AROA BIOSURGERY SEPTEMBER 2022 4C – COMMENTARY

Financial Highlights Q2 FY23

- Cash receipts of NZ$11.0 million received from customers during the quarter.
- Net cash flow outflow from operations of NZ$4.3 million for the quarter.
- Net cash outflow from investing activities was NZ$1.2 million for the quarter, reflecting AROA's investment into additional manufacturing plant and equipment capacity.
- AROA ended the quarter with a strong cash balance of NZ$50.1 million as at 30 September 2022

Financial Highlights H1 FY23

- H1 FY23 product revenue (unaudited) grew 44% on H1 FY22 and 20% on H2 FY22 (on a constant currency[1] basis) to **NZ$28.8 million.** H1 FY23 total revenue (unaudited), inclusive of project fees was **NZ$29.3 million**.
- H1 FY23 product gross margin (unaudited) was **84%.**
- H1 FY23 Myriad™ product revenue (unaudited) grew 242% on H1 FY22 and 147% on H2 FY22 (on a constant currency basis) to **NZ$5.6m million.**
- H1 FY23 normalised[2] EBITDA (unaudited) was positive.

Upgraded Guidance FY23

- Guidance[3] upgraded to reflect AROA's improved FY23 performance expectations including significant movement in the actual US$/NZ$ exchange rate.
- **Total revenue guidance for FY23** of **NZ$62-64 million (including NZ$2 million of project and license fees)** on the revised constant currency basis (up 39-43% on FY22 on a constant currency basis).[4] Previous product revenue guidance (on prior exchange rate) was NZ$51-55 million.
- **FY23 guidance for product gross margin upgraded to 84%** on the revised constant currency basis.[5]
- FY23 normalised EBITDA expected to be approximately breakeven.

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[1] Constant currency removes the impact of exchange rate movements. This approach is used to assess the AROA group's underlying comparative financial performance without any distortion from changes in foreign exchange rates, specifically the USD. Prior to this announcement, references to 'constant currency' in relation to AROA's FY23 results utilised an exchange rate of US$0.70/NZ$1.00 (being the AROA group's then budget rate for FY23). Due to the material impact of significant movement in the actual US$/NZ$ exchange rate to date, AROA has revised the rate used in its constant currency analysis to US$0.62/NZ$1.00 (being the AROA group's average US$/NZ$ exchange rate for H1 FY23). All references in this announcement to 'constant currency' are as set out in this footnote.

[2] Normalised EBITDA is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the AROA Group's ("Group") comparative financial performance without any distortion from NZ GAAP accounting treatment specific to one-off fair value adjustments, one-off transaction costs associated with capital raisings. The impact of non-cash share-based payments expense has also been removed from the Profit or Loss. This approach is used by Management and the Board to assess the Group's comparative financial performance. All references in this announcement to 'normalised EBITDA' are as set out in this footnote.

[3] Given the dynamic and evolving impact of COVID-19, all forward-looking statements in relation to FY23 performance is subject to there being no material decline in US medical procedure numbers or sustained disruption to AROA's manufacturing or transportation activities and TELA Bio, Inc. delivering on its revenue guidance of US$42-45 million in CY22. It assumes an average exchange rate of US$0.62/NZ$1.00.

[4] Prior FY23 product revenue guidance was NZ$51-55 million, on the basis of a constant currency exchange rate of US$0.70/NZ$1.00. At that rate, current product revenue guidance represents approximately NZ$53–55 million.

[5] Prior FY23 product gross margin guidance was 77%, on the basis of a constant currency exchange rate of US$0.70/NZ$1.00. At that rate, current product gross margin guidance represents approximately 81%.

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- Full H1 FY23 financials results to be released on 29 November 2022.

Operational Highlights

- AROA continues to build its US sales team, ending the quarter with 35 direct US sales representatives and 121 active[6] Myriad™ accounts, as well as in-person attendance at 15 key industry conferences.
- Significant proposed changes to the Symphony™ US reimbursement rules are under public consultation. AROA has received a reimbursement code and coverage has been confirmed by three leading US Medicare Administrative Contractors.
- Patient recruitment ahead of target for the Myriad Augmented Soft Tissue Regeneration Registry.
- Publication of a pre-clinical study demonstrating the potential of AROA's new Enivo™ system to promote tissue apposition and reduce seroma formation.
- TELA Bio, Inc., AROA's US commercial partner upgraded its revenue guidance from US$40-45 million to US$42-45 million (reflecting growth of 43% to 53%).[7]
- Regulatory approval for Myriad Matrix™ in the Australian Market was gained in September.
- Seasoned Medtech Executive and long-time entrepreneur Dr. Catherine Mohr joins AROA's Board as a Non-Executive Director, effective 1 November.
- Due to headcount growth, additional office space has been secured in Auckland, New Zealand.
- Annual General Meeting of AROA shareholders was held on 10 August.
- AROA continues to engage with the investment community, presenting at the E&P Healthcare Conference and Bell Potter NZ Community Investor Day in the last quarter, with further presentations scheduled this week.
- AROA will host an investor webinar today at 1:00 AEST to discuss these results as well as preliminary results for H1 FY23. Click here to register.

Soft tissue regeneration company Aroa Biosurgery Limited (ASX: ARX, 'AROA' or the 'Company') is pleased to provide an update on its activities for the quarter ended 30 September 2022, and an update to its guidance for FY23.

Financial commentary and outlook

Quarterly Cashflow

Cash receipts from customers for Q2 FY23 of NZ$11.0 million, compared to NZ$13.9 million in the prior quarter. This decrease primarily reflects the timing of OviTex™ product revenues in each quarter and the subsequent cash receipt.

Net cash outflows from operations for Q2 FY23 were NZ$4.3 million, compared to net cash outflows of NZ$0.2 million in the prior quarter. This was primarily due to the timing delays of customer receipts during the quarter, as outlined above. Except for an increase in cash paid for manufacturing and operating costs, resulting from an increase in production over the quarter, all other cash

[6] Represents accounts to which sales were made in the applicable quarter.
[7] TELA Bio, Inc. news release dated 10 August 2022.

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payments were in line with the prior quarter.

Net cash outflows from investing activities for Q2 FY23 were NZ$1.2 million, primarily reflecting AROA's investment into additional manufacturing plant & equipment capacity.

AROA ended the quarter with a strong cash balance of $50.1 million.

In accordance with ASX Listing Rule 4.7C.3, AROA advises that an aggregate amount of NZ$112,000, was paid during the quarter to the Company's five Non-Executive Directors for directors' fees.

Appendix A provides a summary of actual expenditure, compared to the estimated use of funds set out in AROA's IPO Prospectus, in accordance with ASX Listing Rule 4.7C. Cash expenditure is consistent with the use of funds set out in that Prospectus and remains unchanged from the prior quarter.

H1 FY23 Revenue

Product revenue (unaudited) for H1 FY23 was NZ$28.8 million representing constant currency growth of 44% on H1 FY22 and 20% on H2 FY22. Myriad was a key contributor to growth with H1 FY23 revenues of NZ$5.6 million, representing constant currency growth of 242% on H1 FY22 and 147% on H2 FY22. Endoform™ and Myriad sales contributed 22% and 19% respectively to total product sales in H1 FY23, with sales of OviTex™[8] and OviTex PRS contributing to the balance.

Total revenue (unaudited), inclusive of project fees, for H1 FY23 was NZ$29.3 million.

H1 FY23 Product Gross Margin

Product gross margin (unaudited) for H1 FY23 was 84%, compared to previous guidance of 77%, resulting from favourable foreign exchange movements, the sales mix favouring higher margin products and manufacturing productivity improvements implemented during H1 FY23.

AROA has revised the rate used in its constant currency analysis from US$0.70/NZ$1.00 to US$0.62/NZ$1.00 (being approximately the AROA group's average US$/NZ$ exchange rate for H1 FY23). Adjusting the rate used in AROA's constant currency analysis has contributed to approximately 3% of the increase in product gross margin %, compared to previous guidance.

H1 FY23 Normalised EBITDA

As a result of the positive revenue performance and product gross margin result, the business managed to post a small positive normalised EBITDA, while still maintaining its strategy of increasing investment in sales, marketing, and research & development.

The Company will release its full H1 FY23 results on 29 November 2022.

FY23 Outlook

AROA is upgrading its FY23 guidance to reflect improved FY23 performance expectations including favourable foreign exchange movements.

[8] TELA Bio and OviTex are trademarks of TELA Bio, Inc.

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On the revised constant currency basis, AROA's FY23 product revenue guidance is now NZ$60-62 million (up from NZ$51-55 million).[9] This reflects a 36-41% increase on FY22 product revenue (on a constant currency basis).

Total revenue guidance for FY23, inclusive of project and license fees is NZ$62-64 million. This reflects a 39-43% increase on FY22 total revenue (on a constant currency basis). FY23 product gross margins are expected to be 84% and normalised EBITDA approximately breakeven.

Given the dynamic and evolving impact of COVID-19, guidance is subject to no material decline in US medical procedure numbers or sustained disruption to AROA's manufacturing or transportation activities and TELA Bio, Inc. delivering on its revenue guidance of US$42-45 million in CY22.[10] It also assumes an average US$/NZ$ exchange rate of US$0.62/NZ$1.00.

Commenting on AROA's performance and outlook, Founder and Chief Executive Officer, Brian Ward said "With fewer major disruptions posed by COVID-19 this quarter, we have been able to demonstrate the potential to drive growth of our business."

"As our sales force matures and our product portfolio broadens, we anticipate improving productivity and building further momentum."

"It's pleasing to see strong sales growth across our Myriad products in surgical soft tissue reconstructions, providing increased confidence that this product will be a major driver of mid-term growth. The foreign exchange tailwinds have also highlighted the benefits of our business model with US sales and predominantly New Zealand-based costs"

"Looking forward, we also expect to see ongoing incremental margin improvements as our sales mix trends towards higher-value products and the full benefit of process improvements are realised. We note the limited impact of COVID-19 in the last quarter and look ahead with optimism that its impact will continue trending downwards."

"Overall, the business has performed strongly and has approximately NZ$50 million in cash. Taken together, we are well placed to enter the next half-year with confidence."

Sales

AROA continued to build its US sales team and ended the quarter with 35 direct and 7 inside US sales representatives. The US sales team delivered 121 active[11] Myriad accounts at the end of Q2 FY23 (a 25% increase on the previous quarter), with 8 direct sales representatives at a current average run rate of over US$500,000 per annum for Myriad sales.

Our current GPO contracts for Myriad reflect coverage of approximately 70% of US integrated delivery networks, hospitals, and outpatient wound care settings. AROA remains able to contract directly with the remaining 30%.

[9] At the exchange rate previously utilised by the Company, this represents a change from NZ$51-55 million to approximately NZ$53-55 million.
[10] TELA Bio, Inc. press release dated 10 August 2022.
[11] Represents accounts to which sales were made in the applicable quarter.

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AROA's sales and clinical teams attended and presented in-person, alongside Key Opinion Leaders, at fifteen key industry conferences, including, WoundCon (US), Symposium on Advanced Wound Care (US), Military Health System Research Symposium (MHSRS) (US), New Zealand Wound Care Society (NZWCS) and Royal Australasian College of Surgeons (RACS) conferences.

Symphony

AROA commenced a limited US commercial launch of Symphony in Q4 FY22, focused on US Department of Veterans Affairs hospitals and clinics.

Early clinical experience from the limited launch in Veterans Affairs and encouraging results (currently being assessed) from a pilot study (n=10),[12] indicate the potential of Symphony's combination (AROA ECM™ and Hyaluronic acid) in healing complex wounds such as diabetic foot ulcers. The Company is undertaking a 50 patient multi-centre prospective study and a 120 patient Randomised Control Trial to build clinical data for Symphony.

The Centers for Medicare and Medicaid Services (US) ('CMS'), which administers Medicare (US), has released proposed changes to the reimbursement of 'Skin Substitutes', the US reimbursement category for Symphony.[13]

The changes are proposed to take effect from CY23 and will be disruptive if implemented in their proposed form. The changes include requiring consistent Food & Drug Administration (US) regulatory clearances and reimbursement codes, aligning payments across different sites of care, incentivizing the use of the most efficacious and cost-effective products, and reducing application frequency. The changes are under public consultation and are expected to be finalised in November.

Brian Ward, AROA's Founder and Chief Executive Officer says: "Considerable progress has been made with Symphony over the last six months in preparation for anticipated reimbursement changes and a full launch in April 2023."

"While we are very encouraged by CMS's proposed changes, even if they are only partly implemented, we believe Symphony is very well positioned to perform strongly in this new environment. We have been assigned an 'A' code and our coverage has been confirmed by three[14] of the seven leading Medicare Administrative Contractors."

Myriad

Progress on AROA's Myriad Augmented Soft Tissue Regeneration Registry ('MASTRR') study, the Company's largest prospective study to date, is tracking well. A total of 97 patients have been enrolled in the study to date from three sites, significantly ahead of the previous target of 75 by the end of the year.

The MASTRR study is a prospective single-arm study evaluating AROA's Myriad Matrix and Myriad Morcells™ products in a wide range of surgical specialties and procedures in up to 10 sites.

[12] Evaluating Symphony in the treatment of non-healing diabetic foot ulcers over a 12-week period.
[13] See https://www.federalregister.gov/public-inspection/2022-14562/medicare-and-medicaid-programs-calendar-year-2023-payment-policies-under-the-physician-fee-schedule and Calendar Year (CY) 2023 Medicare Physician Fee Schedule Proposed Rule | CMS.
[14] Novitas, First Coast & CGS.

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The study was launched in Q3 FY22 (with the first patient enrolled in January 2022) and is targeting 300 patients across ten US sites over a three-year period. On conclusion of the study, analysis will focus on assessing patient outcomes, including any observed post-surgical complications, short and long-term healing outcomes.

Enivo

In October 2022, a peer-reviewed pre-clinical study article was published by *ePlasty*, assessing the safety and effectiveness of the Enivo system for managing clinical 'dead space'. The results of the study have demonstrated potential for promoting tissue apposition and reducing the formation of seromas[15] in surgical sites.

Seromas are a common post-surgical complication which can disrupt healing, increase pain, oedema (swelling) and result in poor cosmetic outcomes. They can also lead to more severe complications such as wound dehiscence, infection and necrosis of overlying tissue.

Use of Enivo resulted in near complete dead space closure at the conclusion of treatment (two weeks post-treatment), with a median seroma area of 2% and median seroma volume of 1.3 mL, compared to an area of 98% and volume of 188.5 mL for the Standard of Care treatment.

AROA CEO, Dr. Brian Ward says: "These positive findings demonstrate the potential for this new device to address an important unmet clinical need and create a brand-new category of healing therapy."

"We believe that Enivo has the potential to benefit thousands of patients who undergo invasive surgeries in the United States each year. The company estimates the total addressable market in the United States to be in excess of US$1 billion and that the Enivo platform has the potential to create an opportunity of at least the same scale as our AROA ECM technology."

The study is available online, here.

AROA remains on track to submit a regulatory application for the first product in the Enivo range, to the US Food & Drug Administration by December 2022.

Positive outlook from TELA Bio™

TELA Bio, Inc., AROA's US commercial partner licensed for hernia and breast reconstruction products (selling OviTex and OviTex PRS), upgraded its revenue guidance to US$42-$45 million (previously US$40-$45 million). This guidance reflects growth of 43% to 53% over the prior year period.[16] AROA receives 27% of TELA Bio, Inc.'s net product sales of the licensed products.

Additional positive data from the BRAVO I and ReBAR studies evaluating the use of OviTex Reinforced Tissue Matrix was presented at the 2022 American Hernia Society Meeting in September, reflecting recurrence rates at 24-months of 2.6% and 1.9% respectively.[17]

[15] Seromas form in the dead space that remains following the surgical separation and excision of soft tissue, where any damaged vessels can fill the resulting subcutaneous void with plasma and lymph fluid.
[16] TELA Bio, Inc. press release dated 10 August 2022.
[17] TELA Bio, Inc. press release dated 4 August 2022.

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Regulatory Approvals

Regulatory approval was gained for Myriad Matrix in the Australian market in September 2022, with further submissions for other products planned for the first half of 2023.

New Director appointed

In September, AROA announced the appointment of Dr. Catherine Mohr, a seasoned medtech executive and inventor of the LapCap™, as a Non-Executive Director of the Company, targeted to take effect from 1 November.

Dr. Mohr's background spans several key areas of expertise related to AROA's next stage of growth, including medtech product research and development, US Food & Drug Administration approvals, product commercialization and surgery technology innovation.

Operations

Due to headcount growth, a lease has been signed for additional office space in Auckland.

Annual General Meeting

The Company held its Annual General Meeting on 10 August 2022.

Investor Relations

AROA is committed to meeting with the investment community regularly, and in the last quarter presentations were made at the E&P Healthcare Conference and Bell Potter NZ Company Investor Day.

This Week CEO Dr Brian Ward and CFO James Agnew will be presenting at The Jarden Future Leaders Conference and The Great Wilson's Drug and Device Conference.

Quarterly webinar

The Company will hold a webinar with CEO Brian Ward and CFO James Agnew today, on Tuesday 25 October at 1.00pm AEST to discuss the September Quarterly Results which will be released pre-market the same day.

Investors can register for the webinar via the following link:

https://us02web.zoom.us/webinar/register/WN_vIDjJfx5QWmoIBNdbohrnA

Investors can submit questions prior to the webinar to shinsley@aroabio.com or do so via the Q&A functions on Zoom.

< ENDS >

Authorised on behalf of the Aroa Biosurgery Board of Directors by Brian Ward, CEO.

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About AROA™
Aroa Biosurgery is a soft-tissue regeneration company committed to 'unlocking regenerative healing for everybody'. We develop, manufacture, sell and distribute medical and surgical products to improve healing in complex wounds and soft tissue reconstruction. Our products are developed from a proprietary AROA ECM™ technology platform, a novel extracellular matrix biomaterial derived from ovine (sheep) forestomach. AROA's products have been used in more than four and a half million procedures to date, with distribution into our key market of the United States via our direct sales force and our partner TELA Bio. Founded in 2008, AROA is headquartered in Auckland, New Zealand and is listed on the Australian Securities Exchange (ASX: ARX). www.aroabio.com

About Myriad™
Myriad Matrix™ is an extracellular matrix graft, composed of AROA ECM and designed for soft tissue reconstruction and complex wounds. Myriad Morcells™ is a powder format of Myriad Matrix that easily conforms to optimize contact with irregular wound beds.

About Endoform™
Endoform™ products are unique extracellular matrix products, composed of AROA ECM, for the management of acute and chronic wounds.

About Symphony™
Symphony is a new product which has been developed off the strength of AROA ECM. It is applied as a graft and is surgically fixed at the margins. It is designed to support healing during the proliferative phase to reduce time to wound closure, particularly in patients whose healing is severely impaired or compromised due to disease.

About Enivo™
This is a new dead space management system which AROA is developing, designed to close tissue cavities at a surgical site created by surgical dissection or tissue removal. It is comprised of a specially designed AROA ECM implant that is coupled to an external single-use negative pressure pump. When the product is deployed, the tissue surfaces are drawn together, held in place and tissue fluids are carried by the vacuum to an external fluid collection bag. AROA intends to develop and launch a new class of products utilising this new platform technology.

APPENDIX A

In accordance with ASX Listing Rule 4.7C, AROA provides the following use of funds information, which remains unchanged from the prior quarter:

Use of funds	Prospectus Estimate NZ$m	Actual Funds Used NZ$m	Actual as a % of Estimate	Note
Investment in sales and marketing	$5.0	$5.0	100%	1
Investment in additional manufacturing capacity, investment in new products, plant and equipment and other general corporate capital expenditure	$5.0	$5.0	100%	2
Working capital, other operating costs	$5.0	$5.0	100%	3
Repayment of borrowings	$13.1	$11.1	85%	4
Offer costs	$3.8	$3.9	103%	5
Total	**$31.9**	**$30.0**	**94%**	

Notes:

1. Funds fully utilised for investment in new sales and marketing initiatives including the costs of over 20 direct sales personnel hired in Q4 FY21.
2. Funds fully utilised for investment in additional manufacturing capacity. capital expenditure for new products, plant and equipment and other general capital expenditure.
3. Funds fully utilised from net operating cash outflows since July 2020, excluding cash outflows relating to the investment in sales & marketing.
4. Full repayment of borrowings made during Q2 FY22. The variance between actual and estimate reflects the interest cost savings for early repayment and the favourable foreign exchange rate at the time of payment compared to the time of estimate.
5. Includes cash outflows prior to IPO.

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Aroa Biosurgery Limited	
ABN	**Quarter ended ("current quarter")**
ARBN 638 867 473	30 September 2022

Consolidated statement of cash flows		**Current quarter $NZ'000**	**Year to date (6 months) $NZ'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	11,021	24,938
1.2	Payments for		
	(a) research and development	(512)	(1,091)
	(b) product manufacturing and operating costs	(2,324)	(4,050)
	(c) advertising and marketing	(2,193)	(4,232)
	(d) leased assets	(5)	(8)
	(e) staff costs	(8,355)	(16,620)
	(f) administration and corporate costs	(1,861)	(3,668)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	80	208
1.5	Interest and other costs of finance paid	1	1
1.6	Income taxes paid	(180)	(202)
1.7	Government grants and tax incentives	(11)	161
1.8	Other (rent received)	15	34
1.9	**Net cash from / (used in) operating activities**	**(4,324)**	**(4,529)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1,146)	(2,220)
	(d) investments	-	-
	(e) intellectual property	(71)	(132)

Consolidated statement of cash flows		Current quarter $NZ'000	Year to date (6 months) $NZ'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,217)**	**(2,352)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8	46
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	157
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liability payments)	(252)	(502)
3.10	**Net cash from / (used in) financing activities**	**(244)**	**(299)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	55,354	56,165
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,324)	(4,529)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,217)	(2,352)

Consolidated statement of cash flows		Current quarter $NZ'000	Year to date (6 months) $NZ'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(244)	(299)
4.5	Effect of movement in exchange rates on cash held	551	1,135
4.6	**Cash and cash equivalents at end of period**	**50,120**	**50,120**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $NZ'000	Previous quarter $NZ'000
5.1	Bank balances	11,986	5,354
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits less than 90 days)	38,134	50,000
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**50,120**	**55,354**

6.	Payments to related parties of the entity and their associates	Current quarter $NZ'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $NZ'000**	**Amount drawn at quarter end $NZ'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	581	439
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**581**	**439**

7.5	**Unused financing facilities available at quarter end**	**142**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Includes the following:
N/A

8.	**Estimated cash available for future operating activities**	**$NZ'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(4,324)
8.2	Cash and cash equivalents at quarter end (item 4.6)	**50,120**
8.3	Unused finance facilities available at quarter end (item 7.5)	142
8.4	Total available funding (item 8.2 + item 8.3)	50,262
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**11**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

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

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 25 October 2022.....

Authorised by: By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.