

LARGEST SOUTH AFRICAN MEDICAL INSURER PROVIDES COVER FOR OSTEOMESH

Highlights

- *Osteopore's bioresorbable mesh product, Osteomesh[®], has received reimbursement approval from Discovery Health Medical Scheme (DHMS)*
- *The DHMS is the most prominent medical scheme in South Africa, and Discovery Health holds a dominant 57% market share of this medical scheme.*
- *South Africa's private healthcare sector, with roughly 200 private hospitals and over 500 craniomaxillofacial surgeons, accounts for about half of the country's health expenditure.*
- *Following its partnership with South African distributor Chronos Medical (Pty) Ltd, Osteopore is now aiming to incorporate more of its products into the DHMS reimbursement scheme, following regulatory approval.*

16 May 2023: Osteopore Limited (ASX: OSX) ("Osteopore" or the "Company"), a global leader in the manufacturing of regenerative implants that facilitate natural tissue regeneration, is pleased to announce that Discovery Health Medical Scheme (DHMS) has approved the reimbursement of Osteopore's Cranial Maxillofacial 'Bone Substitute Mesh (Osteomesh[®]). Osteomesh[®] is a semi-flexible bioresorbable mesh that provides dimensional retention and support of graft material, delivering a predictable shape and volume of regenerated bone tissue in guided bone regeneration. Osteomesh[®] is made from polycaprolactone (PCL) which slowly resorbs into the body over 18-24 months, during which the Osteomesh[®] supports bone formation.

The DHMS is the most prominent medical scheme in South Africa, and DHMS holds a dominant 57% market share of this medical scheme. According to market estimates, the craniomaxillofacial implants market in the Middle East and Africa (MEA) is expected to grow at a Compound Annual Growth Rate of 5.5%, and is expected to reach USD 93.87M by 2029, and South Africa is expected to dominate this market¹.

In South Africa, the private healthcare sector accounts for approximately half of South Africa's health expenditure through out-of-pocket payments and medical schemes². There are approximately 200 private hospitals in South Africa, which are typically accessed with private health insurance; and over 500 craniomaxillofacial surgeons in South Africa, as reported by the Health Professions Council of South Africa³.

¹ <https://www.databridgemarketresearch.com/reports/middle-east-and-africa-craniomaxillofacial-implants-market>

² www.publichealth.columbia.edu/research/comparative-health-policy-library/south-africa-summary

³ https://hpcsaonline.custhelp.com/app/i_reg_form

Since appointing Chronos Medical (Pty) Ltd as a distributor in South Africa, Osteopore has been conducting product training and working closely with Chronos Medical (Pty) Ltd to support marketing and sales efforts in key centres.

Osteopore's products have already been approved for sale by South African Health Products Regulatory Authority, and the Company will now work with Discovery Health, the schemes administrator, to incorporate its other products into their reimbursement scheme.

Director of Chronos Medical (Pty) Ltd, Tristan Baijnath, said: *"Osteopore's products are innovative, and we see strong potential for adoption in the South African market — over the last year, we have already had adoption in the world's 3rd biggest hospital, Chris Hani Baragwanath. The reimbursement approval is part of our ongoing initiatives to ease adoption in the local market, and to continue pushing on with our sales and marketing efforts."*

Executive Chairman, Mark Leong said: *"This news is a positive development for Osteopore in South Africa. We are pleased that our Osteomesh product is now approved for reimbursement by the largest medical scheme in South Africa; and it expected to remove barriers to the patients who require our implants."*

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

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About Osteopore Limited

Osteopore Ltd is an Australian and Singapore based medical technology company commercialising a range of products specifically engineered to facilitate natural 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 manufactured using a proprietary manufacturing technique with a polymer that naturally dissolve over time to leave only natural, healthy bone tissue, significantly reducing post-surgery complications commonly associated with permanent bone implants. Our 3D printer technology is not available in the market and unique to Osteopore.

About Discovery Health Medical Scheme (DHMS)

Discovery Health Medical Scheme (DHMS) is the largest open medical scheme in South Africa and independent from Discovery Group. As with other medical schemes, DHMS is a non-profit entity that pools all contributions to fund healthcare claims. It is regulated by the Council for Medical Schemes, governed by the Medical Schemes Act 131 of 1998 and administered by Discovery Health (Pty) Ltd. Medical schemes have independent Boards of Trustees and belong to the members. An independent Board oversees DHMS and the Principal Officer is Charlotte Mbewu.

About Discovery

Discovery Limited is a South African-founded financial services organisation that operates in the healthcare, life assurance, short-term insurance, banking, savings and investment and wellness markets. Since inception in 1992, Discovery has been guided by a clear core purpose – to make people healthier and to enhance and protect their lives. This has manifested in its globally recognised Vitality Shared-Value insurance model, active in 40 markets, impacting 40 million lives. The model is exported and scaled through the Global Vitality Network, an alliance of some of the largest insurers across key markets including AIA (Asia), Ping An (China), Generali (Europe), Sumitomo (Japan), John Hancock (US), Manulife (Canada) and Vitality Life & Health (UK, wholly owned). Discovery trades on the Johannesburg Securities Exchange as DSY. Follow us on Twitter @Discovery_SA

About Chronos Medical (Pty) Ltd

Chronos Medical (Pty) Ltd is a distributor located in South Africa's most populous province of Gauteng. Although a relatively young company, the business has experienced great support over the first two years of operations, and have established themselves as an effective brand in the medical industry with loyal clientele and experienced staff.

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.