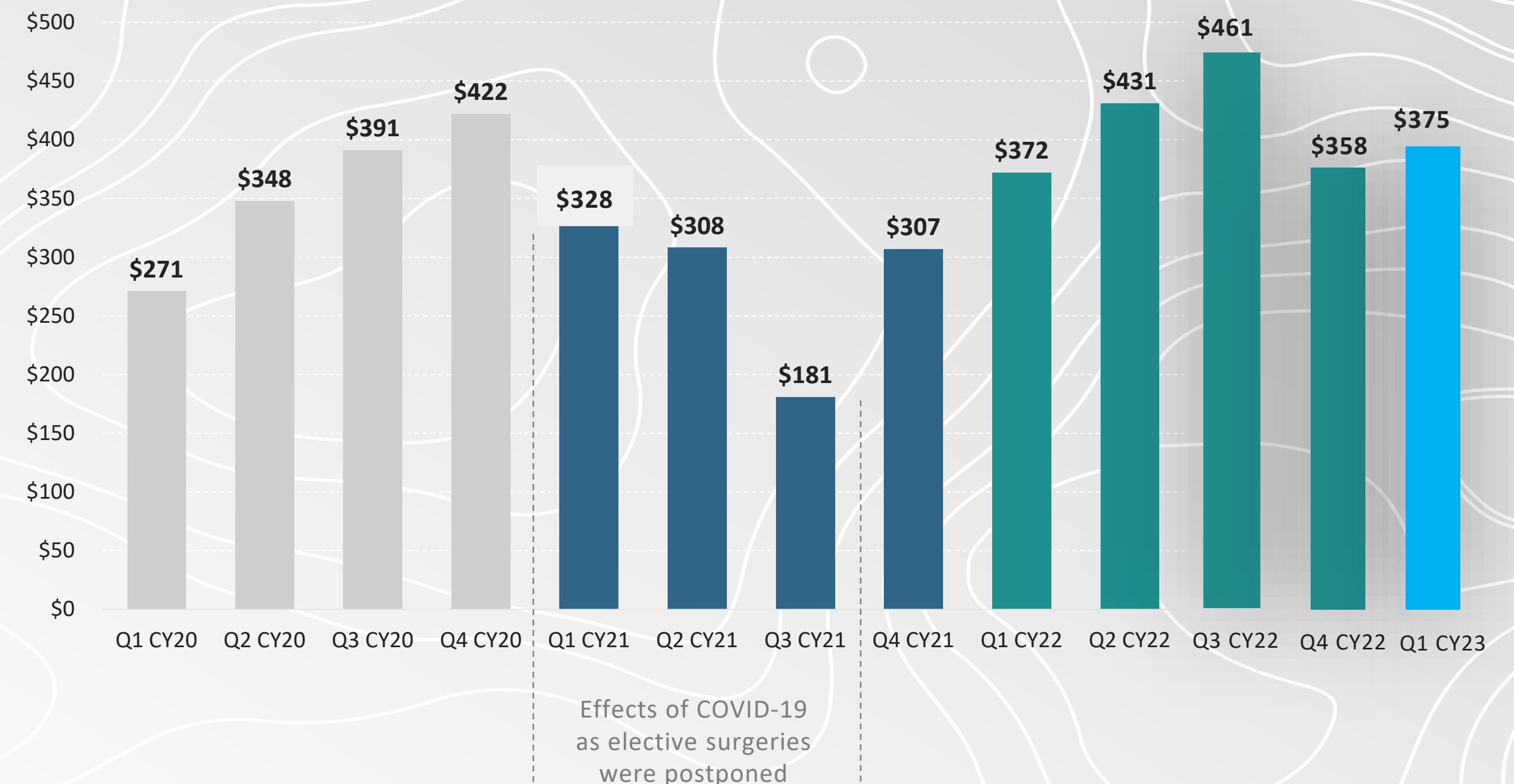


Gained approval to **restart sales** across the European Union, after a temporary pause due to new regulations

Q1 CY23 REVENUE INCREASES 4.6%

- Osteopore achieved revenue of **S\$375,329 (A\$411,584)** in Q1 CY23, an increase of 4.6% over Q4 CY22
- Primary highlights include;
 - Increased craniofacial adoption in Vietnam
 - Growth in South Africa after appointing distributor
 - Encouraging demand for customised implants (Patient Specific Implant)
- Results highlight capability to expand sales, despite a temporary pause in activity across the European Union¹
- Encouraging revenue outlook remains as increased revenue and margins are expected to take effect in Q2 CY23 following the recent acquisition²

QUARTERLY SALES REVENUE IN SGD (THOUSAND)



A background image showing three surgeons in an operating room. They are wearing blue scrubs, blue bouffant caps, and surgical masks. The surgeon in the center is wearing glasses and is focused on a procedure. The lighting is dim, with a bright light source illuminating the surgical site. The overall tone is professional and clinical.

“

We are thrilled to report a robust quarterly performance, and anticipate increased margins from the recent acquisition to boost revenue in Q2 CY23.

Osteopore remains steadfast in our commitment to deliver exceptional value to our shareholders, customers, and partners while transforming patient care worldwide.

”

Mark Leong

Executive Chairman

OSTEOPORE COMPLETED ITS FIRST ACQUISITION¹ IN Q1 CY23

- Osteopore officially acquired multiple medical distribution businesses, which on a group basis represent around **40%-45% of global sales**
- Acquisition expected to **boost revenue and margins**, as it eliminates the distribution layer between Osteopore and its end customers
- In 2022, the acquired distribution businesses contributed A\$736,173, out of the total revenue of Osteopore of A\$1,692,387⁵
- **Vertically integrated business model** allows control over direct retail sales team, particularly in key markets like South Korea
- The distribution businesses have been **successfully integrated** into Osteopore

PROVEN ABILITY TO EXECUTE ACQUISITION STRATEGY



AUG
2022

Osteopore announces new commercial strategy to boost revenue and margins to fast-track profitability²



DEC
2022

Signs non-binding agreement for proposed acquisition³



JAN
2023

Entered into binding asset purchase deed to acquire distribution businesses⁴



MAR
2023

Osteopore completes acquisition to accelerate revenue growth⁵

1 – Key Terms of the Acquisition: The key terms of the acquisition were as per the Company’s announcement dated 23 January 2023.

2 – Investor presentation 10 August 2022

3 – ASX announcement titled ‘Osteopore receives firm commitments for placement and signs non-binding agreement for proposed acquisition’ 22 December 2022

4 – ASX announcement titled ‘Osteopore to acquire multiple medical distribution businesses & become vertically integrated’ 23 January 2023

5 – ASX announcement titled ‘Osteopore completes acquisition to accelerate revenue growth in the aesthetic segment’ 31 March 2023

NON-RENOUNCEABLE ENTITLEMENT OFFER¹

- Osteopore announced a non-renounceable pro-rata offer to Eligible Shareholders to **raise up to approximately A\$2,633,617** (before costs), on the basis of 1 new share for every 4 existing shares held on the record date (16 March 2023), at an issue price of A\$0.085 per new share
- This represented a discount of 27.4% to the 10-day volume weighted average price of A\$0.117
- Funds raised will be used to;
 - Support sales momentum
 - Develop and launch new breakthrough products
 - Secure regulatory clearances in new markets
 - Explore potential partnerships and acquisition opportunities
 - Provide general working capital

CURRENT CASH & CAPITAL RAISE PROGRESS

A\$377,000

CASH @ BANK: 31 MARCH 2023

A\$1,725,000²

SUCCESSFULLY RAISED UNDER ENTITLEMENT OFFER

A\$909,000³

SHORTFALL AMOUNT TO BE PLACED
AT THE COMPANY'S DISCRETION

¹ – For more information please refer to ASX announcement titled 'Non-Renounceable Entitlement Offer Prospectus' 13 March 2023

² – ASX announcement titled 'Non-Renounceable Entitlement Offer Results' 24 April 2023

³ – Issue of Remaining Shortfall Securities under Shortfall Offer and Lead Manager Options under the Lead Manager Option Offer by no later than 17 July 2023

APPROVED FOR ADDITIONAL APPLICATIONS IN TAIWAN¹

- **Osteopore secured Taiwanese regulatory approval for an additional application of its Osteomesh[®] product**, extending our presence in the Taiwanese market and providing further growth opportunities for the Company
- Previously, Osteomesh[®] was approved in Taiwan for orbital (eye) area reconstruction. This new approval now enables its application in reconstruction procedures beyond the orbital area, **extending into the craniofacial regions**
- **The expanded approval opens up an opportunity** in the nasal bone area, which is one of the target segments for the Company. In addition to addressing functional issues, surgical treatment of the nasal bone area provides aesthetic relief for patients

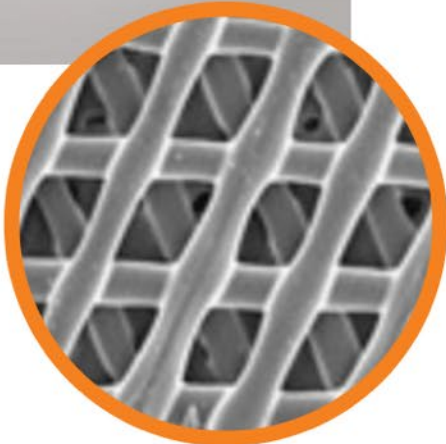
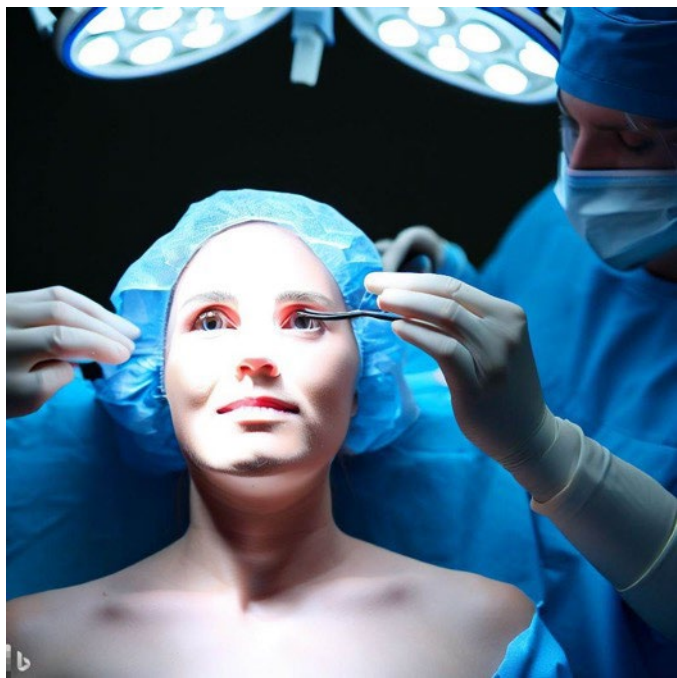
Osteomesh[®]

FEATURES

- Manufactured from PCL
- 100% synthetic
- Predictable resorption profile
- User friendly
- 3D Printed

BENEFITS

- Bioresorbable, biocompatible, proven technology, and non-toxic.
- No animal tissue concerns such as disease transmission or cross reaction.
- Protects against soft tissue collapse and predictably maintains both shape and volume of the desired bone tissue. Bone remodeling takes place before complete degradation at 18 - 24 months.
- Semi-flexible, easy to handle and provided in a range of sizes which can be trimmed with scissors.
- Can be customised to specific patient anatomical needs as required to achieved optimal outcomes.



Porosity of Osteomesh[®]

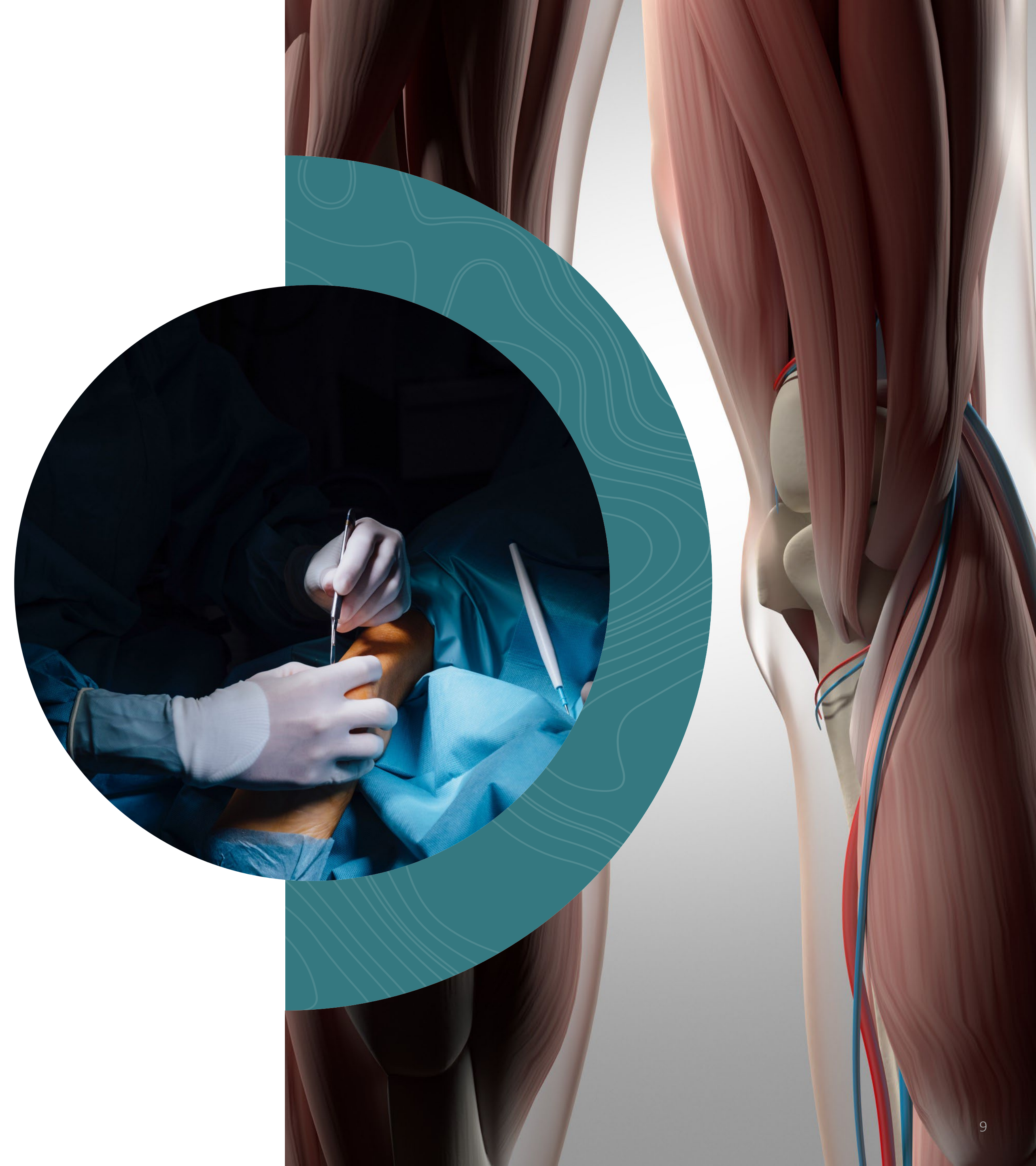


ENTERED ORTHOPAEDIC MARKET IN GREAT BRITAIN¹

- Osteopore's new product line called aXOpore®, was **successfully registered** with the United Kingdom's Medicines & Healthcare products Regulatory Agency
- aXOpore® products are made with Osteopore's 2nd generation bioresorbable material that **exhibits structural and regeneration advantages for bone reconstruction applications**
- The registration enables aXOpore® to be used in Great Britain and can now be used by surgeons for treatment of their patients
- **Osteopore is now engaging with hospitals and key surgeons**, and will also seek potential distribution partners who have the network to support and scale the adoption of aXOpore® in Great Britain

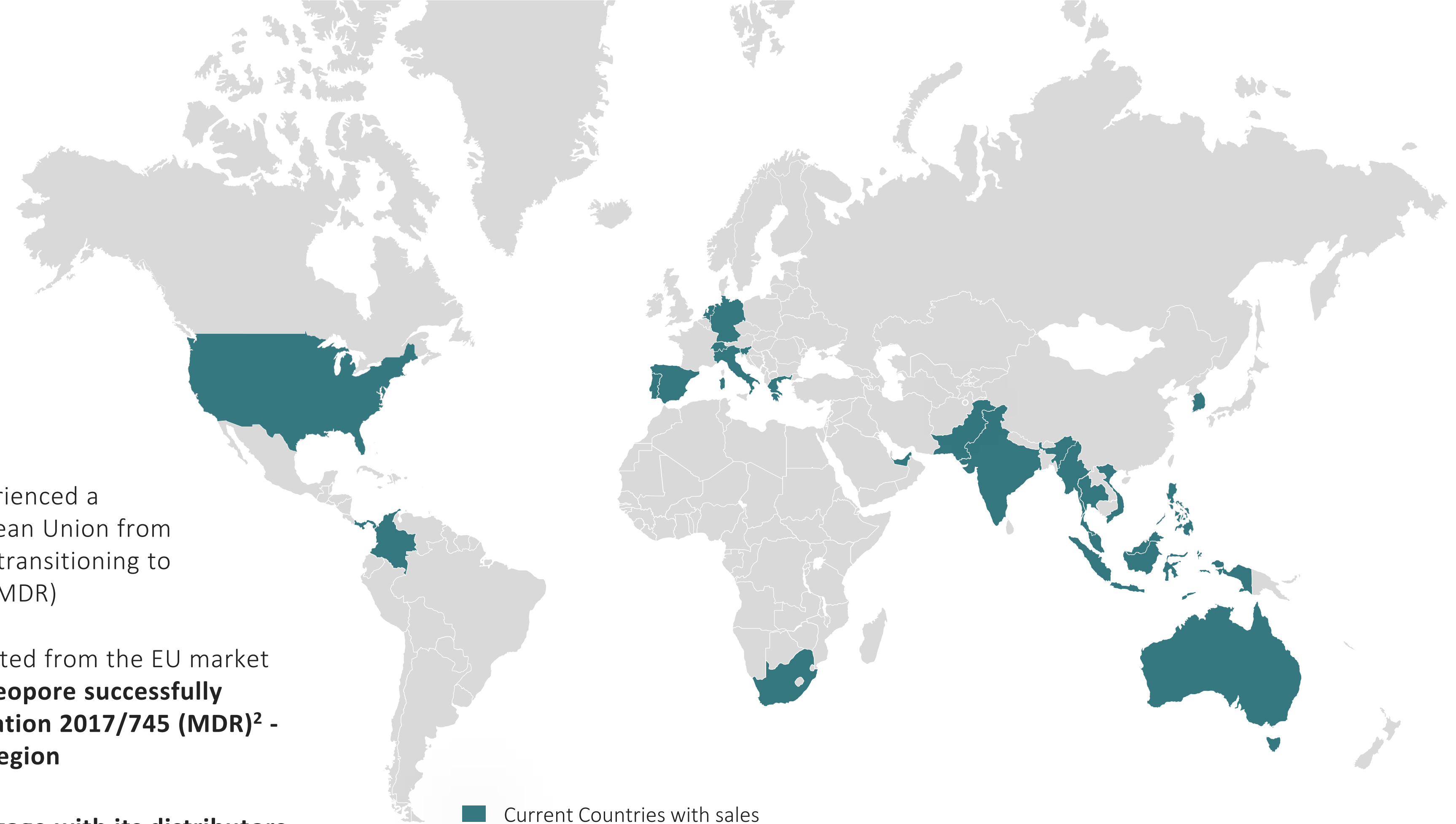
SECURED ORTHOPAEDIC RESEARCH COLLABORATION¹

- Osteopore entered into a Research Collaboration with Maastricht University (MU), University Hospital Maastricht (MUMC), and a commercial-stage ortho-biologics company
- The clinical research project will study the treatment of **large (> 5cm) posttraumatic bone defects** using Osteopore's custom implant made of Polycaprolactone (PCL) and Tricalcium Phosphate (TCP)
- Osteopore's implants will be individually coated in a number of growth factors, and will also investigate the efficacy of Osteopore's implant coated in a bone graft biologic, in the case of a bacterial infection
- The project forms part of the Company's strategy to develop and launch new products to **expand the scope of bone regeneration applications across the entire body**



SALES TO RESUME IN THE EUROPE UNION

- As previously announced¹, Osteopore experienced a **temporary pause** in sales across the European Union from 01 June 2022, directly related to a delay in transitioning to the Medical Devices Regulation 2017/745 (MDR)
- As such, no meaningful revenue was generated from the EU market for Q1 CY23, however on **24 April 2023 Osteopore successfully transitioned to the Medical Devices Regulation 2017/745 (MDR)² - meaning sales can now resume in the EU region**
- **The Company has already started to re-engage with its distributors**, particularly in Spain, Switzerland and Portugal, where it experienced encouraging growth before the disruption
- The EU contributed to approximately 8% of Q1 revenue in 2022, with over 50% of this to the Craniofacial line. And despite this restriction, the global Craniofacial line has grown over 20% in Q1 CY23 compared to Q1 CY22



CREATION OF ADVISORY PANEL WITH INDUSTRY LEADERS¹

MR GREG RUDD



Well-known Australian lobbyist and business consultant, with extensive experience in government relations, entrepreneurship, and cyber security

DR MICHAEL WAGELS



Dr Michael Wagels is a Staff Specialist Plastic and Reconstructive surgeon at the Princess Alexandra Hospital

MR DAVID YEOW



Mr David Yeow is recognised as a leading practitioner in financial services regulations in the legal advisory

MS JOY SONG



Co-founder of Cellheal Therapeutics, a clinical stage company developing personalised cell and targeted therapies for oncology and regeneration

DR JAMES TAN



Dr James Tan is a highly experienced Sports Surgeon and industry Key Opinion Leader (Johnson & Johnson) with 20 years of experience

DR SAMINTHARAJ KUMAR



Dr Samintharaj Kumar is dual-qualified in Medicine and Dentistry and is the CEO and Founder of Nuffield Holdings

DR GK ANANDA



Dr GK Ananda has almost two decades of experience in Oral and Maxillofacial surgery

ENGAGEMENT WITH SURGEONS

AESTHETICS: RHINOMAMA 2023, PHILIPPINES



- Hands on workshop demonstrating the nasal mesh in rhinoplasty
- Run together with the Department of Otorhinolaryngology - Head & Neck Surgery of East Avenue Medical Center
- Attended by ~40-50 participants across the region

ORTHOPAEDIC: BRITISH LIMB RECONSTRUCTION SOCIETY, NORTHERN IRELAND



- After the registration of our aXOpore product with the UK regulatory body, MHRA, Osteopore participated in this conference
- Two high profile surgeons talked about their clinical outcomes and experience with Osteopore implant
- Attended by a few hundred participants across UK and Europe

DENTAL: ALL-ON-4 WORKSHOP, SINGAPORE



- Workshop run together with Nuffield Dental Holdings (a listed company in Singapore)
- Demonstrated techniques using the Osteopore Dental mesh on live patients and hands-on models

APPENDIX 4C – QUARTERLY CASH FLOW REPORT

Corporate and financial summary

The attached Appendix 4C provides details on the cashflows for the quarter ended 31 March 2023. As at 31 March 2023 the Company had a cash balance of A\$377,000. The Company's net cash used in operating activities for the quarter amounted to A\$940,000 and included expenditure on staff costs A\$778,000 and administration and corporate costs A\$301,000.

Related party transactions

Payments in the March quarter to related parties of A\$40,000 included at Item 6 in the attached Appendix 4C, comprised director fees and salary.

This presentation has been approved for release by the Board of Osteopore Limited.

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")

31 March 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	315	315
1.2 Payments for		
(a) research and development	(32)	(32)
(b) product manufacturing and operating costs	(72)	(72)
(c) advertising and marketing	(104)	(104)
(d) leased assets	(13)	(13)
(e) staff costs	(778)	(778)
(f) administration and corporate costs	(301)	(301)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	44	44
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(940)	(940)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(1)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	-	-
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)	55	55
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(54)	(54)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	Net cash from / (used in) financing activities	1	1

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,334	1,334
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(940)	(940)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1	1
4.5	Effect of movement in exchange rates on cash held	(17)	(17)
4.6	Cash and cash equivalents at end of period	377	377

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	372	1,329
5.2	Call deposits	5	5
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)	377	1,334

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
40
-

Payments made to Directors related to:

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

7. Financing facilities	<p><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i></p> <p><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>	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	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	<p>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.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(940)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	377
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	377
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.40

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: Yes, the Company is expected to continue with the current net operating cash flow level.

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: The Company expects to meet its operational costs from proceeds from sales to customers, existing reserves, and as required from additional funding. The Company closed a non-renounceable pro-rata entitlement offer on 17 April 2023 with strong support from eligible shareholders who applied for 20,293,604 new shares and 20,293,604 quoted options, raising approximately A\$1,725,000 (before costs), pursuant to their entitlements. The Company also has the ability to obtain further cash funds through the issue of equity securities, when it is required.

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: Yes, the Company does expect 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, 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 April 2023

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.