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 operating table. The room is brightly lit with surgical lights. In the background, there are medical monitors and equipment. The text 'AROA BIOSURGERY (ARX)' and 'FULL YEAR RESULTS MAY 2023' is overlaid in white.

AROA BIOSURGERY (ARX)

FULL YEAR RESULTS MAY 2023

Unlocking regenerative healing for everybody



Important Notice and Disclaimer

This presentation (**Presentation**) is dated 31st May 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

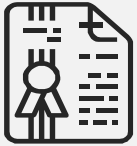
Past performance information in this Presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance. The Presentation contains certain "forward-looking statements". The words "forecast", "expect", "anticipate", "estimate", "intend", "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 are the FY24 guidance, financial outlook and FY24 catalysts sections of 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 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, market data reflects estimates only and investors are cautioned against placing undue reliance on it. Market data also includes data prepared before the onset of COVID-19. Whilst the Company has no reason to believe that the markets to which that data relates will not return to the operating levels experienced before COVID-19, the impact of COVID-19 (if any) on such data is not possible to currently predict with any certainty.

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

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\$3b¹ TAM

for existing products



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



6 million+

AROA products applied in treating patients



> 40

Peer Reviewed Publications



Regulatory Approvals

in 50 countries



Enivo™ Tissue Apposition Platform



~ 270

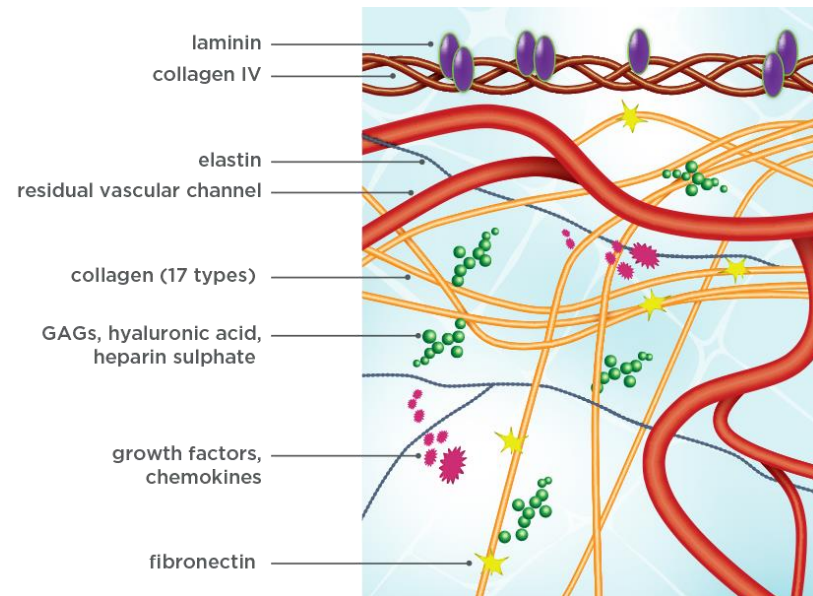
personnel²

1. Estimate of potential market size only. Idata, Soft Tissue Repair Market 2022; DRG Millennium Research data; Hernia Repair Devices, 2020; AROA management estimates; DRG Millennium Research, Breast Implants & Reconstructive devices, 2018.

3. AROA NZ & US employees.

AROA ECM – Structure & Biology for Regenerative Healing

Unique Extracellular Matrix (ECM) derived from ovine forestomach with proven tissue regeneration properties across multiple products¹⁻⁶



78

PRESENTATIONS /
PUBLICATIONS

Endoform™

18

PRESENTATIONS /
PUBLICATIONS

Myriad™

27

PRESENTATIONS /
PUBLICATIONS

REINFORCED BIOSCAFFOLD
OVITEX®



Rapid formation of well
vascularized and functional
tissue^{1,2}



Tolerated a contaminated
field and resistant to
infection³⁻⁵



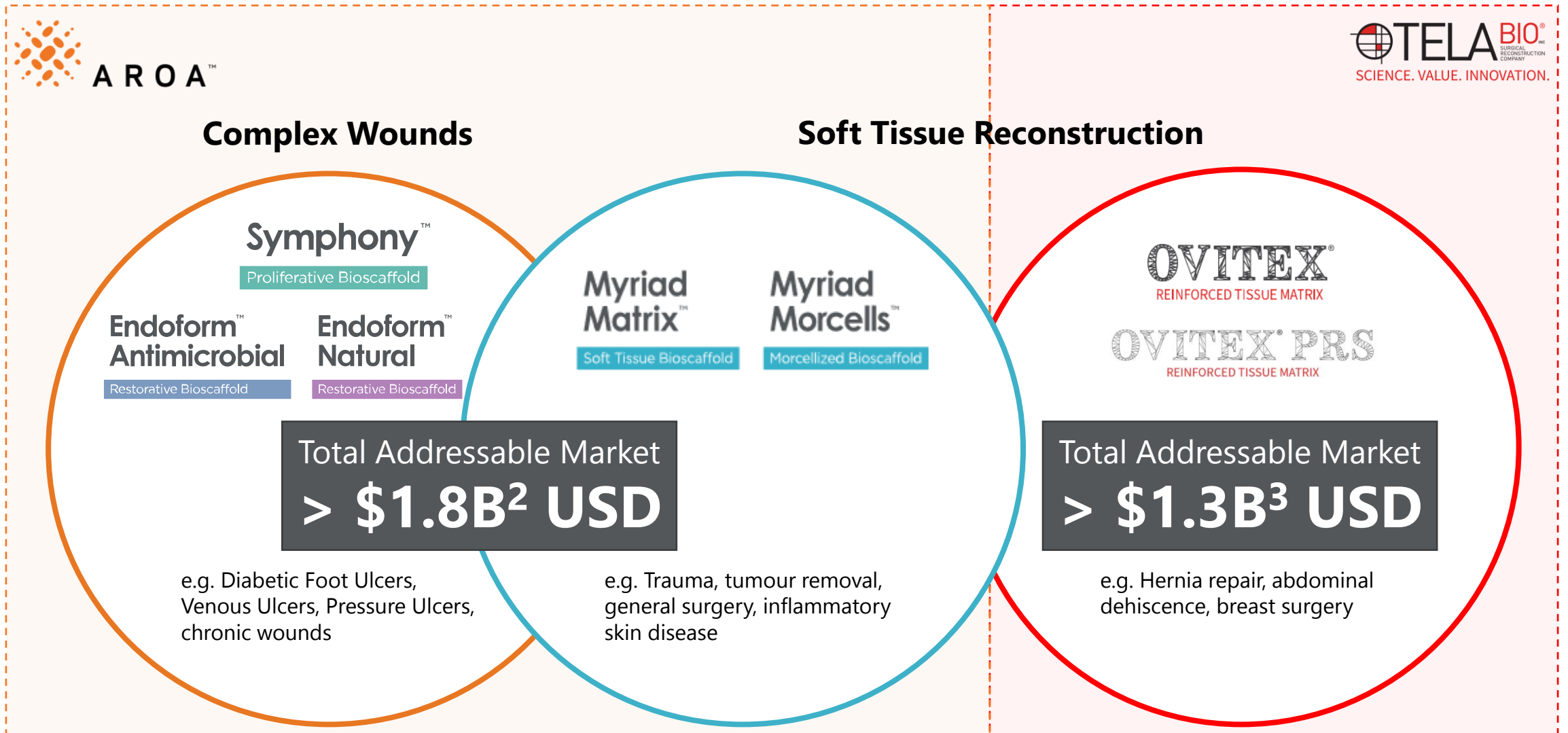
No negative inflammatory
response reported²⁻⁵



Reduced surgical
complexity⁴⁻⁶

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>

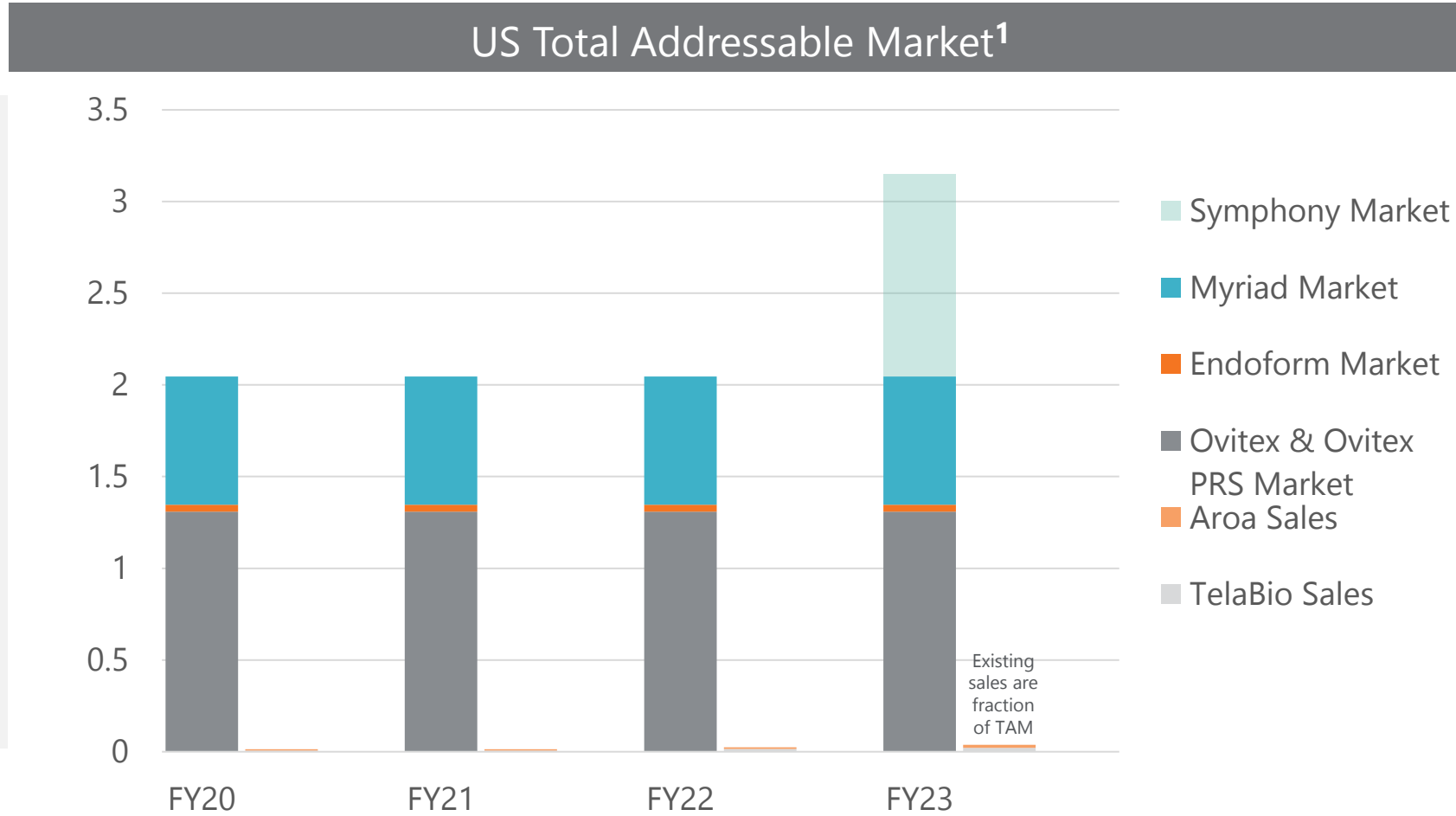
Substantial Growth Opportunities > \$3B¹ TAM



1. Estimate of potential market size only. Idata, Soft Tissue Repair Market 2022; DRG Millennium Research data; Hernia Repair Devices, 2020; AROA management estimates; DRG Millennium Research, Breast Implants & Reconstructive devices, 2018.
2. Idata, Soft Tissue Repair Market 2022. AROA management estimates.
3. DRG Millennium Research data; Hernia Repair Devices, 2020. DRG Millennium Research, Breast Implants & Reconstructive devices, 2018. OviTex and TELA Bio are trademarks of TELA Bio, Inc.

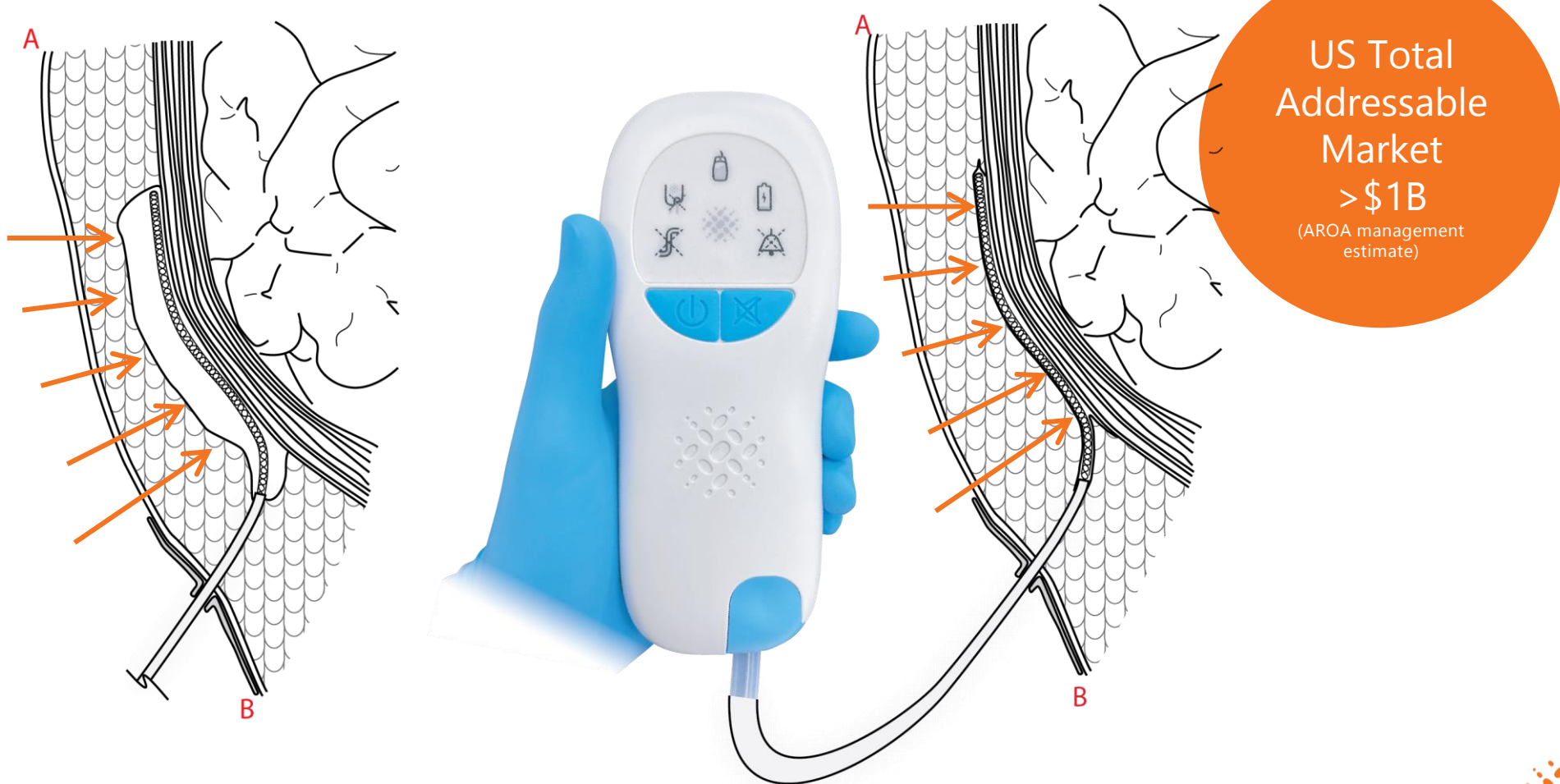


Substantial future opportunity



1. Estimate of potential market size only. Idata, Soft Tissue Repair Market 2022; DRG Millennium Research data; Hernia Repair Devices, 2020; AROA management estimates; DRG Millennium Research, Breast Implants & Reconstructive devices, 2018.

Enivo¹ – Tissue apposition platform



1. New product platform, not yet available for sale. US regulatory clearance received to date only for certain components of the Enivo system.

FY23 Key Financial Results



NZ\$60.5m¹

Product Revenue vs.
Guidance² NZ\$60-62m
Total revenue ~ NZ\$63.4m¹



84%¹

Product Gross Margin
vs. Guidance² 84%



NZ\$1.5m¹

Normalised EBITDA³
vs. Guidance² ~ breakeven



~NZ\$45m

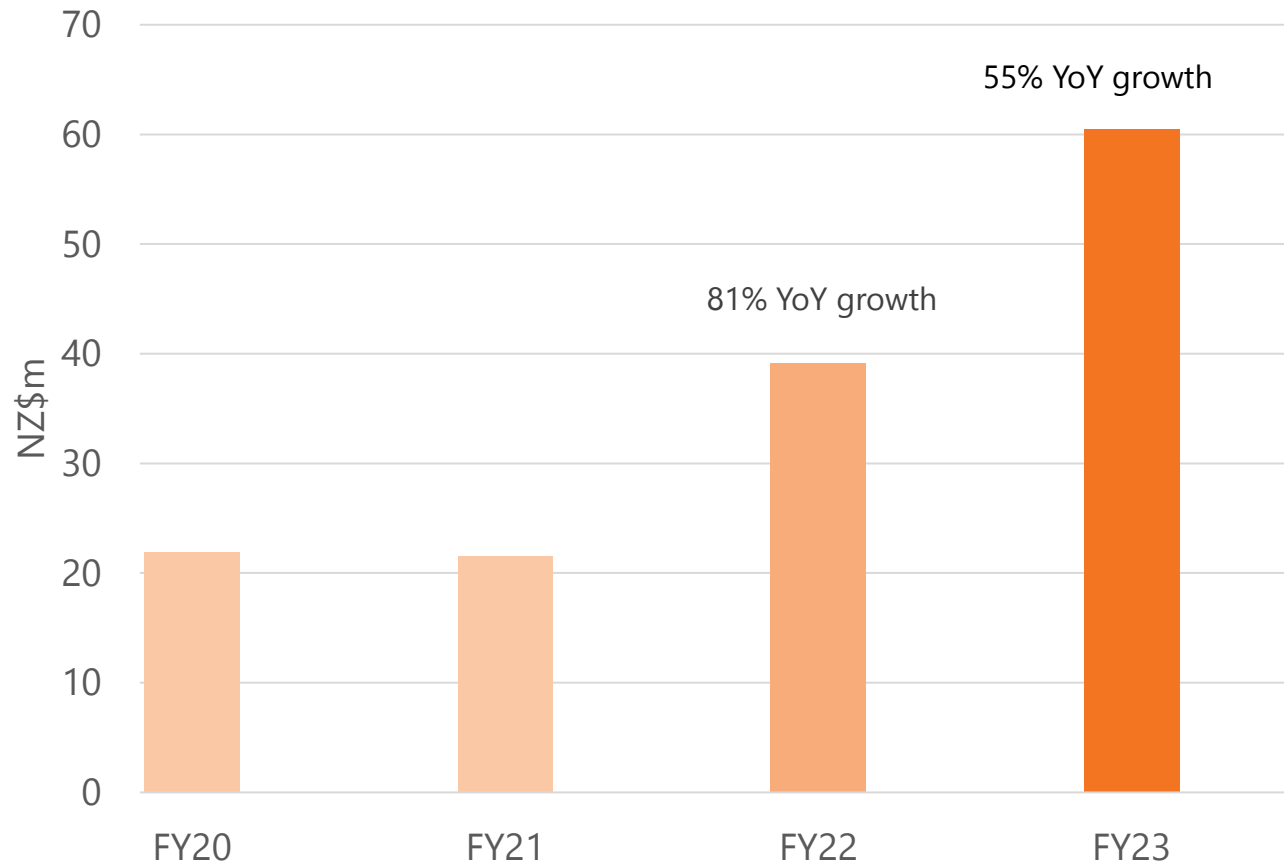
Cash Balance

1. Presented on a reported basis.
2. Guidance was provided on a constant currency basis of US\$0.62/NZ\$1.00, representing the AROA group's ('Group') average US\$/NZ\$ exchange rate for H1 FY23. Constant currency removes the impact of exchange rate movements. On a constant currency basis actual Product revenues were NZ\$60.4 million, Product Gross Margin was 84% and Normalised EBITDA was NZ\$1.0 million.
3. 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 one-off transactions. The impact of non-cash share-based payments expense and unrealized foreign currency gains or losses 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 presentation to normalised EBITDA is as set out in this footnote.

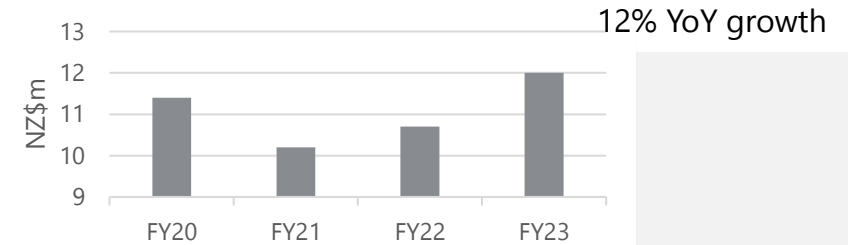


Products sales

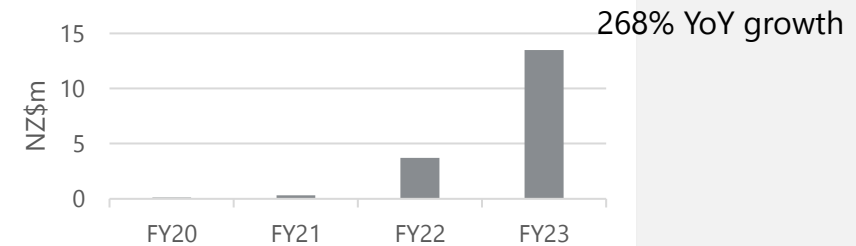
Total Product Sales



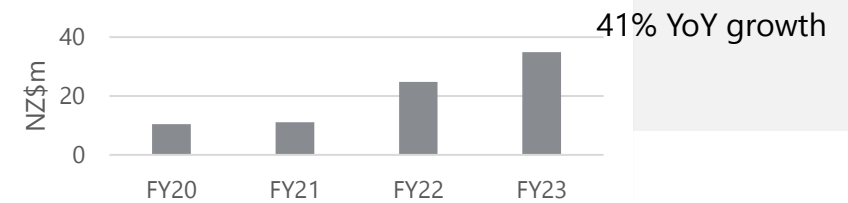
Endoform Sales



Myriad Sales

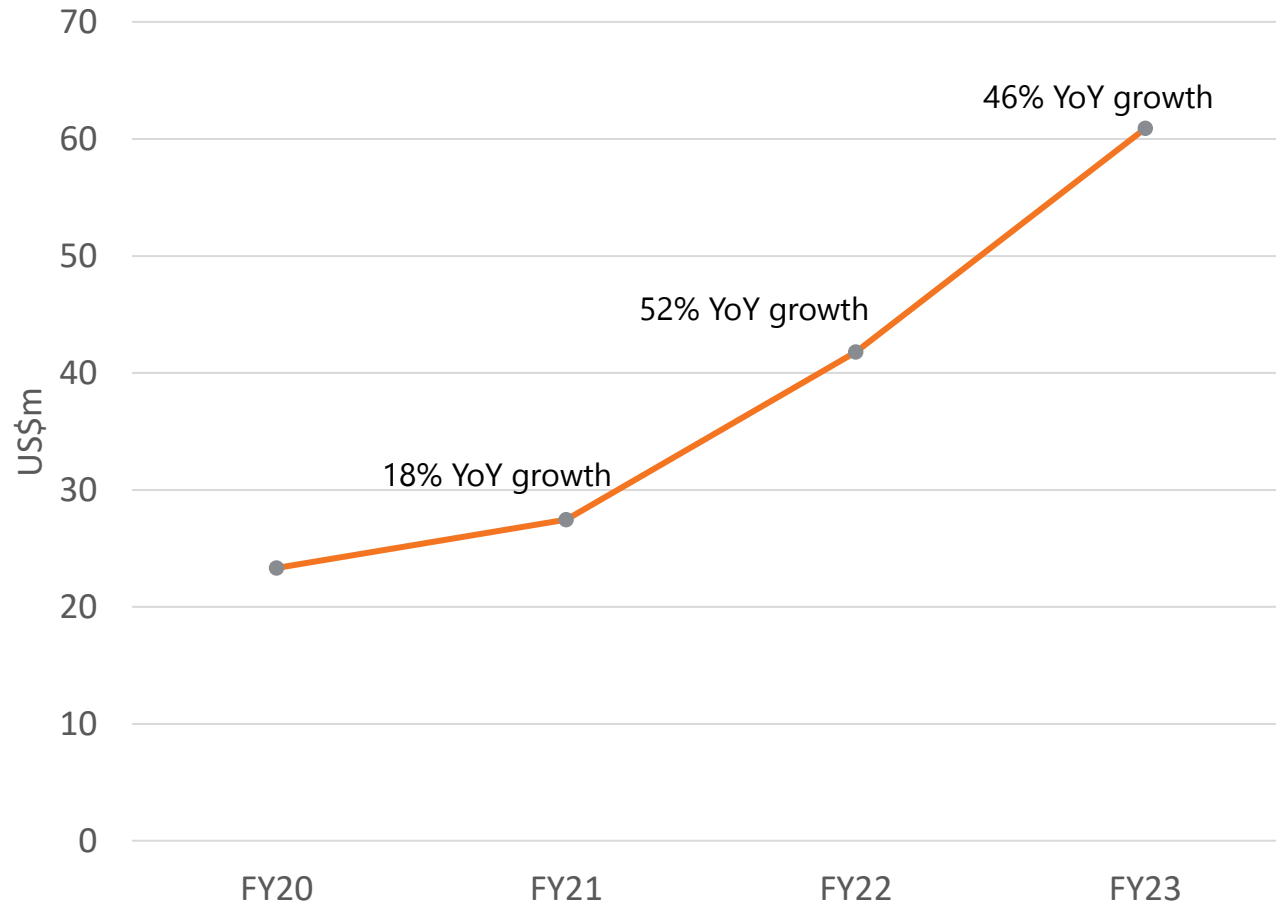


TELA Bio Sales





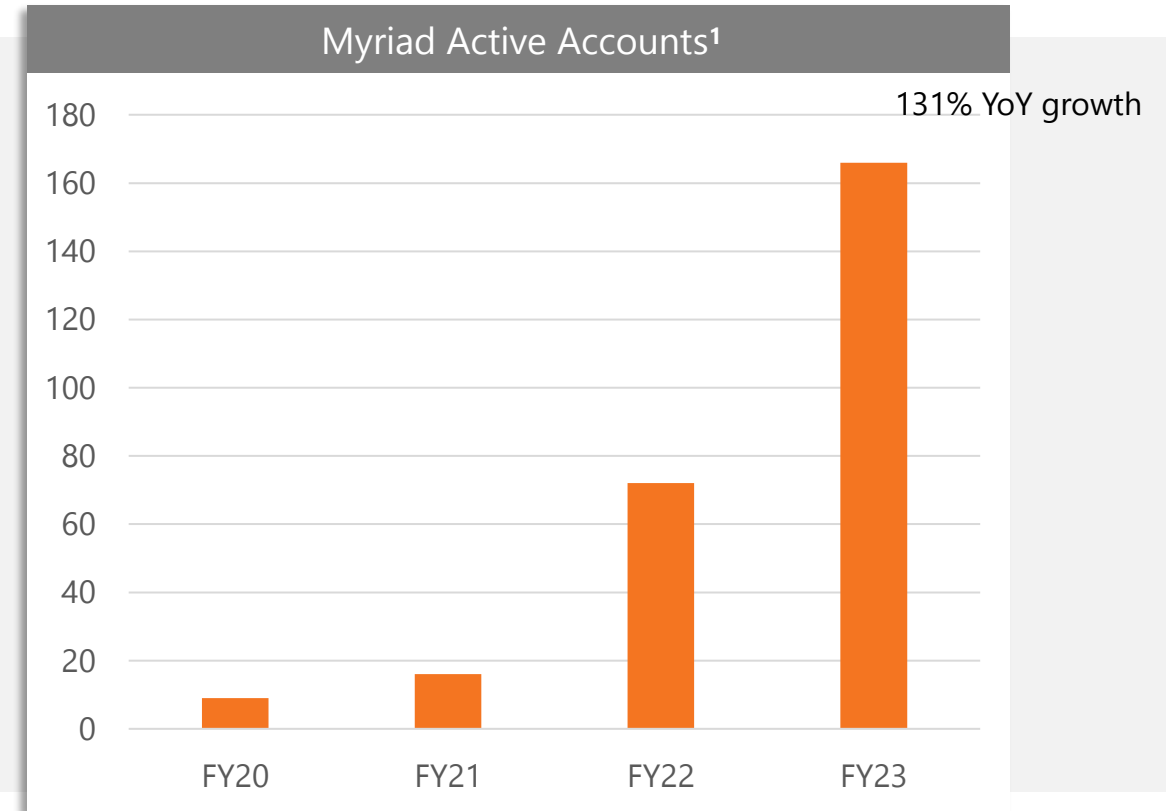
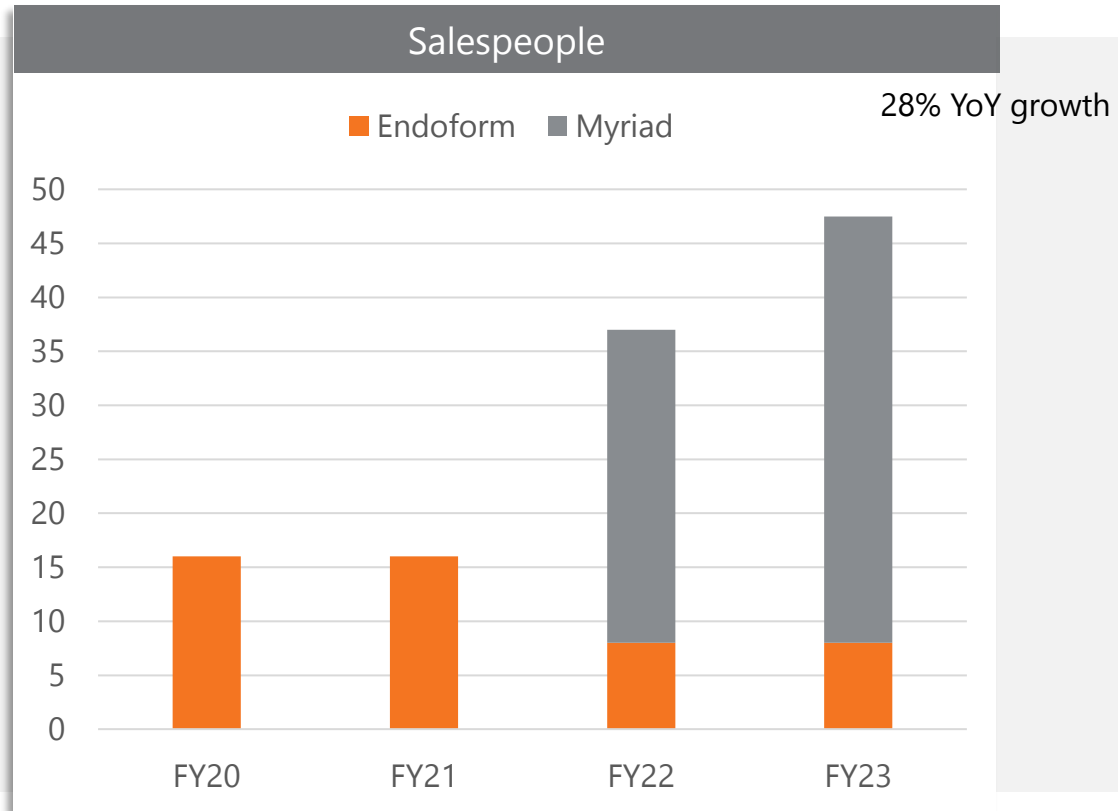
Total AROA ECM sales



Aggregate sales by AROA and TELA Bio to customers. AROA receives ~ 27% of TELA Bio's net product sales of OviTex/OviTex PRS.



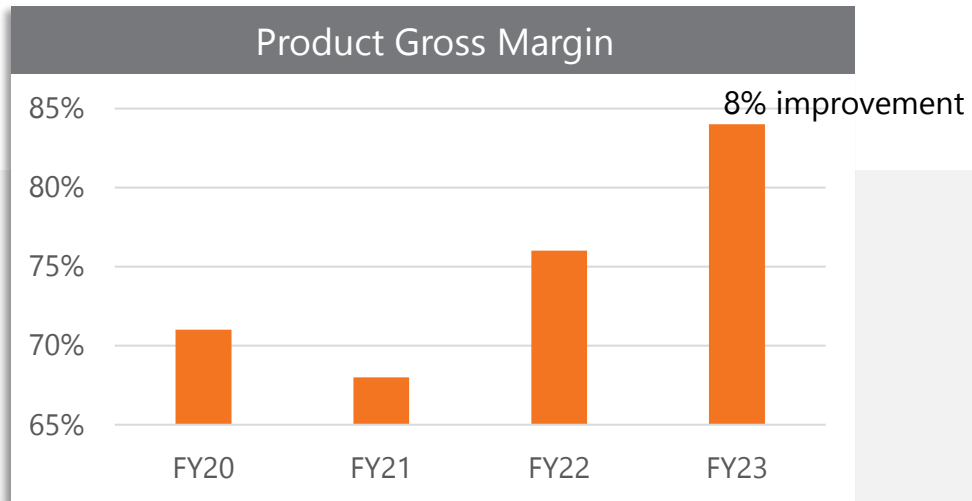
Sales expansion



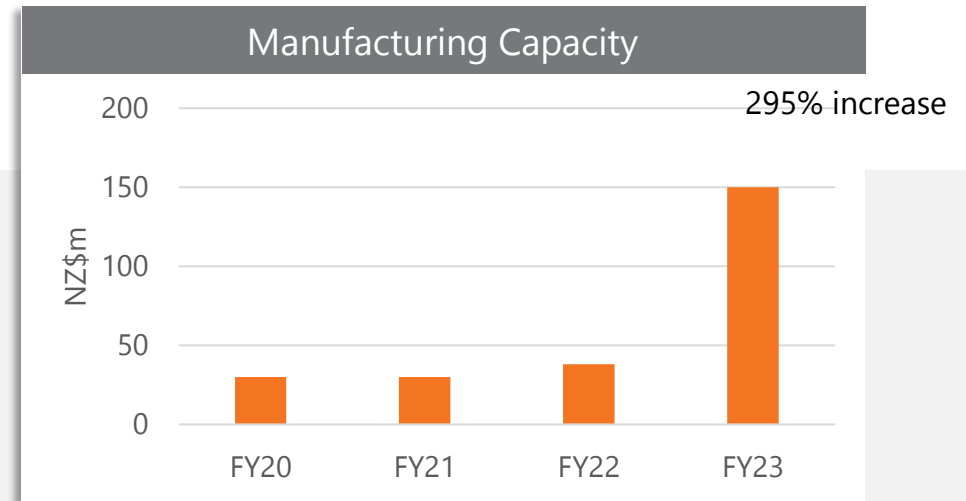
1. Represents accounts to which sales were made at the end of the applicable period.



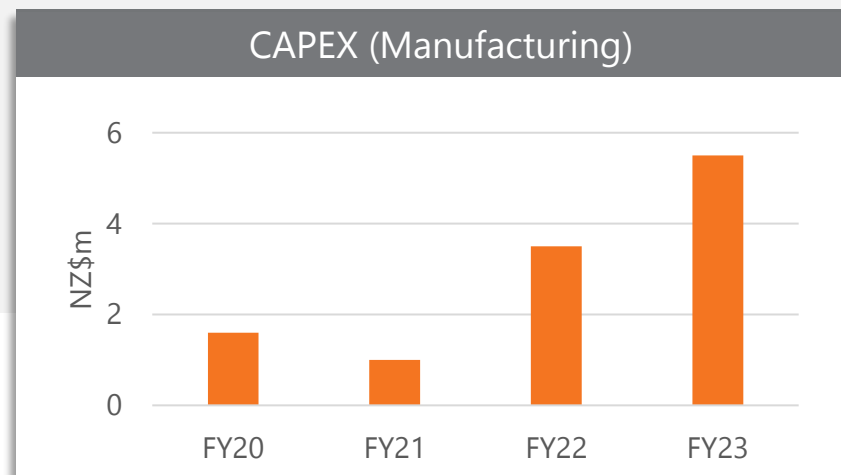
Manufacturing



Ongoing margin improvements



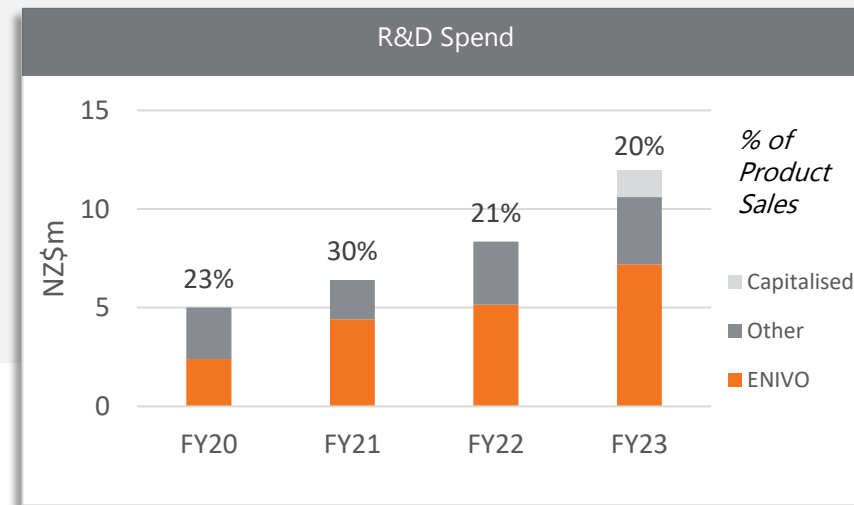
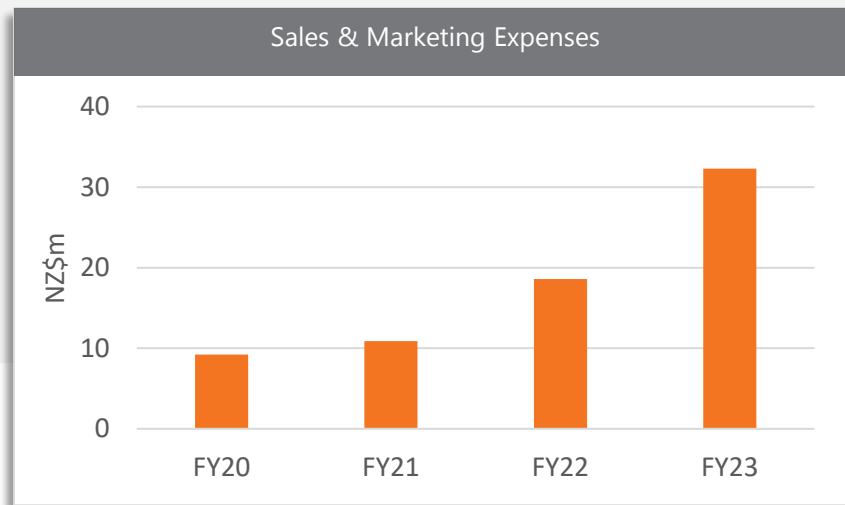
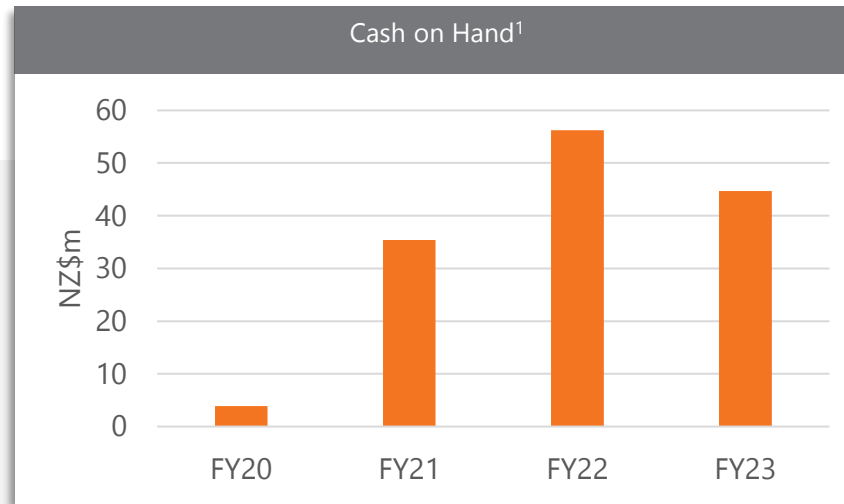
Expanded capacity



Investment in plant & equipment



Use of Funds

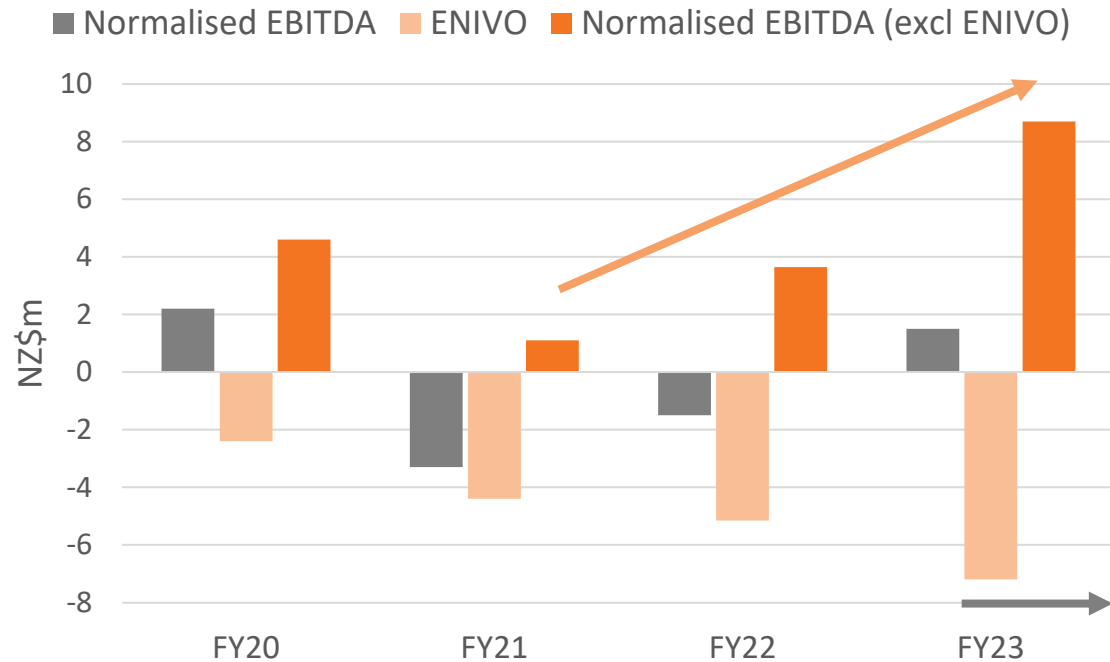


1. As at 31 March of the relevant year.



Investing to transform clinical outcomes

Impact of ENIVO Investment on EBITDA



- Business highly profitable setting aside large investment in ENIVO (orange bars)
- Sacrificing short-term profitability for longer term competitive advantage & profit
- ENIVO offers unique opportunity to develop new tissue apposition category, exploit synergies with existing AROA ECM products & elevate clinical engagement / share of voice
- ENIVO TAM >US\$1B (management estimates)
- Leverages existing sales force and enhances sales productivity

Additional highlights

- ✓ **Myriad sales - major growth driver:** Myriad Matrix™ & Myriad Morcells™ (FY23 233% YoY growth), with Myriad Morcells Fine launched in May '23.
- ✓ **Symphony™:** Launched SAWC Spring (April '23) into changing outpatient reimbursement landscape.
- ✓ **US GPOs:** Recent Premier contract adds to existing Vizient, HealthTrust & Acension contracts to provide >95% coverage of US hospitals.
- ✓ **Myriad - MASTRR Clinical Registry:** 156 patients recruited, 4 sites - targeting 300 patients & 10 sites over a three-year period.
- ✓ **FDA 510K clearance:** for Enivo™ pump and catheter, key components of the Enivo Tissue Apposition Platform.
- ✓ **TELA Bio:** CY22 result of US\$41m (vs US\$29m pcp) represents 41% growth, and CY23 guidance of US\$60-65m (vs US\$41.4m pcp) represents 45-57% growth. ~US\$46.4 million net proceeds for underwritten public offering to support its ongoing commercial expansion and other general corporate activities.¹

1. TELA Bio press releases dated 21 March 2023, 18 April 2023 and 11 May 2023.

FY24 Guidance¹



NZ\$72-75m

Product Revenue (YoY CC
growth 25 – 30%)
Total revenue ~ NZ\$73-76m



85%

Product Gross Margin



NZ\$1-2m

Normalised EBITDA

1. All guidance is presented on a constant currency ('CC') basis using a NZ\$/US\$ exchange rate of 0.65, compared to the average exchange rate of 0.62 in FY23. Constant currency removes the impact of exchange rate movements. Guidance is also 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 delivering on its CY23 revenue guidance of US\$60-65 million.



Financial outlook¹- Revenue growth & profitability

	Constant Currency @ US\$0.62					Guidance @ US\$0.65c	FY24+3 years % of revenue
	2022 NZ\$m	2023 NZ\$m	YOY %	2024 NZ\$m	YOY %	2024 NZ\$m	
Product revenue	43.8	60.4	38	76 – 79	25 -30	72 – 75	25%+ YoY growth
Total revenue	44.4	61.5	38	77 – 80	25 -30	73 – 76	
Gross profit	35.0	51.6	47	65 - 68		62 – 65	Increasing from 85% towards 88%
Product gross margin %	79%	84%	5%	85 - 86%	1-2%	85%	
Normalised selling and administrative expenses ²	(29.9)	(45.4)	52				Decreasing from ~75% towards 50%
Research and development	(8.4)	(10.6)	27				Decreasing from ~15% towards 10%
Total normalised operating expenses	(38.2)	(56.1)	47	(68 - 70)	21 – 25	(66 – 68)	Decreasing from ~85% towards 60%
Normalised EBITDA	1.1	1.1	-	3 – 4		1 – 2	Increasing beyond 20%

- FY24 revenue growth of 25–30%, with Myriad the key driver
- Guidance assumes FX headwinds (US\$ 0.65 vs 0.62)
- Average sales rep productivity increasing ~ 75%
- Operating expenses increase ~ 21–25%, driven by annualisation of direct sales team, commissions increasing in line with sales & greater investment in G&A to support scaling the business
- EBITDA positive with expectation to substantially improve beyond FY24

1. This slide contains forward-looking information and Management's opinions. Actual results, performance or achievements may differ materially from those expressed or implied in forward looking statements and statements of opinion. FY24 Guidance 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 delivering on its CY23 revenue guidance of US\$60-65 million.

FY24 Catalysts & Milestones



AROA Sales Momentum

Major growth driver. Myriad Morcells Fine adds new opportunity to the portfolio



TELA Bio Sales Momentum

Sales team expansion, increasing adoption



Symphony Product Launch

Well suited to evolving reimbursement landscape



Enivo

Parallel initiatives being progressed to expedite FDA clearance



Q&A

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** and find us on LinkedIn at **www.linkedin.com/company/aroa-biosurgery-limited/**

64 Richard Pearse Drive,
Auckland 2022, New Zealand

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