Artrya Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Artrya Limited
ABN:	53 624 005 741
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

				$'000
Loss from ordinary activities after tax attributable to the owners of Artrya Limited	up	25.7%	to	(14,000)
Loss for the year attributable to the owners of Artrya Limited	up	25.7%	to	(14,000)

	2024 Cents	2023 Cents
Basic earnings per share	(17.80)	(14.21)
Diluted earnings per share	(17.80)	(14.21)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $14,000,000 (30 June 2023: $11,136,000).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	14.07	29.78

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

---

8. Details of associates and joint venture entities

Not applicable.

---

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

---

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued. The independent auditor's report contains a paragraph in relation to a material uncertainty on going concern.

---

11. Attachments

Details of attachments (if any):

The Consolidated Annual Financial Report of Artrya Limited for the year ended 30 June 2024 is attached.

Artrya Limited

ABN 53 624 005 741

Consolidated Annual Financial Report - 30 June 2024

Artrya Limited
Contents
30 June 2024

General information

The financial statements cover Artrya Limited as a Group consisting of Artrya Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Artrya Limited's functional and presentation currency.

Artrya Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1257 Hay Street, West Perth WA 6005

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2024. The directors have the power to amend and reissue the financial statements.

Directors
The directors of the Company at any time during or since the end of the financial year are set out below.

Mr Bernie Ridgeway	*Non-Executive Chair*
B.Bus (Acctg), CAANZ, FAICD	Appointed 8 February 2021

Bernie brings a wealth of corporate experience to Artrya, including 38 years in private and ASX-listed companies, spending most of that time in the role of Managing Director.

Bernie was Managing Director of the ASX listed top 300 company Imdex Limited (Imdex) for 20 years, retiring in July 2020. During that time, Imdex's revenue grew from approximately $20m per annum in Australia to more than of $270m per annum, generated from sales from over 100 countries. In that period, the market capitalisation of Imdex grew from below $10m to over $600m, and now exceeds $1bn.

His vision is for Artrya to become the global standard in non-invasive AI and machine learning to diagnose and treat coronary artery disease.

Bernie holds a Bachelor of Business in Accounting, is a qualified Chartered Accountant, and is a fellow of the Australian Institute of Company Directors (FAICD).

Ms Kate Hill	*Non-Executive Director*
B.Sci (Hons), CAANZ, GAICD	Appointed 22 February 2023

Kate is an experienced non-executive director of ASX listed companies and has particular expertise at board level in both technology companies and also the biotech and medical devices sectors. In addition, she has experience of other listing exchanges including Nasdaq (US) and AIM (UK).

Kate previously spent over 20 years as an audit partner at Deloitte, serving both ASX-listed and privately owned clients. She has worked extensively in regulated environments, including assisting with Initial Public Offerings, capital raising, and general compliance, as well as operating in an audit environment.

She has held board appointments over the last three years in the following Australian listed companies:
- Count Limited (ASX: CUP) June 2017-Present
  Independent Non-Executive Director
  Chair - Audit & Risk Committee
  Member - Acquisitions Committee
- Seeing Machines Limited (AIM: SEE) December 2018-Present
  Chair
  Member - Finance & Risk Committee and People & Culture Committee
- MedAdvisor Limited (ASX: MDR) May 2023-Present
  Independent Non-Executive Director
  Chair - Audit & Risk Committee, Member - Remuneration & Nominations Committee
- hipages Group Holdings Limited Aug 2023-Present
  Independent Non-Executive Director
  Chair - Audit & Risk Committee
- Elmo Software Limited (ASX: ELO) June 2018-February 2023
  Independent Non-Executive Director
  Chair - Audit & Risk Committee
  Member - Remuneration & Nominations Committee

She is a member of the Institute of Chartered Accountants in Australia and New Zealand and a graduate of the Australian Institute of Company Directors. She holds a BSc (Hons) in Mathematics and Statistics from the University of Bristol, UK.

Dr Jacque Sokolov *Non-Executive Director*
BA, MD, NACD Appointed 1 August 2022

Dr Sokolov has a significant breadth of experience across all aspects of the US healthcare industry, in particular healthcare delivery, biotechnology, and regulatory clearance.

Dr Sokolov received his BA and MD Degrees from the University of Southern California and completed his internal medicine residency at the Mayo Graduate School of Medicine followed by his fellowship in cardiovascular diseases/nuclear cardiology from the University of Texas-Southwestern Medical School.

He was appointed Artrya Clinical Advisory Board Chair in January 2022 and Chairman and President of Artrya USA Inc. in March 2022.

Dr. Sokolov is Chairman and Chief Executive Officer of SSB Solutions, Inc., a US diversified healthcare management, development, and financial services company. His company has worked with more than 100 healthcare organisations across multiple US healthcare sectors to develop physician-driven, value-focused solutions in rapidly evolving markets.

He currently serves on multiple public, private and not-for-profit healthcare boards. He is especially focused on leading technology involving advanced digital health and next generation genetic-based companies. Over the past 3 years, he has held board appointments in the following US listed companies:

- Lucid Diagnostics, Inc. (NASDAQ: LUCD) 2021–Present
  Chairman – Compliance & Quality Committee
  Member – Audit & Compensation Committees
- MedCath Corporation (NASDAQ: MDTH) 2004–2021
  Chairman – Compliance/Quality Committee

Directors' meetings
The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board Meetings	
Director	**Eligible to Attend**	**Attended**
Mr B Ridgeway	11	11
Ms K Hill	11	11
Dr J Sokolov	11	11

Principal activities
The principal activities of the Group during the financial year ended 30 June 2024 were the development and commercialisation of its patented artificial intelligence platform that detects, diagnoses, and helps address coronary artery disease.

There have been no significant changes in the nature of these activities during the year.

Operating results and financial review
Artrya is a medical technology company focused on commercialising its patented Salix® suite of cloud-based software products to improve detection and treatment of coronary artery disease (CAD). Salix uses artificial intelligence (AI) to automate the detection of coronary artery disease from coronary computed tomography angiography (CCTA) scans, helping clinicians identify and manage patients at risk of a heart attack.

Review of operations
US FDA approval process
Artrya has entered the final stages of regulatory approval by the US Food and Drug Administration (FDA) for its Salix Coronary Anatomy product, with FDA 510(k) clearance anticipated during the first half of FY25. Over the past 12 months the Company has diligently worked through a detailed roadmap established with the FDA during an initial Q-Submission (Q-Sub) meeting in June 2023. In August 2024, the Company participated in a second Q-Sub to seek final guidance from the FDA on application preparation and to validate and confirm the advancements Artrya has made since the first Q-Sub.

In December 2023, Artrya received FDA 510(k) registration and listing of its Medical Device Data System (MDDS), Salix Ingest, that will be used in the Salix platform and compatible clinical image analysis platforms. Salix Ingest manages the secure exchange of private data between clinical systems and Salix. The data exchange system clearance is a key step in the process for receiving FDA 510(k) clearance for the Salix Coronary Anatomy product (SCA).

A 510(k) is a premarket submission made to the FDA to demonstrate the device to be marketed is as safe and effective, that is, substantially equivalent to an existing FDA approved software as a medical device.

Commercial launch in Australia

In March 2024, 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. First revenues will be earned in Q1 FY25, with fees generated through a subscription model to the Salix platform. The Cardiac Centre NSW is using Artrya's SCA product to detect vulnerable plaque in patients, the most accurate indicator of heart disease. Salix is being 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 followed a successful evaluation where Salix was assessed and validated by cardiovascular imaging specialists in The Cardiac Centre NSW.

Strategic partnership agreements in the United States

During FY24, Artrya entered Strategic Partnership Agreements in the United States with three significant hospital groups, Northeast Georgia Health Ventures (NGHV), a part of Northeast Georgia Health System (NGHS), Tanner Health System, and Cone Health. Under these agreements, hospital groups have been working with Artrya to non-clinically validate and integrate SCA into each hospital group's workflow while the product continues the FDA 510(k) clearance process.

Post-FDA clearance, these hospital groups will work with Artrya to rollout and expand the Salix platform to clinicians and patients across 15 hospitals and multiple outpatient centres, dedicated heart and vascular centres, ambulatory care centres, retirement communities and more, across the US east coast. The hospitals will also advise Artrya on future product development improvements and roadmap priorities and provide technical guidance from their cardiology subject matter experts during the development of a novel point-of-care, non-invasive blood flow assessment product, Salix Coronary Flow (SCF).

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 the SCA 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.

CCTA database

Artrya will have access to one of the world's largest repository ever compiled of Coronary Computed Tomography Angiography (CCTA) images under a national database to advance research into heart disease. Once developed, Artrya's AI-driven Salix software will analyse the CCTA images to identify critical markers of heart disease not routinely picked up by current diagnostic methods.

The national database will be created after a joint proposal, 'National Australian Cardiac CT Platform for Automated Cardiac Reporting,' was successfully submitted to the Australian Government's National Critical Research Infrastructure Initiative by Harry Perkins Institute of Medical Research, and the University of Western Australia, and Artrya. The project is one of 10 grants awarded from the Medical Research Future Fund to harness the power of AI in the healthcare system. The $3.3 million grant will be managed by Head of Harry Perkins Cardiovascular and Diabetes Program, Professor Girish Dwivedi, who will coordinate with leading Australian cardiac CT institutions to compile the images into a central repository, which will become the largest library of CCTA images in the world.

Life sciences research and patents

Artrya was granted its first patent in the United Kingdom published in the Patents Journal of UKIPO. The Compnay successfully published two key studies and a third accepted for publication, in peer-reviewed journals, further confirming the accuracy and market opportunity of plaque detection in the field of coronary heart disease. Artrya research was accepted into the prestigious SCCT global conference in Washington, displayed in July. This research continues to build Artrya's credibility within the clinical community.

Financials

The Group posted a loss during the financial year ended 30 June 2024 of $14.0m (2023: loss of $11.1m). The Group reported a cash balance of $7.1m (2023: $20.1m), with an additional $148,724 in restricted cash (2023: $274,000). The net assets of the Group decreased from $30.6m to $16.8 m.

Key risks

Significant risk factors to the Company's future financial performance are summarised as follows.

(a) Competitive industry
The medical technology and diagnostic industries are highly competitive, and include companies with significant financial, technical, human, research and development, and marketing resources. Artrya faces a number of risks in this regard, including existing competitors increasing market share, new entrants to the market, failure to meet customer expectations, failure to respond to changes in legislation, technology or industry requirements, and entry of new competitive products. As a consequence of such risks, Artrya's current and future technologies and products may become obsolete or uncompetitive, resulting in adverse effects on revenue, margins and profitability.

(b) Clinical and product development
Artrya's product candidates are at a variety of clinical stages and ongoing clinical studies using varied patient populations, data types, and and sample sizes is necessary. No guarantee can be provided that the proposed clinical performance analysis work will be successful or result in an approved product.

(c) Customer attraction and retention
The success of Artrya's business relies on its ability to attract new customers. Artrya primarily generates revenue through customers using its product for which customers typically "pay as you go" or pay a subscription fee. Artrya cannot guarantee that any future customers will not terminate their current service offering at the end of their initial contract term or any subsequent term. There is a risk that future customers may reduce or cease usage of Artrya's services or that they may not increase their usage, which would result in a reduction, or limited growth, in the revenue generated by Artrya.

(d) Future profitability
Artrya is still in the early commercialisation stage for its Salix product. The Company is not yet profitable and has historically incurred losses. There is no guarantee that Artrya will be able to grow its product sales in any jurisdiction or will be successful in obtaining regulatory approvals target jurisdictions. Further, regulatory approval and clearance of Artrya's products is not in itself a guarantee of market adoption of Artrya's products, the latter being crucial for revenue generation and profitability. If Artrya's products fail to penetrate the Australian and international markets, or if it fails to obtain the required regulatory approvals for its products, Artrya may never become profitable.

(e) Pricing risk
To stay competitive, Artrya may need to adjust its pricing models, or invest significantly more in innovation and development in relation to Artrya's products. Increases in costs of third-party software used by Artrya and other costs of servicing Artrya's products may decrease the margin Artrya can earn under its pricing models if it is unable to pass on those increases to its customers a result of competitive pressures or because their existing contracts prevent Artrya from doing so. Further, changes in customer behaviour, including, for example, changes in demand for different products, contract terms or changes in customer preferences in how the customers choose to interact with Artrya, may adversely impact on the margin Artrya is able to achieve from customer contracts. Any of these factors may lead to lower profitability.

(f) Failure to realise benefits from research and development
Developing software and technology is expensive and often involves an extended period to achieve a return on investment. An important aspect of Artrya's business is to continue to invest in innovation and related product development opportunities. Artrya believes that it must continue to dedicate resources to innovation efforts to develop Artrya's software and technology product offering to maintain its competitive position. Artrya may not, however, receive benefits from this investment for several years or may not receive benefits at all.

(g) Unforeseen expenditure
Expenditure may need to be incurred that has not been foreseen by Artrya. Although Artrya is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred, this may adversely affect the expenditure proposals of Artrya and its proposed business plans.

(h) Litigation, disputes, and claims
Artrya may be subject to litigation and other disputes and claims in the ordinary course of its business, including employment disputes, contractual disputes, indemnity claims, occupational health and safety claims, or criminal or civil proceedings in the course of its business. Such litigation, disputes, and claims, including the cost of settling claims or paying any fines, operational impacts and reputational damage could materially adversely affect Artrya's business, operating and financial performance.

(i) Ability to attract and retain key personnel
A critical component of Artrya's success is the ongoing retention of key personnel, specifically members of the management and product development teams. There is a risk that Artrya may not be able to attract and retain key personnel or be able to find effective replacements for those key personnel in a timely manner. The market for highly

skilled technology staff is extremely competitive, and that creates additional risks if there is a prolonged period for an open vacancy and Artrya has not been successful in sourcing a suitable candidate.
Since Artrya relies on the technological expertise of its employees to maintain and develop intellectual property, the loss of key personnel may lead to a loss of operational knowledge, technology capabilities, key partners, and customer relationships.

(j) Insurance
The Company will maintain insurance coverage that is substantially consistent with industry practice. However, there is no guarantee that such insurance or any future necessary coverage will be available to the Company at competitive premiums (if at all) or that, in the event of a claim, the level of insurance carried by the Company now or in the future will be adequate. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition, and results of the Company.

Significant changes in the state of affairs
In the opinion of the Directors, other than as stated in the operating and financial review, there were no significant changes in the state of affairs of the Group during the financial year under review except for those included in this report.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State laws.

Company secretary
Mr Kevin Hart was appointed as Company Secretary in October 2022. Kevin has over 30 years' experience in accounting and the management and administration of public listed entities. His experience includes senior accounting and finance roles with ASX listed companies. Kevin holds a Bachelor of Commerce degree from the University of Western Australia and is a Fellow of the Institute of Chartered Accountants.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments
The Group will continue researching and developing a technology product to more accurately identify patients at risk of coronary artery disease, to pursue US FDA 510k approval and approvals in other jurisdictions, engage in commercialisation activities for these products, and develop further products and enhancements on the technical roadmap.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the *Corporations Act 2001* and its *Regulations*.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Company. The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that, at the current stage of development of the Company, it should seek to enhance shareholders' interests by using growth in share price as a proxy for shareholder value, to attract and retain high calibre executives.
Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. Non-executive directors are entitled to receive shares, share options and performance rights under the Artrya Limited 2023 Incentive Awards Plan. Any awards under the plan are at the discretion of the Board and subject to approval by shareholders. Further details can be found under the heading "Share-based compensation" below.

Since 1 January 2022, the non-executive director and chair, Mr Bernie Ridgeway, receives $100,000 per annum (plus statutory superannuation).

Since 1 January 2023, non-executive director Jacque Sokolov receives US$10,000 per month.

Since appointment, on 22 February 2023, non-executive director Kate Hill receives $70,000 per annum.

Directors may also be reimbursed for expenses properly incurred by them in dealing with the Company's business or in carrying out their duties as a director.

Under the Constitution, the Board decides the total amount paid to each non-executive director as remuneration for their services as a director. However, under the ASX Listing Rules, the total amount of fees paid to all directors for their services (excluding, for these purposes, the salary of any executive director) must not exceed in aggregate in any financial year the amount fixed by the Company's shareholders in general meeting, which is currently $500,000 per annum.

Executive remuneration

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration that has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration. Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations. Executives may receive their fixed remuneration in the form of cash.

The short-term incentives ('STI') program is designed to align the targets of the Company with the performance hurdles of executives. STI payments are granted to executives based on specific targets and key performance indicators ('KPI's') being achieved. None of the executives received any short-term incentives during the 2024 financial year as no STIs were awarded.

The long-term incentives ('LTI') include share-based payments. Further details are provided under the heading "Share-based compensation" below.

Use of remuneration consultants
To ensure the Board is fully informed when making remuneration decisions, it may seek additional market insights and advice from external, independent remuneration consultants.

During the year, the Board engaged The Reward Practice Pty Ltd (TRP) to provide market insights and advice on various remuneration-related matters including executive incentives. The engagement of TRP was based on engagement protocols followed by TRP. The protocols included agreeing the consultation requirements with management and the Board throughout their engagement and the extent to which management should be involved. The Board reviewed the engagement documentation and the findings and met with TRP to discuss the engagement. As a result of these procedures, the Board is satisfied that the remuneration advice provided by TRP was free from undue influence by members of the key management personnel. No remuneration recommendations were received during the year.

Shareholder wealth
The Group aims to align its executive remuneration to its strategic and business objective and the creation of shareholder wealth. The tables below show measures of the Group's financial performance over the last four years (being the extent of available historic audited performance information) as required by the *Corporations Act 2001*. However, these are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs. As a consequence, there may not always be a direct correlation between the statutory key performance measures and the variable remuneration awarded. At this stage of the lifecycle of the Group, shareholder wealth is impacted by the status of R&D projects and whether approvals are obtained and hence milestones of completion have been used as key measures and metrics in LTI.

The indices of the Company for the four years to 30 June 2024 are summarised below.

	2024	**2023**	**2022**	**2021**
Loss for the year ($'000s)	(14,000)	(11,136)	(17,155)	(4,080)
Share price at financial year end ($)*	0.22	0.22	0.65	-
Total dividends declared (cents per share)	-	-	-	-
Basic earnings per share (cents per share)	(17.80)	(14.21)	(25.92)	(11.85)

* The Company's shares first traded on the ASX on 26 November 2021 after successful completion of its IPO at $1.35 per share. Accordingly, no share price information has been provided prior to the 2022 financial year.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following directors of Artrya Limited:
- Bernie Ridgeway – Non-Executive Chairman
- Kate Hill – Non-Executive Director
- Dr Jacque Sokolov – Non-Executive Director
- Mathew Regan – Chief Executive Officer (CEO)

	Short-term benefits		**Post-employment benefits**	**Long-term benefits**	**Share-based payments**	**Termination benefits**	**Total**
2024	**Cash salary and fees $**	**Annual leave $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**$**	**$**
B Ridgeway	100,000	-	11,000	-	-	-	111,000
K Hill	70,000	-	-	-	-	-	70,000
J Sokolov*	188,129	-	-	-	-	-	188,129
M Regan	449,649	33,066	27,500	-	112,815	-	623,030
	807,778	**33,066**	**38,500**	**-**	**112,815**	**-**	**992,159**

* Amount paid in USD and translated at an average rate of USD/AUD $0.65.

	Short-term benefits		**Post-employment benefits**	**Long-term benefits**	**Share-based payments**	**Termination benefits**	**Total**
2023	**Cash salary and fees $**	**Annual leave $**	**Super-annuation $**	**Long service leave $**	**Equity-settled $**	**$**	**$**
B Ridgeway	100,000	-	10,500	-	-	-	110,500
J Barrington**	345,256	90,497	16,263	(7,332)	71,250	502,927	1,018,861
J Konstantopoulos	239,613	39,053	16,042	(7,243)	-	-	287,465
J Sokolov*	206,564	-	-	-	-	-	206,564
K Hill	24,790	-	-	-	-	-	24,790
M Regan	115,733	8,902	12,152	-	29,899	-	166,686
	1,031,956	**138,452**	**54,957**	**(14,575)**	**101,149**	**502,927**	**1,814,866**

* Amount paid in USD and translated at an average rate of USD/AUD $0.67.
** Included in cash salary and fees is an amount of $2,007 in respect of approved spouse travel to attend a corporate function.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		**At risk - STI**		**At risk - LTI**	
Name	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
B Ridgeway	100%	100%	-	-	-	-
K Hill	100%	100%	-	-	-	-
J Sokolov	100%	100%	-	-	-	-
M Regan	82%	82%	-	-	18%	18%
J Barrington*	-	93%	-	-	-	7%
J Konstantopoulos*	-	100%	-	-	-	-

* J Barrington and J Konstantopoulos resigned from the board in the previous financial year.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Bernie Ridgeway
Title:	Non-Executive Chairman
Agreement effective:	8 February 2021
Term of agreement:	3 years from date of appointment with subsequent years subject to re-election by shareholders.
Fees:	A fee of $100,000 per annum plus statutory superannuation.
Notice period:	None.

Name:	Kate Hill
Title:	Non-Executive Director
Agreement effective:	22 February 2023
Term of agreement:	3 years from date of appointment with subsequent years subject to re-election by shareholders.
Fees:	$70,000 per annum.
Notice period:	None.

Name:	Jacque Sokolov
Title:	Non-Executive Director
Agreement effective:	29 July 2022
Term of agreement:	Ongoing consultancy agreement, previously entered into and amended on, respectively, 13 January 2022 and 15 April 2022.
Fees:	US$15,000 per month until 31 December 2022. US$10,000 per month since 1 January 2023.
Notice period:	None.

Name:	Mathew Regan
Title:	Chief Executive Officer
Agreement effective:	27 March 2023
Term of agreement:	Ongoing employment agreement.
Fees:	$477,149 per annum inclusive of statutory superannuation. Statutory annual and long service leave entitlements.
Performance rights package:	Tranche 1 - 1,000,000 performance rights will vest on the company's share price of 75 cents being maintained for five (5) consecutive trading days based on the ASX closing share price for the company's shares. Tranche 2 – 1,000,000 performance rights will vest on the company's share price of $1.35 being maintained for five (5) consecutive trading days based on the ASX closing share price for the company's shares. Tranche 3 – 1,000,000 performance rights will vest on the company's share price of $2.50 being maintained for five (5) consecutive trading days based on the ASX closing share price for the company's shares. The employee needs to remain employed with the Company at the time the vesting condition is met. The performance rights will have an expiry date 5 years from the date of issue. If a Change of Control occurs, any vesting conditions in respect of the performance rights will be deemed to be automatically waived.
Notice period:	6 months.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Options & performance rights
Options and performance rights over shares in Artrya Limited are granted under the Artrya Limited 2023 Incentive Awards Plan (IAP23). The IAP23 is designed to provide long term incentives for executives, directors, officers, employees and consultants to deliver long term shareholder returns, and participation in the future growth of the Company. For members of the Board, any awards under the Incentive Award Plan are at the discretion of the Board and subject to approval by shareholders. For other KMP, the Incentive Award Plan is subject entirely to the discretion of the Board. Under the Scheme participants are granted options, performance rights and/or shares which typically are subject to vesting conditions as determined at the discretion of the Board. The Scheme allows the Company to issue options, performance rights and/or shares to an eligible person. Options are exercisable at a fixed price in accordance with the Plan, subject to vesting conditions. Performance rights convert automatically into shares subject to satisfaction of vesting conditions. Unvested options and performance rights of any participant in the scheme generally lapse where the relevant person ceases to be an employee or director of the Company.

No options or performance rights were granted to directors or other key management personnel this year. (2023: 3,439,815 performance rights and nil options were granted to KMP as part of their remuneration).

Additional information
Performance rights holdings of key management personnel
The number of performance rights in the Company held during the financial year by the key management personnel of the Company, including their personally related parties, is set out below.

2024	Balance at the start of the year	Granted	Expired/ forfeited/ other	Balance at the end of the year
B Ridgeway	-	-	-	-
K Hill	-	-	-	-
J Sokolov	-	-	-	-
M Regan	3,000,000	-	-	3,000,000

2023	Balance at the start of the year	Granted	Expired/ forfeited/ other*	Balance at the end of the year
B Ridgeway	-	-	-	-
K Hill	-	-	-	-
J Sokolov	-	-	-	-
M Regan	-	3,000,000	-	3,000,000
J Barrington*	-	439,815	(439,815)	-
J Konstantopoulos**	-	-	-	-

* J Barrington resigned on 27 March 2023. It was agreed by the Board that the Director would retain these rights following their resignation. The number represents the rights held at resignation date.
** J Konstantopoulos resigned as a director in the previous year.

Details of the vesting profiles and values of performance rights impacting remuneration for this and future financial years held by each KMP of the Group are set out below.

2024	Number of rights granted	Grant date	Expiry date	% vested in year	Date vested	Number vested during the year	Other	Value ($)
M Regan	1,000,000	25 Mar 2023	28 Mar 2028	Nil	Not yet vested (i)	-	-	42,331
M Regan	1,000,000	25 Mar 2023	28 Mar 2028	Nil	Not yet vested (ii)	-	-	37,938
M Regan	1,000,000	25 Mar 2023	28 Mar 2028	Nil	Not yet vested (iii)	-	-	32,546

(i) The rights vest on the Company's share price of $0.75 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.
(ii) The rights vest on the Company's share price of $1.35 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.
(iii) The rights vest on the Company's share price of $2.50 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.

2023	Number of rights granted	Grant date	Expiry date	% vested in year	Date vested	Number vested during the year	Other	Value ($)
J Barrington*	219,908	14 Nov 2022	30 Jun 2025	Nil	Not yet vested (i)	-	219,908	35,625
J Barrington*	219,907	14 Nov 2022	30 Jun 2025	Nil	Not yet vested (ii)	-	219,907	35,625
M Regan	1,000,000	25 Mar 2023	28 Mar 2028	Nil	Not yet vested (iii)	-	-	11,219
M Regan	1,000,000	25 Mar 2023	28 Mar 2028	Nil	Not yet vested (iv)	-	-	10,055
M Regan	1,000,000	25 Mar 2023	28 Mar 2028	Nil	Not yet vested (v)	-	-	8,626

*J Barrington resigned on 27 March 2023.

(i) The rights vest if the Company achieves a market capitalisation of $200 million by 30 June 2024 and the Director has remained in service until 30 June 2025. It was agreed by the Board that the Director would retain these rights following their resignation on 27 March 2023. There was no change to the fair value due to this modification. The share price on this date was $0.28.

(ii) The rights vest if the Company achieves a market capitalisation of $350 million by 30 June 2025 and the Director has remained in service until 30 June 2025. It was agreed by the Board that the Director would retain these rights following their resignation on 27 March 2023. There was no change to the fair value due to this modification. The share price on this date was $0.28.

(iii) The rights vest on the Company's share price of $0.75 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.

(iv) The rights vest on the Company's share price of $1.35 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.

(v) The rights vest on the Company's share price of $2.50 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.

Option holdings of key management personnel

The number of options over ordinary shares in the Company held during the financial year by the key management personnel of the Company, including their personally related parties, is set out in the following table.

2024	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Vested and exercisable at the end of the year
B Ridgeway *	1,250,000	-	-	750,000	2,000,000	1,250,000
K Hill	-	-	-	-	-	-
J Sokolov	3,900,000	-	-	-	3,900,000	3,900,000
M Regan	-	-	-	-	-	-

* Options which were previously treated as having a 30 June 2023 condition have not lapsed, resulting in the inclusion of an expired/forfeited/other amount of 750,000 options. These options vest upon the achievement of international contracts to the value of US$10m; the options expire on 9 July 2026.

2023	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year	Vested and exercisable at the end of the year
B Ridgeway*	2,000,000	-	-	(750,000)	1,250,000	1,250,000
K Hill****	n/a	-	-	-	-	-
J Sokolov***	n/a	-	-	***3,900,000	3,900,000	3,900,000
M Regan*****	n/a	-	-	-	-	-
J Barrington**	5,000,000	-	-	(5,000,000)	-	-
J Konstantopoulos**	5,000,000	-	-	(5,000,000)	-	-

* 750,000 options (37.5% of individual holdings) were due to vest by 30 June 2023 upon the achievement of international contracts to the value of US$10m. As this condition was not, the options lapsed at year end.

** J Barrington and J Konstantopoulos resigned from the Board on 27 March 2023 and 22 February 2023, respectively. It was agreed by the Board that the Directors would retain these options following their resignation. There was no change to the fair value of these options due to this modification. The number represents the options held at resignation date. Subsequent to their cessation as KMP, 1,000,000 options for each of them (20% of individual holdings) were due to vest by 30 June 2023 upon the achievement of international contracts to the value of US$10m. As this condition was not met, the options lapsed at year end.

*** J Sokolov was appointed to the Board on 22 February 2023. This was the number held on appointment.

**** K Hill was appointed to the Board on 22 February 2023.

***** M Regan was employed as Chief Executive Officer of the Company on 27 March 2023.

No options were granted to KMP of the Group this financial year. Details of the vesting profiles and values of options impacting remuneration for this and future financial years for options held by each KMP of the Group in the prior year are disclosed below:

2023	Number of options granted	Grant date	Expiry date	Exercise price	% vested in year	Date vested and exercisable	Number vested during the year	Value ($)
J Barrington	2,000,000	25 Mar 2019	25 Mar 2024	$0.001	Nil	Not yet vested (i)	-	-
J Barrington	1,000,000	25 Mar 2019	25 Mar 2024	$0.001	Nil	Not yet vested (ii)	-	-
J Konstantopoulos	2,000,000	25 Mar 2019	25 Mar 2024	$0.001	Nil	Not yet vested (i)	-	-
J Konstantopoulos	1,000,000	25 Mar 2019	25 Mar 2024	$0.001	Nil	Not yet vested (ii)	-	-

(i) Exercisable following the Company generating the first sales revenue of any amount from a contracted customer for use of the Software as a Service (SaaS) Salix Coronary Anatomy (SCA) product, as evidenced by the existence of a fully executed Customer Agreement and as recorded in audited financial statements of the Company, with such revenue being directly attributable to sales of the SCA product to customers, before expiry date of 25 March 2024.

(ii) Exercisable following the Company generating the first sales revenue of any amount from a contracted customer for use of the Software as a Service (SaaS) Salix Coronary Anatomy (SCA) product, as evidenced by the existence of a fully executed Customer Agreement and as recorded in audited financial statements of the Company, with such revenue being directly attributable to sales of the SCA product to customers outside of Australia, before expiry date of 25 March 2024.

Options granted carry no dividend or voting rights
No options were exercised or forfeited during the year by key management personnel.

Share holdings of key management personnel
The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

2024	Balance at the start of the year	Other	Purchased	Balance at the end of the year
B Ridgeway	3,121,025	-	-	3,121,025
K Hill	200,000	-	250,000	450,000
J Sokolov	-	-	330,000	330,000
M Regan	506,559	-	330,000	836,559

Additional disclosures relating to key management personnel
Loans to key management personnel and their related parties
There were no loans to key management personnel and their related parties this year.

Other transactions with key management personnel and their related entities
There were no other transactions with key management personnel and their related entities during the year (2023: $2,626).

This concludes the remuneration report, which has been audited.

Directors' interests
The relevant interest of each director in the shares, performance rights and options issued by the Company, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

2024	Ordinary shares	Performance rights	Options
B Ridgeway	3,121,025	-	2,000,000
K Hill	450,000	-	-
J Sokolov	330,000	-	3,900,000

Share options and performance rights
As at the date of this report, options over ordinary shares in the Company are:

Expiry date	Exercise price	Number under option
23/09/2025	$0.056	1,300,000
31/12/2025	$0.075	1,226,752
23/04/2026	$1.000	500,000
09/07/2026	$1.000	5,500,000
13/01/2027	$1.350	1,300,000
13/01/2027	$3.000	1,300,000
13/01/2027	$5.000	1,300,000
16/02/2027	$1.500	2,000,000
28/03/2027	$1.350	650,000
28/03/2027	$3.000	650,000
28/03/2027	$5.000	650,000
20/06/2027	$1.350	325,000
20/06/2027	$3.000	325,000
20/06/2027	$5.000	325,000
01/07/2027	$1.500	500,000
21/11/2028	$0.215	2,765,000
12/03/2029	$0.292	1,180,000
11/06/2029	$0.250	1,180,000
		22,976,752

Performance rights and restricted stock units
As at the date of this report, the Company has on issue 5,437,632 performance rights[i] and 1,209,520 restricted stock units[i].

(i) No person entitled to exercise the options, performance rights or restricted stock units had or has any right by virtue of the options, performance rights or restricted stock units to participate in any share issue of the Company or of any other body corporate. The holders of options, performance rights or restricted stock units are not entitled to any voting rights until the options, performance rights or restricted stock units are converted into ordinary shares.

Shares issued on exercise of options
On 4 September 2023 and 2 April 2024, the Company issued a total of 165,000 shares as a result of the exercise of options. The options were fully paid; the amount paid for them was $12,375. The Company has not issued any other ordinary shares of the Company as a result of the exercise of options during or since the end of the financial year (2023: nil).

Shares issued under Employee Incentives Award Plan
No shares were issued to employees under the Employee Incentives Award Plan (2023: 21,403).

Indemnification and insurance of officers and auditors
Indemnification
Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

Insurance premiums
During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services
During the year, KPMG, the Group's auditor, performed certain other services in addition to the audit and review of the financial statements.

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 17 to the financial statements and set out below.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed below do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are set out below.

	2024 **$**
Services other than audit and review of financial statements	
Taxation compliance services	40,978
Research and Development tax incentive	45,000
Tax advice	10,000
	95,978
Audit and review of financial statements	**125,000**
Total paid to KPMG	**220,978**

Officers of the Company who are former partners of KPMG
There are no officers of the Company who are former partners of KPMG.

Auditor's independence declaration

The auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on page 17 and forms part of the Directors' report for the financial year ended 30 June 2024.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

B Ridgeway

____

Bernie Ridgeway
Non-Executive Chair

29 August 2024
Perth

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Artrya Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Artrya Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

John Ward

John Ward

Partner

Perth

29 August 2024

Artrya Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $'000	2023 $'000
Revenue			
Other income	4	3,689	996
Expenses			
Accounting and audit expense		(340)	(328)
Contractors and consultants		(5,758)	(2,635)
Depreciation and amortisation expense		(1,995)	(552)
Foreign exchange loss		(42)	(18)
Employee benefits expense		(6,993)	(5,746)
Website and software expenses		(495)	(297)
Recruitment expenses		(45)	(304)
Travel expenses		(187)	(325)
Legal expenses		(85)	(80)
Share-based payments expense		(225)	(949)
Marketing and branding expenses		(90)	(212)
Other expenses	4	(1,834)	(1,014)
Operating loss		(14,400)	(11,464)
Finance income	5	458	404
Finance costs	5	(31)	(58)
Loss before income tax expense		(13,973)	(11,118)
Income tax expense	6	(27)	(18)
Loss after income tax expense for the year attributable to the owners of Artrya Limited		(14,000)	(11,136)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		10	4
Other comprehensive income for the year, net of tax		10	4
Total comprehensive loss for the year attributable to the owners of Artrya Limited		(13,990)	(11,132)
		Cents	**Cents**
Basic earnings per share	21	(17.80)	(14.21)
Diluted earnings per share	21	(17.80)	(14.21)

The above Statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Artrya Limited
Statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $'000	2023 $'000
Assets			
Current assets			
Cash and cash equivalents	7	7,134	20,132
Trade and other receivables	8	3,874	3,072
Other investments	9	149	274
Prepayments		381	231
Total current assets		11,538	23,709
Non-current assets			
Property, plant and equipment	10	1,336	1,697
Intangible assets	11	5,730	7,171
Right-of-use asset	12	408	511
Total non-current assets		7,474	9,379
Total assets		19,012	33,088
Liabilities			
Current liabilities			
Trade and other payables	13	917	1,124
Lease liabilities	12	325	275
Employee benefits	14	330	196
Total current liabilities		1,572	1,595
Non-current liabilities			
Lease liabilities	12	624	937
Employee benefits	14	12	-
Total non-current liabilities		636	937
Total liabilities		2,208	2,532
Net assets		16,804	30,556
Equity			
Issued capital	15	56,448	56,435
Reserves	16	8,228	7,993
Accumulated losses		(47,872)	(33,872)
Total equity		16,804	30,556

Artrya Limited
Statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022	56,398	6,978	(22,736)	40,640
Loss after income tax expense for the year	-	-	(11,136)	(11,136)
Other comprehensive income for the year, net of tax	-	4	-	4
Total comprehensive income/ (loss) for the year	-	4	(11,136)	(11,132)
Transactions with owners in their capacity as owners:				
Share-based payments (note 20)	17	1,011	-	1,028
Exercise of options	20	-	-	20
Balance at 30 June 2023	56,435	7,993	(33,872)	30,556

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2023	56,435	7,993	(33,872)	30,556
Loss after income tax expense for the year	-	-	(14,000)	(14,000)
Other comprehensive income for the year, net of tax	-	10	-	10
Total comprehensive income/ (loss) for the year	-	10	(14,000)	(13,990)
Transactions with owners in their capacity as owners:				
Share-based payments (note 20)	-	225	-	225
Exercise of options	13	-	-	13
Balance at 30 June 2024	56,448	8,228	(47,872)	16,804

	Note	Consolidated 2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers and employees		41	-
Payments to suppliers and employees		(16,101)	(11,650)
Interest paid		(31)	(58)
Income tax paid		(60)	(18)
Government grants		15	66
Research and development tax incentives		729	475
Net cash used in operating activities	7	(15,407)	(11,185)
Cash flows from investing activities			
Interest received		458	447
Proceeds from disposal of property, plant and equipment		-	2
Payments for property, plant and equipment	10	(46)	(294)
Payments for intangible assets		-	(5,656)
Proceeds from other financial assets		125	20,000
Government grants		-	377
Research and development tax incentives		2,168	1,397
Net cash from investing activities		2,705	16,273
Cash flows from financing activities			
Proceeds from exercise of options	20	12	20
Repayment of lease liabilities		(311)	(265)
Net cash used in financing activities		(299)	(245)
Net (decrease)/increase in cash and cash equivalents		(13,001)	4,843
Cash and cash equivalents at the beginning of the financial year		20,132	15,285
Effects of exchange rate changes on cash and cash equivalents		3	4
Cash and cash equivalents at the end of the financial year		7,134	20,132

The above Statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Reporting entity

Artrya Limited ("the Company") is a Company domiciled in Australia. The address of the Group's registered office is 1257 Hay Street, West Perth 6005.

The Company is a for-profit entity and is primarily involved in the development and commercialisation of its patented artificial intelligence platform that detects, diagnoses, and helps address coronary artery disease,

These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the 'Group').

Note 2. Basis of preparation

Statement of compliance
These consolidated financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards adopted by the International Accounting Standards Board.

The consolidated financial statements were approved by the Board of Directors on 29 August 2024.

Functional and presentation currency
These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency. The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars unless otherwise stated.

Going concern
The consolidated financial statements have been prepared on the going concern basis that contemplates the continuity of business activities in the foreseeable future and the realisation of the assets and extinguishment of liabilities in the normal course of operations.

For the year ended 30 June 2024 the Group incurred a net loss after income tax expense of $14 million (2023: $11.14 million) and experienced a net outflow of funds from operating activities of $15.41 million (2023: $11.18 million). The Group has net current assets of $9.97 million (2023: $22.11 million) at 30 June 2024.

Management have prepared a cash flow forecast for a period of 12 months from the date of signing this report which indicates that the Group will generate sufficient cash flows to pay obligations as they fall due. The cash flow forecast incorporates the following:

- Forecast revenue from the sale of Salix in countries where Salix has regulatory approval;
- The Group successfully raising additional funding through equity, debt or hybrid financing to fund the next phase of the Company's operations in anticipation of the receipt of the FDA approval of the 510(k) in the 2025 financial year; and
- The Group having the ability to reduce its discretionary expenditure in the event the above cash flows are not achieved.

The Directors have reviewed the cash flow forecast and believe there are reasonable grounds that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the consolidated financial statements, subject to successfully raising additional funds and, if required, reducing discretionary expenditure.

The ability of the Group to achieve its forecast cashflows, including raising additional funds, is uncertain at the date of approval of these financial statements. These conditions give rise to a material uncertainty as to whether the Group will be able to continue as a going concern and, should the Group be unable to continue as a going concern it may be required to realise assets at an amount different to that recorded in the statement of financial position, settle liabilities other than in the ordinary course of business and make provisions for other costs which may arise.

Use of estimates and judgments
In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reportable amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Note 2. Basis of preparation (continued)

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described below:
- Note 20 - Estimates relating to share-based payments
- Note 11 – Assessment of impairment for an in-development intangible asset

Material accounting policy information

The Group adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)* from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in note 3 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments.

Note 3. Material accounting policies

Financial instruments

(i) Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Subsequent measurement and gains and losses
Financial assets
On initial recognition, a financial asset is classified as measured at:
- amortised cost;
- fair value through other comprehensive income (FVOCI) – debt investment;
- FVOCI – equity investment; or
- FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Note 3. Material accounting policies (continued)

Financial liabilities
Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Liabilities for trade and other payables are carried at amortised cost and represent liabilities for goods or services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of these goods and services.

(iii) Derecognition

Financial assets
The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities
The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Property, plant and equipment
(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain and loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the component will flow to the Group. Ongoing repairs and maintenance are expensed as incurred. Items of property, plant and equipment are depreciated on a straight-line and/or diminishing basis in profit or loss over the estimated useful lives of each component. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

Note 3. Material accounting policies (continued)

(iii) Depreciation

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- Computer equipment 4 years (diminishing value)
- Office equipment 10 years (diminishing value)
- Office fit-out 5 years (straight-line)

Depreciation methods, useful lives and residual values are reviewed at each financial reporting date and adjusted if appropriate.

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

Intangible assets

Research and development

Research costs are expensed in the period in which they are incurred.

Development expenditure is capitalised only if expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Management judgement is involved in determining the appropriate internal costs and associated amounts to capitalise. Subsequent to initial recognition, once the development asset is ready for use it is measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The SCA intangible asset became available for use on 21 June 2023 and has an estimated useful life of 5 years.

Government grants

Government grants are recognised when there is a reasonable assurance that the Group will comply with the Government grants are recognised when there is a reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to assets are presented by deducting the grant in arriving at the carrying amount Government grants related to assets are presented by deducting the grant in arriving at the carrying amount of the asset. All other government grants are recognised as other income.

Government grants received by the Group relate to the Research and Development Tax Incentive. The Research and Development Tax Incentive requires submission of the Research and Development tax incentive schedule with the annual tax return.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Note 3. Material accounting policies (continued)

Long-term employee benefits
The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Tax expense comprises current tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:
- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Goods and Services Tax ('GST')
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Where GST is charged, receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included in other receivables or other payables in the Statement of Financial Position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to the ATO are classified as operating cash flows.

Note 3. Material accounting policies (continued)

Earnings per share
Basic earnings per share
Basic earnings per share is calculated by dividing the earnings attributable to equity holders of Artrya Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted EPS is determined by adjusting the profit or loss attributable to ordinary share holders and the weighted average number of ordinary shares outstanding, adjusted for shares held by the Group's sponsored employee share plan trust, for the effects of all dilutive potential ordinary shares, which comprise performance rights and share options granted to employees.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Board of Directors ("the Board"). The Group only has one operating segment.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group 's other components. The operating segment's operating results are regularly reviewed by the Group's Board to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

All significant operating decisions are based upon analysis of the Group as one segment. The financial results of this segment are equivalent to the consolidated financial statements of the Group as a whole. All material non-current assets are held in Australia.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the consolidated financial statements.

Leases
At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16 *Leases*.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each of the lease components on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site of which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option.

In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Note 3. Material accounting policies (continued)

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the varying value of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options over shares or performance rights over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an appropriate option pricing model, such as the Binomial, Black-Scholes or Monte Carlo option pricing model, that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 3. Material accounting policies (continued)

Principles of consolidation
Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements.

Transactions eliminated on consolidation
Intercompany balances and any unrealised gains and losses or income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

Foreign currency translation
Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

Group companies
The results and financial position of the foreign operations (domiciled in the USA and UK) have functional currencies different from the presentation currency and are translated into the presentation currency as follows:

- assets and liabilities of the balance sheet are translated at the closing rate at the date of that balance sheet;
- income and expenses for the statement of profit or loss and statement of comprehensive income are translated at an average exchange rate, and
- all resulting exchange differences are recognised in other comprehensive income.

New or amended Accounting Standards and Interpretations adopted by the Group
In the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group and, therefore, no material change is necessary to the Group accounting policies.

New and amended accounting policies not yet mandatory or early adopted
The Directors have reviewed all of the new and revised AASB Standards and Interpretations issued but not yet mandatory and have determined that there is no material impact and, therefore, no material change is necessary to the Group accounting policies.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Impairment of tangible and intangible assets
At each reporting date, the Group assesses the carrying amount of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, as in the case when an intangible asset is not yet ready for use, the Group makes an estimate of the asset’s recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and its value in use. When the carrying value of an asset or cash-generating unit (CGU) exceeds its recoverable amount, the asset or cash generating unit is considered impaired and is written down to its recoverable amount with the difference being recognised immediately in the statement of profit or loss.

Note 3. Material accounting policies (continued)

Fair value
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Current and non-current classification
Assets and liabilities are presented in the Statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Note 4. Other income and other expenses

	Consolidated	
Other income	**2024 $'000**	**2023 $'000**
Government grants	3,689	977
Other income	-	19
Other income	3,689	996

Other expenses
Other expenses includes unsubstantiated expenses of $223,875 as a result of a cyber incident.

Note 5. Finance income and costs

	Consolidated	
	2024 $'000	**2023 $'000**
Finance income		
Interest income	458	404
	458	404

	Consolidated	
	2024 $'000	**2023 $'000**
Finance costs		
Lease interest expense	31	58
	31	58

Note 6. Income tax

	Consolidated 2024 $'000	Consolidated 2023 $'000
A. Amounts recognised in profit or loss		
Current tax		
Current tax - Current year	27	18
Deferred tax		
Deferred tax - Origination and reversal of temporary differences	-	-
Total income tax expense/(benefit)	27	18
B. Amounts recognised directly in equity		
Origination and reversal of temporary differences	-	-
Total income tax expense/(benefit) recognised in equity	-	-

	Consolidated 2024 $'000	Consolidated 2023 $'000
C. Reconciliation of tax		
Loss before tax for the year	(13,973)	(11,118)
Income tax using the Company's domestic tax rate of 25% (2023: 25%)	(3,493)	(2,780)
Non-deductible expenses	2,173	1,489
Non-assessable income	(921)	(253)
Unrecognised DTA on assets and liabilities	2,268	1,562
Total income tax expense/(benefit)	27	18

Movement in deferred tax balances

	Net balance at 1 July $'000	Profit or loss or Equity Benefit/ (expense) $'000	Net $'000	Consolidated 30 June 2024 Deferred tax assets $'000	Deferred tax liabilities $'000
Recognised in profit or loss					
Prepayments	(58)	(38)	(96)	-	(96)
Property, plant and equipment	(49)	88	39	39	-
Intangible assets	(1,783)	381	(1,402)	-	(1,402)
Trade creditors and accruals	52	21	73	73	-
Section 40-880 expenditure	178	(75)	103	103	-
Right-of-use assets/lease liabilities	175	(40)	135	135	-
Employee benefits	49	11	60	60	-
Tax losses	6,053	2,027	8,080	8,080	-
Unrealised FX	-	-	-	-	-
	4,617	2,375	6,992	8,490	(1,498)
Recognised in equity					
Section 40-880 expenditure	321	(107)	214	214	-
Tax assets/(liabilities) before set-off	4,938	2,268	7,206	8,704	(1,498)
Set-off of tax	-	-	-	(1,498)	1,498
	4,938	2,268	7,206	7,206	-
Tax assets not brought to account	(4,938)	(2,268)	(7,206)	(7,206)	-
Net deferred tax balance	-	-	-	-	-

Note 6. Income tax (continued)

Movement in deferred tax balances

	Net balance at 1 July	Profit or loss or Equity Benefit/ (expense)	Net	Consolidated 30 June 2023 Deferred tax assets	Deferred tax liabilities
	$'000	$'000	$'000	$'000	$'000
Recognised in profit or loss					
Accrued income	(11)	11	-	-	-
Prepayments	(82)	24	(58)	-	(58)
Property, plant and equipment	(112)	63	(49)	-	(49)
Intangible assets	(912)	(871)	(1,783)	-	(1,783)
Trade creditors and accruals	10	42	52	52	-
Section 40-880 expenditure	146	32	178	178	-
Right-of-use assets/lease liabilities	212	(37)	175	175	-
Employee benefits	93	(44)	49	49	-
Tax losses	3,496	2,557	6,053	6,053	-
Unrealised FX	1	(1)	-	-	-
	2,841	1,776	4,617	6,507	(1,890)
Recognised in equity					
Section 40-880 expenditure	535	(214)	321	321	-
Tax assets/(liabilities) before set-off	3,376	1,562	4,938	6,828	(1,890)
Set-off of tax	-	-	-	(1,890)	1,890
	3,376	1,562	4,938	4,938	-
Tax assets not brought to account	(3,376)	(1,562)	(4,938)	(4,938)	-
Net deferred tax balance	-	-	-	-	-

Note 7. Cash and cash equivalents

	Consolidated 2024	2023
	$'000	$'000
Cash at bank	7,134	20,132
Cash and cash equivalents in the statement of cash flows	7,134	20,132

Note 7. Cash and cash equivalents (continued)

Reconciliation of loss after income tax to statement of cash flows

	Consolidated	
	2024 $'000	2023 $'000
Loss after income tax expense for the year	(14,000)	(11,136)
Adjustments for:		
Depreciation and amortisation	1,995	552
Unrealised foreign exchange gain	-	(1)
Share-based payments	225	949
Loss on sale of property, plant and equipment	3	2
Interest income	(458)	(404)
Government grants	(3,674)	(977)
Other income	-	(19)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	623	430
Decrease in trade and other payables	(192)	(408)
Increase/(decrease) in other provisions and employee entitlements	71	(173)
Net cash used in operating activities	**(15,407)**	**(11,185)**

Note 8. Trade and other receivables

	Consolidated	
	2024 $'000	2023 $'000
Current assets		
Accounts receivable	-	41
Other receivables	16	17
Research and development tax incentive	3,674	2,788
GST receivable	151	117
Government grant receivable	-	109
Income tax refund due	33	-
	3,874	3,072

Note 9. Other investments

	Consolidated	
	2024 $'000	2023 $'000
Current assets		
Short-term deposits	149	274

At 30 June 2024, the Company held a $149,000 deposit, of which the entire amount was restricted cash, at an interest rate of 0.5% per annum (2023: $274,000 term deposit, of which $148,724 was restricted cash, at an interest rate of 3.7% per annum). The restricted cash relates to a rental bond (2023: rental bond).

Note 10. Property, plant and equipment

	Computer equipment $'000	Office equipment $'000	Office fit out $'000	Total $'000
Cost				
Balance at 1 July 2022	217	262	1,487	1,966
Additions	29	90	175	294
Disposals	(4)	-	-	(4)
Writeoffs	(3)	-	-	(3)
Balance at 30 June 2023	**239**	**352**	**1,662**	**2,253**
Balance at 1 July 2023	239	352	1,662	2,253
Additions	46	-	-	46
Disposals	(6)	-	-	(6)
Balance at 30 June 2024	**279**	**352**	**1,662**	**2,293**
Accumulated depreciation				
Balance at 1 July 2022	(44)	(49)	(68)	(161)
Depreciation for the year	(48)	(29)	(322)	(399)
Disposals	2	-	-	2
Writeoffs	2	-	-	2
Balance at 30 June 2023	**(88)**	**(78)**	**(390)**	**(556)**
Balance at 1 July 2023	(88)	(78)	(390)	(556)
Depreciation for the year	(42)	(27)	(334)	(403)
Disposals	2	-	-	2
Balance at 30 June 2024	**(128)**	**(105)**	**(724)**	(957)
Carrying amounts				
Balance at 1 July 2022	173	213	1,419	1,805
Balance at 30 June 2023	151	274	1,272	1,697
Balance at 1 July 2023	151	274	1,272	1,697
Balance at 30 June 2024	**151**	**247**	**938**	**1,336**

Note 11. Intangible assets

	Development costs $'000	Total $'000
Cost		
Balance at 1 July 2022	3,675	3,675
Additions	5,893	5,893
Government grants	(2,361)	(2,361)
Balance at 30 June 2023	**7,207**	**7,207**
Balance at 1 July 2023	7,207	7,207
Accumulated amortisation		
Balance at 1 July 2022	-	-
Amortisation for the year	(36)	(36)
Disposals	-	-
Balance at 30 June 2023	(36)	(36)
Balance at 1 July 2023	(36)	(36)
Amortisation for the year	(1,441)	(1,441)
Disposals	-	-
Balance at 30 June 2024	(1,477)	(1,477)
Carrying amounts		
Balance at 1 July 2022	3,675	3,675
Balance at 30 June 2023	7,171	7,171
Balance at 1 July 2023	7,171	7,171
Balance at 30 June 2024	**5,730**	**5,730**

The Company received Australian regulatory approval for its intangible asset in November 2019.

The Group has undertaken an impairment assessment at 30 June 2024. In accordance with Accounting Standard AASB 136 Impairment of Assets the cash flow model only includes cash flows from Australian sales of the TGA approved Salix Coronary Anatomy Class I product. It does not incorporate sales revenue from:

- enhanced or additional products,
- EU and UK markets where regulatory approval has already been granted, or
- USA and other regions where regulatory approval has not yet been obtained.

Commercial sales have commenced in Australia during the 2025 financial year and are expected to increase substantially as sales activity progresses.

The recoverable amount of the cash generating unit (CGU) was estimated to be higher than its carrying amount by $11.7 million and no impairment was required. The recoverable amount of the development costs is based on fair value less cost of disposal. The fair value less cost of disposal was estimated using a five-year discounted cash flow model. The fair value measurement for the impairment assessment has been categorised as Level 3 fair value based on the inputs to the valuation technique used.

Note 11. Intangible assets (continued)

Key assumptions		**2024**
Long term growth rate[1]		3.0%
Post tax discount rate[2]		25.0%
Annual scan volume growth rate[3]	- year 2	222.0%
	- year 3	126.0%
	- year 4	73.0%
	- year 5	66.0%
Price per scan growth rate[4]	- year 2	169.0%
	- year 3	0.5%
	- year 4	1.5%
	- year 5	2.2%

(1) The long term growth rate is based on Australian government forecast rates.
(2) The discount rate has been based on commonly accepted guidance for the valuation of startup companies and an independently prepared market research report. To factor in the uncertainty arising from the absence of sales history, a risk premium has been factored into estimating the discount rate. The reduction in the discount rate in 2024 reflects that Artrya has entered into commercial agreements for the Salix Coronary Artery product during the financial year.
(3) The annual scan volume growth rate results from the forecast increase in customer demand for the Salix Coronary Anatomy product from an assumed minimum of 17,500 scans forecast for the 2025 financial year.
(4) The price per scan growth rate is based on the increase in the forecast average price per scan for the Salix Coronary Anatomy Class I product.

Sensitivity analysis has been undertaken on key assumptions of the model. Based on the range and depth of sensitivities applied, no reasonable change in assumptions would result in an impairment. The impact of the sensitivity analysis on impairment is summarised below.

Sensitivity Scenario for Key Assumptions	**Change %**	**Impact on recoverable amount – increase/(decrease) $'000**	**Impairment $'000**
Long term growth rate (terminal value)	0.5% decrease	(441)	nil
Post tax discount rate	5.0% increase	(6,029)	nil
Post tax discount rate	5.0% decrease	10,129	nil
Annual scan volumes	25.0% decrease	(8,419)	nil
Average price per scan	10.0% decrease	(3,809)	nil

On 21 June 2023, the intangible asset became available for use. In accordance with the Company's accounting policy, addition of costs to the asset ceased and amortisation of the asset commenced. $1,441,328 of amortisation has been recognised this year (2023: $35,878).

Note 12. Leases

The Group leases its office premises. The lease commenced in 2022 and runs for 5 years, with an option to renew and extend for a further 3 years after that date. At the lease commencement date, the group assessed that it is reasonably uncertain the option to extend will be exercised. Lease payments increase annually at the higher of CPI or 3%. The annual rent review has resulted in a remeasurement of the lease liability this year.

	Consolidated	
Right of use asset - building (office premises)	**2024 $'000**	**2023 $'000**
Balance at 1 July	511	519
Remeasurement	48	109
Amortisation	(151)	(117)
Balance at 30 June	408	511

Note 12. Leases (continued)

	Consolidated	
Amounts recognised in profit or loss	**2024 $'000**	**2023 $'000**
Interest on lease liabilities	31	58
Amortisation of right-of-use assets	151	117
Expenses relating to short-term & low-value leases	-	-
Total amount recognised	182	175

	Consolidated	
Amounts recognised in statement of cash flows	**2024 $'000**	**2023 $'000**
Repayment of lease liabilities	(311)	(265)

	Consolidated	
Lease liability	**2024 $'000**	**2023 $'000**
Current	325	275
Non-current	624	937
	949	1,212

	Consolidated	
Lease liability	**2024 $'000**	**2023 $'000**
Balance at 1 July	1,212	1,368
Lease repayments	(342)	(323)
Interest	31	58
Remeasurement of lease liability	48	109
Balance at 30 June	949	1,212

Note 13. Trade and other payables

	Consolidated	
	2024 $'000	**2023 $'000**
Current liabilities		
Trade payables	199	244
PAYG withholding payable	-	151
Other payables	718	729
	917	1,124

Refer to note 18 for further information on financial instruments.

Note 14. Employee benefits

	Consolidated	
	2024 $'000	2023 $'000
Current liabilities		
Annual leave	330	196
Non-current liabilities		
Long service leave	12	-
	342	196

	Consolidated	
	2024 $'000	2023 $'000
Employee benefits expense		
Wages & salaries	6,064	4,929
Superannuation	510	413
Payroll tax	348	249
Other expenses	71	155
	6,993	5,746

Note 15. Issued capital

	Consolidated			
	2024 $'000	2023 $'000	2024 Shares	2023 Shares
Ordinary shares - fully paid	56,448	56,435	78,703,993	78,538,993

Movements in ordinary share capital

Details	**Shares**	**$'000**
On issue at 1 July 2022	78,247,590	56,398
Exercise of options	270,000	20
Equity Settled share-based payments	21,403	17
On issue at 30 June 2023	78,538,993	56,435
Exercise of options	165,000	13
Balance 30 June 2024	78,703,993	56,448

Ordinary shares
The Group does not have authorised capital or par value in respect of its issued shares. All shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. In the event of the winding up of the Group, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

Nil ordinary shares (2023: 21,403 ordinary shares) were issued to employees under the Incentive Awards Plan.

Share buy-back
There is no current on-market share buy-back.

Note 15. Issued capital (continued)

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the Statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group does not have any externally imposed capital requirements.

The Group monitors capital on the basis of its working capital position (i.e. liquidity risk). The Group's net working capital at 30 June 2024 was $9,966,000 (30 June 2023: $22,114,000).

Note 16. Reserves

	Consolidated	
	2024 $'000	2023 $'000
Share-based payments reserve	8,209	7,984
Foreign currency reserve	19	9
	8,228	7,993

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Foreign currency translation reserve
The foreign currency translation reserve contains the accumulated foreign exchange differences from the translation of the financial statements of the Group's foreign, arising when the Group's entities are consolidated.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Total $'000
Balance at 1 July 2022	6,973	5	6,978
Foreign exchange difference from the translation of Artrya USA Inc.	-	4	4
Share-based payments expense	1,011	-	1,011
Balance at 30 June 2023	**7,984**	**9**	**7,993**
Foreign exchange difference from the translation of Artrya USA Inc.	-	10	10
Share-based payments expense	225	-	225
Balance at 30 June 2024	**8,209**	**19**	**8,228**

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by KPMG, the auditor of the Company:

	Consolidated	
	2024	2023
	$	$
Audit and review of financial statements	125,000	114,419
Services other than audit and review of financial statements		
Other assurance services - grant acquittal audit	-	12,000
Taxation compliance services	40,978	33,339
Research and Development tax incentive claim - compliance services	45,000	63,702
Tax advice	10,000	4,865
	95,978	113,906
	220,978	**228,325**

Note 18. Financial instruments

Accounting classifications and fair value

The following table shows the carrying amounts of financial assets and financial liabilities. For each of these assets, the carrying amount is a reasonable approximation of fair value.

	Note	Consolidated	
		2024	2023
		$'000	$'000
Financial assets not measured at fair value			
Cash and cash equivalents	7	7,134	20,132
Trade and other receivables	8	3,874	3,072
Other investments	9	149	274
		11,157	23,478
Financial liabilities not measured at fair value			
Trade and other payables	13	917	1,124
Lease liabilities	12	949	1,212
		1,866	2,336

Financial risk management

The Group has exposure to a variety of risks arising from its use of financial instruments. This note presents information about the Group's exposure to the specific risks, and the policies and processes for measuring and managing those risks and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group has exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Note 18. Financial instruments (continued)

Credit risk
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from transactions with customers and term deposit investments with financial institutions.

The carrying amounts of financial assets represent the maximum credit exposure.

Cash and cash equivalents
The Group has cash and cash equivalents of $7,133,692 at 30 June 2024 (2023: $20,132,489) that are held with banks that are rated AA- based on S&P Global rating.

Trade and other receivables
The nature of the business activity of the Group does not yet result in trading receivables. Receivables of the Group primarily consist of the research and development tax incentive and grant income to be received as well as net GST receivable. The receivables that the Group does experience through its normal course of business are short term and the risk of no recovery of receivables is considered to be negligible.

Other investments
The Group has term deposit investments of $148,724 (2023: $274,000) in banks rated AA—based on the S&P Global rating.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities.

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the Statement of financial position.

	Carrying Amount $'000	**Total** $'000	**2 months or less** $'000	**2-12 Months** $'000	**1-5 years** $'000
30 June 2024					
Non-derivative financial liabilities					
Trade and other payables	917	917	917	-	-
Lease liabilities	949	997	58	295	644
	1,866	**1,914**	975	295	644
30 June 2023					
Non-derivative financial liabilities					
Trade and other payables	1,124	1,124	1,124	-	-
Lease liabilities	1,212	1,362	56	285	1,021
	2,336	**2,486**	1,180	285	1,021

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising any return.

The Group had no exposure to equity price risk in 2024 (2023: nil).

Note 18. Financial instruments (continued)

Exposure to currency risk
The summary quantitative data about the Group's exposure to currency risk as reported to management of the Group is as follows.

	2024 USD $'000	2023 USD $'000
Cash and cash equivalents	244	173
Trade payables	(23)	(146)
Net statement of financial position exposure	**221**	**27**

Sensitivity analysis
A reasonably possible strengthening/(weakening) of the above currencies at 30 June would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes all other variables remain constant.

	Profit or loss		Equity, net of tax	
Effect in AUD	**$'000**	**$'000**	**$'000**	**$'000**
30 June 2024				
USD (10% movement)	(22)	22	(22)	22
30 June 2023				
USD (10% movement)	(3)	3	(3)	3

Interest rate risk
At 30 June 2024, the Group was not exposed to any significant interest rate risk. There is minimal exposure to the impact of adverse changes in benchmark interest rates; the Group holds fixed-rate term deposit investments.

The Company was exposed to variable interest rate risks on cash deposits. A reasonably possible change of 50 basis points (2023: 50 basis points) in interest rates at the reporting date would have increased or decreased the loss before tax by $35,195 (2023: $99,369).

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 19. Related party transactions

Key Management Personnel compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2024 $	**2023 $**
Short-term employee benefits	840,844	1,170,408
Post-employment benefits	38,500	54,957
Long-term benefits	-	(14,575)
Share-based payments	112,815	101,149
Termination benefits	-	502,927
	992,159	1,814,866

Transactions with related parties
There were no transactions with related parties during the year (2023: $2,007).

Note 20. Share-based payments

The Group has a formal incentive award plan for the issue of options, performance rights and/or shares to employees, directors and consultants. Options, performance rights and shares are granted free of charge and are exercisable at a fixed price in accordance with the terms of the grant, subject to the achievement of vesting conditions. Options and performance rights over unissued shares are issued under the terms of the Plan at the discretion of the Board; any issued to directors are also subject to shareholder approval.

Options
(a) Number and weighted average exercise prices of share options.

	Weighted average exercise price 2024	Number of options 2024	Weighted average exercise price 2023	Number of options 2023
Outstanding at the beginning of the financial year	$1.338	21,266,752	$1.251	21,976,752
Granted during the period	$0.241	5,125,000	$1.500	2,500,000
Exercised during the period*	$0.075	(165,000)	$0.940	(270,000)
Expired/ forfeited during the period	$0.001	(6,000,000)	$0.940	(2,940,000)
Other	$1.000	2,750,000	$0.000	-
Outstanding at the end of the financial year	$1.411	22,976,752	$1.338	21,266,752
Exercisable at the end of the financial year		15,101,752		15,211,752

*The weighted average share price at the date of exercise was $0.337 (2023 $0.410).

(b) Options granted during the year
The following factors and assumptions were used to determine the fair value of unlisted options granted during the year. On 21 Nov 2023, 2,765,000 options were issued to Northeast Georgia Health Ventures (NGHV) under a commercial partnership agreement with the US-based entity. 80% of the services relating to Tranche B had been delivered by NGHV at year end and accordingly, $56,140 has been recognised in profit or loss.

On 12 Mar 2024, 1,180,000 options were issued to Tanner Health System (Tanner) under a commercial partnership agreement with the US-based entity. Tanner and Artrya estimated that none of the agreed services had been delivered by Tanner at year end and accordingly, $nil has been recognised in profit or loss.

On 10 Jun 2024, 1,180,000 options were issued to Cone Health Ventures (Cone) under a commercial partnership agreement with the US-based entity. Cone and Artrya estimated that none of the agreed services had been delivered by Cone at year end and accordingly, $nil has been recognised in profit or loss.

The terms and conditions of the agreements are as follows.

Note 20. Share-based payments (continued)

Tranche ID	Number of Options	Price	Date	Vesting Conditions
NGHV				
A	592,500	$0.215	21 Nov 2028	NGHV will provide certification to Artrya of the 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. All the above needs to be satisfied by 30 Aug 2024.
B	395,000	$0.215	21 Nov 2028	(i) NGHV working with the Northeast Georgia Health System ("System") to facilitate five one-hour meetings with Artrya 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 Artrya as requested during the product roadmap development process, prior to 30 Aug 2024 within two weeks of the request. All the above needs to be satisfied by 30 Aug 2024.
C	592,500	$0.215	21 Nov 2028	(i) NGHV working with the System to provide written feedback to Artrya 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 Artrya 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 Artrya to calibrate the CFD engine to meet predicate accuracy; and (iv) NGHV will work with the System to review and provide guidance to Artrya 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). All the above needs to be satisfied by 31 Mar 2025.
D	1,185,000	$0.215	21 Nov 2028	A Commercial Agreement is executed within 12 months of Salix receiving US Food and Drug Administration (FDA) approval and no later than 21 Nov 2028. (A Commercial Agreement is a commercial license provided by Artrya for Salix® to NGHV, NGHS and/or affiliates of NGHV that deliver health care services to patients.) (i) 395,000 options will vest and become exercisable on the execution date of the Commercial Agreement. (ii) 395,000 options will vest and become exercisable on the first anniversary of the execution date. (iii) 395,000 options will vest and become exercisable on the second anniversary of the execution date.
	2,765,000			

Note 20. Share-based payments (continued)

Tranche ID	Number of Options	Price	Date	Vesting Conditions
Tanner				
A	500,000	$0.292	12 Mar 2029	500,000 options will vest and become exercisable upon Tanner 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. All the above needs to be satisfied by 30 Aug 2024.
B	680,000	$0.292	12 Mar 2029	These options vest in 4 equal tranches on the 1st, 2nd, 3rd and 4th anniversary of the execution of the Commercial Agreement. (A Commercial Agreement is a commercial license provided by Artrya for Salix® to Tanner Health and/or affiliates of Tanner Health that deliver health care services to patients.) All the above needs to be satisfied by 12 Mar 2029.
	1,180,000			
Cone				
A	500,000	$0.250	11 Jun 2029	500,000 options will vest and become exercisable upon Tanner 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. All the above needs to be satisfied by 30 Sep 2025.
B	680,000	$0.250	11 Jun 2029	These options vest in 4 equal tranches on the 1st, 2nd, 3rd and 4th anniversary of the execution of the Commercial Agreement. (A Commercial Agreement is a commercial license provided by Artrya for Salix® to Tanner Health and/or affiliates of Tanner Health that deliver health care services to patients.) All the above needs to be satisfied by 20 May 2029.
	1,180,000			

Note 20. Share-based payments (continued)

(c) Options on issue at the balance date
The number of options outstanding over unissued ordinary shares at 30 June 2024 is 22,976,752 (2023: 21,266,752). The details of these options are as follows:

Number of Unlisted Options Outstanding	Number Vested	Exercise Price	Expiry Date
1,226,752	1,226,752	$0.075	31/12/2025
1,300,000	1,300,000	$0.056	23/09/2025
500,000	500,000	$1.000	23/04/2026
5,500,000 (i)	2,750,000	$1.000	09/07/2026
1,300,000	1,300,000	$1.350	13/01/2027
1,300,000	1,300,000	$3.500	13/01/2027
1,300,000	1,300,000	$5.000	13/01/2027
650,000	650,000	$1.350	28/03/2027
650,000	650,000	$3.500	28/03/2027
650,000	650,000	$5.000	28/03/2027
325,000	325,000	$1.350	20/06/2027
325,000	325,000	$3.500	20/06/2027
325,000	325,000	$5.000	20/06/2027
500,000	500,000	$1.500	01/07/2027
2,000,000	2,000,000	$1.500	16/02/2027
592,500 (ii)	-	$0.215	21/11/2028
395,000 (ii)	-	$0.215	21/11/2028
592,500 (ii)	-	$0.215	21/11/2028
1,185,000 (ii)	-	$0.215	21/11/2028
500,000 (iii)	-	$0.292	12/03/2029
680,000 (iii)	-	$0.292	12/03/2029
500,000 (iv)	-	$0.250	11/06/2029
680,000 (iv)	-	$0.250	11/06/2029

The vesting conditions of all outstanding options have been met except as follows.
(i) 2,750,000 options vest upon the achievement of international contracts to the value of US$10m.
(ii) The terms and conditions are defined under the NGHV section of the previous table.
(iii) The terms and conditions are defined under the Tanner section of the previous table.
(iv) The terms and conditions are defined under the Cone section of the previous table.

(d) Weighted average remaining contractual life
The weighted average remaining contractual life for the share options outstanding as at 30 June 2024 is 2.78 years (2023: 3.30 years).

Performance Rights (PRs) & Restricted Stock Units (RSUs)
(a) PRs & RSUs granted during the year
PRs and RSUs were granted to employees of the Company on 10 June 2024.

The following factors and assumptions were used to determine the fair value of unlisted PRs and RSUs granted during the year.

Note 20. Share-based payments (continued)

Grant Date	PR/RSU	PR/RSU Life	Pricing Model	Fair value	Share price barrier	Price of shares on grant date	Expected volatility (vii)	Risk free interest rate	Dividend yield
650,000 (i) 10/07/2024	PR	5 years	Trinomial	$0.220	$0.75	$0.255	105%	3.94%	0%
650,000 (ii) 10/07/2024	PR	5 years	Trinomial	$0.190	$1.35	$0.255	105%	3.94%	0%
262,856 (i) 10/07/2024	RSU	4 years	Trinomial	$0.208	$0.75	$0.255	105%	3.94%	0%
262,856 (ii) 10/07/2024	RSU	4 years	Trinomial	$0.171	$1.35	$0.255	105%	3.94%	0%
50,000 (iii) 10/07/2024	RSU	4 years	Binomial	$0.255	n/a	$0.255	105%	3.94%	0%
175,000 (iv) 10/07/2024	RSU	4 years	Binomial	$0.255	n/a	$0.255	105%	3.94%	0%
412,856 (v) 10/07/2024	RSU	4 years	Binomial	$0.255	n/a	$0.255	105%	3.94%	0%
45,952 (vi) 10/07/2024	RSU	4 years	Binomial	$0.255	n/a	$0.255	105%	3.94%	0%

(i) The PRs/RSUs vest on the Company's share price of $0.75 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.
(ii) The PRs/RSUs vest on the Company's share price of $1.35 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.
(iii) The RSUs vest on successful completion of the 2023 510(k) Q-Sub meeting and accepting this offer by 24 June 2024.
(iv) The RSUs vest within one month of FDA approval of the minutes of a Q-Sub meeting to be held prior to the Salix 510(k) submission.
(v) The RSUs vest upon FDA approval of the Salix 510(k) product.
(vi) The RSUs vest upon delivery of the clinical and Human Factors Engineering study data and analyses for the Salix 510(k) application.
(vii) Expected volatility was based on the historical volatility of comparable companies and estimates by option valuation experts.

(b) PRs & RSUs on issue at the balance date

Number of PRs Outstanding	Number Vested	Expiry Date
568,816 (i)	-	30/06/2027
1,000,000 (ii)	-	28/03/2028
1,000,000 (iii)	-	28/03/2028
1,000,000 (iv)	-	28/03/2028
650,000 (ii)	-	10/06/2029
650,000 (iii)	-	10/06/2029

(i) The rights vest when the Company achieves a market capitalisation of $350 million by 30 June 2025.
(ii) The rights vest on the Company's share price of $0.75 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.
(iii) The rights vest on the Company's share price of $1.35 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.
(iv) The rights vest on the Company's share price of $2.50 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.

Note 20. Share-based payments (continued)

Number of RSUs Outstanding	Number Vested	Expiry Date
262,856 (i)	-	10/06/2028
262,856 (ii)	-	10/06/2028
50,000 (iii)	50,000	10/06/2028
175,000 (iv)	-	10/06/2028
412,856 (v)	-	10/06/2028
45,952 (vi)	-	10/06/2028

(i) The rights vest on the Company's share price of $0.75 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.
(ii) The rights vest on the Company's share price of $1.35 being maintained for five consecutive trading days based on the ASX closing share price for the Company's shares and remaining employed by the Company.
(iii) The RSUs vest on successful completion of the 2023 510(k) Q-Sub meeting and accepting this offer by 24 June 2024.
(iv) The RSUs vest within one month of FDA approval of the minutes of a Q-Sub meeting to be held prior to the Salix 510(k) submission.
(v) The RSUs vest upon FDA approval of the Salix 510(k) product.
(vi) The RSUs vest upon delivery of the clinical and Human Factors Engineering study data and analyses for the Salix 510(k) application.

Shares
(a) Shares granted during the year
Nil shares were granted to employees during the year (2023: 4,113 shares, value of $3,000 and escrow period of 3 years).

Note 21. Earnings per share

	2024	2023
	Cents	**Cents**
Basic earnings per share	(17.80)	(14.21)
Diluted earnings per share	(17.80)	(14.21)

	Consolidated	
	2024 $'000	**2023 $'000**
Loss after income tax attributable to the owners of Artrya Limited	(14,000)	(11,136)

	2024	2023
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	78,642,982	78,381,166
Weighted average number of ordinary shares used in calculating diluted earnings per share	78,642,982	78,381,166

As at 30 June 2024, 22,976,752 options, 5,437,632 performance rights and 1,209,520 restricted stock units were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive. Accordingly, diluted earnings per share are the same as the basic earnings per share. The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options and performance rights was based on quoted market prices for the year during which the options and performance rights were outstanding.

Note 22. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 3:

Subsidiaries:	Place of Incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Artrya Global Pty Ltd	Australia	100%	100%
Artrya USA Inc.	USA	100%	100%
Artrya UK Limited (incorporated 16 September 2022)	UK	100%	100%

Note 23. Parent entity disclosure

Statement of financial position

	Parent 2024 $'000	Parent 2023 $'000
Total current assets	11,136	23,450
Total non-current assets	7,759	9,664
Total assets	**18,895**	**33,114**
Total current liabilities	1,538	1,588
Total non-current liabilities	636	937
Total liabilities	**2,174**	**2,525**
Net assets	**16,721**	**30,589**
Equity		
Issued capital	56,448	56,435
Share-based payments reserve	8,209	7,984
Accumulated losses	(47,936)	(33,830)
Total equity	**16,721**	**30,589**

Statement of profit or loss and other comprehensive income

	Parent 2024 $'000	Parent 2023 $'000
Loss for the year	**(14,106)**	**(11,094)**
Other comprehensive income for the year, net of tax	**-**	**-**
Total comprehensive loss for the year	**(14,106)**	**(11,094)**

The contingencies and commitments of the Parent are that of the Group, which are disclosed at note 25 and note 26.

Note 24. Operating segments

The Group manages its operations as a single business operation and there are no parts of the Group that qualify as operating segments under AASB 8 *Operating Segments*. The board of directors (Chief Operating Decision Maker or “CODM") assess the financial performance of the Group on an integrated basis only and accordingly, the Group is managed on the basis of a single segment, being the development of AI-driven CCTA image analysis technology. Information presented to the CODM on a monthly basis is categorised by type of expenditure.

Note 25. Contingent liabilities

In the opinion of management, the Group did not have any contingencies at 30 June 2024 (2023: none).

Note 26. Commitments

In the opinion of management, the Group did not have any commitments at 30 June 2024 (2023: none).

Note 27. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Artrya Limited
Consolidated entity disclosure statement
As at 30 June 2024

Entity name	Entity type	Place formed or incorporated	% of share capial held	Australian or foreign tax resident	Foreign jurisdiction
Artrya Limited (the Company)	Body corporate	Australia	n/a	Australian	n/a
Artrya USA Inc	Body corporate	USA	100%	Foreign	USA
Artrya Global Pty Ltd	Body corporate	Australia	100%	Australian	n/a
Artrya UK Limited	Body corporate	UK	100%	Australian[1]	n/a

Key assumptions and judgements

Determination of Tax Residency
Section 295(3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in *Tax Ruling TR 2018/5*.

Foreign tax residency
The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

[1]Artrya UK Limited is classified as an Australian tax resident under the Income Tax Assessment Act 1997 as it is dormant, but is a tax resident of the United Kingdom under the laws of the UK.

1. In the opinion of the directors of Artrya Limited and its subsidiaries, (the “Group”):

(a) the consolidated financial statements and notes that are set out on pages 18 to 50 are in accordance with the *Corporations Act 2001*; including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of it performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*;

(b) the Consolidated Entity Disclosure Statement as at 30 June 2024 set out on page 51 is true and correct; and

(c) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.

3. The directors draw attention to Note 2 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors.

Bernie Ridgeway
Non-Executive Chair

29 August 2024
Perth

Independent Auditor's Report

To the shareholders of Artrya Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Artrya Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Statement of financial position as at 30 June 2024;
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Material Uncertainty Related to Going Concern

We draw attention to Note 2 Going concern in the Financial Statements. The conditions disclosed in Note 2 Going concern, indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Financial Statements. Our opinion is not modified in respect of this matter.

In concluding there is a material uncertainty related to going concern, we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. This included:

- Analysing the cash flow projections by:
  - Evaluating the underlying data used to generate the projections for consistency with other information tested by us, our understanding of the Group's intentions, and past results and practices;
  - Assessing the planned levels of operating cash inflows and outflows for feasibility, timing, consistency of relationships and trend to the Group's historical results, results since year end and our understanding of the business, industry and economic conditions of the Group;
- Assessing significant non-routine forecast cash inflows for feasibility, quantum and timing. We used our knowledge of the client, its industry and current status of those initiatives to assess the level of associated uncertainty; and
- Evaluating the Group's going concern disclosures in the financial report by comparing them to our understanding of the matter, the events or conditions incorporated into the cash flow projection assessment, the Group's plans to address those events or conditions, and accounting standard requirements. We specifically focused on the principal matters giving rise to the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the Key Audit Matter.

Carrying value of intangible asset (AUD 5.73 million)

Refer to Note 11 to the Financial Report

The key audit matter

The Group has $5.73 million of intangible assets.

The accounting standards require the intangible asset to be assessed by the Group for impairment. The impairment assessment has been undertaken by the Group using a Fair Value Less Cost of Disposal (FVLCD) model.

The assessment of impairment was a key audit matter because it involved significant judgement in evaluating the assumptions used by the Group in their FVLCD model.

The key judgements we focused on included:

- The discount rate used in the FVLCD model which is complicated in nature. We involved our valuation specialists to assist in the assessment of the discount rate.
- Forecast cash flows, including annual scan volume growth rate and price per scan growth rate, for FY 2025 to FY 2029.
- Terminal growth rate used in the FVLCD model. We involved our valuation specialists to assist in the assessment of the terminal growth rate.

The Group uses a manually developed model for the impairment assessment, including cost allocation, which tend to be prone to greater risk of error and inconsistent application. This necessitated additional scrutiny by us.

We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.

How the matter was addressed in our audit

Our procedures included:

- Working with our valuation specialists, we evaluated the appropriateness of the fair value less costs of disposal method applied by the Group to perform the impairment assessment against the requirements of the accounting standards.
- Challenging the forecasts, assumptions, and the objectivity on which the assumptions are based by:
  - assessing the revenue forecast and growth in the FVLCD model using publicly available information for comparable services, inquiring with the Group to understand the growth drivers, sourcing key reports of demand for companion medical services for comparison to the Group's revenue expectations, assessing information regarding pricing opportunities gained by the Group from commercial agreements, and using our knowledge of the Group's business.
  - assessing the completeness of the costs included therein against our understanding of the requirements of the FVLCD method and the accounting standards; and,
  - assessing a sample of forecast salary costs, as the main component of forecast capital expenditure, to underlying sources such as employee contracts.
- Assessing the Group's methodology and documentation for the allocation of corporate costs to the forecast cash flows contained in the FVLCD model, for consistency with our understanding of the business and the criteria in the accounting standards.
- Assessing the Group's allocation of corporate assets for reasonableness and consistency based on the requirements of the accounting standards.
- Working with our valuation specialists, we analysed the Group's discount rate and terminal growth rate against publicly available data.
- Considering the sensitivity of the FVLCD model by varying key assumptions, such as the discount rate, annual scan volumes, average price per scan and terminal growth rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or

	inconsistency in application and to focus our further procedures. • We compared the Company's market capitalisation to the Group's fair value calculation used in the FVLCD model. • Assessing the disclosures in the financial report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Artrya Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report. The Letter from the Chair, CEO's Letter, Board of Directors and Chief Executive Officer listing, Corporate Directory and Other Shareholder Information are expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- Preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*;
- Implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error; and
- Assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

KPMG

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- To obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- To issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Artrya Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 6 to 14 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

John Ward

John Ward

Partner

Perth

29 August 2024