

ECHO IQ LIMITED | ABN 48 142 901 353

# Consolidated Interim Financial Report

31 December 2024

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**EchoiQ**

[www.echoiq.ai](http://www.echoiq.ai)

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# Corporate directory

31 December 2024

<b>Directors</b>	Andrew Grover Steven Formica Stephen Picton Ken Nelson
<b>Company secretary</b>	Jessamyn Lyons
<b>Registered office</b>	Level 3, 88 William Street Perth WA 6000
<b>Principal place of business</b>	Suite 2.114, 477 Pitt Street Sydney NSW 2000
<b>Share register</b>	Computershare Investor Services Pty Ltd Level 17, 221 St Georges Terrace Perth WA 6000
<b>Auditor</b>	PKF Perth 8/905 Hay St Perth WA 6000
<b>Stock exchange listing</b>	Echo IQ Limited shares are listed on the Australian Securities Exchange (ASX code: EIQ)
<b>Website</b>	<a href="http://www.echoiq.ai">www.echoiq.ai</a>

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# CEO letter

Dear shareholders,

It's my pleasure to present Echo IQ's half-year report for the six months ended 31 December 2024 – a period which marked the Company's transition from concentrated R&D initiatives to a defined commercialisation strategy for our innovative EchoSolv technology.

Operations during the period were highlighted by a major development milestone in October 2024, when Echo IQ received FDA Clearance for EchoSolv-AS – the Company's flagship AI-enabled decision support tool to aid in the detection of severe Aortic Stenosis (AS).

With the formal receipt of FDA Clearance to market and distribute EchoSolv-AS to US healthcare providers, the Company has rapidly accelerated commercialisation initiatives in the ensuing months. My appointment as CEO followed the FDA announcement in October, and since then it's been pleasing to see the Company's disciplined execution on its stated strategy.

Key developments post-FDA Clearance were led by the initial deployment of EchoSolv-AS at Beth Israel Deaconess Medical Center (BIDMC) – a globally recognised teaching hospital of Harvard Medical School which carries out approximately 30,000 echocardiograms each year. This has the potential to provide exceptional validation and exposure in the US and will serve as an important flagship hospital for the Company.

The Company also worked extensively with US industry consultants to successfully identify a Miscellaneous Code (93799) for EchoSolv-AS, which included commercially attractive reimbursement rates for end-users – a primary catalyst for commercial adoption in the US healthcare sector. Pleasingly, this code is expected to provide an increase on the Company's previously estimated reimbursement rate, ahead of the application for a Category III CPT code in the latter part of this half.

The BIDMC integration and the successful identification of a Miscellaneous Code are both in line with the Company's strategy to advance the commercial uptake of EchoSolv-AS with best-in-class partners and in accordance with the highest standards of care, backed by comprehensive testing and evaluation.

These initiatives were complemented by additional breakthroughs in R&D for AI-based diagnostic solutions, led by the successful lodgement of an FDA pre-submission request for EchoSolv-HF – the Company's innovative heart failure decision support tool – following strong results in two clinical studies using EchoSolv-HF to measure detection rates for heart failure.

Following a busy half-year period, I was pleased to formally commence my tenure as CEO in January 2025. The opportunities now ahead of the Company are significant, and I look forward to leveraging my experience in US healthcare markets to lead the execution of our defined growth strategy. I'd like to thank our shareholders for their ongoing support of our stated objective to achieve improved outcomes in cardiological health, and I look forward to establishing Echo IQ as a globally recognised Australian medical technology company.

**Mr Dustin Haines**  
Chief Executive Officer

# Directors' report

31 December 2024

The directors present their report, together with the Consolidated Interim Financial Report, on the consolidated entity (referred to hereafter as the 'Consolidated Entity') consisting of Echo IQ Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

## Directors

The following persons were directors of Echo IQ Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

- Andrew Grover**
- Steven Formica**
- Stephen Picton**
- Ken Nelson** (appointed 11 December 2024)
- Simon Tolhurst** (resigned 11 December 2024)

# Directors' report

31 December 2024

## Group overview

The principal activity of the Group is the development of artificial intelligence (AI) products for cardiovascular care.

## Review of operations

The loss for the Consolidated Entity after providing for income tax amounted to \$6,215,645 (31 December 2023: \$2,757,908).

## Key business activities

### INDEPENDENT VALIDATION OF AI TO IMPROVE IDENTIFICATION OF HIGH-RISK AORTIC STENOSIS (AS)

During the half, the Company's AI was validated by Dr. Pedro Covas (Baylor Scott & White, The Heart Hospital Plano TX). He delivered a scientific presentation titled 'AI-Powered Cardiac Ultrasound Improves Identification of High-Risk Aortic Stenosis (Echo IQ)' at New York Valves (Structural Heart Summit).

Dr Covas highlighted the need for an AI system, specific to AS, as well as the condition being underdiagnosed and undertreated worldwide, partly due to the complexity in the diagnosis of severe aortic stenosis (including low-flow states), and that there is a need for assistance to improve rates of diagnosis.

As part of the presentation, EchoSolv-AS was applied to a real-world hospital setting and the echocardiographic report data of an academic heart hospital (within the Baylor Scott & White network) over a seven-month period with a subset of the assessments adjudicated via comprehensive image review by expert cardiographers.

EchoSolv-AS accurately identified 15% more patients with severe aortic stenosis than human only diagnosis and where initial underdiagnosis occurred, patients were found to have a "low flow" state of disease in 30% of cases (subsequently identified by EchoSolv-AS). The research and presentation provided considerable validation of the Company's technology.

### INTEGRATION PARTNERSHIP AGREEMENT WITH SCIMAGE INC.

The Company secured a strategic integration partnership with US-based imaging management leader, ScImage Inc. ScImage provides cloud-native enterprise image management, PACS and image exchange solutions for the healthcare industry.

Under the terms of the agreement, ScImage will incorporate EchoSolv-AS software into its PICOM365 Cloud image management and reporting platform.

ScImage will incorporate EchoSolv-AS in the first instance, into ScImage's PICOM365 Cloud image management and reporting platform. This is expected to provide end users of the platform access to high quality, automated AI-backed echocardiography assessments designed to facilitate faster, more accurate diagnoses of AS.

ScImage has 2000 sites using its PICOM365 platform in the US and is one of the largest providers in its field. Initially, this integration partnership is expected to see EchoSolv's automated assessment capabilities rolled out to several key US cardiology practices and strategic hospitals before the end of 2024.

# Directors' report

31 December 2024

## POSITIVE CLINICAL RESULTS IN HEART FAILURE (HF) AND ESC LATE BREAKING SCIENCE PRESENTATIONS

The Company advised completion and results of two clinical studies performed in collaboration with leading Australian research centres: The Screen-HF Study with St. Vincent's Institute of Medical Research and the NIL-CHF Study with The University of Notre Dame, Fremantle, for its novel AI-algorithm as a heart failure decision support tool (EchoSolv-HF).

The results were presented following peer review and invitation to participate in two late-breaking science presentations at the ESC Congress 2024 in London on 30 August 2024. The ESC Congress is the world's preeminent forum for advancing cardiovascular research and treatment, and is hosted by the European Society of Cardiology.

The results highlighted the effectiveness of its AI-backed solution for heart failure when compared to an observed detection rate of 46% in clinical practice. Key findings showed:

- EchoSolv-HF without human review clearly and correctly identified 86% of patients with heart failure, in comparison to a matched group without heart failure (data from the application of the Echo IQ AI technology to participants from the SCREEN-HF study)
- The Company's AI to aid human review of patients identified 97% of high-risk individuals that subsequently developed heart failure (data from the application of the Echo IQ AI technology to participants from the NIL-CHF study)

The results from this clinical study highlight that EchoSolv-HF could significantly improve the detection of heart failure and when used in collaboration with human review has an accuracy of 97%. This provides Echo IQ with considerable confidence that it can improve health and economic outcomes in a total addressable market for heart failure valued at US\$70Bn per annum.

## PLACEMENT TO FUND COMMERCIALISATION INITIATIVES

The Company completed a placement to institutional, sophisticated and professional investors via the issue of 47,366,667 new ordinary fully paid shares ("New Shares") at an issue price of \$0.15 per New Share to raise approximately \$7.1 million (before costs).

Funds from the placement are being deployed towards commercialisation initiatives associated with EchoSolv-As and EchoSolv-HF.

## ECHOSOLV-AS ACHIEVES FDA CLEARANCE

The Company secured 510(k) clearance from the US Food and Drug Administration (FDA) for EchoSolv-AS, unlocking the potential for the solution to be marketed to and used by healthcare professionals in the US as a decision support aid in the detection of severe AS. Clearance followed formal submission in the last half. Following review, the FDA determined Echo IQ had demonstrated substantial equivalence to the predicate device referenced in the submission.

Clearance has enabled Echo IQ to advance ongoing discussions with a number of US-based hospital groups, device manufacturers and pharmaceutical companies, as part of its commercialisation strategy.



# Directors' report

31 December 2024

## US BASED CEO APPOINTED TO EXECUTE COMMERCIALISATION

Mr Dustin Haines was appointed as CEO and commenced his role in January 2025. Mr Haines has 25 years' experience as a leading healthcare executive across a number of senior roles.

Mr Haines was most recently Vice President & General Manager of Gilead Sciences, Asia, Middle East, Turkey and Russia. Under this role, he led business development across multiple product categories including, but not limited to infectious disease, oncology and immunology. Gilead Sciences is a NASDAQ listed biopharmaceuticals company with a market capitalisation of US\$105Bn.

Prior to this, he was Chief Commercial Officer at medical technology company, Next Science Limited (ASX: NXS). Mr Haines also spent over ten years in senior roles with ViiV Healthcare and GlaxoSmithKline (GSK), where he was instrumental in delivering Phase 3 assets through to commercialisation, which in turn led to category leading products.

Mr Haines is focused on executing Echo IQ's US commercialisation strategy. As part of his appointment, Mr Andrew Grover transitioned from interim Managing Director to maintain his role as Executive Chair post period end.

## FLAGSHIP INTEGRATION AGREEMENT WITH BETH ISRAEL DEACONESS MEDICAL CENTER, BOSTON USA

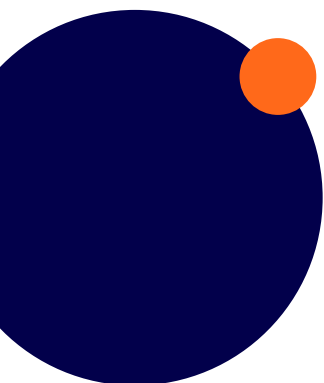
Echo IQ commenced integration of EchoSolv-AS with Beth Israel Deaconess Medical Center ('Beth Israel' or 'BIDMC'), a leading Harvard Medical Teaching Hospital, highlighting the Company's flagship EchoSolv-AS deployment with a major US hospital group.

BIDMC is a specialist academic medical centre, specialising in the latest technologies and teaching initiatives. It has 743 licensed beds, oversees 37,606 inpatient discharges annually and has circa 50,000 emergency department visits and 803,000 outpatient visits per annum. The organisation undertakes approximately 30,000 echocardiograms annually.

The integration is anticipated to further validate EchoSolv-AS in real life practice and follows the completion of a successful trial with the BIDMC during the half, which reiterated the technology's performance metrics.

The flagship integration will provide unparalleled industry exposure for EchoSolv-AS and will generate added real-world data highlighting its benefit. The Company is confident that this integration will also assist in converting its pipeline of potential customers.

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# Directors' report

31 December 2024

## MISCELLANEOUS CODE IDENTIFIED FOR ECHOSOLV-AS REIMBURSEMENT IN THE US

The Company's reimbursement strategy was advanced, following the identification of Miscellaneous Code 93799 for EchoSolv-AS. Anticipated reimbursement via the code is between US\$100 to US\$150 to users of the technology on a fee-per-use basis and is considerably higher than the previous estimate of US\$68.

Reimbursement from insurance providers is a primary catalyst for commercial adoption of medical devices by end-users in the US healthcare sector.

Identification followed engagement with reimbursement and market access consultants and will allow Echo IQ to split total reimbursement with hospital groups, with the Company to receive between 30-60% of the total rate.

EchoSolv-AS integration sites are now working directly with payers to utilise the code and gain reimbursement for use of EchoSolv-AS. To support this, Echo IQ also created a range of supporting documentation to assist in gaining reimbursement.

Echo IQ also took steps to file for a Category III CPT code, which will create a code for utilisation of EchoSolv-AS as a new or emerging technology. This is an important step in progress towards a designated CPT code. The Company will file for a Category III CPT code in the current half and anticipates approval in the coming months. This is expected to further streamline reimbursement for users.

## BOARD STRENGTHENED WITH THE APPOINTMENT OF CARDIAC FOCUSED US-BASED NON-EXECUTIVE DIRECTOR

Strengthening Echo IQ's US presence, Mr Ken Nelson was appointed as a Non-Executive Director, effective 11 December 2024. As part of the appointment, Mr Simon Tolhurst tendered his resignation to the Board.

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](http://www.medtechinnovator.org)), the largest medical technology and digital health startup accelerator globally.

Mr Nelson has an extensive network in the international medical technology space and strong relationships with a large cohort of sophisticated healthcare investment groups. This network is anticipated to provide the company with considerable benefit as it executes its commercialisation strategy.

## PRE-SUBMISSION MEETING REQUESTED WITH THE FDA FOR HEART FAILURE DECISION SUPPORT SOLUTION

Echo IQ furthered its regulatory strategy, formally submitting a request to the FDA for a pre-submission meeting to approve the design for its upcoming validation trial. The trial, expected to be undertaken in the US in the coming months, will test EchoSolv-HF in detecting various forms of heart failure.

# Directors' report

31 December 2024

Heart failure is a widespread condition. It is the leading cause of re-hospitalisation in the US and accounts for 17% of all US healthcare expenditure<sup>1</sup>. The market for heart failure is estimated at US\$70Bn annually and presents a major opportunity for Echo IQ<sup>2</sup>.

The pre-submission meeting is expected to occur this quarter. During the meeting, Echo IQ will liaise with the regulator on its dossier on EchoSolv-HF and confirm the clinical trial design of its validation study. This study is anticipated to be the final clinical requirement, prior to formal submission for clearance. Clearance for EchoSolv-HF is expected during H2 CY25.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

## EVENTS AFTER THE REPORTING PERIOD

On 10 January 2025 Dustin Haines commenced in the position of Chief Executive Officer, in accordance with the terms of his appointment (refer ASX Announcement 9 October 2024).

On 4 February 2025 the Company announced that 24 million options, with an exercise price of \$0.25 and expiry date of 2 February 2025, had expired without conversion.

On 11 February 2025 the Company received \$1,260,923.19 under the Research and Development ("R&D") Tax Incentive Scheme.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



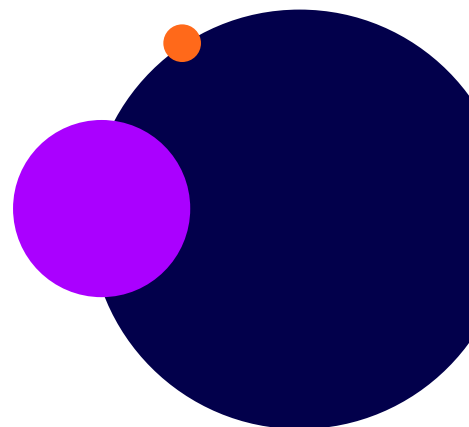
**Andrew Grover**  
Chairman

27 February 2025

<sup>1</sup> <https://academic.oup.com/circovasces/article/118/17/3272/6527627?login=false>

<sup>2</sup> <https://pubmed.ncbi.nlm.nih.gov/35085762/>

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## AUDITOR'S INDEPENDENCE DECLARATION

### TO THE DIRECTORS OF ECHO IQ LIMITED

In relation to our review of the financial report of Echo IQ Limited for the half year ended 31 December 2024, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in blue ink that reads 'PKF Perth'.

PKF PERTH

A handwritten signature in blue ink that reads 'Shane Cross'.

SHANE CROSS  
PARTNER

27 February 2025  
PERTH, WESTERN AUSTRALIA

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Statement of profit or loss and other comprehensive income  
for the half-year ended 31 December 2024

	Note	Consolidated	
		31 December 2024 \$	31 December 2023 \$
<b>Revenue</b>	3	101,409	16,000
Other income	4	172,345	726,728
Audit fees		(32,615)	(27,787)
Consulting and professional fees		(1,413,913)	(527,711)
Employee costs		(1,419,684)	(1,467,019)
Marketing and public relations		(26,477)	(9,905)
Directors' fees		(448,204)	(249,892)
Depreciation and amortisation		(299,779)	(302,558)
Other expenses		(494,551)	(376,892)
Share based payments	8	(2,272,350)	(483,300)
Share registry and listing fees		(81,826)	(55,572)
<b>Loss before income tax expense</b>		<b>(6,215,645)</b>	<b>(2,757,908)</b>
Income tax expense		–	–
<b>Loss after income tax expense for the half-year</b>		<b>(6,215,645)</b>	<b>(2,757,908)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		3,420	(15,221)
Other comprehensive income for the half-year, net of tax		3,420	(15,221)
<b>Total comprehensive income for the half-year</b>		<b>(6,212,225)</b>	<b>(2,773,129)</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	5	(1.09)	(0.56)
Diluted earnings per share	5	(1.09)	(0.56)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position  
as at 31 December 2024

	Consolidated	
	31 December 2024	30 June 2024
Note	\$	\$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	5,351,566	2,117,326
Trade and other receivables	109,905	99,992
Prepayments	192,739	236,176
<b>Total current assets</b>	<b>5,654,210</b>	<b>2,453,494</b>
<b>Non-current assets</b>		
Investments	4,545	4,545
Plant and equipment	9,494	14,404
Intangible assets	6 4,957,235	5,783,108
<b>Total non-current assets</b>	<b>4,971,274</b>	<b>5,802,057</b>
<b>Total assets</b>	<b>10,625,484</b>	<b>8,255,551</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	411,459	1,360,351
Employee benefits	116,565	116,708
Contract liabilities	3 100,000	10,500
<b>Total current liabilities</b>	<b>628,024</b>	<b>1,487,559</b>
<b>Total liabilities</b>	<b>628,024</b>	<b>1,487,559</b>
<b>Net assets</b>	<b>9,997,460</b>	<b>6,767,992</b>
<b>Equity</b>		
Issued capital	7 48,699,502	41,530,159
Reserves	4,824,706	4,333,172
Accumulated losses	(43,526,748)	(39,095,339)
<b>Total equity</b>	<b>9,997,460</b>	<b>6,767,992</b>

The above statement of financial position should be read in conjunction with the accompanying notes.

**Statement of changes in equity**  
for the half-year ended 31 December 2024

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Share based payments reserve</b> \$	<b>Foreign currency translation reserve</b> \$	<b>Accumulated losses</b> \$	<b>Total</b> \$
Balance at 1 July 2023	35,997,376	6,586,511	(9,427)	(35,191,689)	7,382,771
Loss after income tax expense for the half-year	-	-	-	(2,757,908)	(2,757,908)
Other comprehensive income for the half-year, net of tax	-	-	(15,221)	-	(15,221)
Total comprehensive income for the half-year	-	-	(15,221)	(2,757,908)	(2,773,129)
<i>Transactions with owners in their capacity as owners:</i>					
Share-based payments (note 8)	-	483,300	-	-	483,300
Options exercised	1,805,455	(38,455)	-	-	1,767,000
<b>Balance at 31 December 2023</b>	<b>37,802,831</b>	<b>7,031,356</b>	<b>(24,648)</b>	<b>(37,949,597)</b>	<b>6,859,942</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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**Statement of changes in equity**  
for the half-year ended 31 December 2024 (cont'd)

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Share based payments reserve</b> \$	<b>Foreign currency translation reserve</b> \$	<b>Accumulated losses</b> \$	<b>Total</b> \$
Balance at 1 July 2024	41,530,159	4,363,933	(30,761)	(39,095,339)	6,767,992
Loss after income tax expense for the half-year	-	-	-	(6,215,645)	(6,215,645)
Other comprehensive income for the half-year, net of tax	-	-	3,420	-	3,420
Total comprehensive income for the half-year	-	-	3,420	(6,215,645)	(6,212,225)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 7)	6,644,343	-	-	-	6,644,343
Share-based payments (note 8)	525,000	2,272,350	-	-	2,797,350
Share based payments lapsed	-	(1,784,236)	-	1,784,236	-
Balance at 31 December 2024	48,699,502	4,852,047	(27,341)	(43,526,748)	9,997,460

The above statement of changes in equity should be read in conjunction with the accompanying notes.

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**Statement of cash flows**  
for the half-year ended 31 December 2024

	Note	Consolidated	
		31 December 2024 \$	31 December 2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		200,000	6,600
Payments to suppliers and employees		(3,666,893)	(2,856,823)
Government grants received		–	689,466
Interest received		56,260	37,212
Net cash used in operating activities		(3,410,633)	(2,123,545)
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(2,899)	–
Net cash used in investing activities		(2,899)	–
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	7	6,644,344	–
Proceeds from exercise of options		–	615,000
Net cash from financing activities		6,644,344	615,000
Net increase/(decrease) in cash and cash equivalents		3,230,812	(1,508,545)
Cash and cash equivalents at the beginning of the financial half-year		2,117,326	3,276,398
Effects of exchange rate changes on cash and cash equivalents		3,428	(1,215)
Cash and cash equivalents at the end of the financial half-year		5,351,566	1,766,638

The above statement of cash flows should be read in conjunction with the accompanying notes.

**NOTE 1 GENERAL INFORMATION**

The Consolidated Interim Financial Report covers Echo IQ Limited as a Consolidated Entity consisting of Echo IQ Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Echo IQ Limited's functional and presentation currency.

Echo IQ Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The Consolidated Interim Financial Report was authorised for issue, in accordance with a resolution of directors, on 27 February 2025.

**NOTE 2 MATERIAL ACCOUNTING POLICY INFORMATION**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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**NOTE 3 REVENUE**

	Consolidated	
	31 December 2024 \$	31 December 2023 \$
Revenue from contracts with customers	101,409	16,000
<b>Disaggregation of revenue</b>		
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	90,909	–
Services transferred over time	10,500	16,000
	101,409	16,000

All revenue was generated in Australia.

At 31 December 2024 there is \$100,000 (30 June 2024: \$10,500) of contract liabilities included in current liabilities, this relates to payment received under contracts with customers for which the Consolidated Entity has not yet met its performance obligations.

**NOTE 4 OTHER INCOME**

	Consolidated	
	31 December 2024 \$	31 December 2023 \$
Government grants	–	689,516
Interest income	56,260	37,212
Net gain on termination of contract*	116,085	–
Other income	172,345	726,728

\*Refer to note 6 for further details.

**NOTE 5 EARNINGS PER SHARE**

	Consolidated	
	31 December 2024 \$	31 December 2023 \$
Loss after income tax	(6,215,645)	(2,757,908)
	Number	Number
Weighted average number of shares on issue	567,971,134	490,533,157
	Cents	Cents
Basic earnings per share	(1.09)	(0.56)
Diluted earnings per share	(1.09)	(0.56)

As the company has incurred a loss, any exercise of options would be antidilutive therefore the basic and diluted loss per share are equal

**NOTE 6 INTANGIBLE ASSETS**

	Consolidated	
	31 December 2024 \$	30 June 2024 \$
Software – at cost	1,065,002	1,065,002
Less: Accumulated amortisation	(798,738)	(704,762)
	266,264	360,240
NEDA Contractual asset – at cost	5,908,046	6,558,046
Less: Accumulated amortisation	(1,217,075)	(1,135,178)
	4,690,971	5,422,868
	4,957,235	5,783,108

**NOTE 6 INTANGIBLE ASSETS (CONT'D)**

Reconciliation of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Software \$	NEDA Contractual asset \$	Total \$
Balance at 1 July 2024	360,240	5,422,868	5,783,108
Disposals	–	(533,915)	(533,915)
Amortisation expense	(93,976)	(197,982)	(291,958)
Balance at 31 December 2024	266,264	4,690,971	4,957,235

In February 2025 the Company terminated an agreement with NEDA which had been executed in October 2021. As a result an intangible asset with a written down value of \$533,915 was disposed of. The termination of the agreement also resulted in the write off of a current liability of \$650,000 resulting in a net gain on termination of the contract of \$116,085. The disposal was accounted for at 31 December 2024 as the termination is an adjusting subsequent event under *AASB 110 Events after the Reporting Period*.

**Assessment of contractual asset useful life**

The useful life of the software has been assessed as 1.5 remaining years, and the useful life of the contractual intangible (being access to the National Echo Database of Australia (NEDA)) has been assessed as 13.5 remaining years which is in line with the remaining period of the current contract life (6.5 years) plus an option for its extension (7 years) at the discretion of Echo IQ Limited. The (NEDA) contractual asset useful life is based on a considered management judgement incorporating the following factors:

- (i) the evolving nature of the database, which provides access to an increasing number of records over time;
- (ii) expected additions to the number of institutions contributing to the database over time;
- (iii) the critical and continuing role of echocardiographic measurement data in diagnosis of multiple cardiac conditions;
- (iv) the importance of large cardiac datasets and exclusive access to the NEDA database for use in the development of ai-solutions and the company's product pipeline; and
- (v) increasing prevalence of treatable conditions that supports the need for enhanced diagnostic tools.

**NOTE 7 ISSUED CAPITAL**

	Consolidated			
	31 December 2024 shares	30 June 2024 shares	31 December 2024 \$	30 June 2024 \$
Ordinary shares – fully paid	588,521,043	537,654,376	48,699,502	41,530,159
	31 December 2024 No. ordinary shares	December 2024 \$	30 June 2024 No. ordinary shares	30 June 2024 \$
At 1 July	537,654,376	41,530,159	472,254,376	35,997,379
Share issue: capital raising	47,366,667	7,105,000	–	–
Share issue: share based payment	3,500,000	525,000	–	–
Exercise of options	–	–	65,400,000	5,532,780
Capital raising costs	–	(460,657)	–	–
	588,521,043	48,699,502	537,654,376	41,530,159

**NOTE 8 SHARE-BASED PAYMENTS**

	Consolidated	
	31 December 2024 \$	30 June 2024 \$
Balance at beginning of period	4,363,933	6,586,512
Vesting of options	2,272,350	898,700
Options exercised	–	(1,615,783)
Securities lapsed	(1,784,236)	(1,505,496)
	4,852,047	4,363,933

**NOTE 8 SHARE-BASED PAYMENTS (CONT'D)**

	Number of options 1 December 2024	Weighted average exercise price 31 December 2024	Number of options 30 June 2024	Weighted average exercise price
Outstanding at the beginning of the financial half-year	67,275,000	\$0.27	173,400,000	\$0.18
Granted	48,200,000	\$0.25	9,275,000	\$0.31
Exercised	–	\$0.00	(65,400,000)	\$0.06
Expired	(27,000,000)	\$0.25	(50,000,000)	\$0.23
Outstanding at the end of the financial half-year	88,475,000	\$0.27	67,275,000	\$0.27

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 1.09 years (30 June 2024: 0.85 years).

	No. of performance rights 31 December 2024	No. of performance rights 30 June 2024
Performance rights granted	4,700,000	2,500,000
Performance rights lapsed	–	(2,500,000)
	4,700,000	–

Options and performance rights granted during the year have been valued using Black Scholes or Hoadleys Parisian model. The number of securities granted and valuation inputs are outlined below.

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## NOTE 8 SHARE-BASED PAYMENTS (CONT'D)

	Options/PRs issued no.	Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Risk-free rate %	Fair value at grant date fair value
Employee Options <sup>(i)</sup>	9,200,000	15/07/2024	14/06/2027	\$0.17	\$0.25	75.5%	4.04%	\$0.07
Advisor Options <sup>(ii)</sup>	4,000,000	02/10/2024	14/06/2027	\$0.23	\$0.25	74.8%	3.50%	\$0.11
Advisor Options <sup>(iii)</sup>	5,000,000	11/09/2024	29/11/2026	\$0.19	\$0.25	76.4%	3.55%	\$0.07
Advisor Options <sup>(iii)</sup>	30,000,000	23/07/2024	31/12/2025	\$0.16	\$0.25	82.4%	4.13%	\$0.04
Director Options <sup>(iv)</sup>	4,000,000	07/12/2024	31/12/2029	\$0.26	\$0.25	76.5%	3.87%	\$0.17
Advisor Performance Rights <sup>(v)</sup>	3,000,000	23/07/2024	31/12/2025	\$0.15	\$0.00	78.0%	4.28%	\$0.11
Employee Performance Rights <sup>(vi)</sup>	600,000	09/09/2024	01/12/2026	\$0.18	\$0.00	78.0%	3.54%	\$0.14
Employee Performance Rights <sup>(vii)</sup>	600,000	09/09/2024	01/12/2026	\$0.18	\$0.00	78.0%	3.54%	\$0.12
Advisor Performance Rights <sup>(viii)</sup>	500,000	19/09/2024	31/12/2025	\$0.22	\$0.00	–	–	\$0.00

(i) 5 million options vested immediately. 3 million options vest on completion of 12 months continuous employment. 1.2 million options vest on completion of 24 months continuous employment.

(ii) The options vested immediately.

(iii) The options vest on provision of 12 months of advisory services.

(iv) 2 million options vest on completion of 12 months continuous service. 2 million options vest on completion of 24 months continuous service.

(v) Target share price is 30-day VWAP of \$0.20. Implied barrier price is \$0.278.

(vi) Target share price is 30-day VWAP of \$0.25. Implied barrier price is \$0.3475.

(vii) Target share price is 30-day VWAP of \$0.32. Implied barrier price is \$0.4448.

(viii) The performance rights were valued at the share price on grant date.

On 11 December 2024, the Company announced the grant of 13 million Long Term Incentive performance rights to directors. The grant is subject to shareholder approval which had not been obtained at 31 December 2024. As the vesting period has started, the Company has estimated the value of the securities at the reporting date and included an expense for the half year of \$58,653.

Performance rights without market vesting conditions have been valued at the share price on the valuation date of 31 December 2024. Performance rights with market vesting conditions were valued using a combination of the Hoadley's Barrier 1 Model and Hoadley's Parisian Model. The inputs to the valuation are outlined below.

**NOTE 8 SHARE-BASED PAYMENTS (CONT'D)**

	PRs to be issued	Fair value per security
Tranche A	1,625,000	\$0.23
Tranche B	1,625,000	\$0.23
Tranche C	1,625,000	\$0.23
Tranche F	1,625,000	\$0.23

	PRs to be issued no.	Share price on valuation date	Target share price	Implied barrier price	Expiry date	Expected volatility %	Risk free rate %	Fair value per security
Tranche D	1,625,000	\$0.23	\$0.35	\$0.4807	31/03/2028	92%	3.77%	\$0.2013
Tranche E	1,625,000	\$0.23	\$0.50	\$0.6866	31/03/2028	92%	3.77%	\$0.1818
Tranche G	1,625,000	\$0.23	\$0.60	\$0.8240	31/03/2028	92%	3.77%	\$0.1709
Tranche H	1,625,000	\$0.23	\$0.75	\$1.0300	31/03/2028	92%	3.77%	\$0.1566

The vesting conditions of the performance rights as follows:

- Company obtaining FDA clearance for its Heart Failure screening tool on or before 31 December 2026
- Company obtaining CPT code for Aortic Stenosis
- Company obtaining CPT code for Heart Failure
- 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
- the 20-day VWAP being at least \$0.50
- the Company achieving total revenue of US\$2,000,000 by 31 December 2025
- 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
- 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

## NOTE 9 DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial half-year.

## NOTE 10 OPERATING SEGMENTS

### Identification of reportable operating segments

The Consolidated Entity has identified its operating segments based on internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Consolidated Entity's principal activity is the development of artificial intelligence software that aids in predicting Aortic Stenosis heart condition. These activities are all located in the same geographical area being Australia. Given there is only one segment being in one geographical area the financial results from this segment are equivalent to the financial statements of the Consolidated Entity as a whole.

## NOTE 11 EVENTS AFTER THE REPORTING PERIOD

On 10 January 2025 Dustin Haines commenced in the position of Chief Executive Officer, in accordance with the terms of his appointment (refer ASX Announcement 9 October 2024).

On 4 February 2025 the Company announced that 24 million options, with an exercise price of \$0.25 and expiry date of 2 February 2025, had expired without conversion.

On 11 February 2025 the Company received \$1,260,923.19 under the Research and Development ("R&D") Tax Incentive Scheme.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial years.

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# Directors' declaration

31 December 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



**Andrew Grover**  
Chairman

27 February 2025



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## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF ECHO IQ LIMITED

#### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Echo IQ Limited (the company) and controlled entities (consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material policy information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at 31 December 2024, or during the half year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Echo IQ Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report.

#### Independence

We are independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' Responsibility for the Interim Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

  
PKF PERTH

  
SHANE CROSS  
PARTNER

27 February 2025  
PERTH, WESTERN AUSTRALIA

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