



AROA DELIVERS STRONG PRELIMINARY HALF YEAR REVENUE RESULT AND SIGNS A SIGNIFICANT CONTRACT EXTENSION FOR MYRIAD™ WITH A LEADING US GROUP PURCHASING ORGANISATION

Highlights

- Preliminary unaudited H1 FY22 product sales revenue of approximately NZ\$17 million, reflecting growth of approximately 108% on H1 FY21 and approximately 38% on H2 FY21 on a constant currency¹ basis (i.e. eliminating impact of exchange rate fluctuations).
- AROA expects FY22 product sales revenue to be at the upper end of its previously announced guidance of NZ\$30m - NZ\$33m.² Once unaudited revenue for H1 FY22, including AROA's quarterly revenue share from TELA Bio, is confirmed and the outlook for COVID-19 becomes clearer, the Company intends to further assess its FY22 product sales revenue guidance.
- AROA has signed a contract extension for its Myriad products with a leading US group purchasing organization ('GPO'), HealthTrust Purchasing Group, L.P. ('HealthTrust'). This gives approximately 1,500 US hospitals and healthcare systems access to Myriad products.
- AROA will host an investor webinar today at 11.00am. [Click here to register.](#)

Soft tissue regeneration company Aroa Biosurgery Limited (ASX:ARX, 'AROA' or the 'Company') is pleased to release its preliminary unaudited sales performance for H1 FY22, with product sales revenue of approximately NZ\$17 million. AROA has also signed a contract extension, adding Myriad Matrix™ and Myriad Morcells™ to its existing contract with HealthTrust, a leading GPO in the United States ('US').

STRONG H1 FY22

AROA's preliminary unaudited product sales revenue for H1 FY22 is approximately NZ\$17 million. This reflects growth of approximately 108% on H1 FY21 and approximately 37% on H2 FY21 on a constant currency¹ basis. The final H1 FY22 product sales revenue result is contingent on confirmation of AROA's quarterly revenue share from TELA Bio, Inc. AROA will announce its final unaudited H1 FY22 revenue at the end of October.

Given this preliminary result, AROA expects its FY22 product sales revenue to be at the upper end of its previously announced guidance of NZ\$30m – NZ\$33m.²

¹ Constant currency removes the impact of exchange rate movements. This approach is used to assess the AROA group's underlying comparative financial performance without any distortion from changes in foreign exchange rates, specifically the USD. The NZD/USD exchange rate of 0.72 has been used in the constant currency analysis, representing the AROA group's budget rate for FY22.

² Guidance subject to no sustained resurgence of COVID-19 in the US, continued improvement in US medical procedure numbers & TELA Bio, Inc. sales performance. It assumes an average NZD/USD exchange rate of 0.72.



Chief Executive Officer, Brian Ward said "It is pleasing to see the momentum that is developing across the AROA product portfolio. The changes we made to our sales team is delivering on our expectations for Myriad Matrix, Myriad Morcells and Endoform™. We are also seeing growing demand from TELA Bio, Inc., AROA's sales and distribution partner for OviTex™ products."

"Despite the constraints of COVID-19, the preliminary figures represent a strong revenue result for the half year, exceeding internal forecast expectations. Once unaudited revenue for H1 FY22 is confirmed and the outlook for COVID-19 becomes clearer, we intend to further assess our FY22 product sales revenue guidance."

Contract extension expands access to US hospitals

AROA has signed a contract extension for its Myriad products with a leading US GPO, HealthTrust.

HealthTrust is headquartered in Nashville, Tennessee and is the third largest GPO in the US, serving approximately 1,500 hospitals and healthcare systems in the US. Its members are in more than 32,500 non-acute locations, including ambulatory surgery centers, physician practices, long-term care and alternate care sites. HealthTrust is majority owned by HCA Healthcare, Inc, the largest for-profit hospital operation in the world.

The contract extension adds AROA's Myriad Matrix and Myriad Morcells products to its pre-existing purchase agreement with HealthTrust for Endoform products. HealthTrust's members will be able to access the Myriad products from 8 October 2021. This extension is for a period of approximately 3 years (expiring on 31 July 2024).

Commenting on the significance of Myriad being added to HealthTrust, Brian Ward says "This contractual win is another milestone in our commercial strategy to leverage the power of our product portfolio across the continuum of care and deliver compelling value for hospitals, clinicians and patients. With this contract extension, we have implemented a framework for HealthTrust's US members to access our full current product portfolio. We had expected Myriad sales to drive growth in FY22, so it is pleasing that the addition of Myriad Matrix and Myriad Morcells to our HealthTrust contract offers the potential to further fuel that growth."

"Finally, we welcome this opportunity to provide HealthTrust's members with more product offerings that deliver high quality clinical performance whilst offering significant opportunities to reduce spend as they manage the impacts of the COVID-19 pandemic. We believe this will enable more patients to access regenerative healing technology, consistent with our goal to unlock regenerative healing for *everybody*."

Investor webinar

AROA will host an investor webinar today, 6 October 2021, at 11.00am AEDT / 1.00pm NZ to discuss the preliminary 1H FY22 result and HealthTrust GPO extension.

Click the link below to register:

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

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



About Aroa Biosurgery:

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 a 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. Founded in 2008, AROA is headquartered in Auckland, New Zealand and is listed on the Australian Securities Exchange (ASX:ARX).

www.aroabio.com/

About Myriad™

Myriad Matrix™ is an extracellular matrix graft design for soft tissue reconstruction and complex wounds and is composed of AROA ECM technology which has been shown in pre-clinical studies to include over 150 different components known to aid wound repair, stimulate blood vessel formation and attract stems cells. Myriad Morcells™ is a powder format of Myriad Matrix that easily conforms to optimize contact with irregular wound beds.

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