

SETTLEMENT OF PLACEMENT, SPP OFFER BOOKLET AND OPENING OF SPP OFFER

Soft tissue regeneration company Aroa Biosurgery Limited (ASX: ARX, 'AROA' or the 'Company') announces the settlement of its previously announced placement and the opening of its non-underwritten share purchase plan offer to raise up to A\$5 million ('**SPP Offer**').

Overview

- Existing eligible shareholders will be given the opportunity to subscribe for up to a maximum of A\$15,000 worth of new shares at A\$1.165, being the same issue price as the recently completed A\$47 million placement ('**Placement**'), under a non-underwritten share purchase plan ('**SPP**') that aims to raise up to a further A\$5 million.
- The issue price under the SPP represents a 1.7% discount to the closing price of AROA shares, and a 4.6% discount to the 5 day volume weighted average price ('**VWAP**') of AROA shares, on ASX on and up to Monday, 26 July 2021, being the last day on which AROA shares traded on ASX before the announcement of the SPP Offer.
- Proceeds from the Placement and the SPP are intended to be focused on funding incremental investment in AROA's US commercial operations and in AROA's R&D and product pipeline, as well as increasing AROA's cash on balance sheet.
- Eligible shareholders may view or download their SPP documents from 11.00am (AEST) today by going to www.investorserve.com.au.

Placement

AROA confirms that it has settled the proceeds under the A\$47 million institutional placement announced on 29 July 2021. AROA will issue today approximately 40.3 million shares at an issue price of A\$1.165 per share. The shares have been issued within AROA's existing placement capacity under ASX Listing Rule 7.1. The placement shares will commence trading on ASX tomorrow.

SPP Offer Booklet and how to obtain a copy

With respect to the share purchase plan offer announced on 29 July 2021, AROA confirms that it has commenced despatch of the attached Share Purchase Plan Offer Booklet ('**Booklet**'), together with a personalised SPP application form, to all eligible shareholders. Participation in the SPP is optional and is open to shareholders who, at 7.00pm (AEST) on Wednesday, 28 July 2021, were registered as holders of AROA shares and whose address on AROA's share register is in Australia or New Zealand and who are not in the United States or acting for the account or benefit of persons in the United States ('**Eligible Shareholder**').

A copy of the Booklet and the personalised SPP application form has been mailed to Eligible Shareholders. For those who registered at www.investorserve.com.au before today and entered their email address, an email has been sent to you with a link to a copy of the Booklet and the personalised SPP application form.

Regular mail services continue to be delayed in Australia and New Zealand, so to avoid any delay, Eligible Shareholders who have not yet provided an email address are encouraged to access the Booklet and a personalised SPP application form at www.investorserve.com.au from 11.00am (AEST) today to ensure that they have time to review the documents and to make an application if they wish to do so.

Please see instructions below for viewing or downloading the Booklet and your personalised SPP application form:

- **For registered users**, go to www.investorserve.com.au then enter your username and password using the Registered User Access. Select Statements/Advices.
- **For unregistered users**, go to www.investorserve.com.au then Individual Investment Access. Your personalised SPP Application Form is available under the Statements/Advices menu.

The SPP offer opens today and closes at 5.00pm (AEST) on Thursday, 19 August 2021.

For New Zealand resident shareholders who are unable to use BPAY®, instructions to allow payment by international electronic funds transfer will be sent separately to those holders and will also be available to those holders via www.investorserve.com.au

Summary of the Share Purchase Plan

The SPP aims to raise up to A\$5 million. The SPP is not underwritten meaning that the SPP may raise less than A\$5 million. If applications under the SPP exceed the A\$5 million maximum then applications will be scaled back at the absolute discretion of AROA.

The SPP provides Eligible Shareholders with the opportunity to purchase new shares in AROA at an issue price of A\$1.165 per share. This is the same price at which shares were issued under the Placement to eligible investors that successfully raised A\$47 million. The issue price under the SPP represents a 1.7% discount to the closing price of AROA shares, and a 4.6% discount to the 5 day VWAP of AROA shares, on ASX on and up to Monday, 26 July 2021, being the last day on which the AROA shares traded on ASX before the announcement of the SPP Offer.

Eligible Shareholders will be entitled to subscribe under the SPP for a minimum of A\$1,000 and thereafter in A\$1,000 increments up to a maximum of A\$15,000 worth of new AROA shares, subject to the terms and conditions set out in the Booklet. The A\$15,000 limit has been set to potentially allow more investors to participate in the SPP based on the maximum amount to be raised under the SPP being A\$5 million. Shares issued under the SPP will rank equally with existing AROA fully paid ordinary shares on issue.

Upon receipt or download of the Booklet and personalised SPP application form, Eligible Shareholders who wish to participate in the SPP should follow the instructions in the Booklet and the personalised SPP application form if they wish to apply for shares. Eligible Shareholders are encouraged to apply using BPay®. If applying using BPAY® Eligible Shareholders do not need to return their application form. For New Zealand resident shareholders who are unable to use BPAY®, instructions to allow payment by international electronic funds transfer are being sent separately to those holders.

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The offer closes at 5.00pm (AEST) on Thursday, 19 August 2021 (**Closing Date**) and Eligible Shareholders wishing to participate are encouraged to apply for shares as soon as possible and well in advance of the Closing Date.

SPP – key dates*

Record Date (the time that eligibility for AROA shareholders to participate in the SPP was determined)	7.00pm Wednesday, 28 July 2021
Opening Date	Wednesday, 4 August 2021
Closing Date	5.00pm (AEST) on Thursday, 19 August 2021
SPP completion announcement date (and notice of scale backs, if any)	Monday, 23 August 2021
Allotment Date for new shares under the SPP	Wednesday, 25 August 2021
Despatch of holding statements for new shares issued under the SPP	Thursday, 26 August 2021
New shares issued under the SPP expected to commence trading on ASX	Thursday, 26 August 2021

**This timetable (and each reference in the Booklet to a date specified in the timetable) is indicative only and AROA may, at its discretion, vary any of the above dates by lodging a revised timetable with the Australian Securities Exchange (ASX). All times referred to in the timetable are Australian Eastern Standard Time (AEST).*

Shareholder enquiries

Shareholders who have questions in relation to the SPP should contact AROA's share registry, Boardroom Pty Limited, from 8.30am to 5.30pm (AEST) Monday to Friday (excluding public holidays) on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) during the offer period.

< ENDS >

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

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ASX ANNOUNCEMENT/MEDIA RELEASE

4 AUGUST 2021

Not for release to US wire services or distribution in the United States



Contacts

Investor

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About Aroa Biosurgery:

Aroa Biosurgery is a soft-tissue regeneration company that develops, manufactures, sells and distributes medical and surgical products to improve healing in complex wounds and soft tissue reconstruction. Committed to 'unlocking regenerative healing for everybody', its products are developed from the Company's proprietary AROA ECM™ technology platform, a novel extracellular matrix biomaterial derived from ovine (sheep) forestomach. AROA's products have been used in more than four million procedures to date, with distribution into its key market of the United States by its direct sales force and its partner TELA Bio, Inc. Founded in 2008, AROA is headquartered in Auckland, New Zealand and is listed on the Australian Securities Exchange (ASX:ARX). www.aroabio.com/

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Aroa Biosurgery Limited

New Zealand Company Number 1980577
ARBN 638 867 473

Share Purchase Plan Offer Booklet

The SPP Offer closes at 5.00pm (Sydney time) on Thursday, 19 August 2021

This is an important document and should be read in its entirety.

This document has been prepared by Aroa Biosurgery Limited, New Zealand Company Number 1980577 / ARBN 638 867 473. The offer set out in this Booklet is an initiative that provides Eligible Shareholders with the opportunity to purchase New Shares at a discount to the market price of AROA shares at the time the offer was announced, without brokerage and transaction costs.

This SPP Offer does not take into account the individual investment objective, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the SPP Offer, you should consult your financial or other professional adviser.

This document is not a prospectus or other form of disclosure document under the Corporations Act or the New Zealand Financial Markets Conduct Act 2013.

THIS BOOKLET IS NOT FOR RELEASE TO US WIRE SERVICES OR FOR DISTRIBUTION IN THE UNITED STATES.

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Important Information

Introduction

Aroa Biosurgery Limited, New Zealand Company Number 1980577 / ARBN 638 867 473 (**AROA**), is pleased to provide Eligible Shareholders (as defined in clause 2.1 of the attached SPP Terms and Conditions) the opportunity to subscribe for up to A\$15,000 worth of new fully paid ordinary shares in AROA (**New Shares**) under a share purchase plan (**SPP**) on the terms and conditions set out in this document (**SPP Offer**). Participation in the SPP Offer will not incur brokerage and transaction costs. This document has been issued by AROA and explains the features, and terms and conditions, of the SPP Offer. The SPP Offer is limited to A\$15,000 per Eligible Shareholder notwithstanding the higher individual subscription amount that is permitted under the Australian Securities and Investments Commission (**ASIC**) Corporations (Share and Interest Purchase Plan) Instrument 2019/547 (**ASIC Instrument 2019/547**), which grants relief from the requirement to issue a disclosure document under Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**) for the SPP. The limit has been set to potentially allow more investors to participate in the SPP based on the maximum amount to be raised, being A\$5 million. The SPP Offer is not underwritten.

All references to \$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

SPP - Key Dates*

Record Date (the time that eligibility to participate in the SPP was determined)	7.00pm (Sydney time) on Wednesday, 28 July 2021
SPP Opening Date	Wednesday, 4 August 2021
SPP Closing Date	5.00pm (Sydney time) on Thursday, 19 August 2021
Completion announcement date (and notice of scale backs, if any)	Monday, 23 August 2021
Allotment Date for New Shares	Wednesday, 25 August 2021
Despatch of holding statements for New Shares	Thursday, 26 August 2021
New Shares commence trading on ASX	Thursday, 26 August 2021

This timetable (and each reference in this Booklet to a date specified in the timetable) is indicative only and AROA may, at its discretion, vary any of the above dates by lodging a revised timetable with the Australian Securities Exchange (ASX**). All times referred to in this Booklet are Sydney, Australia time.*

Share Purchase Plan Offer Booklet

This share purchase plan offer booklet (**Booklet**) contains important information. You should read it carefully and in its entirety. The offer of New Shares under the SPP is being made in accordance with ASIC Instrument 2019/547. Accordingly, this Booklet is not a prospectus or other form of disclosure document for the purposes of the Corporations Act.

The offer contained in this Booklet is not a recommendation to purchase New Shares. If you are in any doubt about the SPP Offer, you should consult your financial or other professional adviser.

If you apply to participate in the SPP Offer you are accepting the risk that the market price of AROA fully paid ordinary shares (**Shares**) may change between the date of your acceptance of the SPP Offer and the date of allotment of the New Shares (**Allotment Date**).

This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares on market at a lower price than the Issue Price. If the market price of Shares is lower than the Issue Price (as defined in clause 5.1 of the attached SPP Terms and Conditions) after the Allotment Date, the price at which you will be able to sell your New Shares, and their value, will be less than what you paid for them.

This Booklet does not constitute or provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. If you are in any doubt about whether to participate in the SPP Offer, you should seek advice from your financial, taxation or other professional adviser before participating.

Participation in the SPP Offer is restricted to Eligible Shareholders (as defined in section 2 of the attached SPP Terms and Conditions), principally being existing shareholders of AROA whose address in AROA's share register on the Record Date is in Australia or New Zealand and who are not in the United States or acting for the account or benefit of persons in the United States.

This Booklet may not be released or distributed in the United States or to any person acting for the account or benefit of a person in the United States. This Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares to be offered and sold in the SPP have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which AROA has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US securities laws.

THIS OFFER BOOKLET IS NOT FOR RELEASE TO US WIRE SERVICES OR FOR DISTRIBUTION IN THE UNITED STATES.

Shareholders resident in New Zealand

The New Shares under the SPP are not being offered or sold to the public in New Zealand other than to Eligible Shareholders (as defined in section 2 of the attached SPP Terms and Conditions) to whom the offer of New Shares under the SPP is being made in reliance on the *Financial Markets Conduct Act 2013* and the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Distribution by Custodians and Nominees

Custodians and nominees may not distribute any part of this Booklet, and may not permit any beneficial shareholders to participate in the SPP, in any country outside Australia and New Zealand except, with the consent of AROA, to beneficial shareholders resident in any other country where AROA may determine it is lawful and practical to offer participation in the SPP.

Market price of AROA Shares and further information

AROA recommends that prior to investing you monitor its announcements and the price of its Shares, which can be found on its website at www.aroabio.com/us/investors/ and on the ASX website at www.asx.com.au (ASX code: ARX).

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact AROA's share registry, Boardroom Pty Limited (**Registry**), from 8.30am to 5.30pm (Sydney time) Monday to Friday (except public holidays) on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) during the offer period.

Letter from the Chairman



4 August 2021

Dear Shareholder,

Aroa Biosurgery Limited - Share Purchase Plan Offer

On behalf of the Directors of Aroa Biosurgery Limited (**AROA**), I am pleased to offer you the opportunity to participate in this Share Purchase Plan (**SPP**). The SPP allows Eligible Shareholders (as defined in clause 2.1 of the attached SPP Terms and Conditions) to purchase up to A\$15,000 worth of new fully paid ordinary shares in AROA (**New Shares**), without incurring brokerage or transaction costs (**SPP Offer**). The A\$15,000 limit has been set to potentially allow more investors to participate in the SPP based on the maximum amount to be raised, being A\$5 million.

Placement

On 29 July 2021, AROA announced the completion of a placement of new ordinary shares (**Placement Shares**) to eligible institutional and professional investors, which raised a total of A\$47 million (**Placement**) before costs.

Further details of the Placement and an update on AROA's business, including a summary of some of the key risks associated with holding an investment in AROA, are set out in the announcement and investor presentation released to the ASX by AROA on 29 July 2021 (together, the **Investor Presentation**). A copy of the Investor Presentation is available for persons in Australia and New Zealand that are not in the United States and are not acting for the account or benefit of any person in the United States at AROA's website – www.aroabio.com/us/investors/ and on the company announcements platform at the ASX website – www.asx.com.au (ASX code: ARX).

The proceeds of the Placement and the SPP are intended to be focused on funding incremental investment in AROA's US commercial operations and in AROA's R&D and product pipeline, as well as increasing AROA's cash on balance sheet .

Share Purchase Plan

The SPP provides Eligible Shareholders (as defined in clause 2.1 of the attached SPP Terms and Conditions) with the opportunity to purchase New Shares at an issue price of A\$1.165 per New Share, being the price at which the Placement Shares were issued under the Placement and being a 1.7% discount to the closing price of the Shares, and a 4.6% discount to the 5 day volume weighted average price (**VWAP**) of the Shares, on ASX on and up to 26 July 2021, being the last day on which the Shares traded on ASX before the announcement of the SPP Offer.

Eligible Shareholders may apply for a parcel of New Shares with a minimum value of A\$1,000 and may apply for further New Shares in subsequent A\$1,000 increments, up to a maximum application amount of A\$15,000 per Eligible Shareholder. The SPP aims to raise up to A\$5 million. The SPP is not underwritten meaning that the SPP may raise less than A\$5 million. If Applications exceed the A\$5 million maximum then Applications will be scaled back at the absolute discretion of AROA. Participation in the SPP is optional and is open to Eligible Shareholders who, at 7.00pm (Sydney time) on 28 July 2021, were registered as holders of Shares and whose address on AROA's share register is in Australia or New Zealand and who are not in the United States or acting for the account or benefit of persons in the United States.

Eligible Shareholders who are Custodians holding Shares on behalf of Eligible Beneficiaries are also invited to participate in the SPP on the terms and conditions set out in this Booklet.

On the completion of the Placement, AROA's CEO Brian Ward stated: "*We are very encouraged by the level of support investors have shown for our strategy as we look to capitalize on the significant market*

opportunity within our product portfolio and underpin our growth in the US, while accelerating and broadening our R&D pipeline to bring more innovative, high quality products to the market.”

“Following completion of the capital raisings, we will be debt free with approximately NZ\$65m in cash reserves, and fully funded through to profitability. This puts AROA in a strong position to grow market share across our product portfolio.”

“We thank our existing shareholders for their support and welcome new shareholders to the register. This investment supports our mission of ‘unlocking regenerative healing for everybody.”

This Booklet contains further information about the SPP, including the terms and conditions of the SPP and how to apply for Shares under the SPP. The terms and conditions set out the relevant criteria for determining eligibility to participate in the SPP as well as rules relating to applications for New Shares under the SPP. The Board recommends you read this Booklet and the Investor Presentation (in particular the key risks facing AROA’s business that are set out in the Investor Presentation) before deciding whether to participate in the SPP.

This Booklet and the Investor Presentation are available for persons in Australia and New Zealand that are not in the United States and are not acting for the account or benefit of any person in the United States on AROA’s website at www.aroabio.com/us/investors/ and on the company announcements platform on the ASX website at www.asx.com.au (ASX code: ARX).

On behalf of the Board, I thank you for your continued support of AROA.

Yours faithfully



Jim McLean
Chairman
Aroa Biosurgery Limited

Summary of SPP Offer

You should read this section in conjunction with the attached SPP Terms and Conditions.

Key SPP details	Summary
SPP Offer and investment amount	<p>Eligible Shareholders of AROA may subscribe for up to A\$15,000 of new fully paid ordinary shares in AROA without brokerage or other transaction costs. The A\$15,000 limit has been set to potentially allow more investors to participate in the SPP based on the maximum amount to be raised, being A\$5 million.</p> <p>Eligible Shareholders may apply for New Shares in parcels valued at a minimum of A\$1,000 and thereafter in subsequent A\$1,000 increments up to a maximum of A\$15,000 worth of New Shares.</p> <p>The number of New Shares issued to an applicant will be rounded down to the nearest whole New Share after dividing the application monies by the Issue Price. The SPP is not underwritten meaning that the SPP may raise less than A\$5 million. If Applications exceed the \$5 million maximum then Applications will be scaled back at the absolute discretion of AROA.</p>
Purpose of the SPP	<p>The proceeds of the Placement and the SPP are intended to be focused on funding incremental investment in AROA's US commercial operations and in AROA's R&D and product pipeline, as well as increasing AROA's cash on balance sheet.</p> <p>The costs of the Placement and the SPP will also be paid out of the proceeds.</p>
Voluntary participation	<p>Participation in the SPP is entirely voluntary.</p> <p>Before you decide whether to participate in the SPP, AROA recommends you seek independent financial advice from your stockbroker, accountant or other professional adviser and consider the key risks facing AROA's business that are set out in the Investor Presentation. A copy of the Investor Presentation is available for persons in Australia and New Zealand that are not in the United States and are not acting for the account or benefit of any person in the United States at AROA's website – www.aroabio.com/us/investors/ and on the company announcements platform at the ASX website – www.asx.com.au (ASX code: ARX).</p> <p>If you do not wish to participate in the SPP, do nothing.</p>
Issue Price of the New Shares	<p>The Issue Price of the New Shares is A\$1.165 per New Share, being the price at which the Placement Shares were issued under the Placement that was undertaken on 27 and 28 July 2021 and a 1.7 % discount to the closing price of the Shares, and a 4.6 % discount to the 5 day VWAP of the Shares, on ASX on and up to 26 July 2021, being the last day on which the Shares traded before the announcement of the Placement and the SPP Offer.</p> <p>There is a risk that the market price of the shares may rise or fall between the date of this Booklet and the time of issue of New Shares under the SPP. This means that the price you pay for the New Shares issued to you may be less than or more than the market price of Shares at the date of this Booklet or the time of issue.</p>

Key SPP details**Summary**

Your application is unconditional and may not be withdrawn even if the market price of shares is less than the Issue Price.

Eligible Shareholders

Eligible Shareholders are eligible to participate in the SPP, being shareholders who:

- (1) were a registered holder of AROA fully paid ordinary shares (**Shares**) at 7.00pm (Sydney time) on 28 July 2021 (**Record Date**);
- (2) have a registered address in either Australia or New Zealand; and
- (3) are not in the United States and are not acting for the account or benefit of a person in the United States.

The SPP is also being extended to Eligible Shareholders who are Custodians (as defined in clause 2.2 of the SPP Terms and Conditions) to participate in the SPP on behalf of Eligible Beneficiaries on the terms and conditions provided in this Booklet.

Not transferable

The SPP Offer is personal to you and cannot be transferred to any person.

How to apply

You may apply for New Shares under the SPP, by doing one of the following:

- by making payment directly from an Australian bank account by BPAY® (you do not need to return an Application Form under this option);
- by completing the Application Form and sending it together with your payment by cheque made payable to "AROA SPP" and crossed "Not Negotiable" and drawn in Australian currency for the relevant amount to the Company's share registry, Boardroom Pty Limited, at the address below, to be received by no later than 5.00pm (Sydney time) on the closing date of Thursday, 19 August 2021. If you are a New Zealand resident, we encourage you to use one of the other application options.

Mailing Address

Aroa Biosurgery Limited
C/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

Hand Delivery

Aroa Biosurgery Limited
C/- Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

(Please do not use this address for mailing purposes)

- if you are a New Zealand resident and unable to use BPAY®, by making payment by international electronic funds transfer in accordance with the separate instructions provided to you along with this Booklet (you will need to also send a copy of

Key SPP details

Summary

your remittance advice to the Company's share registry under this option).

Your unique identifier required to complete a BPAY® payment is set out in the Application Form which you can access via either the email communication sent to you regarding the SPP Offer, or if you have not elected to receive electronic communication or consented to receive the SPP Offer documents by email, in the Application Form enclosed with this Booklet.

If applying by post your completed Application Form and cheque, or if applying via BPAY® the transfer for the appropriate Application amount, must be received by the Registry prior to the close of the SPP Offer at 5.00pm (Sydney time) on 19 August 2021.

Rights attached to New Shares

New Shares issued under the SPP Offer will rank equally with all other Shares on issue.

Custodians and nominees

The SPP Offer is being extended to Eligible Shareholders who are Custodians and who wish to apply for New Shares on behalf of certain Eligible Beneficiaries.

The SPP is being offered to Custodians as the registered Shareholder. Custodians are not required to participate on behalf of other Eligible Beneficiaries. Custodians may choose whether or not to extend the SPP Offer to their Eligible Beneficiaries.

Notwithstanding the foregoing, Custodians may not participate in the SPP Offer on behalf of, and may not distribute this Booklet or any documents relating to this SPP to, any person in the United States. In the event that a Custodian is acting for the account or benefit of a person in the United States, it is not permitted to participate in respect of that person.

If you wish to apply as a Custodian under the SPP to receive New Shares for one or more Eligible Beneficiaries, you must complete and submit an additional "**Custodian Certificate**" that contains further certifications and details (as required under the terms of ASIC Instrument 2019/547) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. By applying as a Custodian on behalf of Eligible Beneficiaries to purchase New Shares, you certify (amongst other things) that each Eligible Beneficiary has not exceeded the A\$15,000 limit.

To request a Custodian Certificate or for further information about the custodian application process, please contact AROA's share registry, Boardroom Pty Limited, from 8.30am to 5.30pm (Sydney time) Monday to Friday (except public holidays) on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) during the offer period.

A Custodian will be ineligible to participate in the SPP if their participation would be in breach of ASIC Instrument 2019/547.

Issue of New Shares

Holding statements for the New Shares issued under the SPP Offer are expected to be despatched on or around Thursday, 26 August 2021.

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Key SPP details	Summary
Scale back	<p>The amount that each Eligible Shareholder can apply for under the SPP Offer is capped at A\$15,000. The SPP Offer aims to raise up to A\$5 million,</p> <p>If Applications exceed the \$5 million maximum then AROA will, in its absolute discretion, scale back the number of New Shares that will be issued to individual Shareholders under the SPP. If this happens you may be issued New Shares to a value that is less than the value of New Shares that you applied for and the difference will be refunded to you (without interest).</p>
Refunds	<p>Any application monies refunded by AROA will be paid by cheque or direct credit (the payment method will be determined by AROA in its absolute discretion) in Australian currency. By applying for New Shares, each Shareholder authorises AROA to pay any monies to be refunded by using the payment instructions of the Shareholder recorded in the Registry's records if AROA chooses to pay in this manner.</p>
More information	<p>If you have any questions in relation to how to participate in the SPP please contact AROA's share registry, Boardroom Pty Limited, from 8.30am to 5.30pm (Sydney time) Monday to Friday (except public holidays) on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) during the offer period or consult with your financial or other professional adviser.</p> <p>If you have any questions in relation to whether an investment in AROA through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.</p>

SPP Terms and Conditions

Important notice

If you apply to participate in the SPP, you accept the risk that the market price of Shares may change between the opening of the SPP Offer and the date when New Shares are issued to you under the SPP (**Issue Date**). As such, it is possible that, up to or after the date you receive New Shares under the SPP, you may be able to buy Shares on the ASX at a lower price than the Issue Price under the SPP. The Board encourages you to consider seeking professional financial and taxation advice regarding your participation in the SPP Offer.

This Booklet may not be released or distributed in the United States or to any person acting for the account or benefit of a person in the United States. This Booklet does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares to be offered and sold in the SPP have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which AROA has no obligation to do or procure), or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

By participating in the SPP, you will be deemed to have accepted, and will be bound by, these terms and conditions.

Unless the context requires otherwise, capitalised terms used in these terms and conditions will have the meaning given to them elsewhere in this Booklet.

All references to \$, A\$ or dollars in this Booklet are references to Australian dollars unless otherwise indicated.

1 Offer

- 1.1 Aroa Biosurgery Limited ARBN 638 67 473 (**AROA**) offers each Eligible Shareholder (as defined in clause 2.1 below) the opportunity to purchase a minimum of A\$1,000 and thereafter in subsequent A\$1,000 increments up to a maximum of A\$15,000 worth of new fully paid ordinary shares in AROA (**New Shares**) subject to and in accordance with the terms and conditions set out below (such offer, the **SPP Offer**).
- 1.2 The issue price per New Share (**Issue Price**) will be A\$1.165 per New Share, being the price at which the Placement Shares were issued under the Placement and a 1.7% discount to the closing price of Shares, and a 4.6% discount to the 5 day VWAP of the Shares, on ASX on and up to 26 July 2021, being the last day on which the Shares traded before the announcement of the SPP Offer.
- 1.3 The SPP Offer opens on 4 August 2021 (**Opening Date**) and closes at 5.00pm (Sydney time) on 19 August 2021 (or such other date as AROA determines in its absolute discretion) (**Closing Date**).
- 1.4 The SPP Offer is non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase New Shares to any third party.
- 1.5 The SPP Offer is not underwritten.
- 1.6 The SPP Offer to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.

2 Eligible Shareholders

2.1 You are an **Eligible Shareholder** who is eligible to participate in the SPP if you:

- (1) were a registered holder of AROA fully paid ordinary shares (**Shares**) at 7.00pm (Sydney time) on 28 July 2021 (**Record Date**);
- (2) have a registered address in either Australia or New Zealand; and
- (3) are not in the United States and are not acting for the account or benefit of a person in the United States.

2.2 Eligible Shareholders who are "custodians" (as defined in paragraph 5 of ASIC Instrument 2019/547) (**Custodians**) may participate in the SPP Offer in accordance with clauses 3.2 and 4.7.

2.3 The SPP Offer is not made to holders of Shares with a registered address outside of Australia and New Zealand, or that are in the United States or are acting for the account or benefit of a person in the United States, and accordingly those shareholders may not participate.

3 Joint holders and Custodians

3.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder, and a certification given by any of them is taken to be a certification given by all of them.

3.2 Subject to these terms and conditions, Eligible Shareholders who are Custodians may participate in the SPP on behalf of each Eligible Beneficiary on whose behalf they hold Shares.

3.3 An **Eligible Beneficiary** is a person:

- (1) on whose behalf a Custodian holds Shares as at the Record Date;
- (2) who has a registered address in either Australia or New Zealand; and
- (3) who is not in the United States and is not acting for the account or benefit of a person in the United States.

4 Applications for New Shares

4.1 Eligible Shareholders must apply for a minimum of A\$1,000 worth of New Shares and may apply for further New Shares in subsequent A\$1,000 increments up to a maximum of A\$15,000 worth of New Shares.

4.2 You may apply for New Shares under the SPP by completing the application form accompanying this Booklet (**Application Form**) and sending it together with your payment by cheque made payable to "AROA SPP" and crossed "Not Negotiable" and drawn in Australian currency for the correct amount to the Registry at the following address by no later than 5.00pm (Sydney time) on 19 August 2021:

Mailing Address

Aroa Biosurgery Limited
C/- Boardroom Pty Limited
GPO Box 3993
Sydney NSW 2001

or

Hand Delivery

Aroa Biosurgery Limited
C/- Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

(Please do not use this address for mailing purposes)

- 4.3 For Eligible Shareholders with an Australian bank account, you may apply for New Shares by making a payment for the appropriate amount via BPAY® on the internet or by telephone, using the details on the Application Form (New Zealand based shareholders cannot apply using BPAY® unless they have an Australian bank account – see clause 4.4 below). Please ensure that your payment is received by the Registry before 5.00pm (Sydney time) on 19 August 2021.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received in time. The Application Form does not need to be returned when paying by BPAY®.

- 4.4 If you are an Eligible Shareholder who is resident in New Zealand and you are unable to use BPAY®, you may apply for New Shares by making payment by international electronic funds transfer in accordance with the separate instructions provided to you along with this Booklet. Any payment under this option is to be made in Australian dollars and is likely to incur international transfer and currency conversion fees levied by your financial institution and these fees will be deducted from the total application monies remitted by you. AROA will only issue New Shares based on the actual amount of application monies received by AROA. Please ensure that your payment in Australian dollars (together with a copy of your remittance advice) is received by the Registry before 5.00pm (Sydney time) on 19 August 2021.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should take this into consideration when making any electronic payment. It is the responsibility of the applicant to ensure that funds submitted through international electronic funds transfer are received in time.

For processing and reconciliation, when making your payment, please add to the remittance advice your Customer Reference Number (**CRN**) which appears under the Biller Code on the front of the Application Form and forward a copy of the remittance advice to the Registry by e-mail to corporateactions@boardroomlimited.com.au as soon as the remittance is complete. Failure to do so may result in funds not being matched to your application and AROA being unable to issue you New Shares under the SPP. The Application Form does not need to be returned when paying by international electronic funds transfer.

- 4.5 Do not forward cash. Receipts for payment will not be issued.
- 4.6 An Eligible Shareholder who receives more than one offer under the SPP (for example, because the Eligible Shareholder holds Shares in more than one capacity or in different registered holdings) may apply for New Shares on different Application Forms for each Eligible Shareholder but may not apply for New Shares with an aggregate value of more than A\$15,000.
- 4.7 If you wish to subscribe for New Shares as a Custodian for one or more Eligible Beneficiaries, you must also complete and submit a certificate that complies with paragraph 8(3) of ASIC Instrument 2019/547 (**Custodian Certificate**) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected.
- 4.8 AROA and its officers and agents may accept or reject your application for New Shares in whole or in part at their discretion including, without limitation, if:
- (1) your application does not comply with these terms and conditions;
 - (2) it appears you are not an Eligible Shareholder;
 - (3) your BPAY® payment, Application Form and payment by cheque or, if you are a resident of New Zealand, your payment by international electronic funds transfer, is not received by the Registry by 5.00pm (Sydney time) on 19 August 2021;

- (4) you make payment by BPAY®, and you fail to include the Customer Reference Number listed on your Application Form as the reference number to the BPAY® payment;
- (5) you make payment by international electronic funds transfer and you fail to:
- (a) make your payment in Australian dollars;
 - (b) include the Customer Reference Number listed on your Application Form as the reference number to the transfer and on your remittance advice; and/or
 - (c) send a copy of your remittance advice to the Registry by email to corporateactions@boardroomlimited.com.au as soon as the remittance is done;
- (6) AROA believes that you are applying to purchase more than A\$15,000 worth of New Shares in aggregate (including as a result of Shares you hold directly, jointly or through a custodian or nominee arrangement) or your application is for less than A\$1,000 worth of new Shares or not for an amount in a A\$1,000 increment; or
- (7) payment of the application monies is not received in Australian currency.

4.9 You cannot withdraw or revoke your application once you have paid via BPAY®, submitted an Application Form and payment by cheque or, if you are a resident of New Zealand, you have paid an amount by international electronic funds transfer.

5 Issue Price

- 5.1 The Issue Price will be A\$1.165 per New Share, being the price at which the Placement Shares were issued under the Placement and a 1.7% discount to the closing price of Shares, and a 4.6% discount to the 5 day VWAP of the Shares, on ASX on and up to 26 July 2021, being the last day on which the Shares traded before the announcement of the SPP Offer.
- 5.2 The current price of Shares can be obtained from the ASX – www.asx.com.au, and may be listed in major financial newspapers circulating in Australia.
- 5.3 You agree to pay the Issue Price per New Share for the number of New Shares calculated under clause 6.1 or, if there is a scale back, the number of New Shares calculated under clause 8.

6 Calculation and issue of New Shares

- 6.1 If you apply for New Shares under the SPP, you will apply for a certain value, rather than a certain number, of New Shares. If your application is accepted, AROA will divide the value of your application monies (taking into account the terms of clause 6.2) by the Issue Price (as set out in clause 5.1) in order to determine the number of New Shares which, subject to scale back, will be issued to you.
- 6.2 If you are a resident of New Zealand and you make an application and pay application monies via an international electronic funds transfer, the value of the New Shares applied for will be determined by the amount of the application funds actually received by AROA (having taken into account any international transfer and currency conversion fees levied by your bank in converting New Zealand dollars to Australian dollars).
- 6.3 If the calculation in clause 6.1 produces a fractional number of New Shares, the number of New Shares issued to you will be rounded down to the nearest whole New Share. Subject to any scale back being undertaken, any surplus funds resulting from fractional rounding will not be returned to applicants.

- 6.4 It is expected that the New Shares will be issued to applicants on or around 25 August 2021 (**Issue Date**).
- 6.5 New Shares issued under the SPP will rank equally in all respects with existing Shares as at the Issue Date.
- 6.6 AROA will apply to the ASX for quotation of the New Shares issued under the SPP. It is anticipated that the New Shares will be admitted to quotation on the ASX as soon as practicable after their issue.
- 6.7 The Registry is expected to send holding statements in respect of the New Shares issued under the SPP on or around 26 August 2021.

7 Effect of applying to participate

- 7.1 By making a payment via BPAY®, submitting an Application Form and payment by cheque or, if you are a resident of New Zealand, paying an amount by international electronic funds transfer (on your own behalf and on behalf of each person for whose account you are acting, if applicable), you:
- (1) are deemed to have accepted the SPP Offer and you irrevocably and unconditionally agree to the terms and conditions of the SPP and the terms and conditions of the Application Form and agree not to do any act or thing that would be contrary to the spirit, intention or purpose of the SPP;
 - (2) warrant that all details and statements in your application are true and complete and not misleading (including by omission);
 - (3) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
 - (4) warrant that you are an Eligible Shareholder and are eligible to participate in the SPP, and agree to provide (and if applicable direct your nominee or Custodian to provide) any requested substantiation of your eligibility to participate in the SPP and of your holding of Shares on the Record Date;
 - (5) acknowledge that no interest will be paid on any application monies held pending the issue of New Shares or subsequently refunded to you for any reason;
 - (6) acknowledge that AROA and its officers and agents are not liable for any consequences of the exercise or non-exercise of discretions referred to in these terms and conditions;
 - (7) agree to pay the Issue Price per New Share up to the maximum value of your BPAY® payment, payment by cheque or payment by international electronic funds transfer actually received by AROA (as determined by AROA in its absolute discretion);
 - (8) warrant, acknowledge and agree that:
 - (a) you are not in the United States and are not acting for the account or benefit of a person in the United States;
 - (b) the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia (and its external territories) or New Zealand, and therefore, the New Shares to be offered and sold under the SPP may not be offered and sold, directly or indirectly, in the United States unless they have been registered under the US Securities Act (which AROA has no obligation or intention to do or procure), or are offered and sold in a transaction exemption from, or in a transaction not subject to, the

registration requirements of the US Securities Act and any other applicable securities laws; and

- (c) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating in the SPP is resident in Australia or New Zealand, and you have not sent this Booklet, or any materials relating to the SPP to any person outside of Australia and New Zealand;
- (9) warrant that you have not, and agree that you will not, send, release or distribute any materials relating to the SPP in the United States or to any person in the United States or to any person acting for the account or benefit of a person in the United States;
- (10) if you (or any other person for whom you are acquiring or procuring New Shares) are in New Zealand, you (and any such person) acknowledge that: (i) Part 3 of the FMC Act does not apply in respect of the offer of New Shares to you, (ii) no product disclosure statement under the FMC Act will be prepared in respect of the offer of New Shares and (iii) any information provided to you in respect of the offer is not required to, and may not, contain all of the information that a product disclosure statement under New Zealand law is required to contain.
- (11) if you are applying for New Shares on your own behalf (and not as Custodian), acknowledge and agree that:
- (a) you are not applying for New Shares with an aggregate application price of more than A\$15,000 (including any New Shares which a Custodian has applied to purchase on your behalf under the SPP); and
- (b) the aggregate application price for the following does not exceed A\$15,000:
- (i) the New Shares the subject of the application;
- (ii) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
- (iii) any other New Shares which you instruct a Custodian to acquire on your behalf under the SPP; and
- (iv) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian to apply for Shares on your behalf under an arrangement similar to the SPP,
- even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;
- (12) if you are a Custodian and are applying on behalf of an Eligible Beneficiary on whose behalf you hold Shares, acknowledge and agree that:
- (a) you are a Custodian (as that term is defined in paragraph 5 of ASIC Instrument 2019/547);
- (b) you held Shares on behalf of the Eligible Beneficiary as at the Record Date who has instructed you to apply for New Shares on their behalf under the SPP and that the Eligible Beneficiary was provided with a copy of this Booklet before giving such instruction;
- (c) you are not applying for New Shares on behalf of any Eligible Beneficiary with an aggregate application price of more than A\$15,000 under the SPP; and

- (d) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (13) acknowledge that AROA may scale back all or part of your application in accordance with clause 8;
- (14) accept the risks associated with any refund that may be issued to you by cheque, direct credit or bank transfer;
- (15) are responsible for any dishonour fees or other costs AROA may incur in presenting a cheque for payment which is dishonoured;
- (16) agree to be bound by the constitution of AROA (as it may be amended from time to time in the future);
- (17) represent that you are in compliance with all relevant laws and regulations;
- (18) acknowledge that AROA may vary the timetable set out in this Booklet at its discretion by lodging a revised timetable with the ASX, including extending the SPP Offer, closing the SPP Offer early or withdrawing the SPP Offer completely;
- (19) acknowledge that the market price of Shares may rise or fall between the date of the opening of the SPP Offer and the Issue Date and that the Issue Price you pay for New Shares may exceed the market price of Shares on the Issue Date;
- (20) acknowledge that there are risks associated with acquiring and holding Shares, including those risks described in the Investor Presentation;
- (21) acknowledge that none of AROA or its subsidiaries or their respective directors, officers, employees, agents or advisers has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (22) authorise AROA and its officers and agents to do anything on your behalf necessary for New Shares to be issued to you in accordance with these terms and conditions and to register you as the holder(s) of New Shares issued to you;
- (23) acknowledge that AROA may at any time and in its absolute discretion determine that your application is valid or invalid, in accordance with the terms and conditions of the SPP;
- (24) declare that you are at least 18 years of age and have full legal capacity and power to perform all your rights and obligations in respect of the SPP Offer; and
- (25) authorise AROA and its officers and agents to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing or minor detail.

8 Scale back

- 8.1 If Applications exceed the maximum \$5 million to be raised under the SPP Offer then AROA will in its absolute discretion undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including by taking into account, among other factors, the size of your shareholding as at the Record Date).
- 8.2 If there is a scale back, you may receive less than the parcel of New Shares for which you have applied.

8.3 If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allotted will be rounded down to the nearest whole number of New Shares.

8.4 If there is a scale back, the difference between the application monies received from you, and the number of New Shares allocated to you multiplied by the Issue Price, will be refunded to you without interest.

9 Dispute resolution

9.1 AROA may settle, in any manner it deems appropriate, any difficulties, anomalies or disputes which may arise in connection with, or by reason of, the operation of the SPP whether generally or in relation to any participant or any application for New Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.

9.2 The powers of AROA under these terms and conditions may be exercised by the directors of AROA or any delegate or representative of them.

10 Variation and termination

10.1 AROA reserves the right at any time to:

- (1) amend or vary these terms and conditions;
- (2) waive strict compliance with any provision of these terms and conditions;
- (3) increase the amount to be raised under the SPP Offer;
- (4) withdraw the SPP Offer or suspend or terminate the SPP;
- (5) vary the timetable for the SPP, including the Closing Date;
- (6) accept late applications under the SPP Offer;
- (7) not accept an application, not issue New Shares, or issue New Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of one or more Eligible Beneficiaries); and
- (8) undertake a scale back in accordance with clause 8.

10.2 Any such amendment, variation, waiver, suspension, withdrawal, non-acceptance or termination will be binding on all Eligible Shareholders even where AROA does not notify you of that event.

10.3 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

11 Privacy policy

11.1 Chapter 2C of the Corporations Act requires information about a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.

11.2 AROA and the Registry may collect personal information to process your application, implement the SPP and administer your holding of Shares. The personal information contained in the Register is also used to facilitate payments and corporate communications (including financial

results), annual reports and other information to be communicated to holders of Shares, and to ensure compliance with legal and regulatory requirements, including New Zealand or Australian taxation laws, the New Zealand Companies Act 1993, the Corporations Act and the New Zealand Privacy Act 2020.

- 11.3 Your personal information may be disclosed to joint investors, the Registry, securities brokers, third party service providers (including print and mail service providers, technology providers and professional advisers), related entities of AROA and its agents and contractors, and the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.
- 11.4 Boardroom Pty Limited's privacy policy is available on their website: <https://boardroomlimited.com.au/>.

12 Costs of participation

- 12.1 AROA will not charge any brokerage, commissions or other transaction costs in respect of the application for, and allotment of, New Shares under the SPP.

13 Governing law

- 13.1 These terms and conditions are governed by the laws in force in New South Wales. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP Offer, will be determined by the courts of New South Wales. By accepting the SPP Offer, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales. Other terms and conditions, and rights and obligations in respect of Shares, are contained in the constitution of AROA.
- 13.2 The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

Enquiries:

If you have any questions in relation to how to participate in the SPP after reading this Booklet, please contact AROA's share registry, Boardroom Pty Limited, from 8.30am to 5.30pm (Sydney time) Monday to Friday (except public holidays) on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) during the offer period.

About Aroa Biosurgery Limited

Aroa Biosurgery is a soft-tissue regeneration company committed to 'unlocking regenerative healing for everybody'. We develop, manufacture, sell and distribute medical and surgical products to improve healing in complex wounds and soft tissue reconstruction. Our products are developed from our proprietary AROA ECM™ technology platform, a novel extracellular matrix biomaterial derived from ovine (sheep) forestomach. AROA's products have been used in more than four million procedures to date, with distribution into our key market of the United States via our direct sales force and our partner TELA Bio, Inc. Founded in 2008, AROA is headquartered in Auckland, New Zealand and is listed on the Australian Stock Exchange (ASX: ARX).

Further information about AROA can be found at www.aroabio.com

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Securities Act) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

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