

## CHAIRMAN'S ADDRESS

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### **FY23 performance**

AROA had a very good year in FY23. Revenue was up over 50%, margins improved and the Company was profitable on a normalised basis. All this was on the back of increasing clinical validation of the AROA ECM™ platform of products and from the efforts of our people. AROA is now a grown-up business with a very positive future.

With growth comes complexity. We now employ about 270 people, have four significant product lines and are committed to developing our new Enivo™ product range. We face quite different organisational and people challenges than just a year ago. These have been well dealt with but will remain important for us to focus on as the scale of our business will only increase.

Brian's presentation to the meeting will provide detail on the FY23 year and the road ahead.

On behalf of the Board, we are proud to see the compounding results of the Company's strategy. We congratulate Brian and the team for their continued execution.

### **Company strategy**

In fifteen years since its inception, AROA has built a strong foundation of products that all depend on the AROA ECM platform technology. That is, the extracellular matrix derived from the forestomach of sheep. We describe our mission as "unlocking regenerative healing for everybody". That approach has led us to the four product families we now have on the market, and an additional platform technology in the early stages of commercialisation. Each of these product categories is in a large addressable market that provides scope for extensive growth and significant market share in the US market alone. We are now in a position where concentrating our efforts in these areas will accommodate our growth aspirations. We will also seek to expand our rest-of-world opportunities either on our own or with partners and remain on the lookout for complementary technologies that we can acquire or partner.

To continue our success we need to be able to attract and retain the best people in all roles. In spite of a very competitive environment for talent we are having very little difficulty employing the people we need in most roles. AROA is an exciting place to work. It is an optimistic and dynamic environment and we don't expect that to change.

We are increasingly confident in our strategy. With every year we are building more and more clinical data that shows AROA ECM products providing superior clinical outcomes. And to do this at prices that are compelling to hospitals, clinicians, insurers, and reimbursing agencies. It is extremely satisfying for us all to work in a business that has improving patient health at its heart and to be able to build a successful business at the same time.

A word about our cash reserves. We are in the enviable position of having a healthy cash balance and trading with positive normalised EBITDA. That allows us flexibility to pursue ambitious product development and also build operating capacity for the foreseeable future. We have chosen to do both these things and will utilise our cash carefully. In the absence of the Enivo investment, our existing business is already highly profitable on a normalised basis. In his CEO's report shortly, Brian Ward will



expand upon our confidence and conviction that our new product development investments will deliver significant benefits to shareholders.

### **Your Board**

Turning to your Board, we were pleased to welcome Dr. Catherine Mohr as an independent non-executive director in November 2022. Her background and expertise are diverse and accomplished, spanning clinical, engineering, product development, commercialisation and US FDA clearance. She will be standing for election at this meeting, together with John Diddams, who is retiring by rotation and offering himself up for re-election.

### **Closing remarks**

Before handing over to Brian, I would like to thank you, our shareholders, for your continued support. Your investment enables us to advance AROA's founding vision of unlocking regenerative healing for *everybody*, and we remain focused on ensuring that your confidence yields increased returns.

**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. Over 6 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.aroabio.com](http://www.aroabio.com)

### **Contacts**

#### *Investor Relations*

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

Sarah Tora  
[sarah.tora@aroabio.com](mailto:sarah.tora@aroabio.com)  
+64 21 531 043