

## ACTIVITY UPDATE FOR QUARTER ENDING SEPTEMBER 2020

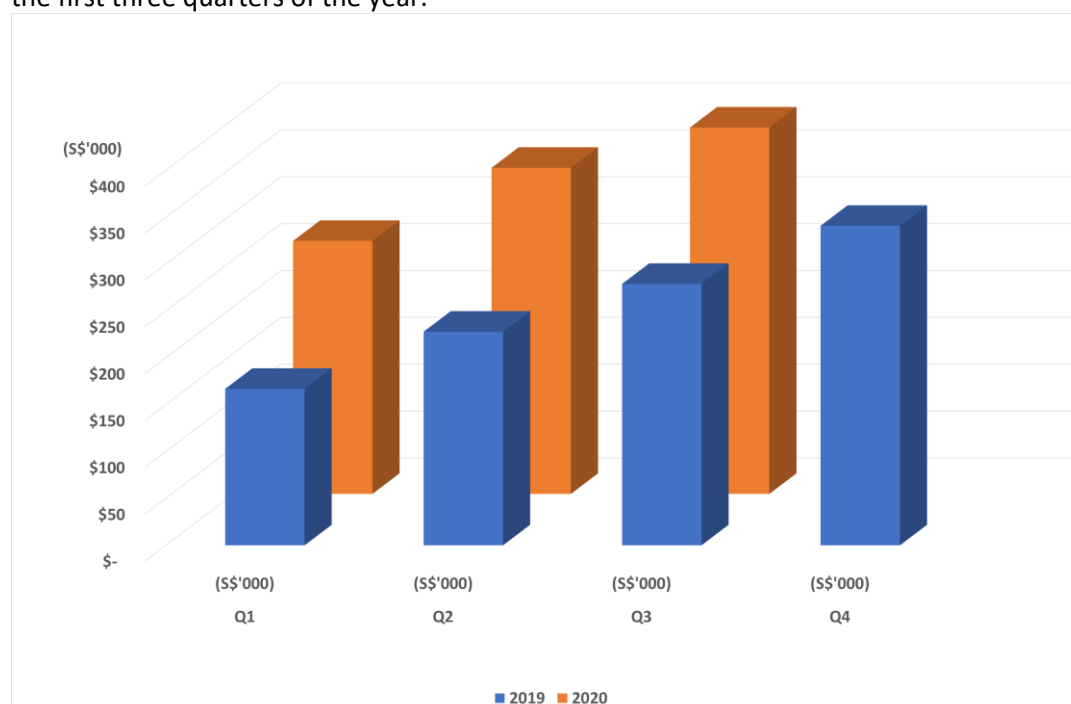
### Highlights:

- **Revenue of S\$391,131 (A\$407,878) for quarter; 40% increase over prior year quarter**
- **Achieved over S\$1,000,000 in sales through first three quarters of 2020**
- **Secured US Distributor**
- **Continues research partnerships and development of second generation products**

**29 October 2020: Osteopore Limited** (ASX: OSX) ("Osteopore" or the "Company"), a revenue generating medical technology company that has commercialised a range of patented 3D printed bioresorbable products, is pleased to release its Appendix 4C cash flow statement for the three-month period ending 30 September 2020.

### Financial Performance

Even though challenging COVID-19 conditions continued during the quarter, Osteopore experienced encouraging sales growth, with Q3 CY revenue increasing to S\$391,131 (A\$407,878). This represents a 40% increase over the previous year sales for the corresponding period and highlights the consistent growth in demand for the company's unique 3D printed bioresorbable implants despite ongoing disruption in the healthcare sector resulting from the CoVID-19 pandemic. These sales takes Osteopore's total sales for the year to over S\$1,000,000, **matching** 2019's total revenue through just the first three quarters of the year.



The quarter also saw the Company increase its sales into the EU. Notably, the quarter saw sales into new EU territories including Italy, Greece and the Netherlands as the Company successfully launched products into these markets.

Osteopore's operating cash outflow for the quarter was S\$240,000. Osteopore continues to obtain government funding in Singapore for business support due to COVID-19 and other grant schemes. Grant funding and tax incentives received totalled S\$231,000 (A\$241,000) for the quarter.

Osteopore continued to be included as an "essential service" in Singapore, allowing it to remain open and operational while executing its growth strategy. The Company expects revenue growth to continue as it increases its presence in multiple geographic territories and expands manufacturing capability to meet future demand. Q3 also saw the first shipment to Italy, Indonesia and Taiwan.

### **Corporate Developments**

To accelerate growth, Osteopore successfully raised AUD\$8.5m (before costs) in August, increasing cash at bank to A\$9.8m as of 30 September 2020. The Placement was supported by a number of the Company's existing shareholders and introduced a number of new, high net-worth investors and institutions to the Osteopore register.

Capital has already been allocated and utilised for growing the Company's existing revenue base and supporting ongoing clinical trials for dental and orthopaedic applications. The funds will also assist the Company with ongoing development of second-generation products and complementary technologies that support potential future business growth.

### **US Distribution Agreement**

In July, Osteopore secured an agreement with American cranial bone fixation specialist Bioplate Inc to promote and sell Osteopore products into the US market. Bioplate has begun marketing Osteopore's range of bespoke products across California, Texas, Wyoming, Ohio, Arizona, Indiana and Puerto Rico.

The agreement provides Osteopore with an established network of health professionals, hospitals and health services, as well as the sales and client support needed to successfully penetrate the US market. Osteopore aims to sign additional commercial partnerships to distribute products into other US regions not covered by Bioplate.

### **Additional Product Development**

During the quarter Osteopore signed an Exclusive Option to Licence novel 3D printed modular bone implant technology being developed at the Queensland University of Technology (QUT). The technology complements Osteopore's current bone regenerating products and has shown early stage success in regrowth of long bone defects in patients who have lost more than six centimetres of bone to injury or disease.

QUT and Osteopore will initially collaborate to generate sufficient clinical data that will support and facilitate a regulatory submission to the TGA, FDA and European regulators, and de-risk the technology

before evaluation of the potential opportunity for acquisition of the technology by Osteopore. If successful, Osteopore has the option to secure exclusive commercialisation rights via a further licensing agreement over the technology.

In September, Osteopore signed a Research Collaboration Agreement with the National University of Singapore (NUS) and the National University Hospital (NUH). The partnership will investigate the potential for Osteopore's 3D printed implants to be used in mandibular reconstruction and to gather adequate data for future regulatory submission. The mandible is the largest bone in the human facial skeleton. It holds the lower teeth in place, assists in mastication and forms the lower jawline.

### **Use of Funds and Related Party Transactions**

The Company confirms that expenditure for the quarter is in accordance with the Use of Funds outlined in the Company's Prospectus dated 25 July 2019 and that there are no material variances from those expenditures.

Payments in the June quarter to related parties of \$168,000 included at Item 6 in the attached Appendix 4C comprised salaries and fees paid to executive and non-executive directors and their associated entities, accounting and company secretarial services and reimbursements.

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

For more information please contact:

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### **About Osteopore Limited**

Osteopore Ltd 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.

### **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 a variety of factors.

## 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 2020

<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	495	1,096
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(52)	(294)
(c) advertising and marketing	(134)	(460)
(d) leased assets	-	-
(e) staff costs	(404)	(1,156)
(f) administration and corporate costs	(387)	(830)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	241	638
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(240)</b>	<b>(1,004)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(93)	(387)
(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	-	-
2.6	<b>Net cash from / (used in) investing activities</b>	<b>(93)</b>	<b>(387)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,500	8,500
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	(600)	(614)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(51)	(88)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other	-	-
3.10	<b>Net cash from / (used in) financing activities</b>	<b>7,849</b>	<b>7,798</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,280	3,392
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(240)	(1,004)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(93)	(387)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	7,849	7,798
4.5	Effect of movement in exchange rates on cash held	(18)	(21)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>9,778</b>	<b>9,778</b>

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	9,778	2,280
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>9,778</b>	<b>2,280</b>

**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
168
-

Payments made to Directors and Key Management Personnel related to:

1. Director and executive fees;
2. Company secretarial service;
3. Salary; and
4. Reimbursements

**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.*

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 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.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
-	-
-	-
497	497
<b>497</b>	<b>497</b>
	-

Other financing facilities relate to amount due to directors (\$59k), related party (\$302k) and other third parties (\$136k). All loans are subject to 0% interest, are unsecured and repayable on demand.

**8. Estimated cash available for future operating activities**

**\$A'000**

8.1 Net cash from / (used in) operating activities (Item 1.9)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

8.3 Unused finance facilities available at quarter end (Item 7.5)

8.4 Total available funding (Item 8.2 + Item 8.3)

**8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

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: N/A

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: N/A

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: N/A

## 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: 29 October 2020

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 – eg 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.