



**ANNUAL
REPORT** —————



—
Unlocking regenerative
healing for *everybody*



CONTENTS

2026 Highlights	04
Results in Brief	06
Chair's Review	09
CEO's Report	10
Board of Directors	16
Executive Leadership Team	20
Sustainability Report	22
Directors' Report	30
Remuneration Report	34
Directors' Responsibility Statement	45
Independent Auditor's Report	49
Consolidated Financial Statements	57
Notes to the Consolidated Financial Statements	62
Additional Information	88
Glossary and Other Information	96
Corporate Directory	98

+ KEY DATES

19 August 2026

Annual General Meeting of Shareholders

30 September 2026

Financial Half Year End

26 November 2026*

Half Year Results Announcement

31 March 2027

Financial Year End

This Annual Report is dated 30 June 2026 and is signed on behalf of Aroa Biosurgery Limited by James McLean, Independent Chair of the Board and Brian Ward, Managing Director and CEO.

James McLean

Independent Chair of the Board

Brian Ward

Managing Director and CEO

All currency is in New Zealand dollars and on a reported basis except where indicated.

*Indicative date

2026 HIGHLIGHTS

A breakout year for AROA

54%



Myriad™ Growth
on FY25

59%

Revenue From
Direct Sales

\$5 million²

Cash Generated

Symphony™ RCT
Endpoint met

Normalised
EBITDA¹

\$13
million

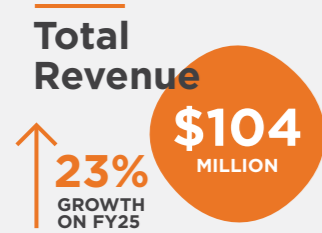
2nd consecutive year of
positive normalised EBITDA

Total
Revenue

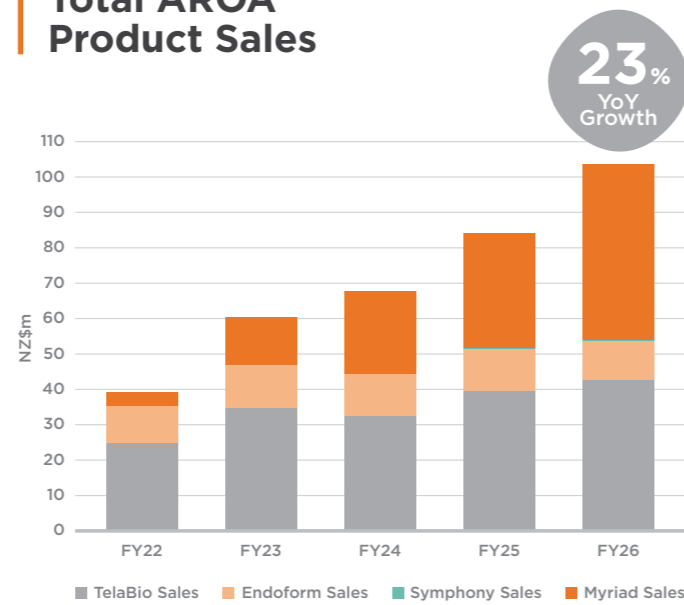
\$104
million

23% growth on FY25

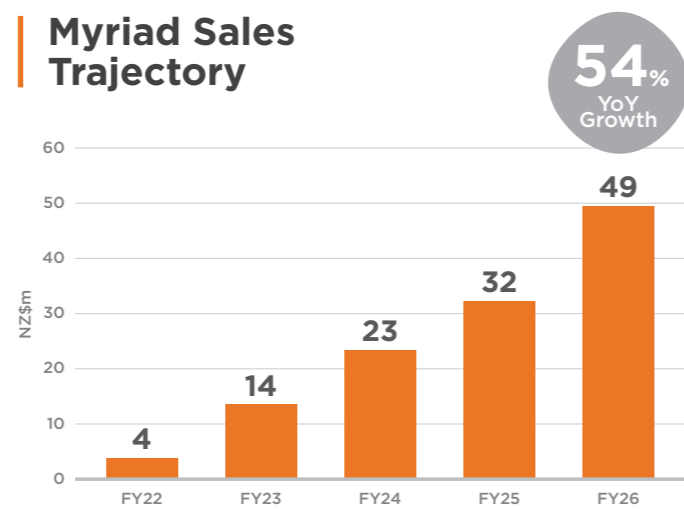
RESULTS IN BRIEF



Total AROA Product Sales



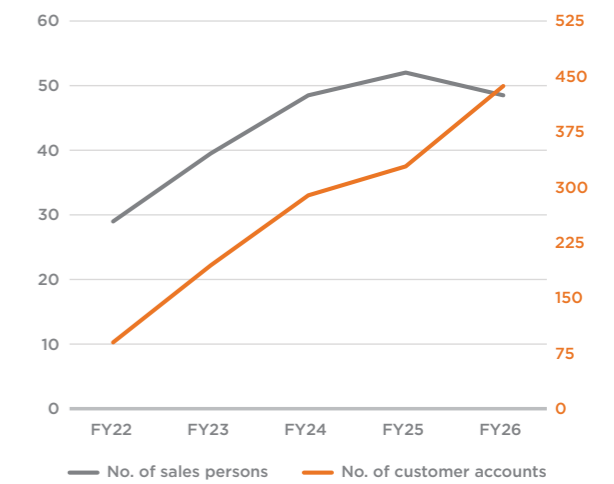
Myriad Sales Trajectory



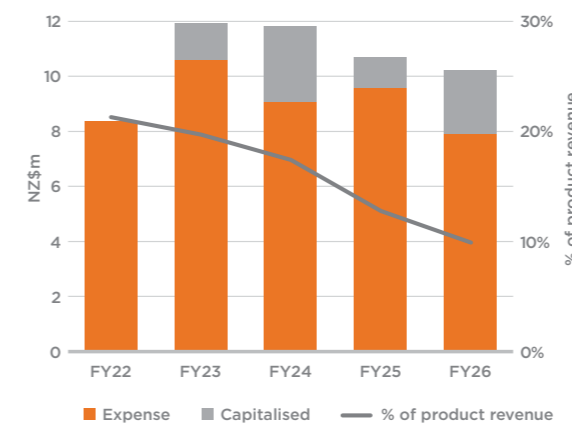
Customer Accounts



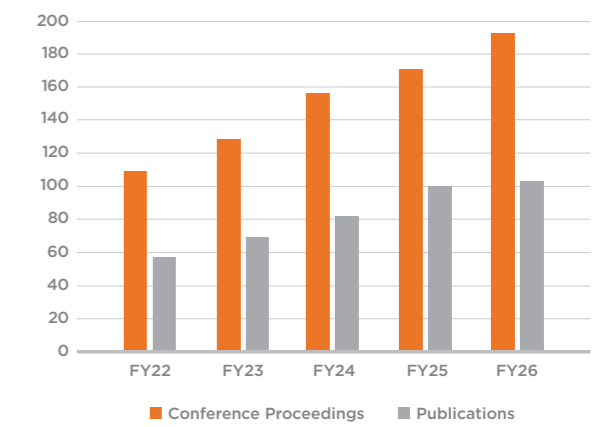
Sales Force vs. Customers Served



R&D Spend



Clinical Evidence





CHAIR'S REVIEW



Dear Shareholders,

During FY26, the Company built on the progress made in FY25, demonstrating that its strategy is delivering profitable growth, increasing operating leverage and a stronger platform for long-term value creation.

Last year, I noted that FY25 was a significant step forward for the Company, with positive normalised EBITDA¹ validating the strategic vision set several years earlier. In FY26, the Company advanced this further, exceeding financial guidance, delivering over 100 million in revenue, achieving positive cash generation and its second consecutive year of positive normalised EBITDA¹.

The United States remains AROA's most important commercial market, and the Company has made considerable investment into US commercial operations. The priority now is to drive increased productivity, deeper use within existing accounts and broader adoption across clinicians, hospitals, and integrated networks.

As AROA continues to scale, Board composition and oversight remain important to supporting the next phase of growth.

In October 2025 we announced changes to the Company's Board of Directors. John Pinion retired after a decade of service. John contributed meaningfully during a formative period in AROA's development. He brought deep medtech knowledge, US market perspective and

commercial judgement to the Board's discussions. On behalf of the Board, I thank John for his contribution, and wish him well for the future.

We were pleased to welcome Paul Shearer as a Non-Executive Director. Paul brings significant global healthcare and medical device experience, including more than 30 years with Fisher & Paykel Healthcare, including two decades as Senior Vice President, Sales and Marketing. His experience building international commercial growth from a New Zealand-headquartered medical device company, including in the United States, is closely aligned with AROA's next phase and adds valuable capability to the Board.

Recently, John Diddams advised that he will retire from the Board of Directors at the Company's Annual General Meeting in August. John has made a significant contribution to AROA, particularly through his guidance on the Company's IPO during the uncertain conditions of the COVID-19 pandemic. On behalf of the Board, I thank John for his counsel over his tenure, and extend our very best for the next chapter.

The Symphony randomised controlled trial in diabetic foot ulcers meeting its primary endpoint was an important development during the year. It provides pivotal evidence for Symphony's efficacy and ensures that we are well placed as US skin substitute reimbursement evolves.

The Board also remains focused on operational discipline. As the Company scales, maintaining discipline across expenditure, investment choices and execution will remain essential.

The considerable progress towards strategic objectives and strong results achieved in FY26 reflect the capability and commitment of many people. On behalf of the Board, I thank Brian Ward and the leadership team for their strong leadership through the year. I also thank every member of the AROA team across New Zealand and North America for their dedication, expertise, and hard work. Finally, I thank our shareholders for the continued support.

There remains work to do, and execution will be critical. AROA enters FY27 with a stronger financial position, a focused strategy, and a clear commitment to its purpose: unlocking regenerative healing for *everybody*.

James McLean

Independent Chair
of the Board of Directors



CEO'S REPORT

FY26 highlighted the increasing scalability of our business model, with strong commercial execution, clinical adoption and operational discipline combining to drive performance.

FY26 was a successful year for AROA, with strong growth across key metrics.

Total revenue increased 23% to \$104 million, or \$101 million on a constant currency basis, above the top end of our FY26 guidance range of NZ\$92 million to \$100 million on a constant currency basis.

FY26 marked AROA's second consecutive year of positive normalised EBITDA¹, a result of \$13 million (11 million in constant currency) exceeding the guidance range of \$5 million to \$8 million.

The standout performer in FY26 was Myriad™, growing 54%, continuing to be the largest contributor to revenue growth.

Product gross margin remained strong at 85.5%, demonstrating the quality of our revenue base and the strength of our manufacturing model.

We also continued investing in the areas that drive sustainable growth, while maintaining discipline across operating expenditure.

AROA finished the year with \$27 million in cash and term deposits, no debt, and positive net cash flow of \$5 million.

These results demonstrate the strength of our business model. AROA is now a profitable, self-funding, high growth medtech company with a growing commercial footprint.

+ Commercial operations

In recent years, we have invested in building a scalable US commercial organisation and are now seeing the benefits. Strong growth was achieved in FY26, with the same number of salespeople as FY25, demonstrating increasing operating leverage.

While the US remains our core market, we now have regulatory clearance in 59 countries and continue to expand globally, adding six new distribution agreements during the year. In FY26, ex-US revenue grew 33% on a constant currency basis to \$4.7 million.

Direct sales now contribute 59% of revenue and are expected to increasingly dominate the overall mix going forward.

OviTex continued to provide manufacturing revenue, growing 8% in FY26, giving AROA exposure to the hernia and breast reconstruction markets without the direct sales cost.



“We are entering FY27 from a position of strength, with growing commercial reach, expanding clinical evidence and a clear path forward.”

+ Changes to the US reimbursement environment

The US skin substitute reimbursement environment is undergoing significant change. From January 2026, Medicare reimbursement for skin substitute products moved to a flat-fee approach, representing a major reset for the skin substitute market.

While this change is creating some short-term disruption across the sector, we see it as a significant opportunity for AROA's Symphony product line. The total addressable market after this reset is expected to be in excess of US \$1 billion.

During FY26, our Symphony randomised controlled trial in diabetic foot ulcers met its primary endpoint. We believe published findings, expected by Q3 FY27, will further support Symphony's efficacy in treating diabetic foot ulcers.

We anticipate that randomised controlled trials will become the future requirement for reimbursement.

+ Clinical evidence

Clinical evidence remains central to AROA's strategy. AROA ECM™ technology is now supported by more than 130 peer-reviewed publications involving approximately 5,000 patients, providing a strong basis for clinician confidence, product adoption and market differentiation.

During FY26, we continued publishing evidence on the clinical performance and potential economic benefits of AROA ECM technology.

The Myriad Augmented Soft Tissue Reconstruction Registry (MASTRR) is now the largest ongoing prospective, multicenter observational study collecting patient data on the use of a bioscaffold in complex reconstruction, with more than 450 patients enrolled to date.

In January 2026, a peer-reviewed study from MASTRR was published in the *Journal of Trauma and Injury*. Across 49 patients with 61 defects treated at four Level I trauma centers in the United States, Myriad supported vascularised tissue coverage within a median of 22.5 days. Most cases required only one application, with no device-related complications reported. The findings also indicate that Myriad may offer a cost advantage compared with other bioscaffolds used in similar settings, while delivering outcomes at least equivalent to, or better than, alternatives.

The growing evidence emerging from MASTRR demonstrates Myriad's utility in complex wounds and soft tissue reconstruction and reinforces AROA's broader value proposition: supporting better healing and potential to lower total cost of care for patients, clinicians, and healthcare systems.

+ Outlook

Looking ahead, FY27 will be a deliberate investment year focused on accelerating sales growth and building the foundations for AROA's next stage of scale.

We have provided FY27 guidance³ of total revenue of \$115 million to \$125 million, representing constant currency growth of 13% to 23% on FY26, and normalised EBITDA¹ of \$8 million to \$11 million. This guidance reflects continued growth in our direct business, an assumption of flat sales to TELA Bio, and planned investment of approximately \$9 million to support future growth of Myriad and the new opportunity presented by Symphony.

Our FY27 priorities are clear: sustain Myriad momentum, expand adoption within integrated hospital networks, and capitalise on the current market opportunity for Symphony.

+ Concluding remarks

AROA enters FY27 with strong momentum, positive cash flow, no debt, and a clear operating agenda.

These achievements reflect the dedication, expertise, and commitment of our people. I would like to sincerely thank every member of the AROA team for their contribution during FY26 and for the teamwork that continues to drive our success.

Anchored by our purpose of unlocking regenerative healing for everybody, we are focused on scaling our impact and pursuing the opportunities ahead.



Brian Ward

Founder, Managing Director and CEO



Backed by compelling clinical evidence, AROA delivers world-leading outcomes in functional tissue regeneration, even in the most complex patients.



BOARD OF DIRECTORS



James McLean

James (Jim) is a resident of New Zealand. He has over 25 years' experience serving as chair, director, or an executive of research and technology businesses for both commercial and New Zealand Government organisations. In addition to AROA, Jim is also Chair of Prevar Limited.

He was Chair of the New Zealand Institute of Plant & Food Research and Chair of its predecessor HortResearch, as well as several private businesses and start-up companies. He served on the board of the then Foundation for Research, Science, and Technology, including five years as Deputy Chair. Jim was an executive and director of Genesis Research & Development Corporation Limited during its early stages through to public listing.

Before specialising in science and technology businesses, Jim held management positions with an international manufacturing business and spent thirteen years as a partner at chartered accountants, EY. His time at EY was focused on business strategy and included two years' secondment to EY's Washington DC office.

Jim has a BSc (Hons) in Chemistry from University of Otago and a Post Graduate Diploma in Accounting from Victoria University of Wellington.

BOARD RESPONSIBILITIES
Chairman and Independent Non-Executive Director and member of the Audit Committee until 19 November 2025. Member of the Audit & Risk Committee since 20 November 2025.

TERM OF OFFICE
First appointed 10 August 2011.
Last re-elected 20 August 2025.



Brian Ward

Brian is the founder of AROA and a resident of New Zealand. He has held senior corporate roles in life sciences and health care companies for more than 25 years. He has extensive management experience in life science companies spanning clinical, technical, sales, marketing, corporate development and strategy, having worked for a number of multinationals including Baxter, Beecham and SmithKline Beecham throughout the world. He has managed investments into New Zealand technology companies for the Foundation for Research Science and Technology, served as the founding CEO of NZBio, and

has sat on a number of government and industry expert panels.

Brian has been responsible for leading AROA's growth from start-up through to the present.

As CEO and a substantial shareholder in the Company, he is considered by the Board to not be an independent director.

Brian is a graduate of Massey University with a Bachelor's degree in Veterinary Science, a Member of the Royal College of Veterinary Surgeons (UK) and holds a Masters degree in Business Administration graduating with distinction.

BOARD RESPONSIBILITIES
Managing Director (and CEO).

TERM OF OFFICE
First appointed 21 September 2007.



John Diddams

John is a resident of Australia and has over forty years' experience as a CFO, CEO and director of both private and publicly listed companies. John is currently the non-executive Chairman of xReality Group Limited (ASX: XRG) and is a non-executive director of Surf Lakes Global Inc. and DIT AgTech Limited.

John has extensive knowledge and experience in the practical application of ASX Listing Rules, Australian corporations' law, international accounting standards and corporate governance principles. He heads a CPA firm providing corporate advisory

services to SME and mid-cap companies and has managed the listing process, secondary capital raisings and ASX listings in a number of diverse industry sectors, including oil and gas, food and retail, telecommunications, adventure tourism, biotechnology, and the dental and medical sectors.

John holds a Bachelor of Commerce from The University of NSW, is a Fellow of the Australian Society of CPAs and a Fellow of the Australian Institute of Company Directors.

BOARD RESPONSIBILITIES

Independent Non- Executive Director and Chair of the Audit Committee and member of the Remuneration Committee until 19 November 2025. Chair of the Audit & Risk Committee since 20 November 2025.

TERM OF OFFICE

First appointed 21 November 2019.
Last re-elected 3 August 2023.



Darla Hutton

Darla is a resident of the US and has been a director of Aroa Biosurgery since March 2024.

She has more than 25 years of medical technology experience, including global leadership expertise in commercial strategy, operations, sales, marketing, healthcare analytics, lean and enterprise consulting.

Darla is currently Vice President, Asia Commercial Operations and Marketing at Intuitive Surgical, pioneers in the field of robotic-assisted surgery and maker of the da Vinci surgical and ION diagnostic robot systems.

Throughout her tenure at Intuitive, Darla has held commercial roles of increasing responsibility including Regional Sales Director,

Vice President of Corporate Accounts-US, and Vice President Marketing, Market Access & Custom Hospital Analytics. In these roles, she has contributed to the expansion of Intuitive's commercial operations capabilities and range of global offerings. In addition, Darla has served as a member of Intuitive's Inclusion and Diversity Executive Council.

Prior to Intuitive, Darla held commercial positions at other successful medical technology, pharmaceutical, and biotech companies, including Boston Scientific and GlaxoSmithKline, and spent her early professional career in the cardiac-thoracic nursing field.

Darla holds a Bachelor of Science and Master of Science.

BOARD RESPONSIBILITIES

Independent Non-Executive Director and member of the Risk Committee until 19 November 2025. Member of the Remuneration Committee since 20 November 2025.

TERM OF OFFICE

First appointed 22 March 2024.
Elected 23 July 2024.



Philip McCaw

Philip (Phil) McCaw is a resident of New Zealand and is the recently retired, Founding Partner of Movac one of New Zealand's leading Venture Capital funds. He led the original investment round into AROA in 2008, has worked closely with the Company and has served on the Board since then. He is the past Executive Chair and CEO of Docuvera, a software company that delivers component authoring solutions, enabled by AI, for the largest global pharmaceutical companies. He was also Chair of the 2023 New Zealand Government's Start Up Advisors Council, established to help identify and address the opportunities and challenges facing high growth start-up businesses.

Phil has over 20 years' experience investing into New Zealand technology companies and helping to guide their growth. He was an early investor in Trade Me, New Zealand's leading on-line trading

community, which was sold to Fairfax in 2006. Phil was also an early investor into PowerByProxi, a wireless power technology spin-out from Auckland University, which was sold to Apple in 2018.

Phil remains an active angel investor and maintains a personal angel investment portfolio. He is a strong advocate for the development of the entrepreneurial and early-stage investment eco-system in New Zealand and was the past Chair of the Angel Association of New Zealand.

Prior to starting Movac, Phil spent 10 years with Deloitte Consulting working in New Zealand and the US.

As a substantial shareholder in AROA, Phil is considered by the Board to not be an independent director.

Phil has a Bachelor of Business Studies (Senior Scholar) from Massey University.

BOARD RESPONSIBILITIES

Non-Executive Director and member of the Remuneration Committee until 19 November 2025. Member of the Audit & Risk Committee since 20 November 2025.

TERM OF OFFICE

First appointed 5 March 2008.

Last re-elected 23 July 2024.



Dr. Catherine Mohr

Catherine is a dual citizen of New Zealand and The United States. She has over 30 years' experience across a diverse range of fields, including engineering, healthcare, alternative energy, aerospace and global entrepreneurship.

Her expertise spans many areas related to AROA's next stage of growth, including medtech product research and development, FDA approvals, product commercialisation and surgery technology innovation.

She has been President of the Intuitive Foundation since 2018. Prior to leading the Foundation, Catherine held senior roles at Intuitive Surgical, including Vice President of Strategy and Director of Medical Research.

Intuitive Surgical is a pioneer in the robotic-assisted surgery field and developed the da Vinci surgical robotic system which is used in millions of surgical procedures across the globe every year.

Catherine also cofounded VeriSure, where she invented the LapCap™, the first of a new category of laparoscopic surgery enabling products..

Catherine holds a Bachelor of Science and Master of Science in Mechanical Engineering from Massachusetts Institute of Technology (MIT) and Doctor of Medicine from the Stanford University School of Medicine.

BOARD RESPONSIBILITIES

Independent Non-Executive Director and Chair of the Remuneration Committee. Member of the Risk Committee until 19 November 2025.

TERM OF OFFICE

First appointed 1 November 2022.

Elected 3 August 2023.



John Pinion

John is a resident of the US. He has over 30 years of global experience leading biologic, small molecule pharmaceutical, gene therapy and device operations across Asia, Europe and the Americas. His expertise and leadership spans engineering, quality, manufacturing and translational sciences. He joined Ultragenyx in July 2015 and currently holds the role of EVP, Translational Sciences and Chief Quality Operations Officer. He provides leadership for Ultragenyx's translational sciences functions which includes Pharmacology and Toxicology, Research and Bioanalytical Development, as well as GxP Quality and Compliance and CMC Analytical QC.

As a key member of Ultragenyx's executive leadership team reporting directly to the CEO, he also contributes to ongoing business development, clinical development, commercial and strategic planning activities. In addition to his position at Ultragenyx, John is currently

COO of Amlogenyx, a subsidiary of Ultragenyx dedicated to the development of novel gene therapies using lysosomal enzymes to treat amyloidosis, like Alzheimer's disease.

John is also an advisory board member for Celestial Therapeutics, Inc., a biopharmaceutical company focused on the development and commercialisation of next-generation novel and groundbreaking mRNA vaccines and therapeutics for the treatment and prevention of a variety of infectious diseases, rare diseases and cancers.

John has previously held operational and senior leadership roles in Genentech (subsequently Roche post Genentech acquisition), as Senior Vice President and Global Head of Quality and Compliance for Pharma Technical Operations) and Baxter International's Renal, Bioscience, Parenterals and Device divisions.

He holds a B.S. in Mechanical Engineering from West Virginia University.

BOARD RESPONSIBILITIES

Independent non-executive Director. Chair of the Risk Committee and member of the Audit Committee until 31 October 2025.

TERM OF OFFICE

First appointed 1 February 2015.

Retired from the Board 31 October 2025.



Paul Shearer

Paul is a resident of New Zealand and joined AROA's Board in October 2025.

Paul is an accomplished global healthcare executive with extensive experience in the medical device industry and a proven record of leading international sales growth.

Paul's most recent role was as Senior Vice President – Sales & Marketing at Fisher & Paykel Healthcare, which he held for over 20 years.

Before joining Fisher & Paykel Healthcare, Paul held roles at ICL Limited and Computercorp Limited.

Paul is a current director of Skellerup Holdings, a New Zealand manufacturer and global exporter of rubber and polymer products.

Paul holds a Bachelor of Commerce (Marketing) from the University of Canterbury.

BOARD RESPONSIBILITIES

Independent Non-Executive Director, and member of the Remuneration Committee since 20 November 2025.

TERM OF OFFICE

First appointed 31 October 2025.

EXECUTIVE LEADERSHIP TEAM



Brian Ward

Chief Executive Officer, Founder and Managing Director

Brian is the founder of AROA and a resident of New Zealand. He has held senior corporate roles in life sciences and health care companies for more than 25 years. He has extensive management experience in life science companies spanning clinical, technical, sales, marketing, corporate development and strategy having worked for a number of multinationals including Baxter, Beecham and SmithKline Beecham throughout the world. He has managed investments into New Zealand technology companies

for the Foundation for Research Science and Technology, served as the founding CEO of NZBio, and has sat on a number of government and industry expert panels.

Brian has been responsible for leading AROA's growth from start-up through to the present.

Brian is a graduate of Massey University with a Bachelor's degree in Veterinary Science, a Member of the Royal College of Veterinary Surgeons (UK), and holds a Masters degree in Business Administration graduating with distinction.



James Agnew

Chief Financial Officer and Joint Company Secretary

James joined AROA's management team in 2013 and has over 20 years' experience in business and finance. He has extensive experience in corporate finance, investment management, M&A, strategic and operational planning, contractual management and negotiation, international taxation and compliance, including US GAAP.

In 2011, James was a finalist in the Young Financial Manager of the year at the Annual CFO Awards.

Prior to this role, he was the VP of Finance & Operations for MXM

Mobile (a division of the Meredith Corporation) based in New York, overseeing all international subsidiaries following the acquisition of The Hyperfactory Ltd (NZ high growth technology company) where he held the role of Group Financial Controller. In his earlier career, James worked in public practice providing accounting and business advisory services to a diverse range of successful New Zealand companies.

James holds a Bachelor of Laws and Bachelor of Commerce from The University of Auckland.



Dr. Barnaby May

Chief Scientific Officer

Dr. Barnaby May joined AROA in 2008 and currently serves as Chief Scientific Officer, where he leads the Company's scientific and clinical research initiatives, driving innovation in regenerative medicine and soft tissue repair. Dr. May has played a pivotal role in the development and validation of AROA's proprietary extracellular matrix (ECM) technology.

Since joining AROA in its early stages, Dr. May has been instrumental in advancing the Company's product pipeline from concept through to

commercialisation. He currently oversees scientific strategy, clinical affairs, and collaborative research, ensuring alignment between scientific rigour and commercial application.

Dr. May holds a PhD in Medicinal Chemistry, with a research background in drug discovery and design, neurodegenerative and tropical diseases, as well as wound healing and soft tissue regeneration. Prior to AROA, he held academic roles at University of California San Francisco. Dr. May has numerous peer-reviewed publications and patents.



Yasmin Winchester

Chief of Technical Operations

Yasmin joined AROA in 2014 and has held several roles since then. Her role covers a wide scope, overseeing manufacturing operations, quality assurance, regulatory affairs, and health and safety.

Yasmin is also responsible for developing and implementing AROA's sustainability approach to achieve long-term stability and

sustainability of our operations, while continuing to deliver medical devices that are safe and effective for use.

Before joining the AROA team, Yasmin held roles in Quality Assurance at Glaxo Smith Kline and Johnson & Johnson Medical.

Yasmin holds a Bachelor of Science with a major in Biology from The University of Waikato.



Rod Stanley

Chief Operating Officer

Rod joined AROA in 2013 and has over 15 years' experience in medical device design and manufacturing.

Rod is responsible for driving operational excellence and supporting the delivery of commercially focused strategic initiatives.

Prior to joining AROA, Rod worked in development of novel polymer coatings for microfluidic devices at Industrial Research Limited. Rod's professional expertise includes chemical processing of

biomaterials, and implementation of sterilisation processes.

During his time at AROA, Rod's focus has been on process design and transfer into manufacturing, redevelopment and scale-up activities for the Auckland site, as well as overseeing routine production activities.

Rod holds Master of Science and Bachelor of Science degrees in Chemistry from the University of Otago.

SUSTAINABILITY REPORT

At AROA, we are committed to contributing to a more sustainable future for everybody.

We are pleased to present AROA's Sustainability Report for 2026. During FY26, we maintained our focus on sustainable business practices and continued to identify opportunities to strengthen our approach across the Company.



AROA supports the United Nations Sustainable Development Goals of:

- Good health and wellbeing
- Quality education
- Gender equality
- Decent work and economic growth
- Responsible consumption and production
- Clean water and sanitation

+ Environmental sustainability

Our sustainability actions

We are continuing to develop our sustainability dashboard to track key metrics, including waste to landfill, water usage, wastewater, electricity use and freight-related carbon emissions.

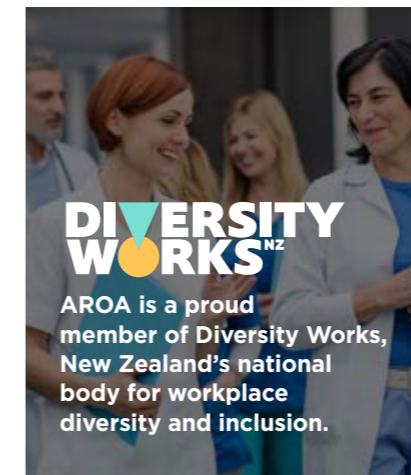
We also implemented practical initiatives to support

lower-emission travel, including the installation of electric vehicle chargers at our Auckland offices and the addition of electric vehicles to our fleet.

In June 2025, AROA joined Auckland Transport's FareShare initiative, introducing a 50% public transport subsidy for

Auckland-based employees from FY26. This initiative helps make commuting more affordable, supports employee wellbeing, and encourages lower-emission travel through eligible Auckland Transport bus, train, and ferry services.

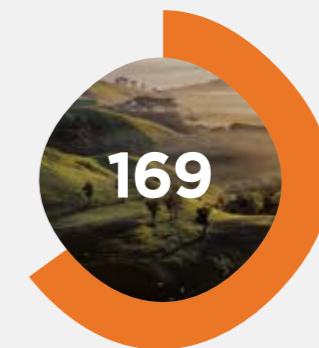
+ Diversity, equity, and inclusion



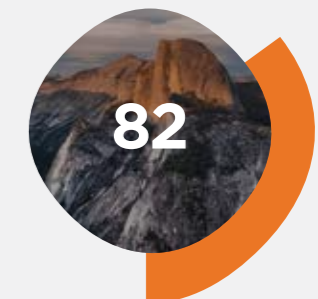
At AROA, we are committed to building a diverse and inclusive culture across all levels of the Company. During FY26, we continued to focus on practical actions that support this commitment.

Gender diversity

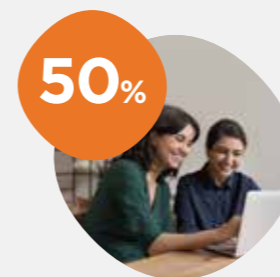
- AROA remains committed to achieving 40:40:20 gender representation (40% women, 40% men and 20% open) by 2033. We continue to make steady progress towards our gender diversity goals:
- Achieved a minimum of 30% gender diversity at Senior Leadership level by FY26, with women representing 43% of the Senior Leadership Team.
- Achieved 20% gender diversity at Board level ahead of the FY27 target.
- We expect to achieve our target minimum of 40% gender diversity at Manager and Supervisor level within FY27.



Employees in New Zealand



Employees in North America



Women in our Employee Population



Ethnicities Self-identified by Employees



Women in Senior Leadership Team



The table to the right shows the ratio of women to men among our Board members, Senior Leadership Team, supervisors and managers, and all employees as of 31 March 2026 across New Zealand and North America.

	Women %	Men %
Board	29%	71%
Executive Leadership Team	20%	80%
Senior Leadership Team	43%	57%
Supervisors and managers	39%	61%
All employees	50%	50%

Celebrating diversity

Established in 2022, the AROA Women’s Network continues to flourish. The employee-led committee supports diversity and inclusion through regular events, forums and opportunities for connection.

Across the wider business, employee-led celebrations held throughout the year remain popular and well attended. These events help foster inclusion and celebrate the many vibrant cultures represented across our team. These include:

- Eid
- Diwali
- International Women’s Day
- Lunar New Year
- Matariki
- Mental Health Awareness Week



+ People and Culture

During FY26, we continued to build on our employee benefits offering, supporting our objective of being a great place to work and attracting, engaging and retaining high-calibre employees.

In FY26 we were proud to launch Grow Together, AROA's tax-exempt employee share scheme, offered on the Sharesies platform under AROA's Omnibus Plan.

Grow Together gives eligible New Zealand employees the opportunity to become shareholders in AROA and share in our future success. It reflects AROA's belief that our people are central to that success, strengthening the link between our team, performance, and long-term growth.



Birthday Leave



Onsite Gym and Facilitated Classes



Wellbeing Allowance



Employee Referral Programme



Employee Assistance Programme (EAP)



Fareshare/Workride plans + e-bike & car chargers



Parental Leave Policy



Employee Share Scheme*

*For eligible roles



Hybrid and Flexible Working*

*For eligible roles

Internship Programme

AROA has a proud history of supporting students in science and engineering. Since 2022, we have run a formal 10-week internship programme each year, providing students with hands-on experience in a commercial medical technology environment. In FY26, six engineering students and two science students participated in the programme.

+ Community



KidzFirst Christmas Party

Since 2022, the Middlemore Foundation has run the KidzFirst Christmas Party, giving the families of more than 200 South Auckland children living with long-term health conditions a day to celebrate with entertainment, gifts, and fun.

AROA is proud to be a foundational supporter of this important community initiative, contributing a \$10,000 donation each year and supporting the event through team member volunteering.

This year, more than 550 food parcels and 12,000 gifts were provided at the popular community event.

Middlemore Foundation CEO Margi Mellsop says, "Now more than ever, we rely on the support from our longstanding key partners, such as Aroa Biosurgery, who help make this special day possible for KidzFirst kids and their families."

Fostering Interest in STEM careers

At AROA, we are proud to support organisations that foster interest in science, technology, engineering and mathematics (STEM) careers at grassroots levels.

We support two purpose-led organisations focused on encouraging interest and participation in STEM careers: The Wonder Project and Robogals.

The Wonder Project

The Wonder Project is Engineering New Zealand's not-for-profit schools programme, designed to inspire rangatahi through STEM. It provides hands-on, curriculum-aligned STEM learning experiences for school-aged children in New Zealand. AROA is a silver sponsor of The Wonder Project, helping to nurture the next generation of STEM professionals.

Robogals

Robogals is a global, student-run organisation that aims to inspire and empower young women to consider studying engineering and related fields through events and workshops. AROA is proud to be a gold sponsor of Robogals.



Designed for widespread impact, AROA's products are versatile, accessible, and simple to use. Unlocking regenerative healing for *everybody*.



DIRECTORS' REPORT

The Directors present their report on the Group for the financial year ended 31 March 2026.

+ AROA's activities and operations

AROA is a soft tissue regeneration company that develops, manufactures, sells, and distributes medical devices for wound and soft tissue repair. AROA's products are developed from a proprietary AROA ECM technology platform, a novel extracellular matrix biomaterial derived from ovine (sheep) forestomach.

The Group's principal activity was the development, manufacture, and distribution of products globally to improve healing in complex wounds and soft tissue reconstruction. There were no changes to the Company's principal activity during the year.

Commentary on the Group's operations and activities during the year is set out in the Chair's Review and CEO's Report.

+ Financial results for the year

Normalised Profit or Loss¹

	2026 NZ\$000	2025 NZ\$000	Change NZ\$000	Change %	Change (CC) %
Product sales	103,507	83,977	19,530	23%	22%
Other revenue	347	720	(373)	-52%	-50%
Total revenue	103,854	84,697	19,157	23%	21%
Cost of sales	(15,028)	(12,083)	(2,945)	24%	0%
Gross profit	88,826	72,614	16,212	22%	21%
Product gross margin %	85.5%	85.6%	-0.1%	0%	0%
Other income	1,050	1,083	(33)	-3%	-3%
Normalised selling and administrative expenses ²	(74,600)	(64,889)	(9,711)	15%	14%
Research and development	(7,930)	(9,566)	1,636	-17%	-17%
Total normalised operating expenses	(82,530)	(74,455)	(8,075)	11%	10%
Normalised EBIT	7,346	(758)	8,104	-1069%	-573%
Add back: depreciation & amortisation	5,253	4,943	310	6%	6%
Normalised EBITDA	12,599	4,185	8,414	201%	211%
Normalised Finance Income	(467)	875	(1,342)	-153%	-65%
Normalised loss before income tax	6,879	117	6,762	5793%	-978%

* 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'.

Product Revenue

Product revenue for the year was \$103.5 million representing 23% growth on the previous year. (22% on a constant currency basis) Myriad performed strongly, with a 54% increase to \$49.6 million (52% on a constant currency basis). Sales to TELA Bio grew 8% delivering product revenue of \$42.8 million.

Ex-USA product revenue continued its strong year-on-year growth, with a 33% increase on FY25 (32% on a constant currency basis), to \$4.7 million.

Other Revenue

Other revenue for the year was \$0.3 million. (FY25: \$0.7 million) This represents project fee income received for product development projects undertaken with TELA Bio.

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 slightly offset by a lower mix of higher margin Ovitex products sold to TELA Bio during the year.

Other Income

Other income was constant with FY25, at \$1.1 million. This was primarily comprised of tax credits valued at \$0.9 million under the Research & Development Tax Incentive program (consistent with \$0.9 million previously).

Normalised Operating Expenses & EBITDA¹

Selling and administrative expenses were \$74.6 million, a 15% increase from \$64.9 million in FY25, driven by increased variable costs associated with higher Myriad sales, higher performance-linked management compensation, US tariff costs (\$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 \$7.9 million (compared to \$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 -\$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 a normalised EBITDA profit of \$12.6 million in FY26, compared to a \$4.2 million normalised EBITDA in FY25.

Cashflows

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

Cash outflows from investing activities were \$3.7 million² (unchanged from FY25). Purchases of property, plant and equipment decreased from \$2.3 million in FY25, to \$1.1 million in FY26. Capitalised development costs increased to \$2.3 million in FY26 (\$1.1 million in FY25).

AROA ended FY26 with \$27.1 million in cash and term deposits, no debt and positive total net cash flow of \$5.1 million² reinforcing its position as a self-funding growth company.

Reconciliation of Normalised Profit or Loss to NZ GAAP Profit or Loss

	Reported 2026 \$000	Reported 2025 \$000
Normalised gains (loss) before income tax	6,879	117
Unrealised foreign currency (losses) / gains	63	(1,207)
Issue of shares to non-executive director	(88)	-
Share based payments	(1,581)	(2,159)
Profit (loss) before income tax (NZ GAAP)	5,273	(3,250)

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.

+ Dividends

No dividends were paid, declared, or recommended during the financial year.

+ Corporate Governance Statement

AROA recognises the importance of good corporate governance and is committed to ensuring that the business maintains a high standard of corporate governance and ethical standards. The Board reviews the Company's policies and governance practices against the Principles of Good Corporate Governance established by the ASX Corporate Governance Council annually. Please refer to AROA's Corporate Governance Statement (available at <https://aroa.com/investors/>) for more information about how the Company's policies and practices align with these principles.

+ Indemnification and insurance of directors and officers

The Company indemnifies each director for any liability and costs that the Companies Act 1993 permits directors to be indemnified for. Specific liabilities are excluded (such as criminal liability). The Company has arranged insurance cover for the indemnified liability and costs. The directors' indemnities and insurance are authorised under the Company's constitution.

+ Director updates

On 31 October 2025, John Pinion retired from the board and Paul Shearer was appointed to the Board. James McLean (Chair of the Board and Non-Executive Director) was re-elected at the Company's annual general meeting on 20 August 2025.

In accordance with the Board's rotation policy, Dr. Catherine Mohr will be offering herself up for re-election at the Company's upcoming annual general meeting on 19 August 2026. John Diddams will not offer himself for re-election at the 2026 AGM.

Under ASX Listing Rule 14.4, a director appointed by the board must not hold office (without election) past the first annual general meeting following the director's appointment. Accordingly, Paul Shearer is offering himself up for election at the 2026 AGM.

+ Board and Committee meetings

The Board Committees were restructured during FY26. From 1 April 2025 to 20 November 2025, the Board had separate Audit and Risk Committees, plus the Remuneration Committee.

On 20 November 2025, the Audit and Risk Committees were combined to form a joint committee, and there were changes to the membership of that committee, and the Remuneration Committee.

The table below shows attendances by each director at Board and Committee meetings during the financial year.

Name	Board		Remuneration Committee		Audit & Risk Committee/s	
	Eligible	Attended	Eligible	Attended	Eligible	Attended
James McLean	8	8	-	-	3	3
Brian Ward	8	8	-	3	-	4
Philip McCaw	8	8	2	2	1	1
John Pinion	4	4	-	-	2	2
John Diddams	8	8	2	2	3	3
Dr. Catherine Mohr	8	8	3	3	1	1
Darla Hutton	8	8	1	-	1	1
Paul Shearer	4	3	1	1	-	-

Notes:

- During the period until 20 November 2025:
 - the Audit Committee members were John Diddams (Chair), James McLean and John Pinion.
 - the Risk Committee members were John Pinion (Chair), Catherine Mohr and Darla Hutton.
 - the Remuneration Committee members were Catherine Mohr (Chair), Philip McCaw and John Diddams.
- From 20 November 2025 onwards:
 - the joint Audit & Risk Committee members were John Diddams (Chair), James McLean and Philip McCaw
 - the Remuneration Committee members were Dr. Catherine Mohr (Chair), Darla Hutton and Paul Shearer
- On 31 October 2025, John Pinion resigned as a Director and Paul Shearer was appointed as a Director.

+ Environmental and social risks

AROA's manufacturing activities involve the controlled storage, use and disposal of hazardous materials. The Company has policies and procedures designed to facilitate compliance with applicable environmental regulations and to mitigate the risks associated with the Company's handling of such materials.

+ Non-audit services

AROA's auditor is BDO Auckland. The Group's statutory audit fee for the financial year ended 31 March 2026 was \$180,000 (2025: \$167,000) and was paid by AROA. No other Group Company paid fees to auditors in FY26.

During the year ended 31 March 2026, BDO Auckland, or entities associated to it, provided the following non-audit services to the Group:

Description of services	Fees (\$)
Review of interim consolidated financial statements	\$79,000

The Board is satisfied that the services noted above do not impair BDO's independence as auditor on the basis that such services were not in conflict with BDO's audit procedures and adequate safeguards were put into place to mitigate any independence risks.



REMUNERATION REPORT

This Remuneration Report outlines our approach to remuneration for the financial year ended 31 March 2026.

+ Overview

ARO's remuneration policies and practices are designed to deliver shareholder value by encouraging a high level of performance, with the Company's long-term success in mind.

Our remuneration framework is structured to be competitive within the industry and align the interests of our people with those of our shareholders. This reinforces ARO's commitment to excellence and achievement and instils a sense of ownership among our people, which fosters a culture of decision-making focused on generating shareholder returns. ARO views remuneration as being integral to building a high-growth profitable business.

Our remuneration programme for FY26 comprised of:

- Fixed wages or salary, and superannuation. These are set at a level to attract and retain high-calibre employees and are generally reviewed annually taking into account individual, Company and market considerations.
- Short-term incentives (STI) in the form of a cash bonus if pre-determined performance targets are met.

- Discretionary deferred STI in the form of equity securities if pre-determined performance targets are met.
- Discretionary long-term incentives (LTI) in the form of equity securities if pre-determined performance targets are met.
- Various benefits including those set out in the Sustainability Report – refer to page 26 of this report.

In accordance with best practice, the structure of our Non-Executive Director remuneration is separate and distinct from that of our CEO and employees.

The Remuneration Committee supports the Board in formulating and overseeing the Company's remuneration policies. This includes ensuring that our remuneration approach keeps pace with the evolving recruitment environment, market conditions and ARO's growing size and maturity, and obtaining input from external specialists where appropriate. The Committee conducts remuneration benchmarking both formally through remuneration specialists and informally through partnerships with recruitment agencies and industry surveys.

Refining our approach

In previous years, the Company provided LTI remuneration in the form of share options only. In FY25, the Company established a new Omnibus Plan, which allows for the granting of a wide range of equity, including performance share rights (PSRs), restricted stock units (RSUs), restricted shares, and share options. This gives the Company the flexibility to tailor different packages of equity to different types and groups of staff, which is more effective for staff retention and incentivising performance.

Current approach to deferred STI and LTI

The Board approved a framework for FY26 for performance-based incentives that included deferred STI and LTI for employees, including the Executive Team and the CEO. This is set out in subsequent sections of this report. All deferred STI and LTI awarded in relation to FY26 comes under the Omnibus Plan.

Grow Together: All New Zealand-based permanent employees except the Executive Team are eligible to participate in a tax-exempt employee share scheme called 'Grow Together', which is awarded under the Omnibus Plan. Grow Together consists of an annual

award of Restricted Shares, which are issued for nil consideration and are not quoted. The Restricted Shares vest after three years, provided that the employee is still employed by ARO. During the three-year period, employees are not permitted to deal in the shares. ARO enjoyed a great take-up of the first award offer which was made in January 2026, with over 97% of eligible employees choosing to participate.

RSUs: RSUs are available to the Executive Team (including the CEO), senior staff, and staff in critical specialist roles. The award of RSUs is linked to performance and vest on the employee completing a pre-defined period of employment. When one RSU vests, it entitles the holder to one fully paid ordinary share at no cost. RSUs are awarded for nil consideration and are not quoted. The RSUs on issue have vesting dates over the next three years. For details of the RSUs on issue, refer to page 90 of this report.

PSRs: In FY26, PSRs were available to the CEO only (but they have previously been awarded to selected employees). Like RSUs, when one PSR vests, it entitles the holder to one fully paid ordinary share at no cost. PSRs are both performance and service-based

(the number of PSRs awarded to each eligible employee is based on performance against longer-term objectives, and the PSRs vest on the employee completing a pre-defined period of employment). They are awarded for nil consideration and are not quoted. The PSRs on issue have vesting dates over the next three years. For details of the PSRs on issue, refer to page 90 of this report.

Historical LTI

For completeness, we note that the Company awarded Share Options to selected employees under previous LTI plans, and some of these Options remain unvested or unexercised.

One Share Option entitles the holder to subscribe for one fully paid ordinary share in the Company. Some Options have service conditions, others have both service and performance conditions. Options must be exercised (they do not vest automatically) and this can only occur at a specific exercise price, although some Options have been issued for nil consideration. Share Options are not quoted and the Share Options on issue expire over the next three years. For details of the Share Options on issue, refer to page 89 of this report.

+ Overview of employee remuneration

This table shows the number of employees or former employees in the group who received remuneration and benefits that totalled NZ\$100,000 or more in value during the financial year ended 31 March 2026. The table includes salary, wages, superannuation, STI, the value of any deferred STI and LTI that vested during the period, and other benefits received by employees or former employees during the FY26. The table includes information for our Executive Team (except the CEO, whose remuneration is described on page 39 of this report.)

Offshore remuneration amounts (including commission paid to US sales representatives) have been converted into New Zealand dollars.

Remuneration range (\$)	Number of employees
100,001 to 110,000	15
110,001 to 120,000	14
120,001 to 130,000	5
130,001 to 140,000	9
140,001 to 150,000	9
150,001 to 160,000	12
160,001 to 170,000	6
170,001 to 180,000	6
180,001 to 190,000	2
190,001 to 200,000	4
200,001 to 210,000	4
210,001 to 220,000	1
220,001 to 230,000	4
230,001 to 240,000	3
240,001 to 250,000	1
250,001 to 260,000	7
260,001 to 270,000	2
270,001 to 280,000	1
280,001 to 290,000	2
300,001 to 310,000	2
310,001 to 320,000	2
320,001 to 330,000	1
340,001 to 350,000	4
350,001 to 360,000	2
360,001 to 370,000	3
370,001 to 380,000	2
380,001 to 390,000	1
390,001 to 400,000	1
400,001 to 410,000	1
410,001 to 420,000	2
420,001 to 430,000	2
430,001 to 440,000	2
440,001 to 450,000	1
450,001 to 460,000	2
460,001 to 470,000	1
470,001 to 480,000	1
480,001 to 490,000	1
490,001 to 500,000	1
520,001 to 530,000	1
530,001 to 540,000	1
540,001 to 550,000	1
550,001 to 560,000	3
570,001 to 580,000	1
600,001 to 610,000	1
610,001 to 620,000	1
620,001 to 630,000	1
640,001 to 650,000	1
670,001 to 680,000	1
680,001 to 690,000	1
690,001 to 700,000	1
780,001 to 790,000	1
830,001 to 840,000	1
1,030,001 to 1,040,000	1

+ Overview of Executive Leadership Team remuneration

The table below provides an overview of the remuneration components available to our Executive Team (including the CEO) in relation to FY26 and how each component aligns with the Company's strategy and performance.

Component	Description	Link to strategy & performance
Fixed remuneration	Base salary Legislative superannuation	Two-yearly base salary reviews take into account the Company's performance, market benchmarks, and the scope of the role, as well as individual performance and behaviours.
STI	At-risk component paid in cash. Calculated to reflect the extent that: <ul style="list-style-type: none"> the Company achieved or over-achieved its annual performance objectives; and the employee met their annual performance targets (which are aligned to the Company's performance objectives). 	Rewards delivery of the Company's performance objectives set by the Board at the beginning of each financial year. The objectives are designed to be achieved by the end of the relevant financial year. They are predominantly weighted towards short-term revenue, sales productivity and profitability metrics, with the balance being operational targets that drive longer-term shareholder value (e.g. product development targets and clinical metrics). Performance against these objectives is reviewed by the Remuneration Committee, and determined by the Board at the end of each financial year.
Deferred STI	At-risk component awarded in RSUs. The number of RSUs awarded to the employee reflects the amount of STI awarded to them. Linking deferred STI to STI in this way means that the deferred STI award ultimately reflects the employee's and the Company's performance against annual objectives. Vesting is subject to completing a pre-determined period of employment (service condition). The award of RSUs to the CEO is subject to shareholder approval.	The link to Company strategy and Company performance is the same as for STI. The service condition assists with staff retention.
LTI	At-risk component awarded in PSRs. The number of PSRs that vest reflects Company performance against longer-term objectives. The measurement period is generally 3 years. Vesting is also subject to completing a pre-determined period of employment (service condition). The award of PSRs to the CEO is subject to shareholder approval.	Rewards delivery against longer-term Company objectives. The service condition assists with staff retention. Performance against objectives is reviewed by the Remuneration Committee, and determined by the Board at the end of each financial year. Note, under the FY26 framework LTI was only available to the CEO.

Executive Leadership Team - Equity on Issue

As noted above, the Company historically issued Share Options to selected employees under previous LTI plans. Some of these were awarded to members of the Executive Team. In addition, while PSRs were only available to the CEO in FY26, in previous years they were awarded to selected employees including other members of the Executive Team.

Share Options: As at 31 March 2026, there were Share Options on issue to the Executive Team (including the CEO) all with an expiry date over the next three years. Details of Share Options on issue to the CEO as at 31 March 2026 are set out on page 40 of this report.

PSRs: As at 31 March 2026 there were PSRs on issue to the Executive team (including the CEO) with a testing date of 31 March 2027 and a 3-year measurement period of 1 April 2024 to 31 March 2027. The performance conditions that apply to those PSRs are set out in the table to the right.

Criteria	Weighting	Targets	Vesting scale
Relative TSR*	33%	75th percentile	100%
		50th percentile	50%
		<50th percentile	0%
3-year Revenue CAGR	33%	30% (i.e. FY27 constant currency revenue of NZ\$157m)	100%
		25% (i.e. FY27 constant currency revenue of NZ\$134m)	67%
		20% (i.e. FY27 constant currency revenue of NZ\$120m)	33%
		<20% (i.e. FY27 constant currency revenue < NZ\$120m)	0%
3-year EBITDA%	33%	20%	100%
		17%	67%
		14%	33%
		<14%	0%

Notes:

- The Board reserves the right to adjust performance conditions or vesting outcomes to ensure that the recipient is neither penalised nor provided with a windfall benefit arising from matters outside their control.
- TSR Ranking: how the Company ranks against a comparator group comprised of the top 50 (by market capitalization) ASX-listed healthcare companies for total shareholder return.
- 3-year revenue CAGR assumes a constant currency of US\$0.61, which was the average exchange rate during FY24.
- EBITDA reflects the accounting EBITDA (on a non-adjusted basis).

+ Overview of CEO remuneration

For FY26, Brian Ward's remuneration structure was consistent with the Executive Team remuneration structure outlined on page 37 of this report. Mr Ward does not receive additional remuneration in his capacity as a director of the Company or any other Group company.

CEO Remuneration Awarded

The table below sets out Mr Ward's remuneration awarded in respect of performance during FY26 included fixed remuneration, STI, deferred STI and LTI.

Fixed remuneration		STI (cash, including superannuation)	Deferred STI	LTI	Total
Base Salary	Superannuation				
\$574,364	\$17,231	\$305,583	\$295,249	\$546,741	\$1,739,168

Notes:

- The STI relates to FY26 performance, and the value of the award was determined by the Board following assessment against predetermined financial and non-financial performance measures. The STI was paid in May 2026.
- The Deferred STI amount relates to RSUs to be granted in respect of FY26 performance. The value of the award was determined by the Board following assessment against predetermined financial and non-financial performance measures. Subject to shareholder approval being obtained at the Company's 2026 Annual Meeting, the RSUs will be granted in FY27 in accordance with Company policy and the Omnibus Plan.
- The LTI amount relates to 1,015,869 PSRs awarded to Mr Ward on 20 August 2025 at nil consideration, following shareholder approval obtained under ASX Listing Rule 10.14 at the Company's 2025 Annual Meeting. The PSRs are subject to service and performance conditions, with a performance testing date of 31 March 2028.

CEO Remuneration Outcomes

The table below sets out the remuneration and value of other benefits received by Mr Ward during the financial year ended 31 March 2026. This includes fixed remuneration and STI received during the year and awards of deferred STI and LTI that vested, forfeited or expired during FY26. The details below may differ from the details in the table above due to the timing of payment, vesting and performance testing of LTI.

Fixed remuneration		STI (cash, including superannuation)	Deferred STI	LTI	Total
Base Salary	Superannuation				
\$574,364	\$17,231	\$81,875	\$0	\$0	\$673,470

Notes:

- The STI was received during FY26 and relates to FY25 performance. The award was paid in May 2025.
- Mr Ward did not receive any deferred STI as it only became part of the Company's remuneration framework in relation to FY26. Subject to shareholder approval being obtained at the Company's 2026 Annual Meeting, the first award of deferred STI will be made in FY27.
- Mr Ward had 591,768 share Options, with a value of \$313,292 at grant date, that had a performance testing date of 31 March 2025. As the performance conditions were not satisfied, the options were forfeited during FY26.
- Mr Ward had a further 453,206 Options, with a value of \$417,312 at grant date, that had a performance testing date of 31 March 2026. As the performance conditions were not satisfied, the options will be forfeited during FY27.
- During FY26, 3,132,525 Options with an exercise price of A\$0.75 held by Mr Ward lapsed as a result of expiry.

This table shows the performance conditions that apply to the PSRs awarded to the CEO in FY26, which have a testing date of 31 March 2028 and a 3-year measurement period of 21 June 2025 to 20 June 2028.

Criteria	Weighting	Hurdle	Vesting Scale	Number of PSRs eligible to vest	Additional Notes
Relative TSR	100%	80 th percentile (top 10) <i>Stretch Target</i>	100%	1,051,869	Sliding scale
		70 th percentile (top 15) <i>On Target</i>	67%	714,489	
		50 th percentile (top 25) <i>Average Target</i>	33%	352,244	
		<50 th percentile (bottom 25) <i>Below Target</i>	0%	Nil	Nil

Notes:

- The Board reserves the right to adjust performance conditions or vesting outcomes to ensure that the recipient is neither penalised nor provided with a windfall benefit arising from matters outside their control.
- TSR Ranking: how the Company ranks against a comparator group comprised of the top 50 (by market capitalization) ASX-listed healthcare companies for total shareholder return.
- The sliding scale referred to in the Additional Notes column is straight-line vesting between upper and lower limits.

PSRs on issue to the CEO

Award Name	Award Date	Performance Testing Date	Vesting Date	Balance as at 1 April 2025	Awarded	Balance as at 31 March 2026
FY2026 - PSR	20 Sep 2025	20 Jun 2028	31 Jul 2028	0	1,015,869	1,051,869
FY2025 - PSR	23 Jul 2024	31 Mar 2027	30 Jun 2027	961,255	0	961,255
TOTAL				961,255	1,051,869	2,013,124

Options on issue to the CEO

Award Name	Award Date	Exercise Price (A\$)	Vesting Date	Balance as at 1 April 2025	Forfeited/ expired FY26	Awarded Balance as at 31 March 2026	Vested in FY26
FY2023 A - OPT	1 Mar 2023	-	31 Mar 2026	453,206	-	453,206	-
FY2023 A - OPT	14 Nov 2022	-	31 Mar 2025	591,768	(591,768)	-	-
FY2023 B - OPT	14 Nov 2022	1.165	31 Mar 2024	330,024	-	330,024	-
FY2023 B - OPT	14 Nov 2022	1.165	31 Mar 2025	319,671	-	319,671	-
FY2023 B - OPT	1 Mar 2022	1.165	31 Mar 2026	254,972	-	254,972	254,972
FY2021 A - OPT	24 Jul 2020	0.75	31 Mar 2021	1,044,175	(1,044,175)	-	-
FY2021 A - OPT	24 Jul 2020	0.75	31 Mar 2022	696,117	(696,117)	-	-
FY2021 A - OPT	24 Jul 2020	0.75	31 Mar 2023	348,058	(348,058)	-	-
FY2021 A - OPT	24 Jul 2020	0.75	30 Jun 2023	1,044,175	(1,044,175)	-	-
TOTAL				5,082,166	(4,350,135)	1,357,873	254,972

+ Overview of Non-Executive Director remuneration

This section sets out our approach to non-executive directors' remuneration. The Company's CEO, Brian Ward, is the Company's sole executive director, and only receives remuneration and other benefits in his capacity as an employee (refer page 39 for details of Mr Ward's remuneration).

Our non-executive directors receive cash fees, and until FY24, were also granted equity in the form of share options. To maintain objectivity in decision-making, we do not offer our non-executive directors' performance-based compensation.

As approved by shareholders, the maximum aggregate annual cash-based remuneration payable in FY26 to our non-executive directors for their services as directors is NZ\$750,000. Individual director fees are based on the time commitment and responsibilities of their role, with Board and Committee Chairs receiving higher fees commensurate to their additional workload. Each non-executive director is entitled to be reimbursed for all reasonable travel, accommodation and other expenses they incur for attending AROA meetings or on other Company business. We do not provide our non-executive directors with superannuation arrangements or retirement allowances.

The Board sees value in promoting share ownership among our non-executive directors as it appropriately aligns their interests with those of our shareholders.

Non-Executive Directors' aggregated remuneration

This table shows the remuneration and the value of other benefits received by our non-executive directors in their capacity as directors for the year ended 31 March 2026. As noted above, the directors solely received directors' fees in FY26, however, some of the options awarded to directors in previous financial years vested in FY26. Brian Ward does not receive any remuneration or benefits in his capacity as a director.

	Directors fees (cash)	Options	Shares	Total
James McLean	\$135,000	\$16,368	-	\$151,368
Philip McCaw	\$80,000	\$10,912	-	\$90,912
John Pinion	\$82,388	\$21,736	-	\$104,124
John Diddams	\$112,394	\$10,912	-	\$123,306
Dr. Catherine Mohr	\$141,580	\$13,078	-	\$154,658
Darla Hutton	\$115,994	-	\$40,000	\$155,994
Paul Shearer	\$33,333	-	-	\$33,333
TOTAL	\$700,689	\$73,006	\$40,000	\$813,695

Notes:

- Fees for directors who are not based in NZ are fixed in their local currency, and converted into NZ\$ here for disclosure purposes. The table above does not include reimbursement of reasonable travel, accommodation and other expenses incurred by directors for attending AROA meetings or on other Company business.
- The values provided for Options reflect the non-cash accounting cost of all share options held by the relevant director during the financial year. It includes the cost of share Options vesting during the financial year. No cash payments are made in relation to these. The amounts are calculated based on NZ IFRS 2 - Share-based Payment.
- The values provided for shares reflect the value at issue date. Darla Hutton was issued 140,110 ordinary shares on 22 August 2024. All shares were placed in escrow and half of the shares were released on 31 March 2025. The second half of the shares (with a value at issue date of \$40,000) were released on 31 March 2026.

Non-Executive Directors' options holdings

This table is an overview of the share Options held by each director (or their nominee) in their capacity as directors during FY26, and includes FY26 vestings and forfeitures. As at 31 March 2026 all options on issue to the non-executive directors were vested and exercisable. There is no disclosure for Darla Hutton or Paul Shearer as they do not hold any share Options. Brian Ward does not hold any share options in his capacity as a director.

	Number as at 1 April 2025	Number of options vested	Number of options Forfeited	Number as at 31 March 2026
James McLean	311,329	83,330	(52,400)	258,929
Philip McCaw	254,545	55,554	(81,925)	172,620
John Pinion	1,051,620	55,554	(245,775)	805,845
John Diddams	193,072	55,554	-	193,072
Dr. Catherine Mohr	210,686	62,116	-	210,686
TOTAL	2,021,252	312,108	(380,100)	1,641,152

Notes:

- The 83,330 Options that vested for James McLean and the 55,554 Options that vested for Philip McCaw, John Pinion and John Diddams were awarded in FY23, have an exercise price of A\$1.083 and an expiry date of 29 February 2028.
- The 62,116 Options that vested for Dr. Catherine Mohr were awarded in FY23, have an exercise price of A\$0.87 and an expiry date of 13 November 2027.
- The 380,100 Options that were forfeited had an exercise price of A\$0.75 and lapsed on 23 July 2025 as result of expiry.
- Philip McCaw holds his interest personally and through McSyth Capital Investment Trust, of which he is one of three trustees and a beneficiary.
- John Diddams holds share options through a related party - Whitfield Investments Pty Ltd.

+ Directors' shareholdings

This table shows the number of ordinary shares in the Company held by each director or their personally related parties during the 2026 financial year.

	Balance as at 1 April 2025	Received during the year on exercise of options	Purchases, or as specified, other additions	Sales	Balance as at 31 March 2026	Percentage of total issued share capital as at 31 March 2026
James McLean	2,827,108	-	-	-	2,827,108	0.82%
Philip McCaw	20,077,154	-	-	-	20,077,154	5.81%
John Pinion	472,500	-	-	-	472,500	0.14%
John Diddams	1,192,550	-	-	160,000	1,032,550	0.30%
Dr. Catherine Mohr	436,364	-	-	-	436,364	0.13%
Darla Hutton	140,110	-	-	-	140,110	0.04%
Paul Shearer	500,000	-	-	-	500,000	0.14%
Brian Ward	33,125,800	-	-	-	33,125,800	9.59%
TOTAL	58,771,586	-	-	160,000	58,611,586	16.97%

Notes:

- As a directors of Mesynthes Nominee Limited, as at 31 March 2026 James McLean and Philip McCaw also had an interest in 1,430,861 shares held by Mesynthes Nominee Limited on bare trust for AROA employees who are participating in the Grow Together employee share scheme, and for certain AROA employees until payment is received for such shares.
- Philip McCaw holds his interest through McSyth Capital Investment Trust, of which he is one of three trustees and a beneficiary. Mr McCaw also has an interest in shares held by the McSyth Charitable Foundation Trust, a registered charity of which he is one of two trustees.
- John Pinion retired from the Board on 31 October 2025. His closing balance above is as at that date.
- John Diddams' shareholdings includes holdings via related parties - Whitfield Investments Pty Ltd and Galdarn Pty Ltd.
- Dr. Catherine Mohr holds her interest through the Mohr Family Trust, of which Dr. Mohr is a beneficiary.
- Paul Shearer joined the Board on 31 October 2025. His opening balance above is at that date.
- Brian Ward holds his interest through Arawai No. 2 Trust, of which he is one of three trustees and a beneficiary.

+ End of Remuneration Report

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board.



James McLean
Independent Chair of the Board



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 its subsidiaries ("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.

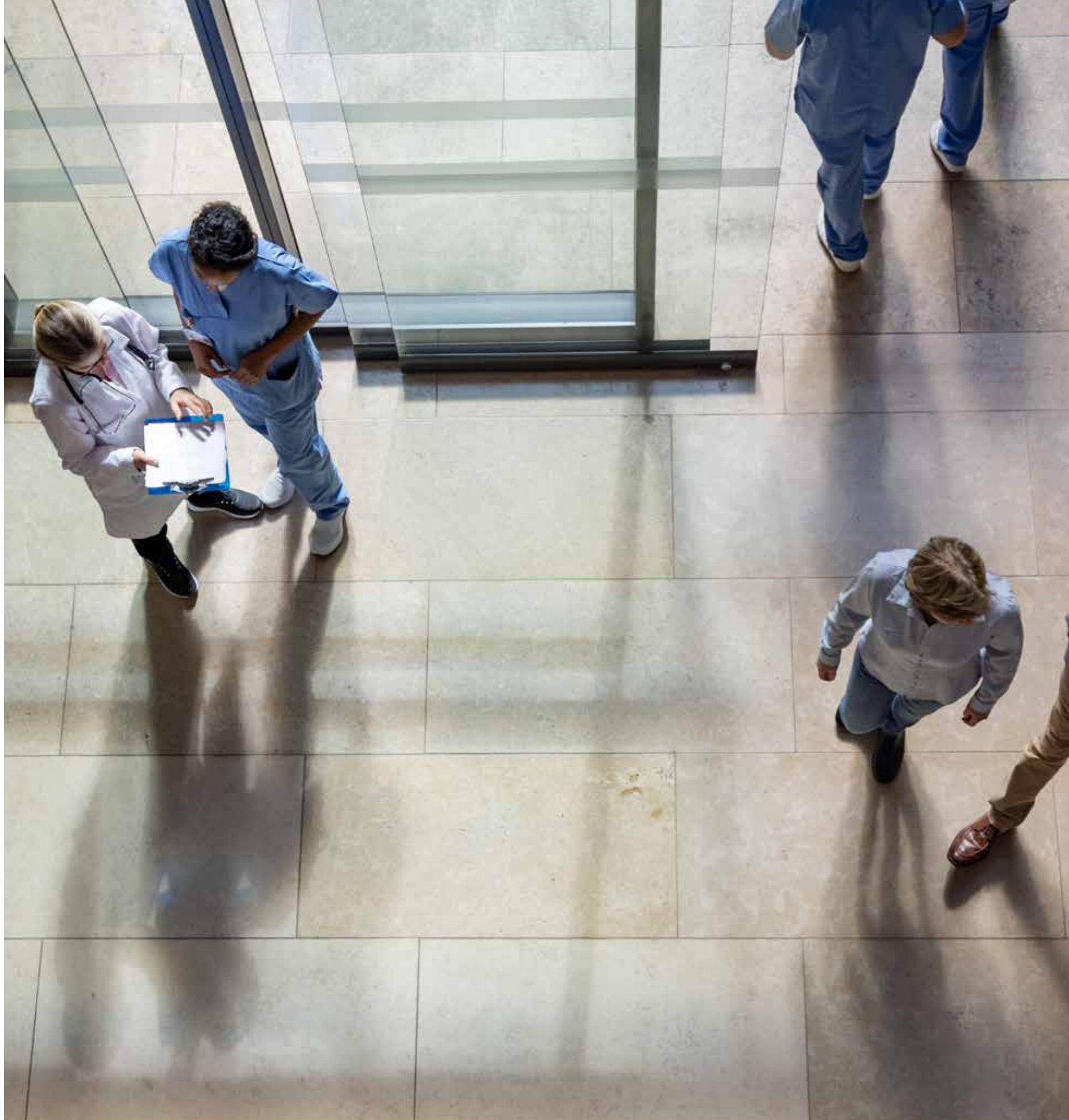
Approved for and on behalf of the Board of Directors on 26 May 2026.

James McLean - Chairman

Brian Ward - CEO

AROA delivers unmatched value by reducing hospital costs and driving meaningful operational improvements.





INDEPENDENT AUDITOR'S REPORT

**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	How The Matter Was Addressed in Our Audit
<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • We evaluated Management’s revenue recognition policy based on our understanding of the contract with TELA Bio and the requirements of NZ IFRS15 - <i>Revenue from contracts with customers</i>. • 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® 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.

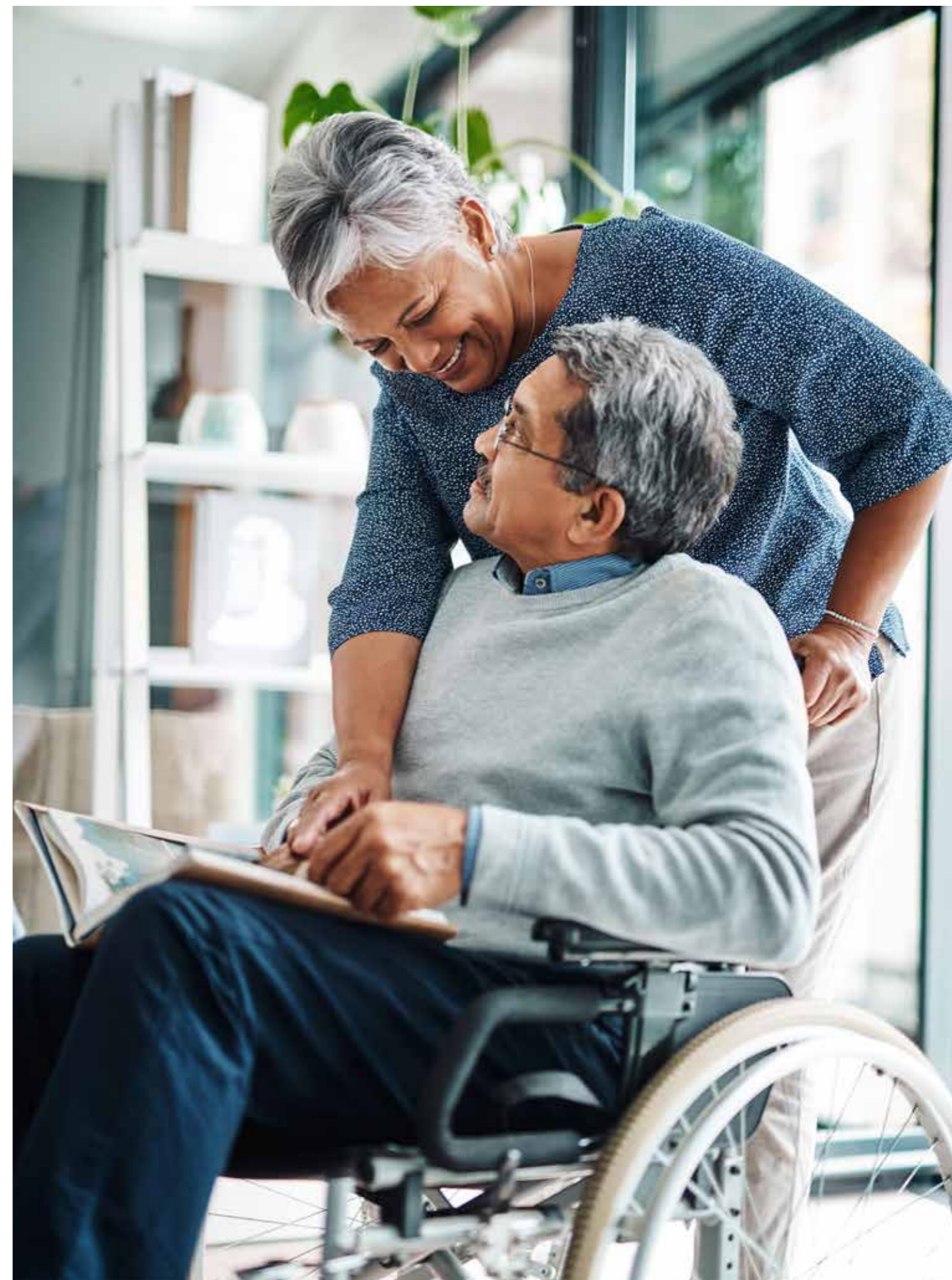
Who we Report to

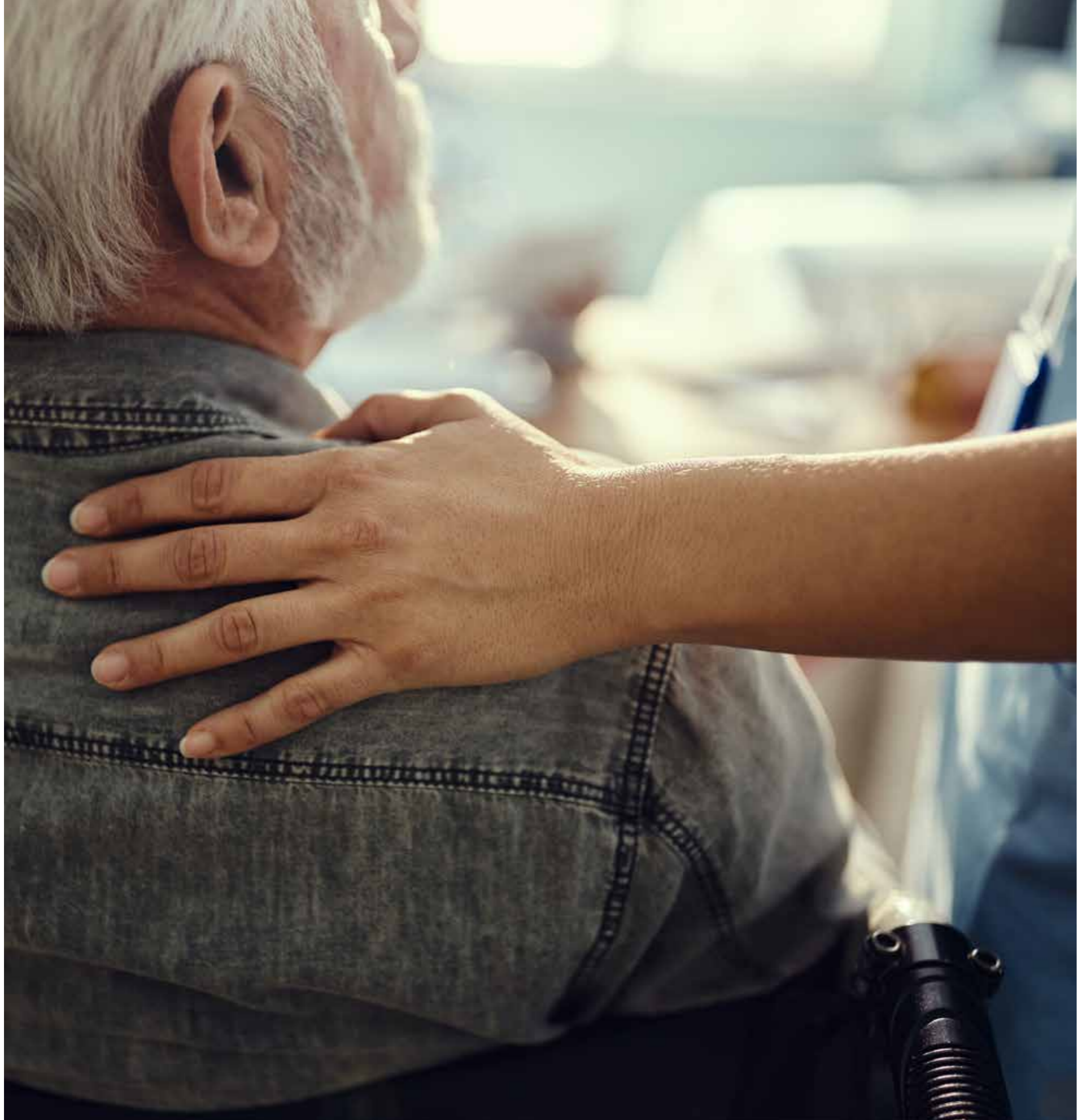
This report is made solely to the Company's shareholders, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility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

For the year ended 31 March 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)
Gross profit		88,826	72,614
Other income	4	1,050	1,083
Selling and administrative expenses		(76,266)	(67,049)
Research and development expenses		(7,930)	(9,566)
Profit/(loss) from operations before net financing income and income tax	5	5,680	(2,918)
Finance income	6	1,442	1,363
Finance expenses	6	(1,849)	(1,695)
Profit/(loss) before income tax		5,273	(3,250)
Income tax expense	7	(595)	(563)
Profit/(loss) for the year attributable to shareholders		4,678	(3,813)
Other comprehensive income			
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)
Total other comprehensive loss		(175)	(210)
Total comprehensive gain/(loss) for the year attributable to shareholders		4,503	(4,023)
Earnings per share during the year:			
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
Current assets			
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
Total current assets		77,279	66,880
Non-current assets			
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
Total non-current assets		43,365	41,992
Total assets		120,644	108,872
Current liabilities			
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
Total current liabilities		16,208	10,303
Non-current liabilities			
Provisions		202	187
Lease liabilities	18	4,895	5,297
Total non-current liabilities		5,097	5,484
Total liabilities		21,305	15,787
Net assets		99,339	93,085
Equity			
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
Total equity		99,339	93,085

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
Balance as at 1 April 2025		146,842	(64,058)	(344)	158	10,487	93,085
Comprehensive income							
Profit for the year		-	4,678	-	-	-	4,678
Other comprehensive loss for the year		-	-	(97)	(78)	-	(175)
Total comprehensive income for the year		-	4,678	(97)	(78)	-	4,503
Transactions with shareholders							
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
Total transactions with shareholders		270	5,568	-	-	(4,087)	1,751
Balance as at 31 March 2026		147,112	(53,812)	(441)	80	6,400	99,339
Balance as at 1 April 2024		146,798	(62,152)	(679)	703	10,268	94,938
Comprehensive income							
Loss for the year		-	(3,813)	-	-	-	(3,813)
Other comprehensive income / (loss) for the year		-	-	335	(545)	-	(210)
Total comprehensive income for the year		-	(3,813)	335	(545)	-	(4,023)
Transactions with shareholders							
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
Total transactions with shareholders		44	1,907	-	-	219	2,170
Balance as at 31 March 2025		146,842	(64,058)	(344)	158	10,487	93,085

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
Cash flows from operating activities			
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)
Net cash inflow / (outflow) from operating activities	26	10,546	(2,566)
Cash flows from investing activities			
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
Net cash inflow from investing activities		4,274	301
Cash flows from financing activities			
Proceeds from issue of shares	19	75	10
Lease liability – principal payments	18	(1,345)	(1,007)
Lease liability – interest payments	18	(473)	(476)
Net cash outflow from financing activities		(1,743)	(1,473)
Net increase / (decrease) in cash and cash equivalents		13,077	(3,738)
Effect of exchange rate fluctuations on cash and cash equivalents		(7)	207
Cash and cash equivalents at beginning of year		7,991	11,522
Cash and cash equivalents at end of year		21,061	7,991

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[®] Accounting Standards (IFRS[®]) 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.

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

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.

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 \$000	2025 \$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
Total revenue	103,854	84,697
Revenue recognised point in time	103,507	83,977
Revenue recognised over time	347	720
Total revenue	103,854	84,697

4. Other income

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

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 \$000	2025 \$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	-

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
Finance income			
Interest received on bank balances – financial assets at amortised cost		680	1,059
Other finance income			
Foreign currency gains		-	304
Foreign currency gain on derivative financial liabilities		762	-
Total finance income		1,442	1,363
Finance expenses			
Interest expenses – lease liabilities	18	(473)	(476)
Other finance expenses			
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)
Total finance expenses		(1,849)	(1,695)
Net finance expenses		(407)	(332)

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
Income tax expense	595	563

Major components of tax expense:

	2026 \$000	2025 \$000
Current period	595	563
Total tax expense	595	563

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
Total deferred tax asset/(liability) recognised	-	-

7. Income taxes (continued)

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
Total deferred tax asset unrecognised (tax effected)	8,208	9,664

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
Total cash and cash equivalents	21,061	7,991

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.

b. Term deposits

	2026 \$000	2025 \$000
Term deposits	5,995	14,000
Total term deposits	5,995	14,000

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
US listed equity securities		
Balance at beginning of the year	158	703
Changes in fair value through other comprehensive income	(78)	(545)
Balance at end of the year	80	158

The fair value of the listed equity securities is based on published market price (level 1 in the fair value hierarchy) and is revalued at 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)
Net trade receivables	20,971	14,859
Other receivables	155	211
Other receivables – Research and Development Tax Incentive accrual	904	1,088
Trade and other receivables – financial assets at amortised cost	22,030	16,158
GST receivable	142	169
Total current trade and other receivables	22,172	16,327

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.

(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 \$000	2025 \$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
Total trade receivables	21,215	15,213

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 \$000	2025 \$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)
Total inventories	6,019	8,270

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.

	Leasehold Improvements \$000	Capital Work in Progress \$000	Plant and Equipment \$000	Fixture and Fitting \$000	Computer Equipment \$000	Total \$000
Cost						
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	-	-	-
Balance 31 March 2026	5,598	8,336	11,743	822	2,647	29,146
Accumulated Depreciation						
Balance 1 April 2025	(2,713)	-	(6,815)	(458)	(1,880)	(11,866)
Depreciation	(508)	-	(967)	(65)	(326)	(1,866)
Balance 31 March 2026	(3,221)	-	(7,782)	(523)	(2,206)	(13,732)
Net Book Value						
Balance 1 April 2025	2,368	8,407	4,588	354	454	16,171
Balance 31 March 2026	2,377	8,336	3,961	299	441	15,414

12. Property, plant and equipment (continued)

	Leasehold Improvements \$000	Capital Work in Progress \$000	Plant and Equipment \$000	Fixture and Fitting \$000	Computer Equipment \$000	Total \$000
Cost						
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)
Balance 31 March 2025	5,081	8,407	11,403	812	2,334	28,037
Accumulated Depreciation						
Balance 1 April 2024	(2,131)	-	(6,004)	(392)	(1,503)	(10,030)
Depreciation	(582)	-	(842)	(66)	(377)	(1,867)
Written off	-	-	31	-	-	31
Balance 31 March 2025	(2,713)	-	(6,815)	(458)	(1,880)	(11,866)
Net Book Value						
Balance 1 April 2024	2,744	8,324	3,727	413	561	15,769
Balance 31 March 2025	2,368	8,407	4,588	354	454	16,171

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.

13. Intangible assets (continued)

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

	Patents and trademarks	Customer relationships	Reacquired rights	Goodwill	Capitalised development	Total
	\$000	\$000	\$000	\$000	\$000	\$000
Cost						
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)
Balance 31 March 2025	2,565	5,563	9,772	5,538	5,223	28,661
Accumulated Depreciation						
Balance 1 April 2024	(514)	(3,709)	(3,257)	-	(96)	(7,576)
Amortisation	(145)	(618)	(543)	-	(670)	(1,976)
Balance 31 March 2025	(659)	(4,327)	(3,800)	-	(766)	(9,552)
Net Book Value						
Balance 1 April 2024	1,741	1,854	6,515	5,538	4,054	19,702
Balance 31 March 2025	1,906	1,236	5,972	5,538	4,457	19,109

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:

13. Intangible assets (continued)

	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.

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
Total trade and other payables	6,286	3,437

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	-
Total contract liabilities	1,290	-

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

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)
Balance at end of the year	5,297	5,335

18. Lease liabilities

	Note	2026 Properties Total \$000	2025 Properties Total \$000
Balance at beginning of the year		6,416	7,435
Interest expense	6	473	476
Lease payments		(1,818)	(1,483)
Remeasurement		1,305	(12)
Balance at end of the year	23	6,376	6,416
Current		1,481	1,119
Non-current		4,895	5,297
Total		6,376	6,416

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

18. Lease liabilities (continued)

- 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.

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
Share capital at beginning of the year	146,842	146,798
Shares exercised under share-based payments awards	100	34
Repayment of employee loans for acquisition of shares	82	10
Issue of shares	88	-
Share capital at end of the year	147,112	146,842

of shares

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

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.

20. Share based payments reserve (continued)

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

	2026 \$000	2025 \$000
Opening balance	10,487	10,268
Share based payment expense	1,614	2,638
Employee shares forfeited	(33)	(478)
Total expenses recognised in consolidated statement of profit or loss	1,581	2,160
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)
Total changes recognised in consolidated statement of movements in equity	(5,668)	(1,941)
Closing balance	6,400	10,487

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.

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)
Closing balance	0.10	790,725	0.10	790,725
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:

20. Share based payments reserve (continued)

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)
Closing balance	0.87	10,977,494	0.86	20,025,358
Vested as at 31 March	0.87	10,977,494	1.08	12,027,365

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

Expiry date	Share options 2026 \$000	Share options 2025 \$000
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
Total	10,977,494	20,025,358

(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.

20. Share based payments reserve (continued)

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)	-
Closing balance	430,605	-

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

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

(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 # of units	2025 # 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)
Closing balance	1,311,159	958,541
Vested and exercised as 31 March	426,457	132,979

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

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

(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.

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)
Closing balance	5,460,847	3,833,739
Vested as at 31 March	-	-

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

	2026 # of rights	2025 # of rights
Vesting date		
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	-
Total	5,460,847	3,833,739

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%

21. Earnings per share

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

	2026	2025
Numerator		
Gain (loss) for the year after tax ("N") in \$000	4,678	(3,813)
Denominator		
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
	Cents	Cents
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 \$000	2025 \$000
Short term employee benefits	2,819	2,201
Employer contributions defined contribution superannuation scheme	63	56
Share based payment expenses	445	847
Total	3,327	3,104

Non-executive directors

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

(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.

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	-	-	-
Net exposure	36,322	(95)	96	140

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	-	-	-
Net exposure	34,728	(35)	182	34

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.

23. Financial risk management (continued)

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).

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
Non derivative financial liabilities							
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
Total		6,752	1,401	1,875	3,547	13,575	12,662
Derivative financial liabilities							
Derivative liabilities		345	557	473	-	1,375	1,375
Total		345	557	473	-	1,375	1,375
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
Non derivative financial liabilities							
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
Total		3,817	1,143	1,562	4,485	11,007	9,853
Derivative financial liabilities							
Derivative liabilities		510	912	716	-	2,138	2,138
Total		510	912	716	-	2,138	2,138

23. Financial risk management (continued)

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.

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	Note	Assets at amortised cost \$000	Assets at fair value through other comprehensive income \$000	Total \$000
Financial assets as per consolidated statement of financial position				
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
Total financial assets		49,086	80	49,166

24. Financial instruments by category (continued)

At 31 March 2026	Note	Liabilities at amortised cost \$000	Liabilities at fair value through profit and loss \$000	Total \$000
Financial liabilities as per consolidated statement of financial position				
Trade and other payables	14	6,286	-	6,286
Lease liabilities	18	6,376	-	6,376
Derivative liabilities		-	1,375	1,375
Total financial liabilities		12,662	1,375	14,037

At 31 March 2025	Note	Assets at amortised cost \$000	Assets at fair value through other comprehensive income \$000	Total \$000
Financial assets as per consolidated statement of financial position				
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
Total financial assets		38,149	158	38,307

At 31 March 2025	Note	Liabilities at amortised cost \$000	Liabilities at fair value through profit and loss \$000	Total \$000
Financial liabilities as per consolidated statement of financial position				
Trade and other payables	14	3,437	-	3,437
Lease liabilities	18	6,416	-	6,416
Derivative liabilities		-	2,138	2,138
Total financial liabilities		9,853	2,138	11,991

(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 \$000	2025 \$000
US listed equity securities	9	80	158
Derivative financial liabilities		(1,375)	(2,138)
Total		(1,295)	(1,980)

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.

26. Other Disclosures

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

	2026 \$000	2025 \$000
Profit / (loss) after tax	4,678	(3,813)
Add / (deduct) non-cash items:		
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
Movement in working capital:		
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	-
Net cash flows from operating activities	10,546	(2,566)

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

	Note	2026 \$000	2025 \$000
As at 1 April		(6,416)	(7,435)
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)
As at 31 March		(6,376)	(6,416)

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.

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).





ADDITIONAL INFORMATION

NZ Company No. 1980577

ARBN 638 867 473

+ Aroa Biosurgery Limited

Aroa Biosurgery Limited is a New Zealand incorporated company and is registered with ASIC as a foreign company. The Company is principally governed by New Zealand law and this means that the Company's general corporate activities (apart from any offering of securities in Australia and certain reporting and disclosure obligations) are not regulated by ASIC under the Corporations Act. Instead, they are regulated by the New Zealand Financial Markets Authority and the New Zealand Registrar of Companies under New Zealand law including the Companies Act, Financial Markets Conduct Act 2013 and Financial Markets Conduct Regulations 2014.

+ Stock exchange information and on-market buy-backs

The Company's shares were officially quoted on the ASX on 24 July 2020 (ASX Code: ARX). During the year ended 31 March 2026, the Company did not seek, or rely upon, any waivers from the ASX Listing Rules. There is no current on-market buy-back of the Company's shares and the Company did not undertake an on-market buy-back of its shares during the year ended 31 March 2026.

+ Ordinary shares

On 31 March 2026 and as at the date of this Annual Report, the Company only has one class of shares on issue, being ordinary shares in the Company, each conferring on the registered holder the rights set out in the Company's constitution, including the right to vote on any resolution at a meeting of shareholders. Holders of ordinary shares may vote at a meeting in person or by proxy, representative or attorney.

There were 345,476,196 ordinary shares in the Company on issue as at 31 March 2026.

The total number and distribution of shareholdings as at 22 May 2026 is as shown in the table below:

Size of shareholding	Number of holders	% of holders	Number of ordinary shares	% ordinary shares
1 to 1,000	770	24%	490,824	0.14%
1,001 to 5,000	1,066	33%	2,941,602	0.85%
5,001 to 10,000	486	15%	3,945,085	1.14%
10,001 to 100,000	766	24%	24,690,127	7.14%
100,001 and over	143	4%	313,835,015	90.73%
TOTAL	3,231	100%	345,902,653	100.00%

Note: This includes the 418,249 Restricted Shares held by 137 employees under Grow Together.

Based on the closing market price of AROA's ordinary shares on 22 May 2026, 497 shareholders held less than marketable parcels.

The Company has not carried out any issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act.

+ Share Options

The total number and distribution of share options as at 22 May 2026 is as shown in the table below:

Size of holding	number of holders	% of holders	Number of options	% of options
1 to 1,000	-	0%	-	-
1,001 to 5,000	-	0%	-	-
5,001 to 10,000	4	6%	27,012	0.23%
10,001 to 100,000	27	44%	1,433,563	12.22%
100,001 and over	31	50%	10,272,644	87.55%
TOTAL	62	100%	11,733,219	100.00%

Share Options do not carry voting rights. Please refer to the Remuneration Report and note 20 to the Consolidated Financial Statements for further details of the Share Options on issue.

+ Performance shares rights

The total number and distribution of PSRs as at 22 May 2026 is as shown in the table below:

Size of holding	Number of holders	% of holders	Number of PSRs	% of PSRs
1 to 1,000	-	0%	-	-
1,001 to 5,000	-	0%	-	-
5,001 to 10,000	-	0%	-	-
10,001 to 100,000	8	31%	528,013	9.79%
100,001 and over	18	69%	4,865,140	90.21%
TOTAL	26	100%	5,393,153	100.00%

PSRs do not carry voting rights. Please refer to the Remuneration Report and note 20 to the Consolidated Financial Statements for further details of the PSRs on issue.

+ Restricted stock units

The total number and distribution of RSUs as at 22 May 2026 is as shown in the table below:

Size of holding	Number of holders	% of holders	Number of RSUs	% RSUs
1 to 1,000	-	0%	-	-
1,001 to 5,000	-	0%	-	-
5,001 to 10,000	1	4%	10,000	1.18%
10,001 to 100,000	24	96%	840,855	98.82%
100,001 and over	-	0%	-	-
TOTAL	25	100%	850,855	100.00%

RSUs do not carry voting rights. Please refer to the Remuneration Report and note 20 to the Consolidated Financial Statements for further details of the RSUs on issue.

+ Twenty largest shareholders

The names and holdings of the 20 largest registered shareholders in the Company as at 22 May 2026 was as follows:

Shareholder name	Shareholding	Holding as a % of total ordinary shares on issue as at the date above
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	51,088,590	14.77%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	46,801,027	13.53%
BRIAN WARD & DR TRACEY WARD & MR THOMAS WARD <ARAWAI NO2 A/C>	33,125,800	9.58%
PHIL MCCAW <MCSYTH CAPITAL INVEST A/C>	19,597,251	5.67%
CITICORP NOMINEES PTY LIMITED	18,382,936	5.31%
BNP PARIBAS NOMS (NZ) LTD	15,139,248	4.38%
RICHARD ABBOTT <JESTER 002 INVESTMENT A/C>	13,043,020	3.77%
MIRRABOOKA INVESTMENTS LIMITED	12,641,127	3.65%
ASPIRE NZ SEED FUND LTD	10,421,614	3.01%
BNP PARIBAS NOMS PTY LTD	6,403,541	1.85%
K ONE W ONE (NO 3) LTD	5,882,550	1.70%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,392,326	1.27%
SHARON BRYANT <OT INVESTMENT A/C>	4,372,267	1.26%
SHARESIES AUSTRALIA NOMINEE PTY LIMITED	4,283,354	1.24%
HB BIOTECHNOLOGY LTD	3,927,899	1.14%
MR BARNABY MAY	3,272,775	0.95%
CHRISTOPHER DAVID ASTLEY MILNE	3,248,022	0.94%
MR JOHN ANTHONY DELL	3,108,864	0.90%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	3,063,242	0.89%
JK ONE W ONE LTD	3,041,226	0.88%
Total	265,236,679	76.68%
Total issued capital - selected security class(es)	345,902,653	100.00%

The other equity securities in the Company held by the shareholders listed above as at 22 May 2026 are:

- Brian Ward and Philip McCaw: refer to Substantial shareholders section below.
- Barnaby May: 253,853 PSRs with a testing date of 31 March 2027, 256,576 share options expiring on 3 August 2028 at an exercise price of AU\$0.91, and 127,280 performance-based Share Options at a nil exercise price granted in FY24 that did not reach their 31 March 2026 vesting conditions, so will be forfeited.

+ Takeovers and substantial holdings

While the ASX Listing Rules apply to the Company, certain provisions of the Corporations Act do not. As a foreign company, AROA is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act, which deals with the acquisition of its shares including takeovers, and substantial holdings. Instead, the Company is subject to New Zealand law in these areas.

The New Zealand position under the Takeovers Code (as set out in the Takeovers Regulations 2000) and the Financial Markets Conduct Act 2013 is broadly comparable to the Australian position in relation to the regulation of takeovers. A 20% threshold applies under which a person (together with their associates) is prevented from increasing the percentage of voting rights held or controlled by them in excess of that 20% threshold, subject to certain exceptions which include full and partial takeover offers, 5% creep over 12 months in the 50% to 90% range, and acquisitions with shareholder approval. Compulsory acquisitions are permitted by persons who hold or control 90% or more voting rights in a code company.

Under New Zealand law, there is no requirement for a shareholder of the Company to issue a substantial holding notice of holdings above 5%. However, a shareholder may voluntarily disclose such information if it chooses to do so and a number of New Zealand companies listed on ASX experience shareholders lodging substantial shareholder notices following the Corporations Act requirements notwithstanding that they are not required to under New Zealand law. Separately, the Company has undertaken to ASX that it will inform the market immediately on becoming aware of a person becoming a Substantial Holder, a movement of at least 1% of shares in which the Substantial Holder has a relevant interest, and a person ceasing to be a Substantial Holder.

+ Limitations on the acquisition of AROA shares

In general, under applicable law shares in the Company are freely transferrable and the only significant restrictions or limitations in relation to the acquisition of AROA shares are those imposed by the New Zealand takeovers regime (discussed above) and if applicable, the Overseas Investment Act 2005 (NZ) and the Commerce Act 1986 (NZ).

AROA's constitution also permits the directors to (in their absolute discretion) refuse or delay the registration of any transfer of AROA shares if permitted to do so by the Companies Act or the ASX Listing Rules. This includes where the relevant shares are subject to escrow or a holding lock pursuant to the ASX Settlement Operating Rules.

+ Substantial shareholders

Set out below is, to the best of the Company's knowledge, details relating to all Substantial Holders in the Company as at 22 May 2026:

Shareholder name	Shareholding*	Holding as a % of total ordinary shares on issue as at 22 May 2026
MR BRIAN WARD** & MRS TRACEY WARD <ARAWAI NO 2 A/C>	33,125,800	9.58%
FIRSTCAPE GROUP LIMITED	30,421,199	8.79%
ACORN CAPITAL LIMITED	26,191,784	7.57%
PHILIP MCCAW	20,077,154	5.80%
STATE STREET AUSTRALIA LTD ACF AUSTRALIAN ETHICAL INVESTMENT LIMITED	17,288,432	5.00%

Notes:

- The shareholdings specified above relate to the Substantial Holder and their "associates" (as defined in section 12 of the Corporations Act), according to relevant Substantial Shareholding Notices received by the Company.
- Philip McCaw's shareholding above reflects holdings by the McSyth Capital Investment Trust as well as the Horizon Two Adventures Trust and McSyth Charitable Foundation Trust. The latter is a registered charity of which Philip is one of 2 trustees.

The other equity securities in the Company that the Substantial Holders and their associates have an interest in as at 22 May 2026 were:

- Brian Ward: 649,695 share options expiring 13 November 2027 at an exercise price of AU\$1.165; 254,972 share options expiring 29 February 2028 at an exercise price of AU\$1.165; 453,206 unlisted Options at a nil exercise price granted in FY23 that did not reach their 31 March 2026 vesting conditions, so will be forfeited; 961,255 PSRs with a performance testing date of 31 March 2027 and 1,051,869 PSRs with a performance testing date of 20 June 2028.
- Philip McCaw: 172,620 Share Options expiring 29 February 2028 at an exercise price of AU\$1.083.

+ Restricted securities and securities subject to voluntary escrow

As at 22 May 2026, there were no AROA securities that were restricted or subject to voluntary escrow for the purpose of the ASX Listing Rules.

+ General disclosures of interests by Directors

AROA maintains an interests register in accordance with the Companies Act. The following are general disclosures of interests (pursuant to section 140(2) of the Companies Act) that were noted in the Company's interests register as at 1 April 2025 and remained current as at 31 March 2026.

Name	Interest
James McLean	Director, Mesynthes Nominees Limited
	Chair, Prevar Limited
Brian Ward	Director, Green Edge Limited
	Director, Mesynthes Nominee Limited
	Chair, Author-IT Limited
	Director, Kaynemaile Ltd
	Director, Shift72 Limited
	Director, Movac Limited
	Director, Movac Fund 4 Custodial Limited
	Director, Movac Fund 5 Custodial Limited
	Director, Movac Fund 5 General Partner Limited
	Director, Movac Fund 4 General Partner Limited
	Director, CAVOM Nominee No 1 Limited
Philip McCaw	Director, Calcium Investments Limited
	Director, Calcium Investment Trustee Limited
	Director, PJM Management Limited
	Non-Executive Chair, xReality Group Limited (ASX: XRG)
John Diddams	Director, Surf Lakes Global Inc
	Director, DIT AgTech Limited
Dr. Catherine Mohr	Director, Carta Healthcare
	Director, Avisi Therapeutics
	Director, Spark Acquisition

The following updates to the general disclosures of interests were made during the financial year ended 31 March 2026:

Name	Date of disclosure	Interest	Nature of update to the Company's interests register
Philip McCaw	30 April 2025	CEO, Author-IT Ltd	Removed. Mr McCaw ceased being a CEO of Author-IT Ltd
Catherine Mohr	31 August 2025	Director, FINCA International	Removed. Dr. Mohr ceased being a director of FINCA International
Paul Shearer	31 October 2025	Director, Skellerup Holdings Ltd	Director (plus his interests) added to the register
John Pinion	31 October 2025	Advisory Board member, Celestial Therapeutics, Inc Chief Operating Officer, Amlogenyx Inc	Director (plus his interests) removed from the register
All directors as at date of disclosure	13 November 2025	<ul style="list-style-type: none"> Each director is party to an individual Deed of Indemnity (as permitted by the Companies Act). The Company has a letter agreement with each non-executive director that describes the role, requirements, remuneration, other benefits (if any) and reimbursements payable to the director. The Company has purchased D&O insurance for the period 1 November 2025 – 31 October 2026, as permitted under the Companies Act. 	

Details of share dealings by the directors during the 12-month period ended 31 March 2026 are set out in the Remuneration Report.

+ Use of company information

AROA did not receive notice from any director requesting to use company information received in their capacity as a director of any Group company, which would not otherwise have been available to them.

+ Donations

AROA made donations during the year ended 31 March 2026 totalling \$31,000. No other Group Company made any donations.

+ Subsidiary company information

All subsidiary companies in the Group are wholly owned by AROA.

The persons listed below held office as a director of the Company's subsidiaries during the year ended, and as at, 31 March 2026. They do not receive any remuneration or other benefits for their role as a director of a Company subsidiary.

Company	Directors
Aroa Biosurgery Incorporated (Delaware File number 6560549)	Brian Ward, John Pinion
Mesyntes Nominee Limited (NZBN 9429 041 350 003)	James McLean, Philip McCaw

Other than as disclosed in the Company's interests register, no entries were made in the interests register of any Company subsidiary during the year ended 31 March 2026.



GLOSSARY AND OTHER INFORMATION

+ Glossary

Term	Description
AROA or the Company	Aroa Biosurgery Limited NZCN 1980577, ARBN 638 867 473
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
CC or Constant Currency	Constant currency removes the impact of exchange rate movements. This approach is used to assess the AROA group's underlying comparative financial performance without any distortion from changes in foreign exchange rates, specifically the USD.
CEO	Chief Executive Officer
Companies Act	Companies Act 1993 (NZ)
Corporations Act	Corporations Act 2001 (Cth, Australia)
ECM	Extracellular matrix
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FDA	Food and Drug Administration (US)
FY	Financial Year
GPO	Group purchasing organisation
Group	The group of companies comprising AROA, Aroa Biosurgery Incorporated (Delaware File number 6560549) and Mesynthes Nominee Limited (NZBN 9429 041 350 003)
Grow Together	The Company's tax-exempt employee share scheme for eligible NZ employees commencing in FY26 and consisting of awards of Restricted Shares made under the Omnibus Plan
IPO	The Company's initial public offering in July 2020 of 60,000,000 shares in the Company at a price of A\$0.75 per share

LTI or long-term incentive	Discretionary long-term incentive in the form of Share Options, Restricted Shares, PSRs or RSUs issued under AROA's employee share scheme plans - the Aroa Biosurgery Share Option Plan (NZ), the Aroa Biosurgery 2021 US Share Option Plan or the Omnibus Plan
NZD	New Zealand Dollar
NZ GAAP	New Zealand Generally Accepted Accounting Practice
NZ IFRS	New Zealand Equivalents to International Financial Reporting Standards
Omnibus Plan	The Aroa Biosurgery Omnibus Plan commencing in FY25
PSRs	Performance share rights issued under the Omnibus Plan
Restricted Shares	Restricted shares issued under the Omnibus Plan
RSUs	Restricted stock units issued under the Omnibus Plan
Shares	Ordinary shares in the Company
Share Options or Options	Share options issued under either the Aroa Biosurgery Share Option Plan (NZ) or the Aroa Biosurgery 2021 US Share Option Plan
STI or short-term incentive	Short term cash bonus based on pre-determined targets
Substantial Holder	Has the meaning given to it in the Corporations Act
TAM	Estimated total addressable market
TELA Bio	TELA Bio, Inc. TELA Bio is AROA's sales and distribution partner licensed for abdominal wall reconstruction/hernia and breast reconstruction indications in North America and Europe
US	The United States of America
USD	United States Dollar
VWAP	The volume-weighted average market price for Shares reported on the ASX

+ IP notice

AROA, Aroa Biosurgery, AROA ECM, Endoform, Endoform Natural, Endoform Antimicrobial, Myriad, Myriad Matrix, Myriad Matrix Restore, Morcells, Myriad Morcells, Myriad Morcells Fine, Myriad Meshed, Symphony, Symphony OPX and Enivo are trademarks of Aroa Biosurgery Limited. All other trademarks are the property of their respective owners. ©2026 Aroa Biosurgery Limited.

+ References

¹ 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 any distortion from the one-off transactions. The impact of non-cash share-based payments expense and unrealised foreign currency gains or losses has also been removed from the Profit or Loss. This approach is used by Management and the Board to assess the Group's comparative financial performance. Refer to page 32 for reconciliation to NZ GAAP profit or loss.

² Cash flow has been calculated using the combined balance of cash and cash equivalents and term deposits.

³ Guidance assumes an average NZ\$/US\$ exchange rate in FY27 of 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.

*Cormican MT, Vassy WM, Cook C, Butts CA, Loftus J, Simon J, Young DA, Smith AA. Vascularized tissue coverage of trauma and acute care surgery defects with ovine forestomach matrix: interim results of a prospective multicenter study. J Trauma Inj. 2026;39(1):42-51.

CORPORATE DIRECTORY

Directors

James McLean, Chair and independent non-executive director

Brian Ward, Founder, Chief Executive Officer and Managing Director

John Diddams, independent non-executive director

Darla Hutton, independent non-executive director

Philip McCaw, non-executive director

Dr. Catherine Mohr, independent non-executive director

Paul Shearer, independent non-executive director

Joint Company Secretaries

James Agnew, Chief Financial Officer and Joint Company Secretary

Tracy Weimar, Joint Company Secretary

NZ Registered Office

64 Richard Pearse Drive, Mangere, Auckland 2022, New Zealand

Telephone: + 64 9 869 3035

Australian Registered Office

Suite 2, Level 11
385 Bourke St
Melbourne VIC 3000
Australia

Telephone: + 61 3 9692 7222

Auditor

BDO Auckland
Level 4, BDO Centre
4 Graham Street
Auckland 1010
New Zealand

New Zealand Legal Adviser

Chapman Tripp
Level 34, PwC Tower
15 Customs Street West
Auckland CBD, Auckland 1140
New Zealand

Australian Legal Adviser

Mills Oakley
Level 7, 151 Clarence Street
Sydney NSW 2000
Australia

Securities Registry

Automic Pty Limited
Level 5, 126 Phillip St Street
Sydney NSW 2000

Contact number if calling from inside Australia 1300 288 664

Contact number if calling from outside Australia +61 2 9698 5414

hello@automicgroup.com.au

Website

www.aroa.com

