

**Osteopore Limited and its Controlled Entities**  
**Appendix 4D**

**1. Name of Entity**

Osteopore Limited (ABN 65 630 538 957)

**Reporting Period**

Half-year ended 30 June 2020

Previous Corresponding Reporting Period

Half-year ended 30 June 2019

**2. Results for Announcement to Market**

<b>Financial results</b>	<b>Up / Down</b>	<b>Change %</b>	<b>2020 \$</b>	<b>2019 \$</b>
Revenue from ordinary activities	Up	100%	672,774	-
(Loss) after tax from ordinary activities attributable to members	Down	27%	(670,861)	(913,969)
(Loss) attributable to members	Down	22%	(708,912)	(913,969)

Final and interim dividends It is not proposed that either a final or interim dividend be paid.

Record date for determining entitlements to the dividend N/A

Brief explanation of any of the figures reported above The Company completed the 100% acquisition of the ordinary shares of Osteopore International Pte Ltd ("OIS") and commenced trading on ASX in September 2019. The acquisition has been accounted for with reference to common controlled entities, as such, the performance of OIS was only taken into account from September 2019.

Since listing on the ASX, the Company has been focussed on the execution the Company's global growth strategy to increase revenue and penetrate new markets.

**3. Net Tangible Asset Backing per Ordinary Share**

**Cents**

Net tangible asset backing per ordinary share – current reporting period	2.26
Net tangible asset backing per ordinary share – previous reporting period	3.47

**4. Control Gained Over Entities**

Details of entities over which control has been gained or lost N/A

**5. Dividends Paid and Payable**

Details of dividends or distribution payments No dividends or distributions are payable.

**6. Dividend Reinvestment Plans**

Details of dividend or distribution reinvestment plans	N/A
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**7. Details of Associates**

Details of associates and joint venture entities	N/A
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**8. Foreign Entities**

Foreign entities to disclose which accounting standards are used in compiling the report	All entities within the Group complies with International Financial Reporting Standards.
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**9. Review Opinion**

Details of any audit dispute or qualification	There are no audit disputes or qualifications to the review opinion.
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Brett Sandercock  
Non-Executive Chairman  
31 August 2020



Empowering Natural Tissue Regeneration

**OSTEOPORE LIMITED  
AND ITS CONTROLLED ENTITIES**

**ACN 630 538 957**

**CONSOLIDATED INTERIM FINANCIAL REPORT  
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

For personal use only

**Osteopore Limited and its Controlled Entities**  
**Consolidated Interim Financial Report**  
**For the half-year ended 30 June 2020**

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**Osteopore Limited and its Controlled Entities  
Consolidated Interim Financial Report  
For the half-year ended 30 June 2020**

**CORPORATE INFORMATION**

**Directors**

Brett Sandercock  
Geoff Pocock  
Professor Teoh Swee Hin  
Stuart Carmichael

**Company Secretary**

Deborah Ho

**Registered Office / Principal Place of Business**

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West Perth WA 6005

Telephone: +61 8 9482 0500

**Share Register**

Link Market Services  
1A Homebush Bay Drive  
Rhodes NSW 2138

**Auditor**

Grant Thornton Audit Pty Ltd  
Central Park  
Level 43, 152-158 St Georges Terrace  
Perth WA 6000

**Solicitors**

HWL Ebsworth Lawyers  
Level 20, 240 St Georges Terrace  
Perth WA 6000

**Website**

<https://www.osteopore.com/>

## **DIRECTORS' REPORT**

The Directors present their report, together with the consolidated financial report for Osteopore Limited ("Osteopore" or the "Company") and its controlled entities ("Group"), for the half-year ended 30 June 2020.

### **DIRECTORS**

The names of Directors in office at any time during or since the end of the half-year ended 30 June 2020 were as follows:

<b>Name</b>	<b>Position</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Brett Sandercock	Non-Executive Chairman	24 June 2019	-
Geoff Pocock	Executive Director	24 June 2019	-
Professor Teoh Swee Hin	Non-Executive Director	24 June 2019	-
Stuart Carmichael	Non-Executive Director	11 December 2018	-

### **PRINCIPAL ACTIVITIES**

Osteopore Limited is an Australian and Singapore based medical technology company commercialising a range of bespoke products specifically engineered to facilitate 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 made from proprietary polymer formulations, that naturally dissolve overtime to leave only natural healthy bone tissue, significantly reducing post-surgery complications that are commonly associated with permanent bone implants.

### **REVIEW OF OPERATIONS**

Despite challenging global macroeconomic conditions due to COVID-19, Osteopore continued to see encouraging sales during the period to 30 June 2020 with revenue of \$672,774. This is the first year operating as a Group. Osteopore was incorporated on 11 December 2018, with the acquisition of Osteopore International Pte Ltd ("OIS") completed and successful listing onto ASX in September 2019.

Revenue growth was experienced from the Company's core Asian geographic territories, as well as some progress into European markets, with increased engagement in EU markets including the UK and Italy. Osteopore continues to work closely with current distribution partners to ensure sales teams are educated and supported to drive adoption and sales.

Osteopore has been included as an "essential service" in Singapore, allowing it to remain open and operational during shut downs in Singapore.

In April 2020, Osteopore received Australian Therapeutics Goods Administration ("TGA") approval for its craniofacial products, Osteomesh, Osteoplug, and Osteoplug-C. Osteopore's craniofacial products are used as bone void fillers for regeneration of natural bone and the products will also be included in the Prosthesis Listing in July 2020, after receiving acceptance for their application.

Obtaining TGA regulatory approval will allow Osteopore to make its products more broadly commercially available to doctors and hospitals across Australia, and the Group is continuing ongoing discussions with potential distribution partners. This has opened up the Australian market to Osteopore.

## **DIRECTORS' REPORT**

### *Likely Developments and Expected Results of Operations*

The Group remains focused on implementing its global growth strategy to increase revenue and penetrate new markets with its existing bioresorbable scaffold products, as well as developing additional products across the therapeutic sector. The Group's business development team will continue to engage with potential distributors and customers in the US, Europe, Australia and China markets, to secure additional future revenue from these geographic markets. Osteopore is also undertaking ongoing improvements in its manufacturing systems and capacity, in order to be able to meet increased product demand from existing and new markets as it arises.

### **RESULTS FOR THE PERIOD**

The Group incurred a net loss after tax for the half-year ended 30 June 2020 of \$670,861 (30 June 2019: \$913,969). As at 30 June 2020, the Group recorded a net asset position of \$2,282,393 (31 December 2019: \$2,967,280). Net operating cash outflows were \$829,161 (30 June 2019: cash inflows of \$7). Osteopore ends the financial year with a cash balance of \$2,206,082 (31 December 2019: \$3,294,809).

In September 2019, the Company acquired 100% OIS and listed on ASX. As such the comparatives for the half-year ended 30 June 2019 solely relates to corporate and acquisition-related costs. 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 and has recorded the excess consideration above the net assets of OIS to a common control reserve in September 2019.

### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There have been no significant changes in the state of affairs of the Group during the half-year ended 30 June 2020.

### **DIVIDENDS**

There were no dividends paid, recommended or declared during the period.

### **EVENTS SUBSEQUENT TO REPORTING PERIOD**

On 28 August 2020, the Company issued 16,037,736 fully paid ordinary shares at an issue price of \$0.53 per share to institutional and sophisticated investors, raising \$8.5 million (before costs) through a placement. The Company also issued 3,000,000 unlisted options exercisable at \$1.20, expiring 28 August 2023 to the Joint Lead Managers of the placement.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Signed in accordance with a resolution of the Directors



Brett Sandercock  
Non-Executive Chairman  
31 August 2020

## Auditor's Independence Declaration

### To the Directors of Osteopore Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Osteopore Limited for the half year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L A Stella  
Partner – Audit & Assurance

Perth, 31 August 2020



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

		Consolidated	
		30 June 2020	30 June 2019
	Note	\$	\$
Revenue	10	672,774	-
Cost of sales		(228,539)	-
<b>Gross profit</b>		<b>444,235</b>	<b>-</b>
Grant income	11	506,874	-
Other income		1,572	7
Selling and distribution expenses		(203,241)	-
Administrative expenses		(1,413,214)	(908,798)
<b>Operating loss</b>		<b>(663,774)</b>	<b>(908,791)</b>
Finance costs		(7,087)	(5,178)
<b>Loss before income tax</b>		<b>(670,861)</b>	<b>(913,969)</b>
Income tax		-	-
<b>Loss after income tax</b>		<b>(670,861)</b>	<b>(913,969)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Other comprehensive loss (net of income tax)		(38,051)	-
<b>Total comprehensive loss</b>		<b>(708,912)</b>	<b>(913,969)</b>
Basic and diluted loss per share (cents)	12	(0.66)	(236.75)

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

		<b>Consolidated</b>	
		<b>30 June</b>	<b>31 December</b>
		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		2,206,082	3,294,809
Trade and other receivables	3	546,741	542,233
Other assets		271,579	114,416
Inventories		60,528	23,527
<b>Total Current Assets</b>		<b>3,084,930</b>	<b>3,974,985</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	4	466,355	241,040
Right-of-use asset	5	43,541	68,848
<b>Total Non-Current Assets</b>		<b>509,896</b>	<b>309,898</b>
<b>TOTAL ASSETS</b>		<b>3,594,826</b>	<b>4,284,883</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		671,493	686,953
Employee provisions		33,594	34,086
Borrowings	6	555,774	521,909
Lease liabilities	7	47,757	45,901
<b>Total Current Liabilities</b>		<b>1,308,618</b>	<b>1,288,849</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	7	3,815	28,754
<b>Total Non-Current Liabilities</b>		<b>3,815</b>	<b>28,754</b>
<b>TOTAL LIABILITIES</b>		<b>1,312,433</b>	<b>1,317,603</b>
<b>NET ASSETS</b>		<b>2,282,393</b>	<b>2,967,280</b>
<b>EQUITY</b>			
Issued capital	8	19,190,063	19,190,063
Reserves	9	(13,854,468)	(13,840,442)
Accumulated losses		(3,053,202)	(2,382,341)
<b>TOTAL EQUITY</b>		<b>2,282,393</b>	<b>2,967,280</b>

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2020**

	Note	Issued Capital \$	Share Based Payment Reserve \$	Common Control Reserve \$	Foreign Currency Translation Reserve \$	Accumulated Losses \$	Total Equity \$
<b>Balance at 1 January 2019</b>		<b>3</b>	-	-	-	-	<b>3</b>
Loss after income tax		-	-	-	-	(913,969)	(913,969)
Other comprehensive loss		-	-	-	-	-	-
Total comprehensive loss for the period		-	-	-	-	(913,969)	(913,969)
Shares issued		254,000	-	-	-	-	254,000
Share issue costs		(34,375)	-	-	-	-	(34,375)
Share-based payments		-	831,370	-	-	-	831,370
<b>Balance at 30 June 2019</b>		<b>219,628</b>	<b>831,370</b>	-	-	<b>(913,969)</b>	<b>137,029</b>
<b>Balance at 1 January 2020</b>		<b>19,190,063</b>	<b>1,108,302</b>	<b>(14,915,451)</b>	<b>(33,293)</b>	<b>(2,382,341)</b>	<b>2,967,280</b>
Loss after income tax		-	-	-	-	(670,861)	(670,861)
Other comprehensive loss		-	-	-	(38,051)	-	(38,051)
Total comprehensive loss for the period		-	-	-	(38,051)	(670,861)	(708,912)
Share-based payments	9	-	24,025	-	-	-	24,025
<b>Balance as at 30 June 2020</b>		<b>19,190,063</b>	<b>1,132,327</b>	<b>(14,915,451)</b>	<b>(71,344)</b>	<b>(3,053,202)</b>	<b>2,282,393</b>

The accompanying notes form part of this financial report.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

		<b>Consolidated</b>	
		<b>30 June</b>	<b>30 June</b>
		<b>2020</b>	<b>2019</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Loss before income tax		(670,861)	(913,969)
<i>Adjustments for</i>			
Depreciation expense		73,808	-
Share based payment expense	9	24,025	831,370
Operating cash flows before changes in working capital		(573,028)	(82,599)
Changes in trade receivables		(4,508)	(11,899)
Changes in other assets		(157,163)	8,466
Changes in inventory		(37,001)	-
Changes in trade and other payables		(57,461)	86,039
<b>Net cash (used in) / provided by operating activities</b>		<b>(829,161)</b>	<b>7</b>
<b>Cash flows from investing activities</b>			
Acquisition of plant and equipment		(281,193)	-
<b>Net cash (used in) investing activities</b>		<b>(281,193)</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	254,000
Proceeds from borrowings (net)		39,451	-
Repayment of lease principal		(17,824)	-
<b>Net cash provided by financing activities</b>		<b>21,627</b>	<b>254,000</b>
Net (decrease) / increase in cash and cash equivalents		(1,088,727)	254,007
Cash and cash equivalents at the beginning of the half-year		3,294,809	-
<b>Cash and cash equivalents at the end of the half-year</b>		<b>2,206,082</b>	<b>254,007</b>

The accompanying notes form part of this financial report

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

#### **General Information and Basis of Preparation**

These half-year financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable accounting standards including AASB 134 *Interim Financial Reporting*, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*. The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

The consolidated interim financial report have been approved and authorised for issue by the Board of Directors on the 31 August 2020.

#### **Going Concern Assumption**

The Group incurred a net loss for the half-year ended 30 June 2020 of \$670,861 (30 June 2019: \$913,969). These factors indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as going concern after consideration of the following factor:

- On 28 August 2020, the Company issued 16,037,736 fully paid ordinary shares at an issue price of \$0.53 per share to institutional and sophisticated investors, having successfully raised \$8.5 million (before costs) through a placement; and
- The Group achieving the growth targets approved by the Board across Asia, Europe, China and Australia.

Management believes there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

#### **New, Revised or Amended Accounting Standards and Interpretations**

During the half-year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the half-year reporting periods beginning on or after 1 January 2020. Accounting pronouncements which have become effective from 1 January 2020 and that have been adopted, do not have a significant impact on the Group's financial results or position.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Critical Accounting Judgements, Estimates and Assumptions

When preparing the Interim Financial Report, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Report, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 31 December 2019. The only exceptions are the estimate of income tax liabilities which is determined in the Interim Financial Statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

### NOTE 2: DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

### NOTE 3. TRADE RECEIVABLES

	Consolidated	
	30 June 2020	31 December 2019
	\$	\$
Trade receivables	546,741	542,223
Less expected credit losses	-	-
	<b>546,741</b>	<b>542,233</b>

### NOTE 4. PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	30 June 2020	31 December 2019
	\$	\$
Cost	1,044,396	772,791
Less accumulated depreciation	(578,041)	(531,751)
	<b>466,355</b>	<b>241,040</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 4. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Computers \$	Furniture & Fittings \$	Consolidated Plant & Machinery \$	Leasehold Improvements \$	Total \$
Cost	95,316	93,920	472,237	382,923	1,044,396
Less accumulated depreciation	(83,816)	(56,284)	(221,716)	(216,225)	(578,041)
	<b>11,500</b>	<b>37,636</b>	<b>250,521</b>	<b>166,698</b>	<b>466,355</b>
<i>Cost</i>					
Balance at 1 January 2020	90,767	93,684	290,853	297,487	772,791
Additions	4,549	236	181,384	85,436	271,605
<b>Balance at 30 June 2020</b>	<b>95,316</b>	<b>93,920</b>	<b>472,237</b>	<b>382,923</b>	<b>1,044,396</b>
<i>Accumulated Depreciation</i>					
Balance at 1 January 2020	75,615	49,486	204,035	202,615	531,751
Depreciation expense	8,201	6,798	17,681	13,610	46,290
<b>Balance at 30 June 2020</b>	<b>83,816</b>	<b>56,284</b>	<b>221,716</b>	<b>216,225</b>	<b>578,041</b>

### NOTE 5. RIGHT-OF-USE ASSET

	Consolidated 30 June 2020 \$	31 December 2019 \$
Cost	95,015	103,921
Less accumulated depreciation	(51,474)	(35,063)
	<b>43,541</b>	<b>68,858</b>
<i>Cost</i>		\$
Balance at 1 January 2020		103,921
Revaluation at balance date		(7,408)
Foreign exchange difference		(1,498)
Balance at 30 June 2020		<b>95,015</b>
<i>Accumulated depreciation</i>		
Balance at 1 January 2020		35,063
Depreciation expense		16,411
Balance at 30 June 2020		<b>51,474</b>

The right-of-use assets relates to the leases for the office premises in Singapore.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 6. BORROWINGS

	Consolidated	
	30 June 2020	31 December 2019
	\$	\$
Amounts due to director – Mr Goh Khoo Seng	59,598	60,469
Amounts due to director – Prof Teoh Swee Hin	-	5,298
Amounts due to related party – Irenne Pte Ltd (director related entity of Prof Teoh Swee Hin)	307,017	311,507
Amounts due to third parties	81,140	113,371
Insurance premium funding	108,019	31,264
	<b>555,774</b>	<b>521,909</b>

Amounts due to directors, related party and third parties are non-trade, unsecured, interest-free and repayable on demand. Insurance premium funding relates to funding on Directors' and Officers' insurances.

### NOTE 7. LEASE LIABILITIES

	Consolidated	
	30 June 2020	31 December 2019
	\$	\$
Current	47,757	45,901
Non-Current	3,815	28,754
	<b>51,572</b>	<b>74,655</b>

### NOTE 8. ISSUED CAPITAL

	30 June 2020		31 December 2019	
	No. of Shares	\$	No. of Shares	\$
Fully paid ordinary shares	<b>101,230,502</b>	<b>19,190,063</b>	<b>101,230,502</b>	<b>19,190,063</b>

#### Movements in ordinary share capital

	Date	No. of Shares	Issue price (\$)	\$
Balance at 1 January 2020		101,230,502		19,190,063
No movements during the period		-		-
Balance at 30 June 2020		<b>101,230,502</b>		<b>19,190,063</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 9. RESERVES

	Consolidated	
	30 June 2020	31 December 2019
	\$	\$
Common control reserve	(14,915,451)	(14,915,451)
Share based payment reserve	1,132,327	1,108,302
Foreign currency translation reserve	(71,344)	(33,293)
	<b>(13,854,468)</b>	<b>(13,840,442)</b>

#### Common Control Reserve

In September 2019, the Company acquired 100% of 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 assets of OIS to a common control reserve in September 2019.

#### Share Based Payment Reserve

	No. of Options	\$
Share-based payment reserve as at 30 June 2020	<b>10,100,000</b>	<b>1,132,327</b>
<i>Movements in share-based payment reserve</i>		
<b>Balance at 1 January 2020</b>	<b>9,700,000</b>	<b>1,108,302</b>
Options issued to executives	400,000	24,025
<b>Balance at 30 June 2020</b>	<b>10,100,000</b>	<b>1,132,327</b>

On 5 May 2020, 300,000 options exercisable at \$1.00 expiring on 2 December 2022, were issued to an advisor of the Board as an incentive for ongoing performance. All options vested at grant date.

On 5 May 2020, 100,000 options exercisable at \$1.00 expiring on 31 December 2022 were issued to a contractor as an incentive for ongoing performance. 50,000 options vest after 12 months of appointment of Executive to the Company, and the remainder 50,000 options vesting 24 months after the appointment of Executive to the Company.

The Group has measured the fair value of the options granted during the current period by adapting a Black-Scholes option pricing model using the following inputs:

Grant Date	Expiry Date	Exercise Price	Share Price	Volatility	Dividend Yield	Risk Free Rate	Fair Value at Grant Date
5 May 2020	2 Dec 2022	\$1.00	\$0.595	101%	0%	0.235%	\$0.28
5 May 2020	31 Dec 2022	\$1.00	\$0.595	101%	0%	0.235%	\$0.29

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 10. REVENUE

	Consolidated
30 June 2020	30 June 2019
\$	\$

#### Sale of goods

672,774	-
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All sale of goods is recognised at a point in time. The Group's revenue disaggregated by primary geographical markets is as follows:

30 June 2020	30 June 2019
\$	\$

Korea	413,765	-
Vietnam	124,990	-
Singapore	46,587	-
Philippines	19,691	-
Australia	19,073	-
Other countries	48,668	-
	<b>672,774</b>	<b>-</b>

### NOTE 11. GRANT INCOME

	Consolidated
30 June 2020	30 June 2019
\$	\$

NAMIC grant	229,262	-
Government grant	216,240	-
Other grant	61,372	-
	<b>506,874</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 12. LOSS PER SHARE

	Consolidated 30 June 2020	Company 30 June 2019
	\$	\$
Loss after income tax	(670,861)	(913,969)
	#	#
Weighted average number of ordinary shares	101,230,502	386,050
	Cents	Cents
Basic and diluted loss per share	(0.66)	(236.75)

As the Group incurred a loss for the period, the options on issue have an anti-dilutive effect, therefore the diluted EPS is equal to the basic EPS. A total of 10,100,000 share options (30 June 2019: 7,200,000) which could potentially dilute EPS in the future have been excluded from the diluted EPS calculation because they are anti-dilutive for the current year presented.

### NOTE 13. SEGMENT REPORTING

The Group 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 Group's operations since incorporation, the Board has identified two relevant business segments based on the Group's geographical office – Singapore and Australia. The following tables are an analysis of the Group's revenue and results by reportable segment for the year ended 30 June 2020 and 2019.

	Singapore \$	Australia \$	Consolidated \$
<b>Profit and Loss</b>			
<b>30 June 2020</b>			
Revenue from customers	672,774	-	672,774
<b>Gross revenue</b>	<b>672,774</b>	<b>-</b>	<b>672,774</b>
Grant income	506,874	-	506,874
Other income	696	876	1,572
<b>Total revenue</b>	<b>1,180,344</b>	<b>876</b>	<b>1,181,219</b>
<b>Loss for the year</b>	<b>(185,833)</b>	<b>(485,028)</b>	<b>(670,861)</b>
<b>30 June 2019</b>			
Revenue from customers	-	-	-
<b>Gross revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>
Other income	-	7	7
<b>Total revenue</b>	<b>-</b>	<b>7</b>	<b>7</b>
<b>Loss for the year</b>	<b>-</b>	<b>(913,969)</b>	<b>(913,969)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 13. SEGMENT REPORTING (CONTINUED)

<b>Financial Position</b>	<b>Singapore</b>	<b>Australia</b>	<b>Consolidated</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>30 June 2020</b>			
Current assets	971,513	2,113,417	3,084,930
Non-current assets	509,896	-	509,896
<b>Total assets</b>	<b>1,481,409</b>	<b>2,113,417</b>	<b>3,594,826</b>
<b>Total liabilities</b>	<b>1,113,802</b>	<b>198,631</b>	<b>1,312,433</b>
<b>31 December 2019</b>			
Current assets	1,074,751	2,900,234	3,974,985
Non-current assets	309,898	-	309,898
<b>Total assets</b>	<b>1,384,649</b>	<b>2,900,234</b>	<b>4,284,883</b>
<b>Total liabilities</b>	<b>1,193,158</b>	<b>124,445</b>	<b>1,317,603</b>

Revenues from external customers in the Group's domicile, Australia, as well as its major markets, have been identified based on the customer's geographical location, are disclosed in Note 10.

### NOTE 14. CONTINGENT ASSETS AND LIABILITIES

There were no contingent liabilities or contingent assets as at 30 June 2020 (31 December 2019: nil).

### NOTE 15. COMMITMENTS

There were no commitments as at 30 June 2020 (31 December 2019: nil).

### NOTE 16. EVENTS SUBSEQUENT TO REPORTING PERIOD

On 28 August 2020, the Company issued 16,037,736 fully paid ordinary shares at an issue price of \$0.53 per share to institutional and sophisticated investors, raising \$8.5 million (before costs) through a placement. The Company also issued 3,000,000 unlisted options exercisable at \$1.20, expiring 28 August 2023 to the Joint Lead Managers of the placement.

The Directors are not aware of any other matter or circumstance that has arisen since the end of the financial year that, in their opinion, has significantly affected or may significantly affect in future financial years, the operations of the Group, the results of those operations or the Group's state of affairs.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### NOTE 17. FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of financial assets and financial liabilities in each category are as follows:

<b>30 June 2020</b>	<b>Amortised Cost \$</b>	<b>Total \$</b>
<i>Financial assets</i>		
Cash and cash equivalents	2,206,082	2,206,082
Trade and other receivables	546,741	546,741
<b>Total financial assets</b>	<b>2,752,823</b>	<b>2,752,823</b>
<i>Financial liabilities</i>		
Trade and other payables	671,493	671,493
Borrowings	555,774	555,774
Lease liabilities	51,572	51,572
<b>Total financial liabilities</b>	<b>1,278,839</b>	<b>1,278,839</b>
<b>31 December 2019</b>	<b>Amortised Cost \$</b>	<b>Total \$</b>
<i>Financial assets</i>		
Cash and cash equivalents	3,294,809	3,294,809
Trade and other receivables	542,233	542,233
<b>Total financial assets</b>	<b>3,837,042</b>	<b>3,837,042</b>
<i>Financial liabilities</i>		
Trade and other payables	686,953	686,953
Borrowings	521,909	521,909
Lease liabilities	74,655	74,655
<b>Total financial liabilities</b>	<b>1,283,517</b>	<b>1,283,517</b>

**DIRECTORS' DECLARATION**

In the opinion of the Directors of Osteopore Limited and its controlled entities:

1. The financial statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
  - (b) giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Brett Sandercock  
Non-Executive Chairman  
31 August 2020

# Independent Auditor's Report

## To the Members of Osteopore Limited

### Report on the review of the half year financial report

#### Conclusion

We have reviewed the accompanying half year financial report of Osteopore Limited and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Osteopore Limited does not give a true and fair view of the financial position of the Group as at 30 June 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110

Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Osteopore Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



L A Stella  
Partner – Audit & Assurance

Perth, 31 August 2020