TELABIO®

A Soft-Tissue Preservation and Restoration Company

# INVESTOR PRESENTATION

January 2023

# 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 and the development of new variants of COVID-19, including but not limited to 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, the labor and staffing environment in the healthcare industry, 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, that data from earlier studies related to the Company's products and interim data from ongoing studies may not be replicated in later studies or indicative of future data, that data obtained from clinical studies utilizing the Company's products may not be indicative of outcomes in other surgical settings, 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, Inc.

- Advanced reinforced tissue matrix portfolio supported by compelling clinical evidence
- $2.2B US market opportunity[1] – still in early stages of growth
- Driving commercial adoption with targeted direct-sales approach
- Recent product launches in growing markets: robotic hernia surgery, plastic and reconstructive surgery
- Broad intellectual property portfolio
- Established DRG-based reimbursement pathway for hernia repair and robust GPO access
- Highly accomplished executive team with proven track record

*Redefining soft tissue preservation and restoration with a differentiated category of tissue reinforcement materials and supportive products*

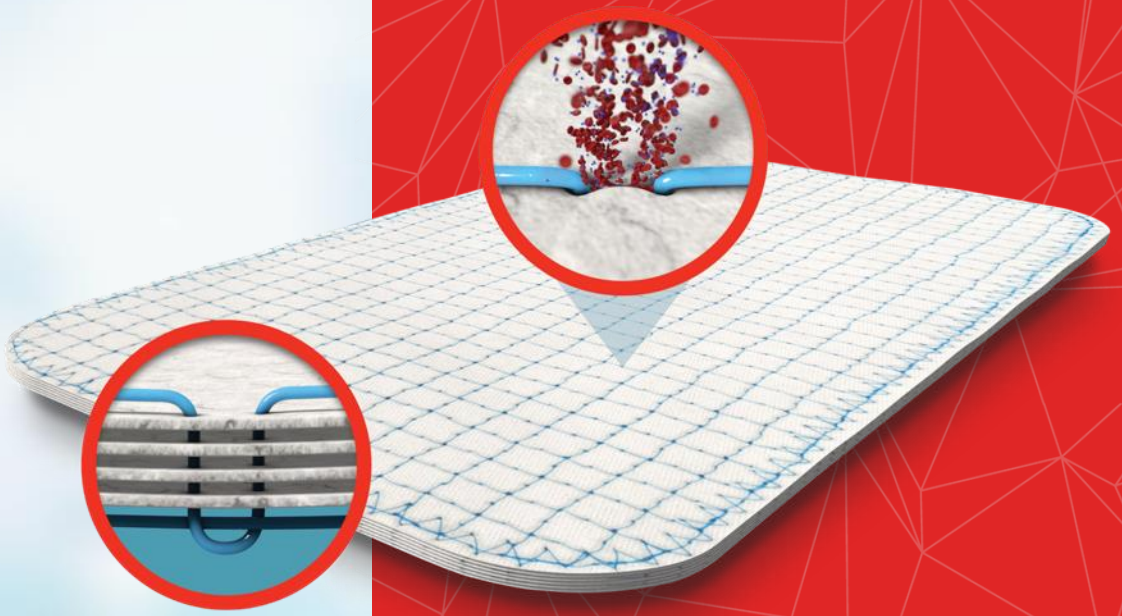
OVITEX®
REINFORCED TISSUE MATRIX

OVITEX® PRS
REINFORCED TISSUE MATRIX

[1] Management estimate. $2.2B total includes $1.5B hernia & abdominal wall reconstruction, $0.7B plastic reconstructive surgery.

# OVITEX®

## REINFORCED TISSUE MATRIX



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


| | Annual Procedures[1] |
|---|---|
| **$360M** **Complex, Moderate Ventral / Abdominal Wall Reconstruction** | **~60,000** |
| **$515M** **Simple Ventral Hernia Repair** | **~345,000** |
| **$600M** **Inguinal Hernia Repair** | **~665,000** |
| **$40M** **Hiatal Hernia Repair** | **~40,000** |

**Robotic / Minimally Invasive Surgery Opportunity**

*Robotic / MIS compatible procedures total over **1M annually** and have a potential market opportunity of up to **$1.2B[2]***

[1]Sources: Millennium Research Group Reports, IMS Health Data; iData Research MedSKU

[2]Management estimate. Market size based on volume and weighted average selling price for OviTex

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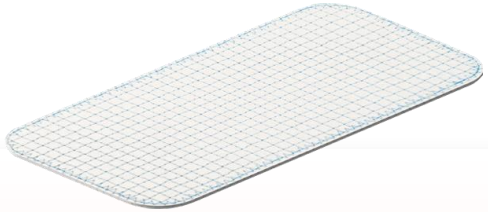
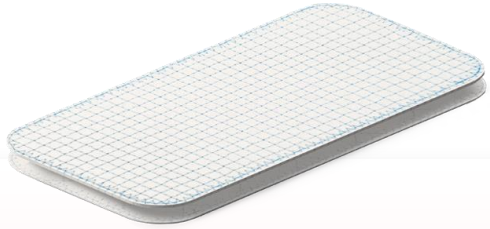
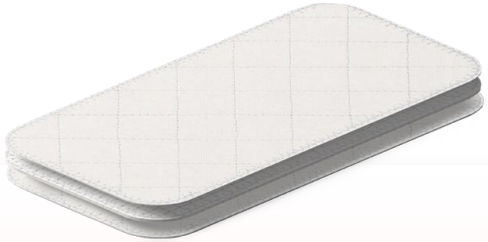
# OviTex Portfolio: Designed for a Range of Hernia Patients and Surgical Techniques

| | OviTex LPR | OviTex | OviTex 1S | OviTex 2S |
|---|---|---|---|---|
| |  |  |  |  |
| **CONFIGURATION** | 4-layer device, with “smooth side” suitable for intraperitoneal placement<br>**Robot Compatible[1]:** Yes<br>**Strength[2]:** +<br>**Viscera Contact[2]:** Yes | 4-layer device, not intended for intraperitoneal placement<br>**Robot Compatible[1]:** Yes<br>**Strength[2]:** +<br>**Viscera Contact[2]:** Not recommended | 6-layer device, with “smooth side” suitable for intraperitoneal placement<br>**Robot Compatible[1]:** Yes<br>**Strength[2]:** ++<br>**Viscera Contact[2]:** Yes | 8-layer device, with 2 “smooth sides” suitable for intraperitoneal placement<br>**Robot Compatible[1]:** No<br>**Strength[2]:** +++<br>**Viscera Contact[2]:** Yes |
| **COMPETITIVE SET** | • Coated resorbable synthetic meshes<br>BD *Phasix ST*<br>• Biologic meshes<br>abbvie *Strattice Laparoscopic* | • Resorbable synthetic meshes<br>BD *Phasix*; GORE *Bio-A*<br>• Biologic meshes<br>abbvie *Strattice*; INTEGRA *SurgiMend*; BD *XenMatrix* | • Coated resorbable synthetic meshes<br>BD *Phasix ST*<br>• Biologic meshes<br>abbvie *Strattice*; INTEGRA *SurgiMend*; BD *XenMatrix* | • Biologic meshes<br>abbvie *Strattice*; INTEGRA *SurgiMend*; BD *XenMatrix* |

Images represent permanent polymer OviTex products. Resorbable polymer products have clear polymer. All trademarks and registered marks are property of their respective owners.

1. Robot compatibility based on use of 10mm trocar. Robot compatibility of LPR and OviTex include sizes 400 $cm^2$ or less. Robot compatibility of OviTex 1S includes sizes 200 $cm^2$ or less
2. Biomechanical data on file.
3. OviTex 1S and OviTex 2S were shown to not adhere in an animal model. Rabbit data on file. Correlation to results in humans has not been established.

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# Need for Alternative to Permanent Synthetic Mesh

**59%** of surgeons agree that use of permanent synthetic mesh puts patients at long-term risk of complications[1]

**3 of 4** Hernia patients want proactive control in their care[2]

**~30K** Lawsuits against permanent synthetic meshes estimated to be assembled across the U.S.[3]

1. Hernia and Abdominal Surgeries Survey (Oct 2020). A group of 71 surgeons were surveyed regarding use of mesh in various hernia repair surgeries.
2. Figures derived from Company-sponsored poll of approximately 1,100 potential patients for hernia procedures.
3. www.drugwatch.com (September 2021)

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# Favorable Results of OviTex in Ventral Hernia Repair:
## Comparisons to synthetic mesh and leading generation one biologics

| | Parker et al.[3] | | Ankney et al.[5] | Sivaraj et al.[7] | | | |
|---|---|---|---|---|---|---|---|
| **Total enrolled patients** | **50 OviTex** | 50 Polypropylene | **259 OviTex** | **36 OviTex** | 51 Strattice | 17 Permacol | 37 Surgimend |
| **Length of follow-up** | **12 months** | 12 months | **1 – 59 months** | **29 months (median)** | 34.6 months (median) | 58.4 months (median) | 37.5 months (median) |
| **mVHWG** | **32% grade 2<br>68% grade 3[a]** | 94% grade 2<br>6% grade 3 | **-** | **33% grade 1<br>58% grade 2<br>8% grade 3** | 17% grade 1<br>79% grade 2<br>4% grade 3 | 18% grade 1<br>71% grade 2<br>12% grade 3 | 40% grade 1<br>51% grade 2<br>9% grade 3 |
| **CDC wound class** | **70% CDC class II+ [a]** | 94% CDC class I | **-** | **89% class I-II** | 86% class I-II | 94% class I-II | 91% class I-II |
| **Incidence of SSO** | **36%*** | 22%* | **1.5%** | **17%*** | 47%* | 53%* | 43%* |
| **Incidence of SSI** | **-** | - | **0.8%** | **2.8%[b]** | 12.5% | 11.8% | 5.4% |
| **Recurrence rate** | **6%** | 12% | **0.8%** | **2.8%[c]** | 13.7%[c] | 29.4% | 24.3% |

*Overall complications including SSI
a – OviTex patients were more complicated with a significantly higher mVHWG distribution and CDC wound classification compared to polypropylene patients
b – OviTex patients experienced significantly less complications than patients receiving the other three biologics
c - OviTex and Strattice patients had a statistically lower recurrence rate than patients receiving the other two biologics

Source: Refer to “Clinical References” in this presentation.

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# Positive 24-month BRAVO results in ventral hernia:
## OviTex performance contextualized alongside recent publications for leading competitive products

| | DeNoto et al. (BRAVO)[6] | Harris et al. (PRICE) [10] | | Roth et al.[11] | Hope et al. (ATLAS)[12] |
|---|---|---|---|---|---|
| **Total enrolled patients** | 92 **OviTex** | 82 Strattice | 83 Ventralight ST or Bard Soft Mesh | 121 Phasix | 120 Phasix ST |
| **Length of follow-up** | 24 months | 26 months | | 36 months | 24 months |
| **mVHWG** | 78% grade 2-3 | - | | - | - |
| **CDC wound class** | 95% class I-II | 90% class I-II | 93% class I-II | 100% class I | 100% class I |
| **Surgical technique** | Open (65%)<br>Laparoscopic (13%)<br>Robotic (22%) | Open | Open | Open | Laparoscopic (55.8%)<br>Robotic (44.2%) |
| **Incidence of SSO** | 38%<br>(includes SSI) | 21%<br>(excludes SSI) | 22%<br>(excludes SSI) | - | 0.8%<br>(includes SSI) |
| **Incidence of SSI** | 20.7% | 39% | 34% | 9%* | 0% |
| **Recurrence rate** | **2.6%*** | 40% (overall)<br>34% (class I wounds) | 22% (overall)<br>28% (class I wounds) | 17.9%* | 31.7%* (overall)<br>18.6%* (defects < 7cm$^2$) |

* Kaplan-Meier survival estimate

**No head-to-head clinical studies have been conducted. Due to differences in patient population, surgeons, surgical technique, and other variables, direct comparisons of results must be made with caution. For a comparative discussion of these studies, please see G. DeNoto, E.P. Ceppa, S.J. Pacella, M. Sawyer, G. Slayden, M. Takata, G. Tuma, J. Yunis, 24-Month results of the BRAVO study: A prospective, multi-center study evaluating the clinical outcomes of a ventral hernia cohort treated with OviTex® 1S permanent reinforced tissue matrix, Ann Medicine Surg 2022, 83, 104745.

Source: Refer to “Clinical References” in this presentation.

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# LOW RECURRENCE ALL APPLICATIONS WITH OVITEX

**0% HIATAL**

**Sawyer – 2018[8*]**
25 patients
Average follow-up 14 months

**16% BRIDGED**

**DeNoto – 2022[1*]**
19 patients
Average follow-up 23 months

**0% INGUINAL**

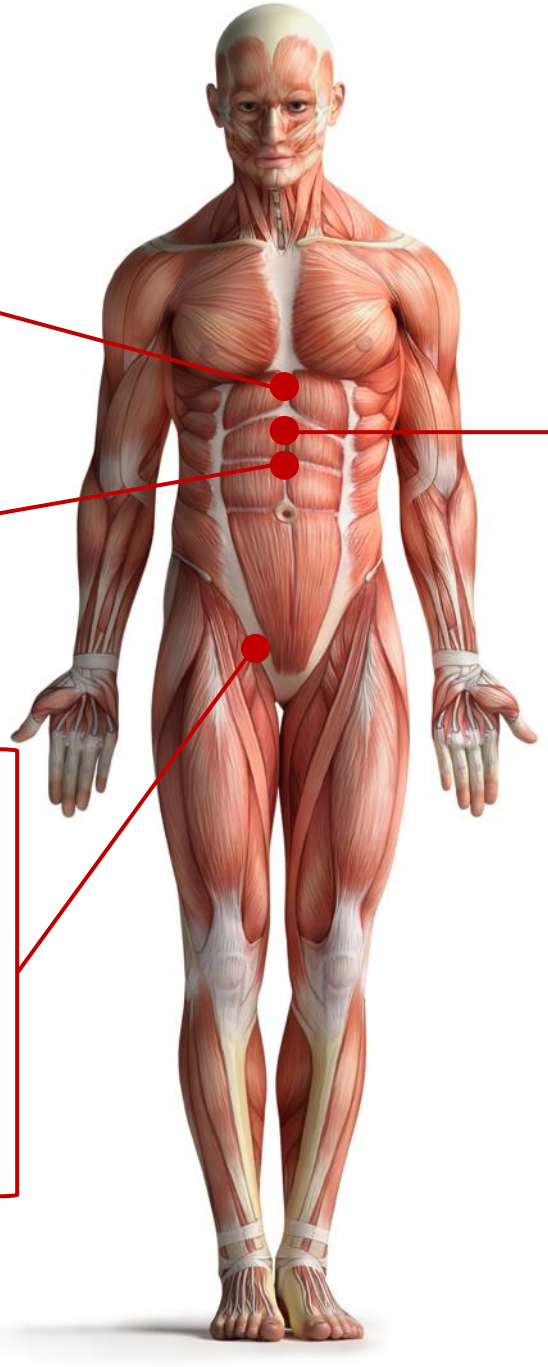
**Ferzoco – 2018[2*]**
31 patients
Average follow-up 13 months

**1.6% INGUINAL**

**Ankney, Szotek et al. – 2021[5*]**
306 patients
Follow-up 1-36 months

**1.8% INGUINAL**

**Banaschak, Szotek – 2022[9*]**
157 hernias (126 patients)
Follow-up at least 24 months



**VENTRAL 2.8%**

**Sivaraj, Nazerali et al. – 2022[7*]**
36 patients
Average follow-up 29 months

**AWR 1.9%**

**Ankney, Szotek et al. – 2021[5*]**
54 patients
Follow-up 3-39 months

**VENTRAL 0.8%**

**Ankney, Szotek et al. – 2021[5*]**
259 patients
Follow-up 1-59 months

**VENTRAL 2.6%**

**DeNoto – 2022[6*]**
92 patients
Follow-up 24 months

**VENTRAL 6%**

**Parker - 2021[3]**
50 patients
Follow-up 12 months

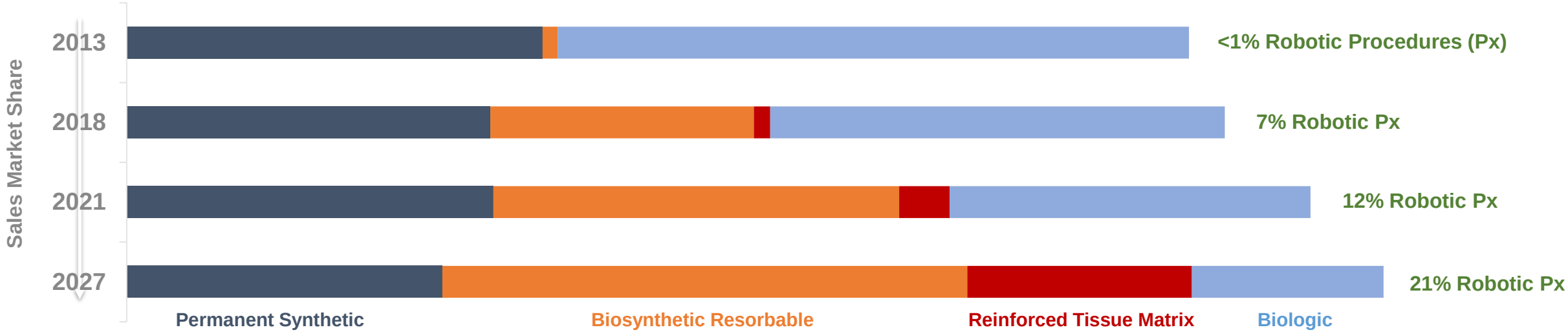
**AWR 8.7%**

**Sawyer – 2019[4*]**
23 patients
Average follow-up 19 months

Source: Refer to “Clinical References” in this presentation.
* Indicates one or more surgeons are paid consultants of Tela Bio, Inc.

# Hernia Market Evolution

*TELA Bio is gaining from a market shift by providing our reinforced "natural repair" solutions as an alternative to traditional Permanent Synthetics or Biologics*




***Biosynthetic Resorbable*** *and* ***Reinforced Tissue Matrix strengths****:*

- ***Clinical Evidence***
- ***Robot Compatibility***
- ***Cost-effectiveness***
- ***Patient Choice & Shared Decision-making***

Sources for Sales Market Share (%): 2009 - 2013 = IMS Hospital Supply Index; 2018 - 2021 = iData Research MedSKU; 2027 = Management Estimate
Sources for Total US Market Size: 2021 - 2027 = DRG Hernia Repair Devices Report – 2021; 2013 - 2018 = Management Estimate
Sources for % Robotic Procedures (Px): 2018 - 2027 = DRG Hernia Repair Devices Report – 2021: 2013 = Management Estimate

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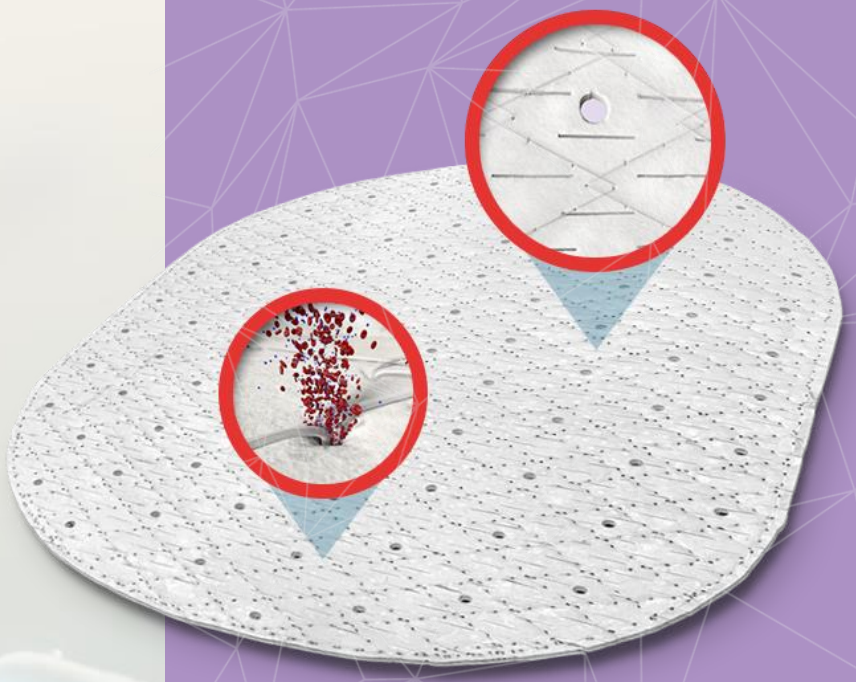
# OVITEX® PRS

## REINFORCED TISSUE MATRIX



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# OviTex PRS: ~$700 Million Annual U.S. Plastic and Reconstructive Surgery Market Opportunity

$600M[1]

**Surgeons use products to reinforce soft tissue during various reconstructive surgeries, including:**

- Head and neck surgery
- Chest wall reconstruction
- Pelvic reconstruction
- Extremities reconstruction
- Breast reconstruction[2]

**Market dominated by human acellular dermal matrices (HADMs):**

- Prone to high degree of stretch
- Expensive, putting pressure on hospital systems
- Can experience supply shortages, particularly when large pieces of material are required

**Cosmetic Plastic & Reconstructive Surgery**

+ $100M[1]

[1]Management estimate. Source: iData Research MedSKU, Q3 2021. Market size based on sales of current biologics
[2]OviTex PRS not indicated for breast reconstructions

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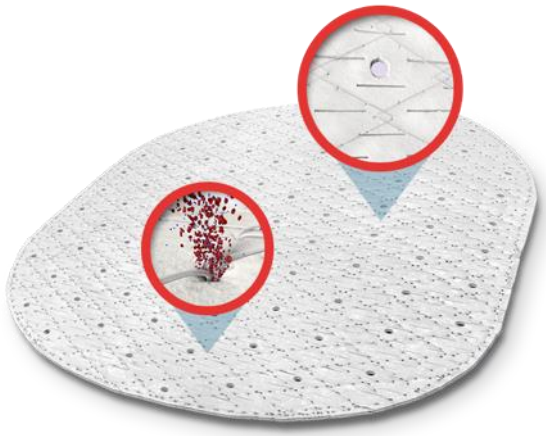
# OviTex PRS: Specifically Designed for Plastic and Reconstructive Surgery

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

Available in both **2-layer resorbable (polyglycolic acid) polymer** or **3-layer permanent (polypropylene) polymer** reinforcing the same biologic material



## Product Features:

- Layers composed of biologic building block retain biologically significant macromolecules for tissue regeneration[1,2]
- Diamond embroidery pattern and stents allow for directional flexibility
- Distinct permeability elements – micropores, macropores, and stents – designed to facilitate fluid management

## OviTex PRS compared to market leading human ADM[3]:

- Exhibited earlier host cell proliferation, collagen deposition and neovascularization
- Demonstrated tissue remodeling into mature, functional and organized collagen

1. Certain configurations available in two or three layers, see product catalog more information. 2. Lun S, Irvine S.M., Johnson K.D., Fisher N.J., Floden E. W., Negron L., Dempsey S.G. , McLaughlin R.J., Vasudevamurthy M. , Ward B.R., May B.C., A functional extracellular matrix biomaterial derived from ovine forestomach, Biomaterials 31(16) (2010) 4517-29.
3. ADM: Acellular Dermal Matrix. Overbeck N, Beierschmitt A, May BC, Qi S, Koch J. In-Vivo Evaluation of a Reinforced Ovine Biologic for Plastic and Reconstructive Procedures in a Non-human Primate Model of Soft Tissue Repair. Eplasty. 2022 Sep 14;22:e43. PMID: 36160663; PMCID: PMC9490877. Animal testing results may not be indicative of clinical performance.

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# Driving Revenue Growth

**Sales Force Size** ✖ **Rep Productivity** ✖ **Product Portfolio** ✖ **GPO Access** ✖ **Clinical Data** = **$ales**

**Sales Force Size**

2021: 40-45 reps

1H22: 57 reps

**2H22: 60 reps**

**Rep Productivity**

- Playbook90 training and assessment
- 3-6 mos. to breakeven
- TELA LIVE
- Cadaver Labs
- Clinical Development Specialists
- AboutHernia website

**Product Portfolio**

OVITEX® REINFORCED TISSUE MATRIX

✚

OVITEX® LPR REINFORCED TISSUE MATRIX

✚

OVITEX® PRS REINFORCED TISSUE MATRIX

✚

NIVIS® Fibrillar Collagen Pack

✚

**R&D and BD**

**GPO Access**

HEALTHTRUST®

>1,600 hospitals

✚

PREMIER

~4,400 hospitals

✚

**More to come**

**Clinical Data**

- BRAVO 24-month data: 2.6% recurrence
- >25 published or presented works

**TELA Bio** is growing <u>each</u> factor that contributes to sales, providing for multi-year, long-term growth

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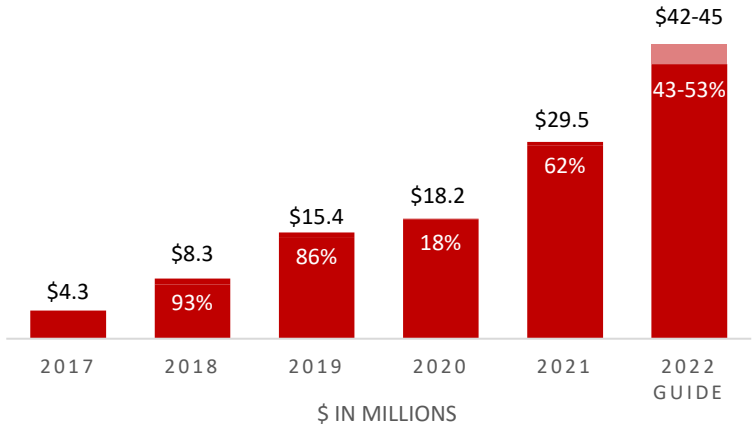
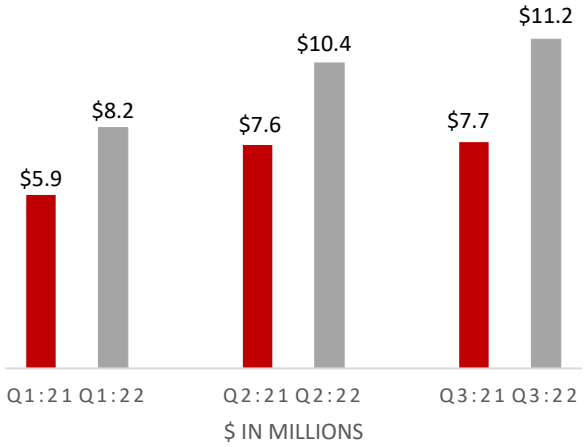
# Delivering Revenue Growth

## Annual Revenue




## Quarterly Revenue

YTD Revenue Growth: 41%




## Q3 2022 Performance

- Revenue growth of 46% over corresponding period of 2021
- Cash and Cash equivalents (as of September 30, 2022): $54.2M
- Closed equity offering resulting in net proceeds of $34.4M
- Published 24-month BRAVO Study Results

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