

APPOINTMENT OF LEADING CARDIAC FOCUSED US-BASED NON-EXECUTIVE DIRECTOR

- **Mr Ken Nelson appointed as a Non-Executive Director, effective 11 December 2024**
- **Mr Nelson is a highly regarded US healthcare executive and investor, with a strong track record of transitioning proven medical technologies to commercialisation**
- **He is a partner of the Medtech Advantage Fund, a US investment group with an exclusive partnership with Medtech innovator, the world's largest digital health accelerator**
- **Mr Nelson's skillset, network, influence and experience makes him the ideal candidate to assist with Echo IQ's stated commercialisation strategy in the US market**
- **Concurrently, Mr Simon Tolhurst has resigned as Non-Executive Director, consistent with the Company's stated strategy to transition its Board and management to a US focus following FDA Clearance**

Sydney: AI and Medical Technology company Echo IQ ("the Company" or "Echo IQ") (ASX:EIQ) is pleased to advise that US-based healthcare and medical technology executive Mr Ken Nelson has been appointed a Non-Executive Director, effective 11 December 2024. In line with Mr Nelson's appointment, Mr Simon Tolhurst has tendered his resignation from the Board of Directors.

Mr Tolhurst has been a member of the Company's Board since June 2023 and has provided exceptional guidance on Echo IQ's growth trajectory to date, where his specialist expertise was highly valued as part of the Company's successful FDA Clearance (refer ASX announcement: 8 October 2024). As Echo IQ continues to execute commercialisation objectives for its FDA-approved technology, the Company wishes to thank Mr Tolhurst for his valued advice during his tenure and wish him well for future endeavours.

Incoming Director, Mr Ken Nelson is a leading US-based medical technology and healthcare executive with over 20 years' industry experience. During his career he has been pivotal in leading successful commercialisation efforts with multiple cardiac-focused digital health companies including remote cardiac and diagnostics monitoring business, BioTelemetry, wearable device company, iRhythm and ambulatory ECG solutions monitoring group, Bardy Diagnostics.

Currently, he serves as partner in the Medtech Advantage Fund, which has an exclusive partnership with Medtech Innovator (www.medtechinnovator.org), the largest medical technology and digital health startup accelerator globally.

In addition to this, Mr Nelson serves as Chairman to the Board of Israeli-based medical technology company, CardiaCare, and is an active Board member of other cardiac-focused digital health and

medical technology companies including HeartBeam (NASDAQ: BEAT), Acarix (NASDAQ: ACARIX), US-based company Eptel, and European-based platform Happitech.

Mr Nelson also sits on a number of advisory boards and planning committees for early-stage medical technology companies, as well as several industry groups including the Innovation Advisory Board of Heart Rhythm Society, the Health Tech Innovation Business Advisory Board and the Heart & Brain Accelerator of the American Heart Association.

Mr Nelson has an extensive network in the global medical technology sector and strong relationships with a large cohort of sophisticated investors in the healthcare sector. The Company is confident that his expansive network will be beneficial as Echo IQ continues to execute its commercialisation strategy.

Management commentary:

Incoming Non-Executive Director, Mr Ken Nelson said: *“It’s my pleasure to join the Board of Echo IQ at what marks an exciting juncture in the Company’s commercialisation strategy. Through its flagship EchoSolv technology, the Company has a unique opportunity to contribute to improved health outcomes in the US and international markets more broadly, and I look forward to working with the Board and management team to assist in that objective, where I feel my skillset is very well suited.”*

Echo IQ Chair Andrew Grover added: *“As we transition from a successful R&D phase to commercialisation initiatives in the US market, we are delighted to welcome Ken to the Board as a Non-Executive Director.*

Ken is an experienced healthcare executive with a strong track record in commercial strategy and investment, and specific expertise in the cardiac sector – skills which will be invaluable to assist in our next phase of commercialisation. Being US-based, he will also greatly assist in efforts led by incoming CEO, Mr Dustin Haines.

In welcoming Ken to the Board, I’d also like to take this opportunity to sincerely thank Simon Tolhurst for his valuable contribution to the Company’s growth and wish him all the best in his future endeavours.”

Appointment terms:

In accordance with the terms of Mr Nelson’s engagement, he will be issued 4,000,000 options exercisable at a rate to be determined by the Volume Weighted Average Price (VWAP) over the Trading Days on which trades in the Company’s Shares are recorded on ASX over the month of December 2024 expiring 5 years from the date of issue, with 2,000,000 to vest upon 12 months continuous employment and 2,000,000 to vest upon 24 months continuous employment.

The Company also confirms that Mr Nelson will receive annual non-executive director fees, which will be paid from the shareholder approved non-executive director fee pool.

Long term incentives for key Company personnel:

The Board has resolved to grant Long-Term Incentives (“LTIs”) to employees and directors (subject to shareholder approval), pursuant to which the grantees will receive incentive performance rights and/or options exercisable into full paid ordinary shares (“Shares”) on the delivery of key milestones.

The key milestones that will trigger the vesting of the LTIs are as follows:

- (a) Company obtaining FDA clearance for its Heart Failure screening tool on or before 31 December 2026
- (b) Company obtaining CPT code for Aortic Stenosis
- (c) Company obtaining CPT code for Heart Failure
- (d) the Volume Weighted Average Price over a period of 20 consecutive Trading Days on which trades in the Company's Shares are recorded on ASX (20-day VWAP) being at least \$0.35
- (e) the 20-day VWAP being at least \$0.50
- (f) the Company achieving total revenue of US\$2,000,000 by 31 December 2025
- (g) the Company achieving total revenue of US\$10,000,000 by 31 December 2027 OR upon the 20-day VWAP being at least \$0.60
- (h) the Company achieving total revenue of US\$20,000,000 by 31 December 2027 OR upon the 20-day VWAP being at least \$0.75

The Expiry Date of the above LTIs will be 31 March 2028 (other than those set out in paragraph (a)). Other than for those classes of LTI that specify a different vesting date, the vesting milestone for each class of LTI can be satisfied at any time up to the Expiry Date. The LTIs will also vest automatically on a change of control.

The Board approved grant of LTIs involves the issue of performance rights and options, with each performance right and each option representing the right to subscribe for one fully paid ordinary Echo IQ Share, to employees and directors. No cash consideration will be payable for grant or exercise of the performance rights. The issue of any securities to employees will be governed by the Company's existing Employee Incentive Securities Plan.

The Company intends to seek shareholder approval for the Directors' participation in the grant of LTIs as follows:

- An issue of 8m performance rights to Executive Chairman, Andrew Grover, with 1m performance rights vesting on the achievement of each of the 8 individual milestones set out above;
- An issue of 5m performance rights to Non-Executive Director, Steve Formica, with 625,000 performance rights vesting on the achievement of each of the 8 individual milestones set out above;

- An issue of 5m options with an exercise price of \$0.35 expiring on 31 December 2028 to Andrew Grover; and
- An issue of 3m options with an exercise price of \$0.35 expiring on 31 December 2028 to Steve Formica.

Director options will be granted for a nominal issue price of \$0.00001 per option. The Company will seek shareholder approval at an upcoming Shareholders' Meeting for the issue of the performance rights and options to the directors in accordance with ASX Listing Rule 10.14 and Chapter 2E of the Corporations Act 2001.

- ENDS -

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

Investor Enquiries:

Andrew Grover, Executive Chair
Andrew.grover@echoiq.ai / investor@echoiq.ai

Henry Jordan, Six Degrees Investor Relations
Henry.jordan@sdir.com.au / +61 (0) 431 271 538

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.