

ASX ANNOUNCEMENT

MARKET RELEASE

11 June 2024

Artrya expands US footprint with major five-year strategic agreement with Cone Health

Highlights

- **Strategic Agreement between Artrya and US hospital group Cone Health**
 - Validates secure integration of Artrya's Salix® Coronary Anatomy software into key healthcare systems pre-FDA market clearance.
 - Launches Artrya's Salix Coronary Anatomy software post-FDA 510(k) clearance to five hospitals, six ambulatory care centres, three outpatient surgery centres, eight urgent care centres, two retirement communities, and more than 120 physician practices across North Carolina.
- Provides the scale needed to supply Artrya software with a large testing and validation pool to allow for final integration refinements to individual health provider systems, prior to FDA 510(k) clearance.
- Recognised non-invasive cardiologist Dr Wesley O'Neal will serve as key clinical sponsor for Artrya within Cone Health.

Artrya Limited (ASX:AYA), ('Artrya' or the 'Company'), a medical technology company focused on commercialising its patented AI platform that detects key coronary artery disease imaging markers, expands its footprint in the United States to a third key provider with a strategic agreement with Cone Health ('Agreement'), an integrated network providing healthcare to communities in North Carolina, United States.

The Cone Health agreement complements and follows the strategic agreements Artrya has with Tanner Health and Healthliant Ventures as announced to ASX on 12 March 2024, and Northeast Georgia Health Ventures, part of Northeast Georgia Health System, as announced on 20 November 2023. Together, these three providers perform up to 30,000 CCTA scans per year.

Under the Agreement, Cone Health will work with Artrya in a strategic agreement to non-clinically validate and integrate Salix® Coronary Anatomy into Cone Health's workflow while the product continues the FDA 510(k) clearance process. Cone Health will also work closely with Artrya to develop and expand the specific use cases for Artrya's software products across five hospitals, six ambulatory care centres, three outpatient surgery centres, eight urgent care centres, two retirement communities, and more than 120 physician practices across North Carolina that form Cone Health.

Post-FDA 510(k) clearances, Cone Health will work with Artrya to rollout and expand its point-of-care Salix Coronary Anatomy solution to clinicians and patients across their health network in North Carolina.

Artrya CEO Mathew Regan said:

"Our partnership with Cone Health marks our third strategic agreement as we prepare to formally enter the US market once FDA approval is granted. The three hospital groups we have engaged – Cone Health, Tanner

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Health Systems and Northeast Georgia Health System – were specifically chosen for their expertise in cardiovascular care and market share across two large states on the US east coast.

“Collectively, these agreements mean Salix will be integrated into 15 hospitals and multiple cardiovascular and outpatient clinics across three states as we progress with FDA approval. This is a deliberate approach to get final testing and validation scale on the Artrya system, allowing us to reduce the sales cycle post-FDA clearance by ensuring hospitals can immediately start using Salix once it is approved.

“Our clinical sponsor within Cone Health will be non-invasive cardiologist Dr. Wesley O’Neal, who will provide valuable feedback on the integration of Salix into the hospital workflow and the speed and accuracy of our AI-driven technology to detect the true causes of heart disease.”

Dr. Wesley O’Neal said:

“We are excited to partner with Artrya and use this extraordinary technology that promises to revolutionise how we detect and diagnose the world’s deadliest illness, heart disease. While we use CCTA to assess the narrowing of the coronary arteries (stenosis) and the presence of high-risk plaque, interpreting CCTA scans is time-consuming, costly, and requires specialized training. Salix can accurately interpret CCTA reports in minutes, at the point of care.”

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 Cone Health

Cone Health Medical Group is one the largest and most comprehensive health networks in North Carolina, United States. Operating in more than 150 locations, Cone Health has more than 120 physicians practicing across five hospitals, ambulatory and urgent care centres, retirement communities, and multiple outpatient and clinical services. <https://www.conehealth.com/>

APPENDIX 1

The Company has entered into a conditional Innovation Participation Agreement (**Agreement**) with Cone Health Ventures LLC (a North Carolina limited liability company), an affiliate of the Moses H. Cone Memorial Hospital Operating Corporation (**System**), an integrated network providing healthcare and other services to residents of its community, pursuant to which Cone Health will:

- (a) assist the 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 Agreement, subject to the terms and conditions of the Agreement, the Company agrees to issue Cone Health Ventures 1,180,000 Performance Options.

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

- (a) Vesting Condition A: 500,000 Options will vest and become exercisable upon Cone Health'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: 680,000 Options will vest and become exercisable in four (4) equal instalments on the 1st, 2nd, 3rd and 4th anniversary of the execution date of the Commercial Agreement.

Vesting Condition B will take into account that Cone Health 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 500,000 Options subject to Vesting Condition A, by 30 September 2025;
- ii. as to the 680,000 Options subject to Vesting Condition B, five years from the date of issue.

Cone Health Services	<p>During the term of the Agreement, Cone Health 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. Cone Health 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, Cone Health 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, Cone Health 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.</p>
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 will the development, implementation and study of such Product, including any Co-Developed Products, Cone Health, 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 Cone Health 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 Cone Health, 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 Cone Health, 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	<p>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.</p>

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:

(a) Issue

The issuer of the Options is Artrya Limited. The Options must be issued to Cone Health Ventures as soon as practicable following the satisfaction of the Conditions Precedent.

(b) Issue price

Each Option will have a nil issue price.

(c) Exercise

i. Entitlement

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

ii. 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**").

iii. Exercise period and expiry date

Subject to the vesting conditions in Appendix 1, 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.

iv. 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.

v. Vesting conditions

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

- i. Vesting Condition A: 500,000 Options will vest and become exercisable upon Cone Health'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.
- ii. Vesting Condition B: 680,000 Options will vest and become exercisable in four (4) equal instalments on the 1st, 2nd, 3rd and 4th anniversary of the execution date of the Commercial Agreement.
- iii. Vesting Condition B will take into account that Cone Health will become a marketable strategic health innovation partner to Company. The parties' partnership relationship will include, without limitation, attending a standing quarterly meeting for product feedback, facilitation access to Cone Health employees for existing product feedback, and other periodic activities as requested by Company or set out in this Agreement or the Commercial Agreement. The Company will notify Cone Health 30 days in advance of the annual anniversary of the Commercial Agreement of its intent to continue the relationship or discontinue the strategic health innovation partnership and in the event the relationship is discontinued, any unvested Options will automatically expire.
- iv. 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**):
 1. as to the 500,000 Options subject to Vesting Condition A, by 30 September 2025;

2. as to the 680,000 Options subject to Vesting Condition B on the date determined in accordance with Terms (b) of Appendix 1.

vi. Constitution

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

vii. 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.

viii. Change of control

Subject to clause 7, 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 B have not converted into Shares due to satisfaction of the relevant Vesting Conditions, the Options subject to Vesting Condition B will accelerate vesting conditions and will automatically convert into Shares on a one-for-one basis.

(d) Rights of Optionholder

i. Transfer

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

ii. Distributions

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

iii. 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.

iv. Participation rights

Cone Health 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.

v. 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.

vi. 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.

(e) Shares issue on exercise

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

(f) 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.

(g) On-sale

Cone Health acknowledges and agrees that a prospectus will not be issued in respect of the Options or the shares to be issued pursuant to the Options. Cone Health represents and warrants that it is a person to whom the Options and shares can be issued without disclosure under Chapter 6D of the *Corporations Act 2001* (Aust.)

and that it will comply with the restrictions regarding the on-sale of securities under Chapter 6D of the *Corporations Act 2001* (Aust.) with respect to the Options and the shares to be issued pursuant to the Options.

(h) Amendment for ASX compliance

The Company may amend or add to all or any of the terms or conditions of the Options such as to preserve the commercial interest of the Options but to also ensure that they comply with the requirements of the ASX Listing Rules, and any amendment may be given such retrospective effect as is specified in the written instrument or resolution by which the amendment is made.