Venn Brown
Investment Research

Financial results

Artrya Limited

4Q25 results – SAPPHIRE progressing

29th July 2025

4Q25 results: below expectations

Operating cash flow was -$5.4 million with a step up in cash burn reducing operating cash flow. Costs increased as AYA focused on submitting Silax Coronary Plaque for FDA approval (16th July 2025) and completing development of Silax Coronary Flow.

Having submitted SCP to the FDA, management expects costs to return to around previous levels ($1.3 - 1.5 million per month).

Cash balance: $11.3 million

Following the receipt of the second tranche of the group's $15 million capital raise (completed in February), AYA finished June with $11.3 million in cash. Management expects to receive an R&D tax rebate of around $4.5 million before the end of the year. The cash provides a 12-month runway during which AYA should gain FDA approval for Salix Coronary Plaque and Salix Coronary Flow, leading to immediate revenue generation from the group's existing US customers.

SAPPHIRE study progressing

Artrya reports that it is furthering discussions with six to eight hospital groups in the US to participate in the new SAPPHIRE study. Combined, these groups perform approximately 400,000 scans per year (~9% of the market), which equates to around US$342 million in revenue. While nothing has yet been agreed upon, the discussions provide some validation of Salix's capability and the respect and interest Artrya is generating in the high-paying market.

Catalysts

As discussed in our initiation of coverage report, we see several catalysts that will progressively see AYA's share price more accurately reflect the company's fair value, including FDA approvals and commercial launch of SCP and SCF, reporting its first US revenues and the signing of SAPPHIRE study partners.

Read more in our initiation of coverage report: '*Salix: The future of cardiac imaging diagnostics*'.

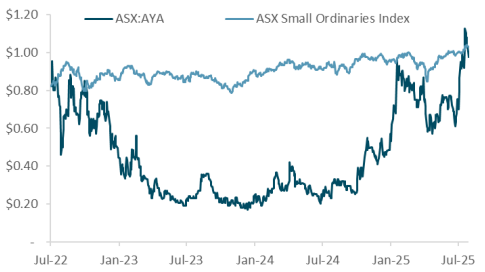
Artrya Limited

ASX:AYA

Industry	Health Care Technology
Date	29-Jul-25
Currency	AUD
Valuation	$2.63
Share price	$1.00
52-week range	$0.250 / $1.175
Market cap	$113.9m
Free float	67.2%
Dividend	-
Yield	-

Year-end 30 June	FY23	FY24	FY25e	FY26e
Revenue	$1m	$4m	$5m	$14m
EBITDA	-$11m	-$12m	-$13m	-$12m
EBIT	-$11m	-$14m	-$15m	-$13m
Net profit	-$11m	-$14m	-$14m	-$13m
Earnings per share	-$0.14	-$0.18	-$0.15	-$0.12
Op. cash flow	-$11m	-$15m	-$12m	-$11m
Free cash flow	-$11m	-$15m	-$13m	-$13m
Net debt	-$20m	-$7m	$1m	-$2m
Net debt / EBITDA	1.8x	0.6x	-0.1x	0.2x
Dividend per share	$-	$-	$-	$-
Dividend yield	-%	-%	-%	-%
P/E	-0.0x	-0.0x	-0.0x	-0.0x
EV/EBIT	0.2x	-0.7x	-3.4x	-3.5x
ROA	-34%	-74%	-135%	-98%
ROE	-36%	-83%	-178%	-126%

3-year Price Chart



Analysts

Andrew Wilkinson awilkinson@vennbrown.com

Artrya reported its 4Q25 results on Monday and hosted a results call today. The financial results were slightly below our expectations, with the cash burn temporarily stepping up due to additional costs associated with the ramp-up of commercial activity in the US, as well as the FDA submissions.

While limited new information was forthcoming on the SAPPHIRE study (page 7) and other commercial developments, management said they would update the market as progress is made over the coming months. Management said it might be updating the market on the status of some SAPPHIRE partners in the coming weeks.

- **Operating cash flow:** -$5.4 million
    - The result reflects a step up in cash burn due to:
        - scaling up of activities for the commercial launch of Salix in the US; and
        - preparing and applying for FDA approval for Salix Coronary Plaque (SCP), and preparing for approval for Salix Coronary Flow (SCF) and ongoing completion work for SCF.
- **Cash balance:** $11.3 million at the end of June,
    - During the quarter, Artrya received the second tranche ($9.4 million) of February's $15 million capital raise.
    - AYA expects to receive an R&D tax rebate of $4.5 to $5 million by the end of calendar year 2025.
- **Cash flow outlook:**
    - Following the quarter's activities, management expects cash outflows to revert to pre-June quarter levels of around $1.3 million to $1.5 million per month.
    - The reduced cash burn and R&D tax rebate give Artrya a 9-12 month runway. This could be extended depending on when:
        - SCP FDA approval is secured; and
        - commercial agreements are finalised with existing US partners, Northeast Georgia Health System and Cone Health.

SAPPHIRE study exposes Artrya to the largest US hospital groups

Beyond confirming that they are still in discussions with 6-8 hospital groups, management did not provide much additional information regarding the SAPPHIRE study, which it announced in February.

The most significant comment was that management would progressively keep the market updated and that they might have an update pertaining to partners within the coming weeks. AYA reiterated that, combined, the 6-8 groups complete around 400,000 CCTA scans a year.

- Management reported that they are "working very, very closely with three very large systems in the US, one of them is very much focused on coronary artery disease".
    - We estimate that these three groups each perform between 60,000 and 80,000 CCTA scans a year (worth ~US$45-65 million in annual revenue);
        - Management will progressively update the market as milestones are met, including the confirmation of participants.
        - They expect to make some announcements about the first participants in the coming weeks.

- AYA is currently developing the study protocol and timeline and expects to launch the study in early 2026.
    - Initial Phase 1 results are expected around August 2026.

As previously discussed, while also providing evidence to validate the efficacy of Salix as a point-of-care prognostic tool and guide for patient care, AYA will leverage the SAPPHIRE study to commercialise Salix, with groups involved in the study entering commercial agreements to use the platform. This strategy was effective in signing Artrya's three existing US customers (Tanner Health System, Northeast Georgia Health System and Cone Health).

The signing of SAPPHIRE participants will fundamentally change AYA's value proposition

Table 1 provides some perspective on the value of the SAPPHIRE participants. Assuming management's pricing and scan rates (every 100 SCA analyses leads to 70 SCP and 35 SCF analyses)[1], these 400,000 scans would generate around US$342 million in annual revenue (A$526 million)[2]. This compares to our $2.63 per share valuation, which is based on modelling that assumes in FY35 AYA's US customers perform 336,000 SCA, delivering US$213 million in revenue. Our modelling also assumes lower SCP and SCF conversion rates[1] and lower SCF pricing ($750 vs $800).

Table 1 shows the impact of applying AYA's assumptions (Scenario 1) to 400,000 scans per year. Assuming a modest EBIT margin (35%) and EBIT multiple (25x) implies an equity value of $4.5 billion (39x AYA's current market cap).

Assuming this scan rate is achieved in four years, applying a 20% discount rate and a 30% increase in shares outstanding due to future capital raises, the valuation implies a diluted per-share value of $12.36, 12.4x the current share price.

[1] Venn Brown assumes lower pricing ($750 per SCP and SCF) and lower SCP and SCF conversions - 60 SCP per 100 SCA, and 18 SCF per 100 SCA. This compares to AYA's estimates of 70 and 35 SCP and SCF scans per 100 SCA scans, respectively.

[2] Assuming an AUD:USD exchange rate of $0.67

Table 1: 400,000 scans per year generate around US$342 million in revenue

		Scenario 1		Scenario 2	
	Fee (USD)	**Scans (#k)**	**Ratio**	**Scans (#k)**	**Ratio**
SCA	$50	400		400	
SCP	$750	280	70%	200	50%
SCF	$800	140	35%	60	15%
Avg fee per scan		$855		$545	
Revenue	US$m	$342m		$218m	
Revenue	**A$m**	**$510m**		**$325m**	
EBIT margin	%	35%		35%	
EBIT	$m	$179m		$114m	
EBIT multiple	x	25x		25x	
Equity value	**$m**	**$4,466m**		**$2,847m**	
Implied grth vs curr mkt cap[3]	x	39x		25x	
Shares outstanding	#	114			
Dilution from future cap raises	30%	148			
Value per share	$	$39.22		$25.00	
Price - diluted	$	$30.17		$19.23	
Curr price: $1.00		30x		19x	
Discounted share price	Rate	20%	Years	4	
Price		$16.06		$10.24	
Price - diluted		**$12.36**		**$7.88**	
Curr price: $1.00		12.4x		7.9x	

Source: Artrya, Venn Brown

It's too early to adjust our forecasts as the hospital systems have neither agreed to participate in the study nor agreed to commercial terms, nor has SCP cleared FDA approval. And even if all hospital systems did sign on, it's not clear:

1. at what period during the 16-20 month study the agreements would transition to commercial terms; nor
2. how rapidly the systems would roll Salix out to their 1,000s of hospitals and imaging centres.

However, the fact that they've agreed to enter discussions is hugely positive, and the net US$200-$250 per scan of government reimbursements available to the hospitals, along with the time savings provided by Salix, represent meaningful incentives for the groups to be involved.

[3] Assuming current share price of $1.00 and market cap of $114 million

Artrya's investibility & risk profile will transform over the next 12 months

The last three years have seen the values of almost all non-revenue-generating small and micro-cap companies decline substantially. Artrya has had the added burden of its failure to secure FDA approval back in 2022. However, as previously discussed, the next twelve months will see Artrya achieve several milestones that should serve as catalysts to see the group's underlying value better reflected in its share price, the key being:

1. SCP achieving FDA approval;
2. Signing of partners to SAPPHIRE study;
3. Delivery of meaningful US revenue; and
4. Signing of SAPPHIRE partners to commercial agreements.

Table 2: Over the next 12 months, several catalysts should see AYA re-rated

Expect time	Catalyst	Status
March 2025	SCA FDA Approval	Completed
June 2025	SCP FDA submission	Completed
3Q 2025	**SAPPHIRE study participants update**	**AYA est**
Oct 2025	**SCP FDA approval - anticipated**	**AYA est**
4Q 2025	SCF Q-sub/submission	AYA est
4Q 2025 (progressively)	SAPPHIRE update	AYA est
4Q 2025	Commercial agreements – Northeast Georgia & Cone Health	Venn Brown est
1Q 2026	**SCF FDA approval - anticipated**	**AYA est**
1Q 2026	**SAPPHIRE launch**	**AYA est**
Feb 2026	**1H26 results – including first SCP US revenue**	**Venn Brown est**
Aug 2026	**FY26 results – including SCP & SCF US revenue**	**Venn Brown est**
3Q 2026	SAPPHIRE – phase 1 – preliminary results	AYA est
End 2026	SAPPHIRE – phase 2 – launch	Venn Brown est
Feb 2027	Full year of SCP revenue	Venn Brown est
Mid 2027	SAPPHIRE – phase 2 – preliminary results	Venn Brown est

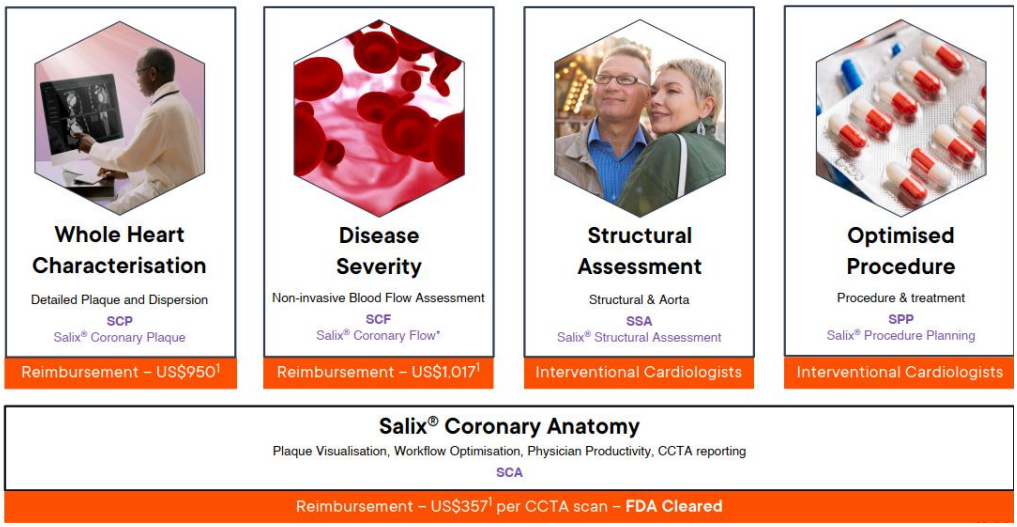
Source: Venn Brown estimates, Artrya

Other key points from the result:

- **Tanner Health Commercial Agreement**
  - In July, Artrya signed a five-year commercial agreement with Tanner Health for the use of Salix.
  - The agreement is worth a minimum of $0.6 million over the contract term, with Salix Coronary Plaque and Salix Coronary Flow modules charged on a per-scan basis once they've secured FDA approval.
  - The contract is expected to commence generating revenue in the December quarter.
  - Management report that they are completing the final integration and rollout of Salix Coronary Anatomy across Tanner's five hospitals, cardiovascular centres and 30 physician practices.

- **FDA approvals**
  - **Salix Coronary Anatomy:**
    - As previously reported (see '*Salix Coronary Anatomy secures FDA*'), on the 28th March, the FDA approved Salix Coronary Anatomy (SCA). This is the first of three approvals management expects to achieve in 2025.
    - The approval allows AYA to finalise commercial agreements with US partners.

Figure 1: SCA's workflow provides a sticky beachhead from which to launch new products



Source: Artrya

  - **Salix Coronary Plaque (SCP):**
    - In mid-June, Artrya submitted SCP for FDA approval.
    - Management remains highly confident of securing approval before the end of the quarter. The FDA's 60-day window to request additional information closes in mid-August. If they request additional information, once Artyra responds, the FDA then has a further 30 days to provide the final assessment.
      - These windows are guides only, with the FDA reserving the right to extend them.
    - Securing FDA approval for SCP is a major milestone for the group:
      - SCP will provide ~70% of group revenue. Even without any other products, SCP will make AYA a highly cash-generative and significantly undervalued company.
      - Approval should provide the market with confidence in the company's ability to secure approvals for future products, including SCF and future products.
  - **Salix Coronary Flow (SCF):**
    - Artrya reports that they made significant progress on Salix Coronary Flow during the quarter, focusing on improving accuracy

and reducing processing times to support the real-time clinical application, which is one of Salix's key product differentiators.

- Newly appointed CEO John Konstantopoulos mentioned that he is getting positive feedback on SCF's functionality from potential customers in the US.
  - Konstantopoulos reported that SCF's ability to allow physicians to simulate the impact of medical interventions by simply editing the representation of vessel walls within SCF was gaining particular interest.
- AYA expects to submit SCF for FDA approval in the final quarter of 2025, which is pushed back from initial plans for a third-quarter submission.

- **Australian market:**
  - Artrya reported that it is continuing to onboard Sonic Healthcare and Lumus Imaging, following agreements signed with them earlier in the year.
  - Management will continue to support any Australian imaging provider that wants to use Salix, but will maintain its commercial focus on the US.
    - We don't expect Australia to provide significant revenue, as these two groups are likely to generate only around $500,000 per year by FY27.

SAPPHIRE: product validation and raising market awareness

The SAPPHIRE (Salix-based Analysis of Plaque to identify Patients at HIgher Risk of Events) study is a new two-phase study that aims to:

1. Validate Artrya's proprietary novel Plaque Dispersion Score (PDS)[4] as a risk assessment tool compared to current methods (6-8 months); and
2. Demonstrate that the PDS can guide medical therapy more effectively than current methods. This could involve escalating, de-escalating, or withholding treatment based on a patient's specific risk profile. (10-12 months).

The PDS is a proprietary measure that goes beyond the current methods of assessing plaque and instead evaluates the risk of a patient based on the type, complexity, and density of plaque within the coronary arteries. The dispersion score is expected to better predict adverse cardiovascular events, potentially offering a more accurate assessment of patient risk.

The study protocol is being developed, and phase 1 is expected to commence soon after completion. Critically, the study is retrospective, so it will not require patient recruitment, and data will be collected and analysed by participating centres.

[4] The PDS is a propriatary measure that goes beyond the current methods of assessing plaque and instead evaluates the risk of a patient based on the type, complexity, and density of plaque within the coronary arteries. The dispersion score is expected to be a better predictor of adverse cardiovascular events, potentially offering a more accurate assessment of patient risk.

About Artrya

The future of cardiac imaging diagnostics

Artrya is the Perth-based developer of Salix, an AI-driven diagnosis imaging solution for coronary artery disease. Salix is an automated workflow and diagnostic solution that integrates with hospitals and clinics existing imaging and patient management systems. Australian clinicians Venn Brown spoke with report that the time Salix saves in analysis and reporting would allow clinics to perform at least 2-4 additional scans a day, equating to $2,600 - $3,500/day of additional revenue. In the US, Salix turns a healthcare provider's cost centre into a revenue centre, earning them ~US$200-300/scan

$3 billion addressable market

Conservatively, Salix's existing addressable imaging market is $3 billion in annual revenue. This does not include the 7%+pa growth of CCTA imaging seen across Australia, the US, and most of Europe. CCTA imaging accounts for only around 10-15% of cardiac diagnostic testing, with leading cardiac specialists expecting this share to grow to 80% over the coming years.

Land and expand

Salix is the first near real-time AI-enabled cardiac imaging solution to offer integrated workflow management and plaque assessment, providing Artrya a platform to roll out additional imaging products. As a SaaS, Salix offers enormous economies of scale. Once adopted and installed, Salix workflow is a highly sticky base on which Artrya can build additional products to capture a greater share of cardiac imaging spend.

Valuation

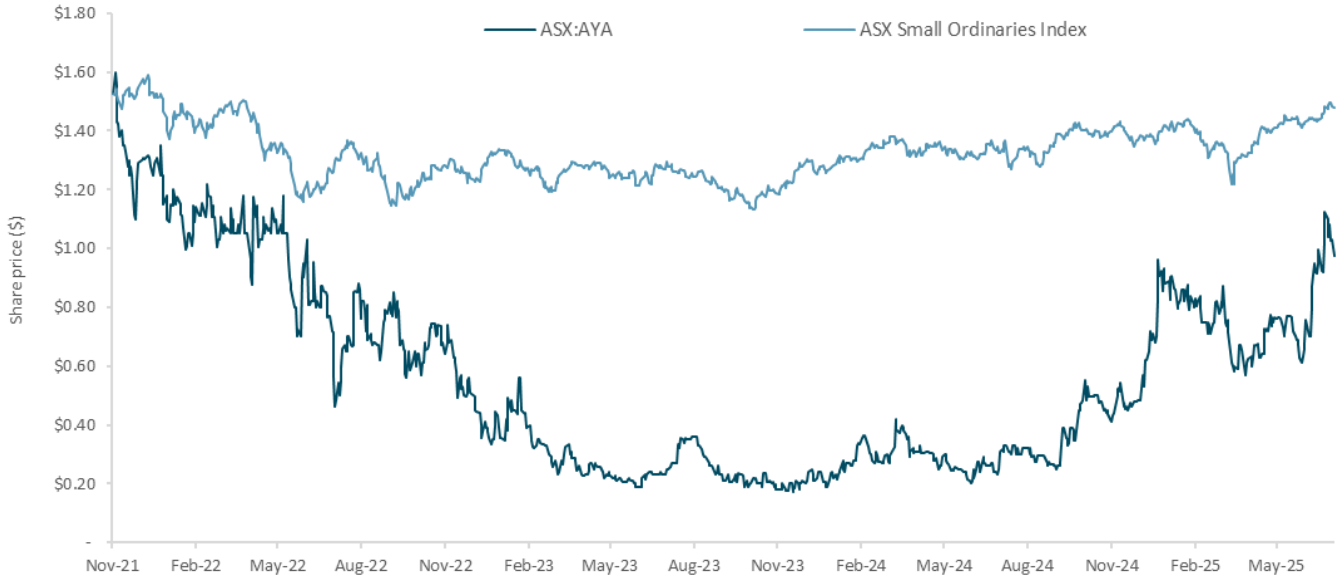
Based on our DCF, we value Artrya at $2.63 per share, 3.9x the group's current share price ($0.67). The value is based on conservative assumptions around pricing, the speed of the group's rollout, and costs, and it assumes a 20% cost of equity and a 2.5% terminal growth rate. Our valuation is supported by the valuation of AYA's competitors, which, if applied to Artrya, would value the company at around $3.51 per share.

Catalysts

We see several catalysts that will progressively see AYA's share price more accurately reflect the company's fair value: FDA approval and commercial launch of SCP followed by SCF, progress of the SAPPHIRE study, reporting its first US revenues, the launch of US sales activities and ongoing US customer wins.

Read more in our initiation of coverage report: 'Salix: The future of cardiac imaging diagnostics', available on our website (www.vennbrown.com/research).

Share Price



Source: S&P Global

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