

ASX RELEASE | OSTEOPORE LIMITED

19 November 2020

Updated Quarterly Activities Report – with Use of Funds Statement

Osteopore Limited (ASX:OSX) (“Osteopore” or the “Company”) wishes to advise that it has today released an updated Quarterly Activities Report for the quarter ended 30 September 2020. The report includes a use of funds statement in relation to the proceeds received from the Company’s IPO, which was completed in September 2019.

There are no other changes to the previously released Quarterly Activities Report content or the Appendix 4C in this update.

This announcement has been authorised for release by the Board.

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ACTIVITY UPDATE FOR QUARTER ENDING SEPTEMBER 2020

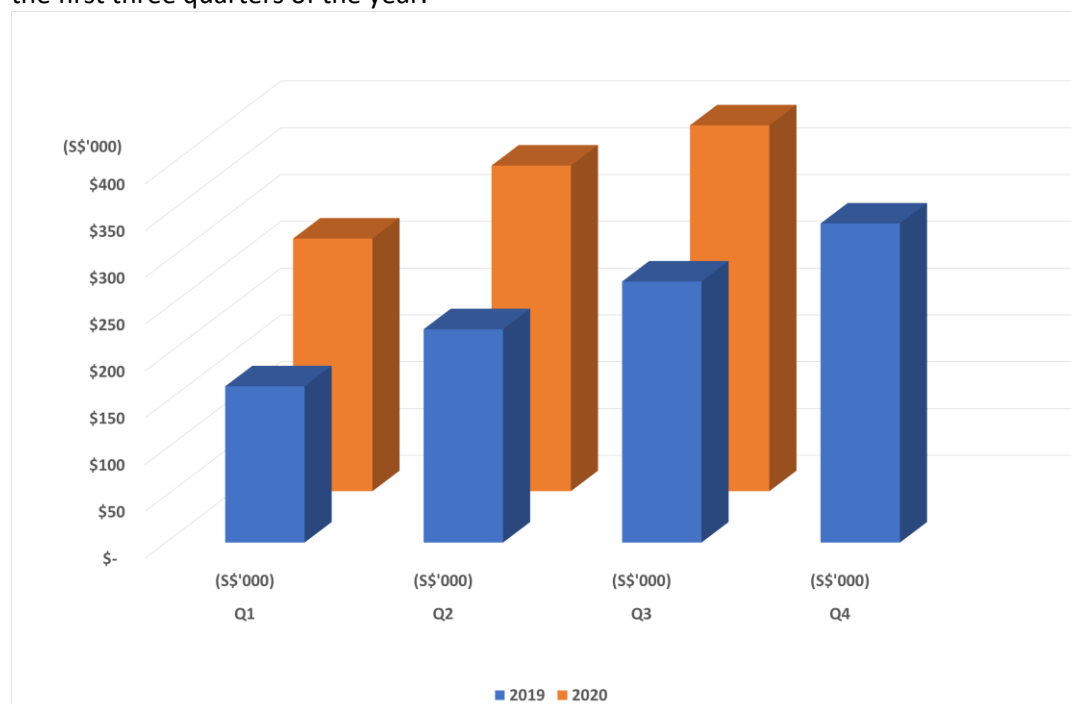
Highlights:

- **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.

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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 to Quarterly Activities Report Quarter Ended 30 September 2020

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 September 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 30 September 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 September 2020 quarter.

	Actual total (19 Sept 19 – 30 Sept 20)	Prospectus total (19 Sept 19 – 19 Sept 21)
Use of funds – Year 1 & 2 ⁽¹⁾		
International expansion	\$1,320,069	\$1,999,999
Research and development / patents	\$276,658	\$541,000
Regulatory approval – new markets ⁽²⁾	\$143,858	\$545,000
Regulatory approval – new products ⁽²⁾	\$57,975	\$450,000
General administration fees and working capital ⁽³⁾	\$3,163,291	\$1,542,292
Estimated expenses of the Offers ⁽⁴⁾	\$1,370,062	\$704,956
Total Expenditure	\$6,331,912	\$5,783,247

The Company notes:

1. That since listing the Company has received total cash receipts of approx. \$1.3m and grant funding receipts of approx. \$0.6m. Additionally, the Company undertaken 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 includes costs in relation to the IPO and the subsequent secondary capital raise undertake in the September 2020 quarter of approx. \$0.6m.