

ASX RELEASE | OSTEOPORE LIMITED

## ACTIVITY UPDATE FOR QUARTER ENDING DECEMBER 2020

### Highlights:

- *Fourth consecutive quarter of revenue growth with A\$429,700 achieved for Q4 CY20.*
- *Osteopore achieved revenue of A\$1,504,578 for the full 2020 calendar year, marking a 36% increase over CY 2019 results.*
- *Signed several exclusive Distribution Agreements to promote and sell Osteopore products in Australia and New Zealand, Germany and Austria, Scandinavia, and the Middle East.*
- *Appointed Ex-ResMed finance executive, Carl Runde, as Chief Financial Officer.*
- *Recently expanded manufacturing facility now fully operational.*
- *Cash balance of A\$9.0m at 31 December 2020.*

**29 January 2021:** 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 31 December 2020.

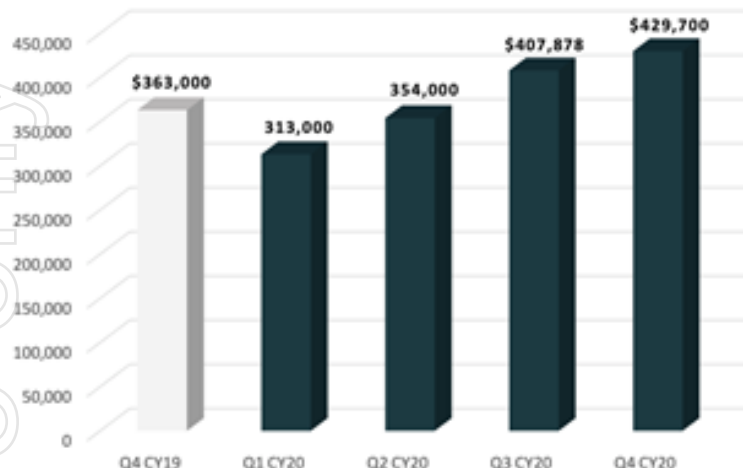
### Financial Performance

Osteopore experienced continued sales growth, with Q4 CY revenue increasing to S\$422,781 (A\$429,700). This represents a 5% increase over Q3 CY sales and an 18% increase over previous year sales for the corresponding period. These results contributed towards Osteopore achieving revenue of A\$1,504,578 for the full 2020 calendar year, marking a 36% increase over CY 2019 results or a 41% increase in constant currency terms.

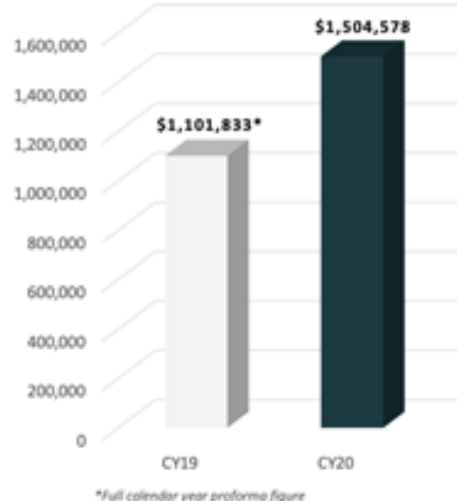
Despite the ongoing disruption in the healthcare sector resulting from the COVID-19 pandemic, Osteopore has delivered consistent revenue growth over 2020. This is a testament to the Company's sales team, our established and growing distribution network, highlighting the ongoing demand for the Company's unique 3D printed bioresorbable implants.

The Company continued to receive non-dilutive government funding in Singapore for business support due to COVID-19 and other grant schemes. Osteopore received grant funding and tax incentives totalling A\$56,000 for the quarter. Osteopore also continued to be included as an "essential service" in Singapore, allowing it to remain open and operational while executing its growth strategy.

QUARTERLY REVENUE (AUD) GROWTH



CY REVENUE (AUD) GROWTH



### Distribution agreements secured to drive growth

In October, the Company signed an exclusive three-year Distribution Agreement with LMT Surgical to promote and sell Osteopore's range of products for oculoplastic and neurosurgical procedures and patient-specific implants within the Australian and New Zealand markets.

Osteopore then signed an exclusive Distribution Agreement in November with MTG Medizintechnik Göhl (MTG) to promote and sell Osteopore products within the German and Austrian markets. MTG will market Osteopore's range of products for craniofacial procedures, as well as patient-specific implants.

An exclusive Distribution Agreement covering cranial and neurosurgery applications was signed with Swedish based Nords Medical AB in December. The agreement to promote and sell Osteoplug and Osteomesh includes the Swedish, Norwegian, Danish, and Finnish markets.

Osteopore products already have European and Australian regulatory approval, which allowed the Company to immediately begin working with these distributors to train and support sales representatives to facilitate engagement with doctors and hospitals. While Osteopore continues to grow its underlying revenue base from its existing distribution network, the Company sees promising commercial opportunities within these territories, particularly the Australian market.

Osteopore took an initial step towards the Middle East market by securing Distributors in the United Arab Emirates and Qatar during the quarter.

### Appointment of Chief Financial Officer

In November, Osteopore appointed ex-ResMed finance executive, Carl Runde, as Chief Financial Officer of the Company. Mr Runde has more than twenty years of international medical device industry experience in corporate financial analysis, valuation modelling, and strategic business planning.

Based in Sydney, Mr Runde is overseeing all financial operations with a focus on facilitating growth and ensuring the creation of sustainable stakeholder value. Coinciding with Mr Runde's appointment,

Mr Geoff Pocock transitioned from his executive role at Osteopore to a Non- Executive Director role and has remained on the Board.

### Manufacturing improvements

The production floor is now fully operational after the recent expansion of the manufacturing facility in Singapore. Productivity and efficiency continue to remain satisfactory, and Osteopore received government support to work with A\*Star SIMTech to plan and execute automation initiatives over the next 12 months starting from January.

### New product development

Osteopore made progress in expanding its product applications with Key Opinion Leaders in chin reconstruction and augmentation. The first three products have already been implanted with satisfactory outcomes and further monitoring of patients will continue to track progress.

Osteopore recently received government support to initiate a study with Temasek Polytechnic to design and develop coating technology to enhance product bioactivity in orthopaedic applications.

During the quarter, an IRB submission was made to the National University Hospital to conduct the first-in-human study with the National University Hospital for high tibial osteotomy with biologics and is under review. And Osteopore is also developing the next generation microstructure design that expands product application into soft tissue augmentation and reconstruction.

### Use of Funds Statement

Osteopore was admitted to the official list of the ASX on 19 September 2019 following completion of an IPO raising \$5.25m. The December 2020 quarter is included in a period covered by a use of funds statement in the IPO prospectus lodged with ASX under Listing rule 1.1 condition 3.

A comparison of the Company's actual expenditure since admission to 31 December 2020 against the estimated expenditure in the use of funds statement is set out below as required by ASX Listing Rule 4.7C.2. The table also includes the Company's expenditure for the December 2020 quarter.

	Actual Total (19 Sep 19 – 31 Dec 20)	Prospectus Total (19 Sep 19 – 19 Sep 21)
Use of funds – Year 1 & 2 <sup>(1)</sup>		
International expansion	\$1,790,523	\$1,999,999
Research and development / patents	\$315,815	\$541,000
Regulatory approval – new markets <sup>(2)</sup>	\$216,902	\$545,000
Regulatory approval – new products <sup>(2)</sup>	\$95,389	\$450,000
General administration fees and working capital <sup>(3)</sup>	\$3,751,222	\$1,542,292
Estimated expenses of the Offers <sup>(4)</sup>	\$1,390,062	\$704,956
Total	\$7,559,912	\$5,783,247

The Company notes:

1. That since listing the Company has received total cash receipts of approx. \$1.7m and grant funding receipts of approx. \$0.7m. Additionally, the Company undertook a secondary capital

raising of \$8.5m and provided an updated use of funds in the investor presentation dated on 21 August 2020 (Investor Presentation) updating its proposed expenditure moving forward.

2. At present, the Company expects to incur expenditure associated with regulatory approval for new products and markets. As set out in the Investor Presentation, the Company aims to enhance market penetration of Osteoplug, Osteomesh and Osteostrip products by i) building distribution networks into the US and key EU markets and ii) obtaining regulatory approvals to expand sales in additional target jurisdictions (Aust TGA, China FDA) and registering 2nd generation materials with US FDA and CE Mark.
3. The 'general administration fees and working capital' line item includes, inter alia, executive management salaries and wages who are supporting the growth strategy and the Company's business objectives.
4. The 'estimated expenses of the offers' line item include costs in relation to the IPO and the subsequent secondary capital raise undertake in the September 2020 quarter of approx. \$0.6m.

### **Related Party Transactions**

Payments in the December quarter to related parties of \$149k 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:

**Carl Runde**

Chief Financial Officer

Osteopore Limited

+61 400 118 017

carl\_runde@osteopore.com

### **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 over time to leave only natural, healthy bone tissue, significantly reducing post-surgery complications 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 various 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")**

31 December 2020

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	442	1,538
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(170)	(464)
(c) advertising and marketing	(75)	(535)
(d) leased assets	(1)	(1)
(e) staff costs	(473)	(1,629)
(f) administration and corporate costs	(327)	(1,157)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	56	694
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(547)</b>	<b>(1,551)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(147)	(534)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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>(147)</b>	<b>(534)</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
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	(20)	(634)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(15)	(103)
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>(35)</b>	<b>7,763</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	9,778	3,392
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(547)	(1,551)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(147)	(534)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(35)	7,763
4.5	Effect of movement in exchange rates on cash held	(22)	(43)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>9,027</b>	<b>9,027</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	9,027	9,778
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>9,027</b>	<b>9,778</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
149
-

Payments made to Directors and Key Management Personnel related to:

1. Director and executive fees;
2. Accounting and company secretarial services;
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
-	-
-	-
427	427
<b>427</b>	<b>427</b>
	-

Other financing facilities relate to amount due to directors (\$56k), related party (\$288k) and other third parties (\$83k). 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 January 2021

Authorised by: By the Board

.....  
(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.