

A photograph of three surgeons in an operating room, wearing blue scrubs, masks, and surgical caps. They are focused on a patient lying on the table, with various medical instruments and equipment visible in the background. The scene is brightly lit, and the overall tone is professional and clinical.

# AROABIOSURGERY (ARX)

## QUARTERLY UPDATE

### MARCH 2023

Unlocking regenerative healing for everybody



# Important Notice and Disclaimer

This presentation (**Presentation**) is dated 27 April 2023 and has been prepared by Aroa Biosurgery Ltd, New Zealand company number 1980577, ARBN 638 867 473 (**AROA** or the Company).

## Information in this Presentation

The information in this Presentation is of a general background nature, is in summary form and does not purport to be complete. It does not contain all information relevant or necessary for an investment decision or that would be required to be included in a prospectus or other disclosure document under the Corporations Act for an offer of securities in Australia or in any other jurisdiction. The content of this Presentation is provided as at the date of this Presentation (unless otherwise stated). Except as required by applicable law, AROA does not plan to publicly update or revise any information contained in, or provided with, this Presentation whether as a result of any new information, future events, changed circumstances or otherwise.

## Not a prospectus or an offer of securities

This Presentation is not a prospectus or any other offering document under Australian law (and will not be lodged with the Australian Securities Investments Commission or with ASX Limited (ASX) as such) or under the law of any other jurisdiction in which an offer of securities may be received. Nothing in this Presentation should be construed as an invitation, offer or recommendation of securities in AROA (or any of its subsidiaries) for subscription, purchase or sale in any jurisdiction.

## Future performance

Past performance information in this Presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance. The Presentation contains certain "forward-looking statements". The words "forecast", "expect", "anticipate", "estimate", "intend", "believe", "guidance", "should", "could", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, as is the 'Catalysts' section in this Presentation. These statements are based on current expectations and assumptions regarding AROA's business and performance, the economy and other circumstances. As with any projection or forecast, forward-looking statements in this Presentation are inherently uncertain and susceptible to changes in circumstances. Opinions (including in the 'Step change in soft tissue reconstruction' section) involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Actual results, performance or achievements may differ materially from those expressed or implied in forward looking statements and statements of opinion. In particular, the market data referenced in this Presentation was prepared before the onset of COVID-19, the economic effect of which is currently not possible to predict with any certainty. Whilst the Company has no reason to believe that the markets to which the data relates will not return to the operating levels experienced before COVID-19, the impact of COVID-19 (if any) on the market data referenced is not possible to currently predict with any certainty and investors are cautioned against placing undue reliance on such data.

## IP notice

AROA, Aroa Biosurgery, AROA ECM, Endoform, Myriad, Myriad Matrix, Myriad Morcells, Myriad Ultra, Symphony and Enivo are trademarks of Aroa Biosurgery Limited. All other trademarks are properties of their respective owners. ©2023 Aroa Biosurgery Limited



# Quarterly cash flow

- ✓ Cash receipts from customers of NZ\$12.3 million during the quarter.
- ✓ Net cash outflows from operations of NZ\$1.9 million for the quarter.
- ✓ Net cash outflows from investing activities was NZ\$1.8 million for the quarter, reflecting AROA's investment into plant & equipment for additional manufacturing capacity.
- ✓ AROA ended the quarter with a strong cash balance of NZ\$44.7 million as at 31 March 2023.





# FY23 (preliminary, unaudited)



**NZ\$60.4m<sup>1</sup>**

**Product Revenue** vs.  
Guidance NZ\$60-62m  
Total revenue ~ NZ\$63.1m<sup>1</sup>



**84%<sup>1</sup>**

**Product Gross Margin**  
vs. Guidance 84%



**Positive**  
**Normalised EBITDA<sup>1</sup>**  
vs. Guidance ~ breakeven



**~NZ\$45m**

**Cash Balance**  
vs. Guidance ~ NZ\$50m

1. Presented on a constant currency basis, consistent with guidance. Constant currency removes the impact of exchange rate movements. This approach is used to assess the AROA group's (the 'Group') underlying comparative financial performance without any distortion from changes in foreign exchange rates, specifically the USD. The exchange rate of US\$0.62/NZ\$1.00 has been used in the constant currency analysis, representing Group's average US\$/NZ\$ exchange rate for H1 FY23. All references in this presentation 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 Group's 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.

# Highlights

- ✓ **AROA US Sales:** 40 field reps, 166 active Myriad™ accounts<sup>1</sup>, 4 reps with average run rate over \$US1M and 10 reps average run rate of over US\$500,000 per annum.
- ✓ **Myriad - major growth driver:** Myriad Matrix™ & Myriad Morcells™ (FY23 233% YoY constant currency growth), with Myriad Morcells Fine expected to be launched in May '23.
- ✓ **Myriad - MASTRR Clinical Registry:** 156(+26) patients recruited, 4 sites - targeting 300 patients & 10 sites over a three-year period.
- ✓ **Symphony™:** Launch SAWC Spring (April '23).
- ✓ **US GPO contract:** Premier initially added Myriad and Symphony™, with contract update (April) to include Endoform™.
- ✓ **FDA 510K clearance:** for Enivo™ pump and catheter, key components of the Enivo Tissue Apposition Platform.
- ✓ **TELA Bio:** CY23 guidance of US\$60-65m (vs US\$41.4m pcp), and announcement of a US\$45.125 million<sup>2</sup> underwritten public offering (+ up to additional 15% option to underwriters) with, subject to completion, net proceeds to support its ongoing commercial expansion and other general corporate activities.<sup>3</sup>

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

2. Represents gross proceeds before deducting underwriting discounts and commissions and other estimated offering expenses.

3. TELA Bio press releases dated 21 March 2023 and 18 April 2023.

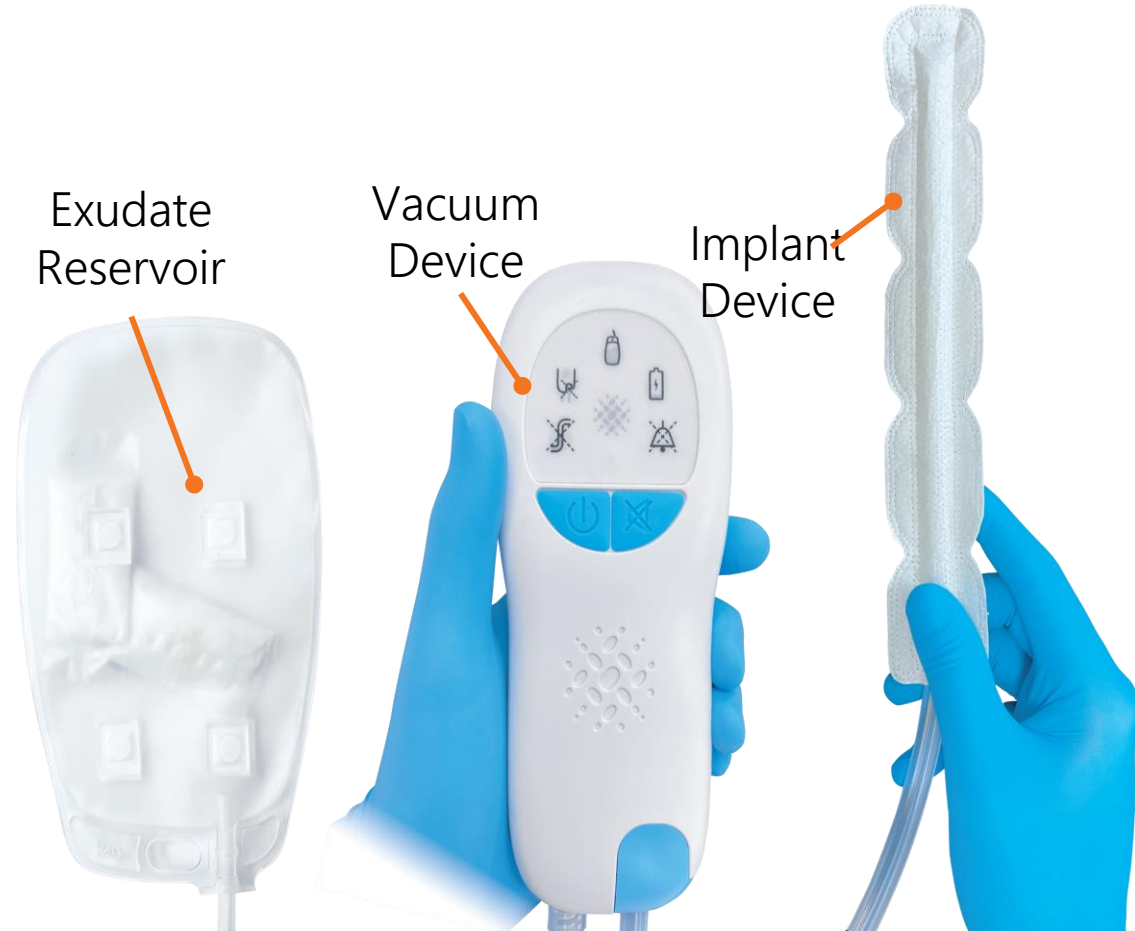
# Step change in soft tissue reconstruction<sup>1</sup>



1. This slide represents Management's proposed strategy and opinion.
2. SmartTRAK BiomedGPS data 2020. Aroa management estimates.
3. Aroa management estimates.
4. SmartTRAK BiomedGPS data 2020. Aroa management estimates.

# Enivo Tissue Apposition Platform

- Pump and catheter cleared for the removal of surgical and bodily fluids from a closed wound following plastic surgery and other general surgery forming large flaps for hematoma and seroma prophylaxis.
- AROA considers that combination with AROA ECM™ sleeve may significantly improve performance. Will require further FDA submission (~12-36 months).



# FY24 Catalysts & Milestones



## AROA Sales Momentum

Fully dedicated field sales team. Myriad expected to drive growth



## TELA Bio Sales Momentum

Clinical outcomes & cost savings driving increasing adoption



## Symphony Product Launch

Well suited to evolving reimbursement landscape, clinical outcomes & cost savings expected to drive increasing adoption



## Enivo

Pre-clinical data, FDA clearance, pilot clinical study



## Post-COVID

COVID-19 expected to have a waning impact in FY24



# Upcoming Investor Events

- Full year results & FY24 guidance Webinar 30th May 2023.
- Investor meeting 1st June 2023 1-4:00pm, Sydney Venue (TBC).

# CONTACTS

## **Simon Hinsley**

Investor Relations

m +61 401 809 653

shinsley@aroabio.com

## **Matt Wright**

Media

m +61 451 896 420

matt@nwrcommunications.com.au

## **Sarah Tora**

Corporate Communications Manager

m +64 21 531 043

sarah.tora@aroabio.com

Visit our website **[www.aroabio.com](http://www.aroabio.com)** and find us on LinkedIn at **[www.linkedin.com/company/aroa-biosurgery-limited/](http://www.linkedin.com/company/aroa-biosurgery-limited/)**

---

64 Richard Pearse Drive,  
Auckland 2022, New Zealand

PO Box 107111, Auckland Airport, Auckland 2150,  
New Zealand

# AROA at a Glance

Well established high-growth soft tissue regeneration company



## Four product families

predominantly sold to US hospitals



## AROA ECM™ platform

for new products, line extensions & enables AROA's tissue apposition platform



## > US\$2.5b<sup>2</sup> TAM

for existing products



## US Direct (AROA) and Commercial partner (TELA Bio™) sales



## 5.9 million+

AROA products applied in treating patients



## > 40

Peer Reviewed Publications



## Regulatory Approvals

in 50 countries



## Enivo™ Tissue Apposition Platform



## ~ 270

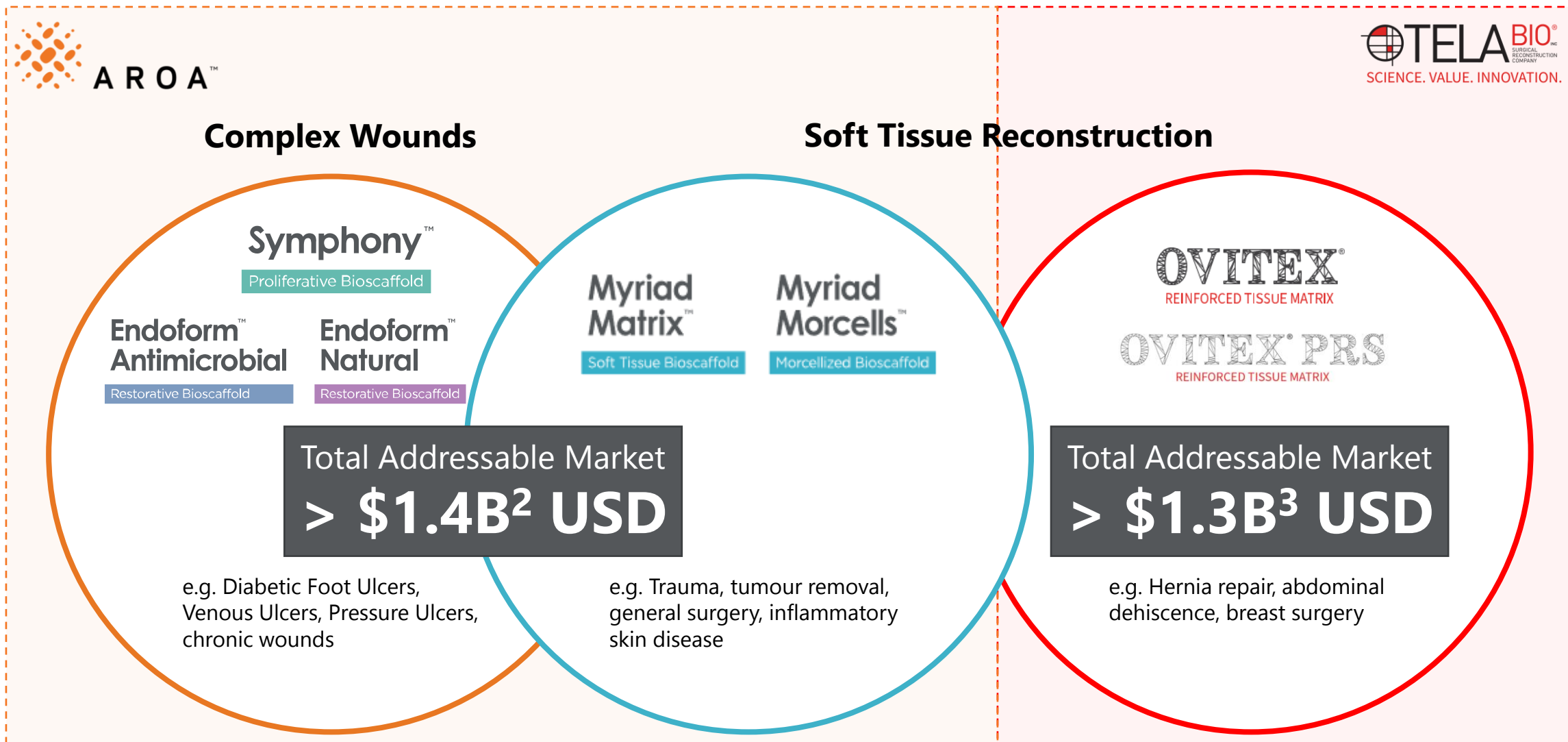
personnel<sup>3</sup>

1. Unaudited

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. AROA NZ & US employees.

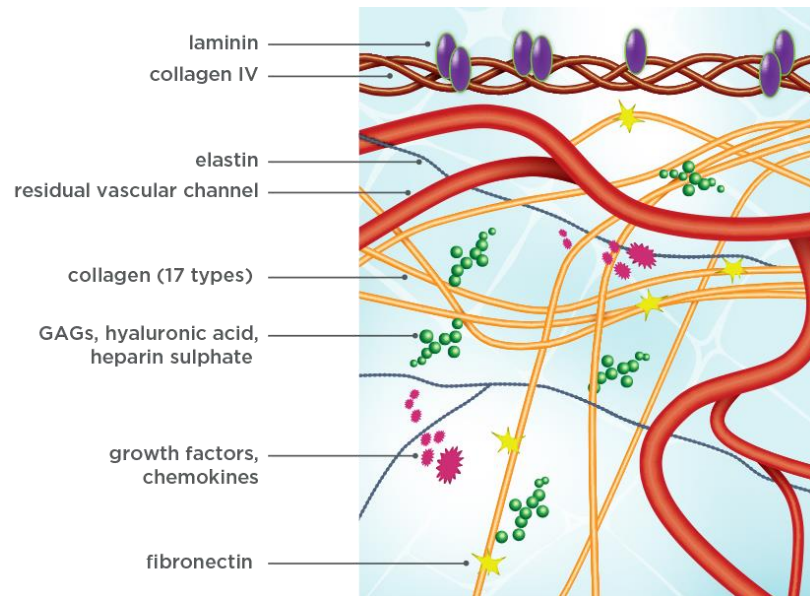
# Substantial Growth Opportunities > \$2.5B<sup>1</sup> TAM



1. SmartTRAK BiomedGPS data 2020; DRG Millennium Research data; Hernia Repair Devices, 2020, AROA management estimates; DRG Millennium Research, Breast Implants & Reconstructive devices, 2018.  
2. SmartTRAK BiomedGPS data 2020. Aroa management estimates.  
3. DRG Millennium Research data; Hernia Repair Devices, 2020. DRG Millennium Research, Breast Implants & Reconstructive devices, 2018.

# AROA ECM – Structure & Biology for Regenerative Healing

Unique Extracellular Matrix (ECM) derived from ovine forestomach with proven tissue regeneration properties across multiple products<sup>1-6</sup>



78

PRESENTATIONS /  
PUBLICATIONS

Endoform™

18

PRESENTATIONS /  
PUBLICATIONS

Myriad™

27

PRESENTATIONS /  
PUBLICATIONS

REINFORCED BIOSCAFFOLD  
OVITEX®



Rapid formation of well  
vascularized and functional  
tissue<sup>1,2</sup>



Tolerated a contaminated  
field and resistant to  
infection<sup>3-5</sup>



No negative inflammatory  
response reported<sup>2-5</sup>



Reduced surgical  
complexity<sup>4-6</sup>

1. Irvine, S. M., et al. (2011). "Quantification of in vitro and in vivo angiogenesis stimulated by ovine forestomach matrix biomaterial." *Biomaterials* 32(27): 6351-6361. 2. Bohn, G. A. and A. E. Chaffin (2020). "Extracellular matrix graft for reconstruction over exposed structures: a pilot case series." *J Wound Care* 29(12): 742-749. <https://www.magonlinelibrary.com/doi/full/10.12968/jowc.2020.29.12.74217>. 3. Parker, M. J., R. C. Kim, M. Barrio, J. Socas, L. R. Reed, A. Nakeeb, M. G. House and E. P. Ceppa (2020). "A novel biosynthetic scaffold mesh reinforcement affords the lowest hernia recurrence in the highest-risk patients." *Surg Endosc* 35(9): 5173-5178. 4. Chaffin A et al. Surgical reconstruction of pilonidal sinus disease with concomitant extracellular matrix graft placement: a case series. *Journal of Wound Care*; Vol 30, No. 7, July 2021. <https://www.magonlinelibrary.com/doi/full/10.12968/jowc.2021.30.Sup7.S28>. 5. Chaffin, A. E. and M. C. Buckley (2020). "Extracellular matrix graft for the surgical management of Hurley stage III hidradenitis suppurativa: a pilot case series." *J Wound Care* 29(11): 624-630. <https://www.magonlinelibrary.com/doi/full/10.12968/jowc.2020.29.11.624>. 6. Desvigne, M. N., K. Bauer, K. Holifield, K. Day, D. Gilmore and A. L. Wardman (2020). "Case Report: Surgical Closure of Chronic Soft Tissue Defects Using Extracellular Matrix Graft Augmented Tissue Flaps." *Frontiers in Surgery* 7(173). <https://www.frontiersin.org/articles/10.3389/fsurg.2020.559450/full>