



AROA BIOSURGERY TO FURTHER EXPAND FULLY DEDICATED SALES TEAM FOR KEY U.S. MARKET

HIGHLIGHTS

- Aroa to expand on its own direct field sales presence in the United States market in a move expected to positively impact medium-term sales.
- Existing Appulse joint venture to be dissolved.

Soft tissue regeneration company Aroa Biosurgery Limited (ASX:ARX, 'Aroa' or the 'Company') has announced a plan to significantly expand its direct sales capability and capacity in the United States ('US') market, and to dissolve its Appulse joint venture sales team.

Chief Executive Brian Ward says the company has been expanding its own direct field sales presence over the past 12 months in hospitals in the US, under the leadership of Brad Adams who joined Aroa as Vice President, Commercial in October 2019.

Appulse, an unincorporated joint venture arrangement which Aroa entered into with Hydrofera, LLC in April 2018, was established as a vehicle through which Aroa and Hydrofera, LLC could share a sales force to promote, market and sell their respective wound care products to customers in the US and Canada.

Appulse has been Aroa's primary channel for selling Endoform® products to hospital-associated wound centres and home care in the US. In the last 12 months, Aroa has been growing its own direct team of field sales representatives to also sell Endoform® and Myriad products in the US. In addition, Aroa has also expanded its inside sales and digital marketing teams. Aroa's arrangements with TELA Bio Inc. are unaffected by the Appulse dissolution.

"As a result of the Appulse cooperation, both parties in the joint venture are now at the stage where we both have a solid base of sales, expanded product portfolios and exciting product pipelines," Mr Ward says.

"To better position each company for future success and address the opportunities and challenges of an emerging post-COVID environment, it is now time to move to a new footing and shift to independent Aroa and Hydrofera sales organisations. This will simplify our sales structure and enable Aroa sales efforts to be increasingly focused on hospital accounts and ambulatory surgical centres with a predominant focus on our Myriad™ and Symphony™ devices," he says.

"The Appulse structure worked really well as both companies transitioned their respective businesses from Hollister after buying back the rights for their product lines. It helped Aroa establish sales operations and infrastructure in the US and transition contractual arrangements with distributors, Integrated Delivery Networks, Groups Purchasing Organisations and key customers. We are now focused on expansion and it suits us both to have a sales force entirely dedicated to our own products. The transition process will kick off immediately and be completed on 28 February 2021 when the joint venture will be dissolved. We expect to be well positioned for the upcoming financial year on 1 April," says Mr Ward.

Aroa aims to retain a number of the existing Appulse sales representatives, and through additional hires, plans to form a sales team of at least a similar size. There is no material change to Aroa's budgeted operating cost structure for the next fiscal year with this change.

"We believe that this realignment to a fully dedicated Aroa sales team will help drive future sales growth.

Aroa has five commercial products approved for sale in the US based on its ECM technology, which has been used in more than four million procedures targeting chronic wounds, hernia and soft tissue reconstruction. Earlier pre-clinical studies have shown that the Aroa ECM™ technology includes over 150 different components known to aid wound repair, blood vessel formation and attract stem cells. Aroa has regulatory clearance in more than 40 countries.

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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 that develops, manufactures, sells and distributes medical and surgical products to improve healing in complex wounds and soft tissue reconstruction. Committed to 'unlocking regenerative healing for everybody', its products are developed from the Company's proprietary Aroa ECM™ technology platform, a novel

ASX ANNOUNCEMENT/MEDIA RELEASE
2 FEBRUARY 2021

extracellular matrix biomaterial derived from ovine (sheep) forestomach. Clinically proven with peer reviewed publications, Aroa's products have been used in more than four million procedures to date, with distribution into its key market of the United States by Appulse and 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/

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