UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 12, 2020

TELA Bio, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**3841**	**45-5320061**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification No.)**

1 Great Valley Parkway, Suite 24, Malvern, Pennsylvania	**19355**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (484) 320-2930

Not Applicable
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol**	**Name of Exchange on Which Registered**
Common Stock, par value $0.001 per share	**TELA**	**Nasdaq Global Market**

Securities registered pursuant to Section 12(g) of the Act:

None

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition.

On August 12, 2020, TELA Bio, Inc. (the "Company") issued a press release announcing its financial results for the quarter ended June 30, 2020. A copy of this press release is furnished as Exhibit 99.1 hereto.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 7.01 Regulation FD Disclosure.

On August 12, 2020, the Company updated information reflected in a corporate slide deck, which representatives of the Company will use in various meetings with investors from time to time. A copy of the presentation is attached hereto as Exhibit 99.2, and incorporated herein by reference.

The information furnished pursuant to Item 7.01, including Exhibit 99.2, shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference in any filing under the Securities Act or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are being filed herewith:

Exhibit No.	Document
99.1	Press Release of TELA Bio, Inc., dated August 12, 2020.
99.2	Corporate Slide Deck, dated August 12, 2020.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TELA BIO, INC.

By: /s/ Antony Koblish
Name: *Antony Koblish*
Title: *President, Chief Executive Officer and Director*

Date: August 12, 2020

Exhibit 99.1

TELA Bio Announces Second Quarter 2020 Financial Results

MALVERN, Pa., August 12, 2020 (GLOBE NEWSWIRE) -- TELA Bio, Inc. ("TELA") (Nasdaq: TELA), a commercial stage medical technology company focused on designing, developing and marketing a new category of tissue reinforcement materials to address unmet needs in soft tissue reconstruction, today reported financial results for the second quarter ended June 30, 2020.

Recent Highlights

- Reported revenue of $3.5 million for the second quarter of 2020, increasing 6% over the second quarter of 2019
- Completed an underwritten public offering raising approximately $45.0 million in net proceeds
- Announced interim analysis from the BRAVO post-market study, showing low hernia recurrence and complication rates
- Proactively managed near-term expenses to control spending and maintain financial flexibility in response to the COVID-19 pandemic

"Our achievements in the second quarter demonstrate our team's resilience and flexibility to continue to support our patients and customers despite the many challenges associated with the pandemic," said Antony Koblish, co-founder, President and Chief Executive Officer of TELA Bio. "We were pleased by our performance in the quarter, highlighted by the positive interim results we saw with our BRAVO study, the innovative ways in which we have been able to engage our customers virtually, and the completion of a successful follow-on offering. While our results are encouraging, there continues to be uncertainty due to the rapidly evolving environment associated with COVID-19 and the recent outbreaks in certain regions of the country. Despite this, our team remains firmly resolute in achieving our operational objectives and executing our strategic initiatives to ensure that TELA Bio is well positioned for strong growth over the long-term."

Second Quarter 2020 Financial Results

Revenue was $3.5 million for the second quarter of 2020, an increase of 6% compared to the prior year period. Though our revenue increased over the prior year period, it was impacted by lower than expected procedural volumes as a result of hospitals and patients deferring elective procedures and other factors related to the COVID-19 pandemic.

Gross profit was $2.1 million for the second quarter of 2020, or 59% of revenue, compared to $1.9 million, or 58% of revenue, in the same period in 2019. The increase in gross margin was due to the decrease in the charge for excess and obsolete inventory adjustments as a percentage of revenue.

Operating expenses were $7.3 million in the second quarter of 2020, compared to $6.2 million in the same period in 2019. The increase was due to the expansion of our commercial organization and increased costs associated with operating as a public company, which was partially offset by the salary reductions, lower travel and consulting expenses resulting from the cost containment actions taken in response to the COVID-19 pandemic.

Loss from operations was $5.2 million in the second quarter of 2020, compared to a loss from operations of $4.3 million in the same period in 2019.

Net loss was $6.1 million in the second quarter of 2020, compared to a net loss of $5.3 million in the same period in 2019.

Total cash and cash equivalents at June 30, 2020 were $85.5 million.

Financial Outlook

There is considerable uncertainty and lack of visibility regarding the Company's near-term revenue growth prospects and product development plans due to the rapidly evolving environment resulting from the COVID-19 pandemic. The COVID-19 pandemic is a highly fluid situation and it is not currently possible for the Company to reasonably estimate the impact that it may have on financial and operating results. Accordingly, TELA Bio will not be providing 2020 financial guidance.

Conference Call and Webcast Details

The Company will host a live conference call and webcast to discuss these results and provide a corporate update on Wednesday, August 12, 2020, at 4:30 PM ET.

To participate in the call, please dial (855) 548-1219 (domestic) or (409) 217-8881 (international) and provide conference ID 6897439. The live webcast will be available on the Events & Presentations page of the investors section of TELA's website.

About TELA Bio, Inc.

TELA Bio, Inc. is a commercial stage medical technology company focused on designing, developing and marketing a new category of tissue reinforcement materials to address unmet needs in soft tissue reconstruction. TELA's products are designed to improve on shortcomings of existing biologics and minimize long-term exposure to permanent synthetic material. TELA's portfolio is supported by quality, data-driven science and extensive pre-clinical research that has consistently demonstrated advantages over other commercially available products.

Caution Regarding Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Words such as "may," "might," "will," "should," "believe," "expect," "anticipate," "estimate," "continue," "predict," "forecast," "project," "plan," "intend" or similar expressions, or statements regarding intent, belief, or current expectations are forward-looking statements and reflect the current beliefs of TELA's management. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and other factors that could cause actual results and events to differ materially and adversely from those indicated by such forward-looking statements including, among others: the impact to our business of the ongoing COVID-19 pandemic, including but not limited to any impact on our ability to market our products, demand for our products due to deferral of procedures using our products or disruption in our supply chain, our ability to achieve or sustain profitability, our ability to gain market acceptance for our products and to accurately forecast and meet customer demand, our ability to compete successfully, our ability to enhance our product offerings, development and manufacturing problems, capacity constraints or delays in production of our products, maintenance of coverage and adequate reimbursement for procedures using our products, product defects or failures. These and other risks and uncertainties are described more fully in the "Risk Factors" section and elsewhere in our filings with the Securities and Exchange Commission and available at www.sec.gov, including in our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Any forward-looking statements that we make in this announcement speak only as of the date of this press release, and TELA assumes no obligation to updates to our forward-looking statements whether as a result of new information, future events or otherwise after the date of this press release, except as required under applicable law.

TELA Bio Contact

Stuart Henderson
Vice President, Corporate Development and Investor Relations
TELA Bio, Inc.
484-320-2930

Investor Contact

Greg Chodaczek
347-620-7010
ir@telabio.com

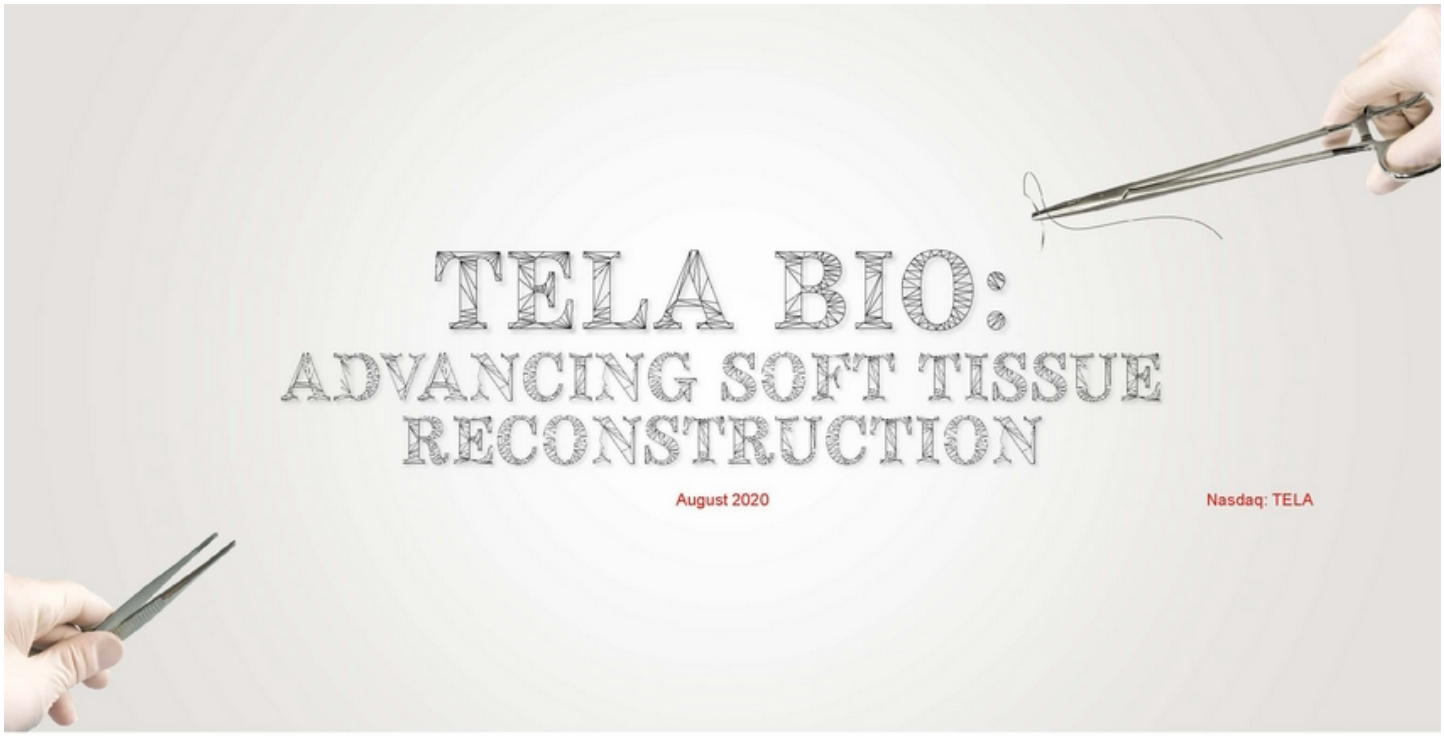
TELA Bio, Inc.
Consolidated Balance Sheets
(In thousands, except share and per share amounts)
(Unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 85,471	$ 45,302
Short-term investments	—	9,285
Accounts receivable, net	2,586	2,836
Inventory	4,572	4,603
Prepaid expenses and other assets	1,484	2,308
Total current assets	94,113	64,334
Property and equipment, net	678	677
Intangible assets, net	2,759	2,911
Total assets	$ 97,550	$ 67,922
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 948	$ 3,171
Accrued expenses and other current liabilities	2,675	3,542
Total current liabilities	3,623	6,713
Long-term debt with related party	30,524	30,243
Other long-term liabilities	—	4
Total liabilities	34,147	36,960
Stockholders' equity:		
Preferred stock; $0.001 par value: 10,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock; $0.001 par value: 200,000,000 shares authorized; 14,413,015 and 11,406,976 shares issued and 14,412,690 and 11,406,221 shares outstanding at June 30, 2020 and December 31, 2019, respectively	14	11
Additional paid-in capital	244,537	198,829
Accumulated other comprehensive income (loss)	12	(19)
Accumulated deficit	(181,160)	(167,859)
Total stockholders' equity	63,403	30,962
Total liabilities and stockholders' equity	$ 97,550	$ 67,922

TELA Bio, Inc.
Consolidated Statements of Operations and Comprehensive Loss
(In thousands, except share and per share amounts)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenue	$ 3,507	$ 3,303	$ 7,233	$ 6,609
Cost of revenue (excluding amortization of intangible assets)	1,346	1,320	2,796	2,752
Amortization of intangible assets	76	76	152	152
Gross profit	2,085	1,907	4,285	3,705
Operating expenses:				
Sales and marketing	4,123	3,947	9,392	7,942
General and administrative	2,149	1,205	4,667	2,529
Research and development	979	1,055	1,891	2,714
Total operating expenses	7,251	6,207	15,950	13,185
Loss from operations	(5,166)	(4,300)	(11,665)	(9,480)
Other (expense) income:				
Interest expense	(884)	(914)	(1,763)	(1,826)
Change in fair value of preferred stock warrant liability	—	(74)	—	(38)
Other (expense) income	(31)	27	127	117
Total other (expense) income	(915)	(961)	(1,636)	(1,747)
Net loss	(6,081)	(5,261)	(13,301)	(11,227)
Accretion of redeemable convertible preferred stock to redemption value	—	(2,762)	—	(4,787)
Net loss attributable to common stockholders	$ (6,081)	$ (8,023)	$ (13,301)	$ (16,014)
Net loss per common share, basic and diluted	$ (0.53)	$ (27.06)	$ (1.16)	$ (54.06)
Weighted average common shares outstanding, basic and diluted	11,443,122	296,467	11,424,952	296,231
Comprehensive loss:				
Net loss	$ (6,081)	$ (5,261)	$ (13,301)	$ (11,227)
Foreign currency translation adjustment	4	1	31	(3)
Comprehensive loss	$ (6,077)	$ (5,260)	$ (13,270)	$ (11,230)

Exhibit 99.2


TELA BIO:
ADVANCING SOFT TISSUE RECONSTRUCTION
August 2020
Nasdaq: TELA

Forward Looking Statements

This presentation contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts contained in this document, including but not limited to statements regarding possible or assumed future results of operations, business strategies, development plans, regulatory activities, market opportunity competitive position, potential growth opportunities, and the effects of competition, are forward-looking statements. These statements involve known and unknown risks, uncertainties and other important factors that may cause TELA Bio, Inc.'s (the "Company") actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expect," "plan," "aim," "anticipate," "could," "intend," "target," "project," "contemplate," "believe," "estimate," "predict," "potential" or "continue" or the negative of these terms or other similar expressions. The forward-looking statements in this presentation are only predictions. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends that it believes may affect the Company's business, financial condition and results of operations. These forward-looking statements speak only as of the date of this presentation and are subject to a number of risks, uncertainties and assumptions, some of which cannot be predicted or quantified and some of which are beyond the Company's control, including, among others: the impact to the Company's business of the ongoing COVID-19 pandemic, including any impact on the Company's ability to market its products, demand for the Company's products due to deferral of procedures using the Company's products or disruption in the Company's supply chain, the Company's ability to achieve or sustain profitability, the Company's ability to gain market acceptance for the Company's products and to accurately forecast and meet customer demand, the Company's ability to compete successfully, the Company's ability to enhance the Company's product offerings, development and manufacturing problems, capacity constraints or delays in production of the Company's products, maintenance of coverage and adequate reimbursement for procedures using the Company's products, product defects or failures. These and other risks and uncertainties are described more fully in the "Risk Factors" section and elsewhere in the Company's filings with the Securities and Exchange Commission and available at www.sec.gov. You should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in the Company's forward-looking statements may not be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. Moreover, the Company operates in a dynamic industry and economy. New risk factors and uncertainties may emerge from time to time, and it is not possible for management to predict all risk factors and uncertainties that the Company may face. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

TELA Bio Snapshot

*A commercial stage medical technology company marketing a new category of tissue reinforcement materials to address unmet needs in **soft tissue reconstruction***

- Differentiated portfolio of advanced reinforced tissue matrices addressing **hernia repair, abdominal wall reconstruction and plastic and reconstructive surgery**
- Headquartered: Malvern, Pennsylvania

~$2B U.S Market Opportunity[1]

Innovative Products

Improve Clinical Outcomes

Reduce Overall Costs of Care

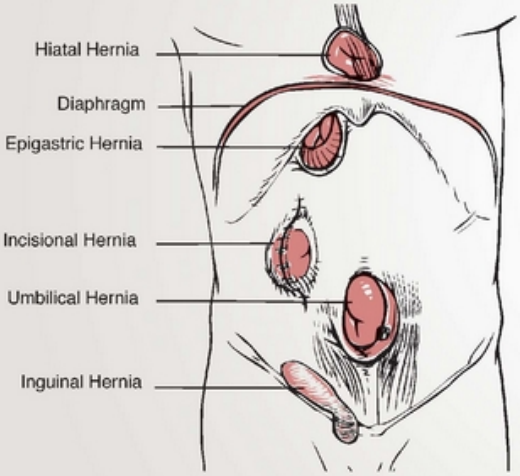
1. Management estimate. $2B total equals $1.5B hernia & abdominal wall reconstruction and $0.5B plastic reconstructive surgery.

OviTex: ~$1.5 Billion Annual U.S. Total Addressable Hernia Market Opportunity

Source: Millennium Research Group Reports, IMS Health Data

1) Management estimate. Market size based volume weighted average selling price for OviTex

Hernias Occur Throughout the Abdomen



What is a hernia?

- Occurs when an internal part of the body pushes through a weakness or hole in the muscle or surrounding tissue
  - Natural occurring weakness
  - Weakness from previous surgical incision
- Likelihood of developing a hernia increases with age & obesity

Treating a hernia

- Surgical repair of a hernia with a reinforcing material (mesh) is standard of care
- ~90% of hernia patients receive a mesh repair[1]
- Mesh intended to reinforce the defect and provide long-term support

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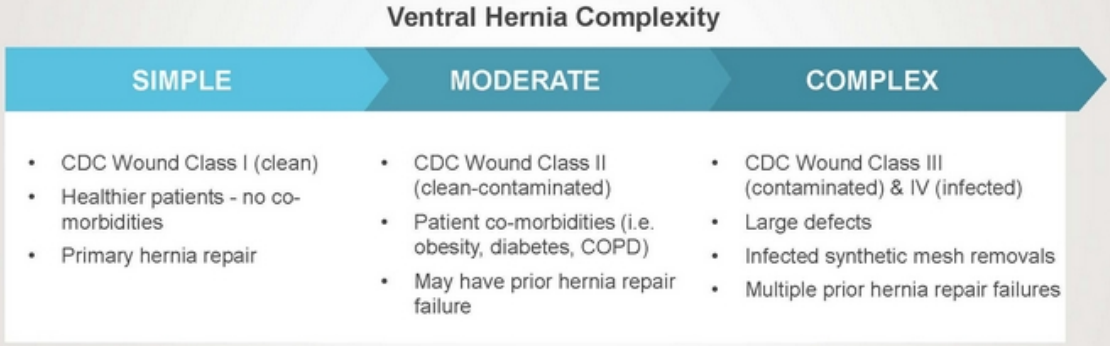
[1] Funk LM, Perry KA, Narula VK, Mikami DJ, Melvin WS. Current national practice patterns for inpatient management of ventral abdominal wall hernia in the United States. *Surg Endosc.* 2013;27(11):4104-4112.

Ventral Hernia: Complex Patient Population



Objective is to give patient the best repair the first time to prevent the simple patient from becoming the complex

Current Ventral Hernia Treatment Options: No Perfect Product

Simple Ventral Hernia

Inguinal Hernia

Complex, Moderate Ventral Repair / Abdominal Wall Reconstruction

Hiatal Hernia Repair

Limitations of Reconstruction Materials Used in Hernia Repair

PERMANENT SYNTHETIC MESH

- Persistent inflammatory response
- Encapsulation of implant
- Chronic post operative pain
- Scar tissue / lack of remodeling
- Mesh infections
- Significant costs of re-operation
- Organ erosion or perforation
- 6,000 related U.S. lawsuits
- **Danish Hernia Database: ~17% reintervention at five years[1]**

RESORBABLE SYNTHETIC MESH

- Inflammatory response until absorbed
- Encapsulation of implant or until absorbed
- Scar tissue / lack of remodeling
- Mesh infection until resorbed
- Organ erosion or perforation
- Lack of mid-term and long-term reinforcement
- **Recurrence rate of 12% at 18-months follow-up[2]**

BIOLOGIC MATRICES

- Lack of strength or durability
- Prone to laxity and stretching
- Difficulty in surgeon handling
- Difficult using in robotic surgery / LAP
- High costs
- **RICH study: recurrence rates of 22% and 33% at 12-months and 24-months follow-up, respectively[3]**

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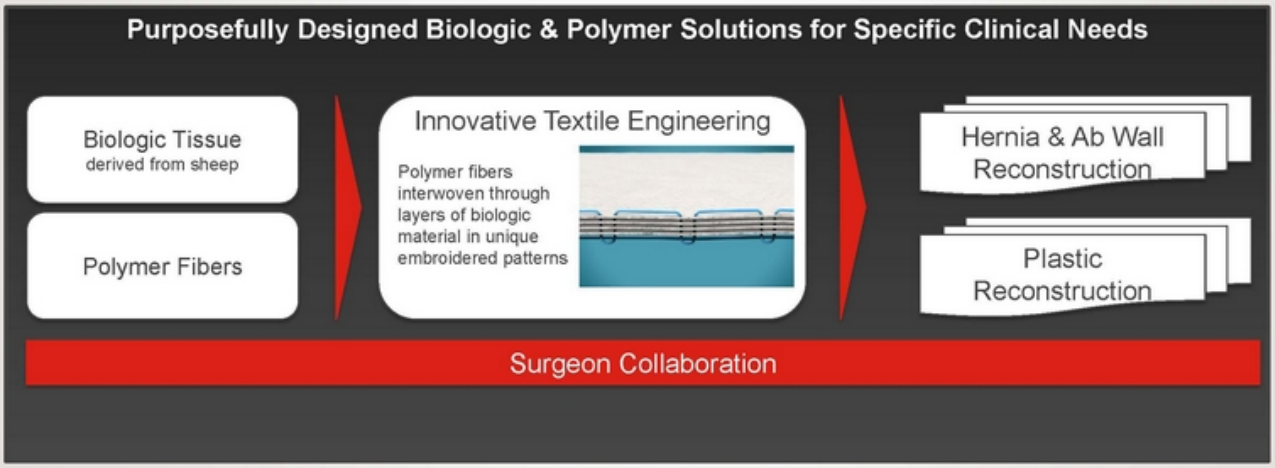
1. Kokotovic, Bisgaard and Helgstrand, *Long-term Recurrence and Complications Associated With Elective Incisional Hernia Repair*. JAMA. 2016;316(15):1575-1582. doi:10.1001/jama.2016.15217 (on-line)
2. Roth, JS et. al, (2017) "Prospective evaluation of poly-4-hydroybutyrate mesh in CDC class I/high-risk ventral and incisional hernia repair: 18-month follow-up." Surgical Endoscopy.
3. Itani, KMF et. al, (2012) "Prospective study of single-stage repair of contaminated hernias using a biologic porcine tissue matrix: The RICH Study" Surgery

Our Solution: New Category of Tissue Reinforcement Materials



High Quality Biologic Material Drives Technology Platform

TELA maintains a definitive license agreement with Aroa BioSurgery for the use of ovine rumen

AROA

- Aroa has two issued patents protecting the use of ovine rumen for use as a source of extracellular matrix
- Exclusive license in North America and Europe for hernia repair, abdominal wall and breast reconstruction
- Ovine rumen is high quality biologic source material, sourced from New Zealand and subject to strict quality controls
  - Plentiful supply – ~27 million sheep in New Zealand
  - Low cost of goods
  - Homogenous, intact, minimally processed material – lends itself to be a good building block for fabrication into medical devices
- Aroa recently completed its IPO and is listed on the ASX (ticker: ARX.AX)

TELA	Aroa BioSurgery
Product development, commercial strategy & execution and clinical data generation	Manufacturing and supply of product
Revenue sharing agreement based on net sales; **TELA retains 73% of net sales**	Aroa receives 27% of net sales

Our Solution: A New Category of Soft Tissue Reinforcement Materials

Improve Performance Over Existing Reconstruction Materials

- Designed in close collaboration with more than 100 surgeons
- Products designed with over 95% biologic material (<5% polymer/synthetic content)
- Benefits of both biologic materials and polymer materials
- Supports range of surgical techniques

Improved Biologic Response

- Reduced foreign body inflammatory response
- Improved outcomes of soft tissue reconstructions
- Enhanced remodeling of soft tissue and rate of healing

Lower Upfront Costs

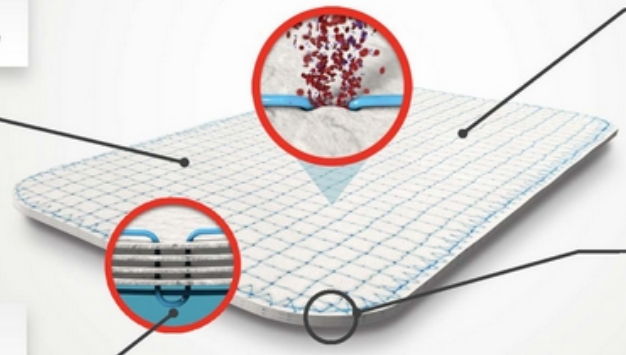
- Customers realize ~20% to 40% cost-savings over leading biologic materials and resorbable synthetic mesh
- Provides benefits of advanced biologic repair to more patients

OviTex: a New Approach to Soft Tissue Reconstruction for Hernia Repair and Abdominal Wall Reconstruction

An innovative reinforced tissue matrix designed to reduce stretch compared to biologic matrices and long-term complications experienced with resorbable and permanent synthetic meshes

Unique permeable design facilitates rapid fluid transfer and movement of cells through the device

Lockstitch embroidery pattern creates a ripstop effect and prevents unraveling when cut



Layers of biologic material enable functional tissue remodeling

Interwoven polymer for added strength and improved handling

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Comprehensive Portfolio for a Range of Hernia Types & Surgical Techniques

Each configuration is available with either permanent (polypropylene) polymer or resorbable (polyglycolic acid) polymer reinforcing the same biologic material.

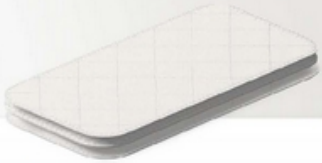
CONFIGURATION

OviTex
4-layer device, not intended for intraperitoneal placement

Strength*: +
Common Procedures: Moderate ventral hernia (pre-peritoneal placement), inguinal hernia, hiatal hernia

OviTex 1S
6-layer device, with "smooth side" suitable for intraperitoneal placement

Strength*: ++
Common Procedures: Moderate to complex ventral hernia



OviTex 2S
8-layer device, with 2 "smooth sides" suitable for intraperitoneal placement

Strength*: +++
Common Procedures: Complex ventral hernia and abdominal wall reconstruction and can be used for bridging

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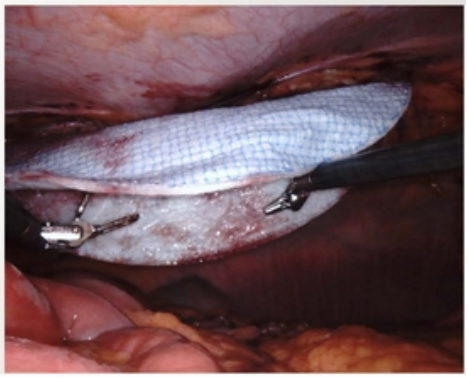
Images represent permanent polymer OviTex products. Resorbable polymer products have clear polymer.
* Biomechanical data on file.

OviTex LPR for Laparoscopic & Robotic-Assisted Repair

- OviTex LPR is specifically tailored for robotic-assisted hernia surgical repairs
  - Significant increase in robotic hernia repairs in last few years
  - Robotic-assisted hernia repair provides the benefits of laparoscopic repair
  - Designed for improved surgical handling, access, and primary closure of hernia
  - Designed for use with a trocar
- 4 total SKUs available, following commercial introduction of 3 additional SKUs in December 2019
- Products expected to be used most frequently in simple-moderate ventral hernia patients



Disruptive Technology Supported by a Compelling Body of Clinical Evidence

92 Adult Patient, Prospective, Single Arm, Multicenter BRAVO Study

- 0 (0%) hernia recurrence in first 20 patients at 24-months
- 1 (2%) hernia recurrence in first 57 patients at 12-months

14 clinical publications

- Strong clinical efficacy and low complication rates in range of hernias
- Recent poster presentations at MISS conference highlighting use of OviTex products in robotic repair

More than 200 Non-Human Primates

- OviTex demonstrates more rapid tissue integration and revascularization compared to biologic matrices and lower inflammatory response and better functional tissue remodeling compared to permanent and resorbable synthetic mesh

Continue to build clinical evidence

- Plan to initiate a post-market study of OviTex in robotic-assisted hernia repair surgery

Multiple Future Analyses of BRAVO Data Planned for 2020

BRAVO Study is fully enrolled (n=91) and characterizes OviTex performance in moderate-to-complex ventral hernia patients

Q1 2020	Q2 2020	Q3 2020	Q4 2020
• 20-patients at 24-months • 57-patients at 12-months • 84-patients at 3-months			• ~75 patients at 12-months • ~50-patients at 24-months

- Primary focus is hernia recurrence rate at each time point
  - Additional information on surgical site occurrence rate will also be analyzed
- Study design allows for robotic, laparoscopic and open implantation of OviTex 1S, allowing for sub-analyses by surgical technique
- Data will be submitted to medical journals and for presentation at key medical conferences throughout the year

OviTex BRAVO Study Shows Low Recurrence Rate at 12 and 24-months

OviTex BRAVO Study

Product Name	Tissue Reinforcement Material	Hernia Recurrence Rate	Number of Hernia Recurrence	Number of Patients who Completed Follow-up	Follow-up Period in Months
OviTex	Reinforced Tissue Matrix	2%	1	57	12
OviTex	Reinforced Tissue Matrix	0%	0	20	24

Results from Post-Market Clinical Studies of Competitive Materials

Product Name	Tissue Reinforcement Material	Hernia Recurrence Rate[1]	Number of Hernia Recurrence[1]	Number of Patients who Completed Follow-up[1]	Follow-up Period in Months
Phasix	Resorbable Synthetic Mesh	5%	5	95	12
Phasix	Resorbable Synthetic Mesh	12%	11	95	18
Phasix	Resorbable Synthetic Mesh	23%	19	82	36
Strattice	Biologic Matrix	22%	15	69	12
Strattice	Biologic Matrix	33%	22	67	24

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1) Hernia Recurrence Rate based on number of hernia recurrences reported in patients who completed follow up and patients who reported recurrent hernia before the specified follow up period. Clinical literature and conference presentations included hernia recurrence rates based on number of hernia recurrences in patients who comprised the initial intent-to-treat population (including those who did not complete the follow up period and did not report a hernia recurrence).

We believe Plastic and Reconstructive Surgery Represents a Significant Market Opportunity

- Use of biologic matrices validated by growing clinical literature
- Biologics provide the following clinical benefits:
  - Ability to define shape and position
  - Soft tissue reinforcement
  - Improvement of tissue quality
  - Aids in defining the pocket and allows for more immediate tissue expansion
  - Reduced inflammatory response
- Existing biologics are costly, prone to excessive stretch over time, and difficult for surgeons to handle

~$500 Million Annual U.S. Market Opportunity

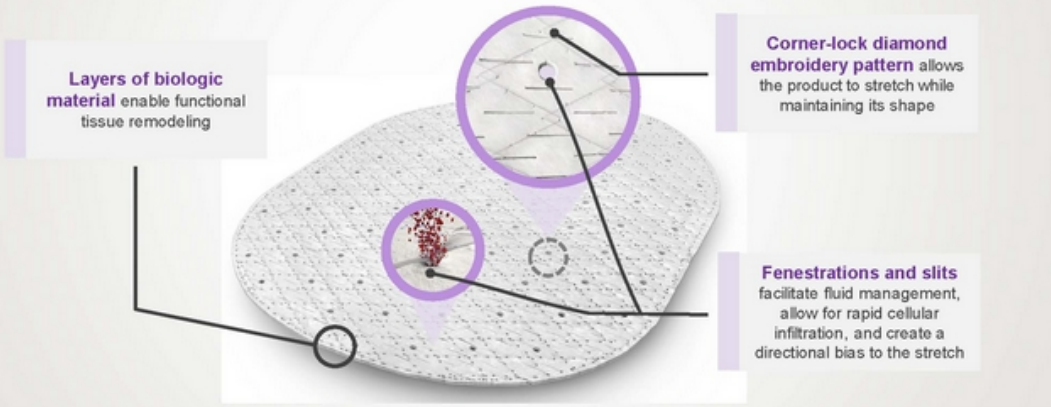
Uses

- Breast reconstruction
- Head and neck surgery
- Chest wall reconstruction
- Pelvic reconstruction
- Extremities reconstruction

Note: Management estimate. Market size based on sales of current biologics

OviTex PRS: Purposely Designed for Plastic and Reconstructive Surgery

An innovative reinforced tissue matrix designed to improve outcomes by facilitating fluid management and controlling degree and direction of stretch



Expanded commercial launch in June 2020 following limited launch initiated in 2019

Commercial Organization

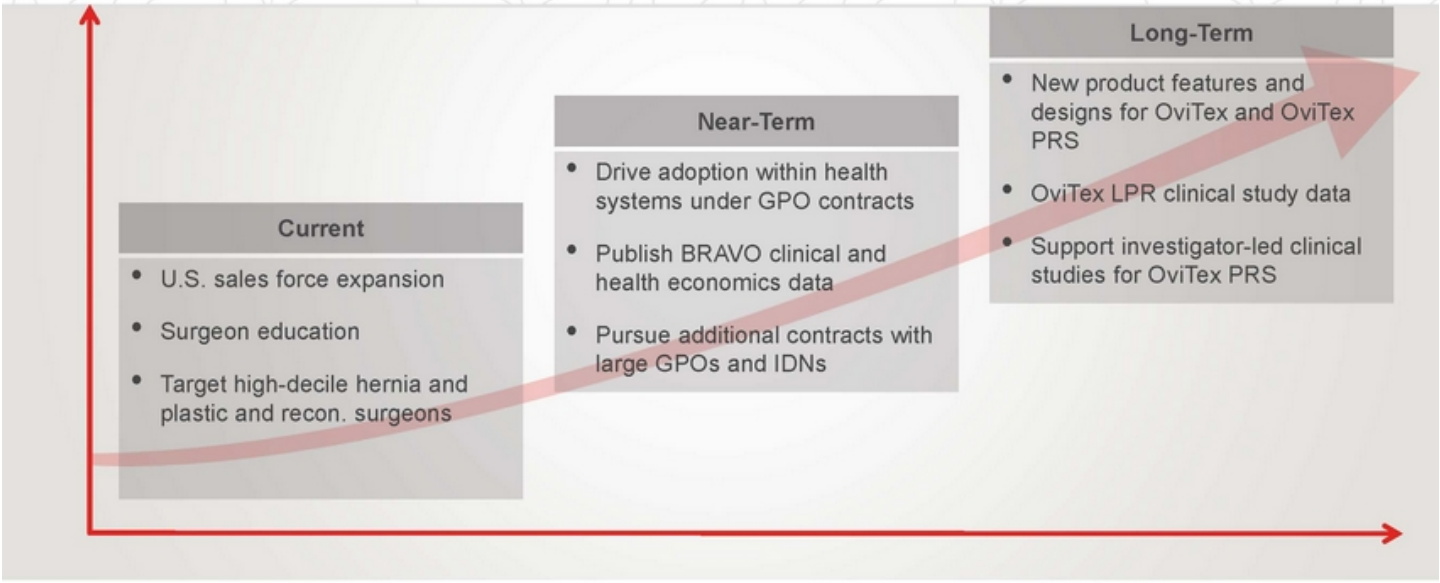
- 41 sales territories at June 30, 2020
  - OR-based Account Managers call on General, Plastic Recon, Colorectal & Trauma surgeons
  - Carry full OviTex & OviTex PRS portfolio
- 6 sales regions
  - Plan to scale existing regions until each region has ~8 territories
- Territories supported by Clinical Development and Strategic Customer Relations teams

Focused on Driving Utilization within Accessed Accounts

- Contracts in place with multiple national and regional Group Purchasing Organizations (GPOs)
- Current GPO contracts provide access to ~1,900 hospitals across the U.S., estimated to perform over ~135,000 addressable soft tissue reconstruction procedures per year[1]
- Data-driven, targeted implementation strategy
- Account Manager hiring for new territories focused on areas with high concentrations of accessed accounts

1. Data based on estimates from Definitive Healthcare and IQVIA Hospital Procedure and Diagnosis data.

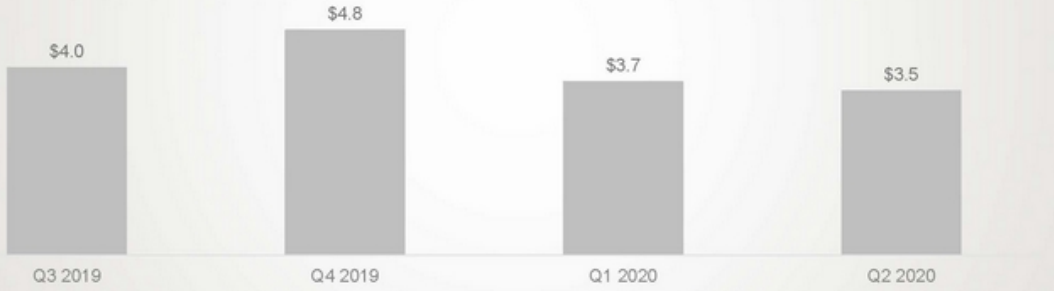
Growth Strategy



Revenue Growth

Quarterly Results

($ millions)



Y/Y Growth	80%	100%	13%	6%

Q1 2020 quarterly revenue impacted by COVID-19 pandemic beginning mid-March 2020 and continued throughout Q2 2020

Statement of Operations

	Three months Ended June 30	
	2020	**2019**
Revenue	$3.5	$3.3
Cost of revenue	1.3	1.3
Amortization of Intangible Assets	0.1	0.1
Gross profit	**$2.1**	**$1.9**
Gross margin	*59%*	*58%*
Operating expenses:		
Selling and Marketing	4.1	3.9
General and Administrative	2.2	1.2
Research and Development	1.0	1.1
Total operating expenses	7.3	6.2
Loss from operations	**($5.2)**	**($4.3)**
Other (expense) income, net	(0.9)	(1.0)
Net loss	**($6.1)**	**($5.3)**

- Revenue increased 6% over prior year period
- Total cash and cash equivalents at June 30, 2020 were $85.5 million

Q2 2020 revenue impacted by COVID-19 pandemic

Investment Highlights

- Advanced reinforced tissue matrix portfolio supported by compelling clinical evidence
- Focused on ~$2.0 billion annual U.S. total addressable markets
- Well-defined high-decile surgeon customers targeted by growing direct sales force
- Long-term supply agreement that provides pricing flexibility—cost savings to healthcare systems
- Established DRG-based reimbursement pathway for hernia repair
- Recent product launches in growing categories: robotic hernia surgery + plastic and reconstructive surgery
- Broad intellectual property portfolio
- Industry leading executive team with proven track record