



## CHAIRMAN'S ADDRESS

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### Introduction

On behalf of the Board, I am pleased to report that AROA delivered strong results in the 2022 financial year. We have over the last two years focused on strategic re-alignments to accelerate our growth and are proud that the results validate our actions. They demonstrate that we are on the right track.

The results are also testament to the true mettle of our people and partners who delivered these achievements despite another challenging year of COVID-19. They exemplified commitment and agility amidst lockdowns and community outbreaks. We thank them for going above and beyond to ensure that patients continued to receive our products and to uncover new sales opportunities.

### FY22 financial results

Running through our financial results, AROA's product revenue grew by an outstanding 81% in the 2022 financial year to NZ\$39.15 million. On a constant currency basis, product revenue was NZ\$37.7 million. This represents an 84% increase on the previous financial year and exceeds our upgraded guidance of NZ\$34 – 37 million. Myriad™, OviTex™ and OviTex PRS were the major contributors to that growth and Endoform™ grew modestly as expected.

Increased efficiency is key to delivering sustainable long-term performance. We are therefore proud to report that we achieved an 8% improvement in product margins to 76%. This result followed increasing economies of scale, manufacturing efficiency improvements and growth in sales of our high margin Myriad products.

We ended the year debt-free and with a strong cash balance of NZ\$56.2 million.

Brian Ward, AROA's Founder, CEO and Managing Director will shortly run us through the key strategic and operational objectives for the 2023 financial year.

### Your Board

Turning now to your Board. As previously disclosed, we have identified certain additional attributes which we believe would further complement the skills and experience of AROA's existing Board. These include increased diversity on our Board and Executive-level US sales and marketing experience in the medical device industry.

I am pleased to report that we are in active discussions with potential candidates and are targeting the appointment of up to two additional Directors, including at least one female Director.

As you will see from today's agenda, I am standing for re-election as a Director of AROA. I will now provide a few comments in relation to that resolution.

Today marks my 11th anniversary as Board Chair of AROA. I have more than 25 years' experience as Chair, Director or as an Executive of science and technology businesses in the private and public sectors. Notable previous appointments include my roles as Chair of the New Zealand Institute of Plant & Food Research and its predecessor and thirteen years as a partner at EY. I have a deep knowledge of AROA, with strong commercial acumen and governance expertise. I am keenly invested in realising AROA's potential – including in my capacity as a shareholder in the Company. I am privileged to have been able to guide AROA on its journey to date, and seek your support for



my re-election.

### **Delivering long-term value**

Looking ahead, we consider AROA to be well-positioned for strong growth in FY23 and beyond. Although we are still navigating the complexities of COVID, with new variants and increasing rates of re-infection...we believe that AROA's products offer disruptive value. They are designed to improve the efficacy of care at a price that expands access. This closely aligns with the key drivers for healthcare spending decisions. We are committed to innovation to achieve long-term value. Consistent with this strategy, we increased our R&D spending over the last three years from NZ\$5m in 2020 to NZ\$8.4m in 2022.

I speak on behalf of the Board when I say that we are genuinely excited about what we are seeing at the Board table. We congratulate the leadership team for the strong results delivered to date and are confident in their plans to advance AROA's mission to unlock regenerative healing for everybody.

### **Closing remarks**

Before handing over to Brian, I would like to thank you, our shareholders, for your continued support. Your investment has resulted in over five million AROA devices being applied to treat patients to date.

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**Authorised on behalf of the Aroa Biosurgery Board of Directors by James McLean, Chair.**

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### **About AROA™**

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 and a half 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](http://www.aroabio.com)

### **Contacts**

#### *Investor*

Simon Hinsley  
Investor Relations  
[shinsley@aroabio.com](mailto:shinsley@aroabio.com)  
+ 61 401 809 653

#### *Media*

Australia  
Matthew Wright  
[matt@nwrcommunications.com.au](mailto:matt@nwrcommunications.com.au)  
+61 451 896 420

New Zealand  
Piet De Jong  
[piet.dejong@baldwinboyle.com](mailto:piet.dejong@baldwinboyle.com)  
+64 21 812 766