

APPENDIX 4E

For the year ended 30 June 2022

1. Company information

| | |
|-------------------|---------------------------------|
| Name of entity: | ECHOIQ Limited |
| ABN: | 48 124 302 932 |
| Reporting period: | For the year ended 30 June 2022 |
| Previous period: | For the year ended 30 June 2021 |

2. Results for announcement to the market

| | | 30 June 2022 \$'000 | % change from year ended 30 June 2021 | 30 June 2021 \$'000 |
|--|------|------------------------|--|---------------------------|
| Revenue from ordinary activities | down | 795,912 | (19%) | 983,183 |
| Profit from ordinary activities after tax | down | (6,172,122) | (106%) | (2,994,255) |
| Net profit attributable to members of the parent | down | (6,172,122) | (106%) | (2,994,255) |

3. Consolidated statement of profit or loss and other comprehensive income

Refer to appendix.

4. Consolidated statement of financial position

Refer to appendix.

5. Consolidated statement of cash flows

Refer to appendix.

6. Consolidated statement of changes in equity

Refer to appendix.

7. Dividend information

| | Amount per security | Franked amount per security |
|--|------------------------|-----------------------------------|
| Final dividend | - | - |
| Interim dividend | - | - |
| Total dividends per share for the year | - | - |

8. Details of dividend reinvestment plans

Nil.

9. Net Tangible Assets Per Security

| | 30 June 2022 cents | 30 June 2021 cents |
|--|--------------------------|--------------------------|
| Net tangible assets per security (cents) | 0.16 | 0.78 |

Net tangible assets are defined as the Net Assets of the ECHOIQ Limited group less any intangible assets.

10. Details of entities over which control has been gained or lost during the period

St Nicholas Mines Pty Ltd was deregistered on the 9th January 2022.

11. Details of associates and joint venture entities

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| Company Name | Place of Incorporation | % Ownership 30 June 2022 | % Ownership 30 June 2021 |
|-------------------------------------|------------------------|--------------------------|--------------------------|
| HWH Software Pty Ltd | Australia | 100% | 100% |
| Prometheus Information Pty. Limited | Australia | 100% | 100% |
| Houston We Have Limited | United Kingdom | 100% | 100% |
| Echo IQ Global Pty Ltd | Australia | 100% | 100% |
| Data Distillery Pty Ltd | Australia | 50% | 50% |
| Niquaero LLC | Mongolia | 100% | 100% |

12. Any other significant information

Key Business Activities

During the financial year, the Consolidated Entity completed the business integration of Echo IQ Global Pty Ltd and made significant progress towards commercialisation of its AI-backed cardiac diagnostic support solution.

Clinical studies, in the form of retrospective reviews, were initiated with St. Vincent's Hospitals in Sydney and Melbourne, Australia and announced with Beth Israel Deaconess in Boston, USA. Collectively, these studies will see the Echo IQ technology solution applied to the echocardiographic records of more than 30,000 patients to highlight risk of mortality from aortic stenosis.

Echo IQ increased its investment in the National Echo Database of Australia (NEDA) in order to gain access to novel and additional health information, above and beyond that secured with the initial acquisition of the business. This investment also funded an increase in the number of contributing hospitals, providing Echo IQ with even greater access to world-leading cardiac big data linked to mortality.

A strategic transformation of the Consolidated Entity was completed in order to support increased focus on the medical technology sector. The leadership team was announced, and the company changed its name to ECHOIQ Limited, under ASX ticker EIQ.

In early 2022, the Consolidated Entity enhanced its leadership team with senior appointments in commercial and regulatory functions, both individuals having strong US and international medical and biotech experience.

A Scientific Advisory Board comprising leading figures from cardiology, echocardiography and sonography was established and the inaugural meeting of this influential group was held at the American Society of Echocardiography conference in Seattle, USA.

The Consolidated Entity agreed, and substantially concluded, the sale of subsidiary Prometheus Information Pty. Limited at end of the financial year. This transaction completed on 1 July 2022 and will therefore reflect in the FY2023 financials. It supports the strategic intent of focussing on the medical technology sector.

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13. Foreign entities

The consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with the International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Boards (IASB). The financial statements are presented in Australian dollars.

14. Commentary of results for the period

Earnings per security

| | 30 June 2022 Cents | 30 June 2021 cents |
|--|----------------------------------|----------------------------------|
| Basic loss per share | (1.57) | (1.08) |
| Diluted loss per share | (1.57) | (1.08) |
| Net loss attributable to ordinary shareholders | (6,172,122) | (2,994,255) |
| | 30 June 2022 No. of shares | 30 June 2021 No. of shares |
| Weighted average number of ordinary shares used in the calculation of basic loss per share | 392,825,911 | 293,840,220 |
| Weighted average number of ordinary shares used in the calculation of diluted loss per share | 392,825,911 | 293,840,220 |

Returns to shareholders

Not applicable.

Results overview

The Consolidated Entity reported a loss for the year ended 30 June 2022 of \$6,172,122 (30 June 2021: loss of \$2,994,255). Included in the loss for the year were non-cash Share Based Payments expenses of \$2,702,622 (30 June 2021: \$1,546,311) for options issued.

Operating revenue for the year totaled \$795,912 (30 June 2021: \$983,183). By segment, operating revenue was:

- Houston We Have: \$209,125 (30 June 2021: \$389,630)
- Prometheus Information: \$544,808 (30 June 2021: \$541,201)
- Houston We Have (UK): \$41,959 (30 June 2021: \$52,352)
- Echo IQ Global: \$0 (30 June 2021: \$0)

The consolidated entity remains in a strong cash position, with a closing cash balance at 30 June 2022 of \$2,405,070 (30 June 2021: \$3,812,039).

This report is based on accounts which are in the process of being audited by KPMG.

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Appendix: Consolidated statement of profit or loss and other comprehensive income

| | Consolidated Entity 30 June 2022 \$ | Consolidated Entity 30 June 2021 \$ |
|---|--|--|
| Revenue | 795,912 | 983,183 |
| Government grant income | 40,542 | 346,596 |
| Other income | - | - |
| Audit fees | (113,550) | (135,525) |
| Consulting and professional fees | (1,260,839) | (531,668) |
| Employee costs | (1,540,637) | (1,390,384) |
| Finance expenses | - | (1,632) |
| Non-Executive Directors fees | (236,737) | (185,404) |
| Depreciation and amortisation | (790,016) | (270,102) |
| Other expenses | (283,907) | (203,845) |
| Share based payments expenses – Directors and consultants fees | (2,702,622) | (1,546,311) |
| Share of net profits/(losses) of equity accounted associates and joint ventures | - | 198 |
| Share registry and listing fees | (80,268) | (59,361) |
| Acquisition costs | - | - |
| Loss before tax | (6,172,122) | (2,994,255) |
| Income tax benefit/(expense) | - | - |
| Net loss for the year | (6,172,122) | (2,994,255) |
| Other comprehensive income | - | - |
| Total comprehensive loss for the year | (6,172,122) | (2,994,255) |
| Basic loss per share (cents) | (1.57) | (1.08) |
| Diluted loss per share (cents) | (1.57) | (1.08) |

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Appendix: Consolidated statement of financial position

| | Consolidated Entity 30 June 2022 \$ | Consolidated Entity 30 June 2021 \$ |
|--|--|--|
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | 2,406,909 | 3,812,039 |
| Trade and other receivables | 358,036 | 467,750 |
| Other assets | - | - |
| Total Current Assets | 2,764,945 | 4,279,789 |
| Non-Current Assets | | |
| Investments in associates and joint ventures | 4,543 | 4,544 |
| Plant and equipment | 40,108 | 33,153 |
| Right of use asset | - | - |
| Intangible assets and goodwill | 7,160,283 | 6,615,268 |
| Total Non-Current Assets | 7,205,283 | 6,615,268 |
| Total Assets | 9,970,283 | 10,932,756 |
| LIABILITIES | | |
| Current Liabilities | | |
| Trade and other payables | 1,525,588 | 545,286 |
| Lease liability | - | - |
| Employee benefits | 53,968 | 199,957 |
| Contract liabilities – unearned income | 478,935 | 350,460 |
| Total Current Liabilities | 2,130,342 | 1,095,703 |
| Non-Current Liabilities | | |
| Lease liability | - | - |
| Other liabilities – contingent consideration | - | - |
| Employee benefits | - | 1,451 |
| Total Non-Current Liabilities | - | 1,451 |
| Total Liabilities | 2,130,342 | 1,097,154 |
| Net Assets | 7,839,886 | 9,835,602 |
| EQUITY | | |
| Contributed equity | 30,400,344 | 27,940,029 |
| Reserves | 5,334,971 | 3,618,878 |
| Accumulated losses | (27,895,428) | (21,723,305) |
| Total Equity | 7,839,887 | 9,835,602 |

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Appendix: Consolidated statement of cash flows

| | Consolidated Entity 30 June 2022 \$ | Consolidated Entity 30 June 2021 \$ |
|---|--|--|
| Cash flows from operating activities | | |
| Receipts from customers | 1,206,667 | 1,161,122 |
| Payments to suppliers and employees | (4,059,506) | (2,833,283) |
| Interest received | - | - |
| Interest paid | - | (1,632) |
| Receipts from grants & subsidies | 36,275 | 256,790 |
| Net cash from / (used in) operating activities | (2,816,564) | (1,417,002) |
| Cash flows from investing activities | | |
| Purchase of plant and equipment | (42,333) | (1,002,560) |
| Proceeds from disposal of subsidiary | 231,767 | - |
| Acquisition of subsidiary | - | - |
| Payment for intangible asset | (325,000) | - |
| Investment in associate | - | - |
| Net cash from / (used in) investing activities | 135,566 | (1,002,560) |
| Cash flows from financing activities | | |
| Proceeds from equity issues | - | 2,506,000 |
| Payment for costs of equity issues | - | (168,031) |
| Proceeds from/(repayment of) convertible notes | - | - |
| Proceeds from exercise of options | 1,547,000 | 438,000 |
| Repayment of lease liabilities | - | (21,468) |
| Repayment of borrowings | - | - |
| Net cash provided from / (used in) financing activities | 1,547,000 | 2,754,498 |
| Net increase/(decrease) in cash held | (1,405,131) | 334,936 |
| Cash and cash equivalents at beginning of the period | 3,812,039 | 3,477,104 |
| Cash and cash equivalents at period end | 2,406,909 | 3,812,039 |

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Appendix: Consolidated statement of changes in equity

| Consolidated Entity | Contributed Equity \$ | Share Based Payments Reserve \$ | Accumulated Losses \$ | Total \$ |
|---|-----------------------------|--|-----------------------------|------------------|
| Balance at 1 July 2021 | 27,940,029 | 3,618,878 | (21,723,305) | 9,835,602 |
| Equity issues | - | - | - | - |
| Options exercised | 2,246,316 | (699,316) | - | 1,547,000 |
| Options lapsed | - | (72,213) | - | (72,213) |
| Share based payments | - | 2,702,622 | - | 2,702,622 |
| Performance shares issued | 214,000 | (214,000) | - | - |
| Loss for the period | - | - | (6,172,222) | (6,172,122) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | - | - | (6,172,222) | (6,172,122) |
| Balance at 30 June 2022 | 30,400,345 | 5,334,97 | (27,895,428) | 7,839,887 |

| Consolidated Entity | Contributed Equity \$ | Share Based Payments Reserve \$ | Accumulated Losses \$ | Total \$ |
|---|-----------------------------|--|-----------------------------|------------------|
| Balance at 1 July 2020 | 20,356,670 | 1,496,602 | (18,729,050) | 3,124,222 |
| Equity issues | 2,506,000 | - | - | 2,506,000 |
| Capital raising costs | (153,781) | - | - | (168,031) |
| Options exercised | 631,140 | (193,140) | - | 438,000 |
| Share based payments | 4,600,000 | 2,315,416 | - | 6,915,416 |
| Loss for the period | - | - | (2,994,255) | (2,994,225) |
| Other comprehensive income | - | - | - | - |
| Total comprehensive loss for the period | - | - | (2,994,255) | (2,994,255) |
| Balance at 30 June 2021 | 27,940,029 | 3,618,878 | (21,723,306) | 9,835,602 |