AROA

Aroa Biosurgery

Investor Presentation
July 2020

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Aroa at a glance

Well established high-growth soft tissue regeneration company

NZ$22m product revenue FY'20	**>70% GM**	**EBITDA Positive[1]** FY'20
5 patented products selling in United States	**>US$1.5[2]b TAM** for existing products	**4 million+** Procedures with Aroa's products
16 Peer Reviewed **Publications**	**Regulatory Approvals** in 37 countries	**>140 personnel[3]**

1. Positive EBITDA based on proforma financials.
2. SmartTRAK BiomedGPS data 2020; DRG Millennium Research data; Hernia Repair Devices, 2020, Aroa management estimates; DRG Millennium Research, Breast Implants & Reconstructive devices, 2018
   Market data was prepared before the onset of COVID-19, the economic effect of which is currently not possible to predict with any certainty. Consequently, while the Company has no reason to believe that the market data does not remain accurate based on the relevant markets operating normally, the impact of COVID-19 on the market data that is referenced is not possible to currently predict with any certainty and investors are cautioned against placing undue reliance on such data.
2. Aroa NZ & US employees, 50% of Appluse joint venture employees in United States.

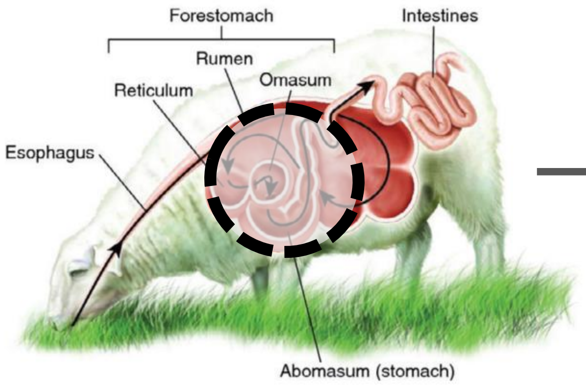
Business Summary

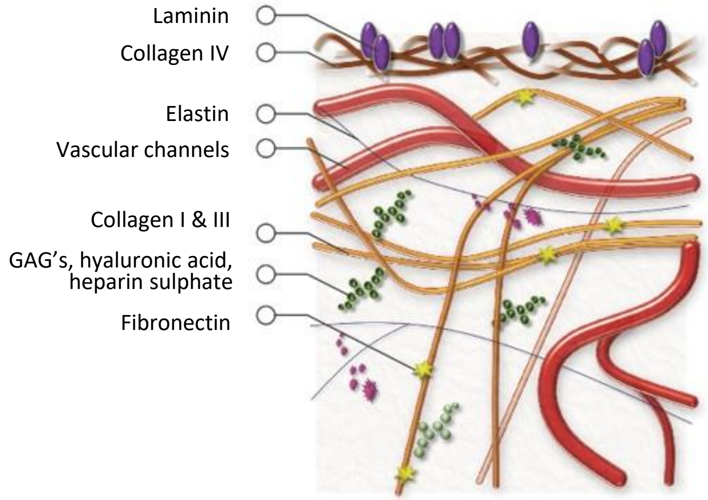
Company Overview	• Soft tissue regeneration company • Commenced operations in 2008, based in Auckland, NZ >140 personnel[1] • Commercial stage and predominantly focused on the US market • Five key products approved for sale in the US targeting chronic wounds, hernia, soft tissue and breast reconstruction • Products based on Aroa's patented proprietary Endoform® platform technology • Regulatory approvals in 37 countries • Over four million procedures using Aroa products performed globally to date
Large Total Addressable Market	• Existing products estimated to have a Total Addressable Market (TAM) in United States of >US$1.5b[1] • Additional pipeline of new products to be commercialized with estimated TAM in United States of >US$1.0b[1] • Established US distribution with sales in over 600 hospitals • Highly scalable manufacturing and significant operating leverage
Strong financials and growth outlook	• FY20 product revenue of NZ$22M and EBITDA positive[3] • Tailwinds in place to underpin anticipated revenue growth from existing products post FY21 (subject to gradual lifting of COVID-19 restrictions) • Over 70% gross margin, with expected margin expansion

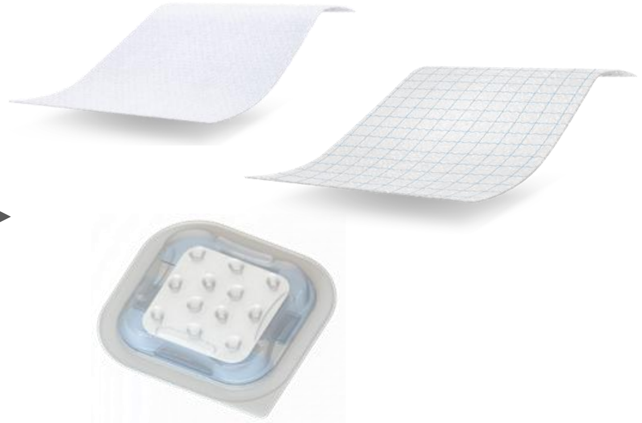
1. Aroa NZ and US employees. 50% of Appulse joint venture employees in the United States.
2. SmartTRAK BiomedGPS data 2020, DRG Millennium Research data, Hernia Repair Devices, 2020, Aroa management estimates, DRG Millennium Research, Breast Implants & Reconstructive devices, 2018. Market data was prepared before the onset of COVID-19, the economic effect of which is currently not possible to predict with any certainty. Consequently, while the Company has no reason to believe that the market data does not remain accurate based on the relevant markets operating normally, the impact of COVID-19 on the market data that is referenced is not possible to currently predict with any certainty and investors are cautioned against placing undue reliance on such data.
3. Positive EBITDA based on proforma financials.

Endoform® platform technology

All Aroa's products utilise its proprietary Endoform ® platform which is a unique Extracellular Matrix (ECM) derived from sheep forestomach







Source	Endoform Technology (Structural and Biological Building Block)	Products
• Extraordinary thick porous ECM with basement membrane and an unusually dense network of vascular channels • Constantly renewing and growing	• Endoform (purified Ovine Forestomach Matrix) provides unique ECM with a native porous structure, vascular channels, signals and substrates to help to short-cut healing (basement membrane components, ECM structure, 148 secondary molecules known to be important in healing). Clinically this translates to ready-to-use structure and biological features which direct regenerative healing.	• All products with Endoform provide a short-cut to growing new tissue and an associated blood supply. Each product is engineered for the challenges of a specific use case.

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Soft tissue reconstruction technologies

Biologics and Synthetics have different properties and use cases

Product Category	Regeneration	Inflammation	Cost	Strength	Infection Resistance	Infection Resilience	Use Case	Unique selling point
Permanent Synthetics	Low[1]	High[2]	Low[1]	High[3-5]	Low[6]	High[7]	**Hernia[8]**	**Cost & strength[9-11]**
Absorbable Synthetics	Low[1,12]	High[2]	Moderate[1]	Moderate – High[3]	Low[13]	High[1]	**Hernia[10]**	**Cost & strength, absorbed[14]**
Existing Biologics	Moderate to High[15,16]	Low to Moderate[17,18]	High [3,19]	Low-Moderate[3,19]	Moderate [20,21 22]	Low –Moderate [23]	**Soft tissue reconstruction & Hernia[3,13,24,25]**	**Regenerative healing, less scarring[26-29]**

Endoform® competitive advantage

Product Category	Regeneration	Inflammation	Cost	Strength	Infection Resistance	Infection Resilience	Use Case	Unique selling point
All Endoform® Products [,A,B,C,D,E]	High[30-32]	Low[33,34]	Moderate[35]	Moderate[36]	Moderate[37]	Moderate [31,38]	**Complex wounds & soft tissue reconstructions[30,31,39-42]**	Improved rate & quality of regenerative healing [35-43,] & similar costs to absorbable synthetics
Reinforced Bioscaffolds [D,E]	High[44,45]	Low[45]	Moderate	High[36]	Moderate[45]	Moderate[45]	**Hernia[45,46]**	Benefits of Endoform with higher strength[45] Similar cost to absorbable synthetics

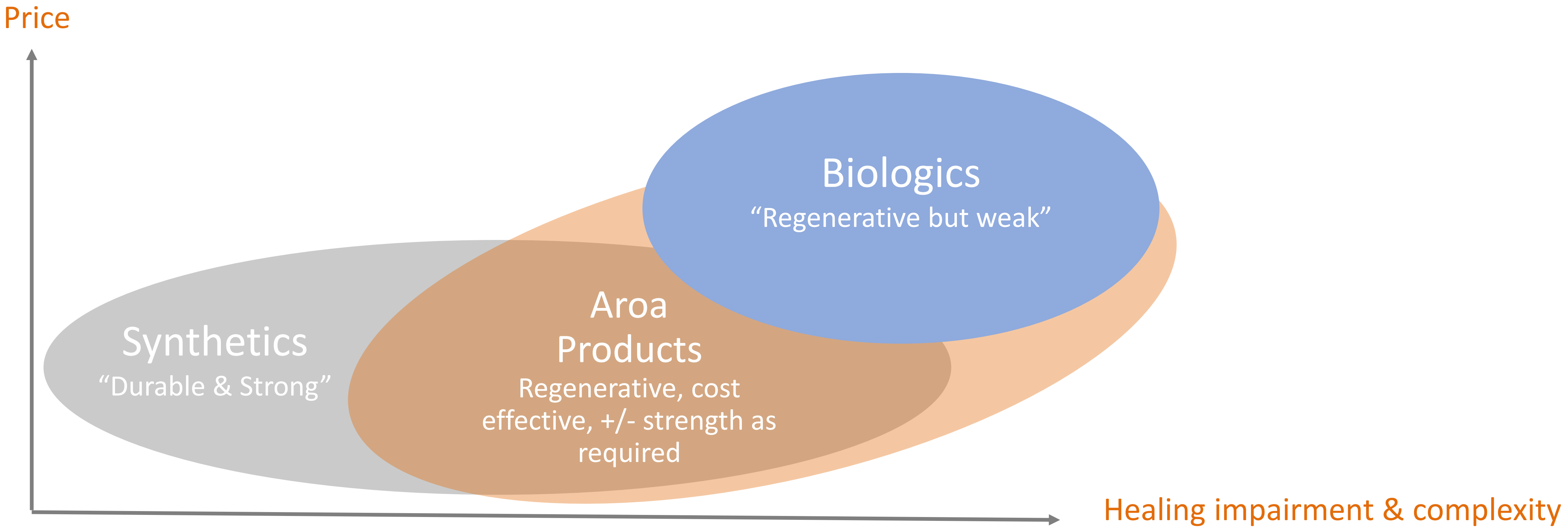
Products: A. Endoform Dermal Template (Natural/Antimicrobial), B. Myriad, C. Symphony, D. Ovitex, E. Ovitex PRS.
Note: Aroa Management compilation based on peer reviewed publications: See Appendix 1 – References 1-46.

positive attribute* | neutral attribute* | negative attribute*

AROA

Unlocking regenerative healing

Endoform® technology offers superior regenerative performance at a significantly lower cost than other biologics enabling more patients to have access to the benefits of regenerative healing



Note: Aroa Management compilation based on peer reviewed publications: See Appendix 1 – References 1-46.

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Aroa product range

Addresses a wide range of applications and large addressable markets

	Brand name	Use case	FY'18	FY'19	FY'20	FY'21	FY'22	FY23	US TAM (USD)	Sales Channel	Launch
Existing Commercial Products	**Endoform Natural & Antimicrobial**	Stalled complex wounds							$78m[1]	Appulse	FY'13
	Ovitex	Hernia							$845m[2]	TelaBio	FY'17
	Myriad	Dermal & implantable Reconstruction							$200m[3]	Appulse/ Aroa	FY'20
	Ovitex PRS	Breast Reconstruction							$463m[4]	TelaBio	FY'20
New Pipeline	Symphony	Complex wounds & Limb salvage							$1.15b[5]	Appulse	FY'21
	TBC	NPWT & Dead space management							>$211m[6]	Aroa	FY'23[7]

Product Development | Regulatory clearance | Reimbursement[8] | Commercial sales

Sources: 1,5,6 SmartTRAK BiomedGPS data 2020, 2. DRG Millennium Research data, Hernia Repair Devices, 2020, 3 Aroa management estimates , 4. DRG Millennium Research, Breast Implants & Reconstructive devices, 2018.

Note: Symphony requires a new reimbursement code, whereas all other products fall under existing reimbursement codes.

Endoform® Natural & Antimicrobial

A "**Tissue Matrix**" used to "short-cut" healing in diabetic foot ulcers and venous ulcers

Endoform Dermal Template is a thin single sheet of the Endoform Extracellular Matrix. Also available as an antimicrobial version.

Endoform Dermal Template (Natural) for Diabetic Foot Ulcer

US Total Addressable Market = US$78m[1]

Source: 1. SmartTRAK BiomedGPS data 2020.

Ovitex®

A “**Reinforced Bioscaffold**” which combines Endoform with synthetic polymers to provide a strong and durable hernia repair

Ovitex® is a thicker product comprised of multiple Endoform sheets with reinforcement from embroidered permanent (polypropylene) or temporary (PGA) synthetic polymers.

Dehiscence of midline fascial closure and fistula – Repaired with Ovitex

US Total Addressable Market = US$845m[1]

Source 1. DRG Millenium Research data, Hernia Repair Devices, 2020.

Myriad™

A “**Biological Graft**” which supports rapid tissue growth for surgical reconstruction of external and internal soft tissues.

Myriad™ is a thicker product comprised of multiple Endoform sheets lugged together with perforations for rapid cell access.

European regulatory approval (CE Mark) received in July 2020

Myriad™ for dermal reconstruction

US Total Addressable Market = US$200m

Source 1. Aroa management estimates.

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Symphony

Developed off the strength of Aroa’s proprietary extracellular matrix platform - Endoform™

- Designed to support healing of complex wounds with severely impaired healing, reducing the time to wound closure through the combination of Endoform and Hyaluronic Acid

FDA approval received 30 July 2020 and expected to launch in FY21

Symphony for complex wounds

US Total Addressable Market = US$1.15b

Source 1. Aroa management estimates.

AROA

Further Products

Aroa has a pipeline of products which leverage the Endoform® technology platform to address unmet clinical needs

Ovitex® PRS

Breast surgery

US Total Addressable Market = US$463m[1]

Launched FY'20

sNPWT

Improved healing, dead space management, fewer complications

(combines negative pressure wound therapy with Endoform interface)

US Total Addressable Market >US$211m[2]

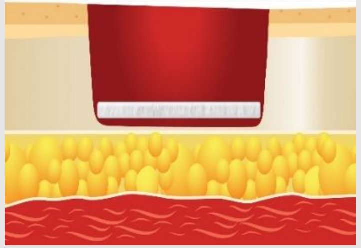
To launch FY'23[3]

1.Source: DRG Millenium Research, Breast Implants & Reconstructive devices, 2018 , 2. Source SmartTRAK BiomedGPS data 2020, 3. Based on current project timelines, but remains subject to changes in circumstances and regulatory clearances.

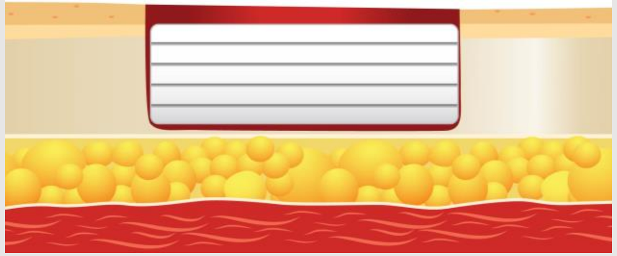
Aroa’s products have broad applications

The regenerative and immune modulating properties of Endoform ® allow a wide range of external and internal uses

Dermal

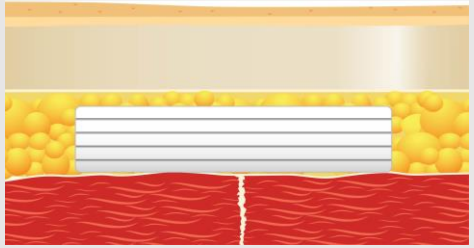


Tissue Matrix

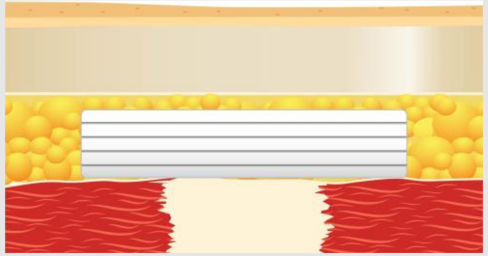


Biologic Graft

Implantable



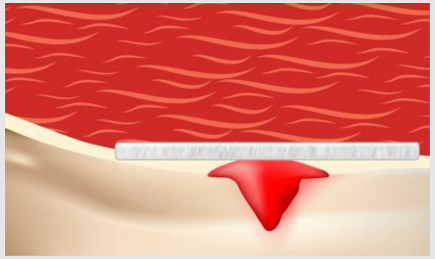
Tissue Reinforcement



Tissue Bridge

Implantable

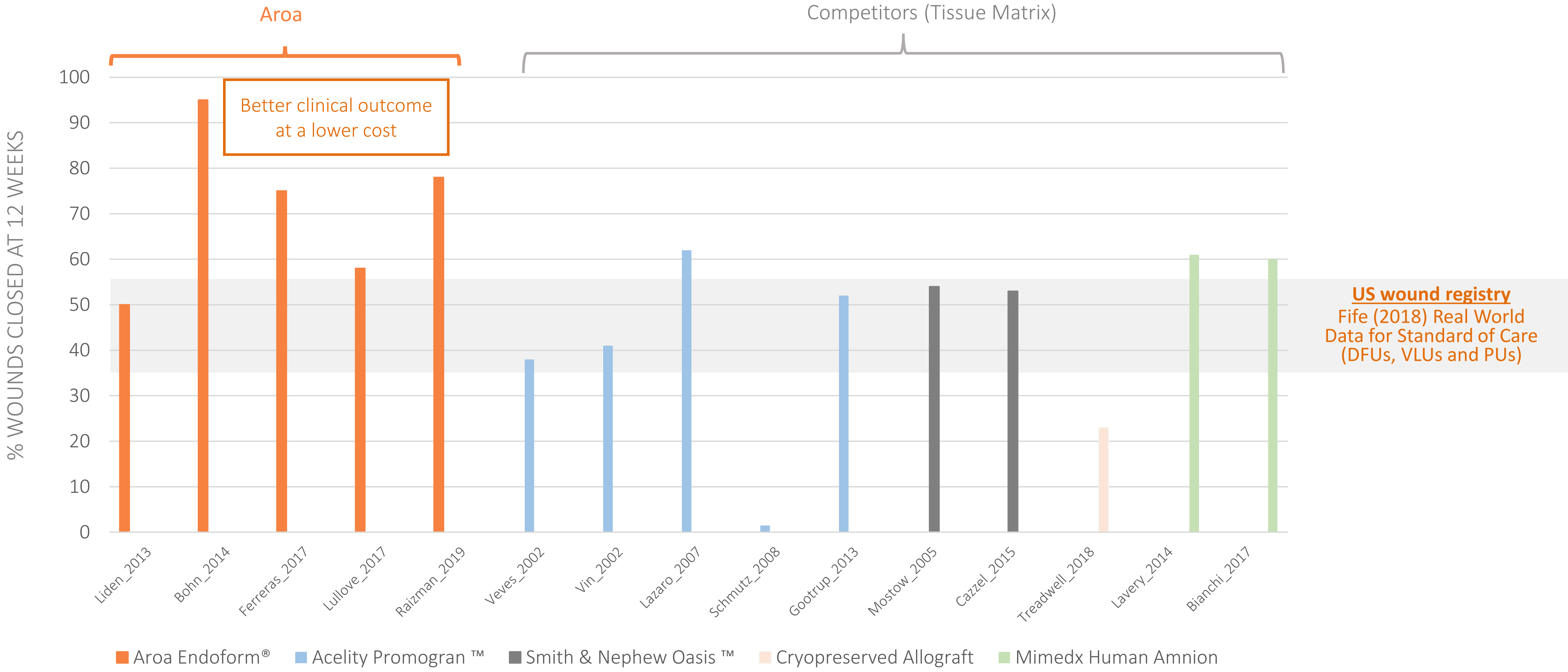
Barrier between soft tissues



Barrier between soft and hard tissues

Clinically effective wound products

Endoform demonstrates increased wound closure rates at 12 weeks in complex wounds compared to market leading biologics which lowers the cost of treating patients



BRAVO Clinical Study

91 patient multi-centre study with simple and complex ventral hernias in United States

Product Name	Category	Hernia recurrence rate[1]	Number of hernia recurrence[1]	Number of patients who completed follow up	Follow up period Months
Ovitex (Aroa)	Reinforced Tissue Matrix	2%[2]	1	57	12
Ovitex (Aroa)	Reinforced Tissue Matrix	0%[2]	0	20	24
Phasix (CR Bard)	Resorbable Synthetic Mesh	5%	5	95	12
Phasix (CR Bard)	Resorbable Synthetic Mesh	12%	11	95	18
Phasix (CR Bard)	Resorbable Synthetic Mesh	23%	19	82	36
Strattice (Lifecell)	Biologic Matrix	22%	15	69	12
Strattice (Lifecell)	Biologic Matrix	33%	33	67	24

1. The level of recurrence at 90 days, 12 & 24 months are key metrics and have major cost implications for surgeons, hospitals, payors and patients.
2. Hernia recurrence rate based on number of hernia recurrences reported in patients who completed follow up and patients who reported recurrent hernia before the specified follow up period. Other clinical literature and conference presentations were based on all patients treated including those who did not complete follow up.

- Data for first 20 patients at 24 months from BRAVO shows **significantly better outcomes compared to market leaders**
- Data for 50 patients at 24 months due Q4 2020

Sales channels

Mix of arrangements for products/specialties to maximize Aroa's operating leverage

Channel	Description	Products	Target Specialties	Call point	Sales force (FTE)
Appulse	50:50 JV with Hydrofera Inc. (Connecticut) for shared sales force	Endoform® Myriad™ (Symphony)	Physicians, WOCN's/ RN's Podiatric surgeons	Wound centres Inpatients	29[1]
TELA BIO	NASDAQ listed ~US$188M Market Cap exclusively sell Aroa licensed products	Ovitex® Ovitex PRS ™ (US and European Rights)	General Surgeons Plastic Surgeons	Operating Room	30[2] Expanding to 60 in CY2020
AROA	US Commercial operations based in San Diego	Myriad™	Plastics & Recon Trauma Orthopaedics	Operating Room	Combination or Direct (5) and Independent Sales Representatives[3]
International (Ex-USA)	• Aroa is in the process of appointing distributors for its products in the countries outside the US which it has received regulatory approvals. • Aroa has the rights for Ovitex® and Ovitex PRS outside of US and Europe • No direct or JV sales force outside the US				

Notes
1. Appulse Sales organisation – Leadership (3), Clinical (2), Direct (24).
2. Tela Bio predominantly focused on commercial activities. – Corporate sales & marketing leadership with ~ 30 existing sales reps solely focused on Aroa products and adding 20-30 direct reps in CY 2020.
3. Established Aroa sales leadership and operations.

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Growing US sales

Building from an established customer base

Appulse	• Clinical evidence to support faster closure rates drives uptake • Products already being used in over 600 US hospitals – large opportunity to increase usage and then expand into further hospitals • Myriad launch provides new opportunity in existing accounts
TELA BIO	• Clinical evidence to support lower recurrence rates drives uptake • Building momentum in existing accounts, expanding from 30 to 60 field representatives in CY2020 and new HealthTrust GPO contract
AROA	• Clinical evidence to support Myriad in reconstructive plastic surgery drives uptake • Leveraging established Endoform relationships and accounts, employing initial direct Aroa sales representatives in the operating room and securing independent sales representatives • Direct surgical sales force will be leveraged for future pipeline products (NPWT and dead-space management)

Note: All existing Aroa products are FDA approved and fit under existing reimbursement codes in the US.

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Aroa's US customer base

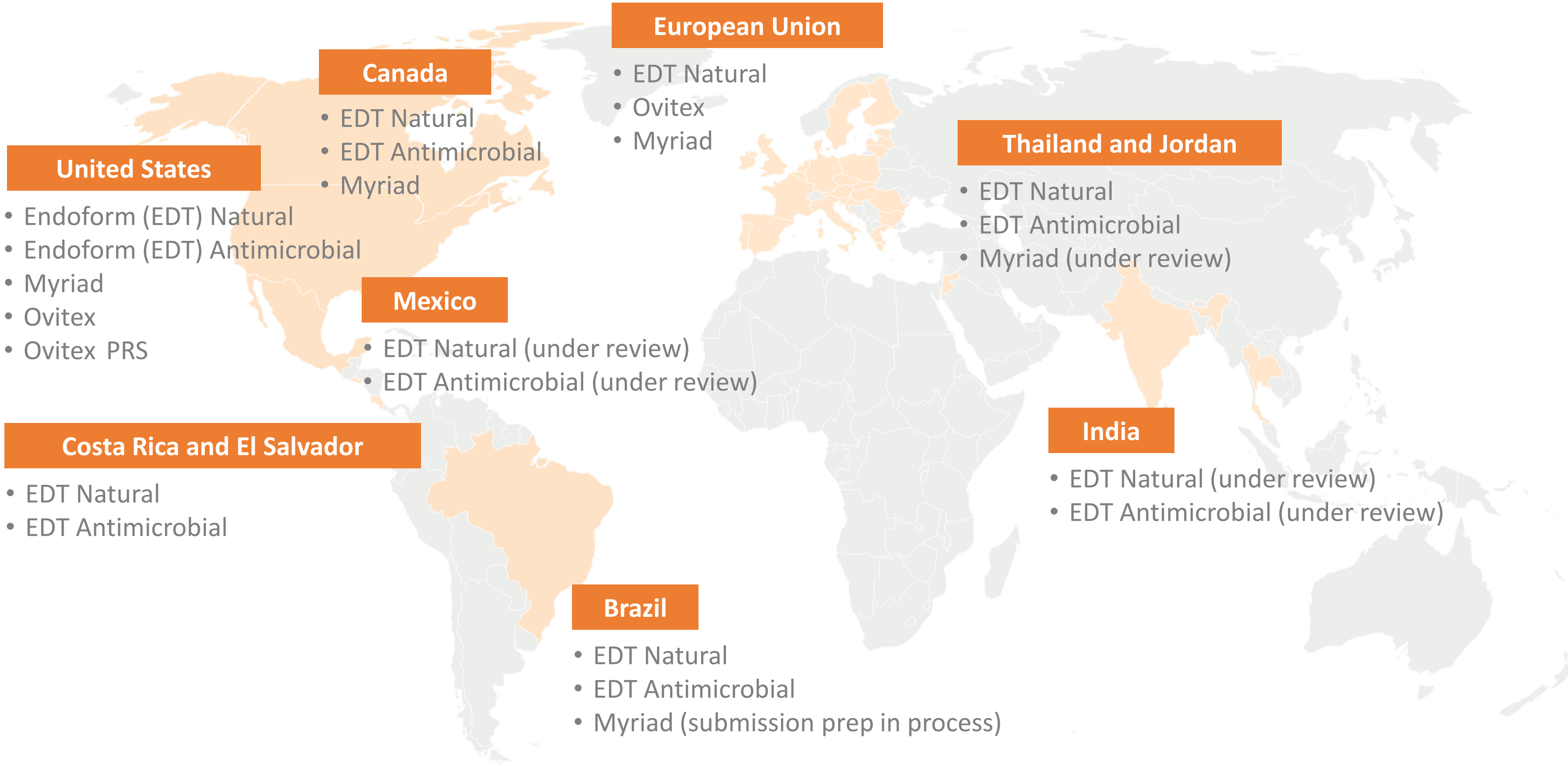
>600 existing hospital accounts, on contract with major GPO's & stocked by major surgical distributors

Selected Hospital Groups	Selected Group Purchasing Organisations	Selected Distributors

Large global opportunity

Aroa has a large untapped opportunity globally outside of the US

- Outside the United States, Aroa intends to sell through partnerships with local distributors. Agreements are in place with 15 local distributors
- Aroa has received regulatory clearances for its products in over 37 countries globally
- Ongoing pipeline of regulatory clearances (under review) in more countries
- Cleared in US (FDA) and Europe (CE)



Significant barriers to entry

Multiple challenges for future competitors to overcome

- Aroa's leading products are covered by a patent portfolio that includes 10 patents and 25 pending patent applications across 6 patent families
- Established tissue supply chain and traceability
- Regulatory and reimbursement timeframes: Multiple 510(k), CE marks and other regulatory clearances secured requiring extensive data to satisfy requirements for Class II, Class III or Class IV devices
- Development costs and timeframes
- Broad product portfolio, established and recognized brands
- Complex manufacturing process including trade secrets perfected over 10 years – very difficult to replicate
- Disruptive value proposition with significant first mover advantage

Manufacturing and production

Well established commercial manufacturing facility

Unique process produces a high-quality product

- Highly attuned to the need to preserve native architecture and functionality
- Avoiding structural damage and denatured proteins, retaining molecular diversity, removing antigenic components

Efficient and low cost

- Purposefully designed gentle & low-cost process enables disruptive pricing

Scalable

- Raw materials readily available in New Zealand
- Modular manufacturing design allows production to be easily scaled as sales volumes grow
- Production capacity in place to support revenue of up to NZ$30m. An investment of ~A$3 - A$4 million required to increase capacity by approximately 3x (supporting ~NZ$90m of revenue). This is expected to occur in 2021

In-house manufacturing facility – Auckland, New Zealand

Manufacturing Facility

Management team

Aroa is led by a highly experienced management team with long tenure

Brian Ward
CEO, Founder
BVSc MBA

+11 years with Aroa

+25 years in life sciences

Commercial leadership roles including sales & marketing, strategy & corporate development

Previous experience: Baxter, Beecham, SmithKline Beecham

James Agnew
CFO
BCom LLB

+6 years with Aroa

+15 years in finance

Corporate finance, investment, M&A, strategic & ops planning, contracting & tax

Previous experience: MXM Mobile, Hyperfactory

Brad Adams
VP – Commercial (USA), MHA, BA

+10 months with Aroa

+20 years in life sciences
Commercial leadership roles – sales management, marketing, commercial strategy

Previous experience: Acell, Smith & Nephew, HealthPoint, J&J

Simone Von Fircks
VP – Operations

+6 years with Aroa

+30 years in life sciences
Biologics development tech transfer, facilities and regulatory & quality compliant up-scaled manufacturing

Previous experience: Baxter, Mologen

Dr. Barnaby May
VP – Clinical Dev & Research, PhD

+ 11 years with Aroa

+20 years in life sciences – research & development strategy, management and execution

Previous experience: UCSF & University of Canterbury

Board of Directors

Aroa has a highly experienced Board with healthcare, operational and financial experience

Jim Mclean

Non-Executive Chairperson (Independent)

BSc(hons)PGDA

Current

Chair of Prevar, RJ Hill Laboratories Ltd, Information Tools Ltd

Previous

- Ernst & Young
- Genesis Research

Brian Ward

Managing Director (Non-Independent)

Per previous slide

Steve Engle

Non Executive Director (Independent)

M.S.E.E., B.S.E.E.

Current

- Cohbar
- Prescient Therapeutics

Previous

- Averigon
- Xoma
- La Jolla Pharmaceutical

Phil McCaw

Non Executive Director (Non-Independent)

BBS

Current

- Movac Founding Partner

Previous

- Deloitte

John Pinion II

Non Executive Director (Independent)

B.S.

Current

- Ultragenyx

Previous

- Roche
- Genentech
- Baxter

John Diddams

Non Executive Director (Independent)

B.Com. FAICD, FCPA

Current

- Volpara Health Technologies
- Surf Lakes Holdings
- CPA firm providing corporate advisory

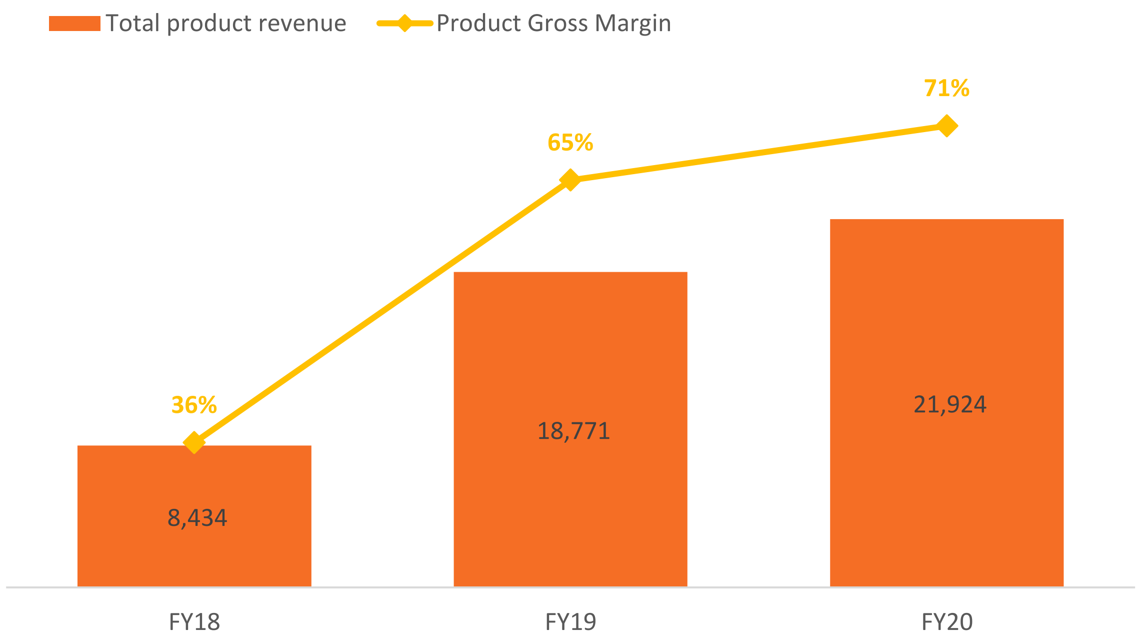
Previous

- Managed IPO process for >20 ASX IPO's

Financial Overview

Revenue growing and margin expanding

Revenue by Channel ($000s) and gross margin



Commentary

- Demonstrated growth in Endoform business across FY18 to FY20
- TelaBio revenue (Ovitex® and Ovitex PRS) relatively flat in FY20 as a result of previous minimum order quantities and channel stocking in FY19. Concurrently, TelaBio sales to hospitals (actual customer demand) grew 86.7% from CY18 to CY19
- New, high margin products expected to contribute to growth in sales and margin expansion (Myriad: launched Q4 FY20, Symphony received FDA approval 30 July 2020)
- Gross margins expanding through increased contribution from sale of new products (direct sales channel) and manufacturing economies of scale

Improving Product Gross Margins and investment in Sales and Marketing for future growth

Summary Pro Forma Historical Results

NZ$'000s	Notes	FY18	FY19	FY20
Product revenue		8,434	18,771	21,924
Other revenue	1	1,538	4,473	3,152
Total revenue		**9,972**	**23,244**	**25,076**
Gross profit	2	4,555	16,682	18,742
Other income	3	749	888	1,137
Selling and administrative expenses	4	(5,428)	(13,328)	(17,388)
Research and development	5	(3,353)	(4,643)	(5,042)
EBITDA		**(2,321)**	**2,088**	**224**
Net (loss)/profit after tax		(3,573)	(4,452)	(6,162)

Notes
1. **Other revenue** reflects royalties (e.g. license fees, milestone payments) and project fees received from Aroa's sales, marketing and distribution partners.
2. **Gross profit** reflects the gross profit on total revenue.
3. **Other income** reflects research and development grant income and sundry income.
4. **Selling and administrative** expenses includes expenses relating to the general management of the Company, including personnel related expenses, administrative expenses and estimated public company costs. Also included are the sales and marketing expenses of the Company, including clinical development and distribution expenses. FY19 and FY20 include amortisation costs of NZ$1.2 million per annum, related to the intangible assets recognised pursuant to the reacquisition of the Distribution Agreement from Hollister.
5. **Research and development expenses includes** all research and development expenses relating to pipeline products from feasibility to process validation. No research and development expense is capitalised.

Key pro forma operating metrics

NZ$'000s	Notes	FY18	FY19	FY20
Product revenue growth (%)	1	11%	123%	17%
Product gross margin (%)	2	36%	65%	71%
Sales & marketing as a % of product revenue	3	1%	30%	42%
Research & development as a % of product revenue	4	40%	25%	23%
Capital expenditure ($million)	5	1.6	1.6	1.7

Notes
1. **Product revenue growth** is calculated as the year on year (**YoY**) movement in revenue divided by the prior year revenue, expressed as a percentage.
2. **Product gross margin** is calculated by deducting cost of sales from product revenue and dividing the result by product revenue, expressed as a percentage..
3. **Sales and marketing expense as a percentage of product revenue** is the actual sales and marketing expense for Aroa divided by product revenue, expressed as a percentage.
4. **Research and development as a percentage of product** is the actual research and development expense divided by product revenue, expressed as a percentage
5. **Capital expenditure** is the actual purchase of plant, property and equipment, expressed in $ million's
6. Positive EBITDA based on proforma financials.

Commentary

- EBITDA positive in FY19 and FY20[6]
- Other revenue reflects license fees and milestone payments from marketing and distribution partners – "one off"
- Product gross margins in excess of 70% with opportunities to continue to expand through sales of new high margin products and increasing manufacturing scale
- Sales and marketing expenses increases reflect investment into future growth
- Research and development is relatively fixed and reducing as a % of product revenues
- "Modest" capital expenditure to date with existing manufacturing capacity to support up to NZ$30 million per annum in product revenues. An investment of ~A$3 - A$4 million required to increase capacity 3x

Milestone & Summary

AROA

Well positioned to continue growth trajectory

Key accomplishments in 2018 – YTD 2020

2018

- ✓ Reacquisition of global wound rights from Hollister (Hollister existed wound care sector)
- ✓ Transitioned wound business to Aroa/Appulse
- ✓ EBITDA positive

2019

- ✓ Endoform Antimicrobial 510k cleared and launched
- ✓ Ovitex PRS (formerly Restella) 510k cleared and launched
- ✓ MDSAP certification by Notified Body
- ✓ Foundation set for strong commercial expansion

YTD 2020

- ✓ Myriad US Launch
- ✓ Renegotiation of Hollister Debt repayment
- ✓ Multicenter Canadian Endoform clinical study – submitted for publication
- ✓ BRAVO 24 month data Q1 (1st 20 patients)
- ✓ Symphony FDA approval
- ✓ Received European regulatory approval (CE Mark) for Myriad

	Key milestones through 2020	Selected medium term milestones
Commercial	• **Symphony FDA clearance** • Myriad Powder Launch • Direct sales team expansion to 5 FTEs • Facility expansion during 2021 • Expanding international sales	• Symphony Reimbursement coding • Symphony US Launch • Multiple international regulatory clearances • New international distributors • NPWT and dead space management FDA submissions 2021/22
Clinical	• Myriad over vital structures and flap reconstruction studies Q3/Q4 • BRAVO 24 month data Q4 (50 patients)	• Myriad and Symphony registry data to support series of clinical studies

AROA

Investment highlights

Aroa’s products have a strong competitive advantage and a track record of successful US growth

Established
commercial portfolio of clinically effective products

Proprietary technology platform
(Endoform®)

Proven
revenue growth and high gross margins

Expanding
within an estimated addressable market of over US$2.5b

Strong product pipeline

Scalable
commercial manufacturing facility delivering efficient, low-cost production

Highly experienced
board and management team

AROA

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