

INTERIM FINANCIAL REPORT TO 30 SEPTEMBER 2023

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 2023
Previous corresponding interim period	30 September 2022

2. Results for announcement to the market

			Six months ended 30 September 2023 NZ\$000	Six months ended 30 September 2022 NZ\$000
2.1 Revenue from ordinary activities – Product sales	up	8%	31,186	28,845
Revenue from ordinary activities – Project fees	up	39%	685	492
2.2 (Loss) / profit before tax from ordinary activities	down	N/A	(6,165)	1,688
Normalised* (loss) / profit before tax from ordinary activities	down	N/A	(4,103)	765
2.3 (Loss) / profit after tax and attributable to members	down	N/A	(6,306)	1,587
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:

Refer to the commentary included within our presentation of results within the interim condensed consolidated financial statements.

*The normalised profit or loss is non-IFRS financial information and has been provided to assist users of financial information to better understand and assess the comparative financial performance without any distortion from NZ GAAP accounting treatment specific to unrealised foreign exchange gains and losses and the impact of non-cash share based payment expenses. A reconciliation of normalised profit or loss and NZ GAAP profit or loss is provided on page 5 of the Interim Financial Report attached.

3. Net tangible assets

	30 September 2023	30 September 2022
Net tangible assets* (NZ\$000)	73,111	80,209
Total number of securities on issue**	343,441,402	342,724,208
Net tangible assets per security (NZ\$)	0.21	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 interim condensed consolidated financial statements as at 30 September 2023, which have been reviewed by BDO Auckland (the Company's auditor) with the Independent Auditor's Review Report included in the 30 September 2023 interim condensed consolidated financial statements.

This report should be read in conjunction with the annual report for the year ended 31 March 2023 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 27 November 2023



James Agnew
Company Secretary



AROA BIOSURGERY LIMITED

Interim Consolidated Financial Statements

30 September 2023

Unlocking regenerative healing for *everybody*

CONTENTS

Directors' report.....	1-5
Condensed consolidated statement of profit or loss and other comprehensive income...	6
Condensed consolidated statement of financial position.....	7
Condensed consolidated statement of movements in equity.....	8
Condensed consolidated statement of cash flows.....	9
Condensed notes to the consolidated financial statements.....	10-20
Independent auditor's review report.....	21

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 2023 (the "Reporting Period").

DIRECTORS

The Company's Directors are detailed below.

James McLean	Independent Non-executive Director and Chairman
Brian Ward	Managing Director
Philip McCaw	Non-executive Director
Steven Engle	Independent 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

RESULTS

AROA's H1 FY24 sales performance continued building momentum and delivering increased productivity despite what we expected to be a transitional year of relatively modest overall revenue growth.

Top-line growth was led by sales of the high-margin Myriad™ product family which grew by 80% on H1 FY23 to NZ\$10.1 million. Myriad accounted for 33% of H1 FY24 total product sales (up from 19% in H1 FY23) and 67% of AROA's direct sales mix¹ in Q2 FY24 (up from 46%, 50% and 56% in Q1 FY23, Q2 FY23 and Q1 FY24 respectively).

This continued growth reflects the Company's targeted investment into its US commercial operations which continues to deliver results. AROA ended the half year with 187 Myriad active accounts² (up from 166 at the end of FY23) and key wins with the prestigious Cleveland Clinic, Case Western and Ohio State University. We are pleased to report that the team's focused efforts also delivered deeper penetration within existing accounts.

The H1 FY24 results also reflect the field sales team's accelerating productivity, with ten field sales representatives at an average run rate of at least US\$750,000 per annum and over half (23) at an average run rate of at least US\$250,000 (up from ten field sales representatives at an average run rate of at least US\$500,000 at the end of FY23).

Myriad had to lead our growth and our people delivered. The strong AROA direct performance validates the strategic importance of Myriad and building momentum of our US commercial operations.

We expect revenue to increase by ~30-40% in the second half, with continued strong Myriad performance bolstered by an anticipated re-alignment in demand from TELA Bio, Inc. ("TELA Bio"). That revenue uplift will significantly improve our bottom-line.

TELA Bio recently delivered its 11th consecutive quarter of at least 35% year-on-year growth.³ Their operations continue to mature, and they have focused on lowering inventory levels and improving inventory management. These improvements will benefit AROA going forward by smoothing demand and bringing both parties' sales into closer alignment.

We are confident that AROA is well-placed to deliver compelling top-line growth and increasing profitability beyond FY24. With a history of strong growth across the portfolio, increasing productivity, momentum in our US commercial operations, expected H2 FY24 normalised EBITDA profit of ~NZ\$4-\$5 million, net cash outflows from operation expected to move towards breakeven in the second half, and a healthy cash balance of NZ\$34 million, we have the fundamentals for success in place.

FINANCIAL OUTLOOK

Full year FY24 guidance is updated to a reported basis, to NZ\$73-76 million in total revenue, NZ\$72-75 million in product revenue (a 19-24% increase on FY23) and an 85% product gross margin.

The Company anticipates H2 FY24 product revenue of ~NZ\$41-\$44 million as Myriad continues to perform strongly and TELA Bio demand re-aligns to service its growth trajectory. The Company expects H2 FY24 normalised EBITDA profit of ~NZ\$4-5 million and FY24 full-year normalised EBITDA profit of NZ\$1-2 million.

¹ I.e. excluding sales to TELA Bio, Inc.

² Represents accounts to which sales were made in the applicable period.

³ TELA Bio press release dated 9 November.

DIRECTORS' REPORT (Continued)

Guidance reflects an updated expected NZ\$/US\$ exchange rate of 0.62 for H2 FY24 and is subject to TELA Bio delivering on its CY23 revenue guidance of US\$57-60 million (reflecting 38-45% growth over CY22).⁴

The Company's previous full-year guidance, first communicated on 31 May 2023, was in the same amounts presented on a constant currency basis (using a NZ\$/US\$ exchange rate of 0.65), and was based on TELA Bio's previous CY23 revenue guidance of US\$60-65 million.

ENIVO™

As previously communicated, we have decided to invest into bringing AROA's innovative second technology platform, Enivo, to market as quickly as possible. Enivo reflects significant commercial potential; in addition to an estimated total addressable market ("TAM") of over US\$1 billion,⁵ the technology represents a unique opportunity to address a currently unmet market need, leverage synergies with the existing AROA ECM™ portfolio to deliver a step change in outcomes, and leverage and enhance our field sales team's productivity.

In August, the Company submitted a US FDA 510(k) application for Myriad Flow™, a new Myriad product that could be commercialised in combination with the components of the Enivo system cleared by the US FDA in April 2023. The application is currently under review, with an update expected in early CY24.

Following positive pre-clinical results published in October 2022, AROA commenced a New Zealand-based pilot clinical study (n=10) during the Reporting Period to assess the efficacy of the Enivo technology. As at the date of this report, five participants have undergone their surgical procedure, with the Enivo device being placed intra-operatively. No clinically relevant seroma or complications have been reported for the participants who completed their treatment and follow-up care.

CLINICAL VALIDATION

AROA continued to bolster the clinical evidence for its products, with seven peer-reviewed studies⁶ published during the Reporting Period. This included a retrospective case series⁷ describing the clinical effectiveness of Myriad Matrix™ and Myriad Morcells™ in complex traumatic wound reconstruction. The study was published in the September issue of leading plastic surgery journal, *ePlasty*, and involved ten patients at a single US Level 1 trauma center between January 2021 and February 2023. The study found the average time to soft tissue coverage and fill was 23.4±9.2 days, with a median product application of 1.0, and no complications reported. This indicates that traumatic wounds may heal faster, with less complications and require fewer applications when treated with Myriad than current standard of care. As previously signalled, with an estimated US TAM of US\$300 million,⁸ we see a real opportunity for Myriad to be a market leader in trauma procedures and are focusing our sales and clinical efforts accordingly (five of the study sites enrolled into MASTRR are specialised trauma centers).

An article by an interprofessional working group convened by AROA on surgical reconstruction of stage 3 and 4 pressure injuries, was also selected as a finalist for 'Best Advance in Original Research' at the 2023 Advances in Skin Wound Care

⁴ TELA Bio press release dated 9 November.

⁵ Management estimates.

⁶ 1. Melnychuk, I., I. Servetnyk and N. Kosnik (2023). "Extracellular Matrix-Based Collagen Dressings for Scalp Repair Following Mohs Micrographic Surgery." *Cutis* 111(5): E33-E35; 2. Bohn, G. A. (2023). "Key concepts in healing venous leg ulcers." *Wounds* 35(Suppl 5): S1-S6; 3. Sharma, A., D. Sharma, and F. Zhao. 2023. 'Updates on Recent Clinical Assessment of Commercial Chronic Wound Care Products', *Advanced Healthcare Materials*, Jun 12: e2300556; 4. Bosque, B. A., S. G. Dowling, B. C. H. May, R. Kaufman, I. Zilberman, N. Zolfaghari, H. Que, J. Longobardi, J. Skurka, J. E. Geiger and M. M. Melin (2023). "Ovine Forestomach Matrix in the Surgical Management of Complex Lower-Extremity Soft-Tissue Defects: A Retrospective Multi-Center Case Series." *J Am Podiatr Med Assoc* 113(3): 22-081; 5. Hsu, A., K. Schlidt, C. R. D'Adamo, B. A. Bosque, S. G. Dowling and J. H. Wolf (2023). "Surgical management of perianal fistula using an ovine forestomach matrix implant." *Techniques in Coloproctology*. 27(9):769-774; 6. Fragoso, N. M., R. Masson, T. J. Gillenwater, V. Y. Shi and J. L. Hsiao (2023). "Emerging Treatments and the Clinical Trial Landscape for Hidradenitis Suppurativa—Part II: Procedural and Wound Care Therapies." *Dermatology and Therapy* 13(8): 1699-1720; 7. Cormican, M. T., N. J. Creel, B. A. Bosque, S. G. Dowling, P. P. Rideout and W. M. Vassy (2023). "Ovine Forestomach Matrix in the Surgical Management of Complex Volumetric Soft Tissue Defects: A Retrospective Pilot Case Series." *ePlasty* 23: e66.

⁷ Cormican, M T, Creel, N J Bosque, B A, Dowling S G, Rideout P P and Vassy WM (2023). "Ovine Forestomach Matrix in the Surgical Management of Complex Volumetric Soft Tissue Defects: A Retrospective Pilot Case Series. *ePlasty*, September 2023. The full study is available [here](#).

⁸ Management estimates.

DIRECTORS' REPORT (Continued)

awards. The article⁹ proposes a surgical algorithm for stage 3 and 4 pressure injury reconstruction with adjunctive use of negative pressure wound therapy and bioscaffolds such as Myriad Matrix. It was published in the highly regarded peer-reviewed journal, *Advances in Skin & Wound Care* journal, which jointly sponsored the 2023 Advances in Skin Wound Care awards with the American Professional Wound Care Association.

AROA's Myriad Augmented Soft Tissue Regeneration Registry ('MASTRR') and Symphony clinical studies progressed well during the Reporting Period. The MASTRR study is AROA's largest prospective study to date, evaluating Myriad Matrix and Myriad Morcells (including short and long-term healing outcomes) in a wide range of surgical specialties and procedures. Nine (of a target of 10) study sites and 225 (of a target of 300) patients were enrolled into MASTRR by the end of the Reporting Period. We have enrolled 42 participants (n=120) across eight study sites for the Symphony randomised clinical trial, an 18-month study assessing the efficacy of Symphony in treating diabetic foot ulcers.

OTHER UPDATES

Seasoned Life Sciences and pharmaceutical executive, Scott Sherriff, joined AROA's leadership team as Chief Operating Officer from July. Scott has previously held roles at global pharmaceutical companies Bayer Pharma Ag and Novartis and was most recently Chief Commercial Officer at New Zealand headquartered life sciences company, Douglas Pharmaceuticals.

During the Reporting Period, AROA continued investing into expanding its tissue manufacturing capacity and has taken delivery of an additional freeze dryer to at least double its freeze-drying capacity.

Taking a holistic approach to growing shareholder returns, the Company is also focused on expanding its profile across investment communities. AROA maintained an active investor relations schedule, with presentations by Brian Ward (CEO) or James Agnew (CFO) at institutional conferences and broker network meetings. These included the 2023 Macquarie Australia Conference, the Wilsons Drug & Device Conference in Noosa (AU) and 2023 Bioshares Biotech Summit in Hobart (AU). AROA is currently covered by Morgans, Wilsons, Bell Potter, Jarden and Cannacord Genuity.¹⁰ AROA also hosted two well-attended investor meetings during H1 FY24, including in Sydney (AU) on 1 June with a presentation by Dr. Samir Awad, a key opinion leader and Professor of Surgery, and Vice Chair for Surgical Quality and Safety at the Baylor College of Medicine (US).

FINANCIAL RESULTS

NORMALISED PROFIT OR LOSS¹

	Reported H1 FY24 NZ\$000	Reported H1 FY23 NZ\$000	Reported YoY %	CC ² H1 FY24 NZ\$000	CC ² H1 FY23 NZ\$000	CC ² YoY %
Product sales	31,186	28,845	8	29,188	27,365	7
Other revenue	685	492	39	634	467	36
Total revenue	31,871	29,337	9	29,822	27,832	7
Gross profit	26,808	24,621	9	24,758	23,116	7
Product gross margin %	84%	84%	0 bps	83%	83%	0 bps
Other income	970	753	29	970	753	29
Normalised selling and administrative expenses ³	(27,482)	(19,904)	38	(26,183)	(19,188)	36
Research and development	(5,102)	(5,995)	(15)	(5,102)	(5,415)	(15)
Total normalised operating expenses	(32,584)	(25,899)	26	(31,285)	(25,183)	34
Normalised EBIT	(4,806)	(525)	(815)	(5,557)	(1,314)	(510)
<i>Add back: Depreciation & amortisation</i>	2,139	1,844	16	2,139	1,844	16
Normalised EBITDA	(2,667)	1,319	N/A	(3,418)	530	N/A
Normalised net finance income / (expenses) ³	703	1,290	(46)	727	322	(126)
Normalised profit / (loss) before income tax	(4,103)	765	N/A	(4,830)	(992)	(387)

⁹ Awad, S. S., J. D. Stern, C. T. Milne, S. G. Dowling, R. Sotomayor, E. A. Ayello, L. J. Feo Aguirre, B. Z. Khalaf, L. J. Gould, M. N. Desvigne and A. E. Chaffin (2023). "Surgical Reconstruction of Stage 3 and 4 Pressure Injuries: A Literature Review and Proposed Algorithm from an Interprofessional Working Group." *Advances in Skin & Wound Care* 36(5): 249-258. The article is available [here](#).

¹⁰ Unless expressly specified otherwise, AROA does not endorse the content of broker reports.

DIRECTORS' REPORT (Continued)

FINANCIAL RESULTS (Continued)

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. The Group has removed the impact of non-cash share-based payments expense and unrealised foreign currency gains or losses 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 0.65 has been used in the constant currency analysis.
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 NZ\$31.2 million for the half-year were up 8%, compared to H1 FY23 (NZ\$28.8 million). On a constant currency basis, product sales for the half year were up 7%, compared to H1 FY23. Myriad sales of NZ\$10.2 million (NZ\$9.5 million on a constant currency basis) were up 80% (75% on a constant currency basis), compared to H1 FY23. 37% increase in TELA Bio's sales of OviTex™ and OviTex PRS during H1 FY24 compared to H1 FY23. However, H1 FY24 product revenue from TELA Bio of NZ\$14.9 million was 13% lower than H1 FY23, reflecting a focus on lowering inventory levels and improving inventory management as logistics mature. Endoform™ sales remained constant, compared to H1 FY23, with Symphony sales contributing a modest amount to the balance of sales for H1 FY24.

Other revenue

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

Product gross margin %

Product gross margin of 84% (83% on a constant currency basis) for the half year was constant, compared to H1 FY23, primarily due to the lower recovery of indirect manufacturing overheads from OviTex and OviTex PRS sales offsetting the incremental gross margins realised from the Myriad sales.

Normalised operating expenses

Selling and administrative expenses of \$27.5 million for the half-year were up 38%, compared to H1 FY23 (\$19.9 million). On a constant currency basis, selling and administrative expenses were up 36%, primarily reflecting increases to sales team headcount, increases in variable sales compensation and increased clinical development activities.

Research and development expenses for the half-year of \$5.1 million were down 15%, compared to H1 FY23, primarily reflecting the capitalisation of NZ\$0.6 million in research in development costs during H1 FY24 (H1 FY23 NZ\$nil).

Normalised EBITDA

AROA made a normalised EBITDA loss of NZ\$2.7 million for H1 FY24, predominantly a result of lower TELA Bio sales reflecting the transitional impact of inventory management.

CASH FLOWS

Cash receipts from sales revenue was NZ\$29.5 million for H1 FY24, compared to NZ\$24.5 million in H1 FY23, reflecting the increase in sales and improvements in customer collections. Net cash outflow from operating activities was NZ\$7.3 million for H1 FY24 compared to a net cash outflow from operating activities of NZ\$4.6 million in H1 FY23.

Purchases of property, plant and equipment were NZ\$2.1 million for H1 FY24 compared to NZ\$2.2 million in H1 FY23, reflecting the investment in new plant and equipment to expand the Group's manufacturing capacity.

Net cash outflow from financing activities were NZ\$0.6 million for H1 FY24, compared to a net cash inflow from financing activities of NZ\$0.3 million for H1 FY23.

The Group remains debt-free with cash on hand and term deposits of NZ\$34.0 million, providing adequate cash reserves as the Group advances towards positive net cash inflows.

DIRECTORS' REPORT (Continued)

FINANCIAL RESULTS (Continued)

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

	Unaudited 30 September 2023 NZ\$000	Unaudited 30 September 2022 NZ\$000
Normalised (loss) / profit before income tax	(4,103)	765
Share based payments	(890)	(668)
Unrealised currency (loss) / gains	(1,172)	1,591
(Loss) / profit before income tax (NZ GAAP)	(6,165)	1,688

Share Based Payments

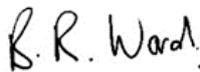
Share based payments of \$0.9 million relate to the vesting of the share options issued to Directors and employees of the Group. 260,686 share options were granted during H1 FY24.

Unrealised currency gains

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



Jim McLean - Chairman



Brian Ward – CEO

Dated this 27 November 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 30 September 2023

	Notes	Unaudited 30 September 2023 NZ\$000	Unaudited 30 September 2022 NZ\$000
Revenue	3	31,871	29,337
Cost of sales		(5,063)	(4,716)
Gross profit		26,808	24,621
Other income		970	753
Selling and administrative expenses		(28,373)	(20,572)
Research and development		(5,102)	(5,995)
Operating loss before net financing costs	4	(5,697)	(1,193)
Finance income	5	1,892	4,491
Finance expenses	5	(2,360)	(1,610)
Net finance (expenses) / income		(468)	2,881
(Loss) / profit before income tax		(6,165)	1,688
Income tax expenses		(141)	(101)
(Loss) / profit for the period attributable to shareholders		(6,306)	1,587
Other comprehensive income			
<i>Items that will or maybe reclassified to profit or loss</i>			
Exchange gains / (losses) arising on translation of foreign operations		871	(832)
<i>Items that will not be reclassified to profit or loss</i>			
Changes in the fair value of equity investments at fair value through other comprehensive income	12	(263)	(135)
Total other comprehensive income / (loss)		608	(967)
Total comprehensive (loss) / income for the period attributable to shareholders		(5,698)	620
Earnings per share during the period:			
Basic earnings per share (cents)	11	(1.84)	0.50
Diluted earnings per share (cents)	11	(1.84)	0.40

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

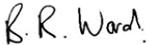
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	Unaudited 30 September 2023 NZ\$000	Audited 31 March 2023 NZ\$000
Current assets			
Cash and cash equivalents	6	3,955	9,540
Term deposits	6	30,000	35,134
Derivative assets		-	192
Trade and other receivables	7	15,943	14,329
Inventories		6,964	4,831
Prepayments		1,114	1,439
Contract assets		13,745	11,071
Income tax receivable		479	339
Financial assets at fair value through other comprehensive income	12	997	1,260
Total current assets		73,197	78,135
Non-current assets			
Property, plant and equipment	8	15,233	14,234
Prepayments		115	126
Right of use assets		5,958	6,403
Intangible assets	9	18,069	17,623
Total non-current assets		39,375	38,386
Total assets		112,572	116,521
Current liabilities			
Trade and other payables		2,956	3,607
Derivative liabilities		1,928	-
Employee benefits		3,627	3,745
Lease liabilities		834	559
Total current liabilities		9,345	7,911
Non-current liabilities			
Provisions		172	171
Lease liabilities		5,917	6,548
Total non-current liabilities		6,089	6,719
Total liabilities		15,434	14,630
Net assets		97,138	101,891
Equity			
Share capital	13	146,591	146,491
Share based payment reserve	14	8,024	7,179
Foreign currency translation reserve		(644)	(1,515)
Equity investment reserve		997	1,260
Accumulated losses		(57,830)	(51,524)
Total equity		97,138	101,891

On behalf of the Board: 27 November 2023


Jim McLean - Chairman


Brian Ward - CEO

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

CONDENSED CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

For the half-year ended 30 September 2023

	Notes	Share Capital \$000	Accumulated Losses \$000	Foreign Currency Translation Reserve \$000	Equity Investment Reserve \$000	Share Based Payment Reserve \$000	Total Equity \$000
Balance as at 1 April 2023		146,491	(51,524)	(1,515)	1,260	7,179	101,891
Loss for the period		-	(6,306)	-	-	-	(6,306)
Other comprehensive income		-	-	871	(263)	-	608
Total comprehensive loss for the period		-	(6,306)	871	(263)	-	(5,698)
Transactions with shareholders							
Employee shares exercised	14	87	-	-	-	(45)	42
Share based payments	14	13	-	-	-	890	903
Total transactions with shareholders	14	100	-	-	-	845	945
Balance as at 30 September 2023 unaudited		146,591	(57,830)	(644)	997	8,024	97,138
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		-	-	(832)	(135)	-	(967)
Total comprehensive income for the period		-	1,587	(832)	(135)	-	620
Transactions with shareholders							
Employee shares exercised	14	253	-	-	-	(96)	157
Employee shares forfeiture	14	-	-	-	-	(71)	(71)
Share based payments	14	48	-	-	-	738	786
Total transactions with shareholders	14	301	-	-	-	571	872
Balance as at 30 September 2022 unaudited		146,056	(49,540)	(1,020)	1,104	5,383	101,983

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

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 30 September 2023

	Notes	Unaudited 30 September 2023 NZ\$000	Unaudited 30 September 2022 NZ\$000
Cash flows from operating activities			
Cash receipts from sales revenue		29,537	24,492
Cash receipts from license fees, project fees, and grant income		593	620
Cash paid to suppliers and employees		(38,167)	(29,705)
Interest received		1,009	208
Dividend received		1	1
Income tax paid		(274)	(202)
Net cash outflows from operating activities		(7,301)	(4,586)
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,111)	(2,220)
Purchase of intangible assets		(446)	(131)
Capitalised development costs		(640)	-
Term deposits		5,134	11,866
Net cash inflows from investing activities		1,937	9,515
Cash flows from financing activities			
Proceeds from issue of shares	13	58	202
Lease liability payments – Principal payments		(385)	(319)
Lease liability payments – Interest payments		(229)	(183)
Net cash outflows from financing activities		(556)	(300)
Net (decrease) / increase in cash and cash equivalents		(5,920)	4,629
Effect of exchange rate fluctuations on cash and cash equivalents		335	1,192
Cash and cash equivalents at beginning of the period		9,540	6,165
Cash and cash equivalents at end of the period	6	3,955	11,986

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 2023

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 2023 (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 Consolidated Financial Statements for the year ended 31 March 2023. 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 9155 Brown Deer Rd, #2, San Diego, California 92121.

The condensed interim consolidated financial statements of the Group for the half-year ended 30 September 2023 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 2023	30 September 2022
			%	%
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 27 November 2023.

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 2023 annual financial statements.

Use of estimates and judgements

The preparation of the condensed consolidated financial statements in conformity with NZ IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from those estimates.

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:

- Going concern: The Directors have concluded that the Company is a going concern
- TELA Bio Incorporated ("TELA Bio") accrued revenue
- the likely term of leased premises, which impacts leasehold improvements assets and right of use assets capitalised
- impairment assessment of intangible assets
- the value of development expenditure capitalised
- the value of share-based payments

Going concern

The Group posted a net loss before tax of \$6,165,000 for the half-year ended 30 September 2023 (unaudited) (H1 FY2023 (unaudited): profit before tax of \$1,688,000). The Group posted total operating cash outflow of \$7,301,000 for the half-year ended 30 September 2023 (unaudited) (H1 FY2023 (unaudited): outflow of \$4,586,000).

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.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2023

3. Revenue and segment information

	Unaudited 30 September 2023 \$000	Unaudited 30 September 2022 \$000
Sales of goods (USA)	29,786	28,037
Sales of goods (Rest of world)	1,400	808
Project fees (USA)	685	492
Total revenue	31,871	29,337
Revenue recognised point in time	31,186	28,845
Revenue recognised over time	685	492
Total revenue	31,871	29,337

Segment information

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

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

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 \$15,617,000 (H1 FY2023: \$17,682,000) 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 \$517,000 (H1 FY23: \$23,024) for the leasehold property and property, plant and equipment of \$221,000 (H1 FY23: \$111,000) in the USA as of the reporting date.

4. Operating loss before net financing costs

	Unaudited 30 September 2023 \$000	Unaudited 30 September 2022 \$000
Operating loss before net financing costs includes the following:		
Employee salaries	22,991	18,240
Employee share-based payment benefits	890	668
Depreciation:		
Leasehold improvements	272	72
Plant and equipment	486	659
Furniture and fittings	35	56
Computer equipment	234	87
Right of use assets	472	385
Directors’ fees	352	221
Insurance	707	518
Amortisation:		
Patents	60	4
Customer relationships and reacquired rights	580	581
Research and development	4,813	5,717

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2023

5. Net finance expenses

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

	Unaudited 30 September 2023 \$000	Unaudited 30 September 2022 \$000
Finance income		
Interest received on bank balances – financial assets at amortised costs	967	508
Other finance income		
Foreign currency gains	925	3,983
Total finance income	1,892	4,491
Finance expenses		
Interest expenses – lease liabilities	(229)	(182)
Other finance expenses		
Foreign currency losses on derivative financial liabilities	(2,120)	(1,424)
Finance costs – make good provision	(2)	(4)
Finance costs – financial liabilities at amortised costs	(10)	-
Total finance expenses	(2,360)	(1,610)
Net finance (expenses) / income	(468)	2,881

Foreign currency gains and losses include an unrealised currency loss of \$1,172,000 (1H FY22: gain of \$1,591,000) in the current period.

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 2023 \$000	Audited 31 March 2023 \$000
Bank balances	3,955	9,540
Total cash and cash equivalents	3,955	9,540

Term deposits

The Group held short-term deposit arrangements with the Bank of New Zealand, Westpac and ASB Bank at the average rate of 6.06% (31 March 2023: 4.96%) per annum with a maturity less than 1 year from the reporting date.

	Unaudited 30 September 2023 \$000	Audited 31 March 2023 \$000
Term deposits	30,000	35,134
Total term deposits	30,000	35,134

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the half-year ended 30 September 2023

7. 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 2023 \$000	Audited 31 March 2023 \$000
Trade receivables	12,956	12,225
Less provision for impairment of trade receivables	(523)	(580)
Net trade receivables	12,433	11,645
Other receivables	1,075	1,184
Other receivables – Research and development tax incentive accrual	2,435	1,500
Total current trade and other receivables	15,943	14,329

Trade receivables amounting to \$12,433,000 (31 March 2023: \$11,645,000) are shown net of impairment losses. Provisions have been made appropriately. Trade receivables are interest free. Trade receivables of a short-term duration are not discounted. Other receivables include an accrual of tax credit income relating to the Research and Development Tax Incentive program.

The aging analysis of trade receivables is as follows:

	Unaudited 30 September 2023 \$000	Audited 31 March 2023 \$000
Current	10,122	7,912
1 - 30 days overdue	1,396	2,545
30 - 60 days overdue	575	309
60 - 90 days overdue	201	234
90+ days overdue	662	1,225
Total trade receivables	12,956	12,225

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
For the half-year ended 30 September 2023

8. Property, plant & equipment

	Lease- hold Improvements	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 2023	4,618	5,726	9,322	789	1,821	22,276
Additions	5	1,801	102	8	110	2,026
Transfers in / (out)	243	(342)	99	-	-	-
Balance 30 September 2023	4,866	7,185	9,523	797	1,931	24,302
Accumulated Depreciation						
Balance 1 April 2023	(1,581)	-	(5,098)	(320)	(1,043)	(8,042)
Depreciation	(272)	-	(486)	(35)	(234)	(1,027)
Balance 30 September 2023	(1,853)	-	(5,584)	(355)	(1,277)	(9,069)
Net Book Value						
Balance 1 April 2023	3,037	5,726	4,224	469	778	14,234
Balance 30 September 2023	3,013	7,185	3,939	442	654	15,233
At 31 March 2023						
Cost	4,618	5,726	9,322	789	1,821	22,276
Accumulated Depreciation	(1,581)	-	(5,098)	(320)	(1,043)	(8,042)
Closing net book value	3,037	5,726	4,224	469	778	14,234

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(Continued)

For the half-year ended 30 September 2023

9. Intangible assets

As at 30 September 2023	Patents & Trademarks	Customer relationships	Reacquired rights	Goodwill	Capitalised Develop- ment Costs*	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost						
Balance 1 April 2023	1,611	5,563	9,772	5,538	1,332	23,816
Additions	446	-	-	-	640	1,086
Balance 30 Sep 2023	2,057	5,563	9,772	5,538	1,972	24,902
Accumulated Depreciation						
Balance 1 April 2023	(388)	(3,091)	(2,714)	-	-	(6,193)
Amortisation	(60)	(309)	(271)	-	-	(640)
Balance 30 Sep 2023	(448)	(3,400)	(2,985)	-	-	(6,833)
Net Book Value						
Balance 1 April 2023	1,223	2,472	7,058	5,538	1,332	17,623
Balance 30 Sep 2023	1,609	2,163	6,787	5,538	1,972	18,069
As at 31 March 2023						
Cost	1,611	5,563	9,772	5,538	1,332	23,816
Accumulated Depreciation	(388)	(3,091)	(2,714)	-	-	(6,193)
Net book value	1,223	2,472	7,058	5,538	1,332	17,623

*Capitalised development costs are relating to projects that are currently in the development stage. The amortisation will commence when the developments are completed.

10. 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 2023.

(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 \$1,805,000 (H1 FY2023 (unaudited): \$1,570,000), including share based payments of \$280,000 (H1 FY2023 (unaudited): \$150,000)).

The total compensation for Non-Executive Directors is \$518,000 (H1 FY2023 (unaudited): \$288,000), including share based payments of \$166,000 (H1 FY2023 (unaudited): \$67,000).

(iv) **Period end balances**

There were no related party receivables and related party payables as at 30 September 2023 (unaudited) (March 2023: nil).

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2023

11. Earnings per share

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

	Unaudited 30 September 2023 000	Unaudited 30 September 2022 000
Numerator		
(Loss) / profit for the half-year after tax ("N") in \$	(6,306)	1,587
Denominator		
Weighted average number of ordinary shares used in basic EPS ("D1")	343,275	342,593
Effects of:		
Employee share options *	20,490	16,591
Period end number of shares used in diluted EPS ("D2")	343,275	359,184
	Cents	Cents
Basic earnings per share (N/D1 x 100)	(1.84)	0.50
Diluted earnings per share (N/D2 x 100)	(1.84)	0.40

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

12. 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 2023 NZ\$000	Audited 31 March 2023 NZ\$000
US listed equity securities	997	1,260
Total financial assets at FVTOCI	997	1,260

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\$8.00 per share as at the reporting date (March 2023: US\$10.64).

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 interim reporting date.

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2023

13. 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. Ordinary shares have no par value.

	Unaudited 30 September 2023 \$000	Audited 31 March 2023 \$000
Share capital at beginning of the period	146,491	145,755
Shares issued under share option plan	100	736
Share capital at end of the period	146,591	146,491

	# of Ordinary shares 30 September 2023	# of Ordinary shares 31 March 2023
At beginning of year	343,109,468	342,461,133
Issue of share capital	331,934	648,335
At end of year	343,441,402	343,109,468

14. Share based payments

Share option plan

The Group operates 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 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.

Key valuation assumptions for the share option plan are:

Legal grant date	14 November 2022	1 August 2022	14 November 2022
Share price at legal grant date (AUD)	0.93	0.775	0.93
Accounting grant date & valuation date	4 August 2023	1 March 2023	14 November 2022
Share price at valuation date (AUD)	0.90	1.10	0.93
Average exercise price (NZD)	0.92	0.64	0.94
Expected volatility	69%	72%	75%
Expected life	5 years	5 years	5 years
Risk free factor	3.90%	3.55%	3.24%
Dividend yield	0%	0%	0%

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)
For the half-year ended 30 September 2023

14. Share based payments (continued)

	Unaudited 30 September 2023 \$000	Audited 31 March 2023 \$000
Opening balance	7,179	4,812
Share based payment expense	890	2,578
Employee shares exercised	(45)	(211)
Closing balance	8,024	7,179

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 FY24 Average exercise price per option NZ\$	H1 FY24 # of options	FY23 Average exercise price per option NZ\$	FY23 # of options
Opening balance	0.10	2,841,450	0.10	3,085,200
Exercised during the period	0.10	(315,000)	0.10	(243,750)
Closing balance	0.10	2,526,450	0.10	2,841,450
Vested and exercisable at reporting date	0.10	2,526,450	0.10	2,841,450

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

Grant date	Expiry date	Share options	
		Unaudited 30 September 2023	Audited 31 March 2023
1 October 2018	1 October 2028	1,581,450	1,339,900
1 July 2019	1 October 2028	-	228,750
1 December 2019	30 November 2029	945,000	1,272,800
Total		2,526,450	2,841,450

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2023

14. Share based payments (continued)

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

On the Group's IPO in July 2020, the share options were issued to certain employees and directors under a new share option plan. Under this plan, the Group continue to issue options to certain employees and directors.

Grants under the Option Plan comprised 18,038,760 (FY23: 17,828,074) share options with various vesting conditions including non-market service conditions, market conditions and non-market performance conditions.

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

	H1 FY24 Average exercise price per option NZ\$	H1 FY24 # of options	FY23 Average exercise price per option NZ\$	FY23 # of options
Opening balance -1 April	1.09	17,828,074	1.07	12,901,575
Granted in August 2022	-	-	0.64	3,545,344
Granted in November 2022	0.94	50,000	0.94	2,093,580
Granted in August 2023	0.94	210,686	-	-
Exercised during the period	0.81	(50,000)	1.23	(435,758)
Forfeited during the period	-	-	1.21	(276,667)
Closing balance – 30 September	0.96	18,038,760	1.09	17,828,074
Vested and exercisable at reporting date	1.06	8,686,928	1.22	8,964,193

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 2023	Share options Audited 31 March 2023
24 July 2020	23 July 2025	4,885,950	4,935,950
29 September 2020	28 September 2025	1,683,200	1,683,200
22 April 2021	31 March 2026	200,000	200,000
28 June 2021	28 June 2026	2,295,000	2,295,000
9 August 2021	8 August 2026	3,075,000	3,075,000
1 August 2022	29 February 2028	3,545,344	3,545,344
14 November 2022	13 November 2027	2,143,580	2,093,580
4 August 2023	13 November 2027	210,686	-
Total		18,038,760	17,828,074

15. Events occurring after the reporting date

On 20 October 2023, the Company issued an aggregate of 8,978,601 share options to senior employees as discretionary long-term variable remuneration. The options were issued under the Company's existing share option plans pursuant to shareholder approval received at the Company's 2021 AGM and ASX listing rule 7.1. The options are unquoted and if vested, each option will entitle the holder to subscribe for one ordinary share in the Company at a specified exercise price. The options comprise 3,554,150 service-based options at a A\$0.91 per-option exercise price, with the remainder requiring the Company to achieve aggressive TSR and share price performance conditions in order to vest (nil exercise price). The structure and conditions attached to these options is line with the options issued to the Company's CEO, Brian Ward, in 2023 following shareholder approval at the Company's 2022 AGM.

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

CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued) For the half-year ended 30 September 2023

16. Other disclosures

Capital commitment

As at 30 September 2023, the Group had capital commitments of \$1,805,000 (unaudited) (H1 FY2023 (unaudited): \$3,436,252).

Contingent liabilities

As at 30 September 2023, the Group had no material contingent liabilities (unaudited) (H1 FY2023 (unaudited): \$nil).

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE SHAREHOLDERS OF AROA BIOSURGERY LIMITED**

Report on the Interim Condensed Consolidated Financial Statements

Conclusion

We have reviewed the accompanying interim condensed consolidated 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 2023, 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 condensed consolidated financial statements of the Group do not present fairly, in all material respects the financial position of the Group as at 30 September 2023 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 Condensed Consolidated Financial Statements

The Directors of the Group are responsible for the preparation and fair presentation of the interim condensed consolidated 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 interim condensed 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 interim condensed 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 interim condensed 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 interim condensed consolidated financial statements.

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

BDO Auckland

BDO Auckland
Auckland
New Zealand

27 November 2023

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