



ASX: EIQ RELEASE

1 February, 2023

**AMENDMENT TO QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C
DECEMBER 2022**

Sydney: AI and Medical Technology company Echo IQ (the Company) (ASX:EIQ) provides an amended Quarterly Activities Report and Appendix 4C to the announcement originally released on the ASX on 25 January, 2023.

In line with ASX Listing Rule 4.7C.3 the amendment includes an update to page 3 of the activities report to include a description of payments made to related parties during the period as disclosed in the Appendix 4C. Furthermore, the appendix 4C has been updated onto the most recent ASX template.

No further updates have been made to the Quarterly Activities Report and Appendix 4C which are attached in full to this release.

- 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. The company is based in Sydney, Australia.

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**QUARTERLY ACTIVITIES REPORT AND APPENDIX 4C
DECEMBER 2022**

Highlights:

- **Echo IQ achieved further significant progress towards US commercialisation**
- **Company selected for prestigious US HeartX accelerator program**
- **Positive results from Harvard's Beth Israel Deaconess Medical Center clinical study**
- **\$3.5M capital raised to provide future financial flexibility**
- **EchoSolv launched for commercial use**
- **Positive interim results from St. Vincent's clinical study**

Management Commentary

Executive Chair Andrew Grover said: "Echo IQ achieved a number of important milestones in the latest quarter. The completion of a \$3.5m capital raise ensures the company is financially positioned to fund its push into commercial operations in 2023. Our maiden solution EchoSolv™ is now customer-ready and we have already achieved Soc2 Type 2 certification, in addition to HIPAA compliance, meaning customers can use our product confident in its data security infrastructure.

However, it is the results from two separate clinical studies, both released during the quarter, that will give prospective customers the most powerful assurances of the potential impact of EchoSolv™. The study conducted at Harvard Medical School's Beth Israel Deaconess Medical Center study showed that EchoSolv™, our recently launched cloud-based solution, successfully identified a significant proportion of untreated aortic stenosis patients falling within current treatment guidelines as well as a similarly sized group of patients at similar high risk of mortality. Interim results from St. Vincent's Hospital further demonstrated that EchoSolv™ identified 100% of patients with guideline-defined Severe Aortic Stenosis, where 45% of the patients had not been reported with this severity of disease.

Echo IQ is moving ever-closer to the commercial introduction of its solution for retrospective and real-time identification of guideline-defined severe aortic stenosis and steady progress being made towards FDA certification of its ai-backed phenotype solution, expected Q3 2023."

BIMDC Clinical Study

In December, 2022 it was announced that Echo IQ achieved clear and positive results from its clinical effectiveness and validation study conducted at Beth Israel Deaconess Medical Center ("BIDMC"), a world-class teaching hospital of Harvard Medical School. These results, the first for Echo IQ from the important US market, showed that EchoSolv™ rapidly and clearly identified patients meeting guideline-defined severe aortic stenosis. The technology was also able to identify a further cohort of patients, similar in size, having a substantially increased risk of death from the disease despite not meeting current treatment guidelines.

Principal Investigator, Harvard Assistant Professor, and Director of the BIDMC Echocardiography Laboratory, Dr. Jordan B. Strom said: “EchoSolv™ worked extremely well to identify individuals with severe aortic stenosis, despite needing minimal data inputs, suggesting its potential utility as a triage tool to identify patients at-risk and not-at-risk. Using EchoSolv™ in clinical practice could make a huge difference in our ability to identify those individuals who need timely evaluation.”

St. Vincent’s Clinical Study

Also in December, 2022, the Company announced positive interim results from a clinical study conducted at St. Vincent’s Hospital, Melbourne. EchoSolv™ successfully identified 100% of patients with Severe Aortic Stenosis within current clinical guidelines. It also identified an additional group of patients at significantly increased risk of Severe Aortic Stenosis.

Most importantly, these results also demonstrated the ability of EchoSolv™ to add value to clinical practice as 45% of patients with guideline-severe AS identified by EchoSolv™ had not been reported as having guideline-severe AS by the cardiologist.

EchoSolv™ Launch

The Company announced the commercial availability of EchoSolv™, its cloud-based enhanced screening program for structural heart disease, commencing with aortic stenosis, to the US cardiology sector. The name EchoSolv™ has been chosen to reflect the importance of identifying patients at risk of structural heart disease, and the vital role that analysis of echocardiograms plays in meeting that challenge. The EchoSolv™ software platform is designed to support clinicians and physicians in identifying patients with guideline-defined aortic stenosis in the first instance. EchoSolv™ is designed to ensure patients who would benefit from treatment or further clinical review are accurately identified.

US Market Development

Echo IQ continues its active engagement in the US cardiology market. In October 2022 the Company announced that it had been selected for inclusion in the coveted HeartX Accelerator, a cardiovascular-focussed healthcare accelerator that helps fast-track deployment of new cardiovascular innovations. This program, powered by HealthTech Arkansas and MedAxiom selects only 5 companies each year, from the several hundred that apply.

Echo IQ was one of only 9 companies invited to participate in the Texas Medical Centre Innovations (TMC) Bootcamp in November 2022. For a number of companies seeking to take up residency at TMC for a period of time, help can be made available by TMC in a number of areas including regulatory advice, investment and go-to-market guidance. Whilst Echo IQ did not continue to the final stage, being at a more advanced stage of development than the companies typically supported, TMC has facilitated a number of introductions for Echo IQ with prospective commercial sites, where discussions are currently underway.

The Company has also appointed a new VP Marketing, based in Texas, USA. Elizabeth Jennings brings extensive experience in the international commercialisation of new healthcare technologies with deep expertise in strategic marketing. Elizabeth will be working closely with the commercial team to support increased engagement with prospective customers.

FDA Update

Echo IQ remains on-track with its FDA certification strategy. The Company conducted its pre-submission meeting with the FDA during the quarter where we had an opportunity to outline the basis of our regulatory strategy for EchoSolv-AS (for aortic stenosis) for market clearance in the US. This meeting re-confirmed our confidence in the approach being taken and allows us to proceed with the final clinical investigation needed to complete our final submission. This is expected to be completed in H1 2023 with a positive result anticipated shortly thereafter.

Market and Product Pipeline

The Company continues to develop its suite of solutions across a number of structural heart diseases to be incorporated into EchoSolv™ in the future. By leveraging its exclusive access to cardiac big data, Echo IQ has a number of new solutions in development.

The Company is also exploring selected commercial engagements outside the US, most notably in Australia and Asia.

Quarterly Financial Summary

The Company completed a capital raising of \$3.5m during the quarter. This, coupled with careful management of the Company cost-base resulted in Echo IQ finishing the quarter in a strong financial position, and able to deliver against its strategic priorities, with \$3.536m cash on hand. In the next 6 months, the Company expects its financial position to be positively impacted by the commencement of commercial revenues from EchoSolv™ as well as Research and Development grants and the exercising of up to \$3 million in \$0.08 options expiring at the end of June 2023.

Cash used in operating activities for the quarter was affected by nearly \$500,000 in one-time or non-ongoing expenses. These included costs associated with the capital raise completed during the quarter, a scheduled payment for additional data access from NEDA and enhanced cyber security insurance. An amount of \$126,000 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.

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 achieving US\$10 million in revenue within 3 years).

- ENDS -

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Appendix 4C

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

Name of entity

Echo IQ Limited

ABN

48 142 901 353

Quarter ended ("current quarter")

31 December 2022

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	72	90
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(689)	(1,261)
(c) advertising and marketing	(1)	(17)
(d) leased assets	-	-
(e) staff costs	(555)	(898)
(f) administration and corporate costs	(471)	(479)
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	31	31
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,613)	(2,534)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(14)
(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	-	280
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(3)	266

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,500	3,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	40	101
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(195)	(195)
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	3,345	3,406

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,814	2,405
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,613)	(2,534)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	266

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)	3,345	3,406
4.5	Effect of movement in exchange rates on cash held	(7)	(7)
4.6	Cash and cash equivalents at end of period	3,536	3,536

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	3,536	1,814
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)	3,536	1,814

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(126)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,613)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,536
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,536
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.2
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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: <i>not applicable</i>	
8.6.2	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: <i>not applicable</i>	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: <i>not applicable</i>	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

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: 25 January 2023

Authorised by: The Board

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.