

AROA BIOSURGERY H1 FY26 RESULTS

HIGHLIGHTS

H1 FY26 Resultsⁱ

- **Total revenue of NZ\$44.9 million** (14% growth on H1 FY25).
- **NZ\$19.7 million in Myriad™ product revenue** (33% growth on H1 FY25).
- **NZ\$19.2 million in total OviTex™ / OviTex™ PRSⁱ product revenue** (4% growth on FY25).
- **Product gross margin of 85%.**
- **Normalised EBITDAⁱⁱ profit of NZ\$1.8 million** (up from NZ\$1.5 million normalised EBITDA loss in H1 FY25).
- **Positive net cash flow of NZ\$1.5 million**, ending H1 FY26 with a **cash balance of NZ\$23.4 million**.

FY26 Outlook

- **Reaffirming FY26 guidanceⁱⁱⁱ:**
 - **Revenue of NZ\$92-100 million** (10 - 20% growth on FY25 on a constant currency basis).
 - **Normalised EBITDA of NZ\$5-8 million** (19 - 90% growth on FY25).

Relief from ASX Quarterly reporting

- AROA pleased to report that the Australian Stock Exchange (ASX) has advised AROA that it is no longer required to lodge quarterly 4C reports.

H1 FY26 Results Investor Webinar

- AROA will host a webinar today at 08.30am AEDT to discuss the results. [Click here for details and to register](#).

¹ All results are on a reported basis, except where indicated.

H1 FY26 Results

Soft tissue regeneration company Aroa Biosurgery Limited (ASX: ARX, 'AROA' or the 'Company') is pleased to release its half-year results for the period ended 30 September 2025.

Normalised Profit or Loss

	H1 FY26 NZ\$m	H1 FY25 NZ\$m	YoY%
Product revenue	44.6	39.1	14
Total revenue	44.9	39.2	15
Gross profit	38.3	34.0	13
Product gross margin %	85%	87%	(2)
Total normalised operating expenses*	(39.6)	(38.5)	3
Normalised EBIT	(0.8)	(4.0)	79
Normalised EBITDA	1.8	(1.5)	217
Normalised gain (loss) before income tax	(0.9)	(3.5)	74

*These items have been normalised by the amounts outlined within the section headed 'Reconciliation of Normalised Profit or Loss to NZ GAAP Profit or Loss' at the end of this announcement.^{iv}

Product Revenue

Product revenue for the period was NZ\$44.6 million, an increase of 14% compared to H1 FY25. AROA direct sales accounted for 57% of the product revenue mix (53% in H1 FY25), with Myriad continuing to become a larger part of the overall sales mix.

Product	H1 FY26 NZ\$m	H1 FY25 NZ\$m	YoY%
Myriad	19.7	14.8	33
OviTex / OviTex PRS	19.2	18.4	4
Endoform™	5.7	5.6	1
Symphony™	-	0.2	-

Product Gross Margin %

Product gross margin was 85%, compared to 87% in H1 FY25 but in line with H2 FY25 of 85%. Fixed manufacturing overheads increased compared to H2 FY25, however, the impact on product gross margin was offset by the fact that high margin Myriad products made up a greater proportion of the sales mix.

Normalised Operating Expenses and EBITDA

Selling and administrative expenses were NZ\$35.5 million for H1 FY26, an increase of 7% on H1 FY25 (NZ\$33.2 million). Clinical development costs were NZ\$2.6 million (decreased from NZ\$4.3 million compared for H1 FY25), primarily reflecting the large expense incurred during H1 FY25 for the Symphony randomised clinical trial and the timing of other clinical development initiatives for FY26. Sales and marketing expenses (excluding clinical development) were NZ\$23.6 million, an increase of 13% on H1 FY25 (\$20.8 million), reflecting an increase in variable sales compensation and the introduction of US based tariffs in H1 FY26.

Research and development expenses were NZ\$4.1 million in H1, a decrease of 24% compared to H1 FY25 (NZ\$5.4 million). These expenses covered product line extensions for the Myriad and Ovitex

portfolios, and continued investment in the Enivo™ technology.

The Company generated a normalised EBITDA profit of NZ\$1.8 million in H1 FY26, compared to a NZ\$1.5 million loss in H1 FY25.

Cashflows

Net cash inflows from operating activities were NZ\$4.0 million, compared to outflows of NZ\$4.9 million in H1 FY25. This improved EBITDA performance was driven by increased sales and improved management of trade debtors.

In H1 FY26, purchases of property, plant and equipment were NZ\$0.5 million, a reduction from NZ\$1.6 million in H1 FY25 when the Company made significant investment in new plant and equipment to expand manufacturing capacity. Capitalised development costs were NZ\$0.8 million in H1 FY26 compared to NZ\$0.5 million in H1 FY25.

Net cash outflow from financing activities was NZ\$0.9 million for H1 FY26, compared to NZ\$0.7 million for H1 FY25.

AROA delivered positive total net cash flow during H1 FY26, reporting a total increase in cash on hand and term deposits of \$1.5 million (compared to a decrease of \$7.8 million in H1 FY25). The Group remains debt-free with cash on hand and term deposits of \$23.4 million.

FY26 Outlook

FY26 Guidance Reaffirmed

Revenue Guidance: AROA expects FY26 total revenue of NZ\$92-100 million. This represents constant currency growth of 10-20% on FY25.

EBITDA Guidance: The Company expects FY26 normalised EBITDA profit of NZ\$5–8 million.

Relief from ASX quarterly reporting

AROA is pleased to confirm that based on consistent positive cash flow over the last 12 months, the ASX has relieved AROA of its obligation to lodge Appendix 4C quarterly cash flow reports and quarterly activity reports. In accordance with ASX listing rule 4.7, AROA's next periodic report will be its Appendix 4E Full Year Report.

Commenting on AROA's H1 FY26 results, Managing Director and CEO Brian Ward said:

"We are very pleased with our first half performance, delivering NZ\$44.9 million in total revenue, underpinned by strong Myriad growth, and our fourth consecutive quarter of positive operating cash flow.

We reaffirm our FY26 guidance of NZ\$92–100 million in revenue and NZ\$5–8 million normalised EBITDA. Looking ahead to the second half of FY26, we expect new clinical publications to further validate AROA ECM's efficacy and strengthen its commercial uptake."

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

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ⁱ OviTex and TELA Bio are trademarks of TELA Bio, Inc.

ⁱⁱ Normalised operating expenses 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 payments expense 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.

ⁱⁱⁱ 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 15%, and there is no material decline in US medical procedure numbers or sustained disruption to AROA's manufacturing or transportation activities.

^{iv} **Reconciliation of Normalised Profit or Loss to NZ GAAP Profit or Loss**

	Unaudited 30 September 2025 NZ\$m	Unaudited 30 September 2024 NZ\$m
Normalised loss before income tax	(0.9)	(3.5)
Share based payments included in selling and administrative expenses	(0.6)	(1.0)
Unrealised currency gains included in net finance income	0.4	1.6
Loss before income tax (NZ GAAP)	(1.0)	(2.9)

Share based payment expenses

Share based payment expenses of \$555,000 (H1 FY25: \$973,000) relate to the vesting of the share options issued to Directors and employees of the Group. Share based payment expenses of \$75,000 relating to prior periods were reversed through accumulated losses, reflecting the forfeiture of employee share options during H1 FY26 (H1 FY25: \$1,200,000). During H1 FY26, 6,144,050 share options expired (H1 FY25: nil), accounting for \$2.1 million of share based payment expenses that were recognised in FY21 through FY24.

Unrealised currency gains

Unrealised foreign currency gains reflect net gains resulting from the revaluation of forward exchange contracts and revaluation of non-monetary assets and liabilities excluding cash balances.

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