ARTRYA™

Coronary Artery Disease. We see you.

ASX ANNOUNCEMENT
MARKET RELEASE
24 April 2024

# Artrya launches operations in Australia, expands strategic agreements in the US, and commences new market entry with pilot evaluations forthcoming

## Quarterly Activity Report and Appendix 4C for Q3 FY24

### Q3 FY24 Key Points:

- **Launched commercial operations in Australia with agreement with The Cardiac Centre NSW**
- **Entered into a Strategic Partnership Agreement in the US with Tanner Health System to secure integration of Artrya's Salix® Coronary Anatomy software into key healthcare systems pre-FDA market clearance and rollout of Salix into the hospital system post-FDA approval**
- **Progressed with FDA 510(k) clearance activity during the quarter**
- **Expanding into new markets with potential customers in jurisdictions where Company has regulatory clearance**
- **Cash on hand at 31 March is $11.12 million with operational cash burn of $4.08 million (net cash burn $4.04 million) for the quarter.**

Artrya Limited (ASX: AYA), ("Artrya" or the "Company"), a medical technology company focused on commercialising its patented artificial intelligence platform that detects, diagnoses, and helps address coronary artery disease, provides an update on its activities for the quarter ended 31 March 2024, alongside the Company's Appendix 4C.

**Commenting on the Company's progress over Q3 FY2024, Artrya CEO Mathew Regan said:**

*"We've made significant strides this quarter towards commercialisation with our first contract secured in Australia and a new strategic agreement with a major hospital group in the United States.*

*"Our contract in Australia with The Cardiac Centre NSW is an excellent entry into the Australian market, giving us a solid base to enter other hospitals and imaging groups across the country. Our relationship with The Cardiac Centre was solidified during an evaluation period where doctors experienced firsthand the accuracy and speed of Salix in analysing the true risks of heart disease, and the ease with which Salix is integrated into clinical workflows. We expect first revenues during Q4 FY24 following full integration of Salix into their medical systems.*

*"As proven by our contract with The Cardiac Centre NSW, evaluation programs are a critical part of our commercialisation strategy, and I'm pleased to say we will shortly be commencing pilot programs in a number of overseas jurisdictions. A significant advantage of being approved by the Australian Therapeutic Goods Administration (TGA) is that it allows us regulatory permission to enter these jurisdictions with no additional*

Artrya Limited
ACN 624 005 741
1257 Hay Street West Perth WA 6005
PO Box 567 West Perth WA 6872
www.artrya.com
T: +61 8 6478 7816

*requirement for clearance. These pilots demonstrate confidence in our product and a clear path for global expansion.*

*"A pleasing outcome of our contract with The Cardiac Centre is the significant interest it has generated for Salix Coronary Anatomy outside the USA. This will require us to balance our various portfolios in parallel with the FDA approvals process as we look to increase focused commercialisation activities in additional jurisdictions where we have regulatory clearance.*

*"We continue to embed ourselves into key hospital groups in the US market while we progress with FDA approval as part of our strategy for significantly reducing the sales cycle once we are approved for commercial launch. To this end, we entered a strategic agreement with Tanner Health Systems and Healthliant Ventures, building on our earlier agreement with Northeast Georgia Health Ventures and Northeast Georgia Health System. Together, these relationships give access to 10 major hospitals and multiple outpatient clinics along the US east coast and a springboard for the rest of the country. We will continue to develop more of these strategic agreements as we build towards our launch in the US.*

*"Our prudent cost management over the first half has extended our runway and we are well placed to continue towards commercialisation this year."*

## Commercial launch in Australia

During March, Artrya entered its first commercial agreement in Australia with The Cardiac Centre NSW and The Cardiac CT Centre NSW, based in the Illawarra and South Coast of New South Wales. Under the Agreement, The Cardiac Centre NSW will use Artrya's Salix® Coronary Anatomy to detect vulnerable plaque in patients, the most accurate indicator of heart disease. Salix will be used across four specialist centres that comprise The Cardiac Centre NSW in Wollongong, Shellharbour, Bowral and Nowra. Collectively, these centres treat more than 25,000 patients per year for heart disease.

This Agreement follows a successful evaluation where Salix Coronary Anatomy was assessed and validated by cardiovascular imaging specialists in The Cardiac Centre NSW. First revenues are expected in Q4 FY24, with fees generated through a subscription model to the Salix platform.

## Strategic partnership agreement in the United States

Artrya entered into a further contract in the United States with a strategic agreement with Tanner Health Systems and Healthliant Ventures in west Georgia and east Alabama.

Under the Agreement, Artrya will work with the Tanner Health System to non-clinically validate and test Salix Coronary Anatomy (SCA) into Tanner Health System's workflow while the product is going through the FDA 510(k) clearance process. Tanner Health System will also develop and expand the specific use cases for Artrya's software products across 5 hospitals (total of 10 hospitals together with Northeast Georgia Hospital System), multiple outpatient centres, dedicated heart and vascular centres, and accredited chest pain centres that forms the Tanner Health System network.

Post-FDA clearance, Tanner Health System will work with Artrya to rollout and expand its point-of-care SCA solution to clinicians and patients across their health networks.

## US FDA approval process

Artrya continues to progress towards our FDA 510(k) registration. Activity has increased during the reported quarter with the anticipated clearance expected during the second half of calendar 2024.

The recent Cardiac Centre NSW contract has significantly increased interest for approved Salix products outside the USA, bringing additional potential revenue streams. This requires the Company to judicially manage workload across the portfolio. This may include some resource reallocation on FDA liaison as we look to increase commercialisation activities where we already have regulatory approvals.

Given these new areas of customer Interest, the Company Is carefully managing effort and expenditure with a view to prioritising early revenue opportunities.

## Pilot programs in key overseas jurisdictions

Artrya is about to commence focussed evaluation pilot programs with a number of hospitals and imaging centres in several overseas jurisdictions where Artrya has regulatory approval and others which accept the Australian Therapeutic Goods Administration (TGA) clearance for Salix as the requisite regulatory approval .

These evaluation pilots involve in-depth testing of Artrya's Salix Coronary Anatomy algorithms to detect the presence and absence of calcified, non-calcified, and high-risk plaque (low-attenuation plaque), together with calcium score and stenosis measurements. Further pilots will be launched in upcoming months as we commercialise Salix in Australia and abroad.

## Cost efficiencies

Prudent cost management remains a key pillar of the Company strategy. The monthly cash burn is under continuous review resulting in a reduced cost burden and clears the path to commercialisation and first sales in 2024.

## Investor briefing details

CEO Mathew Regan will participate in an investor webinar covering the Company's quarterly update at **11:00am AEST (09:00am AWST)** on Tuesday, **30 April** 2024. Participants will have an opportunity to ask questions at the end of the webinar.

To attend, please pre-register at:

https://us02web.zoom.us/webinar/register/WN_MrjJCyMvTgaFsdMn1uonfA

## Financials

Cash held at 31 March 2024 is $11.12 million with a net cash burn for the quarter of $4.04 million. Operating cash outflow for the quarter was $4.08 million (Q2 FY24, $3.95 million). Operating costs reflect increased activity in clinical performance analysis in the US, along with improvements in software performance in readiness for commercial release in Australia and other markets. Payments to related parties of $92,027 were made during the quarter, consisting of fees and salaries paid to Directors and their related entities.

## Outlook

Artrya CEO Mathew Regan said: *"In coming months we will build on the momentum created this quarter. We expect to expand our Australian commercial contracts into more hospital groups as we show the benefits of providing almost real-time feedback on scans to both patients and clinicians in real world settings. Leveraging our TGA approval, we will start pilots with major hospital groups and imaging centres in key overseas jurisdictions. In the US, our Research Use Only network is now in place with final testing occurring for the Salix Coronary Anatomy platform and compatible image analysis clinical platforms in parallel with our liaison with regulators for the FDA approval process."*

*This announcement was approved by the Board.*

**For further information please contact:**


**Investor Enquiries:**

Danny Younis
+61 420 293 042
danny.younis@automicgroup.com.au

**Media Relations:**

Tristan Everett
+61 403 789 096
tristan.everett@automicgroup.com.au


**About Artrya**

Based in Perth, Australia, Artrya was founded in 2018 and commenced operations in early 2019. Artrya Ltd is listed on the Australian Securities Exchange (ASX: AYA). 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 AI algorithms that predict and prevent acute coronary events.

For more information, see www.artrya.com

# Appendix 4C

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

| **Name of entity** | |
|---|---|
| Artrya Limited | |
| **ABN** | **Quarter ended ("current quarter")** |
| 53 624 005 741 | 31 March 2024 |

| **Consolidated statement of cash flows** | | **Current quarter $A'000** | **Year to date (9 months) $A'000** |
|---|---|---|---|
| **1.** | **Cash flows from operating activities** | | |
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) research and development | (1,811) | (2,474) |
| | (b) product manufacturing and operating costs | (213) | (2,531) |
| | (c) advertising and marketing | (61) | (364) |
| | (d) leased assets | (71) | (204) |
| | (e) staff costs | (1,686) | (5,367) |
| | (f) administration and corporate costs | (302) | (1,246) |
| 1.3 | Dividends received (see note 3) | - | - |
| 1.4 | Interest received | 118 | 384 |
| 1.5 | Interest and other costs of finance paid | (14) | (49) |
| 1.6 | Income taxes paid | (37) | (60) |
| 1.7 | Government grants and tax incentives | - | 2,923 |
| 1.8 | Other (provide details if material) | - | - |
| **1.9** | **Net cash from / (used in) operating activities** | **(4,077)** | **(8,988)** |

| **2.** | **Cash flows from investing activities** | | |
|---|---|---|---|
| 2.1 | Payments to acquire or for: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | (14) | (27) |
| | (d) investments | - | - |
| | (e) intellectual property | (84) | (142) |
| | (f) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (9 months) $A'000 |
|---|---|---|---|
| 2.2 | Proceeds from disposal of: | | |
| | (a) entities | - | - |
| | (b) businesses | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | 125 | 125 |
| | (e) intellectual property | - | - |
| | (f) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| **2.6** | **Net cash from / (used in) investing activities** | **27** | **(44)** |

| 3. | Cash flows from financing activities | | |
|---|---|---|---|
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | 4 | 12 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| **3.10** | **Net cash from / (used in) financing activities** | **4** | **12** |

| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
|---|---|---|---|
| 4.1 | Cash and cash equivalents at beginning of period | 15,153 | 20,132 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (4,077) | (8,988) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | 27 | (44) |

| Consolidated statement of cash flows | | Current quarter $A'000 | Year to date (9 months) $A'000 |
|---|---|---|---|
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 4 | 12 |
| 4.5 | Effect of movement in exchange rates on cash held | 11 | 6 |
| **4.6** | **Cash and cash equivalents at end of period** | **11,118** | **11,118** |

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 5.1 | Bank balances | 11,118 | 15,153 |
| 5.2 | Call deposits | - | - |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| **5.5** | **Cash and cash equivalents at end of quarter (should equal item 4.6 above)** | **11,118** | **15,153** |

| 6. | Payments to related parties of the entity and their associates | Current quarter $A'000 |
|---|---|---|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1 | 92 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

| 7. | **Financing facilities**<br>*Note: the term "facility' includes all forms of financing arrangements available to the entity.*<br>*Add notes as necessary for an understanding of the sources of finance available to the entity.* | **Total facility amount at quarter end $A'000** | **Amount drawn at quarter end $A'000** |
|---|---|---|---|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | **Total financing facilities** | - | - |

| | | |
|---|---|---|
| 7.5 | **Unused financing facilities available at quarter end** | - |

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

| 8. | **Estimated cash available for future operating activities** | **$A'000** |
|---|---|---|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (4,077) |
| 8.2 | Cash and cash equivalents at quarter end (item 4.6) | 11,118 |
| 8.3 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.4 | Total available funding (item 8.2 + item 8.3) | 11,118 |
| 8.5 | **Estimated quarters of funding available (item 8.4 divided by item 8.1)** | 2.73 |

*Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.*

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **24 April 2024**

Authorised by: **Board of Directors, Artrya Limited**
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.