

ECHO IQ LIMITED / ASX:EIQ

# QUARTERLY REPORT

TO 31 MARCH 2024

Echo **IQ**

[WWW.ECHOIQ.AI](http://WWW.ECHOIQ.AI)

# ASX RELEASE

**31 MARCH 2024  
QUARTERLY REPORT**

Echo IQ uses artificial intelligence proven to enhance detection of structural heart disease.

## DIRECTORS

Andrew Grover / Executive Chair  
Steve Formica / Non-Executive Director  
Steve Picton / Non-Executive Director  
Simon Tolhurst / Non-Executive Director

Jessamyn Lyons / Company Secretary

## CORPORATE

### ISSUED CAPITAL

(As at 31 March 2024)

495,154,376 Ordinary Shares  
158,000,000 Unlisted Options  
2,250,000 Performance Rights

### SHAREHOLDERS

1,502 Shareholders  
Top 20 Shareholders hold 49%

### CASH BALANCE

As at 31 March 2024,  
Echo IQ held \$1.677M in cash  
(and cash equivalents).

### CONTACT

investors@echoiq.ai

## CHAIRMAN'S COMMENTARY

Echo IQ has delivered another quarter of strong progress, and I am pleased to share this positive update and outlook.

Our US reader study has now been completed and we expect our formal FDA 501(k) application to be lodged in the next two weeks. This is an extremely important milestone in Echo IQ's development, and I pay tribute to the team for getting us to this stage.

Now that our product development around Aortic Stenosis is largely complete, we are turning our attention to Heart Failure. This is the world's largest cause of hospitalisation in the over 65's, and the biggest cause of re-hospitalisation overall. The health economics of this condition create significant commercial opportunities for us. Our plans to validate our promising new algorithm are well-advanced and I look forward to updating shareholders further in due course.

Earlier this quarter, we announced a commercial licensing agreement with Respiro (ASX:RSH). This is a highly promising partnership and our teams have been collaborating well. This will develop even further when two members of our executive team travel to the US to support joint commercialisation of this licensing agreement in key channels.

The Company remains well funded and held \$1.677M cash and equivalents at bank at the end of the reporting period, and this is expected to be bolstered with the receipt of funds in excess of \$2m from ongoing options conversions prior to June 2024.

**Andrew Grover**

Chairman, Echo IQ

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## HIGHLIGHTS

The period 1 January 2024 to 31 March 2024 included a number of significant activities demonstrating strong progress towards the Company's strategic objectives.

- 1 New licensing agreement with Respiro (ASX:RSH) in US Remote Patient Monitoring sector.
- 2 Completion of US Reader Study.
- 3 Introduction of EchoSolv(TM) solution for the identification of guideline-definted Heart Failure.
- 4 US Commercial market seeding progressing well.

## LICENSING AGREEMENT WITH RESPIRI (ASX:RSH)

In January 2024, Echo IQ announced a commercial licensing agreement with Respiri Ltd (ASX:RSH). This agreement seeks to integrate Echo IQ's AI-driven EchoSolv(TM) cardiovascular decision support into Respiri's remote patient monitoring platform which is extensively utilised within the US Accountable Care Organisation (ACO) sector. Our respective teams have been working closely together to create value from this opportunity and two members of Echo IQ's executive team will be heading to the US this quarter to support joint commercialisation of this licensing agreement in key channels.



## MANAGEMENT UPDATE

Echo IQ has been conducting a search for an executive leader to join the Company in the newly created role of CEO. This appointment has been identified by the Board as strategically significant as we scale-up and ready ourselves for commercial acceleration pending FDA clearance for our first AI solution for Aortic Stenosis.

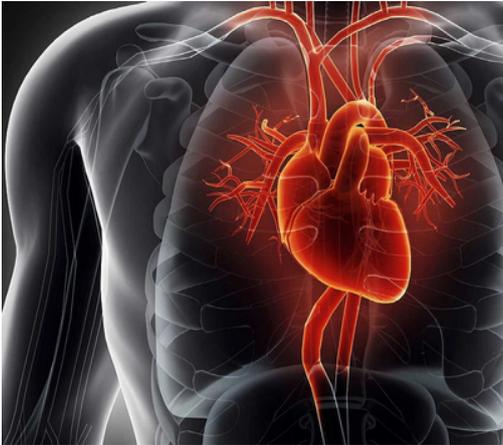
An appointment in the last quarter did not develop as both parties had hoped and Mr. Andrew Grover has returned to the role of Executive Chair - a position he has held for more than three years, since Echo IQ's inception - while we continue our search. Our strategic vision remains clearly defined and our plans are being executed with purpose and direction, and without delay.

## US READER STUDY AND FDA CLEARANCE

As announced 27 March 2024, our US reader study has now been completed. This was the final significant milestone to be achieved prior to submission of our formal FDA 501(k) application which we expect to be lodged in the next fortnight.

The FDA communicates standard response timeframes as being 100 days from submission of final application. Securing FDA clearance is an important strategic and commercial step that will help drive a more complete roll-out of Echo IQ's artificial intelligence for cardiovascular decision-support. We expect to share further details of the commercialisation roadmap in the weeks ahead.

## PRODUCT DEVELOPMENT: NOW ALSO ADDRESSING HEART FAILURE



Heart Failure is a common condition affecting more than 60 million people worldwide. This condition is the leading cause of hospitalisation in people over 65 and associated healthcare costs are estimated to exceed US\$70 billion in the US alone, by 2030.

As announced 28 February 2024, the Company has initiated a project to expand EchoSolv(TM)'s capabilities to address Heart Failure and deliver additional value to customers. In February 2024, the Company incorporated new capabilities within its decision support platform, EchoSolv(TM) that identifies guideline-defined Heart Failure. A new algorithm for Heart Failure (that assesses risk for all patients evaluated via echocardiography) has been lodged for patent protection. The Company will be proceeding with an independent clinical validation study with a leading Australian research institution to assess the operational characteristics of the algorithm to detect heart failure and its progression. The Company then plans to undertake a US clinical validation study prior to an FDA application. The Company expects the Australian study to commence in the next month (with completion around August 2024). Assuming a successful outcome, the Company intends to initiate a US trial shortly thereafter.

## COMMERCIAL UPDATE

Commercial applications of Echo IQ's technology are expected to gather pace in 2024. The first stage of the pilot with Australia's largest cardiology provider has been completed and, assuming a positive evaluation, the two parties will enter into commercial discussions for the national roll-out of EchoSolv. The distribution agreement with Hydrix Medical (a subsidiary of Hydrix Limited (ASX:HYD)) in May 2023 is maturing well. Sales activities continue with several promising opportunities that have progressed.

In the US, the world's largest healthcare market, Echo IQ's distribution partnership with Cassling Diagnostic Imaging Incorporated ("Cassling") is also progressing well. Cassling recently added EchoSolv to its market-leading product portfolio, and in February, forty-two sales and business development representatives were trained to sell EchoSolv(TM). Many of Cassling's customers (Hospitals, Specialty Care facilities, and Outpatient Centres) are prospective targets for EchoSolv(TM) and we anticipate commercial sales to materialise in the fourth quarter of CY2024. Initial feedback from a pilot with a leading US hospital group has been positive, which augurs well for increased commercial traction in the months ahead.

# CORPORATE

## 31 MARCH 2024 QUARTERLY REPORT

In accordance with the ASX Listing Rules, the Company has also lodged its cashflow report for the three-month period ended 31 March 2024.

The Company held total cash and cash equivalents of \$1.677M as at 31 March 2024. During the quarter, the Company received a tax refund of \$1,267,655.44 (largely comprising R+D tax credits). The Company also received \$25,000 upon the exercise of options expiring May 2024.

As also outlined in the attached Appendix 4C (section 6), during the quarter \$120,000 in payments were made to related parties and their associates for director salaries, fees, superannuation and other related costs. The Company did not, in this quarter, issue any of the deferred milestone performance shares linked to the purchase of Alerte Echo IQ Pty Ltd (being 15,000,000 upon Echo IQ achieving US\$5 million in revenue within 3 years linked to a leading artificial valve manufacturer, and 20,000,000 upon Echo IQ achieving US\$10 million in revenue within 3 years).

### JUNE 2024 QUARTER OUTLOOK

Echo IQ's focus for the current quarter is to:

- Submit final application for FDA 510(k) clearance.
- Advance plans for application of reimbursement codes in US insurance market.
- Support Respi in developing commercial applications for Echo IQ's technology in the US Remote Patient Monitoring sector.
- Maintain focus on converting sales pipeline into commercial agreements.
- Advance clinical validation of Heart Failure AI-algorithm.

Authorised for release by the Board of Directors of Echo IQ Limited