

ASX ANNOUNCEMENT

MARKET RELEASE

20 November 2023

Artrya enters US market with five-year strategic commercial partnership agreement with Northeast Georgia Health Ventures

Highlights

- **Strategic Partnership Agreement between Artrya and Northeast Georgia Health Ventures to:**
 - **Validate secure integration of Artrya's Salix Coronary Anatomy software into key healthcare systems pre-FDA market clearance.**
 - **Launch Artrya's Salix Coronary Anatomy software post-FDA 510(k) clearance to five hospitals and multiple outpatient settings under Northeast Georgia Health System providing heart disease treatment to over 100,000 patients each year¹.**
 - **Collaborate in the development of a novel point-of-care, non-invasive blood flow assessment solution or Fractional Flow Reserve.**
- **Opens a market opportunity in the US in cardiovascular disease prevention and care which currently costs the US healthcare system US\$320 billion per year².**
- **Internationally recognised interventional cardiologist Dr. Habib Samady will serve as key clinical advisor for Artrya within Northeast Georgia Health System.**

Artrya Limited (ASX:AYA), ('Artrya' or the 'Company'), a medical technology company focused on commercialising its patented artificial intelligence platform that detects key coronary artery disease imaging markers, enters its first commercial contract in the United States with a strategic partnership agreement with Northeast Georgia Health Ventures ('NGHV') ('Agreement'), a part of Northeast Georgia Health System ('NGHS'), an integrated network providing healthcare and other services to the community..

Under the Agreement, NGHV will work with Artrya in an Innovation Participation Agreement to validate Salix Coronary Anatomy ('SCA') into the NGHS workflow and network while the product is going through the FDA 510(k) clearance process. The companies will also develop and expand the specific use cases for Artrya's software products across five hospitals that are part of NGHS. Clinicians will benefit from early access to Artrya's SCA software in a research setting to validate the detection of coronary artery disease by highlighting the presence of critical high-risk plaques, the leading cause of heart attacks.

Post-FDA pre-market clearances, NGHV will work with Artrya to rollout and expand its point-of-care SCA solution to clinicians and patients across NGHS, which provides prevention and care for over 100,000 heart disease patients each year¹ in the U.S. state of Georgia, as well as the system's wider network of relationships.

In addition, NGHV will advise Artrya on future roadmap priorities, and provide technical guidance during the development of a novel point-of-care, non-invasive blood flow assessment solution, Fractional Flow Reserve ('CT-FFR').

1. https://www.nghs.com/wp-content/uploads/2023/06/NGHS_2023_Fact_Sheet_FY2022-1.pdf
2. <https://www.ahajournals.org/doi/full/10.1161/CIRCULATIONAHA.120.053216>
3. <https://www.rsna.org/news/2022/october/cms-code-supports-qiba-goals>
4. <https://braccoreimbursement.com/bracco-reimbursement-faq/coding-for-noninvasive-estimated-coronary-fractional-flow-reserve-ffr-tomography-performed-for-different-reasons/>
5. <https://hms.harvard.edu/news/heart-disease-risk-factors-rise-young-adults>

Artrya CEO Mathew Regan said:

“Artrya delivers what we believe is the most advanced and seamless technology platform on the market for the detection of coronary artery disease, creating a new standard of care for the number one cause of death in the world. This strategic partnership will see our product developed by and distributed into a substantial hospital group in the US.

“This agreement validates our strategy for entering the US market in heart disease prevention and care currently costing the US system approximately \$320 billion per year². This outcome is ideal as it allows us to conserve cash and expedite the development-to-commercialization trajectory into the US market with a major player.

“Our agreement with NGHV enables us to get our AI-driven technology into the hands of clinicians for research and testing as we progress towards FDA approval. By involving clinicians at this mature stage of product development, we gather valuable feedback. Clinicians in turn get to test the speed and accuracy of our product against standard methods and understand how it can be integrated into existing systems. The groundwork we achieve by pre-testing integration into these large groups means we can accelerate sales post-FDA approval.

“I am thrilled to work with NGHHS and Dr Habib Samady, an internationally recognised blood flow and physiology expert and interventional cardiologist. Dr Samady’s expertise and insights will help consolidate our software solutions as the newest and most effective approach to coronary artery disease assessment and care.

“The market opportunity in the US for our product is driven by the scale of heart disease, which kills one person every 34 seconds⁵, and enhanced by a new CPT reimbursement code released for atherosclerotic plaque assessment that helps clinicians interpret Coronary Computed Tomography Angiography (CCTA). Clinicians who use Artrya’s Salix Coronary Anatomy solution will have access to a Medicare reimbursement of US\$900-1,000³ leveraging our novel plaque assessment post-FDA approval.

“Once our product has been approved for sale, NGHV will work with us to expand our point-of-care Salix Coronary Anatomy solution to clinicians and patients across Northeast Georgia Health System. And of course, this collaboration opens the door for potential future investments in North America.

“NGHV will also provide technical guidance to Artrya as we develop a novel point-of-care, non-invasive blood flow assessment solution, Fractional Flow Reserve (CT-FFR) which will give Artrya access to an additional Medicare reimbursement of US\$950⁴ post-FDA market clearance for CT-FFR. This gives Artrya access to a total of almost US\$2,000 in Medicare reimbursement for both SCA and SCF post FDA approval for both products, further validating the significant opportunity in the US market.”

Dr Habib Samady said:

“I’m pleased that NGHV is partnering with Artrya to develop this exceptional technology that offers the first new approach for coronary artery disease assessment and care. We know that high risk plaque is a more accurate indicator of heart disease risk than symptoms. Yet despite being the major cause of heart attacks, it is not routinely reported in cardiac imaging and diagnostics as its difficult to detect using non-invasive contemporary techniques.

“Artrya’s Salix Coronary Anatomy solution accurately detects high risk plaque, providing full point of care within 10 minutes, significantly improving the diagnosis workflow of coronary artery disease. This partnership is a unique opportunity to have our clinicians test Artrya’s Salix Coronary Anatomy in real-world conditions and help validate a technology that could fundamentally change how we detect and treat heart disease.”

NGHV Managing Director Stuart Bracken said:

1. https://www.nghs.com/wp-content/uploads/2023/06/NGHS_2023_Fact_Sheet_FY2022-1.pdf
2. <https://www.ahajournals.org/doi/full/10.1161/CIRCULATIONAHA.120.053216>
3. <https://www.rsna.org/news/2022/october/cms-code-supports-qiba-goals>
4. <https://braccoreimbursement.com/bracco-reimbursement-faq/coding-for-noninvasive-estimated-coronary-fractional-flow-reserve-ffr-tomography-performed-for-different-reasons/>
5. <https://hms.harvard.edu/news/heart-disease-risk-factors-rise-young-adults>

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“Heart disease is the number one killer in the world, killing more people than all cancers combined. Despite the \$320 billion spent each year² in America on heart disease prevention, treatment and care, one person still dies every 34 seconds⁵ from the condition. NGHV could not be more excited to partner with Artrya on the journey to revolutionize the way we treat heart disease. For patients, health systems and investors, the potential ramifications for the US market are extraordinary.”

Material terms of the agreement

Material terms of the agreement are defined and listed in the attached Appendix 1.

This announcement was approved by the Board.

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About Artrya

Based in Perth, Australia, Artrya was founded in 2018 with operations starting in early 2019. The Company was listed on the Australian Securities Exchange (ASX: AYA) in 2021.

Artrya is an applied artificial intelligence healthcare company that works alongside clinicians to improve the diagnosis of coronary heart disease and develop a holistic overview of at-risk patients. The company has developed deep-learning algorithms pending regulatory submission for clearance and approval in the US that will serve to predict and prevent acute coronary events.

For more information, see www.artrya.com

About Northeast Georgia Health System

Northeast Georgia Health System (NGHS) is a non-profit on a mission of improving the health of our community in all we do. Our team cares for more than 1 million people across the region through five hospitals and a variety of outpatient locations. Northeast Georgia Medical Center (NGMC) has campuses in Gainesville, Braselton, Winder, Dahlonega, and Demorest – with a total of more than 850 beds and more than 1,300 medical staff members representing more than 60 specialties. The NGHS Heart Institute sees over 100,000 patients each year.

Learn more at www.nghs.com

About Northeast Georgia Health Ventures

Northeast Georgia Health Ventures (NGHV) is a partnership between Northeast Georgia Health System and Prinnovo, LLC. Prinnovo specializes in working with independent, mid-sized health systems to establish, staff and manage their own health venture office.

Learn more at www.nghventures.com

1. https://www.nghs.com/wp-content/uploads/2023/06/NGHS_2023_Fact_Sheet_FY2022-1.pdf
2. <https://www.ahajournals.org/doi/full/10.1161/CIRCULATIONAHA.120.053216>
3. <https://www.rsna.org/news/2022/october/cms-code-supports-qiba-goals>
4. <https://braccoreimbursement.com/bracco-reimbursement-faq/coding-for-noninvasive-estimated-coronary-fractional-flow-reserve-ffr-tomography-performed-for-different-reasons/>
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APPENDIX 1

The Company has entered into a conditional Innovation Participation Agreement (**Agreement**) with North Georgia Health Ventures, LLC (a Georgia limited liability company) (**NGHV**), an affiliate of the North Georgia Health System (**System**), an integrated network providing healthcare and other services to residents of its community, pursuant to which NGHV will:

- (a) assist Company in the development, implementation and study of new Salix Products and services (**Pilot Products**) (together the Salix Product and Pilot Products are referred to as the **Products**);
- (b) rollout and expansion of the Company's software products, including the Salix Coronary Anatomy Product and any Pilot products; and
- (c) collect data, demonstrate the effectiveness of, and generate case studies relating to the Products, (**Strategic Partnership**).

The material terms and conditions of the Agreement are summarised below.

Terms

In consideration for the Strategic Partnership, subject to the terms and conditions of the Agreement, the Company agrees to issue NGHV 2,765,000 Performance Options. The Options vest and only become capable of exercise upon the satisfaction of the following vesting conditions:

- (a) Vesting Condition A: 592,500 Options will vest and become exercisable upon NGHV's certification to the Company of completion of test integration into Picture Archiving and Communication System (**PACS**) and Electronic Medical Records (**EMR**) which will:
 - i. receive and process Coronary Computed Tomography Angiography (**CCTA**) scans from PACS;
 - ii. return annotated images (**DICOM**) back to PACS from Salix®;
 - iii. receive patient information from EMR; and
 - iv. send patient reports to EMR in required template.
- (b) Vesting Condition B: 395,000 Options will vest and become exercisable upon completion of the following by NGHV:
 - i. NGHV working with the System to facilitate five one-hour meetings with the Company to review development of a product roadmap and provide feedback on priorities; and
 - ii. NGHV will work with the System to provide written feedback to Company as requested during the product roadmap development process, prior to 8/30/2024 within two weeks of the request.
- (c) Vesting Condition C: 592,500 Options will vest and become exercisable upon completion of the following by NGHV:
 - i. NGHV working with the System to provide written feedback to Company as requested during Fractional Flow Reserve (FFR) development process. NGHV will collect and provide feedback on FFR development within two weeks of any requested feedback;

- ii. NGHV will work with the System to provide technical guidance to Company to implement and improve a Computational Fluid Dynamics (CFD) engine and output FFR values (CT FFR). NGHV will facilitate meetings on a reasonable basis and provide feedback during the meeting;
- iii. NGHV will work with the System to provide technical guidance to Company to calibrate the CFD engine to meet predicate accuracy; and
- iv. NGHV will work with the System to review and provide guidance to Company on a proposed retrospective and/or prospective diagnostic performance study demonstrating the diagnostic performance of the Salix CT FFR technique compared to reference standard (invasive FFR). Additionally, NGHV will work with the System to identify and introduce to Company clinical experts and sites for study requirements and access to reference standard data (invasive FFR).

(d) Vesting Condition D: 1,185,000 Options will vest and become exercisable as follows:

- i. 395,000 Options will vest and become exercisable on the execution date of the Commercial Agreement (**Execution Date**);
- ii. 395,000 Options will vest and become exercisable on the first anniversary of the Execution Date; and
- iii. 395,000 Options will vest and become exercisable on the second anniversary of the Execution Date.

Vesting Condition D will take into account that NGHV will become a marketable strategic health innovation partner to the Company.

The period for Company to satisfy each vesting condition shall expire at 5.00pm Australian Western Standard Time on the day specified below in respect of each vesting condition (Expiry Date):

- i. as to the 592,500 Options subject to Vesting Condition A, by 30 August 2024;
- ii. as to the 395,000 Options subject to Vesting Condition B, by 30 August 2024;
- iii. as to the 592,500 Options subject to Vesting Condition C, by 31 March 2025; and
- iv. as to the 1,185,000 Options subject to Vesting Condition D, five years from the date of issue.

NGHV Services

During the term of the Agreement, NGHV will provide advice and support for the development, installation and use of the Salix Product or other Products in the System through sharing information on validating studies on operational impact of the Salix Product, including support for the launch of the Salix Product and development of a rapid feedback process for new features of the Salix Product. NGHV will also provide assistance with workflow implementation, expansion of additional features, in-service and best practice implementation to maximize effectiveness and, to the extent required, integration with electronic medical software systems. In addition, NGHV will provide scaling assistance of the Salix Product and any Pilot Products, as applicable, into the System and its Health Affiliates and the greater health system market. Further, NGHV and Company will cooperate on performing various studies relating to the Salix Product and any other Products that may include calculation of product return on investment for marketing support, analysis of the Salix Product and any other Products on patient

	outcomes and the quality of care; and assessment of the impact on provider, patient and staff engagement and satisfaction.
License and Commercial Agreements	<p>(a) The System and Company shall enter into license agreements for each Product, as such Products are developed (each a “License Agreement”). Such License Agreements will provide that in connection with the development, implementation and study of such Product, including any Co-Developed Products, NGHV, the System and its Health Affiliates where applicable, will receive a non-exclusive, paid-up, royalty free license(s), to use the particular Products for the term of this Agreement or until such agreement is superseded by a Commercial Agreement (detailed below).</p> <p>(b) The parties acknowledge that the Products have not been approved by US regulatory authorities, and until the date of such approval, use of any Product by NGHV under the License Agreement shall be non-clinical in nature. Upon the date of approval of the Salix Product and/or such other Products subject to the Agreement by US regulatory authorities (“Approval Date”), Company and NGHV, the System and/or its participating Health Affiliates shall use their good faith efforts to negotiate a commercial agreement in which Company provides a commercial license to NGHV, the System and/or its participating Health Affiliates (the “Commercial Agreement”) within 12 months thereafter, in which case the use of the Salix Product and/or other Products subject to the Agreement shall cease under the applicable License Agreement and will be superseded by the Commercial Agreement. In the event that the parties are unable to agree upon the terms of a Commercial Agreement for the Salix Product and/or such other Product within such period, this Agreement shall automatically terminate.</p>
Term	The Agreement shall continue for a period of five (5) years (Term) unless terminated via notice of either party for a material breach or if a Commercial Agreement is not entered into within 12 months of US regulatory approval of the Salix Product.

The Agreement otherwise contains terms and conditions considered standard for an agreement of its nature (including representations and warranties and confidentiality provisions).

APPENDIX 2

Option Terms

Each Option is issued on and subject to the following terms and conditions:

1 Issue

The issuer of the Options is Artrya Limited.

2 Issue price

Each Option will have a nil issue price.

3 Exercise

3.1 Entitlement

Each Option entitles the holder of the Option ("**Optionholder**"), upon exercise of the Option, to be issued one ordinary share in Company.

3.2 Exercise price

Each Option will have an exercise price equal to the 5 day volume weighted average price of the shares of Company at the time of the issue of the Options ("**Exercise Price**").

3.3 Exercise period and expiry date

Subject to the vesting conditions in section 3.5 of this Appendix 2, the last date for an Optionholder to exercise each Option is 5 years from the issue date of that Option. Any Option not validly exercised by that date lapses with immediate effect and is no longer capable of exercise.

3.4 Manner of exercise

Each Option may only be exercised by the registered holder of the Option by delivering an Exercise Notice (form to be agreed by the parties) to Company at its registered office specifying the number of Options being exercised. In order for an Exercise Notice to be valid, Company must receive in cleared funds before the end of the applicable exercise period, payment of an amount of money equal to the Exercise Price for the number of Options to which the Exercise Notice relates by way of bank transfer or by other means of payment approved by Company.

3.5 Vesting conditions

The Options vest and only become capable of exercise upon the satisfaction of the following vesting conditions:

- (a) Vesting Condition A: 592,500 Options will vest and become exercisable upon NGHV's certification to Company of completion of test integration into Picture Archiving and Communication System (**PACS**) and Electronic Medical Records (**EMR**) which will:
 - (A) receive and process Coronary Computed Tomography Angiography (**CCTA**) scans from PACS;
 - (B) return annotated images (**DICOM**) back to PACS from Salix®;
 - (C) receive patient information from EMR; and
 - (D) send patient reports to EMR in required template.
- (b) Vesting Condition B: 395,000 Options will vest and become exercisable upon completion of the following by NGHV:
 - (A) NGHV working with the System to facilitate five one-hour meetings with the Company to review development of a product roadmap and provide feedback on priorities; and
 - (B) NGHV will work with the System to provide written feedback to Company as requested during the product roadmap development process, prior to 8/30/2024 within two weeks of the request.
- (c) Vesting Condition C: 592,500 Options will vest and become exercisable upon completion of the following by NGHV:
 - (A) NGHV working with the System to provide written feedback to Company as requested during Fractional Flow Reserve (FFR) development process. NGHV will collect and provide feedback on FFR development within two weeks of any requested feedback;
 - (B) NGHV will work with the System to provide technical guidance to Company to implement and improve a Computational Fluid Dynamics (CFD) engine and output FFR values (CT FFR). NGHV will facilitate meetings on a reasonable basis and provide feedback during the meeting;
 - (C) NGHV will work with the System to provide technical guidance to Company to calibrate the CFD engine to meet predicate accuracy; and

- (D) NGHV will work with the System to review and provide guidance to Company on a proposed retrospective and/or prospective diagnostic performance study demonstrating the diagnostic performance of the Salix CT FFR technique compared to reference standard (invasive FFR). Additionally, NGHV will work with the System to identify and introduce to Company clinical experts and sites for study requirements and access to reference standard data (invasive FFR).
- (d) Vesting Condition D: 1,185,000 Options will vest and become exercisable as follows:
 - (i) 395,000 Options will vest and become exercisable on the execution date of the Commercial Agreement (as defined under the Agreement) (**Execution Date**);
 - (ii) 395,000 Options will vest and become exercisable on the first anniversary of the Execution Date; and
 - (iii) 395,000 Options will vest and become exercisable on the second anniversary of the Execution Date.

Vesting Condition D will take into account that NGHV will become a marketable strategic health innovation partner to Company.

The period for Company to satisfy each vesting condition shall expire at 5.00pm Australian Western Standard Time on the day specified below in respect of each vesting condition (**Expiry Date**):

- (iv) as to the 592,500 Options subject to Vesting Condition A, by 30 August 2024;
- (v) as to the 395,000 Options subject to Vesting Condition B, by 30 August 2024;
- (vi) as to the 592,500 Options subject to Vesting Condition C, by 31 March 2025; and
- (vii) as to the 1,185,000 Options subject to Vesting Condition D, five years from the date of issue.

3.6 Constitution

Upon the exercise of an Option, NGHV consents to becoming a member of Company and agrees to be bound by the constitution of Company.

3.7 Quotation

Company will apply for official quotation on ASX of all securities resulting from the exercise of the Options. For the avoidance of doubt, the Options will be unlisted and Company will not seek official quotation of the Options.

3.8 Change of control

Upon:

- (i) a bona fide takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
 - (A) having received acceptances for not less than 50.1% of the Company's Shares on issue; and
 - (B) having been declared unconditional by the bidder; or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
- (iii) in any other case, a person obtains Voting Power (as defined in the Corporations Act) in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring that Voting Power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board,

then, if a Commercial Agreement has been executed, to the extent the Options subject to Vesting Condition D have not converted into Shares due to satisfaction of the relevant Vesting Conditions, the Options subject to Vesting Condition D will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

4 Rights of Optionholder

4.1 Transfer

The Options cannot be transferred to or vest in any person other than NGHV.

4.2 Distributions

An Option does not confer any right to dividends or other distributions.

4.3 Voting rights

An Option does not confer any rights to attend general meetings of Company, to vote or speak at such meetings, or to receive reports to holders of shares, unless otherwise required by law.

4.4 Participation rights

NGHV will not be entitled to participate in any new issue to existing holders of shares in Company such as bonus issues and entitlement issues, unless and except to the extent that it has exercised its Options and been issued new shares before the record date for determining entitlements to the new issue of shares and is entitled to participate in the new issue as a holder of Company shares.

4.5 No rights to return of capital

An Option does not entitle the holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

4.6 Rights on winding up

An Option does not entitle the holder to participate in the surplus profits or assets of the Company upon winding up.

5 Shares issue on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

6 Adjustment to Option terms following reconstruction of share capital

If, at any time prior to the exercise of the Options, Company implements a reconstruction of its share capital then the parties agree to amend the terms of the Options so that the Options are treated in accordance with the principles set out in ASX Listing Rule 7.22.