

## AROA BIOSURGERY FY26 RESULTS AND FY27 OUTLOOK

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### HIGHLIGHTS

#### FY26 Results

- **Total revenue of NZ\$103.9 million** (23% growth on FY25). Total revenue in constant currency<sup>i</sup> of NZ\$101.3 million exceeded FY26 guidance of NZ\$92-100 million.
- **NZ\$49.5 million in Myriad™ product revenue** (54% growth on FY25).
- **NZ\$42.8 million in total OviTex™/ OviTex™ PRS<sup>ii</sup> product revenue** (8% growth on FY25).
- **Product gross margin of 85.5%.**
- **Normalised EBITDA<sup>iii</sup> of NZ\$12.6 million** (up from NZ\$4.2 million Normalised EBITDA in FY25). Normalised EBITDA in constant currency of NZ\$11.3 million exceeded FY26 guidance of NZ\$5-8 million.
- **Positive net cash flow of NZ\$5.1 million.**
- **Cash balance of NZ\$27.1 million.**

#### FY27 Outlook<sup>iv</sup>

- **Total revenue guidance of NZ\$115-125 million** (13-23% growth on FY26 on a constant currency basis), with direct sales expected to grow 24-40%. Guidance assumes sales to TELA Bio will be flat.
- **Normalised EBITDA of NZ\$8-11 million<sup>v</sup>** reflects continued improvement in operating leverage, and a deliberate ~NZ\$9 million investment in commercial leadership capability, sales headcount and infrastructure to support further Myriad growth and an investment to capitalise on the significant market opportunity for Symphony™.

#### FY26 Results Investor Webinar

AROA will host a webinar today at 9.00am AEST Tuesday 26 May 2026 to discuss the results. [Click here for details and to register.](#)

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All results are on a reported basis, except where indicated.

## FY26 Results

Soft tissue regeneration company Aroa Biosurgery Limited (ASX: ARX, 'AROA' or the 'Company') is pleased to release its full-year results for the year ended 31 March 2026.

### Normalised Profit or Loss

	FY26 NZ\$m	FY25 NZ\$m	YoY Change
Product revenue	103.5	84.0	23%
<b>Total revenue</b>	<b>103.9</b>	<b>84.7</b>	23%
Gross profit	88.8	72.6	23%
Product gross margin %	85.5%	85.6%	(10) bps
Total Normalised operating expenses*	82.5	74.5	11%
<b>Normalised EBITDA</b>	<b>12.6</b>	<b>4.2</b>	201%
Normalised gain (loss) before income tax	6.9	0.1	-

\*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' at the end of this announcement.<sup>vi</sup>

### Product Revenue

Product revenue increased 23% on FY25 to NZ\$103.5 million, with AROA's direct channel now representing 59% of total product revenue and growing the fastest.

Product	FY26 NZ\$m	FY25 NZ\$m	YoY change
Myriad™	49.5	32.3	54%
OviTex / OviTex PRS <sup>vii</sup>	42.8	39.7	8%
Endoform™	11.0	11.7	(6%)

### Product Gross Margin %

Full-year product gross margin was 85.5%, broadly in line with 85.6% in FY25. The result is reflective of increased fixed indirect manufacturing costs and a lower mix of higher margin Ovitex products sold to TELA Bio during the year.

### Normalised Operating Expenses and EBITDA

Selling and administrative expenses were NZ\$74.6 million, a 15% increase from NZ\$64.9 million in FY25, driven by increased variable costs associated with higher Myriad sales, higher performance-linked management compensation, US tariff costs (NZ\$1.6 million) and ongoing investment in clinical development, including the Myriad MASTRR registry and completion of the Symphony randomised clinical trial.

The Company's research and development expenses were NZ\$7.9 million (compared to NZ\$9.6 million in FY25). These expenses covered product line extensions for the Myriad and Ovitex portfolios, and a modest investment in Enivo™. Research and development expenses were lower than previously anticipated, primarily because ~NZ\$1.5 million in costs relating to joint development projects with TELA Bio and the Enivo clinical study were not incurred during FY26.

The Company generated normalised EBITDA of NZ\$12.6 million in FY26, compared to a NZ\$4.2 million normalised EBITDA in FY25.



## Cashflows

On a full-year basis, the Company generated NZ\$10.5 million of operating cash inflow, compared with an outflow of NZ\$2.6 million in FY25, reflecting stronger earnings and improved trade receivables collections.

Normalised cash outflows from investing activities<sup>viii</sup> were NZ\$3.7 million (unchanged from FY25). Purchases of property, plant and equipment decreased from \$2.3 million in FY25, to NZ\$1.1 million in FY26. Capitalised development costs increased to NZ\$2.3 million in FY26 (NZ\$1.1 million in FY25).

AROA ended FY26 with NZ\$27.1 million in cash and term deposits, no debt and positive total net cash flow of NZ\$5.1 million, reinforcing its position as a self-funding growth company.

## FY27 Outlook

**Revenue Guidance:** AROA expects FY27 total revenue of NZ\$115-125 million, representing 13-23% constant currency growth. Direct sales are expected to grow 24-40%<sup>ix</sup>, led by continued Myriad momentum and supported by the launch of Symphony. Sales to TELA Bio are assumed to be flat.

**EBITDA Guidance:** The Company expects FY27 Normalised EBITDA of NZ\$8-11 million. This reflects deliberate investment of up to NZ\$9million in commercial leadership, sales headcount, and infrastructure to support further growth of Myriad, and to capitalise on the reset in the skin substitute market. This reset presents a significant market opportunity for Symphony and is expected to support medium term growth.

### Commenting on AROA's outlook for FY27, Managing Director and CEO Brian Ward said:

"FY26 was a successful year for AROA. Revenue grew 23% to NZ\$103.9 million, driven by 54% growth in the Myriad portfolio, which was achieved with the same number of salespeople as the previous year, demonstrating strong operating leverage in the business.

We expect Myriad momentum to continue, supported by deeper account penetration and higher productivity across the US direct sales team. Symphony's value proposition is well aligned with the changing reimbursement environment, and we believe it can become an important medium-term growth catalyst."

< ENDS >

**Authorised on behalf of the Aroa Biosurgery Limited Board of Directors by Brian Ward, CEO.**

## Contacts

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<sup>i</sup> Constant currency removes the impact of exchange rate movements and is used to assess AROA's underlying comparative financial performance. An exchange rate of US\$0.60/NZ\$1.00 has been used in the constant currency analysis for FY26.

<sup>ii</sup> OviTex and TELA Bio are trademarks of TELA Bio, Inc.

<sup>iii</sup> Normalised EBITDA is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the Group's comparative financial performance without distortion from one-off transactions. The impact of non-cash share-based payments expense and unrealised foreign exchange gains or losses has also been removed. This approach is used by Management and the Board to assess the Group's comparative financial performance.

<sup>iv</sup> Guidance is presented on a constant currency basis using a NZ\$/US\$ exchange rate of 0.60, compared to the average exchange rate of 0.59 in FY26. Constant currency removes the impact of exchange rate movements.

<sup>v</sup> Guidance assumes an average NZ\$/US\$ exchange rate in FY27 is 0.60 (compared to the average rate of 0.59 in FY26), the



applicable US tariff rates remain at 10%, and there is no material decline in US medical procedure numbers or sustained disruption to AROA's manufacturing or transportation activities.

<sup>vi</sup> **Reconciliation of Normalised Profit or Loss to NZ GAAP Profit or Loss**

	<b>Reported 2026 NZ\$m</b>	<b>Reported 2025 NZ\$m</b>
<b>Normalised gains (loss) before income tax</b>	<b>6.9</b>	0.1
Unrealised foreign currency (losses) / gains	0.1	(1.2)
Share based payments	(1.7)	(2.2)
<b>Profit (loss) before income tax (NZ GAAP)</b>	<b>5.3</b>	<b>(3.3)</b>

**Unrealised FX (losses) / gains:** Unrealised FX gains are non-cash (losses) or gains that reflect the (loss) / gain on US\$ denominated transactions that have not been completed as at the reporting date.

**Share Based Payments:** Share based payments is a non-cash expense that reflects the grant of share awards issued to employees between April 2021 and March 2026. During FY26, \$5,568,000 (FY25: 1,907,000) of employee share options previously recognised as an expense in prior years were forfeited, with the corresponding amount transferred to retained earnings.

<sup>viii</sup> Excluding movements in term deposits.

<sup>ix</sup> On a constant currency basis.

**About AROA™**

Aroa Biosurgery is a soft-tissue regeneration company committed to 'unlocking regenerative healing for everybody'.

We develop, manufacture, sell and distribute medical and surgical products to improve healing in complex wounds and soft tissue reconstruction. Our products are developed from a proprietary AROA ECM™ technology platform, a novel extracellular matrix biomaterial derived from ovine (sheep) forestomach.

Over 7 million AROA products have been used globally in a range of procedures to date, with distribution into our key market of the United States via our direct sales force and our partner TELABio, Inc.

Founded in 2008, AROA is headquartered in Auckland, New Zealand and is listed on the Australian Securities Exchange (ASX: ARX). [www.aroa.com](http://www.aroa.com)

# Financial report to 31 March 2026

## Appendix 4E – ASX listing rule 4.2A

**Aroa Biosurgery Limited**

**ARBN 638 867 473**

### 1. Details of the reporting period and the previous corresponding period

Reporting period	31 March 2026
Previous corresponding period	31 March 2025

### 2. Results for announcement to the market

			2026 NZ\$000	2025 NZ\$000
2.1 Revenue – Product sales	Up	23%	103,507	83,977
Revenue – Other	Down	(52%)	347	720
2.2 Profit / (loss) before tax from ordinary activities	Up	262%	5,273	(3,250)
Normalised* profit/(loss) before tax from ordinary activities			6,879	117
2.3 Profit / (loss) after tax from ordinary activities attributable to members	Up	223%	4,678	(3,813)
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 our presentation of results with the consolidated financial statements.

Reconciliation between profit/(loss) before tax form ordinary activities and normalised profit / (loss) before tax	2026 NZ\$000	2025 NZ\$000
2.2 Profit / (loss) before tax from ordinary activities	5,273	(3,250)
Share based payment expense	1,581	2,160
Issue of shares to non-executive director	88	-
Unrealised foreign exchange (loss)/ gains	(63)	1,207
Normalised* profit/(loss) before tax from ordinary activities	<b>6,879</b>	<b>117</b>

\*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 corresponding 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.

### 3. Net tangible assets

	2026	2025
Net tangible assets* (NZ\$000)	74,629	68,641
Total number of securities on issue**	345,476,196	344,900,256
Net tangible assets per security (NZ\$)	0.22	0.20

\* Net tangible 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.

# Financial report to 31 March 2026

## Appendix 4E – ASX listing rule 4.2A (continued)

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 preparation of the consolidated financial statements:**

NZ equivalent to International Financial Reporting Standards.

This report is based on the consolidated financial statements for the year ended 31 March 2026, which have been audited by BDO Auckland (the Company's auditor). The Independent Auditor's Report is included in those financial statements. The report is not subject to an audit report that includes a modified opinion, emphasis of matter or other matter paragraph. The consolidated financial statements are publicly available at the following link <https://aroa.com/investors/>.

This report should be read in conjunction with the consolidated financial statements for the year ended 31 March 2026 and any public announcements made by Aroa Biosurgery Limited during the reporting period in accordance with the continuous disclosure requirements of the ASX Listing Rules.

Dated 26 May 2026



**James Agnew**  
Company Secretary



31 MARCH 2026

# Consolidated Financial Statements

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Unlocking regenerative  
healing for everybody



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# Directors' responsibility statement

For the year ended 31 March 2026

The Directors are pleased to present the consolidated financial statements of Aroa Biosurgery Limited and the Group ("Group") for the year ended 31 March 2026.

The Directors are responsible for the preparation, in accordance with New Zealand law and generally accepted accounting practice, of financial statements which give a true and fair view of the financial position of the Group as at 31 March 2026 and the results of their operations and cash flows for the year ended 31 March 2026.

The Directors consider that the consolidated financial statements of the Group have been prepared using accounting policies appropriate to the Group's circumstances, consistently applied and supported by reasonable and prudent judgements and estimates and that all applicable New Zealand equivalents to International Financial Reporting Standards have been followed.

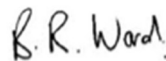
The Directors have responsibility for ensuring that the proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and enables them to ensure that the financial statements comply with the Financial Reporting Act 2013.

The Directors have responsibility for the maintenance of a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting. The Directors consider that adequate steps have been taken to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Approved for and on behalf of the Board of Directors on 26 May 2026.



**Jim McLean** - Chairman



**Brian Ward** – CEO

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

**Opinion**

We have audited the consolidated financial statements of Aroa Biosurgery Limited (“the Company”) and its subsidiaries (together, “the Group”), which comprise the consolidated statement of financial position as at 31 March 2026, 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 year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with New Zealand equivalents to International Financial Reporting Standards (“NZ IFRS”) and IFRS® Accounting Standards.

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (“ISAs (NZ)”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Recognition of revenue - TELA Bio revenue share

### Key Audit Matter

The Group's largest customer is TELA Bio who is the Group's sales and distribution partner for hernia and abdominal wall, and breast reconstruction in North America and Europe. The contract with TELA Bio entitles the Group to an agreed percentage of TELA Bio's net sales. This revenue is considered to be variable consideration ("revenue share"). The consideration is variable since the quantum of TELA Bio's inventory that is sold and the price that it is sold at, are uncertain.

The variable consideration recognised is estimated by 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 dates of inventory held, and average selling prices achieved by TELA Bio. The amount of variable consideration is only recorded by the Group to the extent that it is highly probable that a significant reversal in the amount of the cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. During the year ended 31 March 2026, Management changed their accounting estimate for the TELA Bio revenue share by revising the growth assumptions disclosed in Note 2 Summary of material accounting policies of the consolidated financial statements.

We consider this to be a key audit matter because of the judgement involved in determining the variable consideration and the quantum of the accrued revenue of \$21.442m as at 31 March 2026.

Details of the TELA Bio Revenue share are disclosed in Note 2 Summary of material accounting policies - change in accounting estimates - TELA Bio accrued revenue, and Note 3a Revenue share of the consolidated financial statements.

### How The Matter Was Addressed in Our Audit

- We evaluated Management's revenue recognition policy based on our understanding of the contract with TELA Bio and the requirements of NZ IFRS15 - *Revenue from contracts with customers*.
- We obtained Management's calculations and accounting paper prepared for the revenue share accrual and evaluated the reasonableness of key inputs and assumptions. The key inputs included sales history, revenue growth factors, expiry dates of inventory held, and average selling prices achieved by TELA Bio.
- We obtained confirmation from TELA Bio, confirming their stock holding, sales history and the actual revenue share for their sales made in the year ended 31 March 2026.
- We compared the key inputs and assumptions with those used by Management last year and considered if these are indicative of Management bias.
- We considered if the amount of variable consideration estimated is only recorded by the Group to the extent that it is highly probable that a significant reversal in the amount of the cumulative revenue recognised will not occur.
- We reviewed the disclosures in Notes 2 and 3a to the consolidated financial statements, including the revenue recognition policy, to the requirements of the accounting standard.

## Intangible assets impairment assessment

### Key Audit Matter

The Group has recognised goodwill, customer relationships and reacquired rights intangible assets on a historical acquisition. The goodwill of \$5.538m, customer relationships of \$618k and reacquired rights of \$5.429m at 31 March 2026 are subject to an annual impairment test in accordance with NZ IAS 36 - *Impairment of Assets*.

Management performed their impairment test, by considering the recoverable amount of the Cash Generating Unit ('CGU') (to which the intangible assets are allocated) using a value in use calculation. This calculation is complex and subject to key inputs and assumptions such as discount rates and future cash flows, which inherently include a degree of estimation uncertainty and are prone to potential bias and inconsistent application and therefore considered to be a key audit matter.

Details of intangible assets are disclosed in Note 13 Intangible assets of the consolidated financial statements.

### How The Matter Was Addressed in Our Audit

- We obtained an understanding of key controls relating to the review and approval of the impairment review.
- We obtained Management's impairment assessment including the value in use calculation prepared for the CGU. We evaluated and challenged the key inputs and assumptions and considered if these are indicative of Management bias. The key inputs included revenue growth rates, terminal growth rate, gross margins and discount rate.
- We assessed the accuracy of previous forecasts to actual performance to form a view on the reliability of Management's forecasting ability and to understand key differences between historical actual versus forecast performance.
- We engaged our internal valuation experts to assess that the methodology used is consistent with NZ IAS 36 *Impairment of Assets*, and to verify the accuracy of the model, and to ensure the discount rates and terminal growth rates used, fell within an appropriate range.
- We reviewed Management's sensitivity analysis performed on key inputs and assumptions to determine the extent to which any changes would affect the recoverable amount of the CGU. We also considered and tested alternative sensitivities.
- We compared the carrying value of the CGU to the recoverable amount determined by the value in use calculation to identify any impairment losses.
- We reviewed the disclosures in Note 13 to the consolidated financial statements, including impairment and sensitivity analysis, to the requirements of the accounting standard.

## Share-based payment arrangements

### Key Audit Matter

The Group operates an Omnibus Incentive Plan (the “Plan”) to provide long-term incentives to employees, directors and other eligible participants. Under the Plan, the Group has granted a range of equity-based awards, including performance share rights, restricted stock units and restricted shares to an executive director, senior management and employees during the year ended 31 March 2026. The share-based payment arrangements included both market based and non-market based vesting conditions. In determining the fair value of these arrangements, the Group used observable market data where available and a third-party valuation specialist was engaged where required.

The Group also had existing share-based payment arrangements that were exercised and forfeited during the year.

There is judgement involved in determining the value of share-based payment arrangements and subsequent recording of the fair value as an expense over the estimated vesting period. As a result, and given the magnitude of the expense in the current year, the audit of the share-based payment arrangements was considered a key audit matter.

The share-based payments expense recorded for the year ended 31 March 2026 is \$1.581m, resulting in a share-based reserve of \$6.4m. Details of these share-based payment arrangements are disclosed in Note 5 Profit / (loss) from operations before net financing income - Employee share-based payment expenses and Note 20 Share based payments reserve of the consolidated financial statements.

### Other Information

The directors are responsible for the other information. The other information comprises the Aroa Biosurgery FY26 Results and FY27 Outlook, Appendix 4E - ASX Listing Rule 4.2A and Directors’ responsibility statement (but does not include the consolidated financial statements and our auditor’s report thereon), which we obtained prior to the date of this auditor’s report, and the Annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

### How The Matter Was Addressed in Our Audit

- We evaluated Management’s assessment on the treatment of the share-based payment arrangements in accordance with NZ IFRS 2 - *Share-based Payment*.
- We agreed the terms of the share-based payment arrangements issued during the year to offer letters and rules of the share-based payment arrangement plan.
- We assessed, in conjunction with our internal valuation experts, the appropriateness of the valuation methodology used by Management’s specialist and the key input assumptions such as volatility rates, expected life and probability of achieving the market-based performance conditions.
- We assessed the Group’s judgements in relation to the probability of achieving non-market based vesting conditions.
- We recalculated the share-based payments expense recorded in the profit or loss over the relevant vesting periods.
- We reviewed the disclosures in Notes 5 and 20 in relation to the share-based payment arrangements to the requirements of the accounting standard.

inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors.

### **Directors' Responsibilities for the Consolidated Financial Statements**

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS<sup>®</sup> Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at: <https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-1-1/>.

This description forms part of our auditor's report.

### **Who we Report to**

This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Junita Sen.

*BDO Auckland*

BDO Auckland  
Auckland  
New Zealand  
26 May 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2026

	Note	2026 \$000	2025 \$000
Revenue	3	103,854	84,697
Cost of sales		(15,028)	(12,083)
<b>Gross profit</b>		<b>88,826</b>	<b>72,614</b>
Other income	4	1,050	1,083
Selling and administrative expenses		(76,266)	(67,049)
Research and development expenses		(7,930)	(9,566)
<b>Profit /(loss) from operations before net financing income and income tax</b>	5	<b>5,680</b>	<b>(2,918)</b>
Finance income	6	1,442	1,363
Finance expenses	6	(1,849)	(1,695)
<b>Profit /(loss) before income tax</b>		<b>5,273</b>	<b>(3,250)</b>
Income tax expense	7	(595)	(563)
<b>Profit /(loss) for the year attributable to shareholders</b>		<b>4,678</b>	<b>(3,813)</b>
<b>Other comprehensive income</b>			
Items that will or may be reclassified to profit or loss:			
Exchange (loss) / gain arising on translation of foreign operations		(97)	335
Items that will not be reclassified to profit or loss:			
Changes in the fair value of equity investments at fair value through other comprehensive income	9	(78)	(545)
<b>Total other comprehensive loss</b>		<b>(175)</b>	<b>(210)</b>
<b>Total comprehensive gain /(loss) for the year attributable to shareholders</b>		<b>4,503</b>	<b>(4,023)</b>
<b>Earnings per share during the year:</b>			
Basic earnings per share (cents)	21	1.35	(1.11)
Diluted earnings per share (cents)	21	1.29	(1.11)

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

# Consolidated Statement of Financial Position

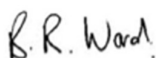
As at 31 March 2026

	Note	2026 \$000	2025 \$000
<b>Current assets</b>			
Cash and cash equivalents	8a	21,061	7,991
Term deposits	8b	5,995	14,000
Trade and other receivables	10	22,172	16,327
Inventory	11	6,019	8,270
Prepayments		3,499	2,405
Contract assets	3a	18,261	17,417
Tax receivable		192	312
Financial assets at fair value through other comprehensive income	9	80	158
<b>Total current assets</b>		<b>77,279</b>	<b>66,880</b>
<b>Non-current assets</b>			
Contract assets	3a	3,181	1,295
Property, plant and equipment	12	15,414	16,171
Prepayments		60	82
Right of use assets	17	5,297	5,335
Intangible assets	13	19,413	19,109
<b>Total non-current assets</b>		<b>43,365</b>	<b>41,992</b>
<b>Total assets</b>		<b>120,644</b>	<b>108,872</b>
<b>Current liabilities</b>			
Trade and other payables	14	6,286	3,437
Contract liabilities	15	1,290	-
Derivative liabilities	24	1,375	2,138
Employee benefits	16	5,776	3,609
Lease liabilities	18	1,481	1,119
<b>Total current liabilities</b>		<b>16,208</b>	<b>10,303</b>
<b>Non-current liabilities</b>			
Provisions		202	187
Lease liabilities	18	4,895	5,297
<b>Total non-current liabilities</b>		<b>5,097</b>	<b>5,484</b>
<b>Total liabilities</b>		<b>21,305</b>	<b>15,787</b>
<b>Net assets</b>		<b>99,339</b>	<b>93,085</b>
<b>Equity</b>			
Share capital	19	147,112	146,842
Accumulated losses		(53,812)	(64,058)
Foreign currency translation reserve		(441)	(344)
Fair value through other comprehensive income reserve	9	80	158
Share based payment reserve	20	6,400	10,487
<b>Total equity</b>		<b>99,339</b>	<b>93,085</b>

On behalf of the Board: 26 May 2026



James McLean – Chairman



Brian Ward – CEO

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

# Consolidated Statement of Movements in Equity

For the year ended 31 March 2026

	Note	Share capital \$000	Accumulated losses \$000	Foreign currency translation reserve \$000	Fair value through OCI \$000	Share based payments reserve \$000	Total Equity \$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>							
Profit for the year		-	4,678	-	-	-	4,678
Other comprehensive loss for the year		-	-	(97)	(78)	-	(175)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>4,678</b>	<b>(97)</b>	<b>(78)</b>	<b>-</b>	<b>4,503</b>
<b>Transactions with shareholders</b>							
Share based payment transactions	20	-	-	-	-	1,614	1,614
Forfeiture of unvested employee share options	20	-	-	-	-	(33)	(33)
Vested employee shares forfeited through accumulated losses	20	-	5,568	-	-	(5,568)	-
Shares exercised under share-based payments awards	19/20	100	-	-	-	(100)	-
Repayment of employee loans for acquisition of shares	19	82	-	-	-	-	82
Issue of shares	19	88	-	-	-	-	88
<b>Total transactions with shareholders</b>		<b>270</b>	<b>5,568</b>	<b>-</b>	<b>-</b>	<b>(4,087)</b>	<b>1,751</b>
<b>Balance as at 31 March 2026</b>		<b>147,112</b>	<b>(53,812)</b>	<b>(441)</b>	<b>80</b>	<b>6,400</b>	<b>99,339</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 year		-	(3,813)	-	-	-	(3,813)
Other comprehensive income / (loss) for the year		-	-	335	(545)	-	(210)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>(3,813)</b>	<b>335</b>	<b>(545)</b>	<b>-</b>	<b>(4,023)</b>
<b>Transactions with shareholders</b>							
Share based payment transactions	20	-	-	-	-	2,638	2,638
Forfeiture of unvested employee share options	20	-	-	-	-	(478)	(478)
Vested employee shares forfeited through accumulated losses	20	-	1,907	-	-	(1,907)	-
Shares exercised under share-based payments awards	19/20	34	-	-	-	(34)	-
Repayment of employee loans for acquisition of shares	19	10	-	-	-	-	10
<b>Total transactions with shareholders</b>		<b>44</b>	<b>1,907</b>	<b>-</b>	<b>-</b>	<b>219</b>	<b>2,170</b>
<b>Balance as at 31 March 2025</b>		<b>146,842</b>	<b>(64,058)</b>	<b>(344)</b>	<b>158</b>	<b>10,487</b>	<b>93,085</b>

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

# Consolidated Statement of Cash Flows

For the year ended 31 March 2026

	Note	2026 \$000	2025 \$000
<b>Cash flows from operating activities</b>			
Cash receipts from sales of goods		95,521	76,648
Cash receipts from grant income, project fees, and license fees		1,266	2,032
Cash paid to suppliers and employees		(86,410)	(82,194)
Interest received		558	1,511
Interest paid		-	(7)
Income tax paid		(389)	(556)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>26</b>	<b>10,546</b>	<b>(2,566)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	12	(1,109)	(2,309)
Purchase of intangible assets	13	(351)	(317)
Capitalised development costs	13	(2,271)	(1,073)
Investment in term deposits	8b	(14,995)	(31,000)
Proceeds from term deposits	8b	23,000	35,000
<b>Net cash inflow from investing activities</b>		<b>4,274</b>	<b>301</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	19	75	10
Lease liability – principal payments	18	(1,345)	(1,007)
Lease liability – interest payments	18	(473)	(476)
<b>Net cash outflow from financing activities</b>		<b>(1,743)</b>	<b>(1,473)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>13,077</b>	<b>(3,738)</b>
Effect of exchange rate fluctuations on cash and cash equivalents		(7)	207
Cash and cash equivalents at beginning of year		7,991	11,522
<b>Cash and cash equivalents at end of year</b>		<b>21,061</b>	<b>7,991</b>

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

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 1. Corporate Information

Aroa Biosurgery Limited ("the Company") together with its subsidiaries ("the Group") is a leading soft tissue regeneration company that 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.

The consolidated financial statements of Aroa Biosurgery Limited and its subsidiaries (the "Group") for the year ended 31 March 2026 comprise the Company and its two subsidiaries: Aroa Biosurgery Incorporated and Mesynthes Nominee Limited. All subsidiary entities have a reporting date of 31 March.

Equity holding	Principal Activity	Place of Business	2026	2025
			%	%
Aroa Biosurgery Incorporated	Sales & Distribution	US	100	100
Mesynthes Nominee Limited	Nominee Shareholder	NZ	100	100

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 Road #2, San Diego, California 92121. Mesynthes Nominee Limited is a subsidiary of Aroa Biosurgery Limited and is incorporated and domiciled in New Zealand. The address of its registered office is 64 Richard Pearse Drive, Airport Oaks, Auckland.

The consolidated financial statements have been prepared in accordance with the requirements of the Financial Reporting Act 2013 and the Companies Act 1993. These consolidated financial statements were authorised for issue by the Board of Directors on 26 May 2026.

## 2. Summary of material accounting policies

### Statement of compliance and basis of preparation

The consolidated financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS"), as appropriate for Tier 1 profit-orientated entities. The consolidated financial statements also comply with IFRS<sup>®</sup> Accounting Standards (IFRS<sup>®</sup>) as issued by the International Accounting Standards Board (IASB).

### Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following items (refer to individual accounting policies for details):

- Financial assets at fair value through other comprehensive income
- Derivative assets at fair value through profit or loss

### Functional and presentation currency

The consolidated financial statements are presented in New Zealand dollars (\$) which is the Company's functional currency and Group's presentation currency. All financial information is presented in New Zealand dollars rounded to the nearest thousand, except where otherwise indicated.

### Use of estimates and judgements

The preparation of the 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 they are revised and in any future periods affected.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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

Estimates and judgements were made in respect of:

- TELA Bio Incorporated (“TELA Bio”) accrued revenue (refer to notes 3a) and “Change in accounting estimates - TELA Bio Accrued Revenue”, as discussed below
- Research and development tax incentive accrual (refer to note 4)
- The likely term of leased premises, which impacts leasehold improvements assets and right-of-use assets capitalised (refer to notes 12, 17 and 18)
- Impairment assessment of intangible assets (refer to note 13)
- The value of development expenditure capitalised (refer to note 13)
- The value of share-based payments (refer to note 20)

### Change in accounting estimates - TELA Bio accrued revenue

As disclosed in note 3 (a), TELA Bio is the Group’s largest customer and sales and distribution partner for abdominal wall reconstruction, hernia repair, and breast reconstruction in North America and Europe. The contract with TELA Bio entitles the Group to an agreed percentage of TELA Bio’s net sales.

The Group receives consideration from TELA Bio comprising of a transfer price for the products shipped to TELA Bio, with the balance of the consideration received on a quarterly true-up to the agreed percentage based on TELA Bio’s net sales. Using the expected value method, the Group estimates the true-up on TELA Bio’s inventory at the reporting date considering the expected sale of those products by TELA Bio. In accordance with *NZ IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors*, the change in accounting estimate has been recognised prospectively in profit or loss in the financial year ended 31 March 2026.

The key assumptions used in calculating the accrued revenue amount are as follows:

	2026	2025
Revenue growth rate (Ovitex)	2.7%	19%
Revenue growth rate (Ovitex PRS)	15.8%	37%

The change in accounting estimates has resulted in a reduction of \$471,000 in the accrued revenue in the current year.

### Going concern

The Group posted a net profit before tax of \$5,273,000 for the year (2025: \$3,250,000 loss). The Group recorded total operating cash inflow of \$10,546,000 (2025: outflow of \$2,566,000).

The Directors have continued to apply the going concern assumption as the basis of the preparation of the 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.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at the reporting date and the results of all subsidiaries for the year then ended.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

The following illustrative examples have been issued during 2026 with no effective date:

- Illustrative examples on reporting uncertainties in financial statements

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

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

*Disclosures about Uncertainties in the Financial Statements - Illustrative examples* has amended multiple NZ IFRS Standards to include illustrative examples demonstrating how companies can apply NZ IFRS Standards when reporting the effects of uncertainties in their financial statements. The illustrative examples are accompanying materials to NZ IFRS Standards and do not have an effective date. The Group has considered these illustrative examples in its preparation of consolidated financial statements and no additional disclosures or changes in presentation were required.

The following amendments are effective for the year beginning 1 April 2026:

- Amendments to the Classification and Measurement of Financial Instruments – Amendments to NZ IFRS 9 Financial Instruments and NZ IFRS 7.
- Annual improvements to NZ IFRS Accounting standards – volume 11.

The Group has disclosed the equity investments designated at fair value through other comprehensive income within the consolidated statement of financial position. There were no other impact to the Group.

The following amendments are effective for the year beginning 1 April 2027:

- NZ IFRS 18 *Presentation and Disclosure in Financial Statements*.

The Group is currently assessing the effect of these new accounting standards and amendments.

NZ IFRS 18 *Presentation and Disclosure in Financial Statements* supersedes NZ IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including NZ IAS 8 *Basis of Preparation of Financial Statements*. Even though NZ IFRS 18 will not have any effect on the recognition and measurement of items in the consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information and disclosure of management defined performance measures.

The accounting policies used in these financial statements have been applied consistently with those of the prior year and by all entities in the Group.

The Group does not expect any other standards issued by the New Zealand Accounting Standards Board (NZASB) or IASB, but not yet effective, to have a material impact on the Group.

## 3. Revenue and segment information

The Group is in the business of developing, manufacturing and selling soft tissue repair products. Revenue from contracts with customers is recognised when performance obligations under the contract are satisfied by the Group.

The Group has identified the following main categories of revenue:

### Sales of goods

The Group's revenue primarily consists of the sale of its products. Revenue is recorded when the customer takes possession of the product. All contracts with customers are standardised and satisfy the criteria of transaction approval, identification of each party's rights, payment terms, commercial substance, and probable collection based on the customer's ability and intention to pay. Revenue is recognised at a point in time when control over the product transfers to the customer, which is assessed to be at the time of receipt of goods by the customer.

The Group also sells its products via a distributor model whereby sales are made directly to distributors, who are the Group's customers, and who are permitted to resell Aroa products to end users. Revenue is recognised when control of the goods transfers to the distributor, which occurs at a point in time based on the applicable contractual delivery terms. For sales made on an ex-works basis, control transfers when the goods are made available for collection by the distributor at the Group's premises. For sales where the Group is responsible for delivery, control transfers when the distributor takes possession of the goods at the agreed delivery location. The Group has assessed that it acts as principal in these arrangements, as it controls the goods prior to transfer to the distributor, and accordingly recognises revenue on a gross basis.

### a. Revenue share

The Group's largest customer is TELA Bio which is the Group's sales and distribution partner for abdominal wall reconstruction, hernia repair and breast reconstruction in North America and Europe. The contract with TELA Bio entitles the Group to an agreed percentage of TELA Bio's net sales. This revenue is considered to be variable consideration ("revenue share"). The consideration is variable since the quantum of TELA Bio's inventory that is eventually sold and the price that it is sold at are uncertain.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 3. Revenue and segment information (continued)

The consideration from TELA Bio is received from a transfer price for the products shipped to TELA Bio, with the balance of the consideration received on a quarterly true-up to the agreed percentage based on TELA Bio's net sales. The Group estimates the true-up on TELA Bio's inventory at the reporting date using the expected value method.

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 31 March 2026 is \$21,442,000 (2025: \$18,712,000). Refer to note 2 for details in the change in key assumptions. The Group assessed the expected credit losses associated with the TELA Bio contract asset and concluded that no material impairment provision was required due to the strong payment history and the financial position of the counterparty.

### Reclassification of comparative balances

Comparative contract asset balance of \$1,295,000 have been reclassified from current to non-current asset to comply with the accounting standard requirements which is deemed not to be material.

### b. Project fees

Project fees received are recognised over time using the input method when the performance obligations are fulfilled pursuant to the project development agreement. The Group's input methods include resources consumed, labour hours expensed, and costs incurred. Any project fees received, for which the requirements under the project agreement have not been completed, are recognised as income in advance (a liability) until all applicable performance obligations have been fulfilled.

### Segment information

Revenue from external customers is derived from sales of goods and project fees.

The Group sells its products and services to external customers that are largely located in the United States of America ("USA") as reflected in the sales above.

For the purpose of the internal reporting provided to the chief operating decision makers, business activities, performance and any associated assets and liabilities are reviewed on a consolidated basis.

Revenue of \$43,185,000 (2025: \$40,432,000) is derived from a single external customer, TELA Bio, which is the Group's sales and distribution partner. The revenue derived from TELA Bio represents 42% (2025: 48%) of the total Group revenue.

The Group held all of its non-current assets in New Zealand, with the exception of the right-of-use assets of \$216,000 (2025: \$348,000) for the leasehold property and property, plant and equipment of \$267,000 (2025: \$243,000) in the USA at the reporting date.

	2026	2025
	\$000	\$000
Sales of goods (USA)	98,826	80,467
Sales of goods (Rest of the world)	4,681	3,510
Project fees (USA)	347	720
<b>Total revenue</b>	<b>103,854</b>	<b>84,697</b>
Revenue recognised point in time	103,507	83,977
Revenue recognised over time	347	720
<b>Total revenue</b>	<b>103,854</b>	<b>84,697</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 4. Other income

	2026	2025
	\$000	\$000
Research and development tax credit income	944	911
Other income	106	172
<b>Balance at end of the year</b>	<b>1,050</b>	<b>1,083</b>

The Group receives government assistance in the form of grants related to eligible research and development (“R&D”) expenditure under the New Zealand R&D Tax Incentive scheme. These grants are recognised as other income when there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the grants will be received. Grant income is recognised in profit or loss in the same period as the related R&D expenses are incurred, on a systematic basis.

## 5. Profit / (loss) from operations before net financing income

Profit / (loss) from operations before net financing income includes the following:

	Note	2026	2025
		\$000	\$000
Fees paid to auditors:			
Statutory audit – BDO Auckland		180	167
Half-year review – BDO Auckland		79	68
Employee benefit expenses		56,723	50,069
Employer contributions defined contribution superannuation scheme		1,309	1,293
Employee share-based payment expenses	20	1,581	2,160
Shares issued to non-executive director	19	88	-
Depreciation:			
Leasehold improvements	12	508	582
Plant and equipment	12	967	842
Furniture and fittings	12	65	66
Computer equipment	12	326	377
Right of use assets	17	1,351	1,100
Directors' fees (excluding share-based payment expenses)	22	701	720
Insurance		1,666	1,609
Amortisation:			
Patents & Trademarks	13	130	145
Customer relationships	13	618	618
Reacquired rights	13	543	543
Capitalised development costs	13	745	670
Write-off of patents expenditure	13	282	-

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 6. Net finance income

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

	Note	2026 \$000	2025 \$000
<b>Finance income</b>			
Interest received on bank balances – financial assets at amortised cost		680	1,059
<b>Other finance income</b>			
Foreign currency gains		-	304
Foreign currency gain on derivative financial liabilities		762	-
<b>Total finance income</b>		<b>1,442</b>	<b>1,363</b>
<b>Finance expenses</b>			
Interest expenses – lease liabilities	18	(473)	(476)
<b>Other finance expenses</b>			
Finance costs – make good provision		(5)	(5)
Finance costs – financial liabilities at amortised costs		-	(7)
Foreign currency losses		(1,371)	(131)
Foreign currency losses on derivatives financial liabilities		-	(1,076)
<b>Total finance expenses</b>		<b>(1,849)</b>	<b>(1,695)</b>
<b>Net finance expenses</b>		<b>(407)</b>	<b>(332)</b>

## 7. Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to apply when the temporary differences reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised, such reductions are reversed to the extent that it becomes probable that future taxable profits will be available.

### Reconciliation of Income tax recognised in profit or loss and other comprehensive income:

	2026 \$000	2025 \$000
Profit / (loss) before income tax	5,273	(3,250)
Income tax @ 28%	1,476	(910)
Impact of tax rates in overseas jurisdictions	(100)	(134)
Expenses not deductible for tax purposes	564	748
Recognition deferred tax on temporary differences and tax losses	(1,345)	859
<b>Income tax expense</b>	<b>595</b>	<b>563</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 7. Income taxes (continued)

### Major components of tax expense:

	2026 \$000	2025 \$000
Current period	595	563
<b>Total tax expense</b>	<b>595</b>	<b>563</b>

The Group has tax losses of \$12,960,000 as at 31 March 2026 (2025: \$11,234,000). In addition, the Group has elected to defer expenditure relating to research and development allowed under section DB34 of the Income Tax Act 2007. As at 31 March 2026, the Group had \$36,234,000 (2025: \$38,273,000) of expenditure available to offset against subsequent years income subject to section EJ23 of the Income Tax Act 2007.

Deferred tax assets have been recognised to the extent they offset deferred tax liabilities. No deferred tax has been recognised on tax losses or deferred research and development expenditure in 2026 (2025: nil) on the basis that large tax profits are not foreseeable in the year ending 31 March 2027. Total tax affected deferred tax asset not recognised at 31 March 2026 is \$8,383,000 (2025: \$9,664,000).

### Deferred tax assets/(liabilities) recognised:

	2026 \$000	2025 \$000
Accrued revenue	(6,004)	(5,239)
Deferred R&D expenditure	5,769	6,060
Intangible assets	(1,270)	(1,804)
Rights of use assets	(1,063)	(1,397)
Lease liabilities	1,360	1,688
Other temporary differences	169	94
Provision	1,039	598
<b>Total deferred tax asset/(liability) recognised</b>	<b>-</b>	<b>-</b>

### Deferred tax assets unrecognised (tax effected):

	2026 \$000	2025 \$000
Temporary differences	203	1,994
Deferred R&D expenditure	4,376	4,656
Unused tax losses	3,629	3,014
<b>Total deferred tax asset unrecognised (tax effected)</b>	<b>8,208</b>	<b>9,664</b>

## 8. Cash and cash equivalents & term deposits

### a. Cash and cash equivalents

	2026 \$000	2025 \$000
Bank balances – cash at bank	21,061	7,991
<b>Total cash and cash equivalents</b>	<b>21,061</b>	<b>7,991</b>

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term deposits with maturities of three months or less and bank overdrafts. Refer to note 23 for details on the foreign currency exposure of cash and cash equivalents.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 8. Cash and cash equivalents & term deposits (continued)

### b. Term deposits

	2026 \$000	2025 \$000
Term deposits	5,995	14,000
<b>Total term deposits</b>	<b>5,995</b>	<b>14,000</b>

During the year, the Group entered into short-term deposit arrangements with BNZ and Westpac. The term deposits not yet matured at the reporting date had an average rate of 3.44% (2025: 4.35%) per annum, with a maturity of 6 months (2025: 5-9 months) from the date of placement. All term deposits are held in NZD.

## 9. Financial assets at fair value through other comprehensive income

The Group classifies the following financial assets as measured at fair value through other comprehensive income ("FVTOCI"):

The Group holds an equity investment in TELA Bio, a U.S. listed company which the Group has elected to recognise at fair value gains or losses through other comprehensive income. TELA Bio is the Group's largest customer and trading partner. The Group held 74,316 (2025: 74,316) shares at US\$0.62 per share at the reporting date (2025: US\$1.22).

	2026 \$000	2025 \$000
<b>US listed equity securities</b>		
Balance at beginning of the year	158	703
Changes in fair value through other comprehensive income	(78)	(545)
Balance at end of the year	<b>80</b>	<b>158</b>

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 reporting date.

## 10. 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 a 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 and contract asset (note 3a). To measure expected credit losses on a collective basis, trade receivables and contract assets (note 3a) 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 reporting date. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

	2026 \$000	2025 \$000
Trade receivables	21,215	15,213
Less provision for impairment of trade receivables	(244)	(354)
<b>Net trade receivables</b>	<b>20,971</b>	<b>14,859</b>
Other receivables	155	211
Other receivables – Research and Development Tax Incentive accrual	904	1,088
<b>Trade and other receivables – financial assets at amortised cost</b>	<b>22,030</b>	<b>16,158</b>
GST receivable	142	169
<b>Total current trade and other receivables</b>	<b>22,172</b>	<b>16,327</b>

Trade receivables of \$20,971,000 (2025: \$14,859,000) are shown net of impairment losses. Trade receivables are interest-free. Short-term trade receivables are not discounted. Other receivables include an accrual relating to tax credit income under the Research and Development Tax Incentive program.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 10. Trade and other receivables (continued)

### (i) Impaired receivables

As at 31 March 2026, current trade receivables with a nominal value of \$244,000 (2025: \$354,000) were impaired and provided for.

### (ii) Past due but not impaired receivables

As at 31 March 2026, trade receivables of \$1,160,000 (2025: \$1,699,000) were past due but not impaired.

The ageing analysis of trade receivables is as follows:

	2026	2025
	\$000	\$000
Current	19,811	13,160
1 - 30 days overdue	803	825
30 - 60 days overdue	272	299
60 - 90 days overdue	140	408
90+ days overdue	189	521
<b>Total trade receivables</b>	<b>21,215</b>	<b>15,213</b>

## 11. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the standard cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Inventory of \$13,015,000 (2025: \$10,374,000) was recognised in cost of sales for the period, including \$279,000 (2025: \$392,000) relating to stock obsolescence.

	2026	2025
	\$000	\$000
Raw materials	1,874	2,440
Work in progress	2,278	3,209
Finished goods	2,493	3,242
Provision for obsolescence	(626)	(621)
<b>Total inventories</b>	<b>6,019</b>	<b>8,270</b>

## 12. Property, plant and equipment

### (i) Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

### (ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Assets under construction are not depreciated.

The useful life estimates for the current year of significant items of property, plant and equipment are as follows:

Leasehold improvements	5-15 years
Plant and equipment	10-20 years
Fixtures and fittings	3-10 years
Computer equipment	3-5 years

Depreciation methods, rates and residual values are reviewed at the reporting date and adjusted if appropriate.

### (ii) Depreciation

Please refer to note 26e for capital commitments.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 12. Property, plant and equipment (continued)

	Lease- hold Improve- ments \$000	Capital Work in Progress \$000	Plant and Equip- ment \$000	Fixture and Fitting \$000	Computer Equipment \$000	Total \$000
<b>Cost</b>						
Balance 1 April 2025	5,081	8,407	11,403	812	2,334	28,037
Additions	27	651	108	10	313	1,109
Transfers in / (out)	490	(722)	232	-	-	-
<b>Balance 31 March 2026</b>	<b>5,598</b>	<b>8,336</b>	<b>11,743</b>	<b>822</b>	<b>2,647</b>	<b>29,146</b>
<b>Accumulated Depreciation</b>						
Balance 1 April 2025	(2,713)	-	(6,815)	(458)	(1,880)	(11,866)
Depreciation	(508)	-	(967)	(65)	(326)	(1,866)
<b>Balance 31 March 2026</b>	<b>(3,221)</b>	<b>-</b>	<b>(7,782)</b>	<b>(523)</b>	<b>(2,206)</b>	<b>(13,732)</b>
<b>Net Book Value</b>						
Balance 1 April 2025	2,368	8,407	4,588	354	454	16,171
<b>Balance 31 March 2026</b>	<b>2,377</b>	<b>8,336</b>	<b>3,961</b>	<b>299</b>	<b>441</b>	<b>15,414</b>
<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 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 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 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>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 13. Intangible assets

Patents and trademarks that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. Patents and trademarks are amortised on a straight-line basis over the useful life.

Goodwill, customer relationships and reacquired rights are attributable to the purchase of the wound care business entered into with Hollister Incorporated. Goodwill is not amortised.

Impairment tests on goodwill and other intangible assets with indefinite useful lives are undertaken at the reporting date. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs of disposal), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; cash-generating units ("CGUs"). Goodwill is allocated on initial recognition to each of the Group's CGUs that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss. An impairment loss recognised for goodwill is not reversed.

Patents and trademarks, customer relationships and reacquired rights are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use.

The estimated useful lives for the current period are as follows:

Patents and trademarks	2 - 21 years
Customer relationships	9 years
Reacquired rights	18 years
Capitalised development costs*	5 years

\* The Group commences the amortisation when the asset is in the condition necessary for it to be capable of operating in the manner intended by management.

	Patents and trademarks \$000	Customer relationships \$000	Reacquired rights \$000	Goodwill \$000	Capitalised development \$000	Total \$000
<b>Cost</b>						
Balance 1 April 2025	2,565	5,563	9,772	5,538	5,223	28,661
Additions	351	-	-	-	2,271	2,622
Written off	(403)	-	-	-	-	(403)
<b>Balance 31 March 2026</b>	<b>2,513</b>	<b>5,563</b>	<b>9,772</b>	<b>5,538</b>	<b>7,494</b>	<b>30,880</b>
<b>Accumulated Depreciation</b>						
Balance 1 April 2025	(659)	(4,327)	(3,800)	-	(766)	(9,552)
Amortisation	(130)	(618)	(543)	-	(745)	(2,036)
Written off	121	-	-	-	-	121
<b>Balance 31 March 2026</b>	<b>(668)</b>	<b>(4,945)</b>	<b>(4,343)</b>	<b>-</b>	<b>(1,511)</b>	<b>(11,467)</b>
<b>Net Book Value</b>						
Balance 1 April 2025	1,906	1,236	5,972	5,538	4,457	19,109
<b>Balance 31 March 2026</b>	<b>1,845</b>	<b>618</b>	<b>5,429</b>	<b>5,538</b>	<b>5,983</b>	<b>19,413</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 13. Intangible assets (continued)

	Patents and trademarks \$000	Customer relationships \$000	Reacquired rights \$000	Goodwill \$000	Capitalised development \$000	Total \$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 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 Depreciation</b>						
Balance 1 April 2024	(514)	(3,709)	(3,257)	-	(96)	(7,576)
Amortisation	(145)	(618)	(543)	-	(670)	(1,976)
<b>Balance 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 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>

On 31 March 2026, the Group tested goodwill for impairment. For the purpose of impairment testing, goodwill is allocated to the Group's Wound Care business, which represents the level at which goodwill is monitored for internal management purposes.

The recoverable amount is determined based on value-in-use calculations, which involve estimating future cash flows and applying an appropriate discount rate to calculate the present value of the cash flows.

The discounted cash flow ("DCF") model is based on five-year cash flow projections. The key assumptions used in calculating the recoverable amount are as follows:

	2026	2025
Discount rate before tax	12.8%	14.7%
Discount rate post tax	9.22%	10.6%
Terminal growth rate	2.5%	3.5%
Average growth rates over the forecast period	23.9%	22.8%
Average gross profit over the forecast period	90%	89%

No impairment was identified for the Wound Care business as a result of this review, nor under any reasonably possible change in any of the key assumptions described above.

### Basis of key assumptions:

#### Cash flow projections

The cash flow projections used in the recoverable amount calculations are based on management's budget for the year ending 31 March 2027, with applicable growth rates applied to revenue and costs from year 2 to 5. Management has used its past experience of revenue growth, operating costs, margin and external sources of information where appropriate to determine its expectations for the future.

#### Growth rates

The growth rates reflect the long-term average growth rates for the product lines and health care industry based on publicly available data.

#### Discount rates

The present value of the expected cash flows is determined by applying a suitable discount rate. The discount rate is derived based on the weighted average cost of capital (WACC) for comparable entities in the healthcare industry, based on market data. The discount rates reflects appropriate adjustments for market risk.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 14. Trade and other payables

Trade and other payables are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period which are unpaid.

	2026	2025
	\$000	\$000
Trade payables	5,861	2,934
Other payables	425	503
<b>Total trade and other payables</b>	<b>6,286</b>	<b>3,437</b>

Trade payables generally have terms of 30 days and are interest free. Trade payables of a short-term duration are not discounted.

## 15. Contract liabilities

Contract liabilities represent consideration received from customers in advance of the transfer of goods. These balances arise where customers prepay for inventory orders, and revenue is recognised when control of the inventory is transferred to the customer in accordance with the Group's revenue recognition policies. The contract liabilities balance relates to prepayments for inventory orders at the reporting date. The associated inventory is expected to be delivered, and revenue recognised, within nine months of the reporting date.

	2026	2025
	\$000	\$000
Contract liabilities	1,290	-
<b>Total contract liabilities</b>	<b>1,290</b>	<b>-</b>

## 16. Employee benefits

### (i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leave that are expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related services. These liabilities are recognised in respect of employees' services up to the end of the reporting period. They are measured at the amounts expected to be paid when the liabilities are settled.

The obligations are presented as other payables and accruals in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

### (ii) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service are provided.

	2026	2025
	\$000	\$000
Leave and wages accrual	2,091	1,905
Bonus accrual	2,422	504
Commission accrual	1,263	1,200
<b>Employee benefits</b>	<b>5,776</b>	<b>3,609</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 17. Right of use assets

	2026 Properties Total \$000	2025 Properties Total \$000
Balance at beginning of the year	5,335	6,447
Depreciation for the year	(1,351)	(1,100)
Remeasurement	1,313	(12)
<b>Balance at end of the year</b>	<b>5,297</b>	<b>5,335</b>

## 18. Lease liabilities

	2026 Properties Total \$000	2025 Properties Total \$000
Balance at beginning of the year	6,416	7,435
Interest expense	473	476
Lease payments	(1,818)	(1,483)
Remeasurement	1,305	(12)
<b>Balance at end of the year</b>	<b>6,376</b>	<b>6,416</b>
Current	1,481	1,119
Non-current	4,895	5,297
<b>Total</b>	<b>6,376</b>	<b>6,416</b>

Note

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All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- leases with a term of 12 months or less.

On initial recognition, the carrying value of the lease liability may also include:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted to the Group if it is reasonably certain to exercise that option; and
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of the termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

### Nature of leasing activities (in the capacity as lessee)

The Group leases four properties in the jurisdictions in which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation and in others to be reset periodically to market rental rates.

As standard industry practice, the Group's property leases are subject to market rent reviews. A 1% increase in these payments would result in an additional \$18,000 (2025: \$15,000) outflow compared to the current period's cash outflow of \$1,818,000 (2025: \$1,483,000).

Please refer to note 23 for lease maturity analysis.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 19. 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. The ordinary shares have no par value and entitle holders to one vote per share.

	2026 \$000	2025 \$000
<b>Share capital at beginning of the year</b>	<b>146,842</b>	<b>146,798</b>
Shares exercised under share-based payments awards	100	34
Repayment of employee loans for acquisition of shares	82	10
Issue of shares	88	-
<b>Share capital at end of the year</b>	<b>147,112</b>	<b>146,842</b>

### # of shares

	2026 Ordinary shares	2025 Ordinary shares
<b>At beginning of year</b>	<b>344,900,256</b>	<b>344,207,834</b>
Issue of share capital	575,940	692,422
<b>At end of year</b>	<b>345,476,196</b>	<b>344,900,256</b>

During the year, the Company issued 442,961 ordinary shares in connection with the Group's Omnibus plan for restricted shares. These are held as treasury shares by the Group. Refer to Note 20 for further details of the plan.

## 20. Share based payments reserve

The Group has operated a number of share-based payment arrangements over time. The fair value of share-based payment awards is determined at grant date and recognised as an employee expense over the vesting period, with a corresponding increase in equity. The amount recognised as an expense is adjusted to reflect the number of awards expected to vest based on service and non-market performance conditions. For awards with market-based performance conditions, the grant date fair value reflects those conditions and is not subsequently adjusted.

The share-based payment reserve represents the cumulative fair value of awards recognised, which is transferred to share capital (or retained earnings, as appropriate) upon settlement, exercise and/or expiry.

The table outlines movement in the share based payment reserve during the year:

	2026 \$000	2025 \$000
<b>Opening balance</b>	<b>10,487</b>	<b>10,268</b>
Share based payment expense	1,614	2,638
Employee shares forfeited	(33)	(478)
<b>Total expenses recognised in consolidated statement of profit or loss</b>	<b>1,581</b>	<b>2,160</b>
Forfeiture of employee shares released through retained earnings in equity	(5,568)	(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>(5,668)</b>	<b>(1,941)</b>
<b>Closing balance</b>	<b>6,400</b>	<b>10,487</b>

The Group's share-based payment arrangements include:

### (a) Pre-IPO Share Option Plan

The Group previously operated the Aroa Biosurgery Share Option Plan (pre-IPO), under which options to acquire ordinary shares were granted to employees and other service providers.

Options were granted at an exercise price determined by the Board and specified in individual grant agreements. The options typically vested in three equal tranches over a three-year period, subject to continued employment, and had a contractual life of up to 10 years.

Upon exercise, participants were required to pay the exercise price and were issued ordinary shares. The Board had discretion to allow cashless (net settled) exercise in certain circumstances.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 20. Share based payments reserve (continued)

### Summary of options granted under the Option Plan – pre-IPO

This plan is no longer active, however the following options granted under the plan may remain on issue:

	2026 Average exercise price per option NZ\$	2026 # of options	2025 Average exercise price per option NZ\$	2025 # 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 as at 31 March	0.10	790,725	0.10	790,725

Share options under the Option Plan – pre-IPO outstanding at the end of the year have the following expiry dates:

Grant date	Expiry Date	2026 # of options	2025 # of options
1 October 2018	01 October 2028	790,725	790,725

### (b) Post-IPO Share Option Plan

Following the Group's IPO in July 2020, the Group continued to operate a share option plan under amended rules aligned with ASX listing requirements.

The key terms of the plan are broadly consistent with the pre-IPO plan, including options granted to certain employees and directors at an exercise price determined by the Board (typically based on market value at grant date), with share options subject to various vesting conditions including service conditions, market conditions and non-market performance conditions. Vesting generally occurs in tranches over a defined period, with settlement through the issue of ordinary shares upon exercise.

This plan remains in place for legacy grants but has been superseded by the Omnibus Incentive Plan. The following options granted under the plan remain on issue:

### Summary of options granted under the Option Plan – Post-IPO

	2026 Average exercise price per option NZ\$	2026 # of options	2025 Average exercise price per option NZ\$	2025 # of options
Opening balance	0.86	20,025,358	0.78	25,566,955
Forfeited during the period	0.88	(9,047,864)	0.88	(5,541,597)
<b>Closing balance</b>	<b>0.87</b>	<b>10,977,494</b>	<b>0.86</b>	<b>20,025,358</b>
Vested as at 31 March	0.87	10,977,494	1.08	12,027,365

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 20. Share based payments reserve (continued)

Share options under the Option Plan - Post IPO outstanding at the end of the year have the following expiry dates:

	Share options 2026 \$'000	Share options 2025 \$'000
<b>Expiry date</b>		
23 July 2025	-	5,104,050
30 September 2025	-	1,040,000
30 June 2025	-	1,549,604
31 March 2026	-	200,000
28 June 2026	1,505,000	1,535,000
30 June 2026	1,196,432	1,247,344
8 August 2026	2,225,000	2,475,000
13 November 2027	2,600,692	3,355,678
30 November 2027	20,452	20,452
29 February 2028	1,091,456	1,091,456
3 August 2028	2,338,462	2,406,774
<b>Total</b>	<b>10,977,494</b>	<b>20,025,358</b>

### (c) Omnibus Plan

The Group operates an Omnibus Incentive Plan (the "Plan") to provide long-term incentives to employees, directors and other eligible participants.

Under the Plan, the Board may grant a range of equity-based awards at its discretion, including options, performance options, performance share rights (PSRs), restricted stock units (RSUs) and restricted shares (collectively, "Awards"). Options and performance options may be granted with an exercise price determined by the Board and specified in the relevant offer documentation, while PSRs, RSUs and restricted shares do not have an exercise price.

Awards are subject to vesting conditions which may include service conditions, market-based performance conditions and non-market performance conditions. Vesting conditions and terms (including vesting periods) are determined by the Board on a grant-by-grant basis and may vary between participants.

Details of the movement in each class of award during the year, together with the basis for determining fair value at grant date, are set out below.

### (i) Restricted shares

Under the Plan, restricted shares have been granted to New Zealand-based non-executive employees and are subject to service-based vesting conditions. The shares become unrestricted and are transferred to the participants after three years, providing the participants remaining employed with the Group until that date.

During the year, 442,961 ordinary shares were issued by the Company and transferred to a wholly owned subsidiary, Mesynthes Nominee Limited, to be held on behalf of participants in connection with the plan.

The fair value of the restricted shares is determined based on the volume weighted average price (VWAP) of the Company's shares over the five trading days immediately preceding the grant date.

### Summary of restricted shares

	2026 # of restricted shares	2025 # of restricted shares
Opening balance	-	-
Granted in January 2026	442,961	-
Forfeited during the period	(12,356)	-
<b>Closing balance</b>	<b>430,605</b>	-

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 20. Share based payments reserve (continued)

Restricted shares at the reporting date have the following vesting dates:

	2026	2025
	# of restricted shares	# of restricted shares
<b>Vesting date</b>		
30 January 2029	430,605	-
<b>Total</b>	<b>430,605</b>	<b>-</b>

### (ii) Restricted stock units (RSUs)

During the year, the Company issued restricted stock units to key management and certain employees of the company (Refer to note 22). RSUs are measured at fair value based on the VWAP of the Company's shares over the 20 trading days immediately preceding the grant date.

#### Summary of restricted stock units

	2026	2025
	# of units	# of units
Opening balance	958,541	-
Granted in December 2024	-	1,026,235
Granted in November 2025	519,444	-
Exercised during the year	(132,979)	-
Forfeited during the year	(33,847)	(67,694)
<b>Closing balance</b>	<b>1,311,159</b>	<b>958,541</b>
Vested and exercised as 31 March	<b>426,457</b>	<b>132,979</b>

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

	2026	2025
	# of units	# of units
<b>Vesting date</b>		
31 March 2025	-	132,979
31 March 2026	426,457	179,236
31 March 2027	859,700	646,326
31 March 2028	25,002	-
<b>Total</b>	<b>1,311,159</b>	<b>958,541</b>

### (iii) Performance share rights (PSRs)

The Company issued performance share rights to key management and certain employees of the Company (Refer to note 22). PSRs subject to service conditions and non-market performance conditions are measured at fair value based on the volume weighted average price (VWAP) of the Company's shares over the 20 trading days immediately preceding the grant date. PSRs with market-based performance conditions are valued at grant date using an appropriate valuation model, with the key assumptions and resulting fair values set out in the table below.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 20. Share based payments reserve (continued)

### Summary of performance share rights

	2026 # of rights	2025 # 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	-
Granted in November 2025	888,888	-
Forfeited during the period	(313,649)	(135,388)
<b>Closing balance</b>	<b>5,460,847</b>	<b>3,833,739</b>
Vested as at 31 March	-	-

### Performance share rights at the reporting date have the following vesting dates:

	# of rights 2026	# of rights 2025
<b>Vesting date</b>		
30 June 2025	-	245,955
30 June 2026	782,914	338,470
30 June 2027	3,626,064	3,249,314
31 July 2028	1,051,869	-
<b>Total</b>	<b>5,460,847</b>	<b>3,833,739</b>

### Key valuation assumptions for the PSRs with market-based performance conditions:

	7 November 2025	7 November 2025	20 August 2025	13 December 2024	23 July 2024
Fair value at grant date (AUD)	0.588	0.588	0.473	0.490	0.450
Valuation date	7 November 2025	7 November 2025	20 August 2025	13 December 2024	23 July 2024
Share price at valuation date (AUD)	0.775	0.775	0.635	0.650	0.620
Average exercise price (NZD)	Nil	Nil	Nil	Nil	Nil
Expected volatility*	43%	43%	45%	43%	37%
Expected life	0.6 years	1.6 years	3 years	3 years	3 years
Risk free factor	3.86%	3.86%	3.4%	3.86%	4.41%
Valuation model	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Dividend yield	0%	0%	0%	0%	0%

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 21. Earnings per share

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

	2026	2025
<b>Numerator</b>		
Gain (loss) for the year after tax ("N") in \$000	4,678	(3,813)
<b>Denominator</b>		
Weighted average number of ordinary shares used in basic EPS ("D1") in 000	345,255	344,900
Effects of:		
Employee share options * in 000	18,243	25,824
Weighted average number of shares used in diluted EPS ("D2") in 000	363,498	344,900
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share (N/D1 x 100)	1.35	(1.11)
Diluted earnings per share (N/D2 x 100)	1.29	(1.11)

\* Employee share options have been included in the calculation of diluted earnings per share for the year ended 31 March 2026 as they are dilutive. For the year ended 31 March 2025, employee share options were excluded from the calculation of diluted earnings per share as they were anti-dilutive due to the Group incurring a loss.

## 22. Related parties

### (i) Subsidiaries

Interests in subsidiaries are set out in Note 1.

### (ii) Key management compensation

Key management includes Directors (Executive and Non-Executive) and the executive management team.

#### Executive management team

	2026	2025
	\$000	\$000
Short term employee benefits	2,819	2,201
Employer contributions defined contribution superannuation scheme	63	56
Share based payment expenses	445	847
<b>Total</b>	<b>3,327</b>	<b>3,104</b>

#### Non-executive directors

	2026	2025
	\$000	\$000
Short term employee benefits	701	720
Share based payment expenses	177	151
<b>Total</b>	<b>878</b>	<b>871</b>

### (iii) Year end balances

There were no related party balances at year end other than loans provided to key management personnel for acquisition of Company shares prior to IPO of \$18,000 (2025: \$86,000), including interest of \$100 (2025: \$5,000) on the loans.

### (iv) Transactions with related parties

There were no other related party transactions during the year.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 23. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk (note 10) and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and foreign exchange risks and ageing analysis for credit risk.

### Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control risk exposures within acceptable parameters whilst optimising the return on risk.

### Foreign exchange risk

The Group is exposed to currency risk on sales, purchases and liabilities that are denominated in a currency other than the respective functional currency of the Company, being NZ dollars (NZD). The currency risk arises primarily with respect to sales and expenses.

The Group has certain net monetary assets/(liabilities) that are exposed to foreign currency risk. The table below summarises the Group's net exposure at the reporting date to foreign currency risk, against its respective functional currency, expressed in NZ dollars.

### Exposure to foreign currency risk

As at 31 March 2026	USD \$000	AUD \$000	EUR \$000	CAD \$000
Cash and cash equivalents	3,695	3	-	-
Trade and other receivables	12,802	22	96	140
Financial assets at FVTOCI	46	-	-	-
Trade and other payables	(2,273)	(120)	-	-
Contract liabilities	(738)	-	-	-
Lease liabilities	(144)	-	-	-
Derivatives	22,934	-	-	-
<b>Net exposure</b>	<b>36,322</b>	<b>(95)</b>	<b>96</b>	<b>140</b>

As at 31 March 2025	USD \$000	AUD \$000	EUR \$000	CAD \$000
Cash and cash equivalents	2,413	-	-	-
Trade and other receivables	8,957	24	183	35
Financial assets at FVTOCI	91	-	-	-
Trade and other payables	(1,197)	(59)	(1)	(1)
Lease liabilities	(220)	-	-	-
Derivatives	24,684	-	-	-
<b>Net exposure</b>	<b>34,728</b>	<b>(35)</b>	<b>182</b>	<b>34</b>

### The following significant exchange rates applied during the year:

	Average rate 2026	Average rate 2025	Closing rate 2026	Closing rate 2025
NZD/USD	0.5882	0.5940	0.5724	0.5710

### Sensitivity analysis – underlying exposures

A 5% weakening or strengthening of the NZ dollar against the US dollar at 31 March 2026 would have increased/decreased equity and the net result for the period by the amounts shown below. Based on historical movements, a 5% change in the NZ dollar is considered to be a reasonable estimate. This analysis assumes that all other variables remain constant.

### US dollar

The Group's net result and equity for the period would have been \$4,697,000 higher on a 5% weakening of the NZ dollar (2025: \$3,201,000 higher), and \$3,022,000 lower on a 5% strengthening of the NZ dollar as at 31 March 2026 (2025: \$2,896,000 lower).

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 23. Financial risk management (continued)

### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as from the Group's receivables due from customers. Only major banks are accepted for cash and deposit balances.

Payment and delivery terms are agreed to within each of the respective customer agreements. Ageing of payments due from customers are monitored on a regular basis (refer to note 10).

### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows, including interest payments in respect of financial liabilities.

At 31 March 2026	Note	Less than 3 months \$000	3-12 months \$000	Between 1 and 2 years \$000	Over 2 years \$000	Total contractual cash flows \$000	Total carrying amounts \$000
<b>Non derivative financial liabilities</b>							
Trade and other payables	14	6,286	-	-	-	6,286	6,286
Lease liabilities	18	466	1,401	1,875	3,547	7,289	6,376
<b>Total</b>		<b>6,752</b>	<b>1,401</b>	<b>1,875</b>	<b>3,547</b>	<b>13,575</b>	<b>12,662</b>
<b>Derivative financial liabilities</b>							
Derivative liabilities		345	557	473	-	1,375	1,375
<b>Total</b>		<b>345</b>	<b>557</b>	<b>473</b>	<b>-</b>	<b>1,375</b>	<b>1,375</b>

At 31 March 2025	Note	Less than 3 months \$000	3-12 months \$000	Between 1 and 2 years \$000	Over 2 years \$000	Total contractual cash flows \$000	Total carrying amounts \$000
<b>Non derivative financial liabilities</b>							
Trade and other payables	14	3,437	-	-	-	3,437	3,437
Lease liabilities	18	380	1,143	1,562	4,485	7,570	6,416
<b>Total</b>		<b>3,817</b>	<b>1,143</b>	<b>1,562</b>	<b>4,485</b>	<b>11,007</b>	<b>9,853</b>
<b>Derivative financial liabilities</b>							
Derivative liabilities		510	912	716	-	2,138	2,138
<b>Total</b>		<b>510</b>	<b>912</b>	<b>716</b>	<b>-</b>	<b>2,138</b>	<b>2,138</b>

### Capital adequacy

The Board's aim is to maintain a strong capital base to sustain future development of the business and to maintain investor and creditor confidence. The shareholder funds raised to date provide the Group a sufficient capital base to continue to grow the business.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 24. Financial instruments by category

### (i) Non-derivative financial assets

The Group initially recognises financial assets at amortised cost on the date on which they are originated. The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through other comprehensive income and financial assets at amortised cost.

### (ii) Non-derivative financial liabilities

The Group initially recognises all other financial liabilities (including liabilities designated at fair value through profit or loss) on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument. The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

### (iii) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. Fair value is determined using observable market inputs, including forward exchange rates and interest rate yield curves at the reporting date (mark-to-market valuation techniques). Derivatives are carried in the consolidated statement of financial position at fair value, with changes in fair value recognised in the consolidated statement of profit or loss within finance income or finance expenses. The Group does not apply hedge accounting for derivative contracts. The fair value measurements for derivative financial instruments are classified as Level 2 in the NZ IFRS 13 fair value hierarchy, as the valuation techniques use observable market data other than quoted prices in active markets.

The Group considers that the carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair value.

At 31 March 2026	Assets at amortised cost	Assets at fair value through other comprehensive income	Total
	\$000	\$000	\$000
	Note		
<b>Financial assets as per consolidated statement of financial position</b>			
Cash and cash equivalents	8a 21,061	-	21,061
Term deposits	8b 5,995	-	5,995
Trade and other receivables	10 22,030	-	22,030
Financial assets at FVTOCI	9 -	80	80
<b>Total financial assets</b>	<b>49,086</b>	<b>80</b>	<b>49,166</b>
<b>At 31 March 2026</b>	<b>Liabilities at amortised cost</b>	<b>Liabilities at fair value through profit and loss</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
	Note		
<b>Financial liabilities as per consolidated statement of financial position</b>			
Trade and other payables	14 6,286	-	6,286
Lease liabilities	18 6,376	-	6,376
Derivative liabilities	-	1,375	1,375
<b>Total financial liabilities</b>	<b>12,662</b>	<b>1,375</b>	<b>14,037</b>

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 24. Financial instruments by category

At 31 March 2025	Assets at amortised cost	Assets at fair value through other comprehensive income	Total
	\$000	\$000	\$000
	Note		
<b>Financial assets as per consolidated statement of financial position</b>			
Cash and cash equivalents	8a 7,991	-	7,991
Term deposits	8b 14,000	-	14,000
Trade and other receivables	10 16,158	-	16,158
Financial assets at FVTOCI	9 -	158	158
<b>Total financial assets</b>	<b>38,149</b>	<b>158</b>	<b>38,307</b>
<b>Financial liabilities as per consolidated statement of financial position</b>			
Trade and other payables	14 3,437	-	3,437
Lease liabilities	18 6,416	-	6,416
Derivative liabilities	-	2,138	2,138
<b>Total financial liabilities</b>	<b>9,853</b>	<b>2,138</b>	<b>11,991</b>

### (i) Financial instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value is provided below.

Financial assets	Note	2026	2025
		\$000	\$000
US listed equity securities	9	80	158
Derivative financial liabilities		(1,375)	(2,138)
<b>Total</b>		<b>(1,295)</b>	<b>(1,980)</b>

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 reporting date. The fair value of derivative assets is based on level 2 inputs.

### (ii) Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, and trade and other payables.

Due to their short-term nature, the carrying amount of cash and cash equivalents, term deposits, trade and other receivables, and trade and other payables approximates their fair value.

## 25. Events after the reporting date

There have been no significant events subsequent to reporting date that required disclosure in or adjustment to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 26. Other Disclosures

### a. Reconciliation of loss after income tax to cash flow from operating activities

	2026 \$000	2025 \$000
<b>Profit / (loss) after tax</b>	<b>4,678</b>	<b>(3,813)</b>
<b>Add / (deduct) non-cash items:</b>		
Depreciation of property, plant and equipment	1,866	1,867
Depreciation of right of use assets	1,351	1,100
Gain on disposal of assets	-	7
Amortisation of intangibles	2,036	1,976
Intangibles write off	282	-
Share based payment expenses	1,666	2,160
Interest – lease liabilities	473	476
Unrealised currency (losses) / gains	(866)	1,269
<b>Movement in working capital:</b>		
Movement in provisions	14	13
Movement in tax receivable	120	(1)
Movement in trade and other receivables	(5,828)	(2,890)
Movement in prepayments and contract assets	(3,802)	(4,161)
Movement in inventories	2,251	(166)
Movement in trade/other payables and employee entitlements	5,015	(403)
Movement in contract liabilities	1,290	-
<b>Net cash flows from operating activities</b>	<b>10,546</b>	<b>(2,566)</b>

### b. Reconciliation of changes in liabilities arising from financing activities – Total lease liabilities

	Note	2026 \$000	2025 \$000
<b>As at 1 April</b>		<b>(6,416)</b>	<b>(7,435)</b>
Cash flow – lease payments		1,818	1,483
Non-cash flow:			
Remeasurements during the year	18	(1,305)	12
Interest accrued during the year	18	(473)	(476)
<b>As at 31 March</b>		<b>(6,376)</b>	<b>(6,416)</b>

### c. Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates at the reporting date are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Any resulting foreign exchange differences are recognised in other comprehensive income. However, where an impairment loss is recognised, any previously recognised foreign exchange differences in other comprehensive income are reclassified to profit or loss.

On consolidation, the assets and liabilities of foreign operations are translated into the Group's presentation currency at the exchange rates prevailing at the reporting date. Income and expenses are translated at average exchange rates for the period, unless exchange rates fluctuate significantly. Exchange differences arising on translation of foreign operations are recognised in other comprehensive income and accumulated in the foreign currency translation reserve within equity.

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2026

## 26. Other Disclosures (continued)

### d. Goods and services tax (GST)

Revenues and expenses have been recognised in the financial statements exclusive of GST, except that irrecoverable input GST has been recognised in association with the expense to which it relates. All items in the statement of financial position are stated exclusive of GST except for receivables and payables, which are stated inclusive of GST.

### e. Capital commitments

As at 31 March 2026, the Group had no capital commitments (2025: nil).

### f. Contingent assets

During the year, the Group incurred tariff costs of \$1,590,000 (2025: \$nil), which have been recognised as an expense in the consolidated statement of comprehensive income.

Following recent United States court rulings in relation to certain tariffs imposed under the International Emergency Economic Powers Act, the Group may be eligible to recover a portion of tariff costs previously paid. Based on the Group's preliminary assessment, approximately \$1,373,000 (2025: \$nil) of the tariff costs incurred may be refundable, subject to confirmation of eligibility, the outcome of administrative processes with U.S. Customs and Border Protection, and the timing and resolution of any further legal or regulatory developments.

No receivable or other asset has been recognised in relation to the potential refund as at balance date, as recovery is not considered certain. The Group will continue to assess the status of the potential refund and will recognise any recoverable amount when the recognition criteria are met.

### g. Contingent liabilities

As at 31 March 2026, the Group had no significant contingent liabilities (2025: nil).

**ARBN 638 867 473**

**Non-Executive Director and Chairman**

James McLean

**Auditor**

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