

Orthocell Limited
ABN 57 118 897 135

ASX Half-Year Report for 6 months to 31st December 2024

Provided to the ASX under Rule 4.2.A.3

This report is to be read in conjunction with the Annual Report for the year ended 30th June 2024 and any public announcements made during the reporting period, in accordance with the continuous disclosure requirements of the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

Contents:

Results for announcement to the market

Half-Year Report

Appendix 4D
Half-year report for the 6 months to 31 December 2024
Orthocell Limited - ABN 57 118 897 135

1. Reporting period

Report for the half year ended 31 December 2024 (previous period half year ended 31 December 2023).

2. Results for announcement to the market

	31 Dec 2024	31 Dec 2023	% change
Revenues from ordinary activities	4,292,710	3,277,708	31.0%
Loss from ordinary activities <i>before</i> tax attributable to the owners of Orthocell Limited	(4,481,106)	(5,230,035)	(14.3%)
Loss from ordinary activities <i>after</i> tax attributable to the owners of Orthocell Limited	(1,296,080)	(5,230,035)	(75.2)%
Loss for the half-year <i>after</i> tax attributable to the owners of Orthocell Limited	(1,296,080)	(5,230,035)	(75.2)%

Full details are in the attached Interim Report of Orthocell Limited for the half-year ended 31 December 2024.

3. Net tangible assets per security

	31 Dec 2024	31 Dec 2023
Net tangible assets per ordinary security	\$0.078	\$0.005

4. Dividends

No dividends were paid during the current or previous half years and no dividends have been declared subsequent to the half year end and up to the date of this report. There are no dividend or distribution reinvestment plans in operation.

5. Foreign entities

		31 Dec 2024	31 Dec 2023
Orthocell UK Ltd	United Kingdom	100%	100%
Orthocell (US) LLC	United States of America	100%	100%

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Appendix 4D (continued)

6. Gain or loss of control over entities

There were no changes in the control of subsidiaries during the half year.

7. Associates and joint ventures

N/A

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The Interim Report of Orthocell Limited for the half-year ended 31 December 2024 was subject to a review by the auditors and the review report is attached as part of the Interim Report.

9. Attachments

The Interim Report of Orthocell Limited for the half-year ended 31 December 2024 is attached.

10. Signed



Paul Anderson
Managing Director

Date: 24 February 2025
Perth

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Regenerating Mobility

Half-Year Report

31 December 2024

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CORPORATE DIRECTORY

Board of Directors

John Van Der Wielen
Independent Non-Executive Chair
Mr Paul Anderson
Managing Director & Chief Executive Officer
Dr Ravi I Thadhani
Independent Non-Executive Director
Professor Fiona Wood
Independent Non-Executive Director
Mr Kim Beazley
Independent Non-Executive Director

Company Secretary

Mr Peter Gordon Webse

Registered Office & Principal Place of Business

Building 191, Murdoch University, South Street, Murdoch WA 6150, Australia

Share Register

Automic Registry Services
Level 5, 191 St Georges Terrace, Perth WA 6000, Australia

Auditor

PKF Perth
Dynons Plaza, Level 8, 905 Hay Street, Perth WA 6000, Australia

Solicitors

Gilbert + Tobin
Level 16, Brookfield Place Tower 2, 123 St Georges Terrace, Perth WA 6000, Australia

Bankers

Westpac Banking Corporation

Securities Exchange Listing

Australian Securities Exchange, ASX code: OCC

Website

www.orthocell.com.au

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DIRECTORS REPORT

The directors present their report, together with the consolidated financial statements, on the consolidated entity ('consolidated entity') consisting of Orthocell Limited ('Company' or 'parent entity') and the entity it controlled at the end of, or during, the half-year ended 31 December 2024.

1. Directors

The following persons were directors of Orthocell Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Mr John Van Der Wielen, Independent Non-Executive Chairman
- Mr Paul Anderson, Managing Director & CEO
- Dr Ravi Thadhani, Independent Non-Executive Director
- Professor Fiona Wood, Independent Non-Executive Director
- Mr Kim Beazley, Independent Non-Executive Director

2. Principal activities

During the half year the principal continuing activities of the consolidated entity consisted of the development & commercialisation of collagen medical devices and cell therapies for the repair & regeneration of human, bone, nerve, tendons and cartilage defects.

3. Summary review of operations

During the half year Orthocell reported increasing total revenue to \$4.3 million in the half year ended 31 December 2024, up 31% from the half year ended 31 December 2023 of \$3.3 million. Along with growing quarterly revenues driven by the rapid market penetration of its products, the Company achieved key milestones including:

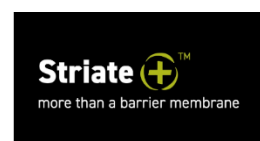
- Continued global expansion of its market leading nerve repair device, Remplir™, with the first major international regulatory approval, appointment of an exclusive distributor and first sales achieved in the key market of Singapore
- Submission of a US FDA 510(K) application for regulatory clearance to commercially sell

Remplir into the US\$1.6 billion US market, with clearance expected in late March or early April

- Appointment of key sales and medical education executives to drive the Remplir US market launch strategy
- Acceleration of the commercial strategy for Remplir to enter a number of other key markets across CY2025 including Canada, Thailand, United Kingdom, European Union and Brazil
- Continued global market expansion of Striate+™, with regulatory approval and first sales achieved in Canada.

Strengthened Balance Sheet

The Company completed a \$17 million placement at \$0.60 to fund the US launch of Remplir and drive further growth. The placement received very strong support from existing and new leading Australian and international institutional investors, high net worths and family offices to fund.



Striate+™
more than a barrier membrane

Striate+ is a market leading resorbable collagen

membrane used in guided bone and tissue regeneration procedures. Striate+ is available for sale in the US, Canada, Australia, New Zealand, the UK and Europe and is distributed globally by BioHorizons Implant Systems Inc (BioHorizons).

Global Expansion with BioHorizons

Sales to BioHorizons have continued to build momentum with a 42% growth in Striate+ revenue in the half year ended 31 December 2024 since the half year ended 31 December 2023.

BioHorizons has been actively promoting and selling Striate+ to dental surgeons in the US for just over two years since launching in the US in November 2022. Ramp up of Striate+ product sold in this short period has been consistent with BioHorizon's initial guidance and continues to build momentum. Feedback regarding the products performance from BioHorizons sales team has been excellent, with uptake driven by the surgeons' preference for a high-quality dental membrane that is easier to use and facilitates better patient outcomes.



DIRECTORS REPORT

BioHorizons Camlog, a wholly owned subsidiary of BioHorizons headquartered in Basel, Switzerland, launched Striate+ in the EU in October 2023. BioHorizons Camlog are now actively promoting the use of Striate+ in the EU and is available for ordering in Belgium, France, Ireland, Italy, Netherlands, Portugal, Spain and UK. During the half year, BioHorizons progressed its formal Striate+ market launch plans in the DACH region (Germany/Austria/Switzerland) and remains on track to commence sales in the March 25 Quarter. Orthocell also continues to work with BioHorizons to gain market access in additional large or strategic markets where they have established accounts and/or distribution networks. Orthocell's regulatory team remains on track to submit an application for approval in Columbia in Q1 2025 and achieve approvals in the large and strategic markets of Brazil and Singapore by the June 25 Quarter.

Remplir™
nerve wrap

Remplir™ Nerve Regeneration

Remplir is a collagen nerve wrap used in the repair of peripheral nerve injuries. Remplir is available for sale in Singapore, Australia and New Zealand, distributed exclusively by Device Technologies (DVT) in Australia and New Zealand and DVT Asia in Singapore.

Device Technologies update

Sales to DVT have continued to build momentum with a 118% growth in Remplir revenue in the half year ended 31 December 2024 since the half year ended 31 December 2023.

DVT officially launched Remplir in Australia in November 2022, with a focus on supplying existing orthopaedic and plastic reconstructive KOL accounts. The ramp up of product sold since market launch is gaining traction with ~180 orthopaedic and plastic surgeons now using Remplir in peripheral nerve repair surgeries, from facial nerves to upper and lower limb nerves. Feedback from the clinicians and DVT salesforce continues to be excellent.

The DVT team are executing a comprehensive customer engagement program designed to

continue momentum in product adoption and to grow the establishment of new orthopaedic and plastic reconstructive accounts. The Company continues to actively assist DVT with a series of targeted Remplir education and training events, including surgeon engagement roadshows, congress attendance and other scientific meetings across Australia, New Zealand and Singapore.

US regulatory approval

In December 2024 Orthocell submitted its US FDA 510(k) regulatory application for clearance to commercially sell Remplir into the US\$1.6billion US market. The submission follows successful completion of the Remplir regulatory study, which met all endpoints and provided the key data to support the US FDA 510(k) application.

US commercial launch

Preparations for US market launch are progressing, with recently appointed experienced US-based executives, John Walker and Phillip Edmondson, driving the go-to-market strategy. Recruitment of the initial sales team, Key Opinion Leader engagements, distributor appointments and initiating medical education and advocacy programs to support early sales has commenced.

OrthoATI™
for regeneration of human tendon

OrthoATI™ Tendon Regeneration

OrthoATI™ is a world-leading cell therapy in development for the treatment of chronic degenerative tendon injuries (tendinopathy/tendonitis). OrthoATI can be used in both surgical and non-surgical applications and is at the forefront of a large and increasing market opportunity, estimated to be worth >US\$7.7bn¹ and growing.

During the half year Orthocell continued to work with their US based corporate adviser to identify a potential strategic partner to progress OrthoATI to US FDA registration without the need for significant investment in the near term.

¹ Addressable market estimate was developed by the Company using reports from US healthcare databases and referenced papers of studies conducted both within and outside the US.



DIRECTORS REPORT

Outlook

Our strategy to de-risk the Company by focusing on the most significant and immediate opportunities has borne fruit. The recent strengthening of the balance sheet, increased focus on regulatory applications for the global expansion of our core products Remplir and Striate+ has been rewarded with a growing share price and significantly more interest from institutional and sophisticated investors. We have also focused on delivering, alongside our distributors, quarter on quarter revenue growth.

We expect this achievement to continue and accelerate with additional international market launches underway, and several regulatory submissions completed or pending approval.

Orthocell proudly manufactures its unique products in Western Australia which allows for the capture of the full profit margin. Australia is a globally trusted manufacturing location for medical products and Orthocell's products, being small in size and weight with a three-year shelf life, can be distributed at a low cost, making the expansion to new markets both feasible and expedient. Orthocell currently has nine international regulatory approvals and has lodged its US FDA application for Remplir in this very large and growing nerve repair market, currently worth US\$1.6 billion. The USA nerve repair market provides the most compelling opportunity in the history of the Company. Based on the statutory 90 calendar day review process for U.S. FDA 510(k) submissions, Orthocell anticipates market clearance for Remplir late March or early April 2025, with sales to commence shortly thereafter.

Corporate

The loss for the consolidated entity after income tax for the half-year ended 31 December 2024 amounted to \$1,296,080 (31 December 2023: \$5,230,035).

At 31 December 2024 Orthocell held a cash balance of A\$30,842,790. Orthocell's strong cash position enables the Company to drive further development of its Remplir™ nerve product and pipeline of regenerative medicine products, delivering significant shareholder value.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

4. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

5. Directors' resolution

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Paul Anderson
Managing Director
24 February 2025
Perth



AUDITOR'S INDEPENDENCE DECLARATION



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AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ORTHOCELL LIMITED

In relation to our review of the financial report of Orthocell Limited for the half year ended 31 December 2024, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in black ink that reads 'PKF Perth'.

PKF PERTH

A handwritten signature in black ink that reads 'Simon Fermanis'.

SIMON FERMANIS

PARTNER

24 February 2025

PERTH, WESTERN AUSTRALIA

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Revenue			
Sales revenue	3	2,405,024	1,405,417
Cost of goods sold		<u>(1,259,666)</u>	<u>(805,102)</u>
Gross profit		1,145,358	600,315
Other revenue	3	1,887,686	1,872,291
Expenses			
Research & development & laboratory costs		(3,744,011)	(3,839,443)
Sales & marketing, & business development		(1,795,018)	(1,607,663)
Administrative & general		<u>(1,975,121)</u>	<u>(2,255,535)</u>
	4	<u>(7,514,150)</u>	<u>(7,702,641)</u>
Loss before income tax expenses		(4,481,106)	(5,230,035)
Income tax benefit		<u>3,185,026</u>	<u>-</u>
Loss after income tax benefit		(1,296,080)	(5,230,035)
Other comprehensive income for the half-year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive loss		<u><u>(1,296,080)</u></u>	<u><u>(5,230,035)</u></u>
Loss per share		\$	\$
Basic earnings per share		(0.006)	(0.026)
Diluted earnings per share		(0.006)	(0.026)

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 Dec 2024 \$	30 Jun 2024 \$
Assets			
Current assets			
Cash and cash equivalents		30,842,790	20,614,440
Trade and other receivables	5	4,585,949	1,151,990
Inventories		1,066,230	1,176,638
Other		52,827	64,187
Total current assets		36,547,796	23,007,255
Non-current assets			
Property, plant and equipment		1,839,490	1,897,149
Right-of-use assets		613,275	664,606
Intangibles		1,039,535	1,046,200
Total non-current assets		3,492,300	3,607,955
Total assets		40,040,096	26,615,210
Liabilities			
Current liabilities			
Trade and other payables		1,446,482	1,469,534
Lease liabilities		165,323	148,968
Employment benefits		705,931	653,987
Contract liabilities		2,304,000	2,304,000
Other		230,936	729,392
Total current liabilities		4,852,672	5,305,881
Non-current liabilities			
Lease liabilities		492,605	540,725
Employment benefits		136,356	164,802
Contract liabilities		14,919,228	16,071,228
Total non-current liabilities		15,548,189	16,776,755
Total Liabilities		20,400,861	22,082,636
Net assets		19,639,235	4,532,574
Equity			
Issue capital	6	81,435,592	62,219,668
Share-based payment reserve	7	5,003,486	7,939,296
Accumulated losses		(66,799,843)	(65,626,390)
Total equity		19,639,235	4,532,574

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2024

	Issued Capital	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
Balance at 1 July 2023	57,897,993	7,335,298	(59,084,338)	6,148,953
Loss after income tax expense	-	-	(5,230,035)	(5,230,035)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	-	-
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity	691,250	-	-	691,250
Share equity costs	-	-	-	-
Expiry of options	-	(40,302)	40,302	-
Issue of options	-	568,092	-	568,092
Balance at 31 December 2023	58,589,243	7,863,088	(64,274,071)	2,178,260
Balance at 1 July 2024	62,219,668	7,939,296	(65,626,390)	4,532,574
Loss after income tax expense	-	-	(1,296,080)	(1,296,080)
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	-	-	-
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity	17,000,000	-	-	17,000,000
Share equity costs - cash	(850,000)	-	-	(850,000)
Share equity costs - issue of options	(691,169)	691,169	-	-
Expiry of options	-	(122,627)	122,627	-
Vesting of performance rights	-	120,491	-	120,491
Issue of shares	96,250	-	-	96,250
Exercise of options	3,660,843	(3,624,843)	-	36,000
Balance at 31 December 2024	81,435,592	5,003,486	(66,799,843)	19,639,235

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



CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2024

	Note	31 Dec 2024 \$	31 Dec 2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,452,495	1,793,869
Payments to suppliers & employees (inclusive of GST)		(8,696,326)	(7,036,669)
Government grants received		30,000	-
Interest paid		(4,843)	-
Interest received		602,615	461,079
Net cash from/(used in) operating activities		(5,616,059)	(4,781,721)
Cash flows from investing activities			
Payments for intangible assets		-	(7,134)
Payments for property, plant & equipment		(208,325)	(410,158)
Net cash used in investing activities		(208,325)	(417,292)
Cash flows from financing activities			
Share subscription funds received		17,036,000	91,250
Share equity costs		(850,000)	-
Lease payments		(133,266)	(86,066)
Net cash from/(used in) financing activities		16,052,734	5,184
Net (decrease)/increase in cash and cash equivalents		10,228,350	(5,193,829)
Cash & cash equivalents at the beginning of the financial half-year		20,614,440	24,817,962
Cash & cash equivalents at the end of the financial half-year		30,842,790	19,624,133

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Orthocell Limited (the "Company" or "Orthocell") is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"). The consolidated financial statements of the Group as at and for the half-year to 31 December 2024 comprise the Company and its subsidiaries.

Note 1. Material accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated interim financial statements were authorised by the directors on 24 February 2025.

Basis of preparation

The interim report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

Statement of compliance

These interim consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Group as in the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial report for the period ended 30 June 2024 and any

public announcements made by Orthocell Limited and its subsidiaries during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial half-year and corresponding interim reporting period.

Critical accounting estimates and significant judgements

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report for the period ended 30 June 2024.

Going Concern

The Group has net assets of \$19,639,235 as at 31 December 2024 (30 June 2024: \$4,532,574) and incurred a loss of \$1,296,080 (31 December 2023: \$5,230,035) and net operating cash outflow of \$5,616,059 (31 December 2023: \$4,781,721) for the period ended 31 December 2024.

The Group's ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on the Company's ability to raise sufficient working capital to ensure the continued implementation of the Group's business strategy.

The financial report has been prepared on a going concern basis. In arriving at this position, the directors have had regard to the fact that the



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company has, or in the directors' opinion will have access to, sufficient cash to fund administrative and other committed expenditure for a period of not less than 12 months from the date of this report.

New and amended standards adopted by the entity

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Impact of standards issued but not yet applied by the entity

There were no new standards issued since 30 June 2024 that have been applied by Orthocell Limited. The 30 June 2024 annual report disclosed

that Orthocell Limited anticipated no material impacts (amounts recognised and/or disclosed) arising from initial application of those standards issued but not yet applied at that date.

Note 2. Operating segments

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision maker to make decisions about resources to be allocated to the segments and assess their performance. The financial information presented in the statement of profit or loss and other comprehensive income and statement of financial position is the same as that presented to the chief operating decision makers. The consolidated entity operates in one segment and predominately operates in the regenerative medicine industry in Australia with products sold in Australia and internationally.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Revenue

	31 Dec 2024 \$	31 Dec 2023 \$
Sales revenue		
Sale of goods	2,405,024	1,405,417
	<u>2,405,024</u>	<u>1,405,417</u>
Other revenue		
Interest	570,657	526,301
Contract revenue	1,152,000	1,152,000
Grant revenue	30,000	-
Currency gain	55,454	-
Other	79,575	193,990
	<u>1,887,686</u>	<u>1,872,291</u>
Total revenue	<u>4,292,710</u>	<u>3,277,708</u>

Note 4. Expenses

Loss before income tax includes the following specific expenses:

Depreciation and amortisation		
Depreciation – plant & equipment	211,796	185,680
Amortisation – patents & trademarks	55,072	54,375
	<u>266,868</u>	<u>240,055</u>
Employment expenses		
Wages	2,934,565	2,410,517
Superannuation	280,998	261,833
Leave entitlements	23,498	23,802
Payroll & other taxes	226,808	146,679
Directors' fees	206,379	280,329
	<u>3,672,248</u>	<u>3,123,160</u>
Share-based payments	216,742	568,092
Other employment costs	33,288	23,704
	<u>250,030</u>	<u>591,796</u>
Total employment costs	<u>3,922,278</u>	<u>3,714,956</u>
Net foreign exchange loss		
Net foreign exchange loss	-	9,390
Rental expense relating to operating leases		
Short term lease payments	1,470	1,470



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 5. Trade and other receivables

	31 Dec 2024 \$	30 Jun 2024 \$
Trade receivables	781,897	545,387
GST refund	173,099	103,718
R&D Tax Incentive refund	3,185,026	-
Interest on cash term deposits	445,927	477,885
Other receivables	-	25,000
	<u>4,585,949</u>	<u>1,151,990</u>

Note 6. Equity – issued capital

	31 Dec 2024 Shares	30 Jun 2024 Shares	31 Dec 2024 \$	30 Jun 2024 \$
Ordinary shares – fully paid	239,702,872	209,326,818	86,179,067	65,421,974
Share equity costs	-	-	(4,743,475)	(3,202,306)
	<u>239,702,872</u>	<u>209,326,818</u>	<u>81,435,592</u>	<u>62,219,668</u>

Movements in ordinary share capital

Details	Date issued	Shares	Issue price	\$
Balance	30 Jun 2023	<u>197,303,071</u>		<u>57,897,993</u>
Issue of shares	30 Oct 2023	1,714,286	\$0.350	600,000
Issue of shares	15 Nov 2023	250,000	\$0.365	91,250
Issue of shares	28 Feb 2024	9,459,461	\$0.370	3,500,000
Share equity costs	28 Feb 2024	-	-	(122,575)
Issue of shares	11 Mar 2024	100,000	\$0.405	40,500
Issue of performance rights	30 Jun 2024	<u>500,000</u>	<u>\$0.425</u>	<u>212,500</u>
		<u>12,023,747</u>		<u>4,321,675</u>
Balance	30 Jun 2024	<u>209,326,818</u>		<u>62,219,668</u>
Issue of shares	8 Aug 2024	250,000	\$0.385	96,250
Exercise of options	15 Oct 2024	1,099,811	\$0.330	3,331,230
Exercise of options	29 Oct 2024	171,134	-	163,183
Exercise of options	30 Oct 2024	100,000	\$0.360	54,285
Issue of shares	31 Oct 2024	28,166,664	\$0.600	16,900,000
Share equity costs – cash	31 Oct 2024	-	-	(850,000)
Share equity costs – options	23 Oct 2024	-	-	(691,169)
Issue of shares	3 Dec 2024	166,666	\$0.600	100,000
Cashless exercise of options	10 Dec 2024	<u>421,779</u>	<u>-</u>	<u>112,145</u>
		<u>30,376,054</u>		<u>19,215,924</u>
Balance	31 Dec 2024	<u>239,702,872</u>		<u>81,435,592</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Share-based payment reserve

	31 Dec 2024 Options/rights	30 Jun 2024 Options/rights	31 Dec 2024 \$	30 Jun 2024 \$
Share-based payment reserve	29,828,088	42,265,000	5,003,486	7,939,296
	<u>29,828,088</u>	<u>42,265,000</u>	<u>5,003,486</u>	<u>7,939,296</u>

Movements in share-based payment reserve

Details	Reference	Issue Date	No of options/ rights	\$
Balance		30 Jun 2023	38,465,000	7,335,298
Expiry of options	OCCOPT18	8 Oct 2023	(200,000)	(40,302)
Issue of options	OCCOPT33	7 Nov 2023	1,000,000	169,435
Issue of options	OCCOPT34	20 Nov 2023	2,000,000	398,657
Issue of options	OCCOPT35	18/01/2024	2,000,000	416,580
Expiry of options	OCCOPT20	05/02/2024	(450,000)	(125,643)
Expiry of options	OCCOPT21	04/06/2024	(1,850,000)	(472,962)
Issue of options	OCCOPT36	11/06/2024	100,000	13,043
Issue of options	OCCOPT37	11/06/2024	700,000	92,689
Issue of performance rights	OCCPR1	19/01/2023	1,000,000	365,001
Performance rights exercised	OCCPR1	11/03/2024	(500,000)	(212,500)
			<u>3,800,000</u>	<u>603,998</u>
Balance		30 Jun 2024	42,265,000	7,939,296
Expiry of options	OCCOPT22	16 Sep 2024	(100,000)	(25,290)
Expiry of options	OCCOPT19	14 Oct 2024	(320,000)	(64,960)
Exercise of options	OCCOPT19	15 Oct 2024	(16,410,000)	(3,331,230)
Exercise of options	OCCOPT23	29 Oct 2024	(630,000)	(163,183)
Expiry of options	OCCOPT23	26 Oct 2024	(125,000)	(32,378)
Exercise of options	OCCOPT29	30 Oct 2024	(100,000)	(18,285)
Vesting of performance rights	OCCPR1	31 Dec 2024	-	54,759
Issue of performance rights	OCCPR2	8 Aug 2024	250,000	26,615
Issue of performance rights	OCCPR3	29 Nov 2024	126,580	7,996
Issue of performance rights	OCCPR4	29 Nov 2024	821,508	10,872
Issue of performance rights	OCCRR1	29 Nov 2024	1,200,000	20,250
Cashless exercise of options	OCCOPT29	10 Dec 2024	(150,000)	(27,427)
Cashless exercise of options	OCCOPT33	10 Dec 2024	(500,000)	(84,718)
Issue of options	OCCOPT38	3 Dec 2024	1,500,000	332,706
Issue of options	OCCOPT39	3 Dec 2024	2,000,000	358,463
			<u>(12,436,912)</u>	<u>(2,935,810)</u>
Balance		31 Dec 2024	<u>29,828,088</u>	<u>5,003,486</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 7. Share-based payment reserve (continued)

For the options issued during the half year, and previous financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

Reference	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free rate	Fair value at grant date
Options:								
OCCOPT18	08/10/20	08/10/23	\$0.410	\$0.400	75%	0%	0.14%	\$0.2015
OCCOPT19	15/10/20	14/10/24	\$0.405	\$0.583	80%	0%	0.42%	\$0.2030
OCCOPT21	02/06/21	04/06/24	\$0.530	\$0.536	75%	0%	0.09%	\$0.2557
OCCOPT22	16/09/21	16/09/24	\$0.560	\$0.570	70%	0%	0.08%	\$0.2529
OCCOPT23	26/10/21	26/10/24	\$0.540	\$0.500	70%	0%	0.67%	\$0.2590
OCCOPT24	26/10/21	26/10/25	\$0.485	\$0.480	70%	0%	0.14%	\$0.2522
OCCOPT25	04/04/22	04/04/26	\$0.405	\$0.606	65%	0%	2.49%	\$0.1645
OCCOPT26	12/05/22	12/05/26	\$0.340	\$0.515	65%	0%	2.95%	\$0.1386
OCCOPT27	06/07/22	13/07/25	\$0.370	\$0.403	65%	0%	2.96%	\$0.1587
OCCOPT28	08/03/23	08/03/28	\$0.390	\$0.400	55%	0%	3.46%	\$0.1955
OCCOPT29	04/04/23	19/04/27	\$0.385	\$0.360	55%	0%	3.02%	\$0.1828
OCCOPT30	25/05/23	26/05/26	\$0.345	\$0.600	55%	0%	3.35%	\$0.0802
OCCOPT31	25/05/23	26/05/27	\$0.345	\$0.800	55%	0%	3.38%	\$0.0785
OCCOPT32	25/05/23	26/05/28	\$0.345	\$0.400	55%	0%	3.38%	\$0.1614
OCCOPT33	31/10/23	07/11/27	\$0.360	\$0.360	55%	0%	4.43%	\$0.1694
OCCOPT34	02/11/23	20/11/28	\$0.385	\$0.400	55%	0%	3.01%	\$0.1993
OCCOPT35	15/01/24	17/11/29	\$0.405	\$0.400	55%	0%	3.66%	\$0.2083
OCCOPT36	11/06/24	11/06/27	\$0.360	\$0.373	50%	0%	3.89%	\$0.1304
OCCOPT37	11/06/24	11/06/27	\$0.360	\$0.367	50%	0%	3.89%	\$0.1324
OCCOPT38	23/10/24	2/12/27	\$0.690	\$0.750	45%	0%	3.88%	\$0.2218
OCCOPT39	23/10/24	2/12/27	\$0.690	\$0.900	45%	0%	3.88%	\$0.1792
Performance rights:								
OCCPR1	19/01/23	19/01/26	\$0.425	nil	50%	0%	2.90%	\$0.4250
OCCPR2	31/05/24	31/05/27	\$0.365	nil	50%	0%	4.31%	\$0.3650
OCCPR3	29/11/24	28/11/27	\$0.810	nil	45%	0%	3.84%	\$0.8100
OCCPR4	29/11/24	28/11/29	\$0.810	nil	45%	0%	3.84%	\$0.4764
OCCRR1	29/11/24	28/11/29	\$0.810	nil	45%	0%	3.84%	\$0.8100

Note 8. Contingent assets

The consolidated entity has no contingent assets for the half-year ended 31 December 2024.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 9. Events after the reporting period

Subsequent to 31 December 2024:

- An R&D Tax Incentive tax rebate of \$3,185,026 was received;
- 160,000 shares valued at \$220,000 were issued pursuant to the Employee Awards Plan;
- 84,603 shares were issued to employees on exercise of 150,000 options;
- 3,000,000 options with an exercise price of \$0.67 and expiry date 31 October 2027 valued at \$570,777 were issued to consultants. These options vest in 3 equal tranches at 30 June 2025, 30 June 2026 and 30 June 2027;
- 373,363 shares were issued on the cashless exercise of 500,000 options with an exercise price of \$0.36;
- 400,000 shares were issued on the exercise of 400,000 options with an exercise price of \$0.403 for \$161,200 cash;
- 500,000 ordinary shares were issued on the exercise of 500,000 options with an exercise price of \$0.60 for \$300,000 cash, and;
- The vesting conditions for 625,000 performance rights were met.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 10. Commitments and contingences

There has been no change in contingent liabilities or commitments since the last annual reporting date.

DIRECTORS' DECLARATION

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Paul Anderson

Director

24 February 2025

Perth

INDEPENDENT AUDITOR'S REVIEW REPORT



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ORTHOCELL LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Orthocell Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material accounting policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2024, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Orthocell Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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INDEPENDENT AUDITOR'S REVIEW REPORT



Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

PKF Perth

PKF PERTH

Simon Fermanis

SIMON FERMANIS

PARTNER

24 FEBRUARY 2025

PERTH, WESTERN AUSTRALIA

