

PolyNovo 1H FY23 Results

(in conjunction with Appendix 4D)

Accelerating Global Impact

23 February 2023

Improving outcomes. Changing lives.



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~ **8K** patients in first six months of 2023, versus ~ **10K** patients through full year 2022

Strong global revenue, **\$29.5m**, growing at **62.2%** in 1H FY23

Global BTM product sales growing at 67.5%

US revenue at \$22.8m, growing at 61.0%

ROW revenue at \$4.5m, growing at 110.1%

BARDA revenue at \$2.1m, growing at 15.4%

Entry into Hong Kong, Canada & India in Dec 2022

First sales in Hong Kong and Canada

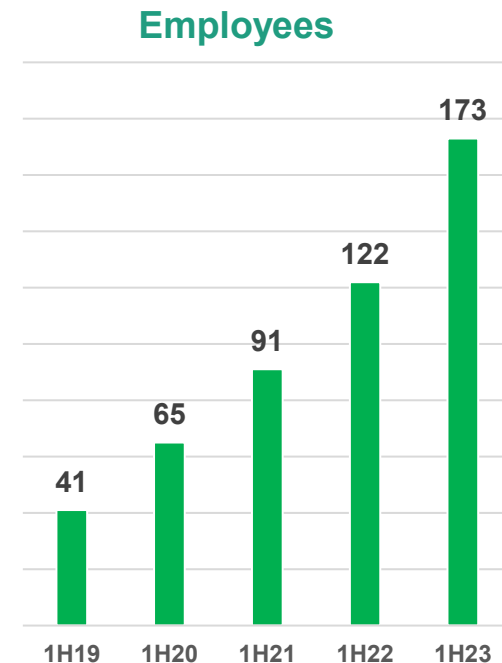
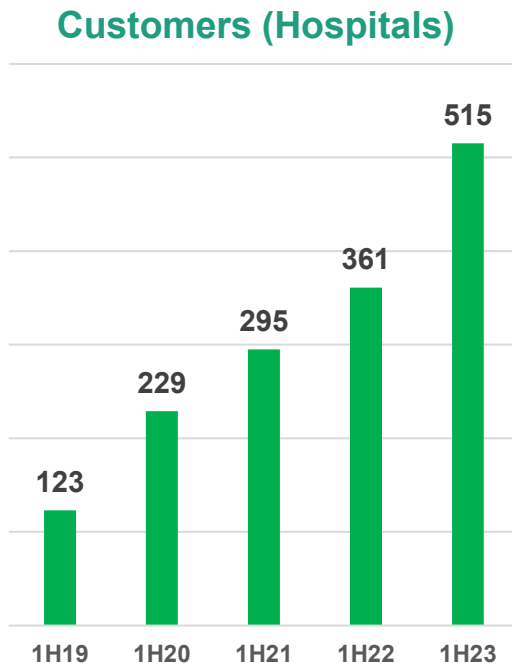
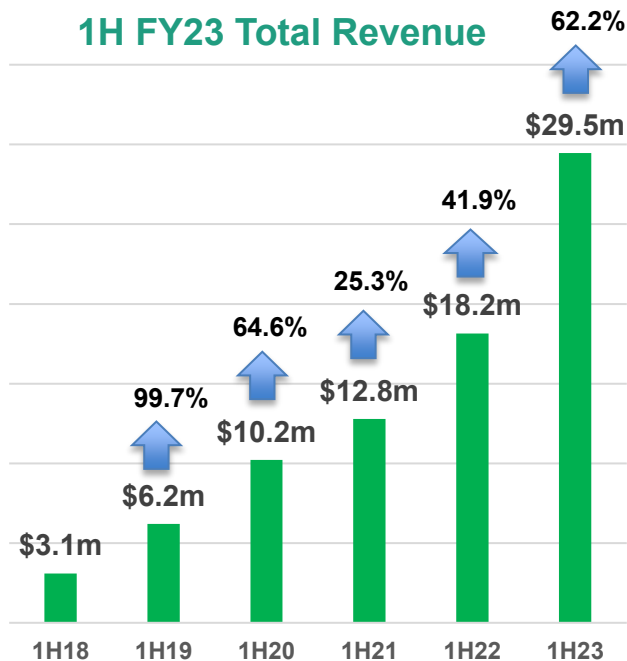
Strong partnership with **BARDA, US FDA**

43 patients enrolled into the Pivotal burns trial

Capital raise of \$53m in Dec 2022 for *geographical expansion, new indications, new products and building capacity*

1H FY23 Financial Results Review

Revenue Growth

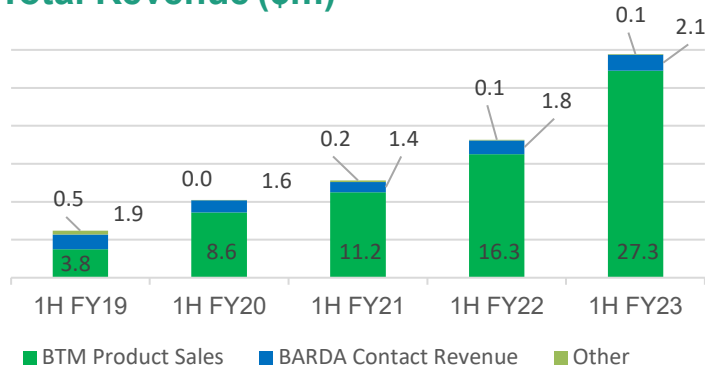


- 1H21 and 1H22 impacted by Covid-19
- Total Revenue includes product sales, BARDA contract revenue and other income

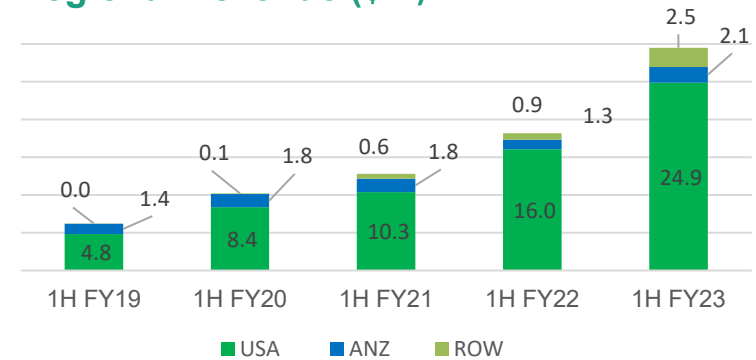
1H FY23 Financial Results



Total Revenue (\$m)



Regional Revenue (\$m)

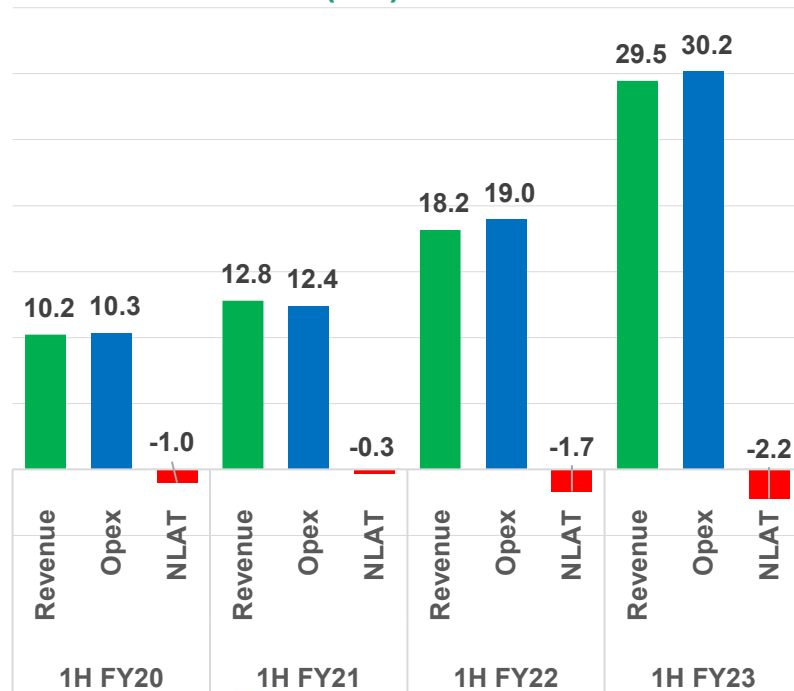


Sales Growth vs Last Year:

- **Global BTM product sales \$27.3m up 67.5%**
- **Achieved three \$5m+ sales months in 1H23**
- **Total BARDA revenue \$2.1m up 15.4%**
- **Total Revenue \$29.5m up 62.2%**
- **US BTM product sales \$22.8m up 61.0%**
- **Rest of world BTM product sales \$4.5m up 110.1%** (includes new markets Canada and Hong Kong)
- **Strong performance post impact of Covid in prior periods**

1H FY23 Financial Results

Revenue, Opex, NLAT (excl. non-cash items) (\$m)



Operating Expenses

(excl. non-cash items)

- Operating Expenses +59%
- Continued investment in accelerating growth
- Increase headcount from 152 (Jun '22) to 173 (Dec '22)
- Entered new markets, Canada, Hong Kong and India
- Business expansion in the US, ANZ and UK
- Investing in clinical trials (SynPath DFU, BARDA)
- Investing in increasing capacity and scalability

Net Profit / (Loss) after Tax (excl. non-cash items*)

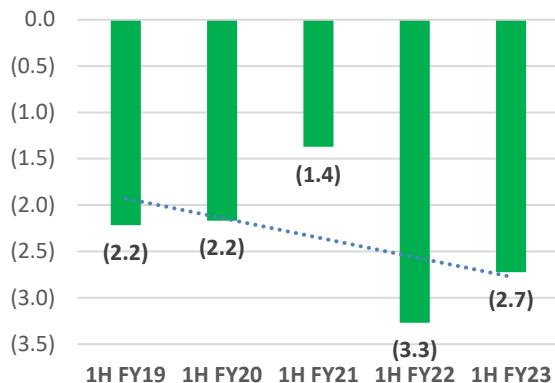
- NLAT -\$2.2m (excl. non-cash items)
- EBITDA -\$2.0m (excl. non-cash items)
- Reinvest cash flows to grow revenue and market share in 2H FY23

* Non-cash items comprise of unrealised forex gain/(loss), depreciation & amortisation and share based payments (refer to reconciliation on p.9)

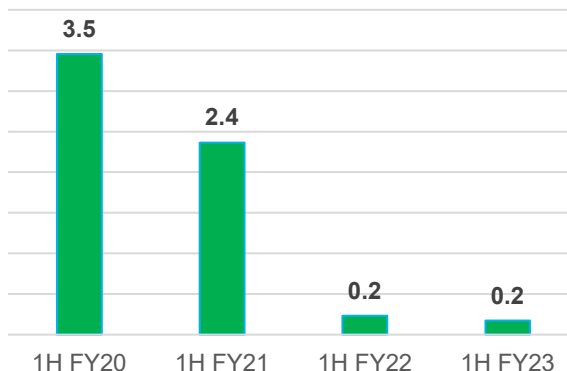
1H FY23 Financial Results



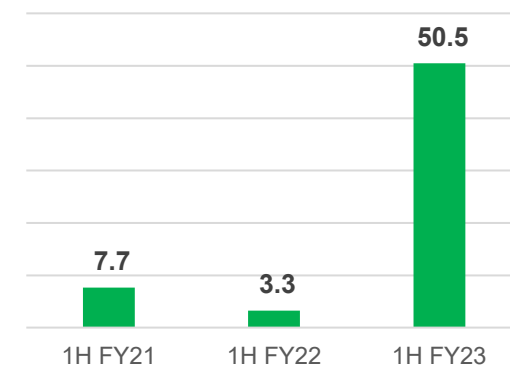
Net cash flow from operations (\$m)



Capex (\$m)



Cash on hand (\$m)



Highlights

- **\$53.0m** capital raise (Includes director placement of \$3.0m), **\$50.5m** cash on hand
- Cash outflow from operations of **-\$2.7m**
- Capex spend to increase in FY24 and FY25 for construction of new manufacturing facility next door to current facility in Port Melbourne (ASX announcement 22-Nov-22)
- Continue to invest in all direct markets particularly the US, R&D, clinical and supporting business expansion

1H FY23 Financial Results



(\$m)	1H FY23	1H FY22	Change %
Revenue (Excl. Interest)	29.4	18.2	61.8%
Expenses			
Changes in inventories & WIP	(1.6)	(0.9)	85.8%
Employee-related expenses *	(17.7)	(7.6)	131.5% *
R&D Costs	(3.0)	(2.4)	27.8%
Corp, administrative & overhead expenses	(9.7)	(4.7)	105.8%
Add Back: Depreciation included in Changes in inventories & WIP	0.1	0.1	
EBITDA	(2.5)	2.7	-192.5%
Depreciation & Amortisation	(1.0)	(0.7)	31.9%
Depreciation included in Changes in inventories & WIP	(0.1)	(0.1)	3.8%
EBIT	(3.6)	1.8	-295.0%
Interest Income	0.1	0.0	
Interest Expense	(0.3)	(0.1)	
NET PROFIT/(LOSS) BEFORE TAX	(3.9)	1.7	-327.8%
Income Tax Benefit / (Expense)	0.03	(0.1)	
NET PROFIT/(LOSS) AFTER TAX	(3.8)	1.6	-336.2%
Add Back / Deduct Non-Cash Items:			
Share Based Payments	0.6	(3.8)	
Unrealised Forex	(0.0)	(0.4)	
Depreciation & Amortisation	1.0	0.7	
Depreciation & Amortisation in Changes in Inventories & WIP	0.1	0.1	
NET PROFIT/(LOSS) AFTER TAX - EXCLUDING NON CASH ITEMS	(2.2)	(1.7)	32.5%

* The underlying increase in employee related expenses is 50.2% rather than 131.5%. This is due to employee related expenses of \$7.6m in prior period 1H FY22 including the reversal of share based payments \$4.7m.

P&L Highlights

- Product sales **+67.5%**
- Operating expenses **+59.0%** (excl. non-cash items)
- Employee related expenses **+50.2%** (excl. share-based payments)
- R&D spend **+27.8%** (product development, clinical trials)
- Corp, admin and overhead **+105.8%** (business expansion and return to near-normal post Covid)
- Net loss after tax **-\$3.8m**
- **Net underlying loss after tax -\$2.2m (Excl. non-cash items)**

Uniquely situated to drive global growth

- **Genius** technology
- **Underserved** market
- Capital efficient **Growth** and **Scaling**

Our near term results could be lumpy with consistent long-term growth trajectory

- As we add indications **beyond burns**, and enter **new geographies**

Purpose Driven, Engaged Organisation

- Building **Global Organisation, Processes** and **Technology backbone** supporting scale

NovoSorb BTM is redefining healing. Objective to be soft tissue regeneration platform of choice.



