

A photograph of three surgeons in a modern operating room, wearing blue scrubs, masks, and surgical caps. They are focused on a patient lying on the table, illuminated by bright overhead lights. The scene is clean and professional, with various medical instruments and equipment visible in the background.

AROA BIOSURGERY (ARX) DECEMBER QUARTERLY (Q3 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



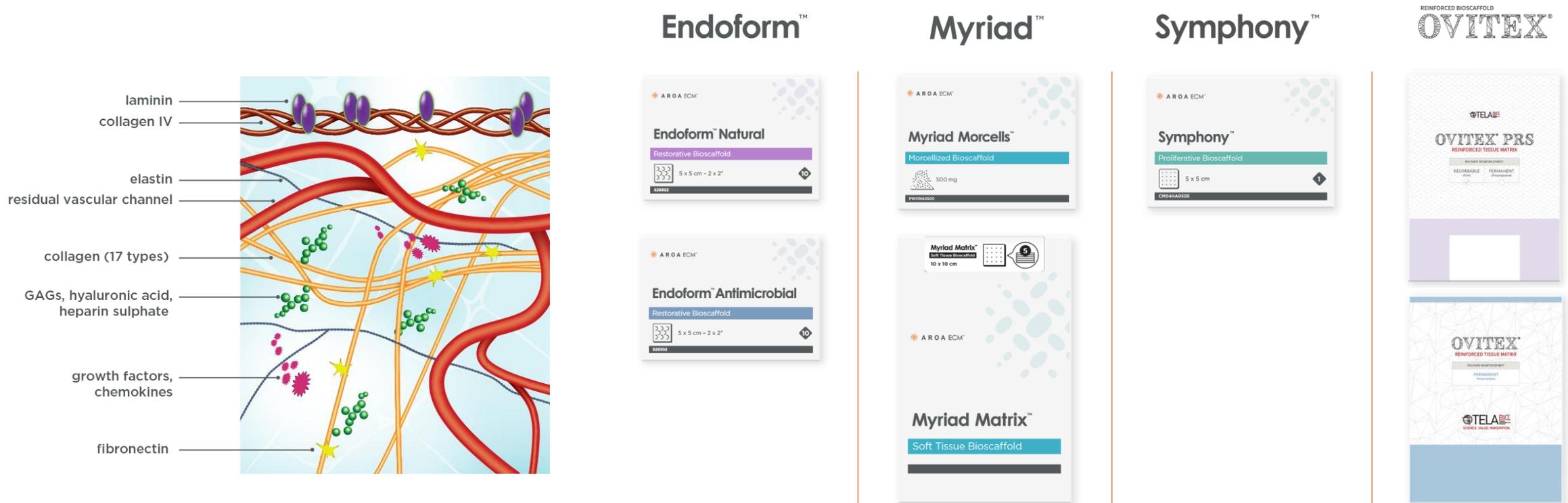
~ 270

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



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. Holfield, 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>

Q3 Financial highlights

- ✓ NZ\$17.7 million cash receipts from customers (20% increase in quarter-on-quarter)
- ✓ Progress towards breakeven operational cashflows, with net cash outflows from operations decreasing to NZ\$1.7 million from \$3.2 million in the prior quarter.
- ✓ Net cash outflows from investing activities of NZ\$1.1 million for the quarter, reflecting further investment into additional manufacturing plant & equipment capacity.
- ✓ Strong cash balance of **NZ\$30.5 million** as at 31 December 2023, and the Company is debt-free.

Q3 Updated guidance

- ✓ Guidance reduced to NZ\$67-70 million total revenue, NZ\$66-69 million product revenue, 85% product gross margin and a normalised EBITDA loss of NZ\$1-3 million.
- ✓ One-off (H2 FY24) decrease in expected revenue from TELA Bio, Inc. ('TELA Bio') due to a previous overestimation of AROA's revenue share (non-cash) on inventory supplied to TELA Bio and a delay to a joint product development project. OviTex™ and OviTex PRS remain on a strong growth trajectory.
- ✓ Robust Myriad™ sales performance, with 10% growth in Myriad active accounts from Q2 to Q3, comparable field sales productivity and a revised forecast of **70-85%** year-on-year growth (full-year).

Q3 Operational highlights

- ✓ US FDA ('FDA') 510(k) clearance received for a new product, a resorbable dental barrier developed and manufactured from the Company's proprietary AROA ECM™ platform technology. The Company is actively pursuing a new partnership to commercialise this product.
- ✓ The FDA has reviewed AROA's 510(k) application for Myriad Flow™, a new soft tissue regeneration product that could be commercialised in combination with Enivo™, and requested additional pre-clinical and clinical data to support a clearance. Both studies appear to be less complex than anticipated with regulatory clearances expected within 24 months.
- ✓ To date, six patients (n=10) enrolled in the pilot clinical study for Enivo, AROA's new tissue apposition platform technology, have undergone a unilateral mastectomy and completed follow-up care, with no clinically relevant seroma or complications reported.
- ✓ 36 patients enrolled in AROA's Myriad Augmented Soft Tissue Regeneration Registry ('MASTRR') during the quarter, taking the total number of participants to 268 (n=300).
- ✓ Enrolments in AROA's multi-center Symphony™ randomised control trial approximately doubled during the quarter, with a total of 86 participants enrolled to date (n=120).



Q&A

CONTACT

James Agnew

m +64 21 744 915

investor@aroa.com

Visit our website www.aroa.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

Unlocking regenerative healing for *everybody*

