

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 robotic arms visible in the background. The scene is brightly lit with blue and white tones.

AROA BIOSURGERY (ARX) SEPTEMBER QUARTERLY (Q2 FY24) REPORT

Unlocking regenerative healing for everybody



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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) & Commercial partner (TELA Bio™) sales



6 million+

AROA products applied in treating patients



> 71

Peer Reviewed Publications



Regulatory Approvals

in 50 countries



Enivo™ Tissue Apposition Platform



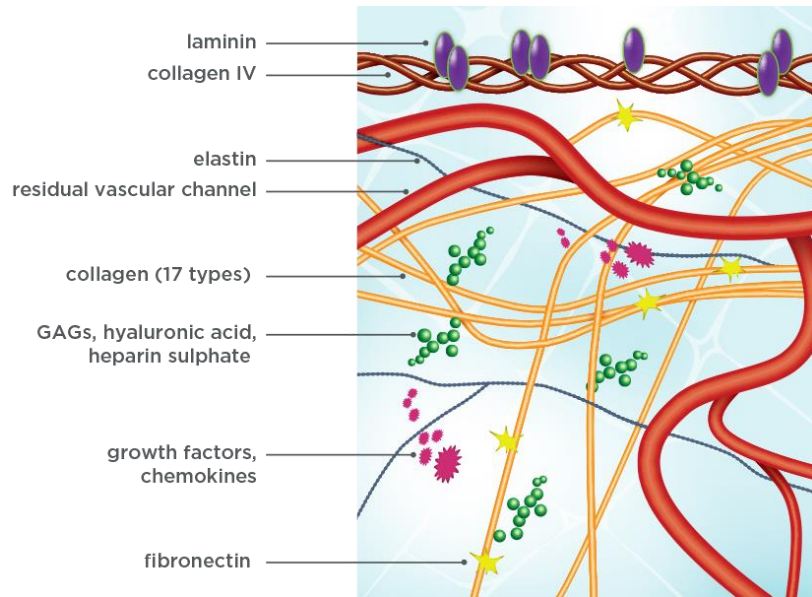
~ 270

personnel²

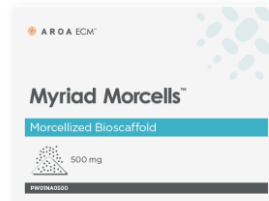
1. Estimate based on Idata, Soft Tissue Repair Market 2022; DRG Millennium Research data; Hernia Repair Devices, 2020; AROA management estimates; DRG Millennium Research, Breast Implants & Reconstructive devices, 2018.
2. AROA NZ & North American employees.

AROA ECM – Structure & Biology for Regenerative Healing

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



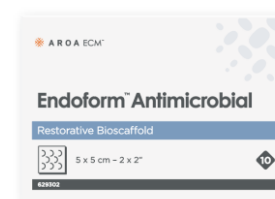
Myriad™



Symphony™



Endoform™



OVITEX™



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. Ceppia (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>

AROA ECM - restores functional tissue

96

PRESENTATIONS/
PUBLICATIONS

Endoform™

46

PRESENTATIONS/
PUBLICATIONS

Myriad™

37

PRESENTATIONS/
PUBLICATIONS

REINFORCED BIOSCAFFOLD
OVITEX®



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



Tolerated in contaminated field, resistant to infection^{3,5}



No negative inflammatory response reported²⁻⁵

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>

Q2 Financial highlights

- ✓ Cash receipts from customers for the quarter of NZ\$14.8 million.
- ✓ Net cash outflows from operations was NZ\$3.2 million, reduced by NZ\$1.6 million from the previous quarter
- ✓ Net cash outflow from investing activities was NZ\$1.2 million for the quarter, reflecting further investment into additional manufacturing plant & equipment capacity.
- ✓ Strong cash balance of NZ\$34.0 million as at 30 September 2023.
- ✓ Net cash outflow from operations expected to move towards breakeven for the balance of FY24.

Maintaining FY24 Guidance



NZ\$72-75m

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



85%

Product Gross Margin



NZ\$1-2m

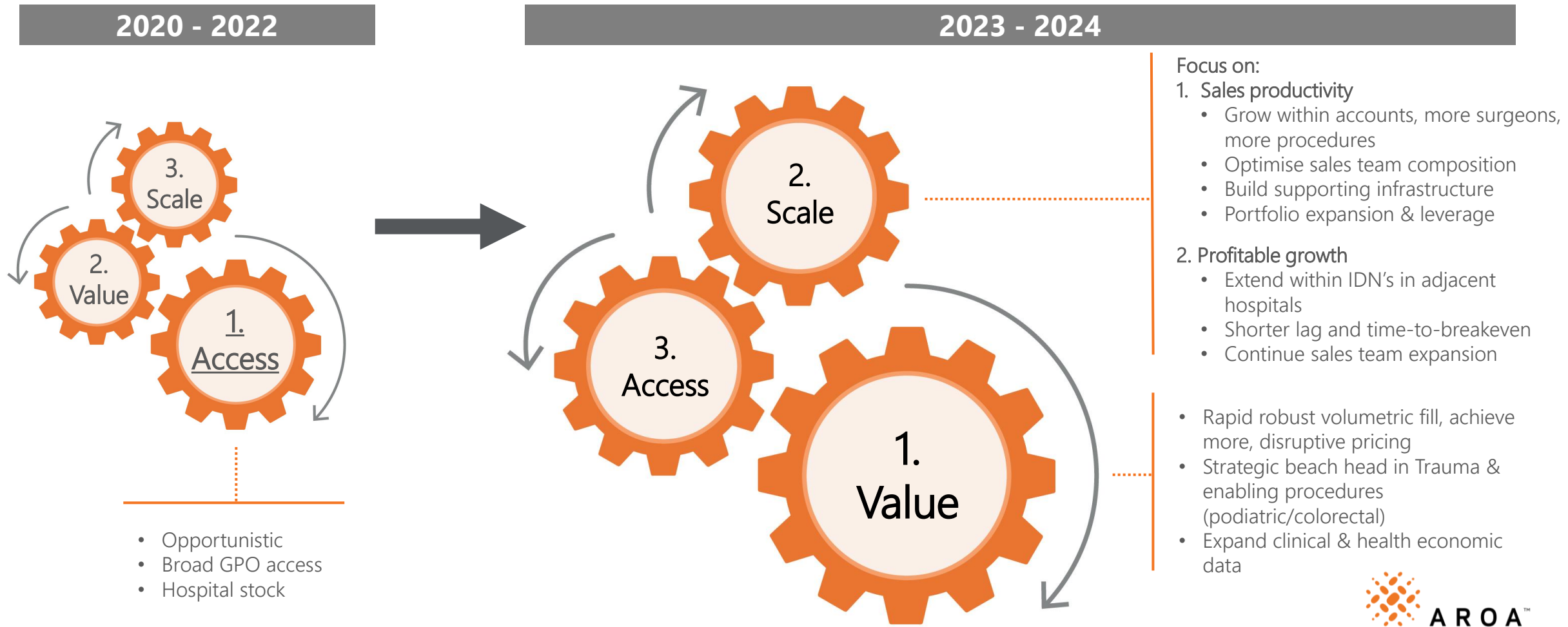
Normalised EBITDA

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.

AROA sales growth

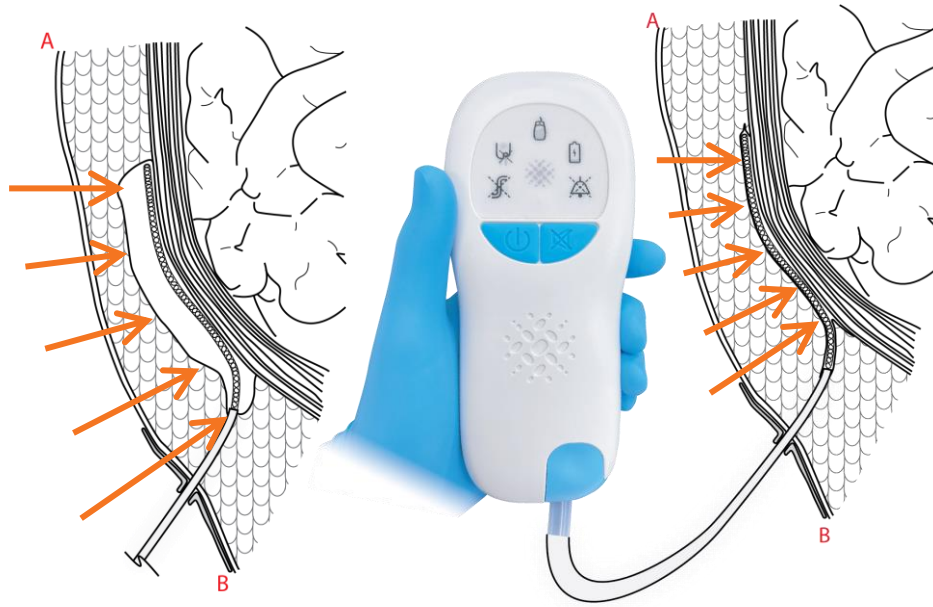
Validating and optimizing the sales model

- 10 field sales reps average run rate >US\$750,000 p.a. (vs 8 (Q1'24), 5 (Q4'23)) & 50% > US\$250,000 p.a.
- Myriad sales continued to grow, 67% of AROA's direct sales mix (vs. 50% pcp).



Enivo – tissue apposition platform

Expected to improve the rate and quality of tissue healing with fewer complications



- Enivo pump and catheter, key components of the Enivo Tissue Apposition Platform are US FDA 510(k) cleared.
- In August submitted a US FDA 510(k) submission for Myriad Flow™, a new Myriad product that could be used in combination with AROA's Enivo system. Progressed to substantive review.
- Enivo complements AROA ECM product portfolio.
- Preclinical models demonstrate near complete dead space closure at 14 days, with a median seroma area of 2% and volume of ~1.3mL, compared to an area of 98% and volume of 188.5mL for the Standard of Care.

Clinical Research

"Ovine Forestomach Matrix in the Surgical Management of Complex Volumetric Soft Tissue Defects: A Retrospective Pilot Case Series"

- Retrospective case series (n = 13 defects) evaluated the clinical effectiveness of Myriad in the surgical management of contaminated volumetric soft tissue defects including exposed viscera, tendon, bone, or muscle.
- The primary study endpoint was time to 100% granulation tissue coverage (days), and the secondary endpoint was any device-related postoperative complications.
- Mean area was $217.3 \pm 77.9 \text{ cm}^2$. Mean defect age was 3.5 ± 5.6 weeks, & most defects had exposed structures.
- Mean time to 100% granulation tissue formation was 23.4 ± 9.2 days
- No major postoperative infections or adverse events.
- Myriad can be utilized to facilitate the formation of functional, well-vascularized soft tissue in large contaminated volumetric soft tissue defects.



ORIGINAL RESEARCH

Ovine Forestomach Matrix in the Surgical Management of Complex Volumetric Soft Tissue Defects: A Retrospective Pilot Case Series

Michael T Cormican, MD¹; Nathan J Creel, MD¹; Brandon A Bosque, DPM²; Shane G Dowling, MSPAS³; Phillip P Rideout, MD⁴; William M Vassy, MD¹

Keywords: Extracellular Matrix, Ovine Forestomach Matrix, Soft Tissue Trauma, Exposed Vital Structures, Volumetric Tissue Loss

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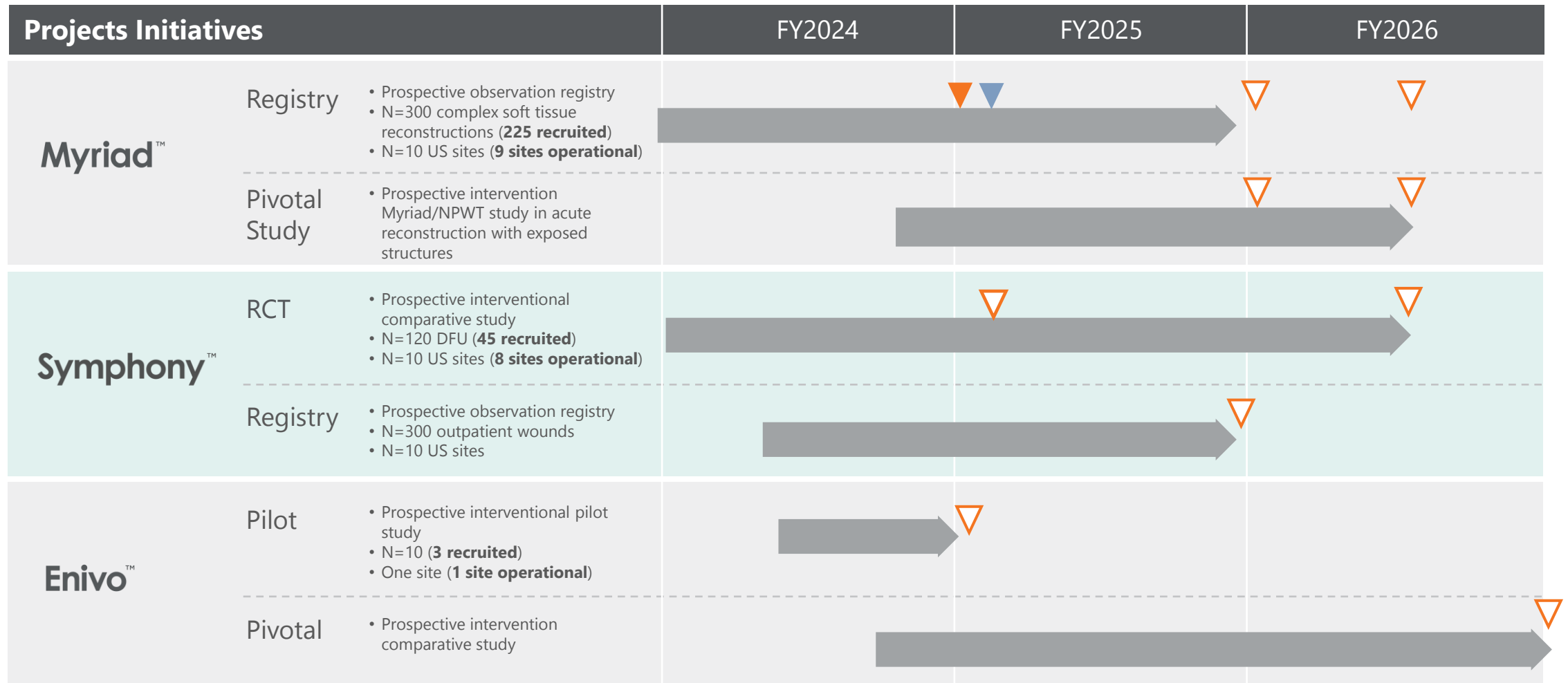
Abstract

Background. Volumetric soft tissue loss is an urgent surgical issue and can frequently lead to suboptimal outcomes for patients due to significant soft tissue loss, compromised vital structures, and contamination. Ovine forestomach matrix (OFM) has demonstrated clinical success in the surgical management of soft tissue defects, especially in contaminated fields, and provides an effective option for immediate coverage of exposed vital structures before definitive closure.

Methods. This retrospective pilot case series (n = 13 defects) evaluated the clinical effectiveness of OFM (graft and/or particulate formats) in the surgical management of contaminated volumetric soft tissue defects. Patients presented with significant soft tissue loss, often with exposed viscera, tendon, bone, or muscle, and were treated with OFM as part of their inpatient surgical management. All patients had at least 1 significant comorbidity with the potential to complicate their healing trajectory. The primary study endpoint was time to 100% granulation tissue coverage (days), and the secondary endpoint was any device-related postoperative complications.

Results. A total of 13 volumetric soft tissue defects were evaluated in 10 patients who underwent surgical reconstruction. Mean defect age was 3.5 ± 5.6 weeks, and mean area was $217.3 \pm 77.9 \text{ cm}^2$. Most defects had exposed structures (85%), and all defects were Centers for Disease Control and Prevention grade 2 or higher. Mean time to 100% granulation tissue formation was 23.4 ± 9.2 days, with a median product application of 1.0. Staged reconstruction was used in 7 of 13 defects, with the remainder (6 of 13) left to heal via secondary intention using standard wound care protocols. There were no major postoperative infections or adverse events (mean follow-up, 7.4 ± 2.4 weeks.)

Clinical Research



▽ Study reporting

▽ Extremities publication

▽ Trauma publication

Manufacturing and Production

Well established commercial manufacturing facility

In September, following its annual audit by DEKRA, AROA was re-certified for compliance to ISO 13485 and for the Medical Device Single Audit Program.

Unique process produces a high-quality product

- 12 successful Quality inspections since 2014
- 82 staff in Manufacturing and Quality Assurance
- 2 Sites – 5100 m2 total manufacturing floor

Efficient and low cost

- Purposefully designed gentle & low-cost process & equipment
- Controlled clean room environment built to pharmaceutical standards



In-house manufacturing facility – Auckland, New Zealand



Manufacturing Facility

Scalable

- Raw materials readily available in New Zealand
- Modular manufacturing design allows production to be easily scaled as sales volumes grow
- Production facility in place to support revenue of up to NZ\$150m

FY24 Catalysts



AROA Sales Momentum

Myriad is the major growth driver.



TELA Bio Sales Momentum

Sales team expansion, recent financing, clinical evidence, increasing adoption



Enivo FDA clearance

Parallel initiatives being progressed to expedite FDA clearance



Physician Office CTP Reimbursement Changes



Transition to increasing profitability



Q&A

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Unlocking regenerative healing for *everybody*

