

AROA BIOSURGERY SEPTEMBER 2025 4C – COMMENTARY

HIGHLIGHTS

- **Operating cash flow** was NZ\$2.1 million.
 - **Strong cash receipts** from customers of NZ\$23.5 million.
 - **Total cash on hand increased** by \$1.3 million, ending the quarter with a **cash balance** of NZ\$23.4 million.
 - **Positive net cash flow** for fourth consecutive quarter.
 - **FY26 guidance reaffirmed** - total revenue of NZ\$92-100 million and normalised EBITDA of NZ\$5-8 million.ⁱ
 - H1 FY26 results to be released on Tuesday 25 November 2025.
 - **Highest recorded sales quarter for Myriad™** of NZ\$10.2 million.
 - Eight new peer-reviewed studies published during the quarter.
 - Proposed changes to US outpatient wound care reimbursement policy present an opportunity for AROA's Symphony™ product.
 - The Company will hold an investor event in Sydney following presentation of H1 FY26 results.
 - AROA will host a webinar to discuss these results today at 9 a.m. AEST. [Click here to register.](#)
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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 30 September 2025.

Financial commentary

The Company posted its fourth consecutive quarter of positive net cash flow.ⁱⁱ Cash flows from operations were \$2.1 million, supported by strong cash receipts of \$23.5 million during the quarter.

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

Net cash flow was \$1.1 million. Total cash on hand increased by NZ\$1.3 million (after adjusting for the impact of movements in exchange rates) and the Company ended the quarter with a cash balance of NZ\$23.4 million. The Company remains debt-free.

NZ\$179,000 was paid in directors' fees during the quarter to the Company's six non-executive directors.

Financial Guidance

The Company reaffirms full year FY26 total revenue guidance of NZ\$92-100 million (i.e. growth of 10 - 20% on FY25 on a constant currency basis) and normalised EBITDA of NZ\$5-8 million (i.e. growth of 19 - 90% on FY25).ⁱ

The company will release its H1 FY26 financial results on Tuesday 25 November 2025.

Sales

The Company continues to see sustained growth in sales of its high-margin Myriad product family, achieving its highest quarter on record with NZ\$10.2 million in sales.

16 October 2025



During the quarter, AROA's sales and clinical teams participated in 12 major industry conferences, including exhibiting at Symposium on Advanced Wound Care (SAWC) Fall 2025 in Las Vegas, attended by more than 3,000 healthcare professionals.

Clinical evidence

The Company continues to strengthen the body of evidence demonstrating the efficacy and value of AROA ECM technology.

During the quarter, eight new peer reviewed studies were published, including the book chapter *"Sustainable Biomaterials: Turning Food Waste into Advanced Regenerative Technology"*, published in *"Regenerative Biomaterials - Emerging Biomaterial Solutions to Aid Tissue Regeneration"*.ⁱⁱⁱ

The book chapter highlights the unique attributes of AROA ECM as a third generation bioscaffold that stimulates tissue repair, leading to enhanced clinical outcomes.

The chapter notes that, while first and second generation bioscaffolds offer elements of structure or biocompatibility, only third-generation bioscaffolds like AROA ECM contain all three critical attributes: structure, biology, and compatibility. This differentiation sets AROA ECM technology apart as a leading regenerative platform with clear clinical and commercial advantages.

The book chapter is available online, [here](#).

US Medicare reimbursement proposal

In July, the United States Centers for Medicare and Medicaid Services (CMS) announced proposed reimbursement changes for outpatient wound care. The draft proposes a capped payment rate for "skin substitute" products (which would include AROA's Symphony product).

While the proposal remains subject to confirmation, it would create a favourable reimbursement environment for Symphony. A randomised controlled trial (RCT) on Symphony anticipated to conclude in November is expected to subsequently provide peer reviewed clinical evidence supporting the efficacy of Symphony.

Confirmation of the proposal is anticipated in November, and if confirmed, reimbursement changes are expected to commence in January 2026.

Investor Event

Following the announcement of AROA's H1 FY26 results on 25 November, the Company will host an investor event in Sydney, with attendance available either in person or virtually. Further details, including registration information, will be released to the ASX in early November.

Quarterly webinar

The Company will hold a webinar with CEO Brian Ward and CFO James Agnew today, Thursday 16 October at 9 a.m. AEDT, to discuss the September Quarterly Results.

Investors can register for the webinar via the following link:

https://us02web.zoom.us/webinar/register/WN_AGeUmaqRTB-D_TZV2p1ECA

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.

Contacts

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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 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 TELABio, Inc.

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

ⁱ Guidance assumes an average NZ\$/US\$ exchange rate in FY26 is 0.60 (compared to the average rate of 0.59 in FY25), the applicable US tariff rates remain at 10%, and there is no material decline in US medical procedure numbers or sustained disruption to AROA's manufacturing or transportation activities.

ⁱⁱ Net cash flow is the total change in cash and cash equivalents, excluding the effect of movement in exchange rates on cash held.

ⁱⁱⁱ Dempsey, S. G., Young, D. A., Veale, R. W. F., & May, B. C. H. (2025). *Sustainable biomaterials: Turning food waste into advanced regenerative technology*. IntechOpen.

Appendix 4C

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

Name of entity

Aroa Biosurgery Limited

ABN

ARBN 638 867 473

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	23,452	45,979
1.2 Payments for		
(a) research and development	(98)	(831)
(b) product manufacturing and operating costs	(1,881)	(3,457)
(c) advertising and marketing	(4,033)	(7,737)
(d) leased assets	(2)	(6)
(e) staff costs	(13,504)	(26,525)
(f) administration and corporate costs	(1,742)	(3,501)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	234	276
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes refund received / (paid)	(419)	(475)
1.7 Government grants and tax incentives	100	100
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	2,107	3,823

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(231)	(490)

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
	(d) investments	-	-
	(e) intellectual property	(185)	(239)
	(f) other non-current assets	(140)	(681)
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	(556)	(1,410)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	5
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)	(477)	(906)
3.10	Net cash used in financing activities	(477)	(901)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	22,181	21,992
4.2	Net cash used in operating activities (item 1.9 above)	2,107	3,823

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
4.3	Net cash used in investing activities (item 2.6 above)	(556)	(1,410)
4.4	Net cash used in financing activities (item 3.10 above)	(477)	(901)
4.5	Effect of movement in exchange rates on cash held	193	(56)
4.6	Cash and cash equivalents at end of period	23,448	23,448

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	9,448	8,181
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits less than 90 days)	14,000	14,000
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	23,448	22,181

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	179
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	992	585
7.3	Other (please specify)	-	-
7.4	Total financing facilities	992	585
7.5	Unused financing facilities available at quarter end		407
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)	2,107
8.2	Cash and cash equivalents at quarter end (item 4.6)	23,448
8.3	Unused finance facilities available at quarter end (item 7.5)	407
8.4	Total available funding (item 8.2 + item 8.3)	25,962
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>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.</i>	
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	
	<i>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.</i>	

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: 16 October 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.