ASX ANNOUNCEMENT
14 July 2026

AROA™

SYMPHONY™ - OUTPATIENT REIMBURSEMENT UPDATE

Highlights

- The United States Centers for Medicare & Medicaid Services (CMS) has proposed to maintain the CY 2026 payment framework for outpatient skin substitute products in CY 2027, including the current single payment rate of US$127.14 per square centimetre.
- The CMS proposal to maintain the current policy reduces uncertainty around potential less favourable reimbursement changes in CY 2027 for products like Symphony.
- AROA believes Symphony™ remains well positioned as the outpatient skin substitute market adjusts to the new reimbursement framework introduced in January 2026.

AROA delivered strong growth in FY2026 primarily driven by increased adoption of Myriad™ for soft tissue reconstruction procedures within the hospital operating room.

To add to this momentum, the Company has begun promoting Symphony, designed for hard-to-heal wounds such as diabetic foot ulcers (DFUs) and venous leg ulcers (VLUs) in the hospital outpatient department. This is a distinctly different market with its own unique reimbursement settings.

On January 1, 2026, CMS made a significant change to outpatient skin substitute reimbursement, implementing a single payment rate of US$127.14 per square centimetre. This has led to a major disruption in this market due to price compression and more patients being treated in the hospital outpatient department rather than other sites of care.

Indications are that companies with business models predicated on inflated pricing may exit, and the advantage is likely to shift to products that can demonstrate strong value and high-quality clinical evidence. Symphony meets both requirements and AROA's hospital-based sales team and surgical portfolio mean the company is well placed to benefit from this new environment.

Healthcare providers and manufacturers had anticipated that further refinements could be made by CMS for calendar year 2027. Recently, however, CMS indicated its intent to maintain the current single payment rate. CMS noted that revising payment rates for CY 2027 (before the impact of the CY 2026 rates was reflected in claims data) could create payment disruption and unnecessary volatility.

Despite disruption in the outpatient skin substitute market, AROA believes continuation of the current payment framework provides an important period of stability as the market re-establishes itself.

AROA has completed its randomised controlled trial (RCT) for Symphony, with the study meeting its primary endpoint, and expects the study to be published by Q3, FY27. The Company believes high-quality clinical evidence remains integral to supporting clinician adoption and is likely to be a future reimbursement requirement.

AROA CEO Brian Ward says: "CMS's proposal to maintain the current payment framework for 2027 provides clarity for the outpatient skin substitute market during a period of significant change. We believe Symphony is well placed as the market re-establishes itself, supported by responsible pricing and an RCT that we expect to publish in the coming months. We are confident our investment in Symphony will deliver growth in the medium term."

The proposed rule applies to hospital outpatient departments and ambulatory surgical centers and does not impact reimbursement for Myriad™ products, whose primary market is the hospital inpatient setting under a different reimbursement framework.

<ENDS>

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

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About AROA™
Aroa Biosurgery is a soft-tissue regeneration company committed to 'unlocking regenerative healing for every*body*'. 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 bioscaffold derived from ovine (sheep) forestomach. Over 7 million AROA devices 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