

ASX: EIQ RELEASE

JANUARY 24, 2022

QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C DECEMBER 2021

Highlights

- **Echo IQ announced and commenced a strategic re-alignment to focus on priority areas in medical technology**
- **Company re-branded as Echo IQ (ASX:EIQ) as approved by shareholders at the Annual General Meeting on 29 November 2021**
- **Maiden clinical study for Echo IQ technology commenced at St. Vincent's Hospital Sydney**
- **Echo IQ extended agreement with National Echo Database of Australia (NEDA) for exclusive commercial access to new and additional cardiac health data**
- **Leadership team strengthened with appointment of experienced MedTech and US market professionals**
- **Company developing new licensing agreements for Intelfuze software**
- **Prometheus unit sees new product innovation and increased customer uptake for business analytics solutions**

Sydney: AI and Medical Technology company Echo IQ (the Company) (ASX:EIQ) is pleased to provide this overview of corporate and operational progress for the three-month period ended 31 December 2021.

Strategic Prioritisation and Streamlined Structure

As announced on 20 October 2021, the Company's business structure was adjusted to maximise the delivery of corporate priorities and key focus areas:

1. Echo IQ remains focussed on the design and implementation of disruptive new cardiac-diagnostic technologies, powered by big data and artificial intelligence. The development of a portfolio of solutions, addressing aortic stenosis and other forms of

structural heart disease has been prioritised, as has a global commercial focus, with the US an early and significant market to be addressed.

2. The Company's Prometheus business unit will see product enhancements fast-tracked with an emphasis on predictive analytics in customer, provider and business-operating decision making. The Company intends to support and further develop its current customer base in this sector which already comprises 17 health funds.
3. The Company's proprietary augmented intelligence software Intelfuze will be deployed to maximise the predictive capability and power of Echo IQ and Prometheus, as well as the defence and intelligence organisations already well-suited to use of the software's core capabilities.

Echo IQ re-brand and name change from Houston We Have to Echo IQ

As announced on 6 December 2021, the company completed its name change and rebrand from Houston We Have to Echo IQ. The change was approved by shareholders at the Annual General Meeting (AGM) held on 29 November 2021 and is designed to support the recently announced corporate focus on health and medical technology. In addition to the re-naming of the Company's parent entity to Echo IQ Limited, the new Australian Securities Exchange (ASX) code was confirmed as EIQ. A new website www.echoiq.ai has also been introduced.

Corporate Leadership and Board Updates

On 20 October 2021, the Company confirmed updates to its Corporate Leadership team and Board of Directors. Executive Chairman Andrew Grover, who has been spearheading the Company's integration and development of Echo IQ became interim Managing Director. Mr. Steve Picton was appointed to the Board of Directors on 20 October 2021, with formal re-election passed by shareholders at the Annual General Meeting held on 29 November 2021, in line with the Company's constitution.

Philip Woolff became Chief Operating Officer, responsible for operations, as well as marketing and communications. Seán Bryceland, Chief Technology Officer, leads the Prometheus product development plan, as well as the technology roadmap (and associated infrastructure) across the group. Rakesh Patel, as Technical Director (MedTech Product Development), continues to lead the Echo IQ product technology pipeline. Jackie McAvenna is Chief Financial Officer and is responsible for all financial management and reporting.

The Company has also made appointments that further enhance its leadership team. A dedicated global commercial lead with 20 years' experience in medical devices, the US health sciences market and AI-driven MedTech will be joining Echo IQ. The team will also be joined by an international regulatory affairs expert with significant experience in software and medical device regulatory pathways and strategy. These strategic appointments increase our readiness for the next stage of our journey to commercialisation.

The Echo IQ medical advisory team includes Professors David Playford and Geoff Strange, both highly respected cardiologists with a record of innovation and published research.

Maiden Clinical Studies

As announced on 13 October 2021, the Company updated the market with information of its first hospital-based clinical study, being conducted in conjunction with the National Echo Database of Australia (NEDA) to confirm the performance of Echo IQ's Enhanced Screening Program (ESP) for Aortic Stenosis in detecting the "at-risk" phenotype of severe aortic stenosis in real world patient datasets.

The trial is being led by Professor Michael Feneley AM, MD FRACP FCSANZ FACC, Director of Cardiology at St. Vincent's, specialising in echocardiography and valvular heart disease. This study is a retrospective observational and evaluation study, and has two main objectives:

1. To evaluate the performance of Echo IQ's AI-based Enhanced Screening Program (ESP) technology in identifying patients in de-novo echocardiographic databases who are "at-risk" of mortality.
2. To determine the number and proportion of additional patients, compared to standard image evaluation, that might benefit from being identified as "at-risk" of mortality when Echo IQ's ESP is applied.

Furthermore, the study aims to identify the clinical characteristics of the additional proportion of patients identified by Echo IQ's ESP as being "at-risk" of mortality – individuals who might not traditionally have been identified for further consideration using established guidelines.

Echo IQ investment in additional health data with NEDA agreement extension

Also announced on 20 October 2021, the Company entered a new agreement with National Echo Database of Australia (NEDA) where Echo IQ will be given 7 years' exclusive access (with an option for a further 10 years) to novel de-identified health data from selected participating laboratories, to enhance the echo data access agreement in place for commercial purposes.

Echo IQ has gained access to additional health-related information, beyond the echocardiogram measurements shared under the previous agreement between NEDA and Echo IQ. This additional information is expected to aid in the development of planned new product suites beyond those for aortic stenosis already developed by the Company. This enhanced data is also anticipated to support early detection and risk profiling of heart disease more broadly.

Quarterly Financial Summary

Cash receipts for the quarter totalled \$309,000. Whilst operating cash flow was affected by one-time costs associated with the Company's strategic re-alignment, cash flows from investing activities were affected by the strategic investment in enhanced NEDA data access. Furthermore, a number of cost items are expected to be eligible for tax offset under the government's Research & Development tax incentive program.

The company maintains a strong financial position with \$2.519 million cash at bank and is well placed to pursue identified growth initiatives within the business. The December quarter saw 375,000 options exercised. Furthermore, the Company may see a significant number of the 37,050,000 previously issued (\$0.03, \$0.04 and \$0.05) options exercised which could produce up to \$1.467M in cash inflows should they be exercised prior to 30 June 2022. An amount of \$140,000 was paid to related parties during the period as disclosed in the annexed Appendix 4C. This amount includes director salaries, fees and superannuation, inclusive of GST.

Management Commentary

Executive Chair Andrew Grover said: “This quarter saw a significant steps towards a transformed business, focused very clearly on the cardiac diagnostic MedTech arena. Our re-naming to Echo IQ is a clear indication of the emphasis on and confidence we have in this exciting sector. Our Enhanced Screening Program for Aortic Stenosis is already undergoing clinical study at St. Vincent’s Hospital in Sydney, with a second site expected to commence shortly.

We are excited to have made new appointments to the team and will be joined by an international commercial leader with direct experience in the US MedTech sector as well as an expert in regulatory affairs and strategy. Additions to our data science team have accelerated further progress towards a full solutions suite in the cardiac diagnostics arena.

Beyond cardiac diagnostics, Echo IQ is also entering into two licensing agreements that will see Intelfuze promoted and supported in specific sectors and markets. The Company’s Prometheus for health funds solution has seen a number of advances in the quarter. Prometheus secured its first SAAS license arrangement, added a significant new customer, and saw increased uptake for its APPRAISE solution. A new cloud-based product, the Prometheus Insight Platform is also under development.

- ENDS -

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

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ABOUT ECHO IQ

Echo IQ uses AI-driven technology and proprietary software to improve decision making in Cardiology, Health Insurance and Defence. The company is based in Sydney, Australia.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Houston We Have Limited

ABN

48 142 901 353

Quarter ended ("current quarter")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	309	657
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(638)	(1,269)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(126)	(232)
(f) administration and corporate costs	(202)	(290)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	53
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(656)	(1,081)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(15)	(15)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) Extending agreement with National Echo Database Australia	(358)	(358)
2.6	Net cash from / (used in) investing activities	(373)	(373)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	20	160
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	20	160

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,528	3,812
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(656)	(1,081)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(373)	(373)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	20	160
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,519	2,519

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,519	3,528
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,519	3,528

6. Payments to related parties of the entity and their associates

6.1 Aggregate amount of payments to related parties and their associates included in item 1

6.2 Aggregate amount of payments to related parties and their associates included in item 2

Includes director salaries, fees and superannuation, inclusive of GST.

Current quarter \$A'000
(140)
-

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	(40)	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	(40)	-

7.5 **Unused financing facilities available at quarter end** 40

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

HWH Software Pty Ltd ANZ overdraft

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(656)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,519
8.3 Unused finance facilities available at quarter end (Item 7.5)	40
8.4 Total available funding (Item 8.2 + Item 8.3)	2,559
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: *not applicable*

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: *not applicable*

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: *not applicable*

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 January 2022

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.