

ECHO IQ LIMITED / ASX:EIQ

# QUARTERLY REPORT

TO 30 JUNE 2023

Echo **IQ**

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

# ASX RELEASE

**30 JUNE 2023  
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 / Joint Company Secretary  
Shannon Robinson / Joint Company Secretary

## CORPORATE

### ISSUED CAPITAL

(As at 27 July 2023)

493,154,376 Ordinary Shares  
152,500,000 Unlisted Options

### SHAREHOLDERS

1,537 Shareholders  
Top 20 Shareholders hold 52%

### CASH BALANCE

As at 30 June 2023, Echo IQ held \$3.28M in Cash

### CONTACT

[investors@echoiq.ai](mailto:investors@echoiq.ai)

## CHAIRMAN'S COMMENTARY

I am pleased to advise that Echo IQ has completed a pivotal quarter in advancing its commercial position. In twelve short weeks the Company has achieved a significant number of transformative accomplishments that create a stable foundation for onward growth and development.

Post quarter, the company has announced the expanding use of the AI-backed EchoSolv(TM) technology to include the identification of disease progression for the most common heart valve abnormality, Mitral Regurgitation ("MR"). This will be the subject of a late-breaking scientific presentation by Echo IQ's Chief Medical Advisor at the European Society of Cardiology Congress in Amsterdam next month. Echo IQ's Chief Research and Strategy Officer will, in a rare privilege, be presenting the complete results of the clinical study at St. Vincent's hospital.

Following on from maiden commercial agreements in the cardiology and hospital sectors, the Company has very clearly entered a new stage in its development. In recognition of this, the Echo IQ Board of Directors was strengthened in the past quarter with the appointment of Simon Tolhurst as Non-Executive Director. Simon is an experienced lawyer with expertise in mergers and acquisitions, commercial agreements and competition law.

The Company remains well financed to deliver against its strategic objectives, with \$3.28M cash at hand at the end of the quarter plus an additional \$540,000 already received from the exercise of options in the first week of July and approximately \$650,000 in R+D tax rebates expected to be reflected in the next quarterly update.

**Andrew Grover**

Executive Chair, Echo IQ

## A QUARTER OF FIRSTS

First successful  
sale to a  
Cardiology  
Practice

08/05/23



First successful  
sale to the AU  
Hospital sector

22/05/23



First integration  
agreement with  
PACS/ Reporting  
provider

13/06/23



First USA  
distribution  
agreement

08/05/23



First Australian  
distribution  
agreement

02/05/23



European Society of  
Cardiology: 3rd  
presentation in 2 yrs

12/07/23



## HIGHLIGHTS

The period 1 April to 30 June 2023 included a number of significant Echo IQ announcements which demonstrated strong progress towards its strategic objectives.

- 1 Successful clinical study results demonstrating effectiveness of EchoSolv
- 2 Partnership with Medaxiom, the commercialisation arm of the American College of Cardiology
- 3 Appointment of leading distributors :  
Cassling Diagnostics (USA) and Hydrix Medical (AUS)
- 4 Maiden contracts signed with a leading Australian cardiology practice and respected QLD hospital
- 5 EchoSolv integration into Studycast reporting platform:  
rapid access to >700 healthcare sites
- 6 Pathway to FDA on-track, with reader study underway  
and final clearance anticipated Q4CY2023 /Q1CY2024
- 7 Appointment of Simon Tolhurst as Non-Executive Director  
with extensive skills and experience in commercial law and  
mergers and acquisitions
- 8 Expanded EchoSolv(TM) capability to support enhanced  
identification of Mitral Regurgitation from August, 2023

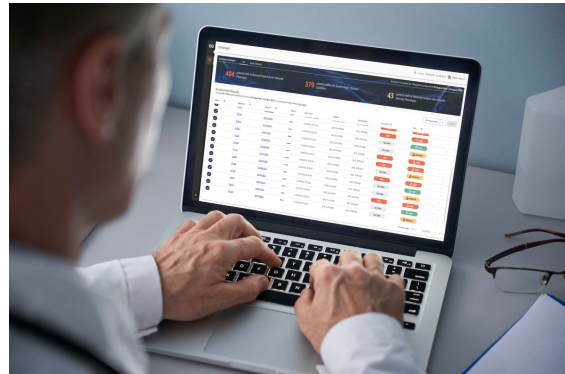
# ACHIEVEMENTS

## STRONG VALIDATION FROM CLINICAL STUDY RESULTS

Echo IQ announced (19 April 2023) the final results from the retrospective cohort study (that used EchoSolv(TM) to assess patient echocardiographic measurement data) conducted at St Vincent's Hospitals in Sydney and Melbourne.

The results showed a number of key findings:

1. EchoSolv(TM) successfully identified all patients with severe aortic stenosis, a **72% improvement** on human-diagnosis achieved at the sites.
2. EchoSolv(TM) successfully identified patients with severe aortic stenosis irrespective of gender where previously women had been **66% less likely** to be accurately diagnosed than men.



The results attracted significant media attention with complimentary coverage in The Australian and on Channel 9 who sent a leading medical journalist, Gaby Rogers, to St. Vincents to produce a piece for the 6pm national news.

## US PARTNERSHIPS

The Company entered into partnerships with two highly-respected organisations in the US cardiology market.

On 2 May 2023 Echo IQ announced that it had entered into a partnership with **MedAxiom**, an American College of Cardiology company. MedAxiom is the cardiovascular community's premier source for organisational performance solutions and is linked to over 475 cardiovascular organisations in the United States encompassing 6,500 cardiovascular leaders, more than 13,200 clinicians and around 2,700 administrators.

Echo IQ has seen several immediate benefits following commencement of the partnership this quarter. It has been introduced to a number of potential opportunities and has been included in significant presentations and industry conferences. Echo IQ attended the MedAxiom CV TRANSFORUM Spring'23 Conference in Orlando, Florida, the leading conference for cardiovascular organisational performance solutions in the US.

# ACHIEVEMENTS..

## US PARTNERSHIPS (CONTD.)

On 8 May 2023, the Company announced the appointment of **Cassling Diagnostic Imaging Inc.** ("Cassling", <https://cassling.com>) as its exclusive sales agent to promote, market and sell EchoSolv(TM) in the mid-west region of the US.

Cassling is a well-known healthcare provider that currently provides leading imaging and therapeutic technology, services and solutions to the USA healthcare market. The agreement enables Cassling to present EchoSolv(TM) solutions to Hospitals, Ambulatory Surgery Centres (ASC's) and Specialty Care and Outpatient Centres in mid-west states in the US, including Texas, Arkansas, Iowa, Missouri, Kansas and others. Cassling was established in 1984 and is headquartered in Omaha, Nebraska. The company is well-known for its expertise in cardiac ultrasound (echocardiography) and is also an advanced partner of Siemens Healthineers (a business that includes products in Medical Imaging, for example).

The appointment of Cassling as a sales agent in the mid-west region of USA is a key milestone in the execution of the Company's commercialisation strategy. Since the announcement was made, Echo IQ has undertaken training of the Cassling sales team and customer engagements are underway. A number of prospective customers of EchoSolv(TM) are now in advanced discussions regarding use of the solution.

## AUSTRALIAN PARTNERSHIP

On 2 May 2023, Echo IQ advised that it has entered into a commercial partnership with Hydrix Medical Pty. Ltd, a company within the Hydrix Limited (ASX:HYD) group, ("Hydrix Medical"). Hydrix Medical is a leader in the marketing and distribution of cardiovascular products in the Asia-Pacific region.

Under the terms of this three-year re-seller agreement, Hydrix Medical will promote, market and sell EchoSolv(TM) to the cardiology healthcare sector in Australia, New Zealand and Singapore ("Territory"). Pursuant to the agreement, Hydrix Medical will be the exclusive re-seller of EchoSolv(TM) in the Territory, other than Queensland. The agreement includes a number of standard commercial terms including minimum annual targets, and also represents another significant milestone in the Company's commercialisation strategy.

# ACHIEVEMENTS..

## AUSTRALIAN PARTNERSHIP (CONTD.)

Since the announcement of this agreement, the Hydrix Medical team has participated in product training by Echo IQ and has successfully advanced a number of commercial engagements with prospective customers.

Echo IQ and EchoSolv(TM) will also be featured by Hydrix Medical at the Cardiac Society of Australia and New Zealand Conferenced in Auckland, New Zealand in August 2023. Echo IQ's Chief Medical Advisor will also be speaking at this important regional conference.

## COMMERCIAL ENGAGEMENTS COMMENCED

Echo IQ was pleased to announce its first two commercial agreements for the supply of EchoSolv(TM) to the Australian cardiology sector.

As announced on 8 May 2023, a leading private cardiology clinic has integrated EchoSolv(TM) into its practice under a Software-As-A-Service (SaaS) agreement. The clinic will initially be using EchoSolv(TM) in audit-mode, reviewing echocardiographic measurements obtained over the past 12 months. EchoSolv(TM) will then be integrated into the practice's reporting systems, for use in real-time analysis. This will enable patient assessments to be enhanced with the proven capability of Echo IQ's software and shows the versatility of its potential use cases.

As announced on 22 June, 2023 Gold Coast Private Hospital has also entered into an agreement with Echo IQ for the supply of EchoSolv(TM), to be integrated into its cardiology diagnostics workflow. Implementation of EchoSolv(TM) at this innovative and highly-respected hospital further demonstrates the tangible and commercial value of the Company's solution to a wide range of users.



# CORPORATE

## 30 JUNE 2023 QUARTERLY REPORT

In accordance with the ASX Listing Rules, the Company will also today lodge its cashflow report for the quarter ended 30 June 2023.

The Company held total cash and cash equivalents of \$3.28M as at 30 June 2023, bolstered in part by the exercise of options in line with previous communications. An additional \$540,000 received in July 2023 from options exercised will be reflected in the 30 September 2023 quarterly report. The Company anticipates receiving additional cash inflows from Research and Development grants in the next quarter in the region of \$650,000.

Increased operating expenses, reflecting an emphasis on sales and marketing activities, are starting to yield positive commercial impact, as reflected by the new partnerships and contracts announced. The Echo IQ Board of Directors was enhanced with the appointment of Simon Tolhurst, an experienced lawyer with expertise in competition law and mergers and acquisitions.

As outlined in the attached Appendix 4C (section 6), during the quarter \$205,000 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 achieving US\$10 million in revenue within 3 years).

### SEPTEMBER 2023 QUARTER OUTLOOK

Echo IQ's focus for the Jul-Sep'23 quarter is to:

- Complete its Reader Study in support of its FDA 510(k) clearance application
- Introduce its Mitral Regurgitation solution to the market
- Leverage its distributor partnerships in Australia and the US to achieve additional deployment sites for EchoSolv(TM)
- Pursue paid customer deployments from its Studycast distribution agreement
- Announce US commercial agreements
- Increase its IP protection



# MEDIA COVERAGE

Echo IQ increased its media visibility in the quarter and featured in a number of leading Australian and US publications. Here is a small selection:

## NATIONAL MEDIA

EchoSolv(TM)'s successful results from the St. Vincent's clinical study attracted national TV coverage including a segment on **Channel 9's** 6pm news.

[Click here](#)

The study was also featured in a full piece in national newspaper **The Australian**.

## US HEALTHCARE AND TRADE MEDIA

**MedTech Dive**, a US trade publication covered Cassling Diagnostic's incorporation of EchoSolv into its portfolio of represented solutions.

[Click here](#)

The integration of EchoSolv(TM) into the StudyCast platform of Core Sound Imaging was featured by **Cardiac Vascular News**

[Click here](#)

**Hospital Health** shared the results of the St. Vincent's study with their healthcare industry readership .

## INVESTOR & BUSINESS MEDIA

**Alan Kohler** invited Echo IQ's Executive Chair to speak on his **Business Of** Podcast series.

[Click here](#)

**MST Access** completed an in-depth analysis of Echo IQ's market opportunities and future valuation,

[Click here](#)

 [See more at echoiq.ai/news](https://echoiq.ai/news)