ASX ANNOUNCEMENT/MEDIA RELEASE

29 April 2025

AROA BIOSURGERY MARCH 2025 4C – COMMENTARY

FINANCIAL HIGHLIGHTS

- **Second consecutive quarter of positive cash flows** from operations, with NZ$1.1 million cash flow from operations for the quarter.
- **Total cash on hand increased** by NZ$0.1 million, ending the quarter with a **strong cash balance** of NZ$22.0 million.
- **Strong cash receipts** from customers of NZ$20.1 million for the quarter, in line with expectations.
- Net cash outflow from investing activities of NZ$0.6 million for the quarter, primarily reflecting routine capital expenditure.
- Full-year **FY25 guidance is maintained at NZ$76-79 million** total revenue (on a constant currency basis)[1] and a normalised[2] EBITDA profit of NZ$0-2 million.
- Full-year **FY25 guidance is maintained at NZ$81-84 million** total revenue (on a reported currency basis)[3] (a 17-22% increase on FY24) and a normalised EBITDA profit of NZ$2-4 million.

OPERATIONAL HIGHLIGHTS

- **Highest recorded sales month for Myriad™** in March at US$2 million, with sales increasing 11% on the prior quarter, and 32% against the prior corresponding period.
- Strong demand for Ovitex with sales to TelaBio increasing by 17% compared to the previous corresponding period.
- **Milestone reached in evidence generation**, with over 100 peer reviewed studies having now been published validating the AROA ECM™ platform in pre-clinical and clinical studies.
- Three new peer reviewed case studies published during the quarter.
- Company appointed its first US-based Marketing Director, Ruth Powers. The appointment is designed to drive market growth and build further sales momentum.
- Due to commercial arrangements, AROA expects the net impact of new US import tariffs to be substantially lower than 10%
- Myriad Matrix™ and Myriad Morcells™ obtained unique CMS (US) billing codes. This will streamline the claims and reimbursement process in outpatient and ambulatory centers and over time, provide insurers with data to demonstrate the products' cost-effectiveness.
- AROA will host a webinar to discuss these results today at 9 a.m. AEST. Click here to register.

[1] Constant currency removes the impact of exchange rate movements. This approach is used to assess the Group's underlying comparative financial performance without any distortion from changes in foreign exchange rates, specifically USD. The NZ$/US$ exchange rate of 0.64 has been used in the constant currency analysis, representing the Group's internal budget rate.

[2] Normalised EBITDA is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the Group's comparative financial performance without any distortion from the one-off transactions. The impact of non-cash share-based payment expenses and unrealised foreign currency gains or losses has also been removed from the Profit or Loss. This approach is used by Management and the board to assess the Group's comparative financial performance. All references to normalised EBITDA in this announcement are as set out in this footnote.

[3]This guidance reflects the actual NZ$/US$ exchange rate for FY25.

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Soft tissue regeneration company Aroa Biosurgery Limited (ASX: ARX, AROA' or the 'Company') is pleased to provide an update on its activities for the quarter ended 31 March 2025.

Financial commentary

The Company posted its second consecutive quarter of positive cash flows from operations since its admission to the ASX in July 2020. Cashflows from operations of NZ$1.1 million primarily reflected the increase in receipts from customers to NZ$20.1 million, and the absence of large one-off cash expenses during the quarter.

Net cash outflows from investing activities for the quarter were NZ$0.6 million, primarily reflecting routine capital expenditure.

Total cash on hand increased by NZ$0.1 million with the Company ending the quarter with a strong cash balance of NZ$22.0 million and remaining debt-free.

In accordance with ASX Listing Rule 4.7C.3, AROA advises that an aggregate amount of NZ$185,000 was paid during the quarter to the Company's six non-executive directors as directors' fees.

Financial outlook

The Company maintains its full-year constant currency guidance (using a NZ$/US$ exchange rate of 0.64) of NZ$76-79 million in total revenue and full-year normalised EBITDA profit of NZ$0-2 million.

Full-year FY25 guidance is also maintained on a reported basis, of NZ$81-84 million in total revenue and full-year normalised EBITDA profit of NZ$2-4 million. Guidance on a reported basis reflects the actual NZ$/US$ exchange rate for FY25.

The Company will report its full year financial results on 27 May 2025.

AROA CEO, Brian Ward commented: "AROA has made pleasing progress in Q4, demonstrated by our second consecutive quarter of positive operating cash flows and record sales of Myriad in March 2025 of US$2 million. With a strong cash balance, we are well positioned to continue to invest in growing both topline and EBITDA"

Sales and Marketing

Sales of the high-margin Myriad family continue to grow, with sales increasing 11% against the previous quarter and 32% against the previous corresponding period. March 2025 Myriad sales results of US$2 million were the highest on record for the Company. These results were driven by continued improvements in sales productivity and penetration.

In March, AROA appointed US based Marketing Director, Ruth Powers. Most recently Director of Global Strategic Marketing at Integra LifeSciences, Ruth has extensive experience in the US healthcare sector, specifically in surgical reconstruction, and a proven track record of driving market growth.

The Company's sales and medical affairs teams participated in 14 major industry conferences, including the world's largest wound care conference, European Wound Management Association 2025 Conference in Barcelona, Spain, and Boswick Symposium on Burns & Wound Care in Hawaii, USA.

OviTex product family

In March, TelaBio delivered CY 2024 revenue results of US $69.3 million, representing growth of 19% on CY 2023.

Demand for Ovitex remains strong, with sales to TelaBio increasing by 17%, compared to the previous corresponding period.

US import tariffs

On April 2, 2025, the US Government announced new tariffs for most countries, with goods imported

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from New Zealand attracting a 10% tariff. Due to its commercial arrangements, AROA expects the net impact to be substantially lower.

Clinical evidence

The body of high-quality clinical evidence demonstrating the effectiveness of AROA ECM technology continues to grow. To date, over one hundred peer reviewed studies have been published about AROA ECM, with three new case studies published this quarter. The case studies were investigator-initiated and illustrate the effectiveness of AROA ECM technology across a range of clinical scenarios.

- One study described the first reported use of Myriad to treat skin lesions associated with the auto immune disease, Pemphigus Vulgaris, which results in severe, widespread blistering and erosions to the skin. Given the complexity of these wounds, they are most often managed by specialist burns and trauma centers. The patient had been impacted by severe blistering affecting approximately 30% of the body surface area for nine months before the lesions were treated with one application of Myriad Matrix. The study found that most of the affected areas had healed within one week and were completely healed in one month. The case study is available online, here.
- In another study, AROA's Symphony™ product was used to successfully treat a hard-to-heal diabetic ulcer, where standard wound care had not worked effectively. The investigator tried a new approach that involved chemically removing dead and damaged tissue from the ulcer (debridement) and then applied Symphony at approximately 12-day intervals. Over the 110 days following the initial debridement, the foot ulcer showed significant improvement as it progressed towards closure. This research study was a result of AROA's commitment to providing advanced wound care solutions to Pacific Islands nations. The case study is available online, here.
- In the final study, researchers in Singapore published their initial findings using Myriad to treat perianal fistulae. This publication builds on initial research in using Myriad to treat these challenging chronic wounds. In this study, the authors showed that placement of Myriad within the contaminated defects led to successful regeneration of tissue. The case study is available online, here.

Permanent level II billing codes assigned for Myriad products

Effective April 1, 2025, Myriad Matrix and Myriad Morcells were assigned permanent unique Level II codes under the US Healthcare Common Procedure Coding System. These codes are used by US healthcare practitioners and providers when making reimbursement claims for medical devices, medications, and other supplies and services in outpatient and ambulatory centers.

The advantages of having these codes are that the reimbursement process for customers using Myriad Matrix and Myriad Morcells will be more streamlined and accurate, and over time, US insurers will be able to access a body of verified data demonstrating the cost-effectiveness of the products.

Quarterly webinar

The Company will hold a webinar with CEO Brian Ward and CFO James Agnew today, Tuesday 29 April 2025 at 9 a.m. AEST to discuss the March Quarterly Results.

Investors can register for the webinar via the following link:

https://us02web.zoom.us/webinar/register/WN_RF_NJQdYR4qwsBy0zkLIWQ

Questions can be submitted prior to the webinar to investor@aroa.com or live, via the Q&A function on Zoom.

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

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About AROA™

Aroa Biosurgery is a soft-tissue regeneration company committed to 'unlocking regenerative healing for every*body*'. We develop, manufacture, sell and distribute medical and surgical products to improve healing in complex wounds and soft tissue reconstruction. Our products are developed from a proprietary AROA ECM™ technology platform, a novel extracellular matrix biomaterial derived from ovine (sheep) forestomach.

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

TELA Bio, Inc. Founded in 2008, AROA is headquartered in Auckland, New Zealand and is listed on the Australian Securities Exchange (ASX: ARX). www.aroa.com

About Myriad™

Myriad Matrix is an extracellular matrix graft, composed of AROA ECM and designed for soft tissue reconstruction and complex wounds. Myriad Morcells is a morcellised version of Myriad Matrix that easily conforms to optimize contact with irregular wound beds. Myriad Morcells Fine is a morselized conformable ECM graft that can be used either by itself or synergistically with Myriad Matrix.

About Endoform™

Endoform products are unique extracellular matrix products, composed of AROA ECM, for the management of acute and chronic wounds.

About Symphony™

Symphony is a combination cellular and tissue product comprising AROA ECM with hyaluronic acid. It is designed to facilitate the regeneration of functional tissue and the combination of AROA ECM and hyaluronic acid acts synergistically to drive wound closure. Symphony is typically used in diabetic, venous and pressure ulcers alongside a wide array of other acute and chronic surgical and traumatic wounds.

About Enivo™

This is a new Tissue Apposition Platform which AROA is developing, designed to close tissue cavities at a surgical site created by surgical dissection or tissue removal. It is comprised of a specially designed AROA ECM implant that is coupled to an external single-use negative pressure pump.

When the product is deployed, the tissue surfaces are drawn together, held in place and tissue fluids are carried by the vacuum to an external fluid collection bag. AROA intends to develop and launch a new class of products utilising this new platform technology.

About OviTex™ and OviTex PRS

OviTex and OviTex PRS are reinforced bioscaffolds manufactured by AROA. The products are based on AROA ECM technology, co-developed with our partner, TELA Bio, Inc. (US) and sold by

TELA Bio in the United States and Europe. TELA Bio is licensed to sell OviTex for abdominal wall reconstruction and hernia repair. Since the first hernia product was launched in 2016, the portfolio has expanded to include hernia products for minimally invasive surgery (robotic) and the launch of OviTex PRS (licensed to TELA Bio for breast reconstruction).

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity	
Aroa Biosurgery Limited	
ABN	**Quarter ended ("current quarter")**
ARBN 638 867 473	31 March 2025

Consolidated statement of cash flows		**Current quarter $NZ'000**	**Year to date (12 months) $NZ'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	20,127	77,331
1.2	Payments for		
	(a) research and development	(136)	(1,119)
	(b) product manufacturing and operating costs	(1,686)	(6,694)
	(c) advertising and marketing	(3,020)	(16,102)
	(d) leased assets	(5)	(12)
	(e) staff costs	(12,369)	(49,616)
	(f) administration and corporate costs	(1,915)	(8,651)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	299	1,511
1.5	Interest and other costs of finance paid	-	(7)
1.6	Income taxes refund received / (paid)	(235)	(556)
1.7	Government grants and tax incentives	-	1,349
1.8	Other	-	-
1.9	**Net cash from / (used in) operating activities**	**1,060**	**(2,566)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(245)	(2,249)
	(d) investments	-	-
	(e) intellectual property	(40)	(310)

Consolidated statement of cash flows		Current quarter $NZ'000	Year to date (12 months) $NZ'000
	(f) other non-current assets	(318)	(1,073)
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash used in investing activities**	**(603)**	**(3,632)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4	23
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease liability payments)	(374)	(1,475)
3.10	**Net cash used in financing activities**	**(370)**	**(1,452)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	21,935	29,522
4.2	Net cash used in operating activities (item 1.9 above)	1,060	(2,566)
4.3	Net cash used in investing activities (item 2.6 above)	(603)	(3,632)
4.4	Net cash used in financing activities (item 3.10 above)	(370)	(1,452)

Consolidated statement of cash flows		Current quarter $NZ'000	Year to date (12 months) $NZ'000
4.5	Effect of movement in exchange rates on cash held	(30)	120
4.6	**Cash and cash equivalents at end of period**	**21,992**	**21,992**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $NZ'000	Previous quarter $NZ'000
5.1	Bank balances	7,992	14,935
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits less than 90 days)	14,000	7,000
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**21,992**	**21,935**

6.	Payments to related parties of the entity and their associates	Current quarter $NZ'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	185
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $NZ'000**	**Amount drawn at quarter end $NZ'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	1,001	282
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**1,001**	**282**

7.5	**Unused financing facilities available at quarter end**	**719**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Includes the following:
N/A

8.	**Estimated cash available for future operating activities**	**$NZ'000**
8.1	Net cash from operating activities (item 1.9)	1,060
8.2	Cash and cash equivalents at quarter end (item 4.6)	**21,992**
8.3	Unused finance facilities available at quarter end (item 7.5)	719
8.4	Total available funding (item 8.2 + item 8.3)	22,711
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	**N/A**

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2025.....

Authorised by: By the board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.