

## INTERIM FINANCIAL REPORT TO 30 SEPTEMBER 2025

### 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 2025
Previous corresponding interim period	30 September 2024

#### 2. Results for announcement to the market

			Six months ended 30 September 2025 NZ\$000	Six months ended 30 September 2024 NZ\$000
2.1 Revenue from ordinary activities – Product sales	up	14%	44,630	39,092
Revenue from ordinary activities – Project fees	up	259%	230	64
2.2 Loss before tax from ordinary activities	down	64%	(1,035)	(2,905)
Normalised* loss before tax from ordinary activities	down	74%	(921)	(3,515)
2.3 Loss after tax and attributable to members	down	61%	(1,301)	(3,294)
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 in the 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 2025	30 September 2024
Net tangible assets* (NZ\$000)	67,473	66,862
Total number of securities on issue**	345,033,235	344,900,256
Net tangible assets per security (NZ\$)	0.20	0.19

\* Net tangibles assets exclude all intangible assets and right of use assets, as reported within the Condensed Consolidated Statement of Financial Position.

\*\*Total number of securities on issue excludes all share options on issue.

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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 2025, which have been reviewed by BDO Auckland (the Company's auditor) with the Independent Auditor's Review Report included in the 30 September 2025 interim condensed consolidated financial statements.

This report should be read in conjunction with the annual report for the year ended 31 March 2025 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 25 November 2025



**James Agnew**  
Company Secretary

Unlocking regenerative  
healing for everybody



**AROA BIOSURGERY LIMITED**

# Interim Condensed Consolidated Financial Statements

**30 September 2025**

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## 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 2025 (the Reporting Period).

### DIRECTORS

The Company's Directors are detailed below.

Jim McLean	Chair and Independent Non-Executive Director
Brian Ward	Managing Director and CEO
Catherine Mohr	Independent Non-Executive Director
Darla Hutton	Independent Non-Executive Director
John Diddams	Independent Non-Executive Director
John Pinion	Independent Non-Executive Director (retired 31 October 2025)
Philip McCaw	Non-Executive Director

Subsequent to the end of the reporting period, Paul Shearer was appointed as an Independent Non-Executive Director effective 31 October 2025. On the same date, John Pinion retired from the Board.

### REVIEW OF OPERATIONS

During the reporting period, AROA maintained a clear focus on improving sales productivity and penetration in existing accounts. This delivered product sales of \$44.6 million for the period, representing 11% growth on a constant currency basis over the previous comparable period. This result was predominantly due to the strong performance of the Myriad™ portfolio, which grew 30% on constant currency basis compared to the previous comparable period.

AROA ended H1 FY26 with 380 active accounts, up from 328 at the end of FY25. Average account value also grew 8% compared to the end of FY25, while headcount remained flat.

The Company also continued expanding the clinical evidence base for AROA ECM™ to support adoption. During the reporting period, 10 clinical studies were published on a range of procedures. There are now 116 peer reviewed studies published to date describing the efficacy of AROA ECM technology.

The Company has now reported four consecutive quarters of positive cashflow and expects to become increasingly cash flow positive over time. With a cash balance of \$23.4 million as of 30 September 2025, the Company is well funded for ongoing operations.

#### RESULTS

Myriad sales for the period were \$19.7 million, which represents 30% growth (on a constant currency basis) on H1 FY25 and accounted for 44% of total product sales (up from 38% in H1 FY25).

During the reporting period, AROA direct sales contributed 57% to the overall sales mix, compared to 53% in H1 FY25.

TELA Bio Inc, AROA's US commercial partner for hernia and breast reconstruction products (OviTex and Ovitex PRS) continues to experience steady growth and reported growth of 16% for the reporting period.

#### FINANCIAL OUTLOOK

AROA reaffirms its FY26 guidance of NZ\$92-100<sup>1</sup> million in total revenue (an increase of 10-20% on FY25 on a constant currency basis) and \$5-8 million in normalised EBITDA Profit.

The Company anticipates H2 FY26 total revenue of ~\$47-55 million on the basis of Myriad, Ovitex and Ovitex PRS sales continuing to perform well. The Company expects H2 FY26 normalised EBITDA profit of ~\$3.5-6.5 million.

<sup>1</sup> Guidance assumes an average NZ\$/US\$ exchange rate in FY26 is 0.60 (compared to the average rate of 0.59 in FY25), the applicable US tariff rates remain at 15%, and there is no material decline in US medical procedure numbers or sustained disruption to AROA's manufacturing or transportation activities.

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## DIRECTORS' REPORT (Continued)

### CHANGES TO US MEDICARE REIMBURSEMENT

The United States Centers for Medicare & Medicaid Services (CMS) has confirmed that reimbursement changes for outpatient wound care will take effect on January 1, 2026.

The new policy introduces a capped payment rate for products CMS classifies as "skin substitutes," which includes AROA's Symphony product. The Company anticipates the new reimbursement environment will be favourable for Symphony.

AROA's randomised controlled trial (RCT) for Symphony is scheduled to complete in November 2025. The Company anticipates study data will be published by the end of Q1 FY27. The study data is expected to provide the clinical evidence required for CMS payment coverage, with Symphony CMS coverage expected to follow later in FY27.

### CLINICAL EVIDENCE

The Company continues to focus on increasing the body of clinical evidence supporting the efficacy and value of AROA ECM technology. During the reporting period, ten studies were published, with a total of 116 peer reviewed studies published to date.

During the reporting period, the book chapter "*Sustainable Biomaterials: Turning Food Waste into Advanced Regenerative Technology*" was published in "*Regenerative Biomaterials - Emerging Biomaterial Solutions to Aid Tissue Regeneration*".

The book chapter highlights the unique attributes of AROA ECM as a third generation bioscaffold that stimulates tissue repair, leading to enhanced clinical outcomes.

The chapter notes that, while first and second generation bioscaffolds offer elements of structure or biocompatibility, only third generation bioscaffolds like AROA ECM contain all three critical attributes: structure, biology, and compatibility. This differentiation sets AROA ECM technology apart as a leading regenerative platform with clear clinical and cost advantages.

### ENIVO™

AROA remains committed to commercialising the ENIVO tissue apposition system, its second technology platform, designed to work synergistically with AROA ECM products.

The ENIVO system addresses postoperative "dead space", cavities left by surgical dissection or excision that often fill with fluid and form seromas. It combines a wearable vacuum pump, connecting tubing, and an implanted AROA ECM sleeve.

The ENIVO system holds tissue surfaces closely together and evacuates fluid, which aims to eliminate dead space and improve the speed and quality of healing.

During the reporting period, the first clinical study assessing the safety and efficacy of the ENIVO system was published. The study demonstrated that the device performed as intended, with all patients healing well and only one clinically relevant seroma recorded.<sup>2</sup>

AROA estimates the market opportunity for the ENIVO system exceeds US\$1 billion<sup>3</sup> and expects to initiate a further clinical study in FY27 to support US Food & Drug Administration (FDA) clearance via the De Novo pathway, with commercialisation targeted for CY28.

<sup>2</sup> Wagener, J; Shan, †; Anderson, W.F. †; Mason, Isaac T.T. †; May, Barnaby C.H. PhD; Locke, Michelle B. MBChB. Pilot Study: Prospective, First-in-human Clinical Evaluation of a Novel Tissue Apposition Device (ENIVO) Following Simple Unilateral Mastectomy. *Plastic & Reconstructive Surgery-Global Open* 13(8): p e7027, August 2025

<sup>3</sup> AROA Management estimates

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## OTHER UPDATES

During the reporting period, AROA's sales and clinical teams attended or presented alongside key opinion leaders, at 20 major industry conferences around the world. This included exhibiting at Symposium on Advanced Wound Care (SAWC) Fall 2025 in Las Vegas, attended by more than 3,000 healthcare professionals.

AROA also has an ongoing focus on growing its profile across investment communities, by maintaining an active investor relations schedule. Brian Ward (CEO) and James Agnew (CFO) presented at several institutional conferences, including the 3rd Annual Wilsons and CIP Rapid Insights Conference (Queenstown, New Zealand)

## FINANCIAL RESULTS

### NORMALISED PROFIT OR LOSS<sup>1</sup>

	Reported H1 FY26 NZ\$000	Reported H1 FY25 NZ\$000	Reported YoY %	CC <sup>2</sup> H1 FY26 NZ\$000	CC <sup>2</sup> H1 FY25 NZ\$000	CC <sup>2</sup> YoY %
Product sales	44,630	39,092	14	44,019	39,815	11
Other revenue	230	64	259	225	65	246
<b>Total revenue</b>	<b>44,860</b>	<b>39,156</b>	15	<b>44,244</b>	<b>39,880</b>	11
<b>Gross profit</b>	<b>38,271</b>	<b>33,981</b>	13	<b>37,655</b>	<b>34,705</b>	9
<b>Product gross margin %</b>	<b>85%</b>	<b>87%</b>	(200) bps	<b>85%</b>	<b>87%</b>	(200) bps
Other income	463	592	(22)	463	592	(22)
Normalised selling and administrative expenses <sup>3</sup>	(35,500)	(33,162)	7	(35,189)	(33,452)	5
Research and development	(4,057)	(5,364)	(24)	(4,057)	(5,364)	(24)
<b>Total normalised operating expenses</b>	<b>(39,557)</b>	<b>(38,526)</b>	3	<b>(39,246)</b>	<b>(38,816)</b>	1
<b>Normalised EBIT</b>	<b>(823)</b>	<b>(3,953)</b>	(79)	<b>(1,128)</b>	<b>(3,519)</b>	(68)
<i>Add back: depreciation &amp; amortisation</i>	2,585	2,445	6	2,585	2,445	6
<b>Normalised EBITDA</b>	<b>1,762</b>	<b>(1,508)</b>	(217)	<b>1,457</b>	<b>(1,074)</b>	(236)
Normalised net finance (expenses)/income <sup>3</sup>	(98)	438	(122)	158	416	(62)
<b>Normalised loss before income tax</b>	<b>(921)</b>	<b>(3,515)</b>	(74)	<b>(970)</b>	<b>(3,103)</b>	(69)

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 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 USD. The NZ\$/US\$ exchange rate of 0.60 has been used in the constant currency analysis, representing the Group's internal budget rate.
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

The Company achieved product sales of \$44.6 million for H1 FY26, which a 14% increase (11% on a constant currency basis) compared to H1 FY25 (\$39.1 million). Myriad sales were \$19.7 million, an increase of 33% (30% on a constant currency basis), compared to H1 FY25 (\$14.7 million). OviTex and OviTex PRS sales were \$19.2 million, an increase of 4% (0% on a constant currency basis), compared to H1 FY25 (\$18.4 million). TELABio's sales of Ovtiex and Ovitex PRS increased 16% for the same period. The variance in the Group's growth of Ovitex and Ovitex PRS sales compared to that of TELABio, is the result of a higher level of product shipments for lower turnover SKUs during H1 FY25 compared to H1 FY26. Endoform sales of \$5.7 million increased 2% (down 1% on a constant currency basis) compared to H1 FY25 (\$5.6 million). Symphony sales contributed a modest amount to the balance of sales for H1 FY26.

## DIRECTORS' REPORT (Continued)

### FINANCIAL RESULTS (Continued)

#### Other revenue

Other revenue (representing project fees income received for product development projects undertaken with TELABio) was \$0.2 million for H1 FY26 (an increase of \$0.1 million compared to H1 FY25).

#### Total revenue

Total revenue for H1 FY 26 was \$44.9 million, an increase of 15% (11% on a constant currency basis), compared to H1 FY25 (NZ\$39.2 million).

#### Product gross margin %

Product gross margin was 85%, down from 87% in H1 FY25, but in line with H2 FY25 of 85%. Fixed manufacturing overheads increased, compared to H2 FY25, however the impact on product gross margin was offset by the increasing sales mix of high margin Myriad products.

#### Normalised operating expenses

Total normalised operating expenses were \$39.6 million for H1 FY26, an increase of 3% (1% on a constant currency basis) compared to H1 FY25 (\$38.5m).

Selling and administrative expenses were \$35.5 million for H1 FY26, an increase of 7% (5% on a constant currency basis) compared to H1 FY25 (\$33.2 million). Clinical development costs for the reporting period of \$2.6 million decreased from \$4.3 million compared to H1 FY25. This primarily reflects a large expense incurred during H1 FY25 for the Symphony RCT and the timing of other clinical development initiatives for FY26. Sales and marketing expenses (excluding clinical development) were \$23.6 million, an increase of 13% compared to H1 FY25 (\$20.8 million), reflecting an increase in variable sales compensation and the introduction of US based tariffs in H1 FY26.

Research and development expenses were \$4.1 million in H1 FY26, a decreased of 24% compared to H1 FY25 (\$5.4 million) remaining in line with \$4.2 million expense in H2 FY25.

#### Normalised EBITDA

AROA made a normalised EBITDA profit of \$1.8 million, compared to a loss of \$1.5 million in H1 FY25.

#### Cash Flows

Cash receipts from sales revenue were \$45.0 million for H1 FY26, an increase of 20%, compared to H1 FY25 (\$37.6 million), reflecting an increase in product sales and more effective management of trade debtors. Cash paid to suppliers and employees was \$41.3 million for H1 FY26, a decrease of 4% compared to H1 FY25 (\$43.0 million). The Group reported net cash inflows from operating activities of \$4.0 million for H1 FY26 compared to a net cash outflow of \$4.9 million in H1 FY25.

Purchases of property, plant and equipment were \$0.5 million for H1 FY26 (compared to \$1.6 million in H1 FY25), reflecting investment in new plant and equipment in H1 FY25 to expand the Group's manufacturing capacity. Capitalised development costs were \$0.8 million in H1 FY26 compared to \$0.5 million in H1 FY25.

Net cash outflow from financing activities was \$0.9 million for H1 FY26, compared to \$0.7 million for H1 FY25.

The Group reported a total increase in cash on hand and term deposits of \$1.5 million for H1 FY26 compared to a decrease of \$7.9 million in H1 FY25. The Group remains debt-free with cash on hand and term deposits of \$23.4 million.

## DIRECTORS' REPORT (Continued)

### FINANCIAL RESULTS (Continued)

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

	Unaudited 30 September 2025 NZ\$000	Unaudited 30 September 2024 NZ\$000
<b>Normalised loss before income tax</b>	<b>(921)</b>	<b>(3,515)</b>
Share based payments included in selling and administrative expenses	(555)	(973)
Unrealised currency gains included in net finance (expenses)/income	441	1,583
<b>Loss before income tax (NZ GAAP)</b>	<b>(1,035)</b>	<b>(2,905)</b>

#### Share based payment expenses

Share based payment expenses were \$555,000 (H1 FY25: \$973,000). These relate to the vesting of the share options issued to Directors and employees of the Group. Share based payment expenses of \$75,000 relating to prior periods were reversed through accumulated losses, reflecting the forfeiture of employee share options during H1 FY26 (H1 FY25: \$1,200,000). A total of 6,144,050 share options expired during H1 FY26 (H1 FY25: nil), accounting for \$2.1 million share based payment expenses that were recognised in FY21 through FY24.

#### Unrealised currency gains

Unrealised foreign currency gains reflect net gains resulting from the revaluation of forward exchange contracts and revaluation of non-monetary assets and liabilities excluding cash balances.



**Jim McLean** - Chair and Independent Non-Executive Director

Dated 25 November 2025



**Brian Ward** – Managing Director and CEO

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## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the half-year ended 30 September 2025*

	Notes	Unaudited 30 September 2025 NZ\$000	Unaudited 30 September 2024 NZ\$000
Revenue	3	44,860	39,156
Cost of sales		(6,589)	(5,175)
<b>Gross profit</b>		<b>38,271</b>	<b>33,981</b>
Other income		463	592
Selling and administrative expenses		(36,055)	(34,135)
Research and development		(4,057)	(5,364)
<b>Operating loss before net financing costs and income tax</b>	4	<b>(1,378)</b>	<b>(4,926)</b>
Finance income	5	1,516	3,758
Finance expenses	5	(1,173)	(1,737)
<b>Loss before income tax</b>		<b>(1,035)</b>	<b>(2,905)</b>
Income tax expense		(266)	(389)
<b>Loss for the period attributable to shareholders</b>		<b>(1,301)</b>	<b>(3,294)</b>
<b>Other comprehensive income</b>			
<i>Items that will or maybe reclassified to profit or loss</i>			
Exchange losses arising on translation of foreign operations		(13)	(169)
<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	33	(407)
<b>Total other comprehensive income / (loss)</b>		<b>20</b>	<b>(576)</b>
<b>Total comprehensive loss for the period attributable to shareholders</b>		<b>(1,281)</b>	<b>(3,870)</b>
<b>Earnings per share during the period:</b>			
Basic earnings per share (cents)	11	(0.38)	(0.96)
Diluted earnings per share (cents)	11	(0.38)	(0.96)

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

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## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

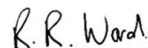
As at 30 September 2025

	Notes	Unaudited 30 September 2025 NZ\$000	Audited 31 March 2025 NZ\$000
<b>Current assets</b>			
Cash and cash equivalents	6	10,448	7,991
Term deposits	6	13,000	14,000
Trade and other receivables	7	14,176	16,327
Inventories		8,096	8,270
Prepayments		1,494	2,405
Contract assets	3(a)	20,080	18,712
Tax receivable		543	312
Financial assets at fair value through other comprehensive income	12	191	158
<b>Total current assets</b>		<b>68,028</b>	<b>68,175</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	15,732	16,171
Prepayments		82	82
Right of use assets		5,982	5,335
Intangible assets	9	18,914	19,109
<b>Total non-current assets</b>		<b>40,710</b>	<b>40,697</b>
<b>Total assets</b>		<b>108,738</b>	<b>108,872</b>
<b>Current liabilities</b>			
Trade and other payables		4,275	3,437
Derivative liabilities		985	2,138
Employee benefits		3,899	3,609
Lease liabilities		1,279	1,119
<b>Total current liabilities</b>		<b>10,438</b>	<b>10,303</b>
<b>Non-current liabilities</b>			
Provisions		198	187
Lease liabilities		5,733	5,297
<b>Total non-current liabilities</b>		<b>5,931</b>	<b>5,484</b>
<b>Total liabilities</b>		<b>16,369</b>	<b>15,787</b>
<b>Net assets</b>		<b>92,369</b>	<b>93,085</b>
<b>Equity</b>			
Share capital	13	146,952	146,842
Accumulated losses		(65,359)	(64,058)
Foreign currency translation reserve		(357)	(344)
Fair value through other comprehensive income instrument reserve	12	191	158
Share based payment reserve	14	10,942	10,487
<b>Total equity</b>		<b>92,369</b>	<b>93,085</b>

On behalf of the Board:  
25 November 2025



**Jim McLean** - Chair and Independent Non-Executive Director



**Brian Ward** – Managing Director and CEO

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

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## CONDENSED CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

For the half-year ended 30 September 2025

	Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Fair Value Through Other Comprehensive Income Instrument Reserve	Share Based Payment Reserve	Total Equity
Notes	\$000	\$000	\$000	\$000	\$000	\$000
<b>Balance as at 1 April 2025</b>	<b>146,842</b>	<b>(64,058)</b>	<b>(344)</b>	<b>158</b>	<b>10,487</b>	<b>93,085</b>
<b>Comprehensive income</b>						
Loss for the period	-	(1,301)	-	-	-	(1,301)
Other comprehensive (loss) / income	-	-	(13)	33	-	20
<b>Total comprehensive (loss) / income for the period</b>	<b>-</b>	<b>(1,301)</b>	<b>(13)</b>	<b>33</b>	<b>-</b>	<b>(1,281)</b>
<b>Transactions with shareholders</b>						
Share based payment transactions	14	-	-	-	630	630
Forfeiture of unvested employee share options	14	-	-	-	(75)	(75)
Employee shares exercised	13/14	100	-	-	(100)	-
Repayment of employee loans for acquisition of shares	13	10	-	-	-	10
<b>Total transactions with shareholders</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>455</b>	<b>565</b>
<b>Balance as at 30 September 2025 unaudited</b>	<b>146,952</b>	<b>(65,359)</b>	<b>(357)</b>	<b>191</b>	<b>10,942</b>	<b>92,369</b>
<b>Balance as at 1 April 2024</b>	<b>146,798</b>	<b>(62,152)</b>	<b>(679)</b>	<b>703</b>	<b>10,268</b>	<b>94,938</b>
<b>Comprehensive income</b>						
Loss for the period	-	(3,294)	-	-	-	(3,294)
Other comprehensive loss	-	-	(169)	(407)	-	(576)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>(3,294)</b>	<b>(169)</b>	<b>(407)</b>	<b>-</b>	<b>(3,870)</b>
<b>Transactions with shareholders</b>						
Share based payments transactions	-	-	-	-	1,010	1,010
Forfeiture of unvested employee share options	-	-	-	-	(37)	(37)
Vested employee shares forfeited through accumulated losses	-	1,162	-	-	(1,162)	-
Employee shares exercised	34	-	-	-	(34)	-
Repayment of employee loans for acquisition of shares	6	-	-	-	-	6
<b>Total transactions with shareholders</b>	<b>40</b>	<b>1,162</b>	<b>-</b>	<b>-</b>	<b>(223)</b>	<b>979</b>
<b>Balance as at 30 September 2024 unaudited</b>	<b>146,838</b>	<b>(64,284)</b>	<b>(848)</b>	<b>296</b>	<b>10,045</b>	<b>92,047</b>

The above condensed 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 2025

	Notes	Unaudited 30 September 2025 NZ\$000	Unaudited 30 September 2024 NZ\$000
<b>Cash flows from operating activities</b>			
Cash receipts from sales of goods		45,063	37,646
Cash receipts from project fee and grant income		367	240
Cash paid to suppliers and employees		(41,265)	(42,960)
Interest received		288	966
Income tax paid		(474)	(761)
<b>Net cash inflows/(outflows) from operating activities</b>		<b>3,979</b>	<b>(4,869)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(497)	(1,565)
Purchase of intangible assets	9	(235)	(139)
Capitalised development costs	9	(842)	(487)
Proceeds from term deposits	6b	5,000	10,000
Investment in term deposits	6b	(4,000)	-
<b>Net cash (outflows)/inflows from investing activities</b>		<b>(574)</b>	<b>7,809</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	13	10	16
Lease liability payments – principal payments		(702)	(492)
Lease liability payments – interest payments		(204)	(245)
<b>Net cash outflows from financing activities</b>		<b>(896)</b>	<b>(721)</b>
<b>Net increase in cash and cash equivalents</b>		<b>2,509</b>	<b>2,219</b>
Effect of exchange rate fluctuations on cash and cash equivalents		(52)	(141)
Cash and cash equivalents at beginning of the period		7,991	11,522
<b>Cash and cash equivalents at end of the period</b>	6a	<b>10,448</b>	<b>13,600</b>

Note: The Group has term deposits of \$13,000,000 (H1 FY25: \$8,000,000) as at the reporting date. In line with *NZ IAS 7 Statement of Cash Flows*, term deposits with an initial maturity of more than three months do not become part of cash and cash equivalent and are, therefore, excluded in the cash and cash equivalent position in the statement of cash flows (refer to note 6).

The above condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes

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# CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

*For the half-year ended 30 September 2025*

## 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 2025 (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 2025. 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 soft tissue regenerative 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 2025 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 2025	30 September 2024
			%	%
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 25 November 2025.

## 2. Summary of material accounting policies

The Group has applied the same accounting policies and methods of computation in its condensed interim consolidated financial statements as in its 2025 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:

- TELA Bio Incorporated (TELA Bio) accrued revenue (contract assets) (note 3)
- research and development tax incentive accrual
- 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 (note 14)

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

*For the half-year ended 30 September 2025*

### 2. Summary of material accounting policies (continued)

#### Going concern

The Group posted a net loss before tax of \$1,035,000 for the half-year ended 30 September 2025 (unaudited) (H1 FY2025 (unaudited): loss before tax of \$2,905,000). The Group posted total operating cash inflow of \$3,979,000 for the half-year ended 30 September 2025 (unaudited) (H1 FY2025 (unaudited): outflow of \$4,869,000).

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.

#### New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued that are effective for the six months ended 30 September 2025. These amendments have no effect on the measurement or presentation of any items in the consolidated financial statements of the Group but affect the disclosure of the Group.

The Group has not adopted, and currently does not anticipate adopting, any standards prior to their effective dates.

### 3. Revenue and segment information

	Unaudited 30 September 2025 \$000	Unaudited 30 September 2024 \$000
Sales of goods (USA)	42,980	37,665
Sales of goods (Rest of world)	1,650	1,427
Project fees (USA)	230	64
<b>Total revenue</b>	<b>44,860</b>	<b>39,156</b>
Revenue recognised point in time	44,630	39,092
Revenue recognised over time	230	64
<b>Total revenue</b>	<b>44,860</b>	<b>39,156</b>

#### Segment information

Revenue from external customers is derived from the sales of goods and project fees, as reflected above.

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

For internal reporting purposes, the Chief Operating Decision Makers review business activities, performance, and associated assets and liabilities on a consolidated group basis.

Revenue of \$19,389,000 (H1 FY2025: \$18,501,000) is derived from a single external customer, TELA Bio, the Group's sales and distribution partner in the USA. The revenue derived from Tela represents 43% (H1 FY25: 47%) of the total Group revenue.

The Group held all of its non-current assets in New Zealand with an exception of the right-of-use assets of \$277,000 (H1 FY25: \$368,000) for the leasehold property and property, plant and equipment of \$314,000 (H1 FY25: \$181,000) in the USA as at reporting date.

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 3. Revenue and segment information (continued)

#### a. Revenue share

The Group's largest customer is TELA Bio who is the Group's sales and distribution partner for abdominal wall reconstruction and hernia repair and breast reconstruction in North America and Europe. Under the contract with TELA Bio, the Group is entitled to an agreed percentage of TELA Bio's net sales. This revenue represents variable consideration ("revenue share"), with the amount ultimately received is uncertain as it depends on the quantity of TELA Bio's inventory that is sold and the prices achieved.

Consideration from TELA Bio comprises of a transfer price for the products shipped to TELA Bio, with the balance settled through a quarterly true-up to align with the agreed percentage based of TELA Bio's net sales. At each reporting date, the Group estimates the true-up on TELA Bio's inventory using the expected value method. The estimation is based on information that is reasonably available to the Group which incorporates key factors including sales history, forecast revenue growth, expiry date of inventory held and average selling prices achieved by TELA Bio. The amount of variable consideration estimated is only recorded by the Group to the extent that it is highly probable that a significant amount of the cumulative revenue recognised will be received in the future. The contract asset in relation to revenue share arrangement with TELA Bio at 30 September 2025 was \$20,080,000 (31 March 2025: \$18,712,000).

### 4. Operating loss before net financing costs

		Unaudited 30 September 2025 \$000	Unaudited 30 September 2024 \$000
Operating loss before net financing costs includes the following:			
Review fee – BDO Auckland condensed half - year financial statements		79	82
Employee benefit expenses		27,224	24,142
Employer contributions to defined contribution superannuation scheme		1,532	1,536
Employee share-based payment benefits	14	555	973
Depreciation:			
Leasehold improvements	8	200	282
Plant and equipment	8	535	403
Furniture and fittings	8	32	36
Computer equipment	8	169	195
Right of use assets		660	549
Directors' fees	10	360	356
Insurance		848	760
Amortisation:			
Patents	9	68	71
Customer relationships	9	309	309
Reacquired rights	9	271	271
Capitalised development costs	9	341	329

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 5. Net finance income/(expenses)

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

	Unaudited 30 September 2025 \$000	Unaudited 30 September 2024 \$000
<b>Finance income</b>		
Interest received on bank balances – financial assets at amortised costs	364	665
<b>Other finance income</b>		
Foreign currency gain	-	22
Unrealised foreign currency gains on derivative financial assets	1,152	3,071
<b>Total finance income</b>	<b>1,516</b>	<b>3,758</b>
<b>Finance expenses</b>		
Interest expenses – lease liabilities	(204)	(247)
<b>Other finance expenses</b>		
Realised foreign currency losses	(256)	-
Unrealised foreign currency losses	(711)	(1,488)
Finance costs – make good provision	(2)	(2)
<b>Total finance expenses</b>	<b>(1,173)</b>	<b>(1,737)</b>
<b>Net finance income</b>	<b>343</b>	<b>2,021</b>

### 6. Cash and cash equivalents & term deposits

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions and other short-term deposits with maturities of three months or less and bank overdrafts.

#### a. Cash and cash equivalents

	Unaudited 30 September 2025 \$000	Audited 31 March 2025 \$000
Bank balances	10,448	7,991
<b>Total cash and cash equivalents</b>	<b>10,448</b>	<b>7,991</b>

#### b. Term deposits

	Unaudited 30 September 2025 \$000	Audited 31 March 2025 \$000
Term deposits	13,000	14,000
<b>Total term deposits</b>	<b>13,000</b>	<b>14,000</b>

During the period, the Group entered into short-term deposit arrangements with BNZ and Westpac. The term deposits have not yet matured as of the reporting date had an average rate of 3.97% (31 March 2025: 4.35%) per annum with a maturity of 6-9 months (31 March 2025: 5 -9 months) from the reporting date.

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 7. Trade and other receivables

Trade and other receivables are recognised initially at fair value plus directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

The Group applies the simplified approach under NZ IFRS 9 to measuring expected credit losses, using a lifetime expected credit loss (ECL) provision for trade receivables. To measure ECLs on a collective basis, trade receivables are grouped based on similar credit risk characteristics and aging profiles. The expected loss rates are determined using the Group's historical credit losses experienced over the preceding three-years, adjusted to reflect current conditions and forward-looking information that may affect customers' ability to settle amount due.

	Unaudited 30 September 2025 \$000	Audited 31 March 2025 \$000
Trade receivables	12,777	15,213
Less provision for impairment of trade receivables	(356)	(354)
<b>Net trade receivables</b>	<b>12,421</b>	<b>14,859</b>
Other receivables	90	211
Other receivables – research and development tax incentive accrual	1,534	1,088
<b>Financial assets at amortised cost</b>	<b>14,045</b>	<b>16,158</b>
GST receivable	131	169
<b>Total current trade and other receivables</b>	<b>14,176</b>	<b>16,327</b>

Trade receivables amounting to \$12,421,000 (31 March 2025: \$14,859,000) 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 2025 \$000	Audited 31 March 2025 \$000
Current	11,513	13,160
1 - 30 days overdue	705	825
30 - 60 days overdue	123	299
60 - 90 days overdue	92	408
90+ days overdue	344	521
<b>Total trade receivables</b>	<b>12,777</b>	<b>15,213</b>

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 8. Property, plant & equipment

As at Unaudited 30 September 2025	Leasehold Improvements	Capital Work In Progress	Plant and Equipment	Fixture & Fitting	Computer Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cost</b>						
Balance 1 April 2025	5,081	8,407	11,403	812	2,334	28,037
Additions	18	245	43	10	181	497
<b>Balance unaudited 30 September 2025</b>	<b>5,099</b>	<b>8,652</b>	<b>11,446</b>	<b>822</b>	<b>2,515</b>	<b>28,534</b>
<b>Accumulated Depreciation</b>						
Balance 1 April 2025	(2,713)	-	(6,815)	(458)	(1,880)	(11,866)
Depreciation	(200)	-	(535)	(32)	(169)	(936)
<b>Balance unaudited 30 September 2025</b>	<b>(2,913)</b>	<b>-</b>	<b>(7,350)</b>	<b>(490)</b>	<b>(2,049)</b>	<b>(12,802)</b>
<b>Net Book Value</b>						
Balance 1 April 2025	2,368	8,407	4,588	354	454	16,171
<b>Balance unaudited 30 September 2025</b>	<b>2,186</b>	<b>8,652</b>	<b>4,096</b>	<b>332</b>	<b>466</b>	<b>15,732</b>
As at Audited 31 March 2025	Leasehold Improvements	Capital Work In Progress	Plant and Equipment	Fixture & Fitting	Computer Equipment	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cost</b>						
Balance 1 April 2024	4,875	8,324	9,731	805	2,064	25,799
Additions	22	1,849	230	7	201	2,309
Transfers in/ (out)	184	(1,732)	1,479	-	69	-
Written off	-	(34)	(37)	-	-	(71)
<b>Balance audited 31 March 2025</b>	<b>5,081</b>	<b>8,407</b>	<b>11,403</b>	<b>812</b>	<b>2,334</b>	<b>28,037</b>
<b>Accumulated Depreciation</b>						
Balance 1 April 2024	(2,131)	-	(6,004)	(392)	(1,503)	(10,030)
Depreciation	(582)	-	(842)	(66)	(377)	(1,867)
Written off	-	-	31	-	-	31
<b>Balance audited 31 March 2025</b>	<b>(2,713)</b>	<b>-</b>	<b>(6,815)</b>	<b>(458)</b>	<b>(1,880)</b>	<b>(11,866)</b>
<b>Net Book Value</b>						
Balance 1 April 2024	2,744	8,324	3,727	413	561	15,769
<b>Balance audited 31 March 2025</b>	<b>2,368</b>	<b>8,407</b>	<b>4,588</b>	<b>354</b>	<b>454</b>	<b>16,171</b>

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 9. Intangible assets

As at Unaudited 30 September 2025	Patents & Trademarks	Customer relationships	Reacquired rights	Goodwill	Capitalised Development Costs	Total
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cost</b>						
Balance 1 April 2025	2,565	5,563	9,772	5,538	5,223	28,661
Additions	235	-	-	-	842	1,077
Disposals	(283)	-	-	-	-	(283)
<b>Balance unaudited 30 Sep 2025</b>	<b>2,517</b>	<b>5,563</b>	<b>9,772</b>	<b>5,538</b>	<b>6,065</b>	<b>29,455</b>
<b>Accumulated Amortisation</b>						
Balance 1 April 2025	(659)	(4,327)	(3,800)	-	(766)	(9,552)
Amortisation	(68)	(309)	(271)	-	(341)	(989)
<b>Balance unaudited 30 Sep 2025</b>	<b>(727)</b>	<b>(4,636)</b>	<b>(4,071)</b>	<b>-</b>	<b>(1,107)</b>	<b>(10,541)</b>
<b>Net Book Value</b>						
Balance 1 April 2025	1,906	1,236	5,972	5,538	4,457	19,109
<b>Balance unaudited 30 Sep 2025</b>	<b>1,790</b>	<b>927</b>	<b>5,701</b>	<b>5,538</b>	<b>4,958</b>	<b>18,914</b>
<b>As at Audited 31 March 2025</b>	<b>Patents &amp; Trademarks</b>	<b>Customer relationships</b>	<b>Reacquired rights</b>	<b>Goodwill</b>	<b>Capitalised Development Costs</b>	<b>Total</b>
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Cost</b>						
Balance 1 April 2024	2,255	5,563	9,772	5,538	4,150	27,278
Additions	317	-	-	-	1,073	1,390
Written off	(7)	-	-	-	-	(7)
<b>Balance audited 31 March 2025</b>	<b>2,565</b>	<b>5,563</b>	<b>9,772</b>	<b>5,538</b>	<b>5,223</b>	<b>28,661</b>
<b>Accumulated Amortisation</b>						
Balance 1 April 2024	(514)	(3,709)	(3,257)	-	(96)	(7,576)
Amortisation	(145)	(618)	(543)	-	(670)	(1,976)
<b>Balance audited 31 March 2025</b>	<b>(659)</b>	<b>(4,327)</b>	<b>(3,800)</b>	<b>-</b>	<b>(766)</b>	<b>(9,552)</b>
<b>Net Book Value</b>						
Balance 1 April 2024	1,741	1,854	6,515	5,538	4,054	19,702
<b>Balance audited 31 March 2025</b>	<b>1,906</b>	<b>1,236</b>	<b>5,972</b>	<b>5,538</b>	<b>4,457</b>	<b>19,109</b>

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

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 10. Related parties

- (i) **Subsidiaries**  
Interests in subsidiaries are set out in note 1.
- (ii) **Key management compensation**

<b>Executive management team</b>	<b>Unaudited 30 September 2025 \$000</b>	<b>Unaudited 30 September 2024 \$000</b>
Short term employee benefits	1,181	1,352
Employer contributions defined contribution superannuation scheme	34	34
Share based payment expenses	248	400
<b>Total</b>	<b>1,463</b>	<b>1,786</b>

<b>Non-executive directors</b>	<b>Unaudited 30 September 2025 \$000</b>	<b>Unaudited 30 September 2024 \$000</b>
Short-term employee benefits	360	356
Share based payment expenses	26	75
<b>Total</b>	<b>386</b>	<b>431</b>

- (iii) **Period end balances**  
There were no related party balance at half-year end other than loans provided to key management personnel for acquisition of Company shares prior to IPO of \$79,000 (March 2025: \$86,000).
- (iv) **Transactions with related parties**  
There were no other related party transactions during the period.

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 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 2025 000	Unaudited 30 September 2024 000
<b>Numerator</b>		
Loss for the half-year after tax ("N") in \$	(1,301)	(3,294)
<b>Denominator</b>		
Weighted average number of ordinary shares used in basic EPS ("D1")	344,967	344,554
Effects of:		
Employee share options *	22,506	24,580
Period end number of shares used in diluted EPS ("D2")	344,967	344,554
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share (N/D1 x 100)	(0.38)	(0.96)
Diluted earnings per share (N/D2 x 100)	(0.38)	(0.96)

\* 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 in relation the USA listed equity securities for the Group's investment in TELA Bio for which the Group has elected to recognise fair value gains or losses through other comprehensive income. TELA Bio is the Group's largest customer and trading partner where the investment is held on a long-term basis. The Group held 74,316 (31 March 2025: 74,316 shares) shares at a value of US\$1.49 per share as at the reporting date (31 March 2025: US\$1.22).

Financial assets measured at FVTOCI include the following:

	Unaudited 30 September 2025 NZ\$000	Audited 31 March 2025 NZ\$000
<b>US listed equity securities</b>		
Balance at beginning of the period	158	703
Changes in fair value through other comprehensive income	33	(545)
Balance at end of the period	191	158

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.

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 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 2025 \$000	Audited 31 March 2025 \$000
<b>Share capital at beginning of the period</b>		<b>146,842</b>	<b>146,798</b>
Employee shares exercised	14	100	34
Repayment of employee loans for acquisition of shares		10	10
<b>Share capital at end of the period</b>		<b>146,952</b>	<b>146,842</b>

		# of Ordinary shares 30 September 2025	# of Ordinary shares 31 March 2025
<b>At beginning of the period</b>		<b>344,900,256</b>	<b>344,207,834</b>
Issue of share capital		132,979	692,422
<b>At end of the period</b>		<b>345,033,235</b>	<b>344,900,256</b>

### 14. Share based payments

#### Omnibus Plan

The Group operates a long-term incentive plan for selected employees to provide an opportunity to participate in a Share Option Plan. This is an offer of securities to acquire ordinary shares. Under the terms of the plan, a parcel of securities 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.

#### Grant of performance share rights

On 20 August 2025, the Company granted 1,051,869 performance shares rights to Brian Ward with a nil exercise price. The shares will vest only if the Company's performance against specified hurdles over a specified time-frame are met with the vesting date of July 2028. The number of share rights will vest depend on the Company's performance against the criteria relative Total Share Return (TSR) criteria.

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 14. Share based payments (continued)

Key valuation assumptions for the grant of performance share rights plans are:

Grant Date	20 August 2025 – Grant of performance share rights*	13 December 2024 – Grant of performance share rights**	23 Jul 2024 – Grant of performance share rights**
Share price at grant date (AUD)	0.473	0.650	0.620
Valuation date	20 August 2025	13 December 2024	23 Jul 2024
Share price at valuation date (AUD)	0.473	0.650	0.620
Average exercise price (NZD)	Nil	Nil	Nil
Expected volatility*	45%	43%	37%
Expected life	3 years	3 years	3 years
Risk free factor	3.4%	3.86%	4.41%
Valuation model	Monte Carlo	Monte Carlo	Monte Carlo
Dividend yield	0%	0%	0%

\*The valuation relates to performance share rights with a vesting date of July 2028.

\*\*The valuation relates to performance share rights with a vesting date of June 2027.

	Unaudited 30 September 2025 \$000	Audited 31 March 2025 \$000
<b>Opening balance</b>	<b>10,487</b>	<b>10,268</b>
Share based payment expense	630	2,638
Employee shares forfeited	(75)	(478)
<b>Total expenses recognised in consolidated statement of profit or loss</b>	<b>555</b>	<b>2,160</b>
Forfeiture of employee shares released through retained earnings in equity	-	(1,907)
Exercise of employee shares recognised through share-based payments reserve	(100)	(34)
<b>Total changes recognised in consolidated statement of movements in equity</b>	<b>(100)</b>	<b>(1,941)</b>
<b>Closing balance</b>	<b>10,942</b>	<b>10,487</b>

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 14. Share based payments (continued)

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 since 2017 (Refer to note 10).

Summary of options granted under the Option Plan – prior to IPO

	H1 FY26 Average exercise price per option NZ\$	H1 FY26  # of options	FY25 Average exercise price per option NZ\$	FY25  # of options
Opening balance	0.10	790,725	0.10	1,735,725
Exercised during the period	-	-	0.11	(552,312)
Forfeited during the period	-	-	(0.11)	(392,688)
<b>Closing balance</b>	<b>0.10</b>	<b>790,725</b>	<b>0.10</b>	<b>790,725</b>
Vested and exercisable at reporting date	0.10	790,725	0.10	790,725

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

Grant date	Expiry date	Share options Unaudited 30 September 2025	Share options Audited 31 March 2025
1 October 2018	1 October 2028	790,725	790,725
<b>Total</b>		<b>790,725</b>	<b>790,725</b>

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 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 issued options to certain employees and directors until October 2023 (Refer to note 10). The Company has adopted a new Omnibus Incentive Plan (Refer to 14(c) and 14 (d)). The existing share option plan remains in effect for the securities issued under this plan.

Grants under the Option Plan comprised 11,184,247 (FY25: 20,025,358) 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 FY26 Average exercise price per option NZ\$	H1 FY26 # of options	FY25 Average exercise price per option NZ\$	FY25 # of options
Opening balance	0.86	20,025,358	0.78	25,566,955
Forfeited during the period	(0.87)	(8,335,422)	(0.88)	(5,541,597)
<b>Closing balance</b>	<b>1.00</b>	<b>11,689,936</b>	<b>0.86</b>	<b>20,025,358</b>
Vested and exercisable at reporting date	1.08	6,915,023	1.08	12,027,365

#### 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 2025	Share options Audited 31 March 2025
24 July 2020	23 July 2025	-	5,104,050
29 September 2020	28 September 2025	-	1,040,000
22 April 2021	31 March 2026	200,000	200,000
29 June 2021	28 June 2026	1,535,000	1,535,000
9 August 2021	8 August 2026	2,475,000	2,475,000
1 August 2022	13 November 2027- 29 February 2028	2,214,809	2,806,577
14 November 2022	13 November 2027	1,400,323	1,450,323
4 August 2023	13 November 2027	210,686	210,686
6 October 2023	30 June 2026 – 3 August 2028	3,654,118	5,203,722
<b>Total</b>		<b>11,689,936</b>	<b>20,025,358</b>

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## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 14. Share based payments (continued)

c. Aroa Biosurgery share rights (the "Omnibus Incentive Plan")

The Company issued performance share rights to key management and certain employees of the company (Refer to note 10).

Summary of performance share rights

	H1FY26	FY25
	# of rights	# of rights
Opening balance	3,833,739	-
Granted in July 2024	-	961,255
Granted in December 2024	-	3,007,872
Granted in August 2025	1,051,869	-
Forfeited during the period	(245,955)	(135,388)
<b>Closing balance</b>	<b>4,639,653</b>	<b>3,833,739</b>

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

Grant date	Expiry date	Share rights Unaudited 30 September 2025	Share rights Audited 31 March 2025
23 July 2024	1 August 2027	961,255	961,255
20 December 2024	1 August 2026 – 1 August 2027	2,626,529	2,872,484
20 August 2025	22 September 2035	1,051,869	-
<b>Total</b>		<b>4,639,653</b>	<b>3,833,739</b>

d. Aroa Biosurgery restricted stock unites (the "Omnibus Plan")

During the year, the Company issued restricted stock units to key management and certain employees of the company (Refer to note 10).

Summary of restricted stock units

	H1FY26	FY25
	# of units	# of units
Opening balance	958,541	-
Granted in December 2024	-	1,026,235
Exercised during the period	(132,979)	-
Forfeited during the period	-	(67,694)
<b>Closing balance</b>	<b>825,562</b>	<b>958,541</b>

## CONDENSED NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

For the half-year ended 30 September 2025

### 14. Share based payments (continued)

Restricted stock units at the reporting date have the following expiry dates:

Grant date	Expiry date	Stock units Unaudited 30 September 2025	Stock units Audited 31 March 2025
20 December 2024	1 August 2026 to 1 August 2027	825,562	958,541
<b>Total</b>		<b>825,562</b>	<b>958,541</b>

### 15. Events occurring after the interim reporting date

#### Approval of Long-Term Incentive (LTI) Grants and Share Option Modifications

On 24 October 2025, subsequent to the interim reporting date, the Board of Aroa Biosurgery Limited approved several Long-Term Incentive (LTI) awards and share option modifications following recommendations from the Remuneration Committee.

#### (a) Transition and Special Talent Grants

The Board approved the issue of a total of 1,408,332 LTI instruments, comprising 519,444 Restricted Stock Units (RSUs) and 888,888 Performance Share Rights (PSRs) to nine non-executive employees under the Company's LTI framework. These grants were made in accordance with the Aroa Omnibus Incentive Plan and have vesting dates between 31 March 2026 and 31 March 2028, subject to continued employment and, for PSRs, performance conditions based on Total Shareholder Return (TSR) and EBITDA and revenue growth metrics.

#### (b) Modification of Share Options – John Pinion

#### Board Changes – Appointment and Retirement

On 31 October 2025, the Company announced the appointment of Mr. Paul Shearer as a Non-Executive Director. On the same date, Mr. John Pinion retired from Aroa's Board after serving as a Non-Executive Director since 2015.

There are no other significant events subsequent to the reporting date that require disclosure in, or adjustment to, the condensed interim consolidated financial statements.

### 16. Other disclosures

#### Capital commitment

As at 30 September 2025, the Group had capital commitments of \$Nil (unaudited) (H1 FY2025 (unaudited): \$67,000).

#### Contingent liabilities

As at 30 September 2025, the Group had no material contingent liabilities (unaudited) (H1 FY2025 (unaudited): \$nil).

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

**Report on the Review of 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 condensed consolidated statement of financial position as at 30 September 2025, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of movements in equity and condensed 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 2025 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 Interim Condensed Consolidated 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 consolidated 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 condensed consolidated financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities for the Review of the Interim Condensed Consolidated 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 Junita Sen.

*BDO Auckland*

BDO Auckland  
Auckland  
New Zealand

25 November 2025

## DIRECTORY

**ARBN 638 867 473**  
**NZCN 1980577**

**Non-Executive Director and Chairman**  
Jim McLean

**Non-Executive Directors**  
Dr. Catherine Mohr  
John F Diddams  
John Pinion  
Phil McCaw  
Darla Hutton

**Chief Executive Officer and Managing Director**  
Brian Ward

**Company Secretaries**  
James Agnew  
Tracy Weimar

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