Venn Brown
Investment Research

Company update

Artrya Limited

Closes $75 million placement

11th September 2025

$80 million capital raise = placement + share purchase place

- Placement (closed): $75 million
- Share purchase plan (open): $5 million
- Price: $2.05
- Dilution (assuming $80m total): 33%
- SPP open date (expected): 15th Sep
- SPP close date (expected): 3rd Oct

$75 million placement + $5 million SPP

Artrya announced on Tuesday that it has secured binding commitments for $75 million in a placement to institutional and sophisticated investors. This is well above the initially announced $60 million target (announced on the 5th September), with reports of demand being several multiples of the final figure.

Accompanying the placement is a $5 million share purchase plan open to existing shareholders (record date of 8th September), also priced at $2.05. AYA reserves the right to accept over-subscriptions. Given the current share price, we expect it will be oversubscribed. The issue price is just 6% below Thursday's close price ($2.18), the day before the raise was announced.

Use of funds

Management reports it will use the funds to accelerate into the US market:

1. US commercial expansion;
2. customer success & support
3. product development and research & development; and
4. working capital, including the flagship plaque study (SAPPHIRE)

Reducing valuation to $3.06 per share

We've reduced our valuation to $3.06 per share (from $3.48) as a result of the significant dilution (35%) and an expected increase in costs, which is slightly offset by the cash on balance sheet and a 50 basis point reduction in discount rate given the group's reduced capital raising and financial risk.

We will not increase our revenue expectations until we see sales traction or progress of the SAPPHIRE study, as evidenced by partners joining the study. While we believe strongly in the Salix product, management needs to demonstrate its ability to commercialise it.

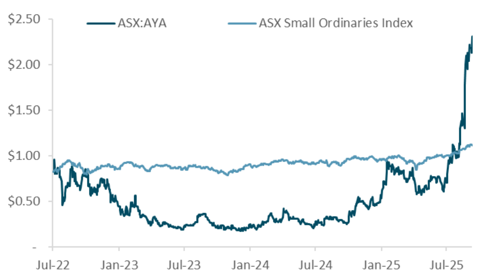
Artrya Limited

ASX:AYA

Industry	Health Care Technology
Date	11-Sep-25
Currency	AUD
Valuation	$3.06
Recommendation	Buy
Share price	$2.210
52-week range	$0.250 / $2.410
Market cap	$251.7m
Free float	67.8%
Dividend	-
Yield	-

Year-end 30 June	FY24	FY25	FY26e	FY27e
Revenue	$4m	$5m	$12m	$38m
EBITDA	-$12m	-$15m	-$17m	-$2m
EBIT	-$14m	-$17m	-$19m	-$4m
Net profit	-$14m	-$16m	-$18m	-$1m
Earnings per share	-$0.18	-$0.15	-$0.12	-$0.01
Op. cash flow	-$15m	-$14m	-$17m	$0m
Free cash flow	-$15m	-$15m	-$17m	-$0m
Net debt	-$7m	-$11m	-$74m	-$74m
Net debt / EBITDA	1x	1x	4x	35x
Dividend per share	$-	$-	$-	$-
Dividend yield	-%	-%	-%	-%
P/E	-1x	-14x	-14x	-222x
EV/EBIT	-1x	-13x	-9x	-50x
ROA	-74%	-69%	-22%	-1%
ROE	-83%	-77%	-22%	-1%

3-year Price Chart



Analysts

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Why raise now?

Artrya's cash flow meant that the group would need to raise capital by February or March 2026. We believe the catalyst for the capital raise was the price spike following the FDA clearance of Salix Coronary Plaque, which led to the share price more than doubling from $0.98 at the beginning of August to close yesterday at $2.31.

Given that AYA shares are currently trading above the offer price, we expect many (if not most) existing shareholders to take up their full allocation of $30,000 worth of shares under the share purchase plan (SPP).

Use of funds

AYA has a massive market opportunity ahead, so the additional funding provides ample firepower for a strong launch into the US market. AYA reported the funds would be put towards:

- accelerated commercial expansion;
    - customer success and support;
    - market access enablement
- the SAPPHIRE study (see Artrya: FY25 results & valuation update for details on the study);
- working capital;
- product development; and
- research & development

"Funds raised will be used to accelerate the commercial rollout of Salix® software in the U.S., expand adoption across major U.S. hospital groups, and advance the SAPPHIRE study to generate clinical evidence for assessing and treating patients at risk of coronary artery disease." - John Konstantopoulos, Co-Founder and CEO of Artrya

Along with the funds to support an accelerated US sales, marketing and rollout strategy, as outlined below, we see additional advantages to having the cash on balance sheet, including increasing market credibility among potential customers, partners, US employees and potential new board members.

The capital raise is not without controversy

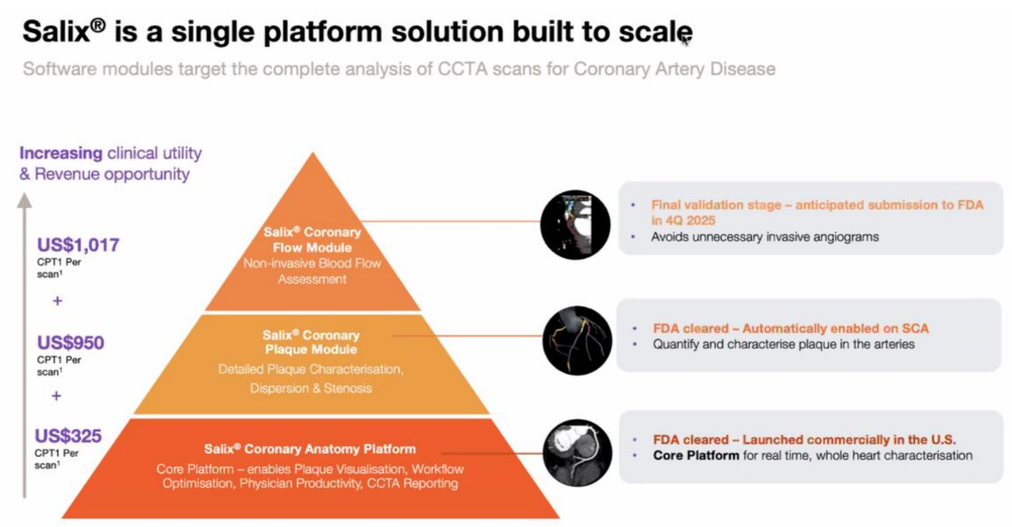
While the placement was clearly met with strong demand from the institutional and sophisticated investors involved (Venn Brown has heard reports of demand being several multiples of the volume raised), it is not without controversy. The market is littered with microcaps (especially in the healthcare space) that have seized a price spike to raise significant and dilutive capital, only to have the share price fall back to earth as management fails to deliver on stated goals of the capital.

Artrya has the opportunity to buck this trend, with the necessary war chest to build its US sales, onboarding, and support team to commercialise its market-leading product properly.

Positives

- **Balance sheet:**
    - With an extra $80 million in the bank, AYA management can fully focus on the commercialisation of Salix without constantly trying to manage a shortening runway.
    - With such a large buffer above current spending, the cash means any potential missteps aren't fatal, and the company can respond in the event of a change in market conditions or in response by competitors.
- **Capital market risk:**
    - The cash removes the risk that AYA could be forced to raise capital during less favourable market conditions.
    - With this volume of capital, AYA would need an incredibly compelling reason to raise additional capital.
- **Credibility:**
    - The balance sheet stability provides greater credibility and comfort for US-based clients (many of which are multi-billion-dollar healthcare businesses) to engage with AYA.
        - 12 months ago, AYA was a $23 million business. It's challenging to persuade US clients to undertake the financial and operational costs and risks associated with implementing a significant process, workflow, and diagnostic tool from a company whose entire valuation would be a rounding error on their P&L.
    - The additional capital and market cap also opens Artrya to attracting US operational and board talent to help with US expansion.
- **Land grab:**
    - As mentioned in previous reports (see here), Salix has a market opportunity exceeding $4 billion, which this capital enables management to pursue more readily.
        - Healthcare is an expensive market to sell into, and building the infrastructure, processes and teams to sell, rollout and support new customers requires capital.
            - This capital gives AYA the resources to assemble the teams needed to capitalise on the customers we hope will come from the SAPPHIRE study.
    - One of the best strategic decisions AYA has made is designing Salix as a low-cost workflow tool, which, once embedded within customers' hospitals and clinics, will be difficult to dislodge.
        - Salix then provides a platform (and potential marketplace) to launch new products and revenue streams (think of the App Store on an iPhone) at no additional cost.

Figure 1: Salix Coronary Anatomy's workflow provides a high stick solution to dislodge



Source: Artrya

- **Other benefits:**
    - Demonstrates strong demand from institutional investors
    - Brings some large (and hopefully stable) institutional investors to the register
    - Increases investment market awareness
    - Potentially increases the share free float and liquidity
    - Potentially strengthens the board with members who have US healthcare and market experience.

Negatives

While the demand was strong, the timing and magnitude of the raise did frustrate many existing shareholders. This is the second time in successive raises[1] that AYA has largely excluded existing shareholders from a meaningful capital raise.

Many shareholders shared Venn Brown's expectations that AYA would undertake a smaller raise ($15 – $30 million) before February 2027, with a follow-on raise in 12 months at a higher share price once various targets had been met - US revenue, new US customers, and the SAPPHIRE study.

Shareholder concerns included:

- Meaningfully dilutive with a 35% increase in shares outstanding, albeit done at only a 6% discount.
- Only a small allocation to existing shareholders, many of whom have been on the register since IPO and have stuck with the company, even after the price fell below $0.20 per share.
- The raise is 4 times the size of total FY25 costs, which itself raises several questions:
    - why does AYA need so much cash?

[1] In Fedruary, AYA raised $15 million through an instituationl placement without providing existing shareholders an opportunity to participate

- is management not confident in its outlook and ability to commercialise Salix in the US?
- can management maintain capital management discipline?
  - or conversely, will excess capital sit unused on balance sheet?
- why didn't management wait until it had proven market demand and commercial success, given the potential catalysts it expects to achieve over the coming nine months (delivery of US revenue, new US sales, SAPPHIRE study, FDA clearance of Salix Coronary Flow)?

$15 million of placement requires shareholder approval

Artrya is completing the placement in two tranches (~$60 million now, ~$15 million in October), as the full $75 million exceeds the company's current placement capacity under ASX listing rules.

Around the 24th of October, the company will hold a shareholder meeting to obtain shareholder approval for the second tranche. Once the first tranche of shares is issued, approximately 19% of the outstanding shares will be owned by insiders, and another 20% will be owned by Tranche 1 investors (totalling 39%). As such, it's highly unlikely shareholders will reject the proposal.

However, it will be interesting to see how many shareholders cast a protest vote.

Artrya expects to launch the share purchase plan (SPP) for existing shareholders on 15th September, with its close expected on 3rd October.

Table 1: $15 million of the $75 million placement requires shareholder approval

SPP Record Date	8 September 2025
Placement & SPP Announcement	9 September 2025
Placement Tranche One Settlement Date	12 September 2025
Placement Tranche One Allotment Date	15 September 2025
SPP Opening Date	15 September 2025
SPP Closing Date	3 October 2025
SPP Results Announced & shares issued	On or before 10 October 2025
General Meeting	On or around 24 October 2025
Placement Tranche Two Settlement Date	30 October 2025
Placement Tranche Two Allotment Date	31 October 2025

Source: Artrya

Valuation reduced to $3.06

We've reduced our valuation to $3.06 as a result of dilution of new shares and increased cost forecasts, offset by a 50 basis point reduction in discount rate to 18.5% due to reduced risk.

We expect to revise this valuation once Salix has proven sales traction and we have greater clarity on the SAPPHIRE study.

- **Costs:** We've brought forward our cost growth, reflecting the opportunities the additional cash on balance sheet provides and management's desire to accelerate the US entry. We've revised our previous estimates for FY26 to FY31 upwards by between 15% and 23% compared to our previous forecasts. This seems conservative, given that we have not changed our revenue forecasts.
- **Discount rate:** We adjusted the discount rate down 50 basis points to 18.5% (from 19.0%) to reflect the stability provided by the cash balance and the reduced market risk as Artrya is unlikely to need to come to market for more capital in the next 2 years, or at all.
- **Revenue:** Despite the cost increases, we have not increased our revenue expectations and won't until we see sales traction or progress in the SAPPHIRE study, as evidenced by partners joining the study. While we believe strongly in the Salix product, management needs to demonstrate market demand and its ability to commercialise it.

Table 2: Dilution and cost increases reduce our valuation to $3.06

	Prev	Curr	chg
Shares outstanding	120m	151m	+26%
Revenue	no change		
Costs - FY26	-$24m	-$29m	+18%
Costs - FY27	-$34m	-$40m	+18%
Discount rate	19.0%	18.5%	-50bpts
Valuation	**$3.48**	**$3.06**	**-12%**

Source: Venn Brown

As mentioned, when we revised our valuation following the full-year results, we expect to revise it again once there is greater visibility on US revenue and the participants in the SAPPHIRE study. See Artrya: FY25 results & valuation update for a more detailed discussion of our valuation methodology, the impact of the SAPPHIRE study, and expectations around catalysts and future revisions.

Conclusions

Artrya has executed a significant capital raise at a good price compared to the last trading price. The reported demand from institutional investors is positive and supports our contention that the company is increasingly on the radars of institutional investors.

The capital will allow management to focus entirely on finalising Salix Coronary Flow (SCF) and commercialising Salix Coronary Plaque (SCP) without being distracted by concerns of running out of cash or needing to come to market. Combined, SCP and SCF represent 91% of our forecast future revenue.

The challenge will be for management to maintain cost discipline and not burn through the capital without delivering results.

Catalysts

The catalysts for Venn Brown to revise our valuation include finalising commercial agreements with US partners, announcing SAPPHIRE partners, and visibility of US revenues.

Once achieved, we expect the share price to continue climbing, boosted by other near-term catalysts, including FDA approval and the commercial launch of SCF, AYA reporting its first US revenue and signing commercial agreements with SAPPHIRE partners.

Table 3: 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
Aug 2025	**SCP FDA approval**	**Completed**
3Q/4Q 2025 (progressively)	SAPPHIRE update	AYA est
4Q 2025	SCF Q-sub/submission	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

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 $3.06 per share, 40% above the group's current share price ($2.19). The value is based on conservative assumptions around pricing, the speed of the group's rollout, and costs, and it assumes a 19% cost of equity and a 2.5% terminal growth rate.

Catalysts

We see several catalysts that will progressively see AYA's share price more accurately reflect the company's fair value: Commercial launch of SCP, FDA approval and launch of 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).

Income statement		FY24	FY25	FY26e	FY27e	FY28e	FY29e	FY30e	FY31e	FY32e
Total Revenue	$m	4	5	12	38	82	130	171	213	254
Operating expenses	$m	-16	-21	-29	-40	-54	-68	-75	-83	-91
EBITDA	$m	-12	-15	-17	-2	28	62	96	130	163
D&A	$m	-2	-1	-2	-1	-1	-1	-1	-1	-1
EBIT	**$m**	**-14**	**-17**	**-19**	**-4**	**27**	**61**	**96**	**129**	**162**
Profit before tax	$m	-14	-16	-19	-1	29	64	101	137	174
Tax	$m	-0	-0	0	0	0	-3	-30	-41	-52
Net profit after tax	**$m**	**-14**	**-16**	**-18**	**-1**	**29**	**61**	**71**	**96**	**122**
Growth										
Revenue	%	270%	49%	110%	226%	118%	59%	32%	24%	19%
Operating costs	%	35%	30%	37%	39%	36%	27%	10%	10%	10%
EBITDA	%	14%	24%	10%	-88%	-1435%	120%	56%	35%	25%
NPAT	%	-%	-%	-%	-94%	-2720%	109%	15%	37%	26%
Margins										
EBITDA	%	-%	-%	-280%	-6%	34%	48%	56%	61%	64%
EBIT	%	-%	-%	-312%	-9%	33%	47%	56%	61%	64%
NPAT	%	-%	-%	-304%	-3%	36%	47%	41%	45%	48%

Source: Artrya, Venn Brown estimates

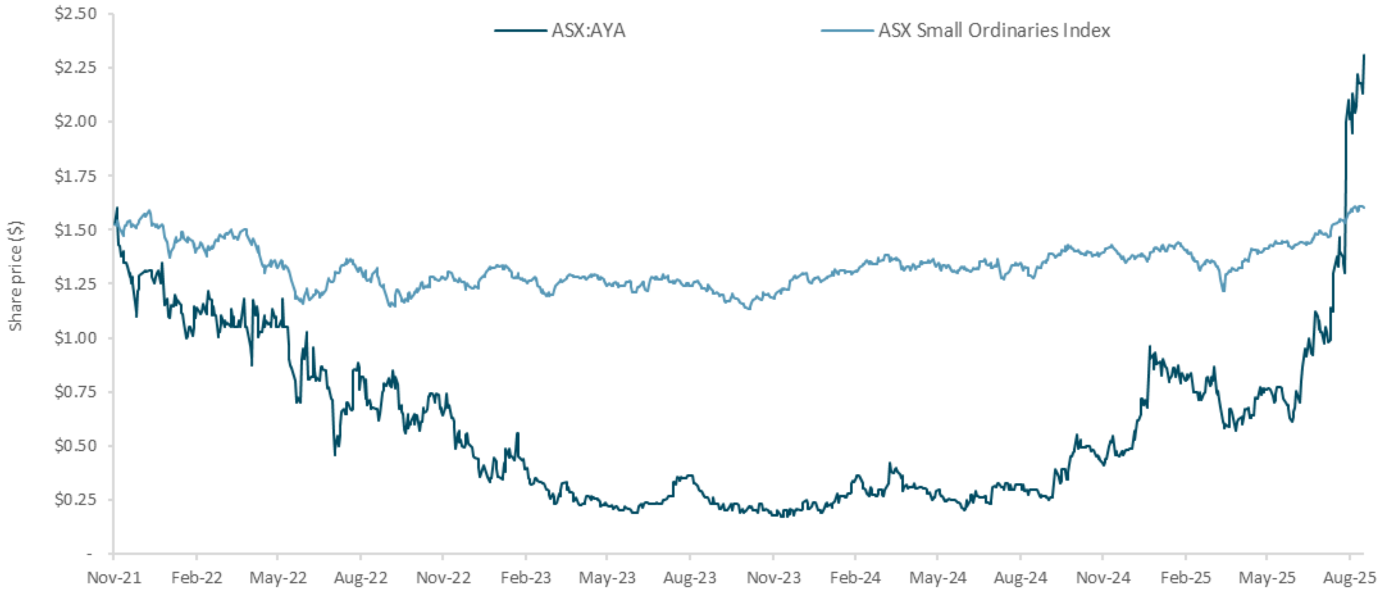
Balance Sheet		FY24	FY25	FY26e	FY27e	FY28e	FY29e	FY30e	FY31e	FY32e
Cash & equiv	$m	7	11.33	74	74	104	169	267	375	508
Receivables	$m	4	5	6	6	7	7	8	8	9
Other	$m	1	0	0	0	0	0	0	0	0
Current Assets	**$m**	**12**	**17**	**80**	**81**	**111**	**176**	**275**	**383**	**517**
PP&E	$m	1	1	-0	-1	-1	-2	-2	-2	-1
Other	$m	6	5	5	5	4	4	4	4	4
Non-current Assets	$m	7	7	5	4	3	3	3	2	3
Total Assets	**$m**	**19**	**24**	**85**	**84**	**114**	**179**	**278**	**386**	**520**
Payables	$m	1	1	2	2	2	3	3	4	5
Other	$m	1	0	0	0	0	0	0	0	0
Current Liabilities	**$m**	**2**	**2**	**2**	**2**	**3**	**6**	**34**	**46**	**57**
Long term debt	$m	-	0	0	0	0	0	0	0	0
Other	$m	1	0	0	0	0	1	1	1	1
Non-current Liabilities	$m	1	0	0	0	1	1	1	1	1
Total Liabilities	**$m**	**2**	**2**	2	3	3	7	35	46	58
Equity										
Share capital	$m	56	75	155	155	155	155	155	155	155
Accumulated loss	$m	-48	-64	-83	-84	-54	7	78	174	296
Other	$m	8	11	11	11	11	11	11	11	11
Total Equity	**$m**	**17**	**21**	**83**	**82**	**111**	**172**	**243**	**340**	**462**

Source: Artrya, Venn Brown estimates

Cash flow		FY24	FY25	FY26e	FY27e	FY28e	FY29e	FY30e	FY31e	FY32e
EBITDA	$m	-12	-20	-17	-2	28	62	96	130	163
Interest	$m	0	-0	0	2	2	3	5	8	11
Tax & other	$m	-3	5	-0	-0	0	0	-3	-30	-41
Operating cash flow	**$m**	**-15**	**-14**	**-17**	**0**	**30**	**65**	**99**	**108**	**133**
Capex	$m	-0	-0	-0	-0	-0	-0	-1	-1	-1
Other	$m	3	0	0	0	0	0	0	0	0
Investing Cash Flow	**$m**	**3**	**0**	**-0**	**-0**	**-0**	**-0**	**-0**	**-0**	**-0**
Issue of securities	$m	-	20	80	-	-	-	-	-	-
Change in debt	$m	-	-	-	-	-	-	-	-	-
Other	$m	-0	-2	-	-	-	-	-	-	-
Financing cash flow	**$m**	**-0**	**18**	**80**	**-**	**-**	**-**	**-**	**-**	**-**
Change in cash flow	**$m**	**-13**	**4**	**63**	**-0**	**30**	**65**	**98**	**108**	**133**

Source: Artrya, Venn Brown estimates

Share Price



Source: S&P Global

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