

# Osteopore<sup>®</sup>

## Q1 CY24 Quarterly Report

30 April 2024



# Quarterly highlights

Osteopore Limited (ASX:OSX) (“Osteopore” or the “Company”), a revenue-generating manufacturer of regenerative implants that empower natural tissue regeneration, is pleased to release its quarterly results and Appendix 4C Quarterly Cash Flow Report for the three months ending 31 March 2024.



Osteopore achieves an all-time high & 5<sup>th</sup> straight quarter of revenue growth

Osteopore’s record quarterly revenue growth continued into Q1 CY24 with its 5<sup>th</sup> straight quarter of uninterrupted growth, peaking at 76% YoY & 15% QoQ



Osteopore secures Singapore and Vietnam market approvals for aXOpore®

Osteopore secures regulatory clearance in Singapore and Vietnam validating its orthopaedic products and strengthening its position in the global orthopaedics market

# Quarterly highlights



Osteopore progresses Australian bone scaffold clinical trials

Osteopore's **successful cranial and long bone reconstruction trials** displayed **strong clinical outcomes**, positioning Osteopore to **offer its custom-made device in Australia**



Aesthetic and craniofacial sales off to a bumper start in Q1 CY24

In Q1 CY24, Osteopore's **sales across the aesthetic and craniofacial** segments blitzed Q4 CY23, **swelling to 81% YoY** and **translating to A\$677K (S\$597k)** in dollar-value



Osteopore boosts growth via Capital Consolidation and Entitlement Offer

In Q1 CY24, Osteopore progressed a **15:1 Capital Consolidation** and **\$3m Entitlement Offer** to position the Company to maximise growth opportunities and shareholder value

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*Osteopore is excited to secure market approvals in Singapore and Vietnam for our orthopaedic devices, crystallising our efforts in these high-growth markets and strengthening our position in the cutting-edge regenerative medicine space.*

*The business continues to develop the optimal conditions for revenue growth, contributing to a RECORD Q1 CY24 – our 5<sup>th</sup> straight quarter of uninterrupted revenue growth – which saw revenues peak at 76% YoY and 15% QoQ.*

*The business continues to pursue different ways of improving the performance of our cost centres and streamlining our expenses, with the effects of this work starting to show signs of kicking in over Q1 CY24.*

*We thank our investors, partners and surgical community for their continued support of Osteopore as we pave the way for the next phase of the business, underpinned by market opportunities in high-growth countries and applications.*

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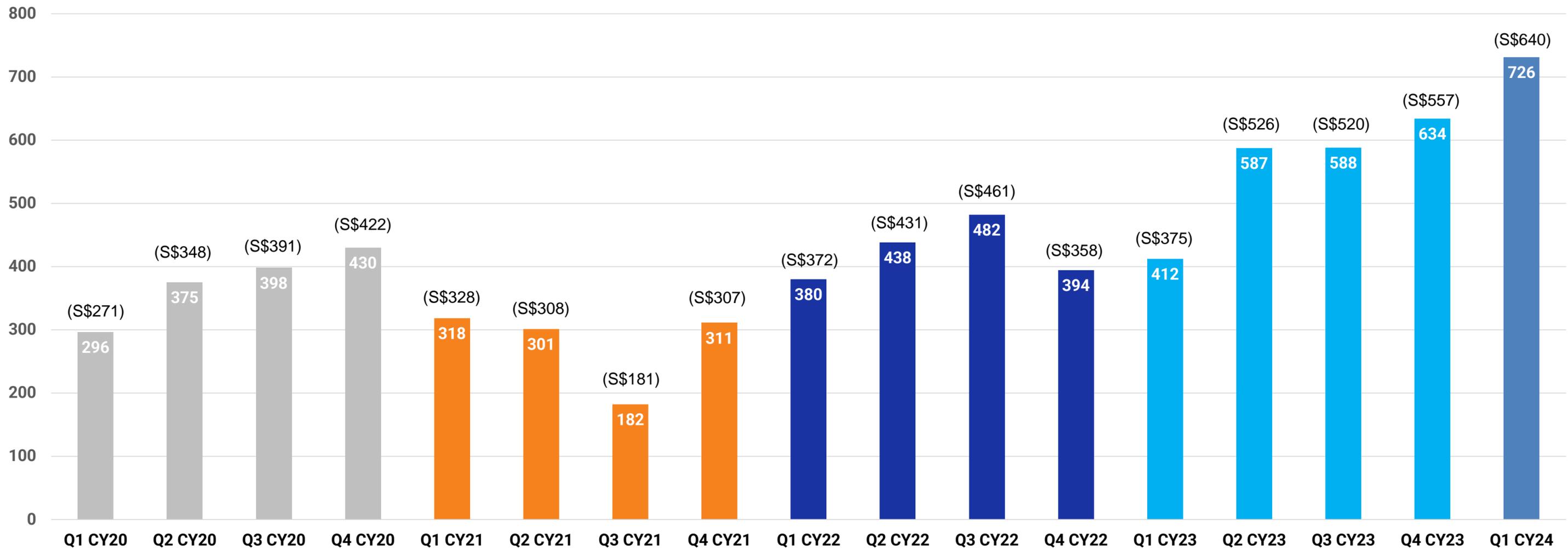
**Mark Leong**  
Executive Chairman



# Osteopore's unbroken revenue growth continued for a record 5<sup>th</sup> straight quarter, seeing revenues peak at 76% YoY

Osteopore's RECORD 5<sup>th</sup> straight quarter of revenue growth resulted in a 76% YoY increase in Q1 CY24 revenues to A\$726,000 (S\$640,000)

Quarterly Sales Revenue in A\$'000



\* A\$/S\$: Average exchange rate of each quarter is obtained from

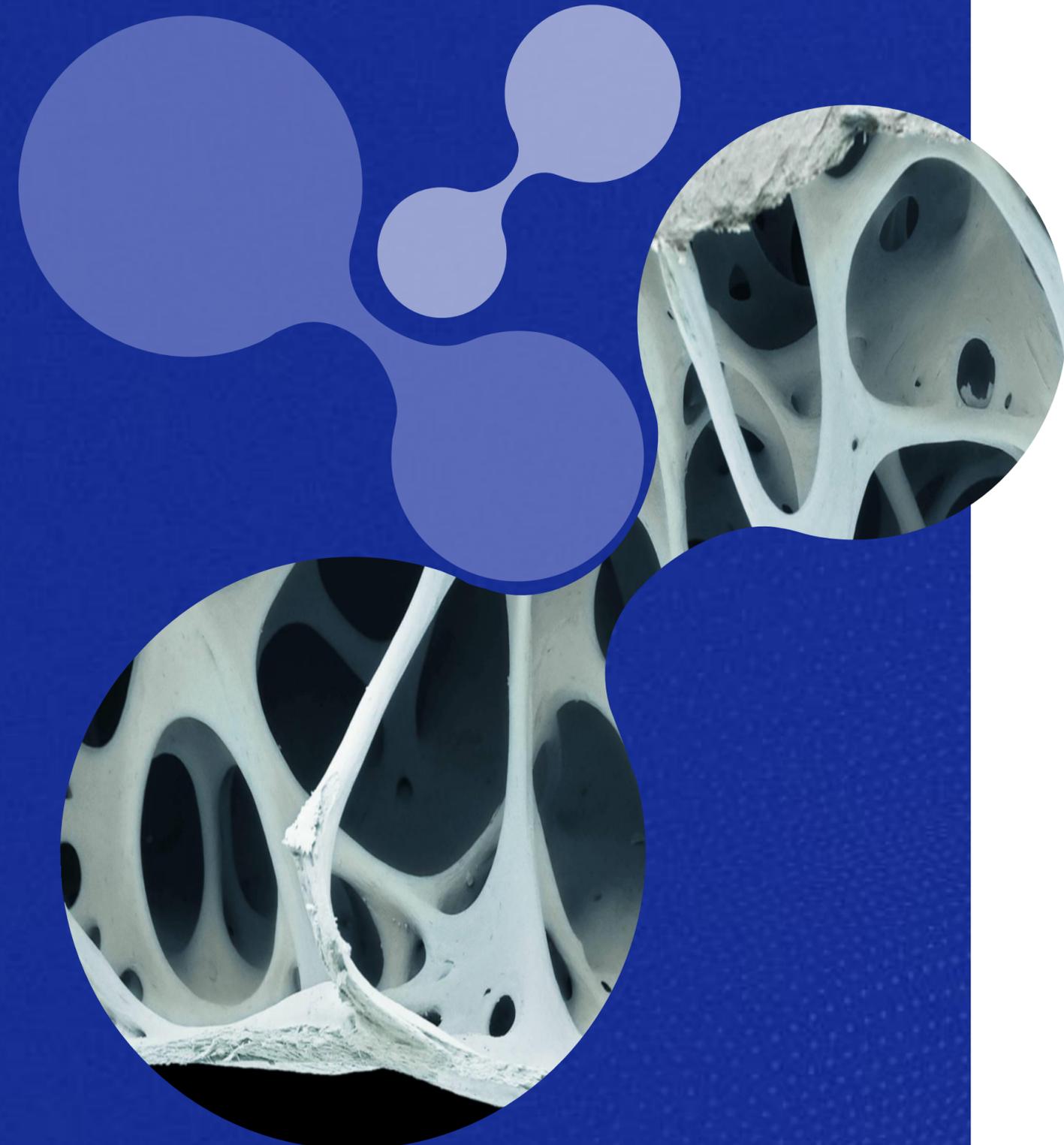
<https://www.rba.gov.au/>

# Osteopore achieves an all-time high & 5<sup>th</sup> straight quarter of revenue growth

- Osteopore's Q1 CY24 surpassed our previous record quarter of \$634k (S\$557k) in Q4 CY23
- In Q1 CY24, Osteopore broke a new record with its 5<sup>th</sup> straight quarter of uninterrupted revenue growth – an all-time high for Osteopore
- In Q1 CY24, Osteopore's revenues grew 76% YoY – and 15% QoQ – to \$726k (S\$640k)
- Osteopore is off to a strong start in CY24 on the back of sales growth in Asia-Pacific – including South Korea – and rhinoplasty
- Osteopore continues to pursue ways to improve the performance of its cost centres and streamline expenses
- The business continues to work towards developing the optimal conditions for revenue growth and shareholder returns

# Osteopore secures Singapore and Vietnam market approvals <sup>1</sup>

- Osteopore has secured regulatory clearance from Singapore's Health Sciences Authority (HSA) and Vietnam's Department of Medical Equipment and Construction (DMEC) for aXOpore®
- The regulatory clearance also includes a suite of off-the-shelf products for High Tibial Osteotomy (HTO), bone grafting, and bespoke implants for severe bone loss
- HSA and DMEC clearance validates the Company's orthopaedic products in the Singaporean and Vietnamese markets, strengthening its positioning in the high-growth global orthopaedics market
- In 2020-21, HTO procedures doubled in Singapore, particularly amongst 40-to-60-year-olds <sup>2</sup>
- The HTO market is expected to grow at a CAGR of 9.2%, while the bone grafting market is projected to expand at a CAGR of 2.3% <sup>3</sup>



<sup>1</sup> ASX announcement: 'Amendment - OSX Singapore and Vietnam market approvals', 27 March 2024

<sup>2</sup> <https://www.cetas-healthcare.com/>

<sup>3</sup> <https://www.statista.com/outlook/hmo/medical-technology/medical-devices/orthopedic-devices/vietnam>

## Osteopore advances Australian bone scaffold trials <sup>4</sup>

- **Recruitment for cranial and long bone reconstruction trials – using polycaprolactone-tricalcium phosphate customised scaffolds – is now complete with results displaying strong clinical outcomes.**
- **9 patients participated in the cranial reconstruction trial, with results demonstrating the excellent vascularity and bone regeneration potential of Osteopore’s custom-made device.**
- **Three cranial reconstruction patients reached the post-surgery milestone of 24 months, with one patient at 18 months, and the remaining 5 patients between one and 9 months.**
- **2 patients participated in the long-bone reconstruction trial and recovered in line with post-surgery expectations, however, Osteopore ceased recruitment due to stagnant recruitment and the study’s duration.**
- **The successful clinical trials provide validation of the clinical outcomes relating to cranial and long bone reconstructions, positioning Osteopore to offer its custom-made device in Australia per TGA requirements.**

## Aesthetic and craniofacial sales off to a bumper start in Q1 CY24

- In Q1 CY24, **craniofacial sales grew 20% QoQ**, blitzing Osteopore's performances in Q4 CY23
- Whilst aesthetic sales grew at 16% QoQ, surpassing Osteopore's Q4 CY23, its **YoY sales exploded, spiking at 256%**
- Osteopore's overall sales growth across the segments of **aesthetic and craniofacial swelled to 81% YoY**
- Osteopore's **aesthetic and craniofacial sales growth pushed 81% in Q1 CY24, converting to A\$677k (S\$597k) in dollar terms.**
- Significantly, despite Q1 historically being a slow or negative growth quarter, **aesthetic and craniofacial sales grew 18% QoQ in Q1 CY24**

## Osteopore boosts growth via Capital Consolidation and Entitlement Offer

- On 21 February 2024, shareholders approved a capital consolidation – on a ratio of 15:1 – to **streamline the Company’s capital structure** and support the business to continue delivering on its growth strategy <sup>5</sup>
- The consolidation will also position Osteopore to **maximise growth opportunities and shareholder value** while capitalising on the exciting opportunities presented by regenerative medicine
- On 13 March 2024, Osteopore announced a **10-for-1 Renounceable Pro-Rata Entitlement Offer** – at an Offer Price of A\$0.029 per share – to raise **A\$3 million** <sup>6</sup>
- The Company closed the Entitlement Offer with strong support from eligible shareholders who applied for 100,248,212 new shares, raising approximately **\$2,907,000 (before costs)** <sup>7</sup>
- Funds raised will **strengthen Osteopore’s balance sheet** and maintain sales momentum while supporting Osteopore to continue **developing breakthrough products, secure market approvals, explore M&A opportunities and increase working capital**



<sup>5</sup> ASX announcement: 'Osteopore advances consolidation of capital to support long-term growth', 21 February 2024

<sup>6</sup> ASX announcement: 'Osteopore announces \$3m Entitlement Offer to strengthen balance sheet and support growth', 13 March 2024

<sup>7</sup> ASX announcement: 'Osteopore announces 97% take-up for Entitlement Offer', 5 April 2024

# Professional society engagement and recognition



## 14<sup>th</sup> Annual Joint Conference & PG Convention, Nepal

The Joint Conference & PG Convention was an inspiring gathering of Oral and Maxillofacial specialists. Osteopore Advisory Panel member Dr GK Ananda illuminated the stage with an enlightening presentation on “Orbital Trauma and Reconstruction: The Surgical Options.” Thanks to Dr Ananda and our Nepalese distributor Dharatee Meditech, for the kind hospitality.



## Dr Henry Clavarall, Clara V Clinic, Philippines

Osteopore CEO, Dr Yujing Lim was excited to welcome Clara V Clinic’s Dr Henry Clavarall to our Singapore office. The Philippines-based Dr Clavarall is a distinguished rhinoplasty expert and has been a long-time supporter and user of our Osteomesh® products for rhinoplasty. Thank you to Dr Clavarall for your support of Osteopore.



## Gleneagles ICRS Masterclass, Singapore

Osteopore was pleased to join a Gleneagles ICRS Masterclass on “Essentials in Cartilage Surgery with Cadaveric Lab”. Sengkang General Hospital Consultant Orthopaedic Surgeon – and Osteopore Advisory Panel member – Prof. Hamid Razak shared key insights on the role of HTO in cartilage surgery and double-level osteotomy. Thank you, Professor Razak.



## NESICON 2024, India

Osteopore was delighted to participate in NESICON. NESICON – organised by the Neuroendoscopy Society of India – is a key platform in neuroendoscopy, bringing together neurosurgeons, healthcare professionals, and industry experts to exchange neurological insights, advancements, and innovations. Thank you to Taksin Hospital Director of the Brain & Cerebrovascular Centre Dr Chaiyot Siangprasertkij for his insights.

# Appendix 4C - Quarterly cashflow report

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## Corporate and financial summary

The attached Appendix 4C provides details of the cashflows for the quarter ending 31 March 2024.

As of 31 March 2024, the Company has a cash balance of approximately A\$389,000.

The net cash used during the quarter by the Company across its operating activities amounted to approximately A\$735,000, which is 18% lower than the quarterly average in 2023 (approximately A\$900,000) mainly due to the cost reduction program implemented since second half of 2023.

The net cash used is higher when compared to the previous quarter (approximately A\$630,000) because the Company settled more payments after receiving proceeds from the bridging loan towards the end of 2023. The increase is mainly attributable to higher staff costs (including staff costs allocated under marketing related expenses), as well as increase in administration costs due to some deferred payments in Q4 2023, which were then paid during the quarter ending 31 March 2024.

The Company made payments for marketing, business development & investor relations (including allocated staff costs) amounting to approximately A\$475,000 during the quarter. These costs are mainly related to allocated staff costs, trade show and exhibition expenses, travelling costs and corporate advisory fees.

On 9 April 2024, the Company entered a variation deed with the lender of the bridging loan to extend the maturity date to 1 May 2025 on improved terms. Refer to ASX announcement dated 10 April 2024 for the details.

## Related party transactions

Payments in the March quarter to related parties of approximately A\$47,000 at Item 6 in the attached Appendix 4C, comprised of director fees and salaries.

# Osteopore<sup>®</sup>

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## 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 March 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	655	655
1.2 Payments for		
(a) research and development	(41)	(41)
(b) product manufacturing and operating costs	(136)	(136)
(c) marketing, business development & investor relations (including allocated staff costs)	(475)	(475)
(d) leased assets	(3)	(3)
(e) staff costs (other than allocated staff costs under note 1.2(c))	(383)	(383)
(f) administration and corporate costs	(395)	(395)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	44	44
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(735)</b>	<b>(735)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(1)	(1)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>(1)</b>	<b>(1)</b>

<b>3.</b> <b>Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other	-	-
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</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	1,115	1,115

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(735)	(735)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	10	10
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>389</b>	<b>389</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	383	1,110
5.2	Call deposits	6	5
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>389</b>	<b>1,115</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

<b>Current quarter \$A'000</b>
47
-

Payments made to Directors related to:

1. Non-executive director fees and superannuation;
2. Executive director fees

7. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>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.</i>		
7.1 Loan facilities	1,112	1,112
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	<b>1,112</b>	<b>1,112</b>
7.5 <b>Unused financing facilities available at quarter end</b>		-

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.

On 28 December 2023, the Company signed a bridging loan agreement with Advance Opportunities Fund I (Lender), for a bridging loan of S\$1,000,000 to the Company. On 9 April 2024, the Company entered a variation deed with the Lender to extend the maturity date to 1 May 2025 on improved terms.

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(735)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	389
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	389
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>0.53</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

- 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: With the estimated growth in sales and the various cost reduction initiatives, the Company is expected to lower its net operating cash flow level, notwithstanding the progressive settlement of outstanding payables.

- 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: The Company expects to meet its operational costs from proceeds from sales to customers, existing reserves, and from additional funding (as required). As announced on 5 April 2024, the Company closed a renounceable pro-rata entitlement on 2 April 2024 with strong support from eligible shareholders who applied for 100,248,212 new shares, raising approximately \$2,907,000 (before costs), subject to change based on the scaling back of funds received, if required, and the withdrawal of applications and refunds of application monies by eligible shareholders up to 6 May 2024. The Company also has the ability to obtain further cash funds through the issue of debt and equity securities, when it is required.

- Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects to be able to continue its operations and meet its objectives through a combination of sales to customers, existing reserves, and potential to obtain future capital through the issue of equity and/or debt, when it is required.

### 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: 30 April 2024

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 – e.g., 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.