

Osteopore Limited and Its Controlled Entities
Appendix 4E
For the year ended 31 December 2020

1. Company Details

Name of entity: Osteopore Limited
ABN: 65 630 538 957
Reporting period: For the year ended 31 December 2020
Previous period: For the year ended 31 December 2019

2. Results for Announcement to the Market

Revenues from ordinary activities	up	266%	to	\$1,504,578
Loss from ordinary activities after tax attributable to the owners of Osteopore Limited	down	18%	to	\$1,945,886
Loss for the year attributable to the owners of Osteopore Limited	down	18%	to	\$1,945,886

Dividends

No dividend has been declared or paid for the year ended 31 December 2020 (31 December 2019: \$nil).

Brief Explanation of Results

Since listing on the ASX in September 2019, the Company has been focussed on the execution the Company's global growth strategy to increase revenue and penetrate new markets. Revenue comparative data is based on the performance of Osteopore International Pte Ltd ("OIS") from 17 September 2019, when the acquisition of the entity was completed, by Osteopore Limited.

The loss for the Group after providing for income tax amounted to \$1,945,886 (31 December 2019: \$2,382,241).

3. Net Tangible Assets

	Reporting Period (Cents)	Previous Period (Cents)
Net tangible assets per ordinary security	7.67	2.94

4. Details of Associates and Joint Venture Entities

There are no associates or joint venture entities.

Osteopore Limited and Its Controlled Entities
Appendix 4E
For the year ended 31 December 2020

5. Details of Entities over which Control has been Gained or Lost during the Period

Name of Entities	Date Control Gained / Loss
Control Gained	
Osteopore Australasia Pty Ltd	7 September 2020

	\$
Contribution of such entities to the Group's loss from ordinary activities before income tax during the reporting period	(1,470)
Contribution of such entities to the Group's loss from ordinary activities before income tax during the previous period	-

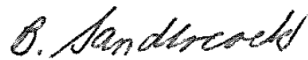
6. Audit Qualification or Review

The financial statements are in the process of being audited.

7. Attachments

The Preliminary Financial Report of Osteopore Limited for the year ended 31 December 2020 is attached.

Signed



Brett Sandercock
Non-Executive Chairman
Sydney
26 February 2021



Empowering Natural Tissue Regeneration

**OSTEOPORE LIMITED
AND ITS CONTROLLED ENTITIES**

ACN 630 538 957

**PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

For personal use only

Osteopore Limited and its Controlled Entities
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December 2020

		Consolidated	
	Note	31 Dec 2020	31 Dec 2019
		\$	\$
Revenue		1,504,578	411,600
Cost of sales		(549,252)	(123,472)
Gross profit		955,326	288,128
Other income		724,474	2,458
Selling and distribution expenses		(327,184)	(209,065)
Administrative expenses		(3,280,900)	(2,448,230)
Operating loss		(1,928,284)	(2,366,709)
Finance costs		(17,602)	(15,632)
Loss before income tax		(1,945,886)	(2,382,341)
Income tax benefit		-	-
Loss after income tax		(1,945,886)	(2,382,341)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(64,625)	(33,293)
Total comprehensive loss attributable to the owners		(2,010,511)	(2,415,634)
Basic and diluted loss per share (cents)		(1.82)	(8.26)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Osteopore Limited and its Controlled Entities
Consolidated Statement of Financial Position
As at 31 December 2020

		Consolidated	
	Note	31 Dec 2020	31 Dec 2019
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		9,027,016	3,294,809
Trade receivables		305,189	542,233
Other assets		258,094	114,416
Inventories		151,382	23,527
Total Current Assets		9,741,681	3,974,985
Non-Current Assets			
Property, plant and equipment		483,538	241,040
Right-of-use asset		22,715	68,858
Total Non-Current Assets		506,253	309,898
TOTAL ASSETS		10,247,934	4,284,883
LIABILITIES			
Current Liabilities			
Trade and other payables		741,221	686,953
Employee provisions		56,375	34,086
Borrowings		427,359	521,909
Lease liabilities		26,634	45,901
Total Current Liabilities		1,251,589	1,288,849
Non-Current Liabilities			
Lease liabilities		-	28,754
Total Non-Current Liabilities		-	28,754
TOTAL LIABILITIES		1,251,589	1,317,603
NET ASSET		8,996,345	2,967,280
EQUITY			
Issued capital	3	26,066,131	19,190,063
Reserves	4	(12,741,559)	(13,840,442)
Accumulated losses		(4,328,227)	(2,382,341)
TOTAL EQUITY		8,996,345	2,967,280

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Osteopore Limited and its Controlled Entities
Consolidated Statement of Changes in Equity
For the year ended 31 December 2020

	Issued Capital	Share Based Payment Reserve	Common Control Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$	\$
Balance at 31 December 2018	3	-	-	-	-	3
Loss after income tax	-	-	-	-	(2,382,341)	(2,382,341)
Other comprehensive loss	-	-	-	(33,293)	-	(33,293)
Total comprehensive loss for the year	-	-	-	(33,293)	(2,382,341)	(2,415,634)
Seed capital raise (Note 3)	2,000	-	-	-	-	2,000
Pre-IPO raise (Note 3)	252,000	-	-	-	-	252,000
Initial public offer (Note 3)	5,250,000	-	-	-	-	5,250,000
Share issue costs (Note 3, 4)	(519,342)	277,593	-	-	-	(241,749)
Acquisition of Osteopore International Pte Ltd	14,205,402	-	(14,915,451)	-	-	(710,049)
Options issued (Note 4)	-	830,709	-	-	-	830,709
Balance at 31 December 2019	19,190,063	1,108,302	(14,915,451)	(33,293)	(2,382,341)	2,967,280
Loss after income tax	-	-	-	-	(1,945,886)	(1,945,886)
Other comprehensive loss	-	-	-	(64,625)	-	(64,625)
Total comprehensive loss for the year	-	-	-	(64,625)	(1,945,886)	(2,010,511)
Placement (Note 3)	8,500,000	-	-	-	-	8,500,000
Share issue costs (Note 3)	(563,386)	-	-	-	-	(563,386)
Options issued (Note 4)	(1,060,546)	1,163,508	-	-	-	102,962
Balance at 31 December 2020	26,066,131	2,271,810	(14,915,451)	(97,918)	(4,328,227)	8,996,345

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Osteopore Limited and its Controlled Entities
Consolidated Statement of Cash Flows
For the year ended 31 December 2020

		Consolidated	
	Note	31 Dec 2020	31 Dec 2019
		\$	\$
Cash flows from operating activities			
Loss before income tax		(1,945,886)	(2,382,341)
<i>Adjustments for</i>			
Depreciation expense		165,886	72,564
Share based payment expense	4	102,962	830,709
Finance costs		2,621	2,163
Interest income		(17,602)	(15,632)
Gain on asset disposed		(67)	(236)
Operating cash flows before changes in working capital		(1,692,086)	(1,492,773)
Changes in trade receivables		256,102	(147,192)
Changes in other assets		(249,258)	(80,977)
Changes in inventory		(127,855)	23,618
Changes in trade and other payables		18,104	(64,908)
Changes in provisions		22,289	-
Interest paid		(2,621)	(2,163)
Interest received		17,602	15,632
Net cash (used in) operating activities		(1,757,723)	(1,748,763)
Cash flows from investing activities			
Cash acquired through acquisition of Osteopore International Pte Ltd		-	485,607
Acquisition of plant and equipment		(381,044)	(79,573)
Net cash (used in) / provided by investing activities		(381,044)	406,034
Cash flows from financing activities			
Proceeds from issue of shares		8,500,000	5,504,000
Payment of share issue costs		(563,386)	(241,749)
Repayment of borrowings		(58,386)	(595,450)
Repayment of lease principal		(41,058)	(29,266)
Net cash provided by financing activities		7,837,170	4,637,535
Net increase in cash and cash equivalents		5,698,403	3,294,806
Cash and cash equivalents at the beginning of the year		3,294,809	3
Effects of exchange rate changes on cash		33,804	-
Cash and cash equivalents at the end of the year		9,027,016	3,294,809

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2020

Note 1. Significant Accounting Policies

General

These consolidated financial statements and notes represent those of Osteopore Limited (the “Company”) and its controlled entities (“Group”). In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only.

Basis of Preparation

The preliminary financial report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirement of the Australian Accounting Standards Board (“AASB”), Urgent Issues Group Interpretations and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (‘IASB’).

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the interim financial report for the half-year ended 30 June 2020 and with any public announcement made by Osteopore Limited during the period in accordance with the continuous disclosure requirement of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial report. The financial statements have been presented in Australian dollars (AUD), which is the functional currency of the Company. The functional currency of the Company’s controlled entities is Singapore Dollars (SGD).

New or Amended Accounting Standards and Interpretations Adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. 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.

New Accounting Standards and Interpretations Not Yet Mandatory

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2020

Note 2. Segment Reporting

The Company 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 Company's operations since incorporation, the Board has identified two relevant business segments based on the Group's geographical presence – Singapore and Australia. The following tables are an analysis of the Group's revenue and results by reportable segment for the year ended 31 December 2020 and 2019.

	Singapore	Australia	Consolidated
	\$	\$	\$
2020			
Revenue from customers	1,504,578	-	1,504,578
Intersegment revenue	-	-	-
Gross revenue	1,504,578	-	1,504,578
Other income	721,853	2,621	724,474
Total revenue	2,226,431	2,621	2,229,052
Loss for the year	(877,058)	(1,068,828)	(1,945,886)
2020			
Current assets	905,943	8,835,738	9,741,681
Non-current assets	506,253	-	516,253
Total assets	1,412,196	8,835,738	10,247,934
Total liabilities	1,129,352	122,237	1,251,589
2019			
Revenue from customers	399,588	12,012	411,600
Intersegment revenue	-	-	-
Gross revenue	399,588	12,012	411,600
Other income	295	2,163	2,458
Total revenue	399,883	14,175	414,058
Loss for the year	(470,679)	(1,911,662)	(2,382,341)
Current assets	1,074,751	2,900,234	3,974,985
Non-current assets	309,898	-	309,898
Total assets	1,384,649	2,900,234	4,284,883
Total liabilities	1,193,158	124,445	1,317,603

Revenues from external customers in the Group's domicile, Australia, as well as its major markets, Singapore have been identified on the basis of the customer's geographical location.

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2020

Note 3. Issued Capital

	2020		2019	
	No. of Shares	\$	No. of Shares	\$
Fully paid ordinary shares	117,268,238	26,066,131	101,230,502	19,190,063

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There is no current on-market share buy-back.

Movements in ordinary share capital

	Date	No. of Shares	Issue price (\$)	\$
Balance at 31 December 2018		3		3
Issue of shares – seed capital raise	6/6/2019	2,000,000	0.001	2,000
Issue of shares – pre-IPO raise	19/6/2019	1,953,491	0.129	252,000
Shares issued – consideration offer ¹	23/9/2019	71,027,008	0.20	14,205,402
Shares issued – public offer	23/9/2019	26,250,000	0.20	5,250,000
Share issue costs		-		(519,342)
Balance at 31 December 2019		101,230,502		19,190,063
Placement	28/8/2020	16,037,736	0.53	8,500,000
Share issue costs		-		(1,623,932)
Balance at 31 December 2020		117,268,238		26,066,131

¹ Shares were issued to shareholders of Osteopore International Pte Ltd upon completion of acquisition.

Note 4. Reserves

	Consolidated	
	31 Dec 2020	31 Dec 2019
	\$	\$
Common control reserve	(14,915,451)	(14,915,451)
Share based payment reserve	2,271,810	1,108,302
Foreign currency translation reserve	(97,918)	(33,293)
	(12,741,559)	(13,840,442)

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 asset of OIS to a common control reserve in September 2019.

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2020

Note 4. Reserves (Continued)

Share Based Payment Reserve

The share-based payment reserve arises from the equity-settled compensation plan issued to its director, provided that the director remains in continuous employment with the Company from the date of grant. Equity-settled compensation plan is share of commons stock that vest and restricted share units are awards that will result in a payment if performance goals are achieved or the awards otherwise vest. The terms and conditions of these awards are established in the employment contract.

	No. of Options	\$
Balance at 31 December 2018	-	-
Options issued to key management personnel (Note 5)	7,200,000	830,709
Options issued to lead manager (Note 5)	2,500,000	277,593
Balance at 31 December 2019	9,700,000	1,108,302
Options issued to executives (Note 5)	400,000	102,962
Options issued to lead manager (Note 5)	3,000,000	1,060,546
Balance at 31 December 2020	13,100,000	2,271,810

Note 5. Share Based Payment Expense

On 23 June 2019, 7,200,000 unlisted options exercisable at \$0.25 expiring on 30 June 2022 were issued to key management personnel.

On 17 September 2019, 2,500,000 unlisted options exercisable at \$0.25 expiring on 30 June 2022 at an issue price of \$0.0001 were issued to Alto Capital under the Lead Manager Offer, upon completion of the acquisition of Osteopore International Pte Ltd.

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 vest 24 months after the appointment of executive to the Company.

On 28 August 2020, 3,000,000 options exercisable at \$1.20 expiring on 28 August 2023 were issued to the Joint Lead Managers of the Placement. All options vested at grant date.

Osteopore Limited and its Controlled Entities
Notes to the Preliminary Financial Statements
For the year ended 31 December 2020

Note 5. Share Based Payment Expense (continued)

The Group has measured the fair value of the options issued was estimated at the date of grant using the Black-Scholes option pricing model below:

Grant Date	Expiry Date	Share Price at Grant Date	Exercise Price	Expected Volatility	Dividend Yield	Risk-Free Interest Rate	Fair Value at Grant Date
23/06/2019	30/06/2022	\$0.20	\$0.25	100%	0%	0.89%	\$0.115
17/09/2019	30/06/2022	\$0.20	\$0.25	100%	0%	0.85%	\$0.111
05/05/2020	02/12/2022	\$0.595	\$1.00	101%	0%	0.235%	\$0.283
05/05/2020	31/12/2022	\$0.595	\$1.00	101%	0%	0.235%	\$0.288
28/08/2020	28/08/2023	\$0.60	\$1.20	120%	0%	0.29%	\$0.354

Set out below are the options exercisable at the end of the financial year:

Grant Date	Expiry Date	31 Dec 2020 No. of Options	31 Dec 2019 No. of Options
23/06/2019	30/06/2022	7,200,000	7,200,000
17/09/2019	30/06/2022	2,500,000	2,500,000
05/05/2020	02/12/2022	300,000	-
05/05/2020	31/12/2022	100,000	-
28/08/2020	28/08/2023	3,000,000	-
		13,100,000	9,700,000