

ASX Announcement

For immediate release

29 August 2025

RESULTS ANNOUNCEMENT FOR THE FULL YEAR ENDED 30 JUNE 2025

Perth, Australia – Orthocell (ASX:OCC, “Orthocell” or the “Company”)

As approved by the Board of Orthocell Ltd, and in accordance with ASX Listing Rule 4.3A, please find attached the following for immediate release to the market:

- Appendix 4E; and
- the Annual Report which contains the Operating and Financial Review followed by the Statutory Financial Report for the year ended 30 June 2025.

Release authorised by:

Paul Anderson
Orthocell Ltd CEO and MD

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About Orthocell Limited

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WA 6150 Australia



Appendix 4E

Preliminary final report

Name of entity

ORTHOCELL LIMITED

ABN or equivalent company
reference

57 118 897 135

Financial year ended ('current period')

30 June 2025

For announcement to the market

| | Current year reported amount \$ | Change up/(down) from previous year % |
|---|---------------------------------------|--|
| Revenues from product sales | 5,246,681 | up 74.2% |
| Other revenues from continuing operations | 3,980,282 | up 6.1% |
| Total revenues from continuing operations | 9,226,963 | up 36.4% |
| Loss from ordinary activities after tax attributable to members | 8,566,640 | up 19.3% |
| Net loss for the period attributable to members | 8,566,640 | up 19.3% |
| Dividends (distributions) | Amount per security | Franked amount per security |
| Interim dividend | Nil | - ¢ |
| Final dividend | Nil | - ¢ |
| Previous corresponding period | Nil | - ¢ |
| [†] Record date for determining entitlements to the dividend, (in the case of a trust, distribution) | N/A | |
| Net Tangible Assets per share | 30 June 2025 | 30 June 2024 |
| Net tangible asset backing per ordinary security (cents per share) | 5.55 | 1.77 |

The above results should be read in conjunction with the notes and commentary contained in this report.

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Compliance statement

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.
- 2 This report, and the +accounts upon which the report is based (if separate), use the same accounting policies.
- 3 This report does give a true and fair view of the matters disclosed.
- 4 This report is based on +accounts to which one of the following applies.
(Tick one)
- | | | | |
|-------------------------------------|---|--------------------------|---|
| <input checked="" type="checkbox"/> | The +accounts have been audited. | <input type="checkbox"/> | The +accounts have been subject to review. |
| <input type="checkbox"/> | The +accounts are in the process of being audited or subject to review. | <input type="checkbox"/> | The +accounts have <i>not</i> yet been audited or reviewed. |

Sign here:



Paul Anderson
(Managing Director)
Authorised for release by the Orthocell board of directors

Date: 29 August 2025

Print name: Paul Anderson

ortho·cell

Annual Report

2025

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Company Overview

Orthocell (ASX:OCC) is a regenerative medicine company dedicated to the development of breakthrough products for the treatment of musculoskeletal disorders – restoring mobility, function and performance.

About Orthocell

Orthocell develops, manufactures and exports novel regenerative medicine products currently approved for use in nine international markets.

Trusted by leading surgeons and centres of excellence, our technologies are designed to improve the standard of care for patients with debilitating musculoskeletal injuries. To date, more than 70,000 patients have been treated with Orthocell devices, with no adverse events reported.

Our products are carefully engineered to simplify complex surgical procedures, save operative time and deliver consistent, predictable outcomes. Built on deep expertise in tissue engineering and the interaction between cells and scaffolds, Orthocell technologies enhance the body's natural ability to heal and regenerate nerve, tendon, cartilage and bone tissue.

“

At our core, Orthocell's purpose is to **improve the lives of individuals suffering from debilitating physical conditions** by providing effective regenerative treatments that promote true healing and restore function – and we are seeing remarkable results.

Paul Anderson

Orthocell CEO and MD



Company Overview



Best in class products approved in nine jurisdictions

Orthocell's regenerative medicine portfolio is internationally recognised, with products approved across multiple jurisdictions. Striate+™ for bone regeneration is approved in nine major markets, including the USA, EU, UK, Australia, New Zealand, Canada, Singapore, Hong Kong and Brazil. Remplir™, our nerve repair device, is approved in seven markets spanning Australia, New Zealand, Singapore, USA, Canada, Thailand and Hong Kong.



Strong balance sheet, no debt, no royalties

Orthocell remains well capitalised to continue the global commercialisation roll out of Remplir and Striate+ with cash reserves of A\$28.6m, up 38.8% from the previous year's balance of \$20.6m. The Company has no debt, no royalties payable on product sales and no material capital expenditure required to support the initial US roll out of Remplir.



Remplir gains US market clearance-rollout plan on track to deliver sales growth

In April 2025, Orthocell received US FDA 510(k) clearance for Remplir, its flagship nerve repair device, and quickly commenced sales into the US\$1.6 billion U.S. nerve repair market. In anticipation of approval, Orthocell invested in surgeon engagement, distributor networks, and operational readiness. As a result, Orthocell now has 14 specialist distributors with coverage across more than 25 US states, experienced leadership on the ground and logistics in place ready to scale. It is this deliberate groundwork that will allow the Company to convert first cases into sustained adoption and ensure launch momentum translates into ongoing market share.



Growing record revenue

Orthocell achieved a record revenue of \$9.23m for FY25, and \$2.75m for the June quarter, underscoring Orthocell's market penetration and sales growth of its flagship nerve repair product Remplir in Australia. The result, the fifth consecutive quarter of record revenue for the Company, continues Orthocell's quarterly revenue growth trajectory, with a Compound Quarterly Growth Rate ("CQGR") of 9.6% over the last three years. Importantly, this outstanding result does not yet include revenue from Remplir sales in the US, which are expected to gather momentum in the first half of FY26.



US\$4 billion p.a. TAM¹ Large addressable markets

Orthocell is targeting a combined addressable market of more than US\$4 billion annually across bone and nerve repair alone. The nerve repair markets remain significantly underpenetrated, with limited adoption of existing technologies and a clear need for improved clinical outcomes. With best-in-class products already approved in major global jurisdictions, Orthocell is well positioned to capture share and drive growth in these large, expanding markets.



Manufactured in Australia

Orthocell has established and scaled a quality-controlled facility at its headquarters in Perth, Western Australia, which is equipped to manufacture and export its products under strict quality standards in major jurisdictions around the world. The facility is certified (ISO 13485) for the manufacture of medical devices and licensed by the Therapeutic Goods Administration (TGA) for the manufacture of therapeutic goods (human tissue/cell therapies).

¹ Addressable markets include AUS, USA, EU/UK, SGP, CAN, BRZ, JAP & THA. Referenced papers were used to estimate procedures per annum. Papers used included both US and OUS databases and studies.

Board of Directors



Mr John Van Der Wielen
Independent Non-Executive Chair



Mr Paul Anderson
Managing Director and
Chief Executive Officer



Dr Ravi I. Thadhani
Independent Non-Executive Director



Mr Kim Beazley
Independent Non-Executive Director
(Resigned 24 July 2025)



Professor Fiona Wood AM
Independent Non-Executive Director

Executive Management

Mr Paul Anderson
Chief Executive Officer and Managing Director

Mr Alex McHenry
Chief Operating Officer

Professor Ming Hao Zheng
Chief Scientific Officer

Mr Tony Macintyre
Chief Technical Operations Officer

Mr Jim Piper
Chief Financial Officer

Mr Adam Wood
Chief Commercial Officer

US Leadership Team

John Walker
Vice President - Sales

Kevin Leach
Head of Marketing

Phillip Edmondson
Vice President - Medical Affairs

Product Portfolio

Remplir™ Nerve Wrap

Remplir™ is a collagen-based nerve wrap designed to support nerve repair surgery by providing a compression-free environment that promotes optimal healing and predictable outcomes in peripheral nerve repair.

Key benefits include

- Exceptional handling characteristics
- Mimics epineurium (nerve outer layer)
- Reduces need for multiple sutures
- Returns nerve to pre-injured state

Remplir is a highly versatile product that delivers a single solution for either connecting severed nerves, protecting damaged nerves or capping amputated nerves.

Remplir is cleared for use in the US, Australia, Canada, Hong Kong, New Zealand, Singapore and Thailand. It is distributed exclusively, in Australia, by Device Technologies Group.

Remplir™

Striate+™ Dental Membrane

Striate+™ is a pure, acellular resorbable collagen membrane used for guided bone and tissue regeneration in dental applications. It is designed to protect the bone defect space from in-growth of gingival tissue and provide a favourable environment for osteogenesis.

Striate+ is produced in Australia by Orthocell using a proprietary SMRT™ manufacturing process which preserves the collagen structure without crosslinking or chemical modification for optimal tissue integration.

Striate+ is cleared for use in the US, Australia, New Zealand, Singapore, UK, Europe, Canada and Brazil and is distributed globally by BioHorizons Implant Systems Inc.

Striate ™

OrthoACI™ Cartilage Cell Therapy

Millions of people worldwide suffer pain and limited mobility as a result of damage to articular cartilage, most commonly in the knee and ankle. Unfortunately, unlike muscle or bone, damaged cartilage has a limited capacity for self-repair.

OrthoACI™, or Autologous Chondrocyte Implantation, offers treatment for symptomatic defects of the articulating cartilage of the joints. OrthoACI uses the patient's own healthy cartilage cells called chondrocytes to assist the regeneration of damaged cartilage. OrthoACI is a highly customised treatment – each procedure is tailored to the individual patients' requirements.

OrthoACI is available for sale in Australia.

OrthoACI™

From the Independent Non-Executive Chair

John Van Der Wielen

Looking back on FY25 I am delighted to say that Orthocell (ASX:OCC) has well and truly delivered for its patients, clinicians and valued investors.

As Chairman, it has been a privilege to guide and celebrate several pivotal milestones with the Orthocell team this year, most notably the United States (US) FDA approval for the Company's leading nerve regeneration device Remplir™ in April 2025 – a US\$1.6 billion market in need of a new generation product. Our share price performed very strongly over FY25 and resulted in the Company achieving a market capitalisation of over 300 million dollars. The management team has established a strong reputation for execution. Our company prides itself on doing what we say we will do in all facets of our operations.

In this climate our business fundamentals stood tall – a quality lead product, approved in the largest healthcare market in the world and widely favoured by key opinion leading (KOL) surgeons in clinical practice. This is supported by established in-market products available for sale in nine global jurisdictions and an innovative pipeline of new products, which diversify and strengthen our value proposition and revenue potential.

Orthocell is now widely regarded as an Australian success story, with all products in its portfolio developed, commercialised, manufactured and exported from its headquarters (HQ) in Perth, WA. We are making jobs and growing a thriving industry on home soil, all while gaining attention and commercial traction in key healthcare markets all around the world.

The value we are building here at Orthocell is real, it is tangible, and underpinned by a sustainable and growing revenue base that will continue to serve us in years to come.

It has been particularly encouraging to see the rate at which Orthocell has attracted regulatory approvals for Remplir, now cleared in strategically important territories of Australia, US, Canada, Thailand, Hong Kong and Singapore. In the US, our focus market for commercial traction and clinical leadership, we have signed a broad distributor network covering more than 20 states – supported by an experienced and connected local US leadership team with enviable credentials in nerve repair.

Orthocell has unique strengths, setting it apart from its peers. The Company has no costly royalty payments, no debt, and captures 100 percent of the manufacturing margin by keeping manufacturing in-house. Revenue is now being received in many different currencies too, which delivers a natural financial hedge.

I am proud to report that Orthocell has matured its governance by attracting an experienced board, with the hallmark of our management approach to remain clear about what our intentions are and to deliver against these goals.

We have exercised financial discipline, whilst executing our international regulatory approvals and revenue growth, which has built trust from investors.

In FY25 Orthocell has over-delivered on its milestones and become well known for transparent reporting. The Company is now entering a solid growth phase, and we expect continued quarterly growth from key markets where Remplir is gaining reach and traction in clinical settings.

This is an exciting time, for a quality Australian company, and I would like to sincerely thank the Orthocell team, my fellow Board members, our valued investors, collaborating clinicians and most notably, our patients, for entrusting us with innovating in healthcare.

John Van Der Wielen
Independent Non-Executive Chair



CEO Letter

From Perth to the world – Orthocell is now well and truly on the map.

FY25 was a defining year for Orthocell, marked by powerful momentum and progress. **The FDA clearance of our flagship nerve device Remplir™ was not only a regulatory achievement - it was proof of execution, at scale.** It validated our science, strengthened our reputation and facilitated entry of Orthocell's second product into the largest healthcare market in the world. Within months of approval, we saw the first Remplir procedures performed in the US, a clear demonstration that our meticulous preparation and planning placed us in a prime position to act swiftly once clearance was achieved.

That preparation is central to our approach. In anticipation of approval, we invested in surgeon engagement, distributor networks, and operational readiness. As a result, we now have coverage across more than 25 US states, experienced leadership on the ground and logistics in place ready to scale. It is this deliberate groundwork that will allow us to convert first cases into sustained adoption and ensure that our launch momentum translates into ongoing market share.

The pace of our global expansion this year has highlighted the urgent need for innovation in regenerative medicine, with clinicians worldwide seeking better solutions for their patients. Beyond the US, Remplir secured approvals in Canada, Hong Kong, Singapore and Thailand, several of which moved quickly from regulatory clearance to first sales. In parallel, the international footprint of Striate+™ has expanded with approvals and launches across Canada, Brazil, Singapore and the DACH region of Europe. Together, these achievements highlight the strength of our portfolio and the scalability of our execution model.

Clinical evidence continues to be a powerful driver of adoption. New comparative data this year highlighted Remplir's advantages over traditional suture-only repair, providing a compelling platform for expansion into competitive markets. With endorsements from leading clinicians and humanitarian use in Ukraine, we are proving not only the strength of our science, but also the breadth of its impact - from world-class hospitals to urgent global health needs.

At home, we have scaled our ISO-certified Perth facility to meet international demand, strengthened our balance sheet, grown our leadership team with targeted US expertise and maintained financial discipline with no debt and no royalty obligations. The impact of these foundations is now visible in our results, **with revenue for FY2025 up 36.4% on the previous financial year, and revenue for the June quarter up 23.7% on the previous record of \$2.22 million achieved in the March quarter, reflecting exceptional growth in existing markets.**

Western Australia is emerging as a centre of excellence in medical technology and Orthocell is proud to be at the forefront of this movement. By proving that high-value, life-changing medical devices can be developed, manufactured and exported from Perth, we are setting a benchmark for other companies in the sector, while strengthening both the local innovation ecosystem and our reputation in international markets.

Looking ahead, FY26 will be about turning momentum into impact and revenue growth. Our priority will be to gain traction in the US nerve repair market, by placing Remplir in the hands of leading surgeons, where they can deliver the greatest impact for patients and drive broader adoption. As we deepen our reach in established markets, while advancing into new ones, we will continue to prove that innovation can thrive in Western Australia and deliver life-changing outcomes worldwide.

I want to acknowledge the patients and clinicians who trust our products, our employees whose expertise drives every achievement and our investors who continue to back our mission. We now remain focused on ensuring that the benefits of our science are felt by patients everywhere.

Paul Anderson
Managing Director and Chief Executive Officer



2025 Financial Year In Review

The Orthocell headquarters is nestled on the fringe of Murdoch University in Perth, WA – and has for many years, stood as a marker of focused research, investment, home-grown manufacturing and medical progress on home soil. During FY25, following a series of defining achievements, Orthocell evolved into a widely celebrated leader in the Australian innovation sector – anchored by a strong suite of products now approved, in market and positively impacting peoples’ lives.



Remplir™

FY25 was a breakthrough year for Remplir, most notably with the granting of FDA clearance to commence sales in the United States, opening access to a US\$1.6 billion market. This achievement was quickly followed by the signing of a broad distributor network covering more than 25 states and the first surgical use in the country, marking the start of a defining growth phase for Orthocell.

Beyond the US, approvals were secured for Remplir in other strategically important territories, including Canada, Thailand, Hong Kong and Singapore, further extending its reach across Asia-Pacific and North America. In Singapore, regulatory approval was quickly followed by distributor appointment and first sales, reflecting strong market readiness and the product’s rapid path from approval to commercial adoption.

The clinical foundation for Remplir was strengthened by the release of new data during the year. Results from a pivotal study demonstrated excellent patient outcomes and confirmed the product’s safety and efficacy profile. Additional competitive data highlighted Remplir’s unique performance advantages over existing solutions, further validating its value proposition in peripheral nerve repair and reinforcing Remplir’s position as a market-leading solution for nerve repair.



Striate+™

Striate+ achieved significant global expansion this year, entering multiple high-value markets and establishing a truly international footprint. Regulatory approval in Canada provided an important gateway into North America’s advanced dental sector, and the product quickly progressed to commercial sales, demonstrating strong demand from clinicians. In Europe, Striate+ gained traction in the well-established dental markets of Germany, Austria and Switzerland, supported by existing reimbursement frameworks and an appetite for innovative regenerative products.

The Company also made strategic inroads into Asia, with regulatory approval in Singapore providing a launch point into the broader Southeast Asian market, where dental care demand is rising in line with economic growth. In Latin America, Brazil’s approval unlocked a US\$65 million opportunity in one of the world’s largest private dental markets. Together, these wins not only diversify Striate+’s revenue base across four continents but also lay the groundwork for sustainable growth.

2025 Financial Year In Review

Strengthened Leadership

Orthocell made a number of strategic executive appointments during the year, in preparation for the launch of Remplir into the US. These appointments brought deep expertise in medical technology commercialisation, with highly targeted expertise in navigating the US healthcare market, establishing high-performing distributor networks and driving adoption in competitive surgical specialties.

The expanded leadership team has played a pivotal role in shaping market entry strategies, building partnerships with key opinion leaders and ensuring that Orthocell is positioned to capitalise on the significant opportunities created by recent regulatory approvals.

Revenue Growth

Orthocell delivered a year of exceptional revenue performance, achieving five consecutive quarters of record sales. This momentum was driven by strong uptake of both Striate+ and Remplir in newly launched and existing markets, as well as the Company's ability to move quickly from regulatory approval to commercial sales.

Annual revenue exceeded \$9 million for the first time, marking a significant milestone in Orthocell's commercial trajectory. The consistent quarter-on-quarter growth reflects the success of the Company's market expansion strategy, the strength of its distribution networks, and the increasing recognition of its products' clinical value.

With multiple new markets opened during the year and sales commencing in the US, Canada, and Singapore, Orthocell is well-positioned to build on this revenue base in the year ahead.

Capital Raise

During the year, Orthocell completed a \$17 million placement to accelerate its global growth strategy. The capital raised is being directed towards the commercial launch of Remplir in the United States, expansion of sales in newly approved markets and the continued build-out of distributor networks.

This also provides the Company with the financial flexibility to progress regulatory submissions in additional territories, strengthen inventory to support demand and invest in marketing and education initiatives aimed at accelerating adoption.

ASX Releases

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2024

Record Quarterly and Yearly Revenue Show Outstanding Growth

Regulatory Approval to Commence Sales for Striate in Canada

Global Market Expansion Accelerates - New Regions Pending

Striate Expansion Continues with Singapore Application

First sales of Striate in Major New Market of Canada

JUL

AUG

SEP

DEC

NOV

OCT

US FDA Application Submitted for Remplir as US Launch Nears

Major Milestone with First Sales of Remplir in Singapore

Outstanding Remplir Study Results Pave Way for FDA Clearance

Key Executives Appointed to Drive Remplir US Sales

Distributor Signed, Remplir Sales in Singapore to Commence

Second Consecutive Record Quarter as Revenue Exceeds \$2m

Regulatory Approval to Commence Remplir sales in Singapore

\$17m Placement to Drive Further Growth as US Approval Nears

Orthocell Completes \$17m Placement

ASX Releases

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2025

Strong Sales Drives Acceleration of Remplir Global Expansion

Orthocell Receives \$3.18 million R&D Tax Refund

Third Consecutive Quarter of Record Revenue for Orthocell

JAN

Remplir FDA Application submitted for US\$84M Thai Market

FEB

First Sales of Striate in Germany, Austria and Swiss Region

Regulatory approval to commence Striate sales in Singapore

MAR

Compelling Data Highlights Remplir Competitive Advantage

First Surgical Use of Remplir in US\$1.6 Billion US Market

JUN

Remplir Approved to Commence Sales in the Hong Kong Market

12 Distributors Signed for Remplir Covering 21 States in US

MAY

Remplir Cleared to Commence Sales in US\$1.6B US Market

Regulatory Approval for Striate in US\$65M Brazilian Market

APR

Remplir Regulatory Application Submitted for Hong Kong

First US Distributors Signed for Remplirs US\$1.6B market

Remplir Approved to Commence Sales in US\$84M Thai Market

Remplir Approved to Commence Sales in US\$75m Canadian Market

Making Headlines

In FY25, Orthocell achieved outstanding media visibility, sharing our story and innovations with national, international, and industry-specific audiences. Coverage spanned major television networks, national newspapers, specialist trade publications, and our own digital marketing channels too – amplifying the human impact and commercial progress of our regenerative medicine technologies and reinforcing our specialisation in nerve and bone repair.

National Television Features

Following FDA clearance of Remplir™, our flagship nerve repair device, Orthocell was featured nationally on Channel 7 News and Nine News prime time bulletins. These segments showcased the real-world impact of our technology through powerful patient stories, including Jasmine McGough and Liam Shepherd, whose recoveries demonstrate the life-changing outcomes possible with Remplir. Nine News also provided a rare behind-the-scenes look at our advanced manufacturing facility, where this Australian innovation is produced to meet growing global demand.

Orthocell's voice was also sought on broader industry developments. Chief Operating Officer Alex McHenry appeared on Nine News to comment on the WA Government's plans for a biomedical precinct in Perth, highlighting how strategic investment strengthens local innovation and manufacturing capability.

Prominent Newspaper Coverage

Orthocell's achievements in FY25 attracted strong attention from national and business media, with our milestones regularly featured in the country's most respected publications. The West Australian headlined its business section with news of our agreement to secure 12 US distributors across 21 states for Remplir™, underscoring the momentum behind our entry into the world's largest healthcare market. The Australian Financial Review profiled Orthocell's growing prominence in the medtech sector, with Health Editor Michael Smith highlighting the surge of interest from high-profile investors. In the feature, Independent Non-Executive Chair, John Van Der Wielen spoke to the significant healthcare potential of our nerve repair technology and the Company's readiness for expansion into the US.

Owned Media and Industry Outreach

We continued to grow our owned media presence with initiatives such as the Meet the Board video series, sharing the vision and expertise behind Orthocell's success. Extensive coverage in industry outlets, including Stockhead, ausbiz, and the Ausbiotechnology Journal, further reinforced our position as a leader in regenerative medicine and the Australian innovation scene at large.

Remplir FDA Approval

Approval Granted: Bringing Remplir™ to the US Market

In April 2025, Orthocell secured US FDA 510(k) clearance for Remplir™, its flagship nerve repair device. This was a defining moment for the Company, unlocking access to the US\$1.6 billion market and positioning Orthocell for accelerated global growth. The approval marked the culmination of years of planning and preparation, enabling Orthocell to move immediately into one of the most competitive and influential arenas in global healthcare.

For CEO and MD Paul Anderson, the moment was as much about the journey as it was about the milestone.

“FDA clearance for Remplir is a landmark achievement for Orthocell. It validates the quality of our science and the dedication of our team - and it’s the beginning of delivering life-changing outcomes to patients around the world,” he said.

A structured path to market

For Orthocell, regulatory approval is just the beginning of the journey – the Company has spent years planning for a fast, well-prepared commercial roll out for Remplir, ensuring it could act immediately once approval was granted.

Preparations began long before the FDA submission. In December 2024, Orthocell completed a pivotal US regulatory study that met all endpoints, confirming Remplir’s safety and effectiveness. In parallel, a detailed launch strategy was taking shape. The Company recruited experienced US-based sales, marketing and medical affairs executives, secured warehousing and logistics partners and put in place a sales and distribution model designed for both speed and reach.

“We wanted to be in a position where, the day the FDA said ‘yes’, we could put Remplir into the hands of US surgeons without delay,” said Orthocell CEO and MD, Paul Anderson.

Orthocell used their launches in other regions to build product credibility and gather valuable insights from the surgical community. Launching Remplir in Australia and Singapore enabled the Company to test and refine the elements critical to successful adoption, including early surgeon engagement, close distributor relationships and targeted clinical onboarding.

Those lessons now form the backbone of Orthocell’s US commercialisation strategy.

Partnering with early adopters

Surgeon engagement has been central to Orthocell’s strategy since the earliest stages of product development. From the outset, the Company recognised that no matter how strong the clinical evidence or regulatory standing, adoption would ultimately be driven by the confidence and advocacy of surgeons who use the product in their operating theatres.

To that end, Orthocell has invested critical resources in building relationships with key opinion leaders (KOLs) in peripheral nerve repair. Well before US FDA clearance, US surgeons were invited to observe and participate in Australian training programs, gaining first-hand experience with Remplir in clinical settings. This approach created a cross-border network of expertise and trust, with surgeons able to exchange insights on technique, patient outcomes, and integration into surgical workflows.

The strategy also allowed Orthocell to gather real-world feedback that informed both training materials and product positioning for the US market. By the time regulatory approval was granted, the Company had a network of respected surgeons who were already familiar with Remplir’s use and benefits, significantly reducing the learning curve for early adopters. This foundation has been critical in ensuring the US rollout could progress quickly from introduction to integration in everyday surgical practice.

Remplir FDA Approval

Actioning the US rollout

With FDA clearance secured, Orthocell shifted focus to the practical steps that would bring Remplir into US operating theatres. The first priority was appointing a network of specialist distributors with coverage across 25 states. These partners were chosen for their strong connections to surgeons and hospitals performing peripheral nerve repair.

“We’ve been very deliberate in selecting distribution partners. In a market as large and diverse as the US, having people on the ground who already know the key hospitals and surgical teams is invaluable,” explains Paul.

At the same time, the Company ramped up production at its purpose-built Western Australian manufacturing facility to meet anticipated demand. This facility, already supplying Remplir to markets including Australia and Singapore, was able to increase output rapidly, ensuring a consistent supply for both new and existing customers. Shipments to US logistics partner Uniphar were scheduled in advance, enabling immediate distribution once orders were placed.

“We wanted to be in a position where demand in the US could be met without hesitation. That meant scaling our manufacturing early and making sure every unit met the highest quality standards before it left our facility.”

New Data Strengthens Remplir™’s Competitive Edge

A new study directly comparing Remplir™ to the current standard of care in peripheral nerve repair has confirmed that Remplir delivers earlier restoration of nerve function and superior regeneration of high-quality nerve tissue compared to the traditional suture-only repair technique.

The “*Suturing Study*,” conducted in collaboration with Chief Scientific Officer Professor Minghao Zheng and the University of Western Australia was commissioned to strengthen the clinical foundation for the US rollout of Remplir.

For more than 50 years, suturing has been the global standard for reconnecting severed peripheral nerves. While effective in stabilising nerve ends, sutures can trigger an inflammatory reaction that leads to scar tissue, restricting the nerve’s ability to glide and compromising regeneration. These adverse reactions are a significant factor in the inconsistent outcomes seen in many of the estimated 700,000 nerve repair procedures performed annually in the US.

The study evaluated outcomes from varying numbers of sutures compared with a single-suture repair augmented by Remplir. The results showed that the Remplir group achieved faster functional recovery, better cellular and fascicular alignment, earlier re-establishment of protective tissue around the nerve, and no evidence of foreign body reaction.

According to Professor Zheng, the use of Remplir resulted in better nerve regeneration, as it did not induce inflammation or scarring.

“This outstanding local tissue response, combined with its optimal handling qualities, are key advantages of Remplir in nerve repair surgery. Use of Remplir will help surgeons simplify the repair process, facilitate high-quality nerve regeneration, and ultimately provide consistent and predictable outcomes to patients.” – Professor Minghao Zheng

Orthocell CEO and MD Paul Anderson believes the results will be a cornerstone in the Company’s US medical education efforts.

“These results validate the superior Remplir clinical outcomes previously published in a highly regarded, peer-reviewed journal. They provide key data to support the US product sales roll out and rapid market adoption. We believe Remplir will redefine the nerve repair market and vastly improve the success of often complex nerve repair surgery,” explains Paul.

The data will be formally presented at an upcoming key medical conference and incorporated into surgeon education programs in the US and other key markets.

Remplir FDA Approval

Scaling, at pace

As the rollout continues, Orthocell is already seeing the first signs of progress in the US. Early procedures have been completed, generating valuable clinical experience and feedback from surgeons.

“We’ve seen the strategic importance of these early procedures in our successful market launches of Remplir in Australia and Singapore. They give surgeons the familiarity and confidence they need - and they give us the insights to make each new launch more effective,” Paul explains.

Additional shipments are in place to meet demand as more hospitals come on board, and the Company’s US-based team is actively supporting surgeons through training, case preparation and follow-up.

Paul believes these early milestones mark the beginning of a sustained growth phase.

“

Every case builds knowledge, trust and advocacy for Remplir. We’ve designed our approach so that each success creates a pathway to the next - ultimately giving more patients access to a technology **that can make a real difference in their recovery.**

Paul Anderson

Orthocell CEO and MD



With the US market now open, and a proven framework guiding its commercialisation, Orthocell is positioned to expand its footprint while maintaining the disciplined execution that has defined its growth to date. The Company’s experience in other regions, its strong surgeon relationships and its operational readiness all point toward a carefully managed, but steadily accelerating, presence in the world’s largest healthcare market.

US Rollout To Date



First US Remplir Surgical Use Achieved

First use into US\$1.6 billion total addressable market achieved within 3 months of achieving US FDA 510(k) clearance. Ten surgeries have now taken place in the US.



US Remplir Commercialisation on Target

Key workstreams required for US roll out all progressing on track with a view to sales ramp up over 1H FY26.



14 Nerve Repair Specialist Distributors in Place

Initial focus on east coast market for coverage from distributor network. Relationships with surgeons and hospitals over 25 states. 36 applications lodged to hospital Value Assessment Committees (VACs) with 3 approvals already received.



Internal Sales, Marketing and Med Ed Team Closely Engaged with Distributors

Individual business plans underway with each distributor targeting specific surgeons/hospitals. Sales force training program in progress. Two additional hires to support US roll out, including a regional sales director.



Logistics Provider in Place, 2,000 units shipped to US from Australia

Ready to fill sales orders with inventory warehoused at Uniphar's GMP certified 65,000 square foot facility in the US with central coordination of warehousing, order processing, shipping, and customer service validated.



Broader Remplir Market Development Activities Continuing

US KOL Dr/Captain Ian Valerio visit to Australia for educational and promotional tour. Humanitarian donation to volunteer trauma surgeons performing procedures on Ukrainian war victims.

Remplir

International Perspectives

Trauma Expert Brings Global Perspective on Remplir™

An internationally recognised authority in trauma microsurgery, Dr Ian Valerio has spent his career repairing the most complex nerve injuries, from battlefield trauma to devastating civilian accidents. His experience treating injured service members, amputees and patients with severe peripheral nerve damage gives him a unique lens on the potential of Remplir to transform recovery and restore function on a global scale.

In May, Orthocell welcomed leading US reconstructive microsurgeon, Harvard faculty member and US Navy Captain, Dr Ian Valerio to Australia as keynote speaker at the 2025 Nerve Repair and Reconstruction Symposium. Renowned for his expertise in trauma microsurgery and peripheral nerve repair, Dr Valerio has built an international reputation for restoring function and quality of life following devastating injuries.

At Massachusetts General Hospital, Dr Valerio leads programs within the Interdisciplinary Care for Amputees Network (ICAN), pioneering targeted muscle reinnervation (TMR) to reduce phantom and residual limb pain, prevent neuroma formation, and improve prosthetic control - techniques now recognised as a benchmark in advanced reconstructive care. During his military service at Walter Reed National Military Medical Center, he directed complex limb salvage and reconstruction programs for injured service members. His widely published research spans nerve regeneration, microsurgical reconstruction, and strategies for restoring function after major trauma.

During his visit to Australia, Dr Valerio engaged with local surgeons, researchers and rehabilitation specialists, sharing the latest surgical approaches and exploring the role of Remplir in advancing nerve repair. In an interview with *Stockhead*, he described the recent US FDA clearance of Remplir as a “key turning point” for the technology - opening the door to the world’s largest nerve repair market.



Remplir has demonstrated **real results in the hands of Australian surgeons**. Now, with FDA clearance, we can bring that proven success to more patients in more markets — and help **set a new standard in regenerative nerve repair**.

Dr Ian Valerio

Reconstructive microsurgeon,
Harvard faculty member and US Navy Captain.

He emphasised that Remplir’s strong Australian clinical data, including high rates of functional recovery and a favourable safety profile, provides the evidence base and surgeon confidence needed for rapid adoption in the US and beyond.

Patient Impact Stories

Celebrating Patient Impact

In October 2024 Orthocell debuted two stories as part of a VIP event in Perth.

Remplir patients **Jasmine McGough and Liam Shepherd** joined their surgeon Dr Alex O’Beirne on a discussion panel, to explain the measured human impact of their nerve transfer and repair procedures utilising Remplir.

Their personal stories were captured on film and shared for the first time that night – the room went completely silent, as the realities of their spinal cord injuries were explained in detail, alongside their renewed hope for ongoing recovery.

This was a moving milestone for the Orthocell team and its long-term supporters, underpinned by an enormous sense of gratitude for Jas, Liam and their loved ones for so bravely discussing their experiences.



Movement, a measure of hope

In a single moment, on 5 July 2022, time stopped for Jasmine (Jas) McGough.

The vibrant 14-year-old from Perth was doing what she loved most, riding her mountain bike on a trail with her family in Margaret River, when she hit a log and fell in a particularly harsh position on her back. She fractured her C5 vertebrae and acquired a severe spinal cord injury.

She was airlifted from the site to Royal Perth Hospital and there, she received life-saving surgery and was admitted to the intensive care unit.

Before her accident, Jas was an accomplished athlete, enjoying a range of sports - surf club, netball, swimming and of course, cycling. Jas had embraced cycling after being picked up through the Western Australian Institute of Sport (WAIS) talent identification program in September 2021. She even dared to dream of competing in the Brisbane Olympics Games in Brisbane in 2032.

“Most of our family holidays were based around cycling, with Jas and Charlie embracing camping trips to try out new mountain bike trails,” recalled Jas’ mum, Sophie. “In more recent years, we also participated in competitive cycling events. Living so close to the ocean and having a backyard pool, made surfing and swimming a big part of our lives too.”

Six weeks after her accident she became stable enough to breathe on her own and was transferred to Perth Children’s Hospital to continue her recovery. She stayed there for five months, undertaking a steady recovery program, before eventually returning home.

Patient Impact Stories

"We really didn't know what movement and function I would regain. At that stage, I couldn't fully move my arms or fingers, I couldn't even pick up my drink bottle or give my family a hug. I was completely dependent on my parents and carers," said Jas.

It was a conversation that Sophie had with her hairdresser during that time, that suddenly offered a glimmer of hope.

"She told me about nerve transfer surgery - and frankly, I had never heard of it," recalled Sophie.

"I started to investigate and soon learnt that it was going to take some independence away from Jas, for a while. But our thoughts were that you have to go a few steps back to go forward with this kind of surgery."

Five months after her accident, Jas underwent a nerve transfer procedure with accomplished orthopedic surgeon, Dr Alex O'Beirne, at Perth Children's Hospital in Perth. As part of an ongoing clinical trial, he utilised Orthocell's Remplir™ collagen nerve wrap.

A year on from the procedure, Jas has already reclaimed significant movement and function.



“

I can feel things with my hands now that I couldn't before. I have a dog, Jarrah, and I can feel him again too.
That little sensation is really amazing.

Jas can now text her friends back on her mobile phone, a right of passage for teenagers today. She can even straighten her elbows and is starting to be in position to hold weight too.

"At physio the other day I was doing an exercise on a plinth where I was holding myself up. I was in a sitting position, balancing myself with my hands and my arms. To be able to extend my elbows out, take pressure off and then rock myself from side to side, that's a sign I am regaining my ability to self-transfer. Into a wheelchair, from the bed. It's independence," said Jas.

This new progress, **is hope.**

*"Being able to move these parts of my body that I otherwise wouldn't have - there really is no word or way to describe it. Even the tiny things like brushing my hair, it all matters.
We're on track, we're making progress."*

Patient Impact Stories

Reclaiming Independence

There are very few experiences that render entire friendship circles speechless. This is one.

At the bright age of 17, Liam Shepherd jumped into a car with four of his mates in Collie, about two hours south-east of Perth in Western Australia. They were a tight friendship group, navigating their final year of high school and busy making memories.

“It was 11 o’clock in the morning, we were just out having a fish, having a barbecue. And then, yeah, unfortunately the driver lost control and we hit a tree. There were five of us in the car and I was the only one injured,” reflects Liam.

As he emerged from a momentary concussion, he recognised something was drastically wrong with his body and told his friends to leave him, still.

“We stayed put and waited for the ambulance to come.

Then a chopper arrived, and an emergency paramedic was winched down to me. Mum and Dad made it to the crash site and from there I was transferred to the airport where the RAC helicopter was waiting to take us to the Emergency Department at Royal Perth Hospital.”



There, Liam was assessed as having sustained a C6 spinal cord injury - in his words that part of his neck was **“completely flat and shattered, like a pancake”**. And with that, in the prime of his life, Liam was forced to accept permanent disability and a long journey of focused recovery and rehabilitation.

Through his network of treating doctors and occupational therapists, Liam was offered the chance to participate in the Remplir™ clinical trial - and to undergo nerve transfer therapy under the guidance of experienced orthopaedic surgeon and nerve repair specialist, Dr Alex O’Beirne. He had two transfers on his arm, and one on the right.

“We sat down with the doctor and he explained what was involved and all the benefits that we could get out of this therapy. I wasn’t really hesitant - I was like, it’s definitely got to happen because I want my fingers back.”

Patient Impact Stories



"I think the intensive recovery was about six weeks and then results came probably two or three months after that. And I started seeing some major results. Even to this day I'm seeing changes, and it's been two, three years since the procedure now," said Liam.

The physical changes in Liam's body have been powerful. Originally diagnosed as a quadriplegic, he has now completely reclassified how he describes his physical state.

"I always refer to myself as basically a paraplegic. That's how much function I've got back. Almost everything that a general person can do, I can do. The only thing that limits me is the weight of things, but I can carry around three or four kilos in one hand by itself without issues now," he said.

Liam is now embracing things he thought previously off limits, like regaining the ability to drive a regular car - pushing and pulling the hand controls, and pressing buttons.

For Liam though, the biggest achievement is his recent decision to embrace independent living. He's now working full time as a Support to Plan Management and is excelling in his role, with a bright future ahead. Liam is also volunteering as a member of Heart Hub Southwest, a not-for-profit organisation helping individuals navigating Road Trauma.



“

The plan this year is to move down to Bunbury, which is about 40 minutes away from home, to continue building my career down there. There will be ramps and stuff installed at home, but the rest of it, just a normal house.

I will be living independently.

For personal use only

Consolidated Financial Statements

For the year Ended 30 June 2025

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 (resigned 24 July 2025)

Company Secretary

Mr Peter Gordon Webse

Registered Office & Principal Place of Business

Building 191, Murdoch University, 90 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

DIRECTORS' REPORT

The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Orthocell Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

1. Directors

The following persons were directors of Orthocell Limited during the financial 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**
- **Ms Fiona Wood, Independent Non-Executive Director**
- **Mr Kim Beazley, Independent Non-Executive Director (resigned 24 July 2025)**

Independent Non-Executive Chair

Mr John Van Der Wielen has over 30 years' in wealth management, private banking, investments, and insurance, which includes executive positions in global financial services groups. These positions allowed Mr Van Der Wielen to work in London, Luxembourg, Malaysia, Sydney and Perth, for major brands such as Crown Resorts, Blackstone, HBF Health Ltd, Lloyds Banking Group, Lombard Assurance and ANZ Bank. Mr Van Der Wielen currently holds the role of Chair, Crown Perth and is a Non-Executive Director on the Blackstone owned Crown Resorts Australia Ltd. Prior to this Mr Van Der Wielen was the CEO of HBF Health Ltd for over five years. HBF has revenue of 2 billion dollars and in a recent independent consumer survey was named Australia's most trusted brand in private health insurance.

Mr Van Der Wielen also serves on the Board of the Royal Flying Doctor Service WA, was appointed by the Western Australian Government to be the inaugural Chair of the Government's Future Health Research and Innovation Fund (FHRI) and Senior Advisor Australia, for Appian Capital Advisory UK.

Mr Van Der Wielen holds an MBA from the University of Western Australia, has studied at London Business School and Oxford University, and is a Fellow of the Australian Institute of Company Directors.

Current / Previous directorships (last 3 years)
Nil

Managing Director

Mr Paul Anderson has over 20 years' experience in the medical device and regenerative medicine fields with expertise in bridging the gap between research and clinical practice in the development of emerging medical technologies. He also has extensive expertise in the establishment of GMP manufacturing facilities and scale-up activities for cell therapies and biological medical devices, and the associated regulatory filings.

Mr Anderson has a proven track record with over 17 years' experience in CEO and board roles. His intimate knowledge of the regenerative medicine fields compliments his insight and know-how in taking biological therapies from research to clinical applications and market introduction.

Current / Previous directorships (last 3 years)
Nil

Non-Executive Directors

Dr Ravi Thadhani is an Independent Non-Executive director of Orthocell who has co-authored more than 300 scientific publications, including articles in medical journals. Dr Thadhani has more than 30 years as a general and specialised physician, researcher, medical administrator and commercialisation adviser and has extensive experience in patient care, advancing novel research programs, US regulatory pathways and commercialisation of devices and therapeutics. Dr Thadhani has served on multiple US FDA advisory committees in the musculoskeletal, cardiovascular and renal sectors and has acted as expert advisor to multiple global pharmaceutical companies including Sandoz, Shore, Novartis, Celgene, Bayer and Reata on clinical trial design, execution and data monitoring. He has also secured significant research funding from global US healthcare

DIRECTORS' REPORT

companies including Amgen, Abbott, Serono, Kaneka and Genzyme.

Current / previous directorships (last 3 years)

Nil

Professor Fiona Wood has over 30 years' experience as a plastic and reconstructive surgeon. Professor Wood was named Western Australian Citizen of the Year in 2003 and 2004, Australian of the Year in 2005 and Member of the Order of Australia (AM) in 2003 for her contribution to Medicine in the field of burns. Her revolutionary "spray-on skin" treatment of serious burns, invented with colleague Marie Stoner, uses a patient's own skin cells to help restore damaged skin and significantly reduce permanent scarring. This treatment was instrumental in saving many lives in the aftermath of the Bali bombing in 2002.

Professor Wood played a pivotal role in bringing this life-saving Western Australian invention to the world through the establishment of Avita Medical Inc (NASDAQ: RCEL, ASX: AVH), which has expanded RECELL's approval for clinical use to over 30 countries including the US.

Professor Wood is currently a Consultant Plastic Surgeon at Fiona Stanley Hospital and Perth Children's Hospital, and the Winthrop Professor of Surgery at the University of Western Australia. Professor Wood is co-founder of the Wood Foundation, which continues her research into the treatment of burns and is a Board member of the Royal Flying Doctor Service, amongst others.

Current / Previous directorships (last 3 years)

Nil

Mr Kim Beazley is an Independent Non-Executive director of Orthocell. The Honourable Kim Beazley AC was the 33rd Governor of Western Australia (2018-2022). Prior to this, Mr Beazley dedicated almost three decades to a career in Federal Parliament, representing the WA seats of Brand and Swan.

A notable former Australian politician and diplomat, Kim Beazley held key ministerial roles including Defence and Finance, and served as Deputy Prime Minister and Leader of the Opposition. His extensive parliamentary experience included committees on Intelligence, Foreign Affairs, Defence, and Trade.

In 2009, Mr Beazley was awarded the Companion of the Order of Australia for service to the Parliament of Australia through contributions to the development of government policies in relation to defence and international relations, and as an advocate for Indigenous people, and to the community.

Serving as the Australian Ambassador to the United States from 2010 to 2016, Mr Beazley brings a wealth of experience in matters of strategic engagement and advocacy in the US. Currently, he is involved in various roles across business, technology, and defence, including as Chair of the Perth US Asia Centre Board and Senior Distinguished Fellow at the Australian Strategic Policy Institute.

Resigned 24 July 2025.

Current / Previous directorships (last 3 years)

Nil

Directors' interests

As at the date of this report, the interests of the Directors in the shares and options of Orthocell Limited were:

| | Shares | Options/ Rights |
|---------------------|-----------|--------------------|
| John Van Der Wielen | 491,666 | 4,000,000 |
| Paul Anderson | 7,252,320 | 2,648,088 |
| Dr Ravi Thadhani | - | 3,000,000 |
| Prof Fiona Wood | 16,167 | 2,000,000 |
| Kim Beazley | - | 2,000,000 |

Company Secretary

Mr Webse has over 30 years of company secretarial experience. He is a Director of Governance Corporate Pty Ltd, a company specialising in providing company secretarial, corporate governance, and corporate advisory services. Mr Webse attended Edith Cowan University of Western Australia where he obtained his degree in Accounting and Finance. He acts as Company Secretary for a number of ASX listed biotech and technology companies. He is a Fellow of the Governance Institute of Australia (FGIA) and a Fellow of the Chartered Governance Institute (GCI).

DIRECTORS' REPORT

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director was:

| | Full Board | |
|----------------------|------------|---------------------|
| | Attended | Held ⁽¹⁾ |
| John Van Der Wielen | 8 | 8 |
| Paul Anderson | 8 | 8 |
| Dr Ravi Thadhani | 8 | 8 |
| Professor Fiona Wood | 7 | 8 |
| Kim Beazley | 7 | 8 |

| | Remuneration Committee | |
|----------------------|------------------------|---------------------|
| | Attended | Held ⁽¹⁾ |
| Professor Fiona Wood | 1 | 1 |
| John Van Der Wielen | 1 | 1 |
| Kim Beazley | 1 | 1 |

(1) Held: represents the number of meetings held during the time the director held office.

2. Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of the development and commercialisation of biological medical devices and cell therapies.

3. Review and results of operations

The 2025 financial year delivered significant progress in the commercialisation of the Company's collagen medical devices, Remplir™ and Striate+™.

Orthocell reported record revenue of \$9.23 million, up 36% from the previous year (FY2024) of \$6.76 million, driven by commercial adoption of Remplir and Striate+ across multiple jurisdictions. The reported revenue continued to grow quarter on quarter throughout the year building to a peak of \$2.73 million reported in the June quarter. Importantly, this outstanding result does not yet include revenue from Remplir sales in the US, which are expected to gather momentum in FY2026.

Remplir US FDA regulatory clearance and preparations for product launch

The landmark achievement for the year was the receipt of 510(k) regulatory clearance from the US Food and Drug Administration (FDA) to

commence commercial distribution of the Company's flagship nerve repair product Remplir, into the globally significant US\$1.6 billion⁽¹⁾ market. Remplir is a collagen wrap used in nerve repair surgery to assist surgeons in improving outcomes in the repair and regeneration of damaged nerves.

At an operational level, Orthocell's primary focus during the year has been to ensure the Company was prepared to deliver Remplir sales into the US as soon as practical following receipt of FDA clearance. The Company operated on the basis it would be successful in obtaining clearance from the FDA and translated that regulatory clearance, received in April 2025, into first US surgical use of Remplir late in the financial year. These early procedures are important in building surgical experience and knowledge of the product that will be key in driving product sales moving forward.

Following an extensive campaign of pre-launch activities, Orthocell was able to rapidly appoint a network of specialist external distributors with mature, direct-to-surgeon, hospital and other customer relationships across 25 US states. These external distributors are being managed by a limited, but highly experienced internal team of sales, marketing and medical affairs executives that were employed in advance of receipt of regulatory clearance.

In addition, Orthocell appointed a US based logistics provider, Uniphar, to ensure it was ready to fill sales orders from the outset. Remplir units are warehoused at Uniphar's GMP certified 65,000 square feet facility in the US with central coordination of warehousing, order processing, shipping, and customer service.

All Remplir products are manufactured at Orthocell's existing facility in Western Australia with ample manufacturing capacity in place to meet anticipated demand for product in the US for the foreseeable timeframe. Inventory was stockpiled ahead of the regulatory clearance and over 2,000 units were shipped to the US and in place with Uniphar prior to year-end.

Orthocell is confident it is well placed to deliver on its Remplir US commercialisation plan and expects to achieve a step change in revenue in FY2026 as the product rolls out across the US nerve repair market.

DIRECTORS' REPORT

Expanded regulatory approvals for Remplir

In addition to the US, Orthocell achieved regulatory clearance in a number of strategically important international markets for Remplir. Regulatory approvals of Remplir were achieved in Singapore, Hong Kong, Thailand and Canada, building on the existing Australian approval that was already in place.

These additional regulatory approvals were received well ahead of expectations demonstrating the quality of the product, clinical data, and its growing global recognition. Markets outside of the US are to be serviced using external specialist distributors with minimal additional internal resources required.

The earliest jurisdictions to receive approval, Australia and Singapore, saw growing surgical adoption throughout the year and were a key driver of the increased revenue reported in the 2025 financial year.

Striate+ global roll out with global distribution partner BioHorizons

Orthocell continued the global roll out of its dental bone regeneration product, Striate+, with additional regulatory approvals achieved during the financial year in Brazil, Singapore and Canada, building on the approvals that were already in place in the US, Europe, UK, Australia and New Zealand.

Orthocell is working with its exclusive global distribution partner BioHorizons on the commercialisation of Striate+ across these global jurisdictions. Sales to BioHorizons have continued to build momentum in existing markets (USA, EU/UK and AUS) during the 2025 financial year.

This traction has resulted from BioHorizon's comprehensive marketing and medical education programs, and the outstanding 98.6% success rate observed in the Striate+ post-market clinical study.

BioHorizons has been actively promoting and selling Striate+ to dental surgeons in the US since product launch in November 2022. 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.

All Striate+ product sold globally is manufactured at Orthocell's facility in Western Australia.

Advanced Cellular Therapies

Orthocell is licensed by the TGA to manufacture autologous chondrocytes (OrthoACI™) and tenocytes (OrthoATI™) for cartilage and tendon repair. During the year, the Company continued supply of the cellular therapies in the Australian market and remains committed to securing a strategic partner to commercialise its cellular therapies in the US without the need for significant investment.

Orthocell's cell therapies aim to treat diseased or damaged tissue by local implantation or injection of healthy cells where tissue repair is needed. The process involves harvesting a piece of healthy tissue (tendon or cartilage) from the patient. The tissue sample is sent to Orthocell's manufacturing facility where the cells are extracted and grown in culture over a few weeks until there are sufficient cell numbers to implant. Characterisation of the final product is performed to assess the cell's purity, potency and identity before implantation, ensuring high quality tissue repair. The use of a patient's own cells to repair tissue damage reduces the risk of rejection or transmission of infectious diseases.

¹¹ USA nerve repair market size was estimated using referenced papers from both US and OUS databases and studies

4. Dividends

No dividends were paid during the current or previous financial years and no dividends have been declared subsequent to the financial year end and up to the date of this report.

5. Significant changes in the state of affairs

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

6. Likely developments and expected results of operations

Orthocell remains focused on the launch of Remplir into the significant US market while maintaining consistent supply of high-quality products to its distribution partners. In addition,

DIRECTORS' REPORT

the Company will advance the development and commercialisation of Collagen Medical Device platform products for tendon and ligament repair and remains committed to securing a strategic partner to commercialise its cellular therapies in the US without the need for significant investment.

7. Material Risks

There is a small number of material risks that, either individually or in combination, may materially and adversely affect the future operating and financial performance and prospects of Orthocell and the value of its shares. Most of these risks may be mitigated by Orthocell's internal controls and processes but some are outside the control of Orthocell, its directors and management. The material risks identified by management are described below:

(a) Clinical development risk

The nature of medical device and cellular therapy development is inherently risky, with many product candidates failing to be successfully developed into marketable products. The Company is currently undertaking clinical trials with certain of its products and plans to undertake trials with additional products in its pipeline. Clinical trials have many associated risks which may impact the Company's commercial potential and therefore its future prospects and profitability. Clinical trials may fail to recruit patients, be terminated for safety reasons, or fail to be completed within acceptable timeframes as a result of delay. Clinical trials may reveal product candidates to be unsafe, poorly tolerated or non-effective. Any of these outcomes will likely have a significant adverse effect on the Company, the value of its securities and the future commercial development of its product candidates. Clinical trials might also potentially expose the Company to product liability claims in the event its products in development have unexpected effects on clinical subjects.

Mitigation measures employed by the Company include: ensuring that clinical trials are strongly supported by preclinical safety and efficacy data; careful clinical trial design to minimise the chances of potentially spurious outcomes; use of independent data and safety monitoring boards; engagement of leading contract research organisations to manage the trials and drive

recruitment; engagement of well-qualified clinical sites experienced in clinical trial execution and in the relevant therapeutic areas.

(b) Regulatory risks

The research, development, manufacture, marketing and sale of products developed by the Company are subject to extensive regulation by multiple government authorities and institutional bodies in Australia and overseas. Medical Device and Cellular Therapy products must undergo a comprehensive and highly regulated development, trial and review process before receiving approval for marketing. The process includes a requirement for approval to conduct clinical trials, and the provision of data relating to the quality, safety and efficacy of the products for their proposed use. There is no guarantee that regulatory approvals to conduct clinical trials and/or to manufacture and market the Company's products will be granted.

If a product is approved, it may also be submitted for cost reimbursement approval to relevant agencies. The availability and timing of that reimbursement approval may have an impact upon the uptake and profitability of products in some jurisdictions. If the Company is unable to secure necessary approvals from regulatory agencies and institutional bodies to undertake its planned trials, market its products and obtain cost reimbursements for its products its future prospects and profitability is likely to be materially and adversely affected.

Mitigation measures employed by the Company include: engagement of suitably qualified and experienced persons with expertise in the regulation of Medical Device and Cellular Therapies; regular review of evolving regulatory requirements and analysis of the Company's activities and plans against regulatory expectations in key jurisdictions; and ensuring that the expectations and uncertainties related to regulatory approvals, and the timing of such approvals, are included in business plans.

(c) Risks associated with partnership model

The Company is pursuing a license partnership model, which typically involves entering into commercial arrangements with other companies by which Orthocell licenses its technology to the partner in one or more indications and/or

DIRECTORS' REPORT

geographies and the partner assumes responsibility for progressing, and paying for, the clinical trials and eventual commercialisation in that indication. This strategy involves the risk that the Company will lose control of the commercialisation and or development timetable of its current or future products, in that field of use, to its commercial partner, which may give rise to an unanticipated delay in any commercial returns. Further, the Company may be unable to enter into arrangements with suitable commercial partners in respect of other relevant indications. If either of these outcomes occurred, the Company's business and operations may be adversely affected.

Mitigation measures employed by the Company include: performing rigorous due diligence on potential partners; ensuring that the commercial terms negotiated are fair, ensuring the Company is able to license other products from the platform technologies and utilising expert legal advice to ensure that appropriate warranties and commitments are included in contracts, and that the contracts reflect the agreed commercial position.

(d) Manufacturing risk

The Company's products are manufactured using a unique, novel and highly specialised manufacturing process. The Company relies on supply relationships with third party organisations for raw materials and other consumables. An inability of these third-party organisations to continue to supply the Company in a timely, economical and/or consistent manner could adversely impact on the progress of the Company's development programs and potentially on the financial performance of the Company.

Mitigation measures employed by the Company include: performing rigorous due diligence on suppliers; engaging suppliers with strong track records and sufficient capability to meet the Company's foreseeable needs; and employing a senior manager responsible for managing and monitoring the performance of third parties including suppliers.

(e) Market Risks

The Company is subject to a number of financial risks which arise as a result of its activities. Market

risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk- During the normal course of business the Company enters into contracts with overseas customers or suppliers or consultants that are denominated in foreign currency. As a result of these transactions there is exposure to fluctuations in foreign exchange rates. The principle currency risk faced by the business is the exchange rate between the Australian dollar and the US dollar. The Company holds cash denominated in US dollars and Australian dollars and may have material future expenditure in each of these currencies. Where possible, the Company matches foreign currency income and foreign currency expenditure as a natural hedge, holding foreign currency cash to facilitate this natural hedge. When foreign currency expenditure exceeds foreign currency revenue and foreign currency cash, the Company may consider purchasing foreign currency to meet anticipated requirements under spot and forward contracts.

Interest rate risk - The Company is exposed to changes in market interest rates as the Company holds cash and cash equivalents. The Company mitigates this risk through a series of term deposits structured to provide some certainty of financial returns.

Liquidity risk - The Company's financial liabilities, comprising trade and other payables and derivatives, are generally repayable within 1 – 3 months. The maturity and availability of financial assets, comprising cash and cash equivalents and trade and other receivables, are monitored and managed to ensure financial liabilities can be repaid when due.

Capital management - The Company monitors capital including share capital, retained earnings and reserves and the cash and cash equivalents presented in the consolidated statement of financial position. The Company has no debt. The key objective of the Company when managing its capital is to safeguard its ability to continue as a going concern, so that the Company can sustain the commercialisation and the future development of the research and development activities being performed by the Company.

DIRECTORS' REPORT

8. Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

9. Therapeutic Goods Administration regulation

Orthocell Limited is subject to Australian federal legislation administered by the Therapeutic Goods Administration (TGA). Orthocell hold a manufacturing license (MI-19052008-LI-002420-11) provided by the TGA for tissue processing, on site storage and release for supply of autologous tenocytes and chondrocytes.

10. Remuneration report (audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Company and the consolidated entity in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report Key Management Personnel (KMP) of the consolidated entity are defined as those persons having the authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the parent Company.

Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, the Company embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre executives.
- Link executive rewards to shareholder value.
- A portion of executive remuneration may be put 'at risk', dependent on meeting pre-determined performance benchmarks.
- Where appropriate, establish performance hurdles in relation to variable executive remuneration.

Due to the early stage of development which the Company is in, shareholder wealth is directly affected by the Company share price, the Company is not in a position to pay dividends. By remunerating directors and Executives in part by options and/or performance rights, the Company aims to align the interests of directors and executives with shareholder wealth, thus providing individual incentive to perform and thereby improving overall Company performance and associated value.

Remuneration structure

Non-executive director remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The maximum aggregate amount of fees that can be paid to non-executive Directors is subject to approval by shareholders at General Meetings and is currently set at \$550,000.

The value of aggregate directors' fees sought to be approved by shareholders and the manner in which it is apportioned amongst directors will be reviewed annually. The Board may consider advice from external consultants as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process.

Each non-executive director receives a fee for being a director of the Company. In addition, if a director performs extra or special services beyond their role as a director, the Board may resolve to provide additional remuneration for such services.

Fees for directors are not linked to the performance of the consolidated entity however, to align all directors' interests with shareholder interests, directors are encouraged to hold shares in the Company and may receive options. This effectively links directors' performance to the share price performance and therefore to the interests of shareholders. For this reason, there are no performance conditions prior to grant, but

DIRECTORS' REPORT

instead an incentive to increase the value to all shareholders.

Executive remuneration

Objective

The Company aims to reward executives (both directors and Company executives) with a level and mix of remuneration commensurate with their position and responsibilities within the Company so as to:

- Attract and retain high quality individuals.
- Reward executives for Company performance.
- Align the interest of executives with those of shareholders.
- Link reward with the strategic goals and performance of the Company.
- Ensure total remuneration is competitive by market standards.

Structure

Executive remuneration consists of both fixed and variable (at risk) elements.

Fixed Remuneration

Objective

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration is reviewed annually or upon renewal of fixed term contracts by the Board and the process consists of a review of Company and individual performance, relevant comparative remuneration in the market and internal policies and practices.

Structure

Executives are given the opportunity to receive their fixed remuneration in a variety of forms including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

Variable Remuneration

Objective

The objective of variable remuneration provided is to reward executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

Structure

Variable remuneration may be delivered in the form of a cash bonuses, share options or performance rights. During the financial year ended 30 June 2025 the Company granted 2,148,088 share-based payments to Executives.

The remuneration of executives for the years ended 30 June 2024 and 30 June 2025 are detailed in the tables below.

Details of remuneration:

Details of the remuneration of the key management personnel of the consolidated entity are set out in the following tables. The key management personnel of the consolidated entity consisted of the following directors of Orthocell Limited:

- Mr Paul Anderson
 - Managing Director
- John Van Der Wielen
 - Independent Non-Executive Chair
- Dr Ravi Thadhani
 - Independent Non-Executive Director
- Prof Fiona Wood (appointed 1 Nov 2023)
 - Independent Non-Executive Director
- Mr Kim Beazley (appointed 15 Jan 2024, resigned 24 July 2025)
 - Independent Non-Executive Director
- Mr Matthew Callahan (resigned 15 Jan 2024)
 - Non-Executive Director
- Dr Stewart Washer (resigned 22 Dec 2023)
 - Executive Director
- Mr Qi Xiao Zhou (resigned 1 Nov 2023)
 - Non-Executive Director
- Ms Leslie Wise (resigned 22 Sep 2023)
 - Executive Director
- Prof Lars Lidgren (resigned 30 Sep 2023)
 - Independent Non-Executive Director

DIRECTORS' REPORT

Key management personnel remuneration details:

| | Short-term benefits | | | Post-employment benefits | Equity-based payments (non-cash) | Total | Performance related |
|---------------------------------|----------------------|----------------|--------------|--------------------------|----------------------------------|------------------|---------------------|
| | Base salary and fees | Bonus | Leave (4) | Super-annuation | (1) | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | % |
| 2025 | | | | | | | |
| <i>Non-executive Directors:</i> | | | | | | | |
| Mr J Van Der Wielen | 150,000 | - | - | - | - | 150,000 | 0% |
| Dr R Thadhani ⁽³⁾ | 115,285 | - | - | - | - | 115,285 | 0% |
| Prof Fiona Wood | 75,000 | - | - | - | - | 75,000 | 0% |
| Mr Kim Beazley | 75,000 | - | - | - | - | 75,000 | 0% |
| <i>Executive Directors:</i> | | | | | | | |
| Mr P Anderson | 462,000 | 137,741 | 3,548 | 29,932 | 226,667 | 859,888 | 42.4% |
| Total | 877,285 | 137,741 | 3,548 | 29,932 | 226,667 | 1,275,173 | 28.6% |

| | Short-term benefits | | | Post-employment benefits | Equity-based payments (non-cash) | Total | Performance related |
|---------------------------------|----------------------|----------------|---------------|--------------------------|----------------------------------|------------------|---------------------|
| | Base salary and fees | Bonus | Leave (4) | Super-annuation | (1) | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | % |
| 2024 | | | | | | | |
| <i>Non-executive Directors:</i> | | | | | | | |
| Mr J Van Der Wielen | 150,000 | - | - | - | - | 150,000 | 0% |
| Mr Kim Beazley | 34,375 | - | - | - | 416,580 | 450,955 | 92.4% |
| Dr R Thadhani ⁽³⁾ | 113,863 | - | - | - | - | 113,863 | 0% |
| Prof Fiona Wood | 50,000 | - | - | - | 398,657 | 448,657 | 88.9% |
| Prof L Lidgren ⁽⁶⁾ | 11,250 | - | - | - | 84,717 | 95,967 | 88.3% |
| Mr M Callahan | 140,000 | - | - | - | - | 140,000 | 0% |
| Mr QX Zhou ⁽⁷⁾ | 13,512 | - | - | 1,486 | - | 14,998 | 0% |
| <i>Executive Directors:</i> | | | | | | | |
| Mr P Anderson | 440,000 | 110,000 | 11,624 | 59,950 | - | 621,574 | 17.7% |
| Dr S Washer ⁽⁵⁾ | 75,000 | - | - | - | - | 75,000 | 0% |
| Ms L Wise ⁽²⁾ | 12,511 | - | - | - | - | 12,511 | 0% |
| Total | 1,040,511 | 110,000 | 11,624 | 61,436 | 899,954 | 2,123,525 | 47.6% |

- (1) Equity-based payments relate to unlisted options and rights issued. This is a non-cash component with a fair value based on an independent valuation as detailed below. The options and rights convey the right to the key management personnel to purchase shares at the relevant exercise price in accordance with the terms and conditions of the unlisted securities.
- (2) The remuneration contract for Ms Leslie Wise, based in the United States, is based on US \$50,000 per annum. Ms Wise resigned 22 September 2023
- (3) The remuneration contract for Mr Ravi Thadhani, based in the United States, is based on US \$75,000 per annum.
- (4) Other benefits include the net movements in the annual leave and long service leave provisions in accordance with AASB 119 Employee Benefits. Movements in these provisions occur when leave is earned, taken or paid out, or there is a change in salary rate or superannuation rate. The value may be negative, for example when an employee has taken more leave than has been accrued during the year.
- (5) Dr Washer resigned 22 December 2023
- (6) Professor Lidgren resigned 30 September 2023
- (7) Mr Zhou resigned 1 November 2023

DIRECTORS' REPORT

Options/rights holdings

Fair value of options and performance rights granted

The fair value at grant date is determined by independent valuation using a Black-Scholes pricing model for equity with non-market conditions, and the Monte Carlo valuation method for equity with market driven conditions. These pricing models consider the exercise price, the term of the option or performance right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option or performance right.

On 29 November 2024 following shareholder approval at the Annual General Meeting (AGM) on 29 November 2024 the following share-based payments of performance rights were made to key management personnel (Paul Anderson), or related parties, for nil consideration:

| Class | Grant date | Exercise price | Share price at grant | Vesting date | Expiry date | Quantity issued | Fair value per right | Total fair value |
|--------|------------|----------------|----------------------|--------------|-------------|-----------------|----------------------|------------------|
| OCCPR3 | 29 Nov 24 | Nil | \$0.810 | 28 Nov 25 | 28 Nov 27 | 126,580 | \$0.810 | \$102,529 |
| OCCPR4 | 29 Nov 24 | Nil | \$0.810 | 28 Nov 27 | 28 Nov 29 | 821,508 | \$0.476 | \$391,396 |
| OCCRR1 | 29 Nov 24 | Nil | \$0.810 | 28 Nov 28 | 28 Nov 29 | 1,200,000 | \$0.810 | \$972,000 |

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance 30/06/2024 | Additions | Disposals | Other | Balance 30/06/2025 |
|-------------------------|--------------------|-----------|-----------|-------|--------------------|
| <i>Ordinary shares:</i> | | | | | |
| Mr Paul Anderson | 6,903,805 | 348,515 | - | - | 7,252,320 |
| John Van Der Wielen | 325,000 | 166,666 | - | - | 491,666 |
| Professor Fiona Wood | 16,167 | - | - | - | 16,167 |

Options/rights holdings

The number options and rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance 30/06/2024 | Options/ rights granted | Options/ rights exercised | Expired/ forfeited/ other | Balance 30/06/2025 | Options/ rights vested & exercisable |
|------------------------|--------------------|-------------------------|---------------------------|---------------------------|--------------------|--------------------------------------|
| Mr Paul Anderson | 5,700,000 | 2,148,088 | (5,200,000) | - | 2,648,088 | 500,000 |
| Mr John Van Der Wielen | 4,000,000 | - | - | - | 4,000,000 | 4,000,000 |
| Dr Ravi Thadhani | 3,000,000 | - | - | - | 3,000,000 | 3,000,000 |
| Professor Fiona Wood | 2,000,000 | - | - | - | 2,000,000 | 2,000,000 |
| Mr Kim Beazley | 2,000,000 | - | - | - | 2,000,000 | 2,000,000 |

There were no other transactions with key management personnel.

DIRECTORS' REPORT

Employment Contracts

The Company has entered into employment agreements with the following key employees (each an Executive) on the following material terms and conditions.

Mr Paul Anderson

| | |
|-----------------------|---|
| Position: | Managing Director |
| Salary: | \$462,000 pa plus superannuation |
| Short-term incentive: | A maximum short-term incentive of 40% of Total Fixed Remuneration (70% of which is payable in cash and 30% payable in Performance Rights) may be payable each year subject to achievement of key performance indicators to be agreed by the Board |
| Notice period: | 6 months |

Under the employment agreement:

- (i) either party may terminate the employment agreement by providing the amount of notice set out in the table above. The Company may terminate the agreement without notice (and without having to pay the Executive an amount in lieu of notice) if the Executive engages in serious or wilful misconduct,
- (ii) the Executive is entitled to 20 days annual leave and 10 days personal leave per annum, and to long service leave and other paid and unpaid leave in accordance with applicable legislation,
- (iii) the Executive acknowledges that intellectual property created by the Executive will be owned by the Company,
- (iv) the Executive agrees to keep confidential information secret and confidential except to the extent required by law, and
- (v) during the employment and for a period of 12 months post-employment (or less if a court finds 12 months to be invalid), the Executive agrees not to carry on any business that competes with the business of the Company,

solicit, employ or engage any director, employee or contractor of the Company, or entice, provide services to, or accept services from any customer, contractor or supplier of the Company to discontinue their relationship with the Company or otherwise reduce the amount of business they do with the Company. This restraint applies in Australia and New Zealand, or if a court finds this invalid, across, Australia, or if a court finds this invalid, across Western Australia.

Non-Executive Directors letters of appointment

It is not customary for non-executive directors to have notice periods. The appointment of any of the non-executive directors may be terminated if the director gives notice of resignation and the appointment may be terminated immediately if the director becomes disqualified or prohibited by law from being or acting as a director or from being involved in the management of a company.

Mr John Van Der Wielen was appointed Non-Executive Chair on 1 June 2023 pursuant to a letter of appointment and will be paid a director's fee of \$150,000 per annum.

Dr Ravi Thadhani was appointed as an Independent Non-Executive Director of the Company on 8 March 2023 pursuant to a letter of appointment and will be paid a director's fee of US\$75,000 per annum.

Professor Fiona Wood was appointed as an Independent Non-Executive Director of the Company on 1 November 2023 pursuant to a letter of appointment and will be paid a director's fee of \$75,000 per annum.

Mr Kim Beazley was appointed as an Independent Non-Executive Director of the Company on 15 January 2024 pursuant to a letter of appointment and will be paid a director's fee of \$75,000 per annum up until the date of his resignation on 24 July 2025.

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

11. Directors' and Officers' deeds of indemnity, access and insurance

The Company has entered into a deed of indemnity, access and insurance with each of its Directors and the Company Secretary. Under these deeds, the Company agrees to indemnify each officer to the extent permitted by law against any loss which the officer may incur, or be liable for, arising from or in connection with the officer acting as an officer of the Company.

Under the deeds, the Company is also required to enter into an insurance policy for the benefit of the officer that insures the officer for all liability to which the officer is exposed in providing services in the capacity of an officer of the Company for which insurance may be legally obtained.

12. Shares under option

At the date of this report the following options are on issue:

| Security code | Issue date | Expiry date | Exercise price | Number options |
|---------------|------------|-------------|----------------|----------------|
| OCCOPT24 | 25/10/21 | 26/10/25 | \$0.580 | 150,000 |
| OCCOPT26 | 12/05/22 | 11/05/26 | \$0.515 | 1,050,000 |
| OCCOPT28 | 8/03/23 | 8/03/28 | \$0.400 | 3,000,000 |
| OCCOPT29 | 4/04/23 | 19/04/27 | \$0.360 | 3,540,000 |
| OCCOPT30 | 25/05/23 | 26/05/26 | \$0.600 | 500,000 |
| OCCOPT31 | 25/05/23 | 26/05/27 | \$0.800 | 1,000,000 |
| OCCOPT32 | 29/05/23 | 29/05/28 | \$0.400 | 4,000,000 |
| OCCOPT33 | 7/11/23 | 7/11/27 | \$0.360 | 500,000 |
| OCCOPT34 | 20/11/23 | 20/11/28 | \$0.400 | 2,000,000 |
| OCCOPT35 | 15/01/24 | 17/01/29 | \$0.400 | 2,000,000 |
| OCCOPT36 | 11/06/24 | 11/06/27 | \$0.373 | 100,000 |
| OCCOPT37 | 11/06/24 | 11/06/27 | \$0.367 | 700,000 |
| OCCOPT38 | 23/10/24 | 2/12/27 | \$0.750 | 1,500,000 |
| OCCOPT39 | 23/10/24 | 2/12/27 | \$0.900 | 2,000,000 |
| OCCOPT40 | 1/11/24 | 31/10/27 | \$0.670 | 3,000,000 |
| OCCOPT41 | 28/07/25 | 28/07/28 | \$1.170 | 550,000 |
| OCCOPT42 | 28/07/25 | 28/07/29 | \$1.460 | 400,000 |

At the date of this report the following performance rights are on issue:

| Security code | Issue date | Expiry date | Exercise price | Number of rights |
|---------------|------------|-------------|----------------|------------------|
| OCCPR2 | 31/05/24 | 19/01/26 | \$0.00 | 125,000 |
| OCCPR3 | 29/11/24 | 28/11/27 | \$0.00 | 217,742 |
| OCCPR4 | 29/11/24 | 28/11/29 | \$0.00 | 1,530,553 |
| OCCRR1 | 29/11/24 | 28/11/29 | \$0.00 | 1,200,000 |
| OCCRR2 | 1/03/25 | 28/02/29 | \$0.00 | 1,579,620 |

13. Shares issued on the exercise of options

During the year ended 30 June 2025 there were 4,548,945 shares (2024: nil) of the Company issued on the exercise of 20,880,000 options granted (2024: nil).

During the year ended 30 June 2025 there were 625,000 shares (2024: 500,000) of the Company issued on the exercise of 625,000 performance rights granted (2024: 500,000).

14. Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001.

15. Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

16. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

DIRECTORS' REPORT

17. Matters subsequent to the end of the financial year

Subsequent to 30 June 2025:

- 550,000 options with an exercise price of \$1.17 expiring 28 July 2028 were issued to consultants
- 400,000 options with an exercise price of \$1.46 expiring 28 July 2029 were issued to consultants.
- 250,000 options with an exercise price of \$0.403 expired unexercised
- 1,250,000 shares issued on the exercise of 1,250,000 options with an exercise price of \$0.403 for \$503,750 cash
- 205,911 shares issued on the cashless exercise of 300,000 options with an exercise price of \$0.403
- Resignation of director Kim Beazley on 24 July 2025
- Appointment of director Michael McNulty with effective start date 1 September 2025
- Michael McNulty to be issued 2,000,000 options, with an exercise price of \$1.53 expiring 3 years after date of issue, on commencement appointment

No other matter or circumstance has arisen since 30 June 2025 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.

18. Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the consolidated financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the consolidated financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

19. Officers of the Company who are former audit partners of PKF Perth

There are no officers of the Company who are former audit partners of PKF Perth.

20. 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.

21. Auditor

PKF Perth continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Paul Anderson
Managing Director
29 August 2025
Perth

AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF ORTHOCELL LIMITED

In relation to our audit of the financial report of Orthocell Limited for the year ended 30 June 2025, 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.

PKF Perth

PKF PERTH

Simon Fermanis

SIMON FERMANIS
PARTNER

29 August 2025
PERTH,
WESTERN AUSTRALIA

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

| | Note | 2025 \$ | 2024 \$ |
|---|-------|---------------------------|---------------------------|
| Revenue from continuing operations | | | |
| Revenue from sale of goods | 3 | 5,246,681 | 3,011,375 |
| Cost of goods sold | 4 | <u>(2,745,821)</u> | <u>(1,626,953)</u> |
| Gross profit | | 2,500,860 | 1,384,422 |
| Revenue from contracts | 3, 16 | 2,304,000 | 2,304,000 |
| Other income | 3 | 1,676,282 | 1,448,677 |
| Expenses | | | |
| Research, development & laboratory | | (8,818,635) | (8,674,058) |
| Administrative & corporate | | (3,952,981) | (3,610,474) |
| Sales, marketing & business development | | <u>(5,461,192)</u> | <u>(3,085,009)</u> |
| | 4 | <u>(18,232,808)</u> | <u>(15,369,541)</u> |
| Loss before income tax expense | | (11,751,666) | (10,232,442) |
| Income tax benefit | 5 | <u>3,185,026</u> | <u>3,051,483</u> |
| Loss after income tax expenses | | (8,566,640) | (7,180,959) |
| Other comprehensive income | | | |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive loss | | <u><u>(8,566,640)</u></u> | <u><u>(7,180,959)</u></u> |
| Loss per share | | | |
| Basic earnings per share | 31 | (0.038) | (0.036) |
| Diluted earnings per share | 31 | (0.038) | (0.036) |

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 30 June 2025

| | Note | 2025 \$ | 2024 \$ |
|--------------------------------|------|-------------------|-------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 6 | 28,619,929 | 20,614,440 |
| Trade and other receivables | 7 | 1,813,517 | 1,151,990 |
| Inventories | 8 | 1,202,912 | 1,176,638 |
| Other | 9 | 198,324 | 64,187 |
| Total current assets | | <u>31,834,682</u> | <u>23,007,255</u> |
| Non-current assets | | | |
| Property, plant and equipment | 10 | 1,802,443 | 1,897,149 |
| Right-of-use assets | 11 | 527,702 | 664,606 |
| Intangibles | 12 | 1,072,270 | 1,046,200 |
| Total non-current assets | | <u>3,402,415</u> | <u>3,607,955</u> |
| Total assets | | <u>35,237,097</u> | <u>26,615,210</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 13 | 2,195,303 | 1,469,534 |
| Lease liabilities | 14 | 165,323 | 148,968 |
| Employment benefits | 15 | 799,055 | 653,987 |
| Contract liabilities | 16 | 2,304,000 | 2,304,000 |
| Other | 17 | 940,947 | 729,392 |
| Total current liabilities | | <u>6,404,628</u> | <u>5,305,881</u> |
| Non-current liabilities | | | |
| Lease liabilities | 14 | 411,572 | 540,725 |
| Employment benefits | 15 | 84,835 | 164,802 |
| Contract Liabilities | 16 | 13,767,228 | 16,071,228 |
| Total non-current liabilities | | <u>14,263,635</u> | <u>16,776,755</u> |
| Total liabilities | | <u>20,668,263</u> | <u>22,082,636</u> |
| Net assets | | <u>14,568,834</u> | <u>4,532,574</u> |
| Equity | | | |
| Issue capital | 18 | 83,486,251 | 62,219,668 |
| Reserves | 19 | 5,152,985 | 7,939,296 |
| Accumulated losses | 20 | (74,070,402) | (65,626,390) |
| Total equity | | <u>14,568,834</u> | <u>4,532,574</u> |

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 year ended 30 June 2025

| | 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 | - | - | (7,180,959) | (7,180,959) |
| Other comprehensive income, net of tax | - | - | - | - |
| Total comprehensive income | - | - | - | - |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity | 4,231,750 | - | - | 4,231,750 |
| Share equity costs | (122,575) | - | - | (122,575) |
| Issue of options | - | 1,090,404 | - | 1,090,404 |
| Issue of performance rights | - | 365,001 | - | 365,001 |
| Exercise of performance rights | 212,500 | (212,500) | - | - |
| Expiry of options | - | (638,907) | 638,907 | - |
| Balance at 30 June 2024 | 62,219,668 | 7,939,296 | (65,626,390) | 4,532,574 |
| Balance at 1 July 2024 | 62,219,668 | 7,939,296 | (65,626,390) | 4,532,574 |
| Loss after income tax expense | - | - | (8,566,640) | (8,566,640) |
| Other comprehensive income, net of tax | - | - | - | - |
| Total comprehensive income | - | - | - | - |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Contributions of equity | | | | |
| Share equity costs - cash | (882,000) | - | - | (882,000) |
| Share equity costs - options | (691,169) | 691,169 | - | - |
| Issue of shares | 17,445,750 | - | - | 17,445,750 |
| Issue of options | - | 313,995 | - | 313,995 |
| Exercise of options | 5,135,877 | (4,191,367) | - | 944,510 |
| Exercise of performance rights | 258,125 | (258,125) | - | - |
| Performance rights, vesting conditions met | - | 37,558 | - | 37,558 |
| Performance rights, vesting conditions not yet met | - | 743,087 | - | 743,087 |
| Expiry of options | - | (122,628) | 122,628 | - |
| Balance at 30 June 2025 | 83,486,251 | 5,152,985 | (74,070,402) | 14,568,834 |

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 year ended 30 June 2025

| | Note | 2025 \$ | 2024 \$ |
|--|------|-----------------------------|-----------------------------|
| Cash flows from operating activities | | | |
| Receipts from customers (inclusive of GST) | | 5,147,802 | 3,414,318 |
| Payments to suppliers & employees (inclusive of GST) | | (18,506,724) | (13,782,647) |
| R&D tax concession received | | 3,185,026 | 3,051,483 |
| Grant revenue received | | 30,000 | - |
| Interest received | | 1,474,966 | 813,795 |
| Interest paid | | (13,998) | (2,075) |
| | | <u> </u> | <u> </u> |
| Net cash used in operating activities | 30 | (8,682,928) | (6,505,126) |
| Cash flows from investing activities | | | |
| Payments for property, plant & equipment | | (260,420) | (926,888) |
| Payments for intangible assets | | (98,635) | (15,130) |
| | | <u> </u> | <u> </u> |
| Net cash used in investing activities | | (359,055) | (942,018) |
| Cash flows from financing activities | | | |
| Subscription funds | | 18,146,010 | 3,591,251 |
| Equity costs | | (882,000) | (122,575) |
| Lease payments | | (216,538) | (225,054) |
| | | <u> </u> | <u> </u> |
| Net cash from financing activities | | 17,047,472 | 3,243,622 |
| Net increase/(decrease) in cash and cash equivalents | | 8,005,489 | (4,203,522) |
| Cash and cash equivalents at the beginning of the financial year | | 20,614,440 | 24,817,962 |
| | | <u> </u> | <u> </u> |
| Cash and cash equivalents at the end of the financial year | 6 | 28,619,929 | 20,614,440 |

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Basis of preparation

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The financial statements cover Orthocell Limited as a consolidated entity consisting of Orthocell Limited and its subsidiaries. Orthocell Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 2.

New, revised or amending Accounting Standards and Interpretations adopted

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

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Parent entity information

In accordance with the Corporations Act 2001, these consolidated financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

Going Concern

The consolidated entity has net assets of \$14,568,834 (2024: \$4,532,574) as at 30 June 2025 and incurred a loss of \$8,566,640 (2024: \$7,180,959) and net operating cash outflow of \$8,682,928 (2024: \$6,505,126) for the year ended 30 June 2025. The consolidated entity also has liabilities of \$6,404,628 due within the next 12 months.

Whilst the consolidated entity has incurred a loss of \$8,566,640, the consolidated entity has \$28,619,929 cash on hand at the reporting date.

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 Company has, or in the directors' opinion will

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities and results of Orthocell Limited ('Company' or 'parent entity') and its subsidiaries Ausbiomedical Pty Ltd, Orthocell UK Ltd and Orthocell (US) LLC as at 30 June 2025. Orthocell Limited and its subsidiaries together are referred to in these consolidated financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are

attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity.

The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

The consolidated financial statements are presented in Australian dollars, which is Orthocell Limited's functional and presentation currency, except where stated otherwise.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised in accordance with AASB15 "Revenue from Contracts with Customers" at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations and recognises revenue, using the cost method, when or as performance obligations are satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue from contracts licence fees

The consolidated entity derives revenue from contracts with customers. The revenue is recognised over time under the terms and conditions of the contract when the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Sale of goods

The consolidated entity derives revenue from the sale of cell therapy products and biological scaffold products. The revenue derived from cell therapy products is recognised at the time when the patient's cells have been processed and are ready to be delivered to the patient. The revenue derived from biological scaffold products is recognised at the time of delivery to the customer. Revenue derived from the sale of products under contract is recognised at the time of delivery to the customer.

Research and development tax incentive

The research and development tax incentives are recognised at their fair value on receipt when all conditions have been complied with. The research and development tax incentives are recognised as income tax benefits in the consolidated statements of profit or loss and other comprehensive income.

Interest

Interest revenue is recognised when it is received or due to be received.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in

deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

An asset is current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within twelve months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Inventory relating to work in progress is comprised of cell therapies (OrthoACI™ and OrthoATI™) and scaffold batches still in production phase.

Cell therapies work in progress consists of the costs of patients' cells being held in the laboratory awaiting delivery and implantation into the patient. Inventory items are stated at the lower of cost and net realisable value. Inventory comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity.

As indicated in Note 2, when making the decision whether inventory items should be carried forward in the statement of financial position, or written off, management must consider the likelihood of whether each particular patient will proceed to implantation. This requires a degree of estimation and judgement based on historical sales experience, the ageing of the inventories and other demographic and market factors.

At present management consider that 2 years is a reasonable period of time to hold inventory in the statement of financial position for each patient unless there is further particular information that would indicate otherwise. This policy is reviewed annually.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

| | | |
|------------------------|-------------------|-----------|
| Leasehold improvements | Straight line | 40 yrs |
| Plant & equipment | Diminishing value | 3-7 yrs |
| Computer software | Diminishing value | 2-3 yrs |
| Furniture & fittings | Diminishing value | 10-15 yrs |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets

are subject to impairment or adjusted for any re-measurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment.

The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial & technical feasibility, the consolidated entity is able to use or sell the asset, has sufficient resources, & intent to complete the development & its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Patents and trademarks

Significant registration costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years for Trademarks and 20 years for Patents. Capitalisation commences on application for the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

patents or trademark. Amortisation commences once the patent or trademark has been granted over the remaining useful life of the patent. The useful life is taken as 10 years for Trademarks and 20 years for Patents from the date of application. Costs associated with maintaining intangibles are expensed as incurred. Patents and trademarks are sought globally in various jurisdictions. If a patent or trademark is unsuccessful the costs are then fully written off. All patents and trademarks once granted have an annuity commitment over the term of their life and these are detailed in note 26.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

The company recognizes contract liabilities for consideration received in respect of unsatisfied performance obligations or where revenue is constrained and reports these amounts as contract liabilities (deferred revenue) in the statement of financial position. Similarly, if the

company satisfies a performance obligation before it receives the consideration, the company recognizes either a contract asset or a receivable in its statement of financial position, depending on where the something other than the passage of time is required before the consideration is due.

Amounts received prior to satisfying the revenue recognition criteria are recorded as deferred revenue. Amounts expected to be recognised as revenue within the 12 months following the balance sheet date are classified within current liabilities. Amounts not expected to be recognised as revenue within the 12 months following the balance sheet date are classified within non-current liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured at current value and is not discounted if the effect of discounting is immaterial.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options over shares or performance rights over shares, which are provided to employees in exchange for the rendering of services.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that

are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and assumes that the transaction will take place either in the principle market or in the absence of a principal market in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Goods and Services Tax ('GST') and other similar taxes

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2025. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of GST recoverable from, or payable to, the tax authority.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the shareholders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, believed to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees, directors and consultants by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Provision for expected credit losses

The provision for expected credit losses of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Impairment of work in progress

Work in progress comprises patient cells taken via biopsy and cryopreserved awaiting implantation at the patient's discretion at a future date.

Impairment of work in progress assessment requires a degree of estimation and judgement. While the patient cells held can be preserved indefinitely the company has estimated that if the patient has not proceeded with implantation within 2 years from biopsy, resulting in a sale of the product, the value of the work in progress is impaired to nil.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. The useful life of patents and trademarks is based on the period of the life of the patent or trademark, which is usually 20 years.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves value-in-use calculations, which incorporate a number of key estimates and assumptions. Other qualitative measures are also considered in the assessment of impairment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at current value and is not discounted if the effect of discounting is immaterial. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Revenue from contracts with customers

When recognising revenue from upfront payments from contracts with customers, the key performance obligation of the consolidated entity is considered to be over the term of the contract, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

When recognising revenue in relation to the sale of goods to customers under contracts, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 3. Revenue

| | 2025 \$ | 2024 \$ |
|---|------------|------------|
| Sales revenue | | |
| Sale of goods | 5,246,681 | 3,011,375 |
| Revenue from contracts with customers | | |
| Revenue from contracts recognised over time | 2,304,000 | 2,304,000 |
| Other revenue | | |
| Interest | 1,300,905 | 1,031,681 |
| Foreign currency gain | 19,272 | - |
| Other | 356,105 | 416,996 |
| Total other revenue | 1,676,282 | 1,448,677 |
| Total revenue | 9,226,963 | 6,764,052 |

Note 4. Expenses

Loss before income tax includes the following specific expenses:

| | | |
|---|-----------|-----------|
| Cost of sales | | |
| Cost of sales | 2,745,821 | 1,626,953 |
| Interest expense leases | 52,546 | 60,525 |
| Depreciation and amortisation | | |
| Depreciation – plant & equipment | 265,987 | 246,219 |
| Depreciation – right-of-use assets | 171,147 | 162,761 |
| Amortisation – patents & trademarks | 110,397 | 108,097 |
| Total depreciation and amortisation | 547,531 | 517,077 |
| Rental expense relating to operating leases | | |
| Short-term lease payments | 2,940 | 2,940 |
| Total rental expense relating to operating leases | 2,940 | 2,940 |
| Employment expenses | | |
| Salaries & wages | 6,319,843 | 5,121,657 |
| Employment benefits | 65,101 | 49,581 |
| Superannuation expense | 613,065 | 559,250 |
| Directors' fees | 415,285 | 484,885 |
| Payroll & other taxes | 496,534 | 357,118 |
| Other employment costs | 34,142 | 23,704 |
| Share-based payments expense | 1,226,395 | 1,390,173 |
| Total employment expenses | 9,170,365 | 7,986,368 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 4. Expenses (continued)

| | 2025 | 2024 |
|------------------|--------|--------|
| | \$ | \$ |
| Write off assets | | |
| Inventories | 19,216 | 22,517 |

Note 5. Income tax expense

| | | |
|--|---------------------|---------------------|
| Income tax expense/(benefit) | | |
| Current tax | (3,185,026) | (3,051,483) |
| Deferred tax – origination and reversal of temporary differences | - | - |
| Aggregate income tax expense/(benefit) | <u>(3,185,026)</u> | <u>(3,051,483)</u> |
| Numerical reconciliation of income tax expense & tax at the statutory rate | | |
| Loss before income tax expense from continuing operations | <u>(11,751,666)</u> | <u>(10,232,442)</u> |
| Tax at the statutory tax rate of 25% (2024: 25%) | (2,937,916) | (2,558,111) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Non-deductible items | 322,847 | 409,294 |
| Contract Liabilities assessable in advance | - | - |
| Benefit of tax losses not previously brought to account | - | - |
| Income tax benefit not brought to account | <u>2,615,069</u> | <u>2,148,817</u> |
| | - | - |
| Research and development tax benefit received | <u>(3,185,026)</u> | <u>(3,051,483)</u> |

The following deferred tax balances have not been recognised:

| | | |
|--|------------------|------------------|
| Deferred tax assets not recognised at 25% (2024: 25%) | | |
| Provisions and accruals | 221,237 | 387,045 |
| Capital raising costs | 200,915 | 24,515 |
| Other | 12,299 | - |
| Carried forward revenue losses | <u>6,543,379</u> | <u>5,202,256</u> |
| | <u>6,977,830</u> | <u>5,613,816</u> |
| Deferred tax liabilities not recognised at 25% (2024: 25%) | | |
| Contract liabilities | 1,126,380 | 1,702,381 |
| Prepayments | <u>114,706</u> | <u>121,899</u> |
| | <u>1,241,086</u> | <u>1,824,280</u> |

The tax benefits of the above deferred tax assets will only be obtained if:

- (i) The company derives future assessable income of a nature and an amount sufficient to enable the benefits to be utilised,
- (ii) The company continues to comply with the conditions for deductibility imposed by law, and
- (iii) No changes in income tax legislation adversely affects the company in utilising the benefits.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 6. Cash and cash equivalents

| | 2025 \$ | 2024 \$ |
|---------------|-------------------|-------------------|
| Cash at bank | 2,119,929 | 3,114,440 |
| Term deposits | 26,500,000 | 17,500,000 |
| | <u>28,619,929</u> | <u>20,614,440</u> |

All term deposits held which are at call and subject to an insignificant change in value when called, are classified as cash and cash equivalents.

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of financial position as follows:

| | | |
|--|-------------------|-------------------|
| Balance as above | | |
| Cash and cash equivalents | <u>28,619,929</u> | <u>20,614,440</u> |
| Balance as per statement of financial position | <u>28,619,929</u> | <u>20,614,440</u> |

Note 7. Trade and other receivables

| | | |
|--------------------------------|------------------|------------------|
| Trade receivables: | 1,291,252 | 545,387 |
| Other receivables: | | |
| Interest on cash term deposits | 303,823 | 477,885 |
| Sundry debtors | - | 25,000 |
| GST refund due | 218,442 | 103,718 |
| | <u>522,265</u> | <u>606,603</u> |
| | <u>1,813,517</u> | <u>1,151,990</u> |

Impairment of receivables

There have been no expected credit losses of trade receivables in the year ended 30 June 2025 (2024: \$0).

Past due but not impaired

Customers with balances past due but without provision for expected credit losses amount to \$161,064 as at 30 June 2025 (2024: \$45,086)

The consolidated entity did not consider a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

| | | |
|-----------------------|----------------|---------------|
| 0 to 3 months overdue | 133,399 | 17,988 |
| 3 to 6 months overdue | 20,735 | 8,558 |
| Over 6 months overdue | 6,930 | 18,540 |
| | <u>161,064</u> | <u>45,086</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Inventories

| | 2025 | 2024 |
|---------------------------|------------------|------------------|
| | \$ | \$ |
| Consumables, at cost | 460,013 | 435,343 |
| Work in progress, at cost | 328,304 | 268,854 |
| Finished goods, at cost | 414,595 | 472,441 |
| | <u>1,202,912</u> | <u>1,176,638</u> |

Note 9. Other

| | | |
|-----------------|----------------|---------------|
| Prepayments | 165,324 | 9,710 |
| Accrued revenue | 33,000 | 54,477 |
| | <u>198,324</u> | <u>64,187</u> |

Note 10. Property, plant and equipment

| | | |
|----------------------------------|------------------|------------------|
| Leasehold improvements – at cost | 1,614,190 | 1,590,691 |
| Less: Accumulated depreciation | (194,471) | (154,303) |
| | <u>1,419,719</u> | <u>1,436,388</u> |
| Plant and equipment – at cost | 1,318,006 | 1,186,577 |
| Less: Accumulated depreciation | (1,028,588) | (861,261) |
| | <u>289,418</u> | <u>325,316</u> |
| Furniture and fittings – at cost | 224,325 | 211,697 |
| Less: Accumulated depreciation | (131,019) | (76,252) |
| | <u>93,306</u> | <u>135,445</u> |
| | <u>1,802,443</u> | <u>1,897,149</u> |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below:

| | Leasehold improvements \$ | Plant and equipment \$ | Furniture & fittings \$ | Total \$ |
|-------------------------|--|---------------------------------------|--|---------------------|
| Balance at 30 June 2023 | 756,236 | 348,517 | 16,447 | 1,121,200 |
| Additions | 709,880 | 168,094 | 144,094 | 1,022,168 |
| Depreciation | (29,728) | (191,295) | (25,196) | (246,219) |
| Balance at 30 June 2024 | <u>1,436,388</u> | <u>325,316</u> | <u>135,445</u> | <u>1,897,149</u> |
| Additions | 23,499 | 132,161 | 15,621 | 171,281 |
| Depreciation | (40,168) | (168,059) | (57,760) | (265,987) |
| Balance at 30 June 2025 | <u>1,419,719</u> | <u>289,418</u> | <u>93,306</u> | <u>1,802,443</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Right-of-use assets

| | 2025 \$ | 2024 \$ |
|--|-----------------------|-----------------------|
| Land and buildings – right-of-use | 869,995 | 827,367 |
| Less: Accumulated depreciation | <u>(342,293)</u> | <u>(162,761)</u> |
| | <u>527,702</u> | <u>664,606</u> |
| <i>Reconciliations</i> | | |
| Reconciliations of the written down values at the beginning and end of the current and previous financial years are set out below: | | |
| Opening balance | <u>664,606</u> | <u>484,857</u> |
| Adjustments | 34,243 | 322,510 |
| Depreciation | <u>(171,147)</u> | <u>(162,761)</u> |
| Closing balance | <u><u>527,702</u></u> | <u><u>664,606</u></u> |

The right-of-use asset is based on a lease entered into with a commencement date of 1 August 2023. Adjustments to the right-of-use assets during the year were \$34,323 relating to a rent increase (2024: 322,510, relating to lease remeasurement following signing of new lease).

The consolidated entity leases land and buildings for its offices and clean room facility under an agreement of five years with an option to extend. On renewal, the terms of the lease are renegotiated. The consolidated entity leases office equipment under agreements of up to five years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

Note 12. Intangibles

| | | |
|---|-------------------------|-------------------------|
| Patents and trademarks – at cost | 2,388,405 | 2,259,351 |
| Less: Accumulated amortisation | <u>(1,316,135)</u> | <u>(1,213,151)</u> |
| | <u>1,072,270</u> | <u>1,046,200</u> |
| <i>Reconciliations</i> | | |
| Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below: | | |
| Opening balance | <u>1,046,200</u> | <u>1,133,052</u> |
| Additions | 136,467 | 21,245 |
| Amortisation expense | <u>(110,397)</u> | <u>(108,097)</u> |
| Closing balance | <u><u>1,072,270</u></u> | <u><u>1,046,200</u></u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 13. Trade and other payables

| | 2025 \$ | 2024 \$ |
|---|------------------|------------------|
| Trade payables | 1,688,666 | 1,353,596 |
| Funds held on trust – exercise of options | 201,500 | - |
| Other payables | 305,137 | 115,938 |
| | <u>2,195,303</u> | <u>1,469,534</u> |

Note 14. Lease liabilities

| | | |
|-------------------------------|----------------|----------------|
| Current lease liabilities | <u>165,323</u> | <u>148,968</u> |
| Non-current lease liabilities | <u>411,572</u> | <u>540,725</u> |

Note 15. Employee benefits

| | | |
|---------------------------------|----------------|----------------|
| Current: | | |
| Annual leave entitlements | 415,221 | 379,539 |
| Long service leave entitlements | 383,834 | 274,446 |
| | <u>799,055</u> | <u>653,987</u> |
| Non-current: | | |
| Long service leave entitlements | <u>84,835</u> | <u>164,802</u> |
| | <u>84,835</u> | <u>164,802</u> |

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and where employees are entitled to pro-rata payments in certain circumstances. Employee benefit amounts are presented predominantly as current, as the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Contract liabilities

| | 2025 \$ | 2024 \$ |
|---|-------------------|-------------------|
| Current: | | |
| Deferred revenue from contracts with customers recognised over time | 2,304,000 | 2,304,000 |
| | <u>2,304,000</u> | <u>2,304,000</u> |
| Non-current: | | |
| Deferred revenue from contracts with customers recognised over time | 13,767,228 | 16,071,228 |
| | <u>13,767,228</u> | <u>16,071,228</u> |
| Total contract liabilities | <u>16,071,228</u> | <u>18,375,228</u> |

Reconciliation:

Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

| | 2025 \$ | 2024 \$ |
|---|--------------------|--------------------|
| Opening balance | 18,375,228 | 20,679,228 |
| Transfer to revenue – performance obligations satisfied | <u>(2,304,000)</u> | <u>(2,304,000)</u> |
| | <u>16,071,228</u> | <u>18,375,228</u> |

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$16,071,228 as at 30 June 2025 (2024: \$18,375,228) and is expected to be recognised as revenue in future periods as follows:

| | | |
|---------------|-------------------|-------------------|
| Within 1 year | 2,304,000 | 2,304,000 |
| 1 to 2 years | 2,304,000 | 2,304,000 |
| 2 to 5 years | 6,912,000 | 6,912,000 |
| Over 5 years | <u>4,551,228</u> | <u>6,855,228</u> |
| | <u>16,071,228</u> | <u>18,375,228</u> |

On 22 June 2022 the Company entered into a global exclusive patent and trademark license agreement and an exclusive distribution and supply agreement with BioHorizons Implant Systems Inc (BioHorizons) in relation to Orthocell's Striate+, a resorbable collagen membrane, manufactured by Orthocell, used for dental guided bone and tissue regeneration procedures. In consideration for the license granted, BioHorizons paid Orthocell AU \$23,225,432 (US \$16,000,000). Under the agreements Orthocell will supply BioHorizons with Striate+™ products at agreed transfer prices and grant exclusive distribution rights of those products globally. BioHorizons will market and distribute Striate+™ alongside its innovative and evidence-based dental implants and tissue regeneration products.

The contract liability relates to that portion of the upfront payment of AU \$23,225,432 (US \$16,000,000) for which there are future performance obligations to be satisfied. Under the terms of the contract BioHorizons have an exclusive license to use Orthocell's Trademarks and Patents in connection with the marketing and sale of products (in the Field of Use, dental). The license terminates when the last patent expires (after approximately 10 years). The Company's performance obligation is the maintenance of the Trademarks

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 16. Contract liabilities (continued)

and Patents so that BioHorizons may receive and consume the benefits of having access to the Trademarks and Patents to promote and distribute the manufactured Striate products for the term of the license.

To ensure continuous supply and access to the IP, the parties have entered into an escrow arrangement and an IP security agreement. The escrow arrangement allows for the release of know-how to BioHorizons if there is a default by Orthocell under the Distribution Agreement (generally which is not rectified within 60 days of notice by BioHorizons). The IP security agreement allows the Licence Agreement to be registered with local IP offices (including IP Australia and the U.S. Patent and Trademark Office).

There is no significant financing component within the contract and the purpose for the upfront payment is not to obtain financing. The upfront payment is the cash selling price for the grant of the exclusive license over 10 years and there is no requirement to obtain financing as the consolidated entity has sufficient working capital to meet its obligations under the contract and the consolidated entity has access to capital exclusive of the contract.

Either party may terminate the Licence Agreement for material breach if such breach is not cured within 90 days after written notice from the other party. Either party may terminate the Distribution Agreement for material breach if such breach is not cured within 60 days after written notice from the other party.

Under the Distribution Agreement if there is a "Supply Default" which is effectively a change in 50% of voting power or acquisition of at least 50% of ordinary shares of Orthocell in favour of a competitor of BioHorizons, or a sale by Orthocell to a competitor of BioHorizons of all or substantially all of the assets of Orthocell or of the business required by Orthocell to perform its obligations under the Distribution Agreement, or a change in manufacturing facilities, in each case during the first seven years of the Distribution Agreement, which results in a failure to supply Striate+™ products by Orthocell that were ordered by BioHorizons before the change of control event. If this occurs, BioHorizons can pursue two of the following three remedies: (i) release of know-how from escrow; (ii) a partial refund of license payments based on the number of anniversaries since the commencement of the Distribution Agreement; or (iii) 12 months' worth of extra supply of Striate+™ products. This doesn't preclude BioHorizons from pursuing other contractual remedies, usual for an agreement of this type, that may be available.

Note 17. Other current liabilities

Accrued expenses

| | 2025 \$ | 2024 \$ |
|--|----------------|----------------|
| | 940,947 | 729,392 |
| | <u>940,947</u> | <u>729,392</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Equity – issued capital

| | 2025 Shares | 2024 Shares | 2025 \$ | 2024 \$ |
|--------------------------------------|----------------|----------------|-------------|-------------|
| Ordinary shares – fully paid | 243,344,093 | 209,326,818 | 88,261,726 | 65,421,974 |
| | 243,344,093 | 209,326,818 | 88,261,726 | 65,421,974 |
| Share equity costs – ordinary shares | - | - | (4,775,475) | (3,202,306) |
| | 243,344,093 | 209,326,818 | 83,486,251 | 62,219,668 |

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|--------------------------------|-------------|-------------|-------------|------------|
| Balance at 30 June 2023 | | 197,303,071 | | 57,897,993 |
| 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 shares | 11 Mar 2024 | 500,000 | \$0.405 | 212,500 |
| | | 12,023,747 | | 4,321,675 |
| Balance at 30 June 2024 | | 209,326,818 | | 62,219,668 |
| 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 | 29 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 | - | - | (882,000) |
| 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 | 421,779 | - | 112,145 |
| Issue of shares | 14 Jan 2025 | 160,000 | \$1.375 | 220,000 |
| Cashless exercise of options | 14 Jan 2025 | 84,603 | - | 24,675 |
| Exercise of options | 18 Feb 2025 | 400,000 | \$0.403 | 224,680 |
| Cashless exercise of options | 18 Feb 2025 | 373,363 | - | 107,740 |
| Exercise of options | 18 Feb 2025 | 500,000 | \$0.600 | 340,094 |
| Exercise of performance rights | 28 Feb 2025 | 625,000 | - | 258,125 |
| Issue of shares | 3 Mar 2025 | 100,000 | \$1.295 | 129,500 |
| Cashless exercise of options | 27 Mar 2025 | 30,403 | - | 7,314 |
| Exercise of options | 10 Jun 2025 | 1,091,000 | \$0.410 | 447,310 |
| Cashless exercise of options | 10 Jun 2025 | 276,852 | | 323,221 |
| | | 34,017,275 | | 21,266,583 |
| Balance at 30 June 2025 | | 243,344,093 | | 83,486,251 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 18. Equity – issued capital (continued)

Ordinary shares

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. The Company does not have any externally imposed capital requirements. 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.

Capital Management Policy

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the value of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses to maximise synergies.

Note 19. Share-based payment reserve

| | 2025 Options/rights | 2024 Options/rights | 2025 \$ | 2024 \$ |
|-----------------------------|------------------------|------------------------|------------|------------|
| Share-based payment reserve | 31,492,915 | 42,265,000 | 5,152,985 | 7,939,296 |
| | 31,492,915 | 42,265,000 | 5,152,985 | 7,939,296 |

Movements in share-based payment reserve

| Details | Security code | Date | No of options/ rights | \$ |
|------------------------------|---------------|------------|--------------------------|-----------|
| Balance at 30 June 2023 | | | 38,465,000 | 7,335,298 |
| Expiry of options | OCCOPT18 | 08/10/2023 | (200,000) | (40,302) |
| Issue of options | OCCOPT33 | 07/11/2023 | 1,000,000 | 169,435 |
| Issue of options | OCCOPT34 | 20/11/2023 | 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) |
| | | | 3,800,000 | 603,998 |
| Balance at 30 June 2024 | | | 42,265,000 | 7,939,296 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Share-based payment reserve (continued)

| Details | Security code | Date | No of options/ rights | \$ |
|--------------------------------|---------------|-------------|--------------------------|--------------------|
| Balance at 30 June 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 |
| Cashless exercise of options | OCCOPT25 | 14 Jan 2025 | (150,000) | (24,675) |
| Cashless exercise of options | OCCOPT17 | 18 Feb 2025 | (500,000) | (107,740) |
| Exercise of options | OCCOPT27 | 18 Feb 2025 | (400,000) | (63,480) |
| Cashless exercise of options | OCCOPT30 | 18 Feb 2025 | (500,000) | (40,094) |
| Vesting of performance rights | OCCPR1&2 | 24 Feb 2025 | - | 37,558 |
| Exercise of performance rights | OCCPR1&2 | 28 Feb 2025 | (625,000) | (258,124) |
| Cashless exercise of options | OCCOPT29 | 31 Mar 2025 | (40,000) | (7,314) |
| Vesting of performance rights | OCCPR2 | 30 Jun 2025 | - | 11,406 |
| Issue of options | OCCOPT40 | 30 Jun 2025 | 3,000,000 | 313,995 |
| Cashless exercise of options | OCCOPT17 | 10 Jun 2025 | (409,000) | (323,222) |
| Cash exercise of options | OCCOPT17 | 10 Jun 2025 | (1,091,000) | - |
| Vesting of performance rights | OCCPR3 | 30 Jun 2025 | 91,162 | 103,733 |
| Vesting of performance rights | OCCPR4 | 30 Jun 2025 | 709,045 | 158,666 |
| Vesting of performance rights | OCCRR1 | 30 Jun 2025 | - | 121,500 |
| Vesting of performance rights | OCCRR2 | 30 Jun 2025 | 1,579,620 | 227,290 |
| | | | <u>(10,772,085)</u> | <u>(2,786,311)</u> |
| Balance at 30 June 2025 | | | <u>31,492,915</u> | <u>5,152,985</u> |

Total value of share-based payments for the year that has been recognised through the reserve is \$1,785,809 (2024: \$1,455,405). Of this \$780,645 (2024: \$1,390,173) is classified as share-based payments to employees, consultants and directors in Note 4 under employment expenses, \$691,169 is recognised as costs of equity (2024: nil) and the remaining \$313,995 (2024: \$105,732) is classified in consultants' fees. The share-based payments reserve is used to record the value of share-based payments provided to employees, including Key Management Personnel, as part of their remuneration, as well as consultants as consideration for services in certain circumstances.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Share-based payment reserve (continued)

Set out below are summaries of options and performance rights granted by the Company:

2024

| Grant date | Expiry date | Security code | Exercise price | Opening balance | Granted | Exercised | Expired/ forfeited | Closing balance |
|---|-------------|---------------|----------------|-------------------|------------------|------------------|--------------------|-------------------|
| Options: | | | | | | | | |
| 11/06/20 | 11/06/25 | OCCOPT17 | \$0.410 | 2,000,000 | - | - | - | 2,000,000 |
| 08/10/20 | 08/10/23 | OCCOPT18 | \$0.400 | 200,000 | - | - | (200,000) | - |
| 15/10/20 | 14/10/24 | OCCOPT19 | \$0.583 | 16,730,000 | - | - | - | 16,730,000 |
| 06/02/21 | 05/02/24 | OCCOPT20 | \$0.517 | 450,000 | - | - | (450,000) | - |
| 05/06/21 | 04/06/24 | OCCOPT21 | \$0.536 | 1,850,000 | - | - | (1,850,000) | - |
| 16/09/21 | 16/09/24 | OCCOPT22 | \$0.570 | 100,000 | - | - | - | 100,000 |
| 26/10/21 | 26/10/24 | OCCOPT23 | \$0.500 | 755,000 | - | - | - | 755,000 |
| 26/10/21 | 26/10/25 | OCCOPT24 | \$0.480 | 150,000 | - | - | - | 150,000 |
| 04/04/22 | 04/04/26 | OCCOPT25 | \$0.606 | 150,000 | - | - | - | 150,000 |
| 12/05/22 | 12/05/26 | OCCOPT26 | \$0.515 | 1,050,000 | - | - | - | 1,050,000 |
| 12/07/25 | 13/07/25 | OCCOPT27 | \$0.403 | 2,200,000 | - | - | - | 2,200,000 |
| 08/03/23 | 08/03/28 | OCCOPT28 | \$0.400 | 3,000,000 | - | - | - | 3,000,000 |
| 04/04/23 | 19/04/27 | OCCOPT29 | \$0.360 | 3,830,000 | - | - | - | 3,830,000 |
| 25/05/23 | 26/05/26 | OCCOPT30 | \$0.600 | 1,000,000 | - | - | - | 1,000,000 |
| 25/05/23 | 26/05/27 | OCCOPT31 | \$0.800 | 1,000,000 | - | - | - | 1,000,000 |
| 25/05/23 | 26/05/28 | OCCOPT32 | \$0.400 | 4,000,000 | - | - | - | 4,000,000 |
| 31/10/23 | 07/11/27 | OCCOPT33 | \$0.360 | - | 1,000,000 | - | - | 1,000,000 |
| 02/11/23 | 20/11/28 | OCCOPT34 | \$0.400 | - | 2,000,000 | - | - | 2,000,000 |
| 17/11/24 | 17/11/29 | OCCOPT35 | \$0.400 | - | 2,000,000 | - | - | 2,000,000 |
| 11/06/24 | 11/06/27 | OCCOPT36 | \$0.373 | - | 100,000 | - | - | 100,000 |
| 11/06/24 | 11/06/27 | OCCOPT37 | \$0.367 | - | 700,000 | - | - | 700,000 |
| | | | | 38,465,000 | 5,800,000 | - | (2,500,000) | 41,765,000 |
| Weighted average options exercise price | | | | \$0.506 | \$0.389 | \$0.000 | \$0.522 | \$0.489 |
| Performance Rights: | | | | | | | | |
| 19/01/23 | 19/01/26 | OCCPR1 | \$0.000 | - | 1,000,000 | (500,000) | - | 500,000 |
| | | | | - | 1,000,000 | (500,000) | - | 500,000 |
| | | | | 38,465,000 | 6,800,000 | (500,000) | (2,500,000) | 42,265,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Share-based payment reserve (continued)

2025

| Grant date | Expiry date | Security code | Exercise price | Opening balance | Granted | Exercised | Expired/ forfeited | Closing balance |
|---|-------------|---------------|----------------|-----------------|-----------|--------------|--------------------|-----------------|
| Options | | | | | | | | |
| 11/06/20 | 11/06/25 | OCCOPT17 | \$0.410 | 2,000,000 | - | (2,000,000) | - | - |
| 15/10/20 | 14/10/24 | OCCOPT19 | \$0.583 | 16,730,000 | - | (16,410,000) | (320,000) | - |
| 16/09/21 | 16/09/24 | OCCOPT22 | \$0.570 | 100,000 | - | - | (100,000) | - |
| 26/10/21 | 26/10/24 | OCCOPT23 | \$0.500 | 755,000 | - | (630,000) | (125,000) | - |
| 26/10/21 | 26/10/25 | OCCOPT24 | \$0.480 | 150,000 | - | - | - | 150,000 |
| 04/04/22 | 04/04/26 | OCCOPT25 | \$0.606 | 150,000 | - | (150,000) | - | - |
| 12/05/22 | 12/05/26 | OCCOPT26 | \$0.515 | 1,050,000 | - | - | - | 1,050,000 |
| 12/07/25 | 13/07/25 | OCCOPT27 | \$0.403 | 2,200,000 | - | (400,000) | - | 1,800,000 |
| 08/03/23 | 08/03/28 | OCCOPT28 | \$0.400 | 3,000,000 | - | - | - | 3,000,000 |
| 04/04/23 | 19/04/27 | OCCOPT29 | \$0.360 | 3,830,000 | - | (290,000) | - | 3,540,000 |
| 25/05/23 | 26/05/26 | OCCOPT30 | \$0.600 | 1,000,000 | - | (500,000) | - | 500,000 |
| 25/05/23 | 26/05/27 | OCCOPT31 | \$0.800 | 1,000,000 | - | - | - | 1,000,000 |
| 25/05/23 | 26/05/28 | OCCOPT32 | \$0.400 | 4,000,000 | - | - | - | 4,000,000 |
| 31/10/23 | 07/11/27 | OCCOPT33 | \$0.360 | 1,000,000 | - | (500,000) | - | 500,000 |
| 02/11/23 | 20/11/28 | OCCOPT34 | \$0.400 | 2,000,000 | - | - | - | 2,000,000 |
| 17/11/24 | 17/11/29 | OCCOPT35 | \$0.400 | 2,000,000 | - | - | - | 2,000,000 |
| 11/06/24 | 11/06/27 | OCCOPT36 | \$0.373 | 100,000 | - | - | - | 100,000 |
| 11/06/24 | 11/06/27 | OCCOPT37 | \$0.367 | 700,000 | - | - | - | 700,000 |
| 23/10/24 | 02/12/27 | OCCOPT38 | \$0.750 | - | 1,500,000 | - | - | 1,500,000 |
| 23/10/24 | 02/12/27 | OCCOPT39 | \$0.900 | - | 2,000,000 | - | - | 2,000,000 |
| 01/11/24 | 31/10/27 | OCCOPT40 | \$0.670 | - | 3,000,000 | - | - | 3,000,000 |
| | | | | 41,765,000 | 6,500,000 | (20,880,000) | (545,000) | 26,840,000 |
| Weighted average options exercise price | | | | \$0.489 | \$0.759 | \$0.553 | \$0.562 | \$0.504 |

Performance Rights:

| | | | | | | | | |
|----------|----------|--------|---------|------------|------------|--------------|-----------|------------|
| 19/01/23 | 19/01/26 | OCCPR1 | \$0.000 | 500,000 | - | (500,000) | - | - |
| 31/05/24 | 19/01/26 | OCCPR2 | \$0.000 | - | 250,000 | (125,000) | - | 125,000 |
| 29/11/24 | 28/11/27 | OCCPR3 | \$0.000 | - | 217,742 | - | - | 217,742 |
| 29/11/24 | 28/11/29 | OCCPR4 | \$0.000 | - | 1,530,553 | - | - | 1,530,553 |
| 29/11/24 | 28/11/29 | OCCRR1 | \$0.000 | - | 1,200,000 | - | - | 1,200,000 |
| 01/03/25 | 28/02/29 | OCCRR2 | \$0.000 | - | 1,579,620 | - | - | 1,579,620 |
| | | | | 500,000 | 4,777,915 | (625,000) | - | 4,652,915 |
| | | | | 42,265,000 | 11,277,915 | (21,505,000) | (545,000) | 31,492,915 |

At 30 June 2025 the remaining weighted average contractual life of options and performance rights is 911 days (2024: 1,030 days).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Share-based payment reserve (continued)

The costs of equity-settled transactions are measured at fair value. Fair value is independently determined using the Black-Scholes pricing model for equity with non-market conditions, and the Monte Carlo valuation method for equity with market driven conditions. For the options and performance rights granted the valuation model inputs used to determine the fair value at the grant date are as follows:

| Security code | Grant date | Vesting date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Dividend yield | Risk-free rate | Fair value at grant date |
|----------------------------|------------|--------------|-------------|---------------------------|----------------|---------------------|----------------|----------------|--------------------------|
| Options: | | | | | | | | | |
| OCCOPT17 | 10/06/20 | 10/06/20 | 11/06/25 | \$0.355 | \$0.410 | 80% | 0% | 0.41% | \$0.2150 |
| OCCOPT19 | 15/10/20 | 15/10/20 | 14/10/24 | \$0.405 | \$0.583 | 80% | 0% | 0.42% | \$0.2030 |
| OCCOPT20 | 05/02/21 | 05/02/21 | 05/02/24 | \$0.555 | \$0.517 | 75% | 0% | 0.10% | \$0.2792 |
| OCCOPT21 | 02/06/21 | 02/06/21 | 04/06/24 | \$0.530 | \$0.536 | 75% | 0% | 0.09% | \$0.2557 |
| OCCOPT22 | 16/09/21 | 16/09/21 | 16/09/24 | \$0.560 | \$0.570 | 70% | 0% | 0.08% | \$0.2529 |
| OCCOPT23 | 26/10/21 | 26/10/21 | 26/10/24 | \$0.540 | \$0.500 | 70% | 0% | 0.67% | \$0.2590 |
| OCCOPT24 | 26/10/21 | 26/10/21 | 26/10/24 | \$0.485 | \$0.580 | 70% | 0% | 0.14% | \$0.2522 |
| OCCOPT25 | 04/04/22 | 04/04/22 | 04/04/26 | \$0.405 | \$0.606 | 65% | 0% | 2.49% | \$0.1645 |
| OCCOPT26 | 12/05/22 | 12/05/22 | 12/05/26 | \$0.340 | \$0.515 | 65% | 0% | 2.95% | \$0.1386 |
| OCCOPT27 | 13/07/22 | 13/07/22 | 13/07/25 | \$0.370 | \$0.403 | 65% | 0% | 2.96% | \$0.1587 |
| OCCOPT28 | 08/03/23 | 08/03/23 | 08/03/28 | \$0.390 | \$0.400 | 55% | 0% | 3.46% | \$0.1955 |
| OCCOPT29 | 04/04/23 | 04/04/23 | 19/04/27 | \$0.385 | \$0.360 | 55% | 0% | 3.02% | \$0.1828 |
| OCCOPT30 | 25/05/23 | 25/05/23 | 26/05/26 | \$0.345 | \$0.600 | 55% | 0% | 3.35% | \$0.0802 |
| OCCOPT31 | 25/05/23 | 25/05/23 | 26/05/27 | \$0.345 | \$0.800 | 55% | 0% | 3.38% | \$0.0785 |
| OCCOPT32 | 25/05/23 | 25/05/23 | 26/05/28 | \$0.345 | \$0.400 | 55% | 0% | 3.38% | \$0.1614 |
| OCCOPT33 | 07/11/23 | 07/11/23 | 07/11/27 | \$0.360 | \$0.360 | 55% | 0% | 4.43% | \$0.1694 |
| OCCOPT34 | 01/11/23 | 01/11/23 | 20/11/28 | \$0.385 | \$0.400 | 55% | 0% | 3.01% | \$0.1993 |
| OCCOPT35 | 15/01/24 | 15/01/24 | 17/11/29 | \$0.405 | \$0.400 | 55% | 0% | 3.66% | \$0.2083 |
| OCCOPT36 | 11/06/24 | 11/06/24 | 11/06/27 | \$0.360 | \$0.373 | 50% | 0% | 3.89% | \$0.1304 |
| OCCOPT37 | 11/06/24 | 11/06/24 | 11/06/27 | \$0.360 | \$0.367 | 50% | 0% | 3.89% | \$0.1324 |
| OCCOPT38 | 23/10/24 | 23/10/24 | 2/12/27 | \$0.690 | \$0.750 | 45% | 0% | 3.88% | \$0.2218 |
| OCCOPT39 | 23/10/24 | 23/10/24 | 2/12/27 | \$0.690 | \$0.900 | 45% | 0% | 3.88% | \$0.1792 |
| OCCOPT40 | 1/11/24 | 1/11/24 | 31/10/27 | \$0.610 | \$0.670 | 45% | 0% | 3.97% | \$0.1903 |
| Performance rights: | | | | | | | | | |
| OCCPR1 | 19/01/23 | 24/02/25 | 19/01/26 | \$0.425 | \$0.000 | 50% | 0% | 2.90% | \$0.4250 |
| OCCPR2 | 31/05/24 | 24/02/25 | 31/05/27 | \$0.365 | \$0.000 | 50% | 0% | 4.31% | \$0.3650 |
| OCCPR3 | 29/11/24 | 28/11/25 | 28/11/27 | \$0.810 | \$0.000 | 45% | 0% | 3.84% | \$0.8100 |
| OCCPR4 | 29/11/24 | 28/11/27 | 28/11/29 | \$0.810 | \$0.000 | 45% | 0% | 3.84% | \$0.4760 |
| OCCRR1 | 29/11/24 | 28/11/27 | 28/11/29 | \$0.810 | \$0.000 | 45% | 0% | 3.84% | \$0.8100 |
| OCCPR3 | 01/03/25 | 28/11/25 | 28/11/27 | \$1.295 | \$0.000 | 45% | 0% | 3.67% | \$1.2950 |
| OCCPR4 | 01/03/25 | 28/11/27 | 28/11/29 | \$1.295 | \$0.000 | 45% | 0% | 3.67% | \$1.0871 |
| OCCRR2 | 01/03/25 | 28/02/28 | 28/02/29 | \$0.000 | \$0.000 | 45% | 0% | 3.67% | \$1.2950 |

At 30 June 2025 all options were fully vested and OCCPR1 and OCCPR2 were fully vested and exercised. None of the other outstanding performance rights were vested. Performance rights granted to employees are subject to vesting periods of up to 3 years from grant date and subject to achievement of performance milestones over the vesting period to the satisfaction of the Chief Executive Officer and the board of directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 20. Equity – accumulated losses

| | 2025 \$ | 2024 \$ |
|---|------------|------------|
| Accumulated losses at the beginning of the financial year | 65,626,390 | 59,084,338 |
| Expired/forfeited options | (122,628) | (638,907) |
| Loss after income tax expense for the year | 8,566,640 | 7,180,959 |
| | <hr/> | <hr/> |
| Accumulated losses at the end of the financial year | 74,070,402 | 65,626,390 |
| | <hr/> | <hr/> |

Note 21. Financial instruments

(a) Financial risk management

The Company's principal financial instruments comprise cash. The main purpose of these financial instruments is to fund expenditure on the Company's operations. The Company has various other financial assets & liabilities such as trade receivables & trade payables, which arise directly from its operations. It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken. Details of the significant accounting policies & methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income & expenses are recognised, in respect of each class of financial asset & financial liability are disclosed in Note 1.

(b) Interest rate risk

At reporting date the Company had the following financial assets exposed to interest rate risk:

| | 2025 \$ | 2024 \$ |
|---------------------|------------|------------|
| Cash ⁽¹⁾ | 28,619,929 | 20,614,440 |
| | <hr/> | <hr/> |

(1) The weighted average interest rate of cash is 4.47% (2024: 4.51%)

(c) Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The consolidated entity's maximum exposure to credit risk in relation to each class of financial asset is the carrying amount of those assets as indicated in the Statement of Financial Position. The consolidated entity has in place policies that aim to ensure that counterparties and cash transactions are limited to high credit quality financial institutions and that the amount of credit exposure to one financial institution is limited as far as is considered commercially appropriate. Since the consolidated entity trades only with recognised third parties, there is no requirement for collateral.

(d) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 21. Financial instruments (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

| | Less than 6 months \$ | 6 – 12 months \$ | 1 – 2 years \$ | 2 – 5 years \$ | Over 5 years \$ | Total contractual cash flows \$ | Total carrying amount \$ |
|------------------------|-----------------------------|------------------------|----------------------|----------------------|-----------------------|---------------------------------------|--------------------------------|
| As at 30 June 2024: | | | | | | | |
| Trade & other payables | 1,469,534 | - | - | - | - | - | 1,469,534 |
| Lease liabilities | 73,016 | 75,952 | 161,188 | 379,537 | - | - | 689,693 |
| | <u>1,542,550</u> | <u>75,952</u> | <u>161,188</u> | <u>379,537</u> | <u>-</u> | <u>-</u> | <u>2,159,227</u> |
| As at 30 June 2025: | | | | | | | |
| Trade & other payables | 1,993,803 | - | - | - | - | - | 1,993,803 |
| Lease liabilities | 84,291 | 87,680 | 186,077 | 218,847 | - | - | 576,895 |
| | <u>2,078,094</u> | <u>87,680</u> | <u>186,077</u> | <u>218,847</u> | <u>-</u> | <u>-</u> | <u>2,570,698</u> |

Note 21. Financial instruments (continued)

(e) Net fair values

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1.

(f) Sensitivity analysis

The following tables summarise the sensitivity of the consolidated entity's financial assets to interest rate risk. Had the relevant variables, as illustrated in the tables, moved, with all other variables held constant, post-tax profit/(loss) and equity would have been affected as shown. The analysis has been performed on the same basis for 2023 and 2024. None of the Company's financial liabilities are interest bearing.

| Financial assets | Carrying amount \$ | Interest rate risk (-1%) | | Interest rate risk (1%) | |
|------------------|--------------------------|--------------------------|--------------|-------------------------|--------------|
| | | Net profit \$ | Equity \$ | Net profit \$ | Equity \$ |
| 30 June 2024 | | | | | |
| Cash | 20,614,440 | (206,144) | (206,144) | 206,144 | 206,144 |
| 30 June 2025 | | | | | |
| Cash | 28,619,929 | (286,199) | (286,199) | 286,199 | 286,199 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 22. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

| | 2025 \$ | 2024 \$ |
|------------------------------|------------------|------------------|
| Short-term employee benefits | 1,015,026 | 1,150,511 |
| Post-employment benefits | 29,932 | 61,436 |
| Long-term benefits | 3,548 | 11,624 |
| Share-based payments | 226,667 | 899,954 |
| | <u>1,275,173</u> | <u>2,123,525</u> |

Note 23. Remuneration of auditor

During the financial year the following fees were paid or payable for services provided by PKF Perth, the auditor of the Company, its network firms and unrelated firms:

| | | |
|--|----------------|---------------|
| <i>Audit services</i> | | |
| Audit or review of the consolidated financial statements | <u>87,200</u> | <u>53,500</u> |
| <i>Other services</i> | | |
| Preparation of the tax return | 9,400 | 7,113 |
| Transfer pricing review | 14,380 | - |
| Other matters | <u>6,450</u> | <u>10,425</u> |
| | <u>20,830</u> | <u>17,538</u> |
| | <u>108,030</u> | <u>71,038</u> |

Note 24. Contingent liabilities

The consolidated entity has no contingent liabilities for the year ended 30 June 2025 or 30 June 2024.

Note 25. Contingent assets

The consolidated entity has no contingent assets for the year ended 30 June 2025 or 30 June 2024.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 26. Commitments

| | 2025 \$ | 2024 \$ |
|---|---------------------|---------------------|
| <i>Patent annuity commitments</i> | | |
| To maintain patent rights the following commitments will need to be met by the Company: | | |
| Within one year | 85,646 | 87,346 |
| One to five years | 360,512 | 334,651 |
| More than five years | 47,565 | 330,811 |
| | <hr/> 493,723 | <hr/> 752,808 |
| <i>Lease commitments – operating</i> | | |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 2,940 | 2,940 |
| One to five years | 3,185 | 6,125 |
| More than five years | - | - |
| | <hr/> 6,125 | <hr/> 9,065 |
| <i>Capital commitments</i> | | |
| Committed at the reporting date but not recognised as liabilities: | | |
| Property, plant & equipment | <hr/> - | <hr/> - |
| | <hr/> - | <hr/> - |
| Total commitments | <hr/> <hr/> 499,848 | <hr/> <hr/> 761,873 |

Operating lease commitments includes contracted amounts for various equipment under non-cancellable operating leases expiring within one to ten years.

Note 27. Related party transactions

| | |
|--------------------------------|---|
| Parent entity: | Orthocell Limited is the parent entity |
| Subsidiaries: | Interests in subsidiaries are set out in note 28. |
| Key management personnel: | Disclosures relating to key management personnel are set out in note 22 and the remuneration report in the Directors' Report. |
| Loans to/from related parties: | There were no loans to or from related parties at the current and previous reporting dates |
| Terms and conditions: | All transactions were made on normal commercial terms and conditions and at market rates. |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 28. Parent entity and interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following wholly owned subsidiaries in accordance with the accounting policy described in note 1:

| | | 2025 | 2024 |
|-----------------------|---------------------------------|------|------|
| | | % | % |
| Name of entity | Country of incorporation | | |
| Ausbiomedical Pty Ltd | Australia | 100 | 100 |
| Orthocell UK Ltd | United Kingdom | 100 | 100 |
| Orthocell (US) LLC | United States of America | 100 | 100 |

As the subsidiaries do not trade or have any assets and liabilities, the consolidated entity and parent entity disclosures are the same.

Note 29. Events after the reporting period

Subsequent to 30 June 2025:

- 550,000 options with an exercise price of \$1.17 expiring 28 July 2028 issued to consultants
- 400,000 options with an exercise price of \$1.46 expiring 28 July 2029 issued to consultants.
- 250,000 options with an exercise price of \$0.403 expired unexercised
- 1,250,000 shares issued on the exercise of 1,250,000 options with an exercise price of \$0.403 for \$503,750 cash
- 205,911 shares issued on the cashless exercise of 300,000 options with an exercise price of \$0.403
- Resignation of director Kim Beazley on 24 July 2025
- Appointment of director Michael McNulty to commence 1 September 2025
- Michael McNulty to be issued 2,000,000 options, with an exercise price of \$1.53 expiring 3 years after date of issue, on commencement of appointment

No other matters or circumstances have arisen since 30 June 2025 that have 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 30. Reconciliation of loss after income tax to net cash from operating activities

| | 2025 \$ | 2024 \$ |
|--|--------------------|--------------------|
| Loss after income tax expense for the year | (8,566,640) | (7,180,959) |
| Adjustments for: | | |
| Depreciation and amortisation | 547,531 | 517,077 |
| Share-based payments expensed | 1,540,390 | 2,095,905 |
| Lease interest | 52,546 | 60,525 |
| Inventory write-off | 41,953 | 22,517 |
| Intangibles write-off | 1,030 | - |
| Revaluation of right-of-use asset | - | (77,448) |
| Change in operating assets and liabilities: | | |
| (Increase)/decrease in debtors | (541,153) | (269,512) |
| (Increase)/decrease in prepayments | (155,614) | 161,305 |
| (Increase)/decrease in inventories | (68,227) | (165,026) |
| (Increase)/decrease in accrued revenue | 21,478 | (54,478) |
| Increase/(decrease) in creditors | 471,123 | 478,737 |
| Increase/(decrease) in accruals | 211,554 | 160,650 |
| Increase/(decrease) in contract liabilities | (2,304,000) | (2,304,000) |
| Increase/(decrease) in employee entitlements | 65,101 | 49,581 |
| | <u>(8,682,928)</u> | <u>(6,505,126)</u> |

Note 31. Loss per share

| | 2025 \$ | 2024 \$ |
|--|--------------------|--------------------|
| Loss after income tax expense for the year | <u>(8,566,640)</u> | <u>(7,180,959)</u> |
| | Shares | Shares |
| Weighted average number of shares used in calculating basic and diluted loss per share | <u>223,260,569</u> | <u>202,008,340</u> |
| Loss per share | | |
| Basic earnings per share | (0.038) | (0.036) |
| Diluted earnings per share | (0.038) | (0.036) |

Options are considered to be potential ordinary shares and have only been included in the determination of diluted loss per share to the extent to which they are dilutive.

Note 32. 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. Reports provided to the chief operating decision makers reference the consolidated entity operating in one segment, being the development of innovative biological products to address unmet clinical needs in human health in the regenerative medicine industry.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

| Entity name | Entity type | Australian resident | Country of incorporation | Ownership interest % | Tax residency & foreign jurisdiction |
|-----------------------|----------------|---------------------|--------------------------|----------------------|--------------------------------------|
| Ausbiomedical Pty Ltd | Body corporate | Yes | Australia | 100% | Australia |
| Orthocell UK Ltd | Body corporate | No | United Kingdom | 100% | United Kingdom |
| Orthocell US LLC | Body corporate | No | United States of America | 100% | United States of America |

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DIRECTORS DECLARATION

In the directors' opinion:

- The attached consolidated financial statements and notes thereto and the remuneration report contained in the directors' report comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements.
- The attached consolidated financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the consolidated financial statements.
- The attached consolidated financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date,
- There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- The information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Paul Anderson
Director
29 August 2025
Perth

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ORTHOCELL LIMITED

Report on the Financial Report

Opinion

We have audited the financial report of Orthocell Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2025, 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 year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Orthocell Limited is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code

Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context.

Revenue recognition – Notes 3 and 16

Why significant

The consolidated entity has two distinct categories of revenue being revenue with performance obligations recognised at a point in time of \$5,246,681 (2024: \$3,011,375) and revenue with performance obligations recognised over time of \$2,304,000 (2024: \$2,304,000), as disclosed in Note 3.

In prior years, Orthocell Limited signed an exclusive patent and trademark agreement, which provided an upfront consideration (contract liability) of AUD\$23,225,432 (US\$16,000,000). As at balance date the remaining contract liability is \$16,071,228 (2024: \$18,375,228), as disclosed in the Note 16.

The recognition of revenue and associated contract liability is considered a key audit matter due to the varied timing of recognition relative to the different revenue streams and separate performance obligations, and the application of AASB 15 Revenue from Contracts with Customers.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Identified the various revenue streams;
- Obtained an understanding and documented the design and implementation of internal controls in operation for the significant revenue streams;
- Reviewed significant contracts with customers to ensure revenue was recognised in line with the revenue recognition policy;
- Tested substantively the revenue recognised in the financial statements;
- Reviewed post year end receipts to ensure the revenue has been recorded in the correct accounting period;
- With respect to contract liability applicable to the exclusive patent and trademark agreement we have:
 - Agreed the revenue amount recognised in the statement of profit or loss; and
 - Confirmed the accuracy of the contract liability in the financial statements and the recognition over time of the consideration received upfront from the contract
- Assessed the appropriateness of the related disclosures.

Intangibles – Note 12

Why significant

The consolidated entity has recognised intangible assets of \$1,072,270 (2024: \$1,046,200) as disclosed in Note 12. AASB 136 Impairment of Assets requires an entity assesses at the end of each reporting period whether there is any indication that an asset may be impaired, and where such indication exists the entity is required to determine the recoverable amount of the asset.

Management undertook an impairment test in accordance with AASB 136 to ensure the CGU's recoverable amount is greater than carrying value, utilising its value-in-use.

Considering the significant estimates and judgement involved in assessing the recoverable amount, this was considered to be a key audit matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Understood and documented management's process and controls related to the assessment of impairment, including management's identification of CGU and the calculation of the recoverable amount for the CGU;
- Evaluated the value-in-use model against the requirements of AASB 136;
- Challenged the appropriateness of management's revenue and cost forecasts;
- Reviewed management's value-in-use calculation:
 - Tested the mathematical accuracy of the calculations;
 - Evaluated the forecast cash inflows and outflows to be derived by the CGU assets for reasonableness;
 - Assessed the discount rate applied to forecast future cash flows for reasonableness;
 - Performed sensitivity analysis on significant inputs and assumptions made by management in the preparation of its calculation;
- Verified the existence of the patents and trademarks through the confirmation that the status of the patents and trademarks is active;
- Performed test of details for any additions / disposals in the current year; and
- Assessed the appropriateness of the related disclosures.

Share-based payments – Notes 4 and 19

Why significant

During the year, the Group recorded the following transactions related to share-based payments

- Issuance and amortisation of performance and retention rights issued to employees and KMP (classified in share-based payments expense) for the total of \$780,645.
- Issuance and amortisation of performance and retention rights issued to employees and KMP (classified in share-based payments expense) for the total of \$313,995.
- Issuance of options to CG Nominees in relation to capital raise (classified in cost of issued capital) for the total of \$691,169.
- Exercise of share-based payments (classified in issued capital) for the total of (\$4,449,492).
- Expiry of options (classified in retained earnings) for the total of \$122,628
- Issuance of shares through employee awards program for the total of \$445,750 (recorded through issued capital).

The Group grants share-based payments to employees and directors in the form of options, performance rights and retention rights, some of which include market and non-market vesting conditions.

Accounting for these arrangements requires the use of complex valuation models and significant management judgement in determining key assumptions such as volatility, risk-free interest rate, expected life, share price at grant date, and the probability of meeting performance conditions. Due to the complexity of these calculations and the level of judgement involved, we considered share-based payments to be a key audit matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Inspecting Board and Remuneration Committee minutes and agreements to identify all new share-based payment arrangements during the year;
- Evaluating the appropriateness of the Group's accounting policies for share-based payments against AASB 2 *Share-based Payment*;
- Assessing the valuation methodologies applied (Monte Carlo simulation for market conditions, Black-Scholes model for options) by external valuation specialists where necessary;
- Testing the accuracy of key inputs and assumptions used in the valuations, including volatility, expected life, risk-free rate, share price and dividend yield, by comparing them to observable market data;
- Recalculating the expense recognised during the year, including the impact of forfeitures, to confirm the correct application of amortisation over the vesting period; and
- Evaluating the adequacy of the disclosures in the financial report in accordance with AASB 2.

Other Information

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the Company are responsible for the preparation of:-

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001; and
for such internal control as the Directors determine is necessary to enable the preparation of:-
 - i) the financial report (other than the consolidated entity disclosure statements) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
 - ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Orthocell Limited for the year ended 30 June 2025, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PKF Perth

PKF PERTH

Simon Fermanis

SIMON FERMANIS

PARTNER

29 August 2025
PERTH, WESTERN AUSTRALIA

CORPORATE GOVERNANCE STATEMENT

General

The Board of Directors of Orthocell Limited (the "Company") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

The Company's Corporate Governance Statement is set out on the Company's website at www.orthocell.com.au.

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ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective 20 August 2025.

Substantial shareholders

There are no substantial shareholders at the date of this report.

Voting rights

Ordinary shares

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.

Distribution of ordinary shares

| Ranges | Shareholders | Holdings |
|----------------------|--------------|--------------------|
| 1 – 1,000 | 1,444 | 891,132 |
| 1,001 – 5,000 | 3,028 | 8,329,665 |
| 5,001 – 10,000 | 1,379 | 11,075,263 |
| 10,001 – 100,000 | 2,463 | 81,597,603 |
| 100,001 and over | 339 | 142,906,341 |
| Totals | 8,653 | 244,800,004 |
| Unmarketable parcels | 434 | 112,340 |

On-market buy back

There is currently no on-market buy-back program for any of Orthocell Limited's listed securities.

Restricted securities

Nil

Securities Exchange

The Company was listed on the Australian Securities Exchange on 12 August 2014.

Ordinary shares

| 20 largest shareholders | Shares held | % |
|---|--------------------|---------------|
| Ming Hao Zheng & Fan Ying | 7,073,975 | 2.89 |
| HSBC Custody Nominees (Australia) Limited | 6,829,235 | 2.79 |
| Mr Paul Frederick Anderson & Ms Nicole Jane Telford | 6,233,335 | 2.55 |
| Mr Qixiao Zhou | 5,996,241 | 2.45 |
| Mr Jia Xun Xu | 4,785,445 | 1.95 |
| Mr Patrick John McHale | 4,300,000 | 1.76 |
| Wyllie Group Pty Ltd | 2,614,992 | 1.07 |
| The University of Western Australia | 2,360,973 | 0.96 |
| Citicorp Nominees Pty Ltd | 2,332,296 | 0.95 |
| Dr John Clifford Philpott & Mrs Rebecca Anne Philpott | 2,048,677 | 0.84 |
| Wyllie Group Pty Ltd | 2,000,000 | 0.82 |
| Sandini Pty Ltd | 1,784,911 | 0.73 |
| J P Morgan Nominees Australia Pty Limited | 1,779,402 | 0.73 |
| Dr John Clifford Philpott | 1,635,216 | 0.67 |
| Rubino Group Pty Ltd | 1,583,334 | 0.65 |
| Mr Tony Athas & Mrs Angela Athas | 1,550,000 | 0.63 |
| Mr David Gordon Trainer | 1,375,000 | 0.56 |
| Shortclan Investments Pty Ltd | 1,300,000 | 0.53 |
| Dender Investments Pty Ltd | 1,220,000 | 0.50 |
| BNP Paribas Nominees Pty Ltd | 1,152,402 | 0.47 |
| Total | 59,955,434 | 24.49 |
| Balance of register | 184,844,570 | 75.51 |
| Grand total | 244,800,004 | 100.00 |

ASX ADDITIONAL INFORMATION

Unlisted options and rights

Unlisted options and rights on issue total 30,642,915, representing 12.5% of issued capital, and have no voting rights. All unlisted options and rights were issued pursuant to the Company's employee awards plan, to key consultants or to directors.

Summary of unlisted options & rights

| Group | Holders | Holdings |
|--------------------------------------|-----------|-------------------|
| Options under Employee Awards Plan | 25 | 5,090,000 |
| Options outside Employee Awards Plan | 15 | 20,900,000 |
| Performance & Retention Rights | 46 | 4,652,915 |
| Total | 86 | 30,642,915 |
| Percentage of issued capital | | 12.5% |

Of the above unlisted securities, the following are held by Key Management Personnel or their related parties:

- 13.1% - Chair, Mr John Van Der Wielen
- 8.6% - Managing Director, Mr Paul Anderson
- 9.8% - Director, Dr Ravi Thadhani
- 6.5% - Director, Prof Fiona Wood
- 6.5% - Director, Mr Kim Beazley (retired 24 July 2025)

There are no security holders who hold or control more than 20% of the unlisted securities.

Distribution of options under Employee Awards Plan

| Ranges | Holders | Holdings |
|------------------|-----------|------------------|
| 1 – 1,000 | Nil | Nil |
| 1,001 – 5,000 | Nil | Nil |
| 5,001 – 10,000 | Nil | Nil |
| 10,001 – 100,000 | 15 | 700,000 |
| 100,001 and over | 10 | 4,390,000 |
| Total | 25 | 5,090,000 |

100% of the above securities are exercisable.

Distribution of options outside Employee Awards Plan

| Ranges | Holders | Holdings |
|------------------|-----------|-------------------|
| 1 – 1,000 | Nil | Nil |
| 1,001 – 5,000 | Nil | Nil |
| 5,001 – 10,000 | Nil | Nil |
| 10,001 – 100,000 | 1 | 100,000 |
| 100,001 and over | 14 | 20,800,000 |
| Total | 15 | 20,900,000 |

100% of the above securities are exercisable.

Distribution of performance & retention rights

| Ranges | Holders | Holdings |
|------------------|-----------|------------------|
| 1 – 1,000 | Nil | Nil |
| 1,001 – 5,000 | 1 | 4,246 |
| 5,001 – 10,000 | 1 | 9,615 |
| 10,001 – 100,000 | 36 | 857,952 |
| 100,001 and over | 8 | 3,781,102 |
| Total | 46 | 4,652,915 |

None of the above securities are exercisable.

ASX ADDITIONAL INFORMATION

Unlisted options and rights

| Security Code | Security Name | Total Holders | Total Holdings | Exercisable |
|---------------|---|---------------|-------------------|-------------------|
| OCCOPT24 | Unlisted Options @ \$0.58 Exp 26/10/2025 | 1 | 150,000 | 150,000 |
| OCCOPT26 | Unlisted Options @ \$0.515 Exp 11/05/2026 | 2 | 1,050,000 | 1,050,000 |
| OCCOPT28 | Unlisted Options @ \$0.40 Exp 08/03/2028 | 1 | 3,000,000 | 3,000,000 |
| OCCOPT29 | Unlisted Options @ \$0.36 Expiring 19/04/27 | 23 | 3,540,000 | 3,540,000 |
| OCCOPT30 | Unlisted Options @ \$0.60 Expiring 26/05/26 | 1 | 500,000 | 500,000 |
| OCCOPT31 | Unlisted Options @ \$0.80 Expiring 26/05/27 | 1 | 1,000,000 | 1,000,000 |
| OCCOPT32 | Unlisted Options @ \$0.40 Expiring 29/05/28 | 1 | 4,000,000 | 4,000,000 |
| OCCOPT33 | Unlisted Options @ \$0.36 Exp 07/11/2027 | 1 | 500,000 | 500,000 |
| OCCOPT34 | Unlisted Options @ \$0.40 Exp 20/11/2028 | 1 | 2,000,000 | 2,000,000 |
| OCCOPT35 | Unlisted Options @ \$0.40 Exp 17/01/2029 | 1 | 2,000,000 | 2,000,000 |
| OCCOPT36 | Unlisted Options @ \$0.373 Exp 11/06/2027 | 1 | 100,000 | 100,000 |
| OCCOPT37 | Unlisted Options @ \$0.367 Exp 11/06/2027 | 1 | 700,000 | 700,000 |
| OCCOPT38 | Unlisted Options @ \$0.75 Exp 02/12/2027 | 1 | 1,500,000 | 1,500,000 |
| OCCOPT39 | Unlisted Options @ \$0.90 Exp 02/12/2027 | 1 | 2,000,000 | 2,000,000 |
| OCCOPT40 | Unlisted Options @ \$0.67 Exp 31/10/2027 | 2 | 3,000,000 | 3,000,000 |
| OCCOPT41 | Unlisted Options @ \$1.17 Exp 28/07/28 | 3 | 550,000 | 550,000 |
| OCCOPT42 | Unlisted Options @ \$1.46 Exp 28/07/29 | 2 | 400,000 | 400,000 |
| OCCPR2 | Performance Rights Exp 31/05/2027 | 1 | 125,000 | - |
| OCCPR3 | Performance Rights Exp 28/11/2027 | 5 | 217,742 | - |
| OCCPR4 | Performance Rights Exp 28/11/2029 | 5 | 1,530,553 | - |
| OCCRR1 | Retention Rights Exp 28/11/2029 | 1 | 1,200,000 | - |
| OCCRR2 | Retention Rights Exp 28/02/2029 | 42 | 1,579,620 | - |
| TOTAL | | 98 | 30,642,915 | 25,990,000 |

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