

9 January 2025

AOTI, INC. (the "Company" or "Group" or "AOTI")

Entering 2025 with growing momentum; update on new Medicaid states and other payer coverage expansion

AOTI, INC. (AIM: AOTI), a medical technology group focused on the durable healing of wounds and the prevention of amputations, today provides an update on its market access and commercial expansion strategy, demonstrating that the Group is delivering against its strategic priorities and growth drivers.

Market Access & Commercial Expansion - on track and momentum building

Continued investment into Market Access and strategic alignment of the Commercial teams towards higher value segments has enabled the Group to accelerate its plans to migrate its revenue mix away from one historically dominated by the Veterans Administration (VA) market segment. The VA opportunity remains significant, and the Group is well positioned to continue its growth, having recently received a 5-year extension to its Federal Supply Schedule contract. Management continues to expect Medicaid and other new payer sectors to outpace growth in the VA, as expanded access is established after the required provider registrations and billing commences.

Since its IPO on AIM in June 2024, the Group has made significant progress in penetrating these higher value segments, including commercial payers, through beginning to gain access to the Workers' Compensation, Long-Term Acute Care and Skilled Nursing Facilities sectors, in addition to further Medicaid states.

The Group is now billing in all six of the Medicaid states outlined at IPO (Arizona, Massachusetts, New Jersey, New York, Tennessee, Virginia), up from three at the time of the IPO. The typical timeframe to become a provider and open a Medicaid state remains around nine months, with a further nine months commonly needed to establish billing in the state.

New provider registrations were achieved in three new states in 2024, in line with the 2-3 expected per year, bringing the total to nine Medicaid states opened to date. These three new states are expected to contribute to revenue in FY25, and the Group is advanced in the stages for access in a further six states presently.

- Combined Medicaid run rate (excluding New York) now exceeds 2 million per month (up from 0.8 million at the end of May 2024, as disclosed in the Company's Admission Document) through increasing penetration and billing in new states
- Expanded direct sales team headcount to 85 in line with expectations. As previously guided, the new sales rep pay-back period is around 6-9 months, and the Group remains focused on hiring experienced reps to drive sustainable growth

Increased Payer Appreciation of Highly Evidenced TWO₂ therapy Benefits

This increasing level of interest from payers stems from a growing awareness of the clinical, health economic, and health equity benefits that are obtainable by incorporating the Group's proprietary Topical Wound Oxygen (TWO₂)[®] Therapy with their patients' care. The TWO₂[®] therapy system has global regulatory clearance including in the US (FDA) and Europe (CE Mark). It has been used to treat >20,000 patients to date, and has been demonstrated in pivotal clinical trials to reduce the recurrence of diabetic foot ulcers (DFUs)¹ six-fold versus standard-of-care, leading to a 71% reduction in diabetes-related amputations and 88% reduction in hospitalisations. The Company also offers an innovative disposable Negative Pressure Wound Therapy (NPWT) device, the NEXA™ System.

Dr. Mike Griffiths, Chief Executive Officer & President of AOTI, commented: *"2024 was an important transitional year for the Group with significant continued emphasis on market access activities and positioning our commercial teams to drive further expansion both in the US and internationally. I am delighted to see so many of our strategic initiatives coming to fruition as we make inroads into the multi-billion dollar Advanced Wound Care market. We enter 2025 with significant momentum: more sales channels for our products, a wider group of payers underpinning our business model and confidence in delivering continued strong growth over the medium term and beyond."*

The Company expects to announce a financial trading update for FY24 in mid-February 2025 and its Full Year financial results to 31 December 2024 in April 2025.

1. DFUs frequently result in hospitalisations in diabetics and are the leading cause of morbidity and lower extremity amputations in the diabetic population. In the US, DFUs have a similar five-year mortality risk (at 30.5 per cent) as all-cause cancer, and in the US alone, the annual cost of diabetic foot care is c. 79 billion, which is comparable to the c. 80 billion annual cost spent for all cancer treatments.

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ABOUT AOTI, INC.

AOTI, INC. was founded in 2006 and is based in Oceanside, California, US and Galway, Ireland, providing innovative solutions to resolve severe and chronic wounds worldwide. Its products reduce healthcare costs and improve the quality of life for patients with these debilitating conditions. The Company's patented non-invasive Topical Wound Oxygen (TWO₂[®]) therapy has demonstrated in differentiating, robust, double-blinded randomised controlled trials (RCT) and real-world evidence (RWE) studies to more-durably reduce the recurrence of Diabetic Foot Ulcers (DFUs), resulting in an unprecedented 88 per cent reduction in hospitalisations and 71 per cent reduction in amputations over 12 months. TWO₂[®] therapy can be administered by the patient at home, improving access to care and enhancing treatment compliance. TWO₂[®] therapy has received regulatory clearance from the US (FDA), Europe (CE Mark), UK (MHRA), Health Canada, the Chinese National Medical Products Administration, Australia (TGA) and in Saudi Arabia. Also see www.aotinc.net

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