

HALF-YEAR FINANCIAL REPORT TO 30 SEPTEMBER 2022

APPENDIX 4D – ASX Listing Rule 4.2A

Aroa Biosurgery Limited
ARBN 638 867 473

1. Details of the interim reporting period and the previous corresponding interim period

Interim reporting period	30 September 2022
Previous corresponding interim period	30 September 2021

2. Results for announcement to the market

			6 months ended 30 September 2022 NZ\$000	6 months ended 30 September 2021 NZ\$000
2.1 Revenue from ordinary activities – Product sales	up	63%	28,845	17,661
Revenue from ordinary activities – Project fees	up	158%	492	191
2.2 Profit / (Loss) before tax from ordinary activities	up	N/A	1,688	(5,027)
2.3 Profit / (Loss) after tax and attributable to members	up	N/A	1,587	(5,089)
2.4 Dividends			Nil	Nil
2.5 Record date for dividend entitlement			Not applicable	Not applicable

2.6 Brief explanation of figures 2.1 to 2.3:

Explanation of Revenue (Appendix 4D item 2.1)

Product sales of \$28.8 million for the half-year were up 63% (44% on a constant currency basis), compared to H1 FY22 (\$17.7 million), reflecting strong growth in both the Myriad™ and OviTex™ product sales.

Explanation of Profit (appendix 4D item 2.2 and 2.3) Profit before tax from ordinary activities of \$1.7 million was up compared to H1 FY22 (Loss of \$5.0 million), primarily attributable to the large increase in product sales, increase in Product Gross Margin % and foreign currency gains.

The Profit after tax attributable to members of \$1.6 million was up compared to H1 FY22 (Loss of \$5.1 million)

3. Net tangible assets

	30 September 2022	30 September 2021
Net tangible assets* (NZ\$000)	80,209	79,323
Total number of securities on issue**	342,724,208	341,862,816
Net tangible assets per security (NZ\$)	0.23	0.23

* Net tangibles assets exclude all Intangible assets and Right of Use assets, as reported within the Consolidated Statement of Financial Position.

**Total number of securities on issue excludes all share options on issue.

4. **Details of entities over which control has been gained or lost during the period:** Not applicable
5. **Details of dividends paid:** Not applicable
6. **Details of dividend reinvestment plans:** Not applicable
7. **Details of associates and joint venture entities:** Not applicable
8. **Set of accounting standards used in compiling:** NZ equivalent to International Financial Reporting Standards

This report is based on the half-year consolidated financial statements as at 30 September 2022, which have been reviewed by BDO Auckland (the Company's auditor) with the Independent Auditor's Review Report included in the 30 September 2022 half-year consolidated financial statements.

This report should be read in conjunction with the annual report for the year ended 31 March 2022 and any public announcements made by the Company during the reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

Dated 29 November 2022



James Agnew
Company Secretary

AROA BIOSURGERY LIMITED
HALF-YEAR CONSOLIDATED FINANCIAL STATEMENTS
30 September 2022



CONTENTS

DIRECTORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	5
CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9
INDEPENDENT AUDITOR'S REVIEW REPORT	22

DIRECTORS' REPORT

The Board of Directors of Aroa Biosurgery Limited (the "Company" or "AROA") are pleased to present this report in respect of the half-year ended 30 September 2022 (the "Reporting Period").

DIRECTORS

The Company's Directors are detailed below. With the exception of Dr. Mohr who was appointed with effect from 1 November 2022, all Directors were in office for the entire Reporting Period.

James McLean	Independent Non-executive Director and Chairman
Brian Ward	Managing Director
Steven Engle	Independent Non-executive Director
Philip McCaw	Non-executive Director
John R. Pinion	Independent Non-executive Director
John Diddams	Independent Non-executive Director
Dr. Catherine Mohr	Independent Non-executive Director

REVIEW OF OPERATIONS

With fewer disruptions presented by COVID-19 in 2022, AROA entered FY23 with momentum and has delivered a strong result. To date, more than five and a half million AROA devices have been applied in treating patients globally.

RESULTS

Sales performance in H1 FY23 continued to gain momentum, with product sales of NZ\$28.8 million, reflecting growth (on a constant currency¹ basis) of 44% on H1 FY22 and 20% on H2 FY22. Product gross margins also improved, with 84% in H1 FY23, reflecting a 5% increase on H2 FY22 (on a constant currency basis). Finally, the Company ended the Reporting Period in a strong financial position, with cash on hand (including term deposits) of NZ\$50.1 million and no debt.

Product Sales of 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™² and OviTex PRS contributing to the balance.

AROA continued to build its US sales team, ending H1 FY23 with 35 direct and 7 inside US sales representatives, an increase of 6 during the period. The US sales team continued to grow access to Myriad accounts, with 121 active accounts³ at the end of H1 FY23 compared to 72 at the end of FY22. Sales team productivity also continued to improve during the period, with 8 direct sales representatives reaching an 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%.

TELA Bio, Inc., AROA's US commercial partner licensed for hernia and breast reconstruction products (selling OviTex and OviTex PRS), upgraded its revenue guidance in August to US\$42-\$45 million (previously US\$40-\$45 million). This guidance reflects growth of 43% to 53% over the prior year period.⁴ AROA receives 27% of TELA Bio, Inc.'s net product sales of the licensed products.

CLINICAL VALIDATION

The Company continued to build on its database of clinical evidence during the Reporting Period.

In October 2022, a study was published in a leading peer-reviewed scientific journal, *ePlasty* (study available [here](#)), demonstrating the potential of AROA's new dead space management platform (Enivo™) for promoting tissue apposition and reducing the formation of seromas⁵ in surgical sites. Use of Enivo resulted in near complete dead space closure at the

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 US dollar. The NZD/USD exchange rate of 0.62 has been used in the constant currency analysis, representing the AROA group's budget rate for FY22. All references in this Director's Report to 'constant currency' are as set out in this footnote.

² TELA Bio and OviTex are trademarks of TELA Bio, Inc.

³ Represents accounts to which sales were made in the applicable quarter.

⁴ TELA Bio, Inc. press release dated 9 November 2022.

⁵ 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. They 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.

DIRECTORS' REPORT

(Continued)

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.

All participants in the Company's pilot Symphony™ study (n=10)⁶ have completed their treatment and the encouraging results (currently being assessed) indicate the potential of Symphony's combination (AROA ECM™ and Hyaluronic acid) in healing complex wounds such as diabetic foot ulcers. The Company has commenced work on a 50-patient multi-centre prospective study and a 120-patient Randomised Control Trial to expand upon the clinical data for Symphony.

Progress on AROA's largest prospective study to date, evaluating AROA's Myriad Matrix™ and Myriad Morcells™ products in a wide range of surgical specialties and procedures, is tracking well with patient enrolment significantly ahead of target.⁷ 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.

TELA Bio, Inc. has also presented⁸ additional positive data from its BRAVO I and ReBAR studies. The studies evaluate the use of the OviTex Reinforced Tissue Matrix and the data presented reflects a recurrence rate at 24-months of 2.6% and 1.9% respectively.

OUTLOOK

AROA maintains its FY23 guidance which was upgraded on 25 October to reflect improved FY23 performance expectations including favourable foreign exchange movements. In connection with the guidance upgrade, the Company also announced a revision to 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).

On the revised constant currency basis, AROA's FY23 product revenue guidance is 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.

OTHER UPDATES

The Company received Australian regulatory approval for Myriad Matrix in September 2022, the first AROA product to be approved for use in Australia.

Seasoned medtech executive and inventor of the LapCap™, Dr Catherine Mohr joined AROA's Board effective from 1 November. Born in New Zealand and having lived in the US for many years, 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.

Previous Chief Operations Officer, Simone von Fircks, left AROA in June 2022 after eight years to focus on other ventures. Following Simone's departure, Rod Stanley, VP – Manufacturing, joined AROA's Executive Team and has taken over Simone's responsibilities.

The Company has also signed a lease for additional office space in Auckland to accommodate its headcount growth.

A huge part of our success as a company is our people, whose dedication and focus significantly contributes to our results.

Thanks to everyone for the excellent work, the collective effort of the team over the last six months has enabled us to deliver strong performance in a turbulent, rapidly changing environment.

⁶ Evaluating Symphony in the treatment of non-healing diabetic foot ulcers over a 12-week period.

⁷ 97 patients to date compared to the end of year target of 75.

⁸ At the 2022 American Hernia Society Meeting.

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 9 November 2022.

DIRECTORS' REPORT (Continued)

FINANCIAL RESULTS

NORMALISED PROFIT OR LOSS¹

	Reported	Reported	Reported	CC ²	CC ²	CC ²
	H1 FY23	H1 FY22	YoY %	H1 FY23	H1 FY22	YoY %
	NZ\$000	NZ\$000		NZ\$000	NZ\$000	
Product sales	28,845	17,661	63	28,845	20,087	44
Other revenue	492	191	158	492	217	127
Total revenue	29,337	17,852	64	29,337	20,304	44
Gross profit	24,621	13,469	83	24,621	15,921	55
Product gross margin %	84%	75%	9 bps	84%	78%	6 bps
Other income	753	94	704	753	94	704
Normalised selling and administrative expenses ³	(19,904)	(12,647)	57	(19,904)	(13,699)	45
Research and development	(5,995)	(3,618)	66	(5,995)	(3,618)	66
Total normalised operating expenses	(25,899)	(16,265)	59	(25,889)	(17,317)	50
Normalised EBIT	(525)	(2,702)	81	(525)	(1,302)	60
Add back: Depreciation & amortisation	1,844	1,546	19	1,844	1,546	19
Normalised EBITDA	1,319	(1,156)	N/A	1,319	244	441
Normalised net finance income / (expenses) ³	1,290	(1,193)	N/A	322	(869)	N/A
Normalised profit / (loss) before income tax	765	(3,895)	N/A	(203)	(2,171)	91

1. The normalised profit or loss is non-conforming financial information, as defined by the NZ Financial Markets Authority. It has been provided to assist users of financial information to better understand and assess the Group's comparative financial performance without any distortion from NZ GAAP accounting treatment specific to one-off transaction costs associated with financing activities (AROA's capital raising on the ASX in August 2021). The impact of non-cash share-based payments expense and unrealised foreign currency gains or losses have 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.
2. Constant currency ('CC') removes the impact of exchange rate movements. This approach is used to assess the Group's underlying comparative financial performance without any distortion from changes in foreign exchange rates, specifically the USD. The USD/NZD exchange rate of 0.62 has been used in the constant currency analysis, representing approximately the average rate for H1 FY23 and the rate for FY23 financial guidance.
3. These items have been normalised by the amounts outlined within the section headed 'Reconciliation of Normalised Profit or Loss to NZ GAAP Profit or Loss' below.

Product sales

Product sales of \$28.8 million for the half-year were up 63%, compared to H1 FY22 (\$17.7 million). On a constant currency basis, Product sales for the half year were up 44%, compared to H1 FY22 (\$20.1 million) and up 20% compared to H2 FY22 (\$24.0 million). Myriad was a key contributor to growth with H1 FY23 revenues of \$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 and OviTex PRS contributing to the balance.

Other revenue

Other revenue represents project fees income, received for product development projects undertaken with TELA Bio, Inc.

Product gross margin %

Product gross margin % of 84% for the half-year was up 9%, compared to H1 FY22 (75%), primarily due to the increase in higher margin product, manufacturing productivity improvements and favourable movements in the US\$/NZ\$ exchange rates. On a constant currency basis, product gross margin % increased 6%, compared to H1 FY22 (78%) and increased 5%, compared to H2 FY22 (79%).

Normalised operating expenses

Selling and administrative expenses of \$19.9 million for the half-year were up 57%, compared to H1 FY22 (\$12.6 million). On a constant currency basis, selling and administrative expenses were up 45%, primarily reflecting the increased investment into the Company's US-based sales operations.

Research and development expenses for the half-year of \$6.0 million were up 66%, compared to H1 FY22, reflecting the Company's increased investment in its dead space management platform (Enivo).

DIRECTORS' REPORT (Continued)

FINANCIAL RESULTS (Continued)

CASH FLOWS

Cash receipts from sales revenue was \$24.5 million for H1 FY23, compared to \$13.4 million in H1 FY22, primarily reflecting the strong growth in product sales revenue. Net cash outflow from operating activities was \$4.6 million for H1 FY23 compared to a net cash outflow from operating activities of \$5.7 million in H1 FY22.

Purchases of property, plant and equipment were \$2.2 million for H1 FY23 compared to \$2.0 million in H1 FY22, reflecting the investment in new plant and equipment to expand the Group's manufacturing capacity.

Net cash outflow from financing activities were \$0.3 million for H1 FY23, compared to a net cash inflow from financing activities of \$37.9 million H1 FY22, reflecting the one-off net proceeds from the Company's capital raise in August 2021 of \$47.9 million, less full repayment of the debt outstanding to Hollister of \$9.5 million. The Company remains debt free with cash on hand and term deposits of NZ\$50.1 million, providing adequate cash reserves to fund its planned further investment into its US commercial operations and for accelerating and broadening its research and development pipeline.

RECONCILIATION OF NORMALISED PROFIT OR LOSS TO NZ GAAP PROFIT OR LOSS

	Unaudited 30 September 2022 NZ\$000	Unaudited 30 September 2021 NZ\$000
Normalised profit / (loss) before income tax	765	(3,895)
Share based payments	(668)	(1,295)
Transaction costs	-	(50)
Unrealised currency gains	1,591	213
Profit / (Loss) before income tax (NZ GAAP)	1,688	(5,027)

Share Based Payments

Share based payments of \$0.7 million relate to the vesting of the share options issued to Directors and employees of the Group. No share options were granted during H1 FY23.

Transaction costs

Transaction costs reflect one-off costs including the costs associated with the capital raise in August 2021.

Unrealised currency gains

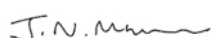
Unrealised currency gains reflect foreign currency gains resulting from the revaluation of foreign currency denominated assets and liabilities excluding cash balances.

DIVIDENDS

No dividends have been paid or proposed.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the period which have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future years.



Jim McLean - Chairman



Brian Ward – CEO

Dated this 29th November 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 30 September 2022

	Notes	Unaudited 30 September 2022 NZ\$000	Unaudited 30 September 2021 NZ\$000
Revenue	3	29,337	17,852
Cost of sales		(4,716)	(4,383)
Gross profit		24,621	13,469
Other income		753	94
Selling and administrative expenses		(20,572)	(13,992)
Research and development		(5,995)	(3,618)
Operating loss before net financing costs	4	(1,193)	(4,047)
Finance income	5	4,491	86
Finance expenses	5	(1,610)	(1,066)
Net finance income / (expenses)		2,881	(980)
Profit / (Loss) before income tax		1,688	(5,027)
Income tax expenses		(101)	(62)
Profit / (Loss) for the period attributable to shareholders		1,587	(5,089)
Other comprehensive income			
Items that will or maybe reclassified to profit or loss			
Exchange losses arising on translation of foreign operations		(832)	(57)
Items that will not be reclassified to profit or loss			
Changes in the fair value of equity investments at fair value through other comprehensive income	11	(135)	(107)
Total other comprehensive losses		(967)	(164)
Total comprehensive income / (loss) for the period attributable to shareholders		620	(5,253)
Earnings per share during the period:			
Basic earnings per share (cents)	10	0.5	(1.6)
Diluted earnings per share (cents)	10	0.4	(1.6)

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 September 2022

	Notes	Unaudited 30 September 2022 NZ\$000	Audited 31 March 2022 NZ\$000
Current assets			
Cash and cash equivalents	6	11,986	6,165
Term deposits	6	38,134	50,000
Trade and other receivables	8	26,381	18,494
Inventories		5,157	3,981
Tax receivable		50	-
Total current assets		81,708	78,640
Non-current assets			
Property, plant and equipment	7	11,351	10,023
Other receivable		138	149
Right of use assets		4,958	5,333
Intangible assets		16,816	17,269
Financial assets at fair value through other comprehensive income	11	1,104	1,239
Total non-current assets		34,367	34,013
Total assets		116,075	112,653
Current liabilities			
Trade and other payables		3,850	3,089
Derivative financial liabilities		1,424	-
Employee benefits		3,079	2,982
Lease liabilities		560	589
Tax liabilities		-	51
Total current liabilities		8,913	6,711
Non-current liabilities			
Provisions		168	164
Lease liabilities		5,011	5,287
Total non-current liabilities		5,179	5,451
Total liabilities		14,092	12,162
Net assets		101,983	100,491
Equity			
Share capital	12	146,056	145,755
Share based payment reserve	13	5,383	4,812
Foreign currency translation reserve		(1,020)	(187)
Equity investment reserve		1,104	1,239
Accumulated losses		(49,540)	(51,128)
Total equity		101,983	100,491

On behalf of the Board: 29 November 2022

J.N. McLean

Jim McLean - Chairman

B.R. Ward

Brian Ward – CEO

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

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

For the half-year ended 30 September 2022

		Share Capital	Accumul ated Losses	Foreign Currency Translation Reserve	Equity Investment Reserve	Share Based Payment Reserve	Total Equity
	Notes	\$000	\$000	\$000	\$000	\$000	\$000
Balance as at 1 April 2022		145,755	(51,127)	(188)	1,239	4,812	100,491
Profit for the period		-	1,587	-	-	-	1,587
Other comprehensive loss for the period		-	-	(832)	(135)	-	(967)
Total comprehensive profit for the period		-	1,587	(832)	(135)	-	620
Transactions with shareholders							
Employee shares exercised	13	253	-	-	-	(96)	157
Employee shares forfeiture	13	-	-	-	-	(71)	(71)
Share based payments	13	48	-	-	-	738	786
Total transactions with shareholders	13	301	-	-	-	571	872
Balance as at 30 September 2022 unaudited		146,056	(49,540)	(1,020)	1,104	5,383	101,983
Balance as at 1 April 2021		97,316	(42,742)	198	1,584	2,130	58,486
Comprehensive income							
Losses for the period		-	(5,089)	-	-	-	(5,089)
Other comprehensive loss for the period		-	-	(57)	(107)	-	(164)
Total comprehensive loss for the period		-	(5,089)	(57)	(107)	-	(5,253)
Transactions with shareholders							
Shares issued		47,740	-	-	-	-	47,740
Employee shares exercised		400	-	-	-	(244)	156
Employee shares forfeiture		-	-	-	-	(20)	(20)
Share based payments		60	-	-	-	1,314	1,374
Total transactions with shareholders		48,200	-	-	-	1,050	49,250
Balance as at 30 September 2021 unaudited		145,516	(47,831)	141	1,477	3,180	102,483

The above consolidated statement of movements in equity should be read in conjunction with the accompanying notes

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 30 September 2022

	Notes	Unaudited 30 September 2022 NZ\$000	Unaudited 30 September 2021 NZ\$000
Cash flows from operating activities			
Cash receipts from sales revenue		24,492	13,363
Cash receipts from license fees, project fees, and grant income		620	1,711
Cash paid to suppliers and employees		(29,705)	(19,395)
Interest received		208	93
Interest paid		1	(1,548)
Income tax (paid) / received		(202)	12
Net cash outflow from operating activities		(4,586)	(5,764)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,220)	(2,020)
Purchase of intangible assets		(131)	(95)
Term deposits		11,866	-
Net cash inflow / (outflow) from investing activities		9,515	(2,115)
Cash flows from financing activities			
Proceeds from issue of shares	12	202	50,116
Transaction costs related to issue of equity securities or convertible debt securities		-	(2,214)
Repayment of borrowings / deferred consideration		-	(9,514)
Lease liability payments – Principal payments		(319)	(282)
Lease liability payments – Interest payments		(183)	(199)
Net cash (outflow) / inflow from financing activities		(300)	37,907
Net increase in cash and cash equivalents		4,629	30,028
Effect of exchange rate fluctuations on cash and cash equivalents		1,192	(118)
Cash and cash equivalents at beginning of the period		6,165	15,381
Cash and cash equivalents at end of the period	6	11,986	45,291

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

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 September 2022

1. Basis of preparation

These condensed interim consolidated financial statements of Aroa Biosurgery Limited ("the Company") and its subsidiaries (together "the Group") for the half-year ended 30 September 2022 (the "reporting period") have been prepared in accordance with the requirements of NZ IAS 34 Interim Financial Reporting and IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the audited 2022 Annual Report. For the purposes of complying with generally accepted accounting practice in New Zealand, the Group is a for-profit entity.

The condensed interim consolidated financial statements are presented in New Zealand dollars, rounded to the nearest thousand, unless otherwise stated.

The Group is a leading regenerative medicine company which develops, manufactures and sells medical devices for wound and soft tissue repair using its proprietary extracellular matrix (ECM) technology.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 64 Richard Pearse Drive, Airport Oaks, Auckland.

Aroa Biosurgery Incorporated is a subsidiary of Aroa Biosurgery Limited and is incorporated and domiciled in the United States. The address of its registered office is 7220 Trade St, Suite 306, San Diego, California 92121.

The condensed interim consolidated financial statements of the Group for the half-year ended 30 September 2022 comprise the Company and its two subsidiaries, Aroa Biosurgery Incorporated and Mesynthes Nominee Limited. All subsidiary entities have a reporting date of 31 March.

There is no effect of seasonality or cyclicity of interim operations.

Equity holding	Principal Activity	Place of Business	30 September 2022	30 September 2021
			%	%
Aroa Biosurgery Incorporated	Sales & Distribution	US	100	100
Mesynthes Nominee Limited	Nominee Shareholder	NZ	100	100

These unaudited condensed interim financial statements were authorised for issue by the Board of Directors on 28 November 2022.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

2. Significant accounting policies

The Group has applied the same accounting policies and methods of computation in its condensed interim consolidated financial statements as in its 2022 annual financial statements.

Use of estimates and judgements

Significant estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Estimates and judgements were made in respect of the value of development expenditure capitalised, TELA Bio Incorporated ("TELA Bio") accrued revenue, the value of share-based payments, the impairment review of intangible assets, the estimated fair value of financial assets at fair value through other comprehensive income.

During the half-year ended 30 September 2022, the New Zealand Government eased all COVID-19 restrictions that had been placed on businesses, organisations and individuals. The Group continued to experience reduced demand from certain countries but overall trading activity, particularly in the USA, has been stronger than expected.

An assessment of the impact of COVID-19 on the Group's interim financial statements as at 30 September 2022 is set out below, based on information available at the time of preparing the interim financial statements.

- Going concern: The Directors have concluded that the Company is a going concern.
- Trade receivables: The Group has undertaken a review to ensure that the provision for expected credit losses reflects the current estimated exposure of defaults. Impairment provision has been managed effectively since the year-end through proactive debt management efforts. No material risks are deemed to exist as of the reporting date.
- Inventory: Management considers that any risks caused by COVID-19 as of the reporting date is not material given the average remaining shelf life for inventories on hand being more than 12 months, apart from those already provided for obsolescence.
- Intangible assets: The Group measured the recoverable amounts of assets by assessing the recoverable amount based on value in use calculations for goodwill and other related intangible assets. No impairment was noted.

The Group has undertaken no new steps to reduce the impact of COVID-19 on its operations since 31 March 2022.

In relation to the value of share-based payments, management considered that new share options were approved by the shareholders in August 2022 to be issued to the directors. Estimates and judgments were exercised to determine the grant date of these options and appropriate accounting treatment for the reporting period.

Going concern

The Group posted a net profit before tax of \$1,688,000 for the half-year ended 30 September 2022 (unaudited) (H1 FY2022 (unaudited): loss before tax of \$5,027,000). The Group posted total operating cash outflow of \$4,586,000 for the half-year ended 30 September 2022 (unaudited) (H1 FY2022 (unaudited): outflow of \$5,764,000).

The Directors have continued to apply the going concern assumption as the basis of the preparation of the condensed interim consolidated financial statements.

In reaching their conclusion that the going concern assumption is appropriate, the Directors have considered the ability to achieve financial performance and cash flow forecasts prepared by management and the sufficiency of the cash on hand as at the reporting date.

In addition, management considers that the impact of COVID-19 pandemic does not cast significant doubt on the Group's ability to continue as a going concern. This is in line with the product revenue continuing to grow strongly, in line with management's internal expectations, during the reporting period. Management is not aware of any other event or condition that may cast significant doubt on its going concern assumptions.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

3. Revenue and segment information

	Unaudited 30 September 2022 \$000	Unaudited 30 September 2021 \$000
Sales of goods (USA)	28,037	17,212
Sales of goods (Rest of world)	808	449
Project fees (USA)	492	191
Total revenue	29,337	17,852
Revenue recognised point in time	28,845	17,661
Revenue recognised over time	492	191
Total revenue	29,337	17,852

Segment information

Revenues from external customers are from sales of goods and project fees as noted above.

The Group sells its products and services to external customers who are largely located in the United States of America ("the USA") as noted above.

For the purpose of the internal reporting provided to the chief operating decision makers, business activities, performances and any associated assets and liabilities are reviewed as a consolidated group.

Revenues of \$17,682,000 (H1 FY2022: \$10,761,000) are derived from a single external customer, being sales of products and services to TELA Bio, which is the Group's USA sales and distribution partner.

The Group held all of its non-current assets in New Zealand with an exception of the right-of-use assets of \$23,024 (H1 FY22: \$134,000) for the leasehold property and property, plant and equipment of \$111,000 (H1 FY22: \$47,000) in the USA as of the reporting date.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

4. Operating income / (loss) before net financing costs

	Unaudited 30 September 2022 \$000	Unaudited 30 September 2021 \$000
Operating income / (loss) before net financing costs includes the following:		
Transaction costs	-	50
Employee salaries and share-based payments benefits	18,908	13,451
Auditor's fees:		
Statutory audit	64	71
Half year review	55	49
Raw materials and consumables	2,115	1,984
Depreciation:		
Research and development	223	183
Administration and manufacturing	651	367
Right of use assets	330	328
Right of use assets – R&D	55	58
Directors' fees	221	205
Insurance	518	408
Low-value and short-term leases	87	61
Amortisation:		
Patents	4	29
Customer relationships and reacquired rights	581	581
Research and development	5,717	3,377

5. Net finance expenses

Finance income and finance expenses have been accrued to the reporting date using the effective interest method.

	Unaudited 30 September 2022 \$000	Unaudited 30 September 2021 \$000
Finance income		
Interest received on bank balances	508	86
Other finance income		
Foreign currency gains	3,983	-
Total finance income	4,491	86
Finance expenses		
Interest expenses – deferred consideration	-	(748)
Interest expenses – lease liabilities	(182)	(205)
Other finance expenses		
Foreign currency losses on derivative financial liabilities	(1,424)	(27)
Foreign currency losses	-	(85)
Finance costs – make good provision	(4)	(2)
Total finance expenses	(1,610)	(1,066)
Net finance income / (expenses)	2,881	(980)

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

6. Cash and cash equivalents & term deposits

Cash and cash equivalent

Cash and cash equivalents include cash on hand and deposits held at call with financial institutions.

	Unaudited 30 September 2022 \$000	Audited 31 31 March 2022 \$000
Bank balances	11,986	6,165
Total cash and cash equivalents	11,986	6,165

Term deposits

The Group held short-term deposit arrangements with the Bank of New Zealand, Westpac and ASB Bank at the average rate of 3.0% (31 March 2022: 1.54%) per annum with a maturity less than 6 months from the reporting date.

	Unaudited 30 September 2022 \$000	Audited 31 31 March 2022 \$000
Term deposits	38,134	50,000
Total term deposits	38,134	50,000

7. Property, plant & equipment

(i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

For plant and equipment, depreciation is based on the cost of an asset less its residual value. Where significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Assets under construction are not subject to depreciation.

The useful life estimate for the current year of significant items of property, plant and equipment are as follows:

Leasehold improvements	10 years
Plant & equipment	4 - 11 years
Fixtures & fittings	3 - 10 years
Computer equipment & software	3 - 4 years

Depreciation methods, rates and residual values are reviewed at reporting date and adjusted if appropriate

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the half-year ended 30 September 2022

7. Property, plant & equipment (continued)

	Lease- hold Improve- ments	Capital Work In Progress	Plant and Equip- ment	Fixture & Fitting	Computer Equip- ment & Software	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost						
Balance 1 April 2022	1,631	4,165	8,566	624	1,287	16,273
Additions	46	1,769	50	21	323	2,209
Transfers in / (out)	2,767	(3,087)	306	13	1	-
Disposals	-	-	(12)	-	-	(12)
Balance 30 September 2022	4,444	2,847	8,910	658	1,611	18,470
Accumulated Depreciation						
Balance 1 April 2022	(1,076)	-	(4,204)	(256)	(714)	(6,250)
Depreciation	(72)	-	(659)	(56)	(87)	(874)
Disposals	-	-	5	-	-	5
Balance 30 September 2022	(1,148)	-	(4,858)	(312)	(801)	(7,119)
Net Book Value						
Balance 1 April 2022	555	4,165	4,362	368	573	10,023
Balance 30 September 2022	3,296	2,847	4,052	346	810	11,351

	Lease- hold Improve- ments	Capital Work In Progress	Plant and Equip- ment	Fixture & Fitting	Computer Equip- ment & Software	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost						
Balance 1 April 2021	1,586	457	8,559	585	968	12,155
Additions	-	3,936	134	44	341	4,455
Transfers in / (out)	45	(228)	42	-	141	-
Disposals	-	-	(169)	(5)	(163)	(337)
Balance 31 March 2022	1,631	4,165	8,566	624	1,287	16,273
Accumulated Depreciation						
Balance 1 April 2021	(999)	-	(3,559)	(207)	(683)	(5,448)
Depreciation	(77)	-	(809)	(54)	(194)	(1,134)
Disposals	-	-	164	5	163	332
Balance 31 March 2022	(1,076)	-	(4,204)	(256)	(714)	(6,250)
Net Book Value						
Balance 1 April 2021	587	457	5,000	378	285	6,707
Balance 31 March 2022	555	4,165	4,362	368	573	10,023

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the half-year ended 30 September 2022

8. Trade and other receivables

Trade and other receivables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less provision for impairment.

The Group applies the NZ IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on the Group's historical credit losses experienced over the three-year period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

	Unaudited 30 September 2022 \$000	Audited 31 March 2022 \$000
Trade receivables	13,008	10,385
Less provision for impairment of trade receivables	(232)	(28)
Net trade receivables	12,776	10,357
Prepayments	1,741	1,325
Other receivables	1,183	917
Other receivables – Revenue share	9,010	4,770
Other receivables – Research and Development Tax Incentive accrual	1,671	1,125
Total current trade and other receivables	26,381	18,494

	Unaudited 30 September 2021 \$000	Audited 31 March 2022 \$000
Prepayments	138	149
Total non-current prepayments	138	149

Trade receivables amounting to \$12,776,000 (31 March 2022: \$10,357,000) are shown net of impairment losses. Provisions have been made appropriately after considering the impact of COVID-19. Trade receivables are interest free. Trade receivables of a short-term duration are not discounted. Other receivables include accrued revenue share from TELA Bio which is based on the historical performance and trends. The Group has a high probability of receiving this revenue share.

The non-current portion of prepayment relates to the Group's contract with Watercare for its access to water and associated investments made in its premises. The prepayment is amortised over the same period that the premises are leased by the Group.

(i) Impaired receivables

As at 30 September 2022, current trade receivables with a nominal value of \$232,000 (31 March 2022: \$28,000) were impaired and provided for.

(ii) Past due but not impaired receivables

As at 30 September 2022, trade receivables of \$4,643,000 (31 March 2022: \$3,175,000) were past due but not impaired. Subsequent to the reporting date, the Group received over \$2,300,000 of these past due trade receivables.

The ageing analysis of trade receivables is as follows:

	Unaudited 30 September 2022 \$000	Audited 31 March 2022 \$000
Current	8,365	7,212
1 - 30 days overdue	2,842	2,733
30 - 60 days overdue	1,039	163
60 - 90 days overdue	214	140
90+ days overdue	548	137
Total trade receivables	13,008	10,385

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

9. Related parties

(i) **Transactions with related parties**

There were no related party transactions outside of key management compensation for the half-year ended 30 September 2022.

(ii) **Subsidiaries**

Interests in subsidiaries are set out in note 1.

(iii) **Key management compensation**

Key management includes Directors (Executive and Non-Executive) and the executive management team.

The total compensation for the executive management team is \$1,420,000 (H1 FY2022 (unaudited): \$1,334,000). (excluding share based payments of \$150,000 (H1 FY2022 (unaudited): \$277,000)). The total compensation for Non-Executive Directors, excluding share based payments of \$67,000 (H1 FY2022 (unaudited): \$87,000), are \$221,000 (H1 FY2022 (unaudited): \$205,000).

(iv) **Period end balances**

There were no related party receivables and related party payables as at 30 September 2022 (unaudited) (March 2022: nil).

10. Earnings per share

Earnings per share has been calculated based on shares and share options issued at the respective measurement dates.

	Unaudited 30 September 2022 000	Unaudited 30 September 2021 000
Numerator		
Profit / (Loss) for the half-year after tax ("N") in \$	1,587	(5,089)
Denominator		
Weighted average number of ordinary shares used in basic EPS ("D1")	342,593	321,295
Effects of:		
Employee share options *	16,591	15,011
Preference shares	-	-
Period end number of shares used in diluted EPS ("D2")	359,184	321,295
	Cents	Cents
Basic earnings per share (N/D1 x 100)	0.5	(1.6)
Diluted earnings per share (N/D2 x 100)	0.4	(1.6)

* As employee share options are anti-dilutive, these were not included in the calculation of diluted earnings per share above for the comparative period.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

11. Financial assets at fair value through other comprehensive income

The Group classifies the following financial assets at fair value through other comprehensive income ("FVTOCI"):

- Equity investments for which the Group has elected to recognise fair value gains or losses through other comprehensive income.

Financial assets measured at FVTOCI include the following:

	Unaudited 30 September 2022 NZ\$000	Audited 31 March 2022 NZ\$000
US listed equity securities	1,104	1,239
Total financial assets at FVTOCI	1,104	1,239

The US listed equity securities comprise of the Group's investment in TELA Bio. In November 2020, TELA Bio listed on the NASDAQ. The Group held 74,316 shares at a value of US\$8.52 per share as at the reporting date (March 2022: US\$11.63).

The fair value of the listed equity securities is based on published market price (level 1 in the fair value hierarchy) and is revalued at the reporting date.

12. Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

	Unaudited 30 September 2022 \$000	Audited 31 March 2022 \$000
Share capital at beginning of the period	145,755	97,316
Shares issued	-	47,740
Shares issued from Share Plan and Option Plan	301	699
Share capital at end of the period	146,056	145,755

	# of ordinary shares
At 1 April 2021	300,726,414
Issue of share capital	41,734,719
At 31 March 2022	342,461,133
Issue of share capital	263,075
At 30 September 2022	342,724,208

During the reporting period, the Group issued 263,075 shares under the share purchase and share option schemes for \$301,000 (FY22: 1,050,414 shares under the share purchase and option schemes for \$699,000 and 40,684,305 shares from the capital raise for \$47,740,000).

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

13. Share based payments

Share option plan

During the year ended 31 March 2019 the Group implemented a share option plan for selected employees to provide an opportunity to participate in a Share Option Plan. This is an offer of options to acquire ordinary shares. Under the terms of the plan, a parcel of options was issued to employees with an exercise price equal to the market valuation of shares at the time of offer. The grant of share options is split into three tranches vesting over a three year period.

The fair value of the options has been measured using the Revenue Ruling 59-60 and standard practice. Revenue Ruling 59-60 outlines the standard of value, approach, methods, and factors to be considered in valuing shares of the stock of the closely held entity similar to the Company. Revenue rulings are public administrative rulings by the Internal Revenue Service in the United States Department of the Treasury of the United States federal government.

The share based payments reserve comprises the fair value of the employee share purchase plan before its classifications to share capital upon settlement.

The grant date fair value of equity-settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

During the half-year ended 30 September 2022, new options were approved by the shareholders to be issued to the Directors and CEO. As of the reporting date, these options remained outstanding to be granted.

In order to determine the grant date of these options, management considered the following factors as of the reporting date:

- The final terms are subject to acceptance by the recipients.
- The underlying valuation of the options have not been carried out.

Management's view is such that these options were outstanding to be granted as of the reporting date.

No other options were granted new during the reporting period.

	Unaudited 30 September 2022 \$000	Audited 31 March 2022 \$000
Opening balance	4,812	2,130
Share based payment expense	738	3,127
Employee shares exercised	(96)	(283)
Forfeited of shares	(71)	(162)
Closing balance	5,383	4,812

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

13. Share based payments (continued)

a) Aroa Biosurgery share option plan (the "Option Plan") – prior to IPO

Under the Option Plan prior to IPO, the Company granted directors, key management and certain employees, options to subscribe for ordinary shares.

Summary of options granted under the Option Plan – prior to IPO

	H1 FY23 Average exercise price per option NZ\$	H1 FY23 # of options	FY22 Average exercise price per option NZ\$	FY22 # of options
Opening balance	0.10	3,085,200	0.10	3,919,575
Exercised during the period	0.10	(78,750)	0.10	(834,375)
Closing balance	0.11	3,006,450	0.10	3,085,200
Vested and exercisable at reporting date	0.10	2,053,950	0.10	1,896,450

Share options outstanding at the reporting date have the following expiry dates:

Grant date	Expiry date	Share options Unaudited 30 September 2022	Share options Audited 31 March 2022
1 October 2018	1 October 2028	1,261,150	1,339,900
1 July 2019	1 October 2028	307,500	307,500
1 December 2019	30 November 2029	1,437,800	1,437,800
Total		3,006,450	3,085,200

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

13. Share based payments (continued)

b) Aroa Biosurgery share option plan (the "Option Plan") – on and after IPO

During the year ended 31 March 2022, the Group offered its senior and key employees share options. These options were issued in April, June and August 2021.

No new options were granted in the half-year ended 30 September 2022.

Summary of options granted under the Option Plan – on and after IPO

	H1 FY23 Average exercise price per option NZ\$	H1 FY23 # of options	FY22 Average exercise price per option NZ\$	FY22 # of options
Opening balance	1.07	12,901,575	0.93	7,950,200
Granted during the period – 22 April grant	-	-	1.23	350,000
Granted during the period – 28 June grant	-	-	1.14	2,535,000
Granted during the period – 9 August grant	-	-	1.24	3,525,000
Exercised during the year	0.85	(184,325)	0.50	(402,425)
Forfeited during the period	1.26	(210,000)	1.07	(1,056,200)
Closing balance	1.13	12,507,250	1.07	12,901,575
Vested and exercisable at reporting date	1.06	7,773,823	0.99	7,620,050

Share options – on and after IPO outstanding at the reporting date have the following expiry dates:

Grant date	Expiry date	Share options Unaudited 30 September 2022	Share options Audited 31 March 2022
24 July 2020	23 July 2025	5,154,050	5,338,375
29 September 2020	28 September 2025	1,683,200	1,683,200
22 April 2021	31 March 2026	300,000	300,000
28 June 2021	28 June 2026	2,295,000	2,405,000
9 August 2021	8 August 2026	3,075,000	3,175,000
Total		12,507,250	12,901,575

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2022

14. Events occurring after the reporting date

There have been no significant events subsequent to the reporting date which required disclosure in or adjustment to the condensed interim consolidated financial statements.

15. Other disclosures

Capital commitment

As at 30 September 2022, the Group had capital commitments of \$3,436,252 (unaudited) (H1 FY2022 (unaudited): \$456,376).

Lease commitment

During the half-year ended 30 September 2022, the Company entered into an agreement to lease an additional office area in Auckland, New Zealand. As of the reporting date, the lease terms were under negotiation including the start date of the lease. As a result, no right of use assets or lease liabilities were recognised in relation to the new lease agreement.

Contingent liabilities

As at 30 September 2022, the Group had no material contingent liabilities (unaudited) (H1 FY2022 (unaudited): \$nil).

**INDEPENDENT REVIEW REPORT
TO THE SHAREHOLDERS OF AROA BIOSURGERY LIMITED**

Report on the Interim Consolidated Condensed Financial Statements

Conclusion

We have reviewed the accompanying interim consolidated condensed financial statements for the six month period of Aroa Biosurgery Limited and its controlled entities (collectively, the “Group”), which comprise the consolidated statement of financial position as at 30 September 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of movements in equity and consolidated statement of cash flows for the period ended on that date, and selected explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that these interim consolidated condensed financial statements of the Group do not present fairly, in all material respects the financial position of the Group as at 30 September 2022 and of its financial performance and its cash flows for the six month period ended on that date, in accordance with NZ IAS 34 *Interim Financial Reporting*.

Basis of Conclusion

We conducted our review in accordance with NZ SRE 2410 (Revised) *Review of Financial Statements Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor’s Responsibilities for the Review of the Financial Statements section of our report. We are independent of the Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Other than in our capacity as assurance practitioner we have no relationship with, or interests in, Aroa Biosurgery Limited or its controlled entities.

Directors’ Responsibilities for the Interim Consolidated Condensed Financial Statements


The Directors of the Group are responsible for the preparation and fair presentation of the interim consolidated condensed financial statements in accordance with NZ IAS 34 *Interim Financial Reporting* and for such internal control as they determine is necessary to enable the preparation and fair presentation of the interim consolidated condensed financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibilities for the Review of the Financial Statements

Our responsibility is to express a conclusion on the condensed interim consolidated financial statements based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the condensed interim consolidated financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34 *Interim Financial Reporting*.

A review of the condensed interim consolidated financial statements in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on those the condensed interim consolidated financial statements.

The engagement partner on the review resulting in this independent auditor’s review report is Blair Stanley.


BDO Auckland
Auckland
New Zealand

29 November 2022

DIRECTORY



ARBN 638 867 473
NZCN 1980577

Non-Executive Director and Chairman
Jim McLean

Non-Executive Directors
Steve Engle
Phil McCaw
John Pinion
John F Diddams
Dr. Catherine Mohr

Chief Executive Officer and Managing Director
Brian Ward

Company Secretaries
James Agnew
Tracy Weimar

NZ Registered Office and Address for Service
64 Richard Pearse Drive
Mangere
Auckland 2022
Telephone: +64 9 869 3035

AUS Registered Office and Address for Service
Level 1, 357 Military Road
Mosman NSW 2088

Auditor
BDO Auckland
Level 4, BDO Centre
4 Graham Street
Auckland 1010

Banker
Bank of New Zealand
Deloitte Centre
80 Queen Street
Auckland 1010

Share Registry
Boardroom Pty Limited
Level 8, 210 George Street
Sydney NSW 2000