

# Annual Report 2024

Echo IQ Limited  
And Controlled Entities

**Echo** **iQ**



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50%  
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50%  
11MHz  
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TEE T: 38.8C

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Selected

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To Study



# Contents

<b>Introduction</b>	4
Corporate Directory	4
Chairmans Letter	6
Milestones	8
Mission	10
Clinical Trials Progress	12
Scientific Sharing	13
Focus Areas – Aortic Stenosis	14
Focus Areas – Heart Failure	16
Commercialisation	18
<b>Directors' Report</b>	24
Directors	24
Joint Company Secretaries	26
Operating and Financial Review	28
<b>Auditors Independence Declaration</b>	40
<b>Financial Statements</b>	42
<b>Notes to the Financial Statements</b>	48
<b>Directors' Declaration</b>	75
<b>Audit Report</b>	76
<b>Additional ASX Information</b>	82
<b>Corporate Governance</b>	85

## Principal Place of Business

Suite 2.114, 477 Pitt Street  
Sydney NSW 2000  
Telephone: +61 9159 3719

## Registered Office

Level 3, 88 William Street  
Perth WA 6000

## Website & Email

[www.echoiq.ai](http://www.echoiq.ai)  
[investor@echoiq.ai](mailto:investor@echoiq.ai)

## Share Registry\*

Computershare Investor  
Services Pty Ltd  
Level 17  
221 St Georges Terrace  
Perth WA 6000  
Telephone:  
1300 850 505  
Website  
[www.investorcentre.com](http://www.investorcentre.com)

## Auditors

PKF Perth  
8/905 Hay St  
Perth WA 6000

## Stock Exchange Listing

Australian Securities  
Exchange  
[ASX: EIQ]  
[www.asx.com.au](http://www.asx.com.au)

## Incorporation

Incorporated in Australia  
as a public company limited  
by shares  
ACN: 142 901 353  
ABN: 48 142 901 353

\* This entity is included for  
information purposes only  
and has not been involved  
in the preparation of this  
Annual Report.

# Corporate Directory

## Board of Directors



Andrew Grover  
**Executive Chairman**



Steven Formica  
**Non-Executive Director**



Simon Tolhurst  
**Non-Executive Director**



Stephen Picton  
**Non-Executive Director**



Jessamyn Lyons  
**Company Secretary**



## Management Team



Dane Brescacin  
**VP Regulatory Affairs**



Seán Bryceland  
**Chief Technology Officer**



Prof. David Playford  
**Chief Medical Advisor**



Prof. Geoff Strange  
**Chief Research & Strategy Officer**



Deon Strydom  
**Chief Commercial Officer**



Philip Woolff  
**Chief Operating Officer**



## Chairman's Letter

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“

**Echo IQ is poised for commercial acceleration and achieved a number of important milestones this year**

I am pleased to report that Echo IQ made considerable progress during financial year in its transformation from an innovator in artificial intelligence to a serious medical technology contender. Breaking into this complex sector, albeit one where the commercial and human impact can be extraordinary, takes patience, commitment and focus. Echo IQ demonstrated all of these in abundance last year.

Firstly, the Company enjoyed significant clinical and academic validation for its core offering for Aortic Stenosis. Echo IQ featured in two late-breaking science presentations at the European Society of Cardiology Congress in Amsterdam. I am also pleased to advise that in late September 2024, our clinical study performed with Harvard Medical School's Beth Israel Deaconess Medical Center was published in the highly-regarded and peer-reviewed publication JACC Advances, a journal of the American College of Cardiology.

The Company also made significant progress during the year in building firm foundations for commercial lift off. Integrations with echocardiography reporting platforms will mean healthcare professionals can activate the ai-powered capability of EchoSolv rapidly and



simply, without lengthy implementation processes. A number of US healthcare facilities have already signed-up for EchoSolv, via their existing reporting providers, as we seed this important market.

I am pleased to confirm that our commercial pilot with Australia's largest provider of cardiology completed successfully and we are in discussions regarding the next stage of this important roll-out. In the US, a major hospital group (with more than 50 sites) trialed EchoSolv and chose to highlight these results in a major scientific conference in June 2024.

Achieving FDA Clearance for our ai-backed solution for improved detection of aortic stenosis from echocardiography will be another key milestone for our company. Our formal application was made in May 2024 and we expect a response imminently. As is fairly routine with applications of this type, we were recently asked to provide some additional detail in support of our application and this was provided about a month ago. We remain confident of a positive outcome and see clearance as a major catalyst for commercial acceleration.

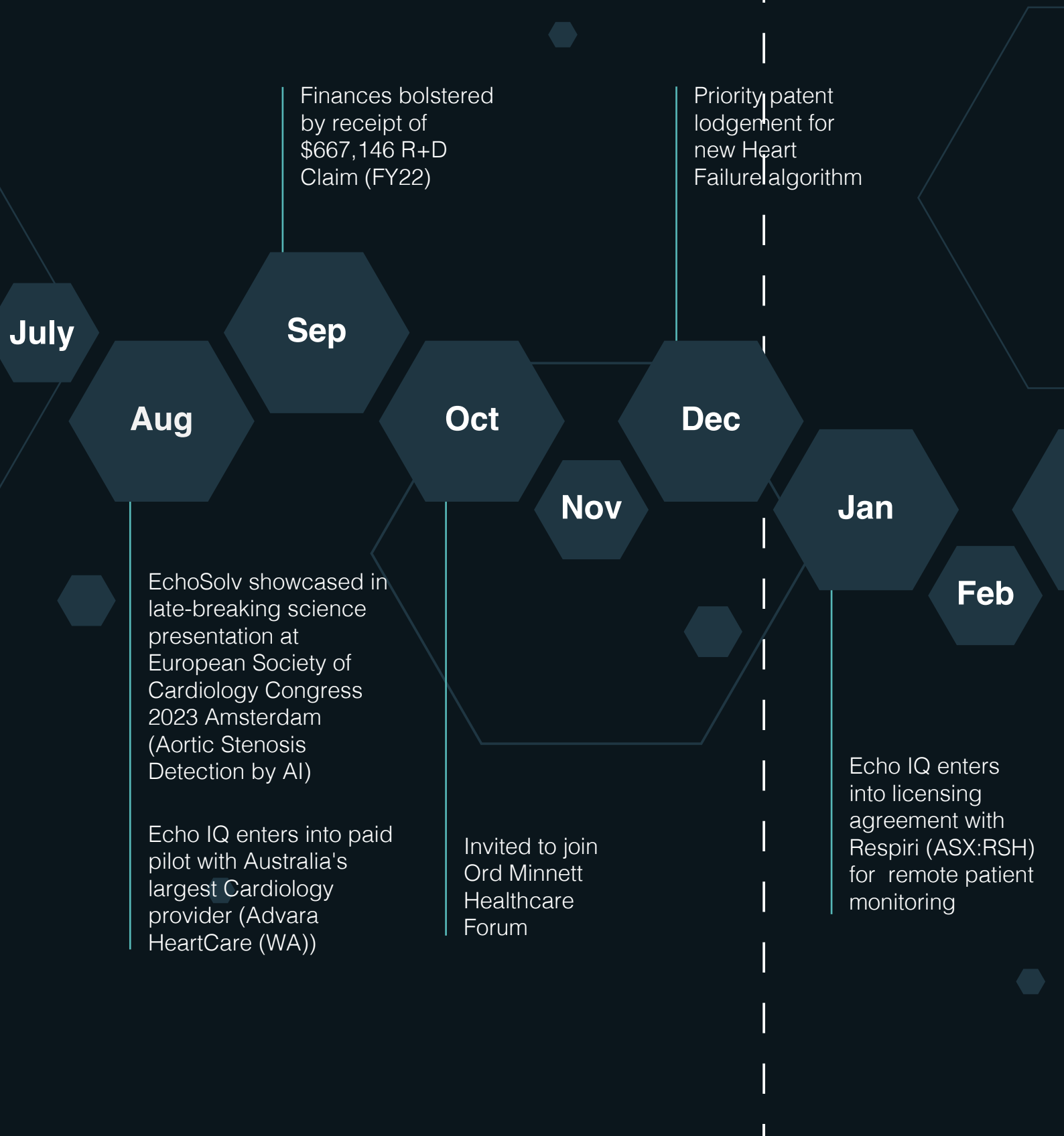
Echo IQ has also clearly identified heart failure as its next product innovation focus area. Heart failure is a global health crisis which sees more than 60

million people affected. It's the leading cause of hospitalisation in those over 65 years of age and the biggest cause of hospital re-admission overall. Echo IQ has developed a highly predictive algorithm for heart failure, a condition that typically sees low and/or variable rates of accurate diagnosis, and this was highlighted in two presentations at ESCCongress in London. We expect this to open up further applications and customer segments for EchoSolv as this capability is embedded in the next year or so, following new FDA applications for this particular offering.

I would also like to take this opportunity, on behalf of the Board of Directors and everyone at Echo IQ, to thank our shareholders for their continued support. Building a successful and sustainable technology business can be financially rewarding, but takes patience. We work hard to ensure funds invested in our business are used carefully and to maximum effect. This past financial year was no exception to this and we accomplished a great deal. Subsequent to year end, we completed a placement of new shares, which raised \$7.1m in capital, to fund ongoing US commercialisation. We look forward to reporting on the productive use of that capital in the months ahead.

2023

# Milestones





2024



# Mission

**Echo IQ harnesses the power of artificial intelligence and exclusive access to world-leading cardiac big data to help healthcare professionals obtain earlier and more accurate diagnoses for structural heart disease.**

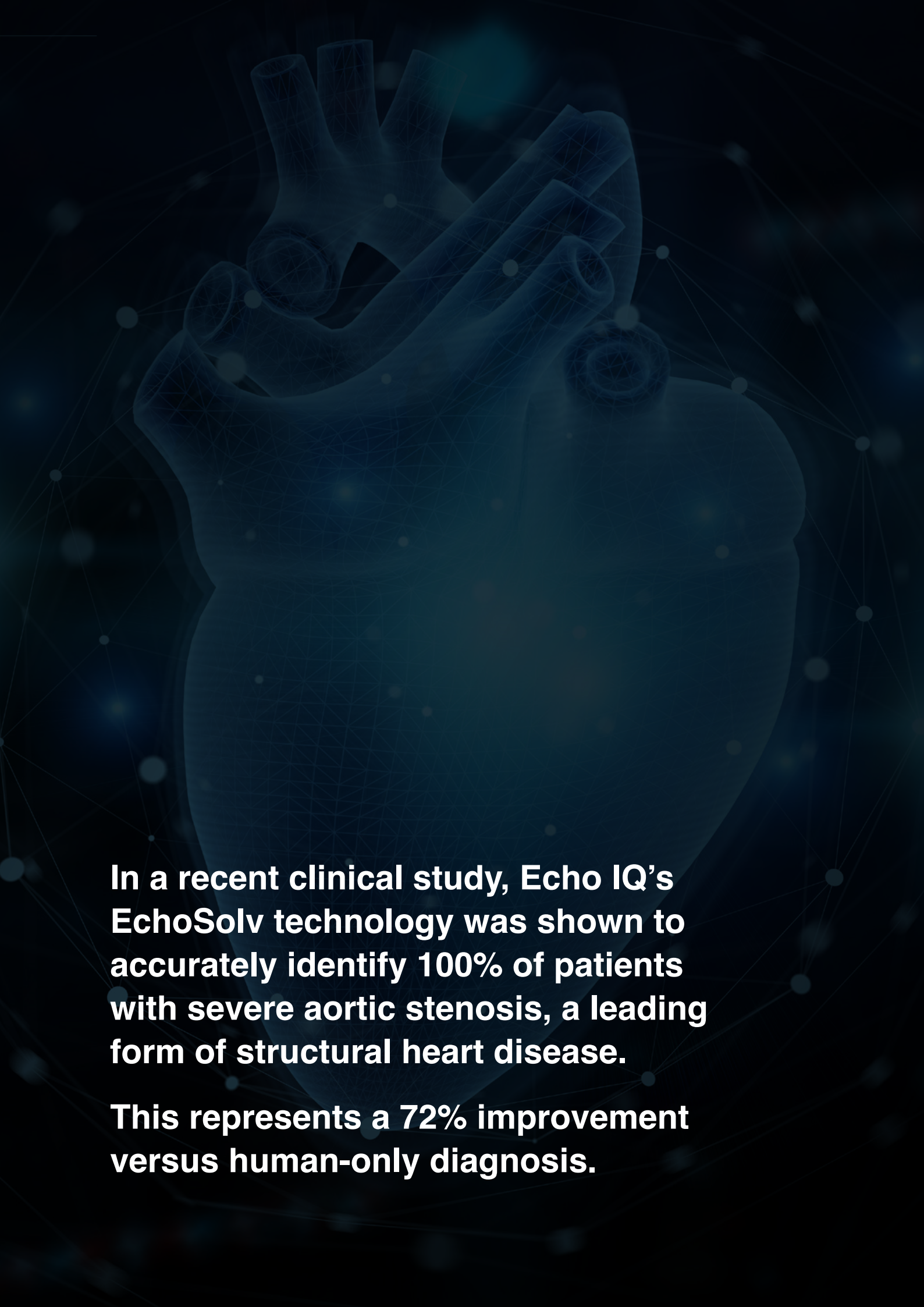
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At Echo IQ, we use the AI-powered technology in EchoSolv to enhance the diagnosis of structural heart disease. Our mission is to help improve the lives of people by supporting earlier, more accurate detection of a number of life-threatening but often treatable conditions.

The Echo IQ platform applies innovative methodologies and a proprietary algorithm to produce risk assessments for patients using their

echocardiographic measurements.

We harness the power of AI to produce consistent outputs at speed, and without bias. Applied to the identification of aortic stenosis, for example, EchoSolv has been designed to identify patients at risk of mortality who might benefit from further clinical review. We are proud to be applying leading-edge technologies, led by thought-leaders in cardiology, to deliver new solutions in cardiac care.

A stylized, wireframe heart is centered in the background. It is composed of a mesh of lines and dots, giving it a digital or technological appearance. The heart is set against a dark blue background with a subtle network pattern of dots and lines, suggesting a global or interconnected theme. The overall aesthetic is modern and high-tech.

**In a recent clinical study, Echo IQ's EchoSolv technology was shown to accurately identify 100% of patients with severe aortic stenosis, a leading form of structural heart disease.**

**This represents a 72% improvement versus human-only diagnosis.**

# Clinical Trials Progress

	STUDY	KEY FINDINGS
2023	<b>St Vincent’s (Aortic Stenosis AI)</b>	AI detected 72% more patients with SAS than human-only review  Women 66% more likely to have been misdiagnosed than men, corrected by the AI  Study performed on 9189 patient record sets
	<b>Beth Israel Deaconess Medical Center, USA (Aortic Stenosis AI)</b>	AI successfully identified ALL cases of SAS and ...  Study performed on 31141 patient record sets
2024	<b>US Reader Study Arkansas (Aortic Stenosis AI)</b>	AI improved identification of SAS from echocardiography  2000 reviews performed using 200 patient echocardiograms
	<b>St Vincent’s Institute HF</b>	AI for HF successfully identified 86% of patients with the clinical syndrome of HF  290 patients reviewed in this study
	<b>Notre Dame HF</b>	AI for HF, when combined with human review, achieved 97% identification of patients with HF  453 patients reviewed in this study



## SCIENTIFIC PRESENTATION PUBLICATION

ESC Congress Amsterdam  
(Aug 23 2023)

ESC Congress Amsterdam  
(Aug 23 2023)  
JACC Advances

N/A

ESC Congress London  
(Aug 24 2024)

ESC Congress London  
(Aug 24 2024)

# Scientific Sharing

Establishing clinical and academic credibility is critical for medical technology innovators. Echo IQ has now been featured in four late-breaking science presentations at the prestigious European Society of Cardiology Congress in the past 14 months.

In May 2024, a leading US hospital group presented positive findings from their pilot application of EchoSolv in a clinical setting.

## ESC Congress Amsterdam (August) 2023

Professor Geoffrey Strange  
(University of Notre Dame, Sydney and Echo IQ)  
*Detect Aortic Stenosis by Echo with Artificial Intelligence.*

## ESC Congress Amsterdam (August) 2023

Professor David Playford  
(University of Notre Dame, Fremantle and Echo IQ)  
*MR-NEDA – Prognosis of Mild to Severe Mitral Regurgitation.*

## ESC Congress London (August) 2024

Professor Geoffrey Strange  
(University of Notre Dame, Sydney and Echo IQ)  
*Heart Failure Detection using Artificial Intelligence for Diagnostic Decision Support applied to Echocardiography – HFDetectAI*

## ESC Congress London (August) 2024

Professor Simon Stewart  
(The University of Notre Dame, Adelaide)  
*Rapid Detection of Incident Heart Failure by Artificial Intelligence: Lessons from the NIL-CHF Trial.*

## NY Valves (June) 2024

Dr. Pedro Covas  
(Baylor Scott & White, The Heart Hospital Plano TX)  
*AI-Powered Cardiac Ultrasound Improves Identification of High-Risk Aortic Stenosis (Echo IQ)*

# Focus Areas



## AORTIC STENOSIS

**Aortic valve stenosis — or aortic stenosis — is a type of heart valve disease (valvular heart disease). The valve between the lower left heart chamber and the body's main artery (aorta) is narrowed and doesn't open fully. This reduces or blocks blood flow from the heart to the aorta and to the rest of the body.**

### Prevalence

The prevalence of aortic stenosis increases with age. It affects 1 in every 4 people, 65 years and above.

It is becoming more common as the population ages.

### Clinical Challenge

The primary diagnostic test for aortic stenosis is an Echocardiogram.

(More than 30M are performed in the US each year).

Unfortunately many people are not sent for an echo in the first place, and underdiagnosis and misdiagnosis means treatment rates are lower than needed.

It is estimated that 50% of people with heart valve disease don't know they have it. (\*)

### Symptoms

Symptoms of aortic valve stenosis may include:

- ▶ An irregular heart sound (heart murmur) heard through a stethoscope
- ▶ Chest pain (angina) or tightness with activity
- ▶ Feeling faint or dizzy or fainting with activity
- ▶ Shortness of breath, especially with activity
- ▶ Fatigue, especially during times of increased activity

## Treatment

Aortic valve replacement is recommended in adults with severe aortic stenosis, even if the symptoms are mild.

In aortic valve replacement, the surgeon removes the damaged valve and replaces it with a mechanical or biological tissue valve.

Value replacement using a transcatheter insertion method (versus open heart surgery) is now the most common form of treatment.

## Echo IQ Solution

EchoSolv review of echocardiography for aortic stenosis has been shown to identify 100% of cases of severe aortic stenosis PLUS an additional group of patients at similar risk of mortality with the disease.

EchoSolv is fast, consistent and accurate.

“

*Imagine a hospital system with a 50% utilization rate for an effective therapy for a deadly cancer, and among those patients not treated, only one-third were referred to an oncologist for evaluation...*

JACC Editorial on the poor rates of identifying and treating aortic stenosis

25m

people have AS  
worldwide

\$17bn

healthcare costs by 2030

11 days

extra hospital time due  
to underdiagnosis

50%

2-year mortality rate  
when untreated

### Notes

1. <<https://www.mayoclinic.org/diseases-conditions/aortic-stenosis/symptoms-causes/syc-20353139>>
2. <https://www.ncbi.nlm.nih.gov/books/NBK557628/>

3. <<https://www.ncbi.nlm.nih.gov/books/NBK557628/>> Our hidden ageing: time to listen to the heart | Baker Institute
4. The Alarm Blares for Undertreatment of Aortic Stenosis: How Will We Respond?\* | Journal of the American College of Cardiology (jacc.org)

# Focus Areas



## HEART FAILURE

Heart failure occurs when the heart muscle doesn't pump blood as well as it should. When this happens, blood often backs up and fluid can build up in the lungs, causing shortness of breath.

Certain heart conditions gradually leave the heart too weak or stiff to fill and pump blood properly. These conditions include narrowed arteries in the heart and high blood pressure. Heart failure can be life threatening.

### Prevalence

There are 64M sufferers of heart failure worldwide

It has a 5YR mortality rate close to 50%

Attempts to decrease its social and economic burden have become a major global public health priority.

### Clinical Challenge

Heart Failure goes undetected in over half of all cases

Treatment is available, but patients are frequently misdiagnosed.

Annual costs of care USA \$40-60bn, expected to hit \$70bn by 2030

### Symptoms

Heart failure symptoms may include:

- ▶ Shortness of breath with activity or when lying down.
- ▶ Fatigue and weakness.
- ▶ Swelling in the legs, ankles and feet.
- ▶ Rapid or irregular heartbeat.
- ▶ Reduced ability to exercise.
- ▶ Wheezing.



## Treatment

Treatment of heart failure may depend on the cause. Treatment often includes lifestyle changes and medicines.

Medical treatments can include various inhibitors, receptor blockers, beta blockers and diuretics.

## Echo IQ Solution

ECHO IQ's new artificial intelligence has been shown to identify 97% of patients with the clinical syndrome of heart failure when combined with human review.

This compares to average detection rates between only 40 and 50% in current practice.

“

*Heart failure is the leading cause of hospitalisation and mortality in older adults, and worsening heart failure places a significant physical, economic and social burden on heart failure patients, their families and the US healthcare system”*

From HF Society of America

64m

sufferers worldwide  
(6m USA)

17%

Of US annual  
healthcare spend

\$50bn

anticipated healthcare  
costs by 2032

25%

30-day hospital  
re-admission rate

### Notes

1. <<https://www.mayoclinic.org/diseases-conditions/heart-failure/symptoms-causes/syc-20373142>>
2. <https://www.mayoclinic.org/diseases-conditions/heart-failure/symptoms-causes/syc-20373142>
3. <https://www.mayoclinic.org/diseases-conditions/heart-failure/symptoms-causes/syc-20373142><
4. <https://pubmed.ncbi.nlm.nih.gov/35150240/>>
5. Heart Failure Epidemiology and Outcomes Statistics: A Report of the Heart Failure Society of America - PMC (nih.gov)
6. Global Public Health Burden of Heart Failure: An Updated Review - PMC (nih.gov)

# Commercialisation

## Target Segments

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### HOSPITALS

Earlier, more accurate and consistent identification of disease



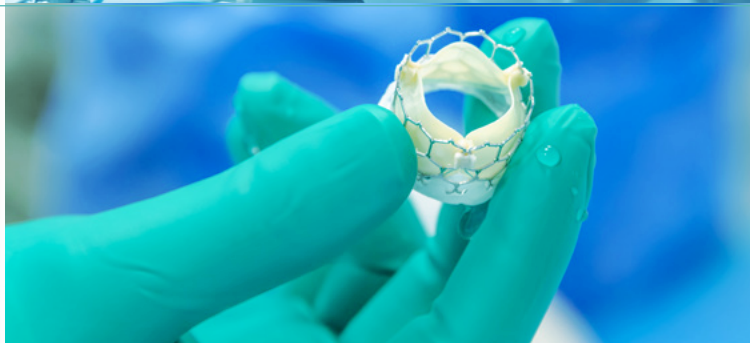
### REPORTING PROVIDERS

Increased stickiness and utility within established workflow



### DEVICE MANUFACTURERS

The identification of more patients who might benefit from proven treatments



### PHARMACEUTICALS

The identification of more patients who might benefit from proven treatments



### HARDWARE MANUFACTURERS

Feature-rich added value that increases utility from healthcare facility investment in costly equipment



## Reimbursement

### US Insurance Coverage

US health insurance is estimated to cover approximately 90% of Americans, either through private or public programs.

### CMS Codes








Securing CMS codes for Echo 1Q's AI solutions for Aortic Stenosis and Heart Failure would mean supply of service by hospitals and other healthcare providers, using EchoSolv, generates a fee FOR the provider. Echo 1Q would share in this fee.

### Heart Failure

The case for reimbursement in the heart failure sector is especially relevant in light of the high rates of re-hospitalisation and the costs typically incurred by this.

## PATHWAY TO REGULATORY CLEARANCE

Securing US regulatory clearance for its artificial intelligence solutions in aortic stenosis and heart failure is a commercial priority. Echo IQ is focused on fast, robust

	Aortic Stenosis	Heart Failure
Strategic Approach		
Clinical Studies		
FDA Pre-Submission		
Supplemental Studies		
FDA Application		
FDA Clearance		



# EchoSolv™

EchoSolv removes the labour intensiveness, user-dependency and unconscious bias in diagnosis which can lead to great accuracy compared to traditional methods.

EIQ EchoInsight

## Summary Analysis

All Aortic Stenosis

**404** patients with AI detected Severe Aortic Stenosis Phenotype

## Assessment Results

Showing 239 of 239 patients assessed in the period 16 August 2022 - 22 August 2022. You have applied

Status	Patient ID	Study ID
✓	912041	912041ABCD
✓	975157	975157ABCD
✓	967548	967548ABCD
✓	849917	849917ABCD
✓	741534	741534ABCD
✓	581883	581883ABCD
✓	381310	381310ABCD
✓	283627	283627ABCD
✓	274488	274488ABCD
✓	527045	527045ABCD
✓	430916	430916ABCD
✓	248671	248671ABCD
✓	481876	481876ABCD

EIQ

EchoSolv

Period 2024-04-17 to 2024-07-17

8

Patients

8

Studies

### Assessment Summary

Severe Aortic Stenosis

G 2 AI 2 AI 2

Diastolic Dysfunction

G 2 G 2

Heart Failure

G 5

Search for a patient

Alerts

Stealth Mode Off

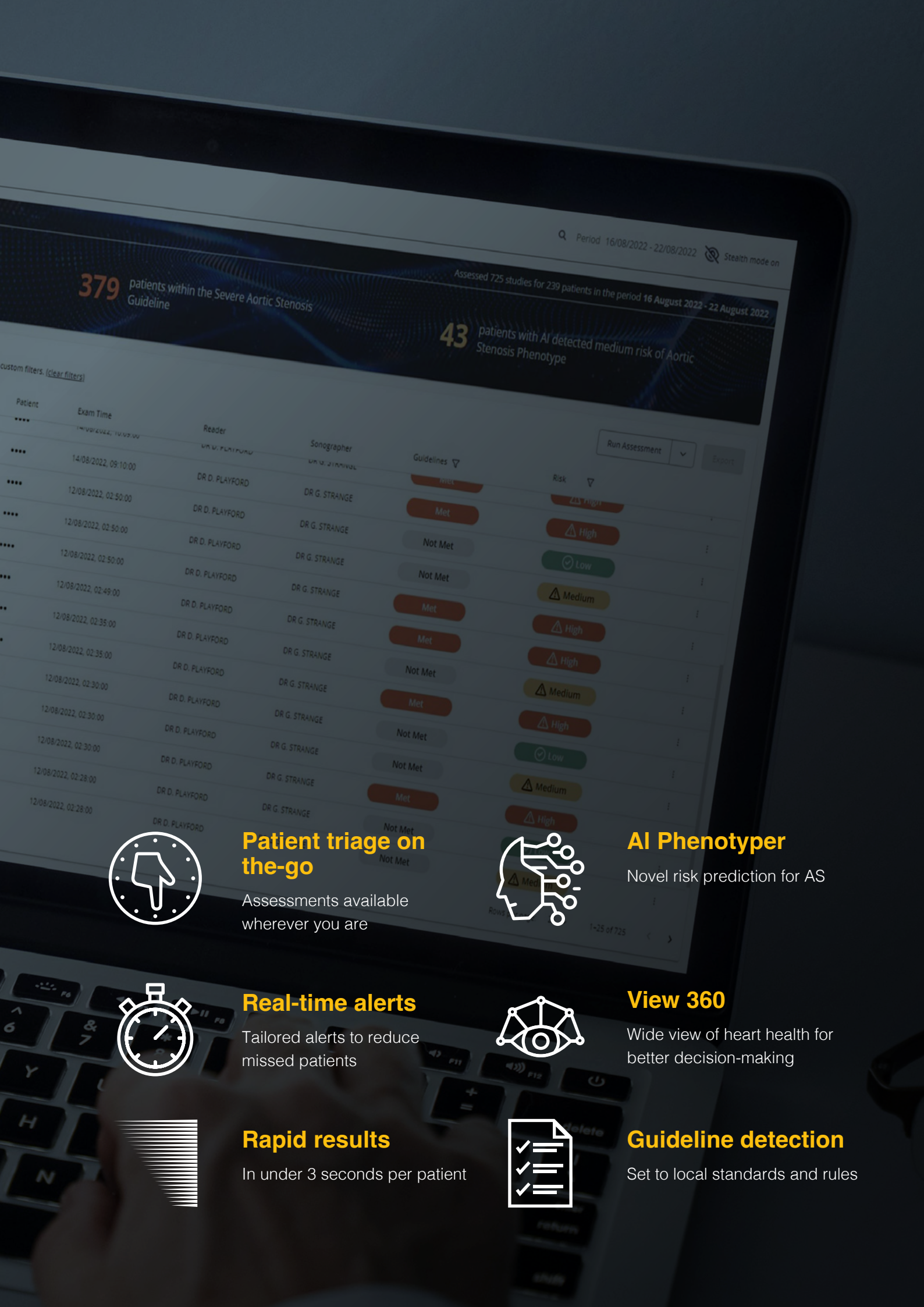
### Assessments

Reviewing 8 studies assessed in the period 2024-04-17 - 2024-07-17. The Assessment Summary is based on the patient's most recent study.

Saturday 1st June 2024

<b>HIGH</b>	2024-06-01, 15:17
<b>PATIENT EIQPAT_1</b> (Moffett Brown)	
Sarah Jackson - Dr Bruno Talley	ASA ASD DDo HFr
<b>HIGH</b>	2024-06-01, 15:16
<b>PATIENT EIQPAT_2</b> (Lester Swanson)	
Sarah Jackson - Dr Bruno Talley	HFr ASA
<b>HIGH</b>	2024-06-01, 15:15
<b>PATIENT EIQPAT_3</b> (Laila Williams)	
Sarah Jackson - Dr Bruno Talley	DDo HFr ASA
<b>LOW</b>	2024-06-01, 15:14
<b>PATIENT EIQPAT_4</b> (Chloe Harrison)	
Sarah Jackson - Dr Bruno Talley	
<b>LOW</b>	2024-06-01, 15:13
<b>PATIENT EIQPAT_5</b> (Mary Brown)	
Sarah Jackson - Dr Bruno Talley	
<b>LOW</b>	2024-06-01, 15:09
<b>PATIENT EIQPAT_6</b> (Drew Mason)	





### Patient triage on the-go

Assessments available wherever you are



### AI Phenotyper

Novel risk prediction for AS



### Real-time alerts

Tailored alerts to reduce missed patients



### View 360

Wide view of heart health for better decision-making



### Rapid results

In under 3 seconds per patient



### Guideline detection

Set to local standards and rules





# Innovation

## Beyond Aortic Stenosis and Heart Failure

Echocardiography is the primary diagnostic tool used in identifying a wide range of structural heart diseases.

Whilst the company is focused on its solutions for aortic stenosis and heart failure, there remain a number of other forms of heart disease where our expertise in artificial intelligence can be applied.

Echo IQ's exclusive right of access agreement with the National Echo Database of Australia to use its echocardiographic measurement and text output data for the development of AI solutions in echocardiography presents a broad range of innovation opportunities for the company.



# Immediate Priorities

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## 1

### REGULATORY CLEARANCE

- ▶ Securing FDA clearance for AI-backed solution for aortic stenosis
- ▶ Advancing FDA pathways for clearance of AI-backed solution for heart failure

## 2

### COMMERCIALISATION

- ▶ Acceleration of commercialisation of aortic stenosis solution, post-FDA
- ▶ New partnerships

## 3

### REIMBURSEMENT STRATEGY

- ▶ Rapid progress on securing reimbursement codes

## 4

### CLINICAL STUDIES

- ▶ Completion of required clinical studies on heart failure, in support of FDA strategy



# Directors' Report

**The Directors present the financial report of the Group for the year ended 30 June 2024, together with the audit report thereon. The Group consists of Echo IQ Limited (the Company) and the entities it controlled at year end or during the financial year.**

## Directors

**The names of Directors who held office during or since the end of the period**

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### Andrew Grover

#### **Executive Chairman**

Andrew has 26 years' experience in management, business development, sales & marketing, administration and technology across a diverse range of industries. As a founder and investor in numerous innovative companies, Andrew's businesses have been featured in BRW Fast 100 and Deloitte's Fast 50 over several years. Andrew has had several successful exits and has consulted to medium and top 100 companies. Andrew was also CEO of an executive recruitment agency which was acquired by an ASX listed company.

Andrew has served as a Director since 24 May 2019.

Andrew has no former or other current ASX listed directorships.

### Steven Formica

#### **Non-Executive Director**

Steven brings to the Group practical management and business development experience. He has been a successful businessman and operations manager for over 31 years in several privately held business ventures including manufacturing, construction, landscape contracting, property development and integrated wholesale and retail businesses. More recently he has been a successful investor and non-executive director in mineral resource companies.

Steve has served as a Director since 2 July 2018.

Steven is also currently Chairman of Ragnar Metals Ltd (ASX: RAG), a Non-Executive Director of Albion Resources Ltd (ASX: ALB) and a Non-Executive Director of Bindi Metals Limited (ASX: BIM). In the past 3 years, he has been a director of Jade Gas Holdings Limited (formerly High Grade Metals Limited) and Bowen Coal Limited.

### Stephen Picton

#### Non-Executive Director

Steve holds a Bachelor of Science in technology and a Master of Science (Business) from London Business School and is both a Chartered Engineer and a Member of The Institute of Company Directors. He is also a Sloan Fellow which was awarded to him in 1993 by the Sloan Foundation as part of the joint MIT, Stanford and LBS programme. He has over 35 years' experience in the technology industry having held senior positions in British Telecom (BT) and AAPT prior to him forming gotalk and relaunching LBNCo.

Stephen Picton has served as a Director since 20 October 2021.

Stephen is currently a non-executive director of FlexiRoam Limited (ASX: FRX).

### Simon Tolhurst

#### Non-Executive Director

Simon holds a Bachelor of Laws and Master of Laws (Hons). His professional qualifications include Grad Dipl Legal Practice, Solicitor to the Supreme Court Queensland and Solicitor High Court of Australia. A former Chairman of iCollege Limited (now NextEd Group Limited "NextEd") between 2017 and 2021, Simon brings to his non-executive role both hands on experience with NextEd's business as well as 30 years' legal experience, having been a partner of national law firm, HWL Ebsworth. As a lawyer, Simon was recognised in the Australian Financial Review's Best Lawyers list, Doyle's Guide, a member of HWLE's National Competition Law and Anti-Trust Group that was recognised by both Chambers and Legal 500. No longer practicing in the law, Simon is now actively involved on the boards of a number of listed and unlisted public companies including NextEd Group Limited (ASX: NXD,) Great Divide Mining Ltd (ASX: GDM) and Share the Dignity Limited (Chairman).

Simon has served as a Director since 1 June 2023.

Simon is also a non-executive director of NextED Group Ltd (ASX: NXD) and Great Divide Mining Ltd (ASX: GDM)



## Joint Company Secretaries

Jessamyn is a Chartered Secretary, a Fellow of the Governance Institute of Australia and holds a Bachelor of Commerce from the University of Western Australia with majors in Investment Finance, Corporate Finance and Marketing. Jessamyn is a highly experienced Company Secretary and has held positions with Macquarie Bank, UBS (London) and Patersons Securities.

Jessamyn has served as Company Secretary since 22 October 2021.

Jessamyn currently holds position as Company Secretary of the below ASX listed companies:

- ▶ Dreadnought Resources Ltd (ASX: DRE)
- ▶ Ragnar Metals Ltd (ASX: RAG)
- ▶ GWR Group Limited (ASX: GWR)
- ▶ Tungsten Mining NL (ASX: TGN)
- ▶ Western Gold Resources Limited (ASX: WGR)
- ▶ Torque Metals Limited (ASX: TOR) (Joint Company Secretary)

Shannon Robinson is Chartered Secretary and corporate advisor with 20 years' experience. Shannon is a former corporate lawyer, a graduate member of the Australian Institute of Company Directors (AICD) and a fellow of the Governance Institute of Australia (GIA).

Shannon served as Company Secretary from 9 March 2023 to 1 February 2024.

Shannon currently holds position as Company Secretary of the below ASX listed companies:

- ▶ Asian Battery Metals plc (formerly Doriemus plc) (ASX: AZ9)

## Meetings of Directors

Director	Number attended	Number held & eligible to attend
Andrew Grover	5	5
Steven Formica	5	5
Stephen Picton	5	5
Simon Tolhurst	5	5

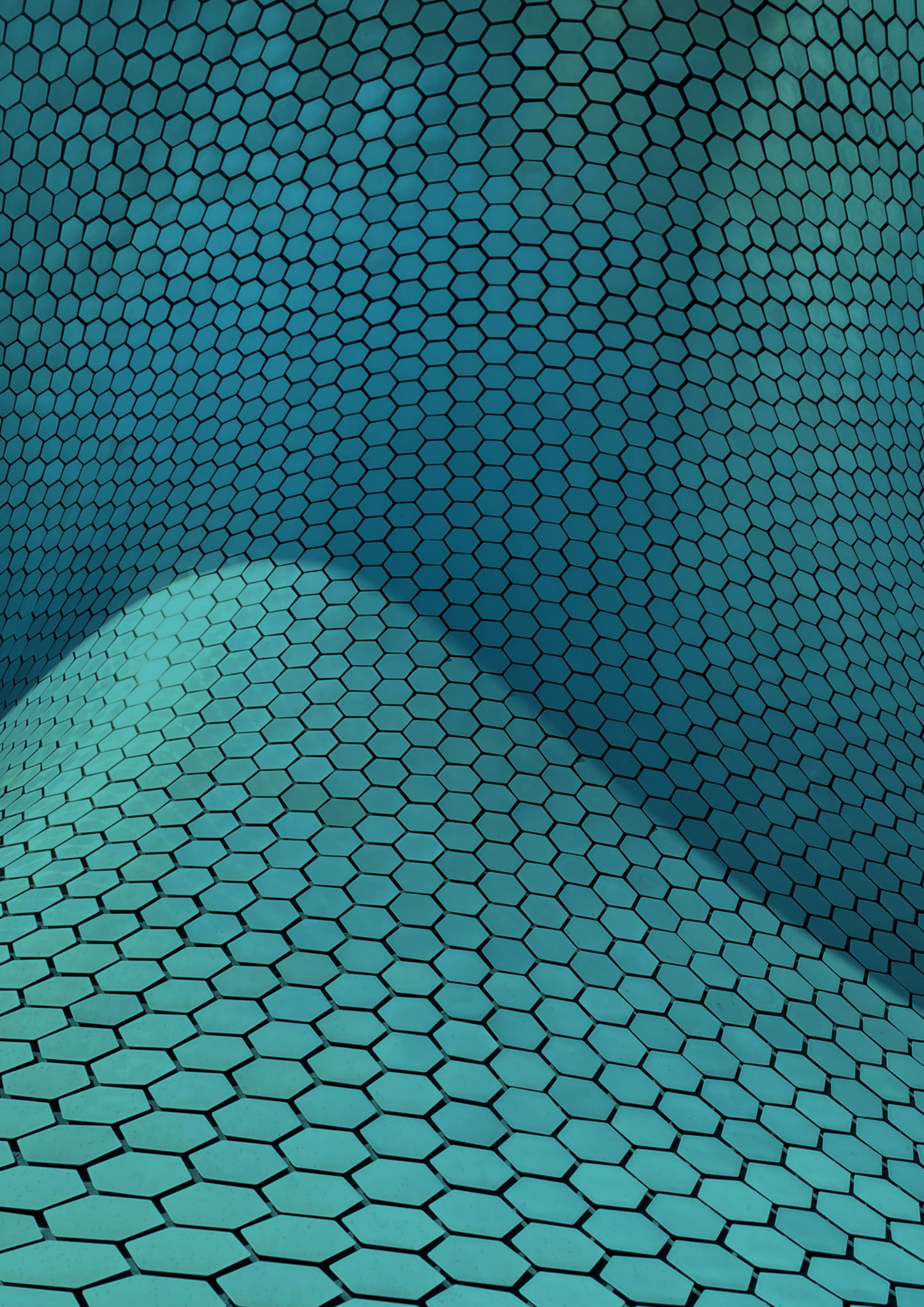
The number of meetings held during the year and the number of meetings attended by each Director was as follows:

The Group does not have an Audit, Remuneration or Nomination Committee with the full Board carrying out the functions that would otherwise be dealt with by such committees.

## Principal Activities

The principal activities of the Group are the development and application of artificial intelligence for the cardiac diagnostics sector.







# Operating and Financial Review

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## Review of Operations

**Echo IQ achieved a number of significant milestones in the financial year to 30 June 2024.**

## Clinical Studies and Validation

Clinical studies are a fundamental part of Echo IQ's commercialisation strategy. They provide evidence of the effectiveness of our product innovation and help drive interest in and awareness of our technology amongst the medical community. Establishing a body of such evidence is also critical in being able to advance the Company's goal of securing reimbursement codes for its solutions, applicable to the US healthcare system. A number of important studies were progressed during the year.

A Reader Study to examine the effectiveness of Echo IQ's artificial intelligence for aortic stenosis was undertaken at St Barnard's Hospital in Arkansas. This study was conducted to determine whether cardiologists with different levels of experience could interpret echocardiographic measurements in a more uniform way, with the assistance of EchoSolv, and also whether there were time savings to be achieved in working this way. This study was requested by the FDA during our engagement with the US regulator, and the results (which achieved both defined endpoints) formed part of the final FDA application made by Echo IQ as announced on 7 May 2024.

At St. Vincent's Research Institute, a clinical study that utilised the SCREEN-HF database investigated the operational characteristics of Echo IQ's new diagnostic support algorithm for heart failure. Interim results of this study were presented at the European Society of Cardiology

Congress (2024) in August 2024 which showed that Echo IQ's proprietary ai-backed solution correctly and clearly identified 86% of patients with heart failure, in comparison to a matched group without heart failure, when applied automatically (i.e. without any human review). For reference, current clinical practice is observed to be highly variable with average detection rates in the range of 40-50%. Furthermore, the study revealed Echo IQ's AI to be highly predictive for hospitalisation with those identified as high-risk being subsequently hospitalised (versus baseline) at almost ten times the rate of those found to be low risk. This is a major finding, given the high costs of emergency and inpatient care in hospital settings and reinforces the potential economic benefits to be derived from the application of this AI to identify patients at risk of future events

In a complementary study completed at the University of Notre Dame using the NIL-CHF study database, Echo IQ's artificial intelligence was found to identify 97% of high-risk individuals that subsequently developed heart failure, when coupled with clinical review. This highlights the power of ai to support enhanced decision making by expert healthcare professionals.

## Commercial Traction

Echo IQ is clearly focussed on building sustainable and scalable foundations for commercial expansion and achieved significant milestones to this effect during the financial year.

A number of the studies outlined above were selected by the European Society of Cardiology (ESC) as late-breaking science presentations at their annual conference. In August 2023, Echo IQ featured in two presentations at the ESC Congress Amsterdam highlighting the success of its ai-backed solution for aortic stenosis in improving detection of the disease. In August 2024, ESC Congress London included another two presentations based on Echo IQ's ai, this time for the detection of heart failure. These invitations, from one of the world's pre-eminent scientific bodies on cardiology help to position Echo IQ as a leading innovator in the use of novel artificial intelligence for improving detection of structural heart disease.

In another significant achievement during the reporting period, one of the leading US hospital groups with more than 50 healthcare sites, presented the positive findings from their own application of EchoSolv, at the prestigious conference New York Valves in May 2024. This kind of endorsement helps establish clinical credibility which is a critical foundation for commercial traction.

The US remains the Company's primary target market and direct customer engagement, as well as activities designed to increase awareness of Echo IQ's capability, has been focused there. The Company exhibited at two MedAxiom conferences (in Orlando, FL and Dallas, TX) during the year - MedAxiom being the commercialisation arm of the American College of Cardiology. Echo IQ also attended the American Society of Echocardiography (ASE) conference in Portland, OR.

Making EchoSolv available to potential users without the need for dedicated software implementation, no matter how simple, has been an ongoing goal for the Company. EchoSolv has now been incorporated into two widely used echocardiography reporting platforms. An integration agreement with Core Sound Imaging's Studycast platform was complemented at the end of the

reporting period, by the announcement of a strategic partnership with SclImage of Los Altos, CA. A number of users have already signed-up to incorporate EchoSolv into their diagnostic workflow via these partnerships.

Echo IQ's sales agent for several US states, Cassling Diagnostic Imaging Inc., has increased the size of its salesforce with EchoSolv in their sales portfolio. During the year, Cassling assigned 46 of its sales team to represent EchoSolv and other complementary solutions to their healthcare provider customers. This significant change indicates a growing prioritisation of Echo IQ's solution in Cassling's sales mix.

Our FDA application (as announced on 7 May 2024) is due for a decision imminently. Securing FDA clearance (under the 510(k) pathway) is expected to accelerate commercial uplift. There are already more than 230,000 use cases (or patient record applications) that have been completed in the US under retrospective pilots. The use of EchoSolv more broadly, including in prospective (or real-time) mode is expected to grow rapidly, pending a successful FDA outcome.

FDA clearance is also an important step in securing reimbursement codes for our solutions. EchoSolv for aortic stenosis lends itself well to reimbursement withing the US health insurance landscape. During the year the Company appointed specialist advisors who are focussed on leveraging FDA clearance into a pathway to reimbursement.

Direct commercial engagement with key sectors where Echo IQ's artificial intelligence has significant commercial value is also expected to accelerate. Engagement with leading device manufacturers for aortic stenosis, major reporting and software providers, healthcare facilities and echocardiography hardware manufacturers is ongoing. This group now also includes major pharm businesses with offerings used in the treatment of heart failure, Echo IQ's second major solutions focus.

## Product Development

Echo IQ focused on advancing EchoSolv's capability and operating efficiency during the reporting period.

In terms of efficiency our developers implemented a number of features designed to reduce the costs of running the EchoSolv platform, achieve increases in ongoing security and quality, and deliver increased processing speeds when processing large retrospective studies. New automated testing means Echo IQ can release new updates faster, without the need to boost team resources.

Echo IQ's decision support software, EchoSolv, also achieved a step-change in functionality as well as clinical value offered to users during the year. Investment in the user experience delivered improvements in the platform's interface with greater visual clarity and faster access to patient information and history. Clinicians can also create SMS alerts for instant notification whenever patients at risk are detected.

The Company also invested in broadening EchoSolv's reach beyond aortic stenosis and users can now also check patient echocardiography against standard medical guidelines for heart failure and diastolic dysfunction.

More recently, and subsequent to the end of the reporting period, the Company has added Single Sign On capability as well advances in security management for customers.

## Operating Context

Echo IQ operates in the medical technology sector and uses artificial intelligence as well as a number of advanced software techniques in the development of its solutions. In considering the current and future performance of Echo IQ, investors may wish to take note of the following factors when assessing the Company's strategies and changing circumstances.

## Access to skilled staff

Echo IQ invests significantly in product innovation and software development. Access to skilled staff is important to the Company and, during the reporting period, it has been able to attract and maintain staff with the appropriate skills to deliver against its strategic and operational objectives. Looking ahead, Echo IQ expects this situation to remain as, or more, favourable than for the reporting period.



## Technological changes

Changes in the development and adoption of new technologies affect Echo IQ's ability to market new solutions to its customers. Attitudes towards the use of technologies including artificial intelligence can also impact product uptake and usage. Echo IQ observes an increasing understanding and acceptance of new technologies in healthcare.

## Regulatory changes

Software-as-a-medical-device is a relatively new but increasingly understood category for regulatory oversight in the medical sector. Echo IQ offers decision support software that falls both within and outside regulatory orbits, depending on the territory. Whilst it can be hard to predict future changes to this landscape, the Company does not anticipate any medium-term changes in this area to negatively impact its ability to bring new solutions to market.

## Economic developments

The financial year ending June 30, 2024 was characterised by reducing inflationary pressure. Interest rates appear to be at the top of their cycle with most predicting reductions in the coming year. As a result, economic headwinds appear to be no worse, and possibly better, than in the last year.

## Results Overview

The Group reported a loss for the year ended 30 June 2024 of \$5,409,146 (2023: loss of \$7,855,622). Included in the loss for the financial year were non-cash Share Based Payments expenses of \$808,303 and profit from discontinued operations of Nil (2023: \$410,185 relating to the disposal of Prometheus Information Pty Ltd (as outlined in note 5 to the financial statements)).

Operating revenue (excluding discontinued operations) for the financial year totaled \$44,500 (2023: \$107,332) and operating expenses (excluding Share Based Payments expense and discontinued operations) totaled \$6,642,275 (2023: \$6,066,641).

## Segment Overview

The Group is reporting segment information on the same basis as the Group's internal management reporting structure at reporting date. Commentary on the segments follows. Further details are outlined in note 15 to the financial statements.

Echo IQ	FY24 \$	FY23 \$	Change %
Operating revenue	24,000	65,475	-63%
Segment profit or (loss)	(5,405,736)	(8,246,404)	-34%

Houston We Have Software	FY24 \$	FY23 \$	Change %
Operating revenue	20,500	41,857	-51%
Segment profit or (loss)	(3,410)	(19,403)	-82%

Prometheus Information	FY24 \$	FY23 \$	Change %
Operating revenue	-	-	-100%
Segment profit or (loss)	-	410,185	-100%

Echo IQ has identified a number of clear industry segments to pursue commercially, and in the short term is focused on developing these. Accordingly, there continues to be investment in resources ahead of the generation of revenue.

On 9 May 2022, Echo IQ Limited announced its entry into a Business Sale Agreement ("BSA") to dispose of the business and assets of its subsidiary, Prometheus Information Pty Ltd ("Prometheus"). Completion of this transaction occurred on 1 July 2024 and completion of the sale was disclosed to the market on 4 July 2022. The segment profit in financial year 2023 relates to a gain on disposal.

## Financial Position and Cash Flow

The net assets of the Group have decreased to \$6,767,992 at 30 June 2024 from net assets of \$7,382,771 at 30 June 2023, driven by the Group's investment towards its strategic direction in enhanced diagnosis in structural heart disease through ai-backed solution.

The net cash outflow for the Group for the year totaled \$1,159,197 (2023: inflow \$878,916).

Cash outflows, for the year ended 30 June 2024,

**Financial  
Position and  
Cash Flow  
(continued)**

from operations totaled \$3,924,196 compared with \$4,940,293 for 30 June 2023.

Net cash inflows from financing activities totaled \$2,764,999 for the financial year (2023: \$5,879,023) was mainly attributable to exercise of options.

**Dividends**

No dividends were paid during the period and no recommendation is made as to payment of dividends.

**Significant Changes in the State of Affairs**

There were no significant changes in the state of affairs of the Group during the financial year ended 30 June 2024.

**Environmental Regulation**

The Group's operations are not regulated by any particular or significant law of the Commonwealth or of a State or Territory of Australia relating to the environment.

**Economic, Environmental and Social Sustainability Risks**

The Group does not consider that it has any material exposures to environmental and social sustainability risks.

**Events Subsequent to Reporting Date**

On 4 July 2024, the Company announced the completion of a strategic integration partnership agreement with ScImage Inc.

On 16 July 2024, the Company issued 30 million unlisted options expiring on 31 December 2025 and exercisable at \$0.25, and 3 million performance right expiring on 31 December 2025.

On 2 August 2024, the Company issued 9.2 million unlisted options expiring on 14 June 2027 and exercisable at \$0.25, and 1.275 million unlisted options expiring on 14 June 2027 and exercisable at \$0.25.

On 13 September 2024, the Company issued 47,366,667 ordinary shares raising \$7.1 million.

On 13 September 2024, the Company issued 3.5 million ordinary shares for consultancy and advisory services.

Other than the matters described above, there has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

**Likely Developments**

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group. However, the Directors and management of the Group intend to continue operations as conducted during the financial year and in a manner consistent with the Group's business model and growth strategy (which includes organic and acquisitive growth).

## Directors Interests

The relevant interest of each Director in the shares and rights or options over such interests issued by companies within the Group, as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Director	Ordinary Shares	Options	Performance Rights
Andrew Grover	28,500,000	16,650,000	-
Steven Formica	30,516,667	10,450,000	-
Stephen Picton	21,764,854	4,000,000	-
Simon Tolhurst	120,000	12,100,000	-

## Share Options

At the date of this report unissued shares of the Group under option are:

Number of options	Exercise price	Expiry date	Listed or Unlisted
2,000,000	\$0.25	29-Oct-24	Unlisted
25,000,000	\$0.25	17-Dec-24	Unlisted
5,000,000	\$0.25	2-Feb-25	Unlisted
1,000,000	\$0.25	2-Feb-25	Unlisted
8,000,000	\$0.25	2-Feb-25	Unlisted
10,000,000	\$0.25	2-Feb-25	Unlisted
5,000,000	\$0.30	8-Dec-25	Unlisted
5,000,000	\$0.50	8-Dec-25	Unlisted
5,000,000	\$0.25	29-Nov-26	Unlisted
30,000,000	\$0.25	31-Dec-25	Unlisted
9,200,000	\$0.25	14-Jun-27	Unlisted
1,275,000	\$0.25	14-Jun-27	Unlisted

## Performance Shares

At the date of this report performance shares on issue are:

Number of Performance Rights	Expiry date
3,000,000	31/12/2025

## Indemnification and Insurance of Directors and Officers

The Group has indemnified, to the extent permitted by law, the Directors and officers of the Group against any liability incurred by a Director or officer in or arising out of the conduct of the business of the Group or in or arising out of the discharge of that officer's duties. No amount was paid pursuant to these indemnities during the financial year, nor subsequently to the date of this Annual Report.

During the financial year the Group paid, as permitted by law, a premium in respect of a contract to ensure the Directors and officers of the Group against a liability (including legal costs) incurred by a Director or officer in or arising out of the conduct of the business of the Group or in or arising out of the discharge of that officer's duties. Under the terms of that contract, the details of the nature and extent of the liabilities insured against and the amount of premiums paid are confidential.

## **Proceedings on Behalf of the Group**

No person has applied to a court under section 237 of the Corporations Act 2001 for leave, or been granted leave, to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company pursuant to section 236 with leave of the Court under section 237 of the Corporations Act 2001.

## **Non-Audit Services**

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group.

No Director has been a partner in an audit firm or a director of an audit firm that is an auditor of the Group. There were no non-audit services provided by PKF, the Group's auditor, during the year ended 30 June 2024.

## **Lead Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2024 has been received and is included within the financial statements.

## **Remuneration Report – Audited**

The Directors present the Remuneration Report for the Group for the year ended 30 June 2024. This Remuneration Report forms part of the Directors' Report in accordance with the requirements of the Corporations Act 2001 and its regulations.

## **Principles used to determine the nature and amount of remuneration**

The remuneration policy of Echo IQ Limited and its controlled entities has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Echo IQ Limited and its controlled entities believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between Directors, Executives and shareholders.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Group. Key management personnel comprise the Directors of the Group.

Remuneration levels for key management personnel are competitively set to attract and retain appropriately qualified and experienced Directors and Executives. The Board may seek independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally and the objectives of the Group's remuneration strategy. The remuneration structures are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. Remuneration packages include a mix of fixed compensation, equity-based compensation, as well as employer contributions to superannuation funds. Options may only be issued to Directors subject to approval by shareholders in a general meeting. The Board has no established retirement or redundancy schemes.

The remuneration structure that has been adopted by the Group consists of the following components:

- ▶ Fixed remuneration being base fees as well as compulsory employer contributions to superannuation funds;
- ▶ Short term incentives and bonuses; and
- ▶ Long term incentives (as referred to below).

The relationship between the Company's remuneration principles and performance is based on the Company's market capitalisation value. The Company is working to develop and commercialise its software and products and does not currently generate positive earnings, and may not do so for some time. Accordingly, the Company considers that it is appropriate to link performance based remuneration to appreciation in its share price, with an increasing share price also increasing the value of shareholdings in the Company. The Group's earnings results and shareholders' returns for this reporting period and the previous four reporting periods, against which KMP remuneration and the Group's remuneration principles and policies can be discussed, are detailed below.

	FY20	FY21	FY22	FY23	FY24
Revenue	679,872	983,183	904,092	107,332	44,500
Net loss after tax	(2,683,801)	(2,994,255)	(5,992,040)	(7,855,622)	(5,409,146)
Dividends	-	-	-	-	-
Share price changes	\$0.05	\$0.13	\$0.19	\$0.23	\$0.21
(high and low)	\$0.01	\$0.03	\$0.10	\$0.11	\$0.10

Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Group. In addition, external consultants may provide analysis and advice to ensure the Directors' and senior executives' compensation is competitive in the market place. During the period, no such remuneration consultant was used.



## Service contracts

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including remuneration, relevant to the office of director.

The remuneration and other terms of employment for the Managing Director and the Executive Chairman are set out in formal service agreements as summarised below. The compensation for executive directors was determined by the Board having considered the Company's financial condition and the Board's knowledge of remuneration levels for executives with similar skills and experience in software businesses of comparable size and complexity.

### Andrew Grover

Andrew Grover as Executive Chairman of the Group is remunerated on the following terms:

- ▶ Salary of \$240,000 exclusive of superannuation and other statutory requirements effective 1 July 2022.
- ▶ Consulting fees review – Mr Grover's remuneration shall be reviewed by the Board acting as the Remuneration Committee and any change to his remuneration must be approved by the Board.
- ▶ Either party may terminate Mr Grover's employment on one months' notice, unless agreed otherwise.
- ▶ Mr Grover's employment may be terminated without notice due to serious misconduct.

### Steve Formica

Steve Formica as a Non-Executive Director of the Group is remunerated on the following terms:

- ▶ Salary of \$66,000 per annum, exclusive of superannuation and other statutory requirements effective 1 July 2022.
- ▶ Either party may terminate Mr Formica's agreement on one months' notice, unless agreed otherwise.
- ▶ Mr Formica's employment may be terminated without notice due to serious misconduct.

### Stephen Picton

Stephen Picton as a Non-Executive Director of

the Group is remunerated on the following terms:

- ▶ Salary of \$60,000 per annum, inclusive of superannuation and other statutory requirements effective 1 August 2023.
- ▶ Either party may terminate Mr Picton's agreement on one months' notice, unless agreed otherwise.
- ▶ Mr Picton's employment may be terminated without notice due to serious misconduct.

### Simon Tolhurst

Simon Tolhurst as a Non-Executive Director of the Group is remunerated on the following terms:

- ▶ Salary of \$66,000 per annum, inclusive of superannuation and other statutory requirements effective 1 June 2023.
- ▶ Either party may terminate Mr Tolhurst's agreement on one months' notice, unless agreed otherwise.
- ▶ Mr Tolhurst's employment may be terminated without notice due to serious misconduct.

## Performance linked compensation

### *Short-term incentives*

No short-term incentives in the form of cash bonuses were granted during the year.

### *Long-term incentives*

The Board, from time to time, will grant incentive options with exercise prices above market share price and performance shares to executives. As such, incentive options and performance shares granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Group increases sufficiently to warrant exercising the incentive options granted, which value increase will also benefit other shareholders.

### Other

No comments were made on the Group's 2023 remuneration report at the 2023 annual general meeting.

There were no loans made, guaranteed or secured by the Group with a Director, KMP or a close family member of a Director or KMP during the financial year or as at the date of this Remuneration Report.

There were no other Director or KMP transactions.

## Directors' and Executive Officers Remuneration

Details of remuneration of Directors and Key Management Personnel of the Group are outlined below.

### *Remuneration of Directors and Key Management Personnel for the year ended 30 June 2024*

	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Termination Payments
	Salary and fees	STI	Other	Superannuation	Long Service Leave	
Andrew Grover	276,240	-	-	26,400	-	-
Steven Formica	66,000	-	-	7,260	-	-
Stephen Picton	53,015	-	-	5,832	-	-
Simon Tolhurst	59,729	-	-	6,271	-	-
	<b>454,983</b>	<b>-</b>	<b>-</b>	<b>45,763</b>	<b>-</b>	<b>-</b>

	Equity settled share-based payments*		
	Options	Ordinary shares	Performance Shares
Andrew Grover	-	-	-
Steven Formica	-	-	-
Stephen Picton	21,214	-	-
Simon Tolhurst	283,167	-	-
	<b>304,381</b>	<b>-</b>	<b>-</b>

\*The amounts disclosed under the equity settled share based payments columns are based on accounting values and do not reflect actual payments received by the director.

### *Remuneration of Directors and Key Management Personnel for the year ended 30 June 2023*

	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Termination Payments
	Salary and fees	STI	Other	Superannuation	Long Service Leave	
Andrew Grover	240,000	-	-	25,200	-	-
Steven Formica	66,000	-	-	6,970	-	-
Stephen Picton	45,000	-	-	4,725	-	-
Simon Tolhurst	4,977	-	-	523	-	-
	<b>355,977</b>	<b>-</b>	<b>-</b>	<b>37,418</b>	<b>-</b>	<b>-</b>

	Equity settled share-based payments*		
	Options	Ordinary shares	Performance Shares
Andrew Grover	426,000	-	-
Steven Formica	142,000	-	-
Stephen Picton	205,642	-	-
Simon Tolhurst	49,333	-	-
	<b>822,975</b>	<b>-</b>	<b>-</b>

\*The amounts disclosed under the equity settled share based payments columns are based on accounting values and do not reflect actual payments received by the director.

## Equity Instruments

### Ordinary Shares

The movement during the reporting period in the number of ordinary shares of the Company held directly, indirectly or beneficially, by each Director or key management personnel, including their personally related entities is as follows:

	Balance at start of the year	Granted during the year	Purchased / Sold during the Year	Exercised during the year	Balance at 30 June 2024
<b>Executive Directors</b>					
Andrew Grover	29,116,414	-	(10,366,414)	9,750,000	28,500,000
<b>Non-Executive Directors</b>					
Steven Formica	20,416,667	-	-	10,100,000	30,516,667
Stephen Picton	21,764,854	-	-	-	21,764,854
Simon Tolhurst	120,000	-	-	-	120,000

### Share Options

The following table sets out the details of the unlisted share option movements during the year ended 30 June 2024.

	Balance at start of the year	Granted during the year	Purchased / Sold during the Year	Exercised during the year	Balance at 30 June 2024
<b>Executive Directors</b>					
Andrew Grover	30,750,000	-	(4,350,000)	(9,750,000)	16,650,000
<b>Non-Executive Directors</b>					
Steven Formica	22,100,000	-	(1,550,000)	(10,100,000)	10,450,000
Stephen Picton	4,000,000	-	-	-	4,000,000
Simon Tolhurst	-	5,000,000	7,100,000	-	12,100,000

Details the options over ordinary shares that were granted as compensation to key management personnel during the financial year are detailed in the tables below.

Share Options	Number granted during year	Grant date	Fair value at grant date	Exercise price per option	Expiry date	Number vested during year
<b>Non-Executive Directors</b>						
Simon Tolhurst	5,000,000	21/11/2023	\$0.07	\$0.25	29/11/2026	5,000,000

### Performance Shares

There were no performance rights issued to key management personnel during the 2024 financial year.

## Key Management Personnel Transactions

There were no other Director and KMP transactions.

***End of remuneration report.***

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## Rounding of Amounts

The amounts in this report and the financial statements have been rounded to the nearest dollar, in accordance with ASIC Corporations (Rounding of Financial/Directors' Reports) Instrument 2016/191. Any discrepancies between totals and sums of components in tables and figures contained in this report are due to rounding.

This report is made on 30 September 2024 in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporation Act 2001, and is signed for and on behalf of the Directors.



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Andrew Grover

**Executive Chairman**

30 September 2024







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## AUDITOR'S INDEPENDENCE DECLARATION

### TO THE DIRECTORS OF ECHO IQ LIMITED

In relation to our audit of the financial report of Echo IQ Limited for the year ended 30 June 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 dark ink that reads 'PKF Perth'.

PKF PERTH

A handwritten signature in dark ink that appears to read 'Shane Cross'.

SHANE CROSS  
PARTNER

30 September 2024  
PERTH, WESTERN AUSTRALIA



# Financial Statements

## Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

	Note	Consolidated 30 June 2024	Consolidated 30 June 2023
		\$	\$
<b>Continuing Operations</b>			
Revenue	3	44,500	107,332
Other income		1,996,932	73,828
Audit fees		(69,274)	(75,843)
Consulting and professional fees		(1,657,544)	(1,543,240)
Employee costs		(2,924,295)	(2,586,063)
Marketing and public relations expense		(12,782)	(105,126)
Directors' fees		(494,852)	(376,670)
Depreciation and amortisation	9/10	(603,656)	(607,267)
Other expenses		(804,782)	(664,776)
Share based payments expense	14	(808,303)	(2,380,326)
Share registry and listing fees		(75,090)	(107,656)
<b>Loss before tax</b>		<b>(5,409,146)</b>	<b>(8,265,807)</b>
Income tax benefit/(expense)	6	-	-
<b>Loss from continuing operations</b>		<b>(5,409,146)</b>	<b>(8,265,807)</b>
<b>Discontinued Operations</b>			
Profit from discontinued operation	5	-	410,185
<b>Loss for the year</b>		<b>(5,409,146)</b>	<b>(7,855,622)</b>
<b>Other Comprehensive Income</b>			
Foreign currency translation		(21,334)	(9,427)
<b>Total Comprehensive loss for the year</b>		<b>(5,430,480)</b>	<b>(7,865,049)</b>
<b>Earnings per share</b>			
Basic and diluted loss per share from continuing operations (cents)	4	(1.09)	(1.84)
Basic and diluted loss per share from discontinued operations (cents)	4	-	0.09
Total basic and diluted loss per share (cents)	4	(1.09)	(1.75)

The accompanying notes form part of the consolidated statements

## Consolidated Statement of Financial Position

### As at 30 June 2024

	Note	Consolidated 30 June 2024	Consolidated 30 June 2023
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7	2,117,326	3,276,398
Trade and other receivables	8	99,992	636,515
Prepayments		236,176	65,056
<b>Total Current Assets</b>		<b>2,453,494</b>	<b>3,977,969</b>
<b>Non-Current Assets</b>			
Investments		4,545	4,545
Plant and equipment	9	14,404	34,149
Intangible assets	10	5,783,108	6,367,022
<b>Total Non-Current Assets</b>		<b>5,802,057</b>	<b>6,405,716</b>
<b>Total Assets</b>		<b>8,255,551</b>	<b>10,383,685</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	11	1,360,351	2,900,243
Employee benefits	12	116,708	90,671
Contract liabilities – unearned revenue		10,500	10,000
<b>Total Current Liabilities</b>		<b>1,487,559</b>	<b>3,000,914</b>
<b>Total Liabilities</b>		<b>1,487,559</b>	<b>3,000,914</b>
<b>Net Assets</b>		<b>6,767,992</b>	<b>7,382,771</b>
<b>EQUITY</b>			
Contributed equity	13	41,530,159	35,997,376
Reserves	14	4,333,172	6,577,084
Accumulated losses		(39,095,339)	(35,191,689)
<b>Total Equity</b>		<b>6,767,992</b>	<b>7,382,771</b>

The accompanying notes form part of the consolidated statements





## Consolidated Statement of Changes in Equity For the year ended 30 June 2024

Consolidated	Note	Contributed Equity	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2023		35,997,376	6,586,511	(9,427)	(35,191,689)	7,382,771
Equity issues		-	-	-	-	-
Capital raising costs		-	-	-	-	-
Options exercised	13/14	5,532,783	(1,615,783)	-	-	3,917,000
Performance rights exercised		-	-	-	-	-
Options lapsed	13/14	-	(1,505,496)	-	1,505,496	-
Share based payments	13/14	-	898,700	-	-	898,700
Loss for the period		-	-	-	(5,409,146)	(5,409,146)
Other comprehensive income		-	-	(21,334)	-	(21,334)
Total comprehensive loss for the year		-	-	(21,334)	(5,409,146)	(5,430,480)
<b>Balance at 30 June 2024</b>		<b>41,530,159</b>	<b>4,363,933</b>	<b>(30,761)</b>	<b>(39,095,339)</b>	<b>6,767,992</b>

Consolidated		Contributed Equity	Share Based Payments Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total
		\$	\$	\$	\$	\$
Balance at 1 July 2022		30,400,345	5,334,971	-	(27,715,345)	8,019,971
Equity issues	13	3,491,043	-	-	-	3,491,043
Capital raising costs	13	(187,018)	-	-	-	(187,018)
Options exercised	13/14	2,136,258	(713,258)	-	-	1,423,000
Performance rights exercised	13/14	36,250	(36,250)	-	-	-
Options lapsed	14	-	(379,278)	-	379,278	-
Share based payments	13/14	120,500	2,380,326	-	-	2,500,826
Loss for the period		-	-	-	(7,855,622)	(7,855,622)
Other comprehensive income		-	-	(9,427)	-	(9,427)
Total comprehensive loss for the year		-	-	(9,427)	(7,855,622)	(7,865,049)
<b>Balance at 30 June 2023</b>		<b>35,997,376</b>	<b>6,586,511</b>	<b>(9,427)</b>	<b>(35,191,689)</b>	<b>7,382,771</b>

The accompanying notes form part of the consolidated statements





## Consolidated Statement of Cash Flows for the year ended 30 June 2024

	Note	Consolidated 30 June 2024	Consolidated 30 June 2023
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		37,500	107,931
Payments to suppliers and employees		(5,958,578)	(5,154,405)
Government grants received		1,949,582	65,641
Interest received		47,300	40,540
Net cash from / (used in) operating activities	7	(3,924,196)	(4,940,293)
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment		-	(14,667)
Payment for intangible assets		-	(325,000)
Proceeds on disposal of subsidiary	5	-	279,853
Net cash from / (used in) investing activities		-	(59,814)
<b>Cash flows from financing activities</b>			
Proceeds from equity issues		-	3,491,040
Proceeds from exercise of options		2,764,999	2,575,000
Cost of equity issues		-	(187,017)
Net cash provided from / (used in) financing activities		2,764,999	5,879,023
<b>Cash and cash equivalents at beginning of the period</b>		<b>3,276,398</b>	<b>2,406,909</b>
Effect of foreign exchange		125	(9,427)
Net increase/(decrease) in cash held		(1,159,197)	878,916
<b>Cash and cash equivalents at period end</b>		<b>2,117,326</b>	<b>3,276,398</b>

The accompanying notes form part of the consolidated statements



# Notes to the Financial Statements

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## 1. Reporting Entity

The consolidated financial report covers Echo IQ Limited and its controlled entities ('the Group'). Echo IQ Limited is a listed public company limited by shares, incorporated and domiciled in Australia.

The financial report was authorised for issue by the Directors on 30 September 2024.

## 2. Material accounting policies

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group 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.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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## Notes to the Financial Statements for the year ended 30 June 2024

### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 19.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Echo IQ Limited ('company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Echo IQ Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Discontinued operation

A discontinued operation is a component of the entity that has been disposed of and that represents a separate major line of business. The results of discontinued operations are presented separately in the statement of profit or loss.

## Notes to the Financial Statements for the year ended 30 June 2024

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Foreign currency transactions

The financial statements are presented in Australian dollars, which is Echo IQ Limited's functional and presentational currency.

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### Revenue Recognition

The Group recognises revenue as follows:

#### *Revenue from contracts with customers*

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance

obligations in the contract; determines the transaction price and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The Group assessed its revenue streams and the above noted performance obligations and measurement methods have been identified and adopted in the preparation of these financial statements.

### Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

### Government Grants

When the Company receives government grants it performs an assessment to determine if the contract is 'enforceable' and contains 'sufficiently specific' performance obligations. In the cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

### Property plant and equipment

#### *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of

## Notes to the Financial Statements for the year ended 30 June 2024

property, plant and equipment is recognised in profit or loss.

### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Depreciation of leasehold improvements is calculated over the shorter of the life of the lease or the estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

	Useful Life	Method
Computer software/ equipment	2 to 5 years	Straight-line method

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

### Amortisation

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation

period or method, as appropriate, and are treated as changes in accounting estimates and adjusted on a prospective basis. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss as the expense category that is consistent with the function of the intangible assets.

Amortisation is calculated over the estimated useful life of the asset as follows:

	Useful Life
Computer software	2 to 5 years
Contract intangible assets	17 years

## Impairment of non-financial assets

At each reporting date management reviews the carrying amounts of its non-financial assets included in the scope of AASB 136 to determine whether there is any indication of impairment. If any such indication exists than the assets recoverable amount is estimated.

The recoverable amount of the asset or CGU is the greater of its value in use or fair value less costs of disposal. Value in use is based on estimated future cash flows discounted to their present value using a post-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment expense is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

For any other assets, an impairment loss is only reversed to the extent the carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation, if no impairment loss had been recognised.

## Employee benefits



## Notes to the Financial Statements for the year ended 30 June 2024

### Employee benefits (continued)

#### *Short term employee benefits*

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be readily estimated.

#### *Share based payment arrangements*

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date

and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions. The amount to be expensed is determined by reference to the fair value of the options or shares granted, this expense takes in account any market performance conditions and the impact of any non-vesting conditions but ignores the effect of any service and non- market performance vesting conditions. Non-market vesting conditions are taken into account when considering the number of options expected to vest. At the end of each reporting period, the Group revises its estimate of the number of options which are expected to vest based on the non- market vesting conditions. Revisions to the prior period estimate are recognised in profit or loss and equity.

#### *Other long term benefits*

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

### Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Echo IQ Limited , excluding any costs of servicing equity other

Notes to the Financial Statements for the year ended 30 June 2024

than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Use of Judgements and Estimates

The Directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances. These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information becomes known, the actual results may differ from the estimates. The significant estimates and judgements made are as follows:

- Impairment assessment (see Note 10)
- Useful life of intangible assets Note 10)
- Share based payments (see Note 14)

Key judgements

In addition to the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty applied to the consolidated financial statements, management has made significant judgements and estimates in relation to the following transactions that occurred during the period:

- Revenue (see Note 3)

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Directors have overall responsibility for overseeing all significant fair value measurements, including level 3 fair values.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: input for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Share based payments (see Note 14)

## Notes to the Financial Statements for the year ended 30 June 2024

### 3. Revenue

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Revenue from continued operations	44,500	107,332
	44,500	107,332

#### Disaggregation of revenue from continued operations

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Software updates, SaaS, technical environment and support services	44,500	89,615
Training and consulting services	-	17,717
	44,500	107,332

#### Timing of revenue recognition

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Over time	44,500	89,615
At a point in time	-	17,717
	44,500	107,332

### 4. Loss per share

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Weighted average number of shares on issue	497,592,321	448,035,662
Basic and diluted loss per share from continuing operations (cents)	(1.09)	(1.84)
Basic and diluted loss per share from discontinued operations (cents)	-	0.09
Total basic and diluted loss per share (cents)	(1.09)	(1.75)

Options and performance rights outstanding during the year have not been taken into account in the calculation of the weighted average number of ordinary shares as they are considered anti-dilutive.

### 5. Discontinued Operations

On the 9 May 2022, Echo IQ Limited announced its entry into a Business Sale Agreement ("BSA") to dispose of the business and assets of its subsidiary, completion of this transaction occurred on 1 July 2022 and completion of the sale disclosed to the market on 4 July 2022.

## Notes to the Financial Statements for the year ended 30 June 2024

In the financial year ending 30 June 2022, the Group has classified the assets and liabilities of the Prometheus subsidiary as Held for Sale in the Consolidated Statement of Financial Position and the net profit of the subsidiary as Discontinued Operations in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Financial information relating to discontinued operations is set out below.

### a. Assets and liabilities of disposal entity held for sale

At 30 June 2022, the disposal entity was stated at its carrying amount and comprised of the following assets and liabilities.

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Trade and other receivables	-	-
Purchase settlement clearing	-	-
Intangibles	-	-
Assets held for sale	-	-
Trade and other payables	-	-

### b. Results of discontinued operations

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
<b>Results of discontinued operations</b>		
Revenue	-	-
Expenses	-	-
Gain on disposal	-	-
<b>Results from operating activities</b>	-	-
Income tax	-	-
<b>Results from operating activities, net of tax</b>	-	-
Gain on disposal of subsidiary	-	410,185
<b>Profit from discontinued operations</b>	-	<b>410,185</b>

### c. Cash flows from (used in) discontinued operations

During the year ended 30 June 2023, net cash inflow from disposal of the discontinued operation was \$279,853.



## Notes to the Financial Statements for the year ended 30 June 2024

### 6. Income tax

#### a. Tax Expense

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Current tax expense	-	-
Deferred tax expense	-	-
Income tax expense reported in the statement of comprehensive income	-	-

#### b. Numerical reconciliation between tax expense and pre-tax net profit or (loss)

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Loss before tax	(5,409,146)	(7,855,622)
Statutory income tax rate for the Group at 25.0% (2023: 25.0%)	(1,352,287)	(1,963,906)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Share based payment expense	203,018	-
Non-deductible expenditure	391,277	742,383
Current year tax losses not recognised	1,344,053	1,307,430
Non-assessable income	(478,246)	-
Movement in unrecognised temporary differences	(63,208)	(41,300)
Deductible equity raising costs	(44,607)	(44,607)
Income tax expense reported in the statement of comprehensive income	-	-

## Notes to the Financial Statements for the year ended 30 June 2024

### c. Deferred tax assets and liabilities

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Deferred tax assets for the Group at 25.0% (2023: 25.0%)		
Employee provisions	29,177	152
Other provisions & accruals	7,564	8,750
Investments	-	(1,136)
Tax Losses	-	8,498
<b>Gross deferred tax assets</b>	<b>36,741</b>	<b>16,264</b>
Set-off of deferred tax liabilities	(36,741)	(16,264)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>
Deferred tax liabilities for the Group at 25.0% (2023: 25.0%)		
Prepayments	(35,386)	(16,264)
Investments	(1,136)	-
Other DTL's	(219)	-
<b>Gross deferred tax liabilities</b>	<b>(36,741)</b>	<b>(16,264)</b>
Set-off of deferred tax assets	36,741	16,264
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>

### d. Unused tax losses and temporary differences for which no deferred tax asset has been recognised

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Deferred tax assets have not been recognised in respect of the following using corporate tax rates of 25.0% (2023: 25.0%)		
Deductible temporary differences	102,291	221,780
Tax revenue losses	4,830,129	4,138,115
Tax capital losses	87,007	-
<b>Total unrecognised deferred tax assets</b>	<b>5,019,427</b>	<b>4,359,895</b>

The corporate tax rates on both recognised and unrecognised deferred tax assets and deferred tax liabilities have been calculated with respect to the tax rate that is expected to apply in the year the deferred tax asset is realised or the liability is settled.

## Notes to the Financial Statements for the year ended 30 June 2024

### 6. Income tax (continued)

#### e) Net recognised deferred tax assets & liabilities

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Recognised at corporate tax rate of 25.0% (2023: 25.0%)		
Employee provision	29,177	152
Other provisions & accruals	7,564	8,750
Investments	(1,136)	(1,136)
Tax losses	-	8,498
Prepayments	(35,386)	(16,264)
Other DTL's	(219)	-
<b>Net Recognised Tax assets/(liabilities)</b>	<b>-</b>	<b>-</b>

## 7. Cash and cash equivalents

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Cash at bank	2,117,227	3,276,299
Cash on hand	99	99
	<b>2,117,326</b>	<b>3,276,398</b>
<b>Reconciliation of Cashflows from Operating Activities</b>		
Loss before tax	(5,409,146)	(8,265,807)
Amortisation and depreciation	603,656	622,772
Share based payments	808,303	2,500,826
Consulting and professional fees	3,767	-
Foreign currency gain /loss	(121)	(2,727)
Change in trade and other receivables	(109,300)	117,026
Change in trade and other payables	152,108	53,982
Change in employee benefits	26,037	36,703
Change in contract liabilities	500	(3,068)
<b>Net cash used in operating activities</b>	<b>(3,924,196)</b>	<b>(4,940,293)</b>

## 8. Trade and other receivables

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
GST receivable	79,556	76,079
Other receivables	20,436	560,436
	<b>99,992</b>	<b>636,515</b>

\*Included in other receivables in prior year was \$540,000 relating to exercise of options which was received in July 2023.

## Notes to the Financial Statements for the year ended 30 June 2024

### 9. Plant and equipment

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
<b>Historical Cost</b>		
Balance at beginning of period	141,117	123,723
Additions	-	17,394
<b>Balance at end of period</b>	<b>141,117</b>	<b>141,117</b>
<b>Accumulated Depreciation</b>		
Balance at beginning of period	(106,968)	(83,615)
Depreciation	(19,745)	(23,353)
<b>Balance at end of period</b>	<b>(126,713)</b>	<b>(106,968)</b>
<b>Carrying Value</b>		
Balance at beginning of period	34,149	40,108
<b>Balance at end of period</b>	<b>14,404</b>	<b>34,149</b>



## Notes to the Financial Statements for the year ended 30 June 2024

### 10. Intangible assets

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Software at cost	1,065,002	1,065,002
Less accumulated amortisation	(704,762)	(516,811)
	360,240	548,191
NEDA contractual asset at cost	6,558,046	6,558,046
Less accumulated amortisation	(1,135,178)	(739,215)
	5,422,868	5,818,831
<b>Total intangible assets</b>	<b>5,783,108</b>	<b>6,367,022</b>

#### Reconciliation of intangible assets:

	Intellectual property	Software	NEDA contractual asset	Total
<b>Opening balance 2023</b>				
Cost	196	1,065,002	6,558,046	7,623,244
Accumulated amortisation	(196)	(328,860)	(327,747)	(656,803)
<b>Net book amount</b>	<b>-</b>	<b>736,142</b>	<b>6,230,299</b>	<b>6,966,441</b>
<b>Movement</b>				
Amortisation	-	(187,951)	(411,468)	(599,419)
<b>Closing net book amount</b>	<b>-</b>	<b>548,191</b>	<b>5,818,831</b>	<b>6,367,022</b>
<b>Closing balance 2023</b>				
Cost	196	1,065,002	6,558,046	7,623,244
Accumulated amortisation	(196)	(516,811)	(739,215)	(1,256,222)
<b>Net book amount</b>	<b>-</b>	<b>548,191</b>	<b>5,818,831</b>	<b>6,367,022</b>
<b>Opening balance 2024</b>				
Cost	196	1,065,002	6,558,046	7,623,244
Accumulated amortisation	(196)	(516,811)	(739,215)	(1,256,222)
<b>Net book amount</b>	<b>-</b>	<b>548,191</b>	<b>5,818,831</b>	<b>6,367,022</b>
<b>Movement</b>				
Amortisation	-	(187,950)	(395,964)	(583,914)
<b>Closing net book amount</b>	<b>-</b>	<b>360,241</b>	<b>5,422,867</b>	<b>5,783,108</b>
<b>Closing balance 2024</b>				
Cost	196	1,065,002	6,558,046	7,623,244
Accumulated amortisation	(196)	(704,761)	(1,135,179)	(1,840,136)
<b>Net book amount</b>	<b>-</b>	<b>360,241</b>	<b>5,422,867</b>	<b>5,783,108</b>

## Notes to the Financial Statements for the year ended 30 June 2024

### Assessment of contractual asset useful life

The useful life of the software has been assessed as 2 remaining years, and the useful life of the contractual intangible (being access to the National Echo Database of Australia (NEDA)) has been assessed as 14 remaining years which is in line with the remaining period of the current contract life (7 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; and
- 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.

## 11. Trade and other payables

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Trade payables	375,416	109,753
PAYG payable	193,570	175,200
Superannuation payable	18,150	42,839
Accrued expenses	123,215	230,451
Other Payables	650,000	650,000
Funds received for exercise of options*	-	1,692,000
	<b>1,360,351</b>	<b>2,900,243</b>

\*This balance related to funds received in prior year from exercise of options for which shares were not issued until after the year end.

## 12. Employee benefits

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
<b>Current</b>		
Annual leave	71,837	71,115
Long service leave	44,871	19,556
	<b>116,708</b>	<b>90,671</b>

## Notes to the Financial Statements for the year ended 30 June 2024

### 13. Contributed equity

	Consolidated 30 June 2024		Consolidated 30 June 2023	
	No. of Ordinary Shares	\$	No. of Ordinary Shares	\$
At 1 July	472,254,376	35,997,379	429,382,713	30,400,345
Share issue: capital raising	-	-	23,333,333	3,491,044
Share issue: share based payments	-	-	813,330	120,500
Exercise of options*	65,400,000	5,532,780	18,475,000	2,136,008
Share issue: Performance shares conversion	-	-	250,000	36,500
Capital raising costs	-	-	-	(187,018)
<b>Contributed equity at end of period</b>	<b>537,654,376</b>	<b>41,530,159</b>	<b>472,254,376</b>	<b>35,997,379</b>

\*The Company issued 0.5m shares on exercise of options at \$0.12 per share.

The Company issued 20.4m shares on exercise of options at \$0.08 per share.

The Company issued 44.5m shares on exercise of options at \$0.05 per share.

The total cash receipt from exercise of options during the year was \$2,765,000, a further \$1,152,000 was received in the previous financial year. The remaining increase in issue capital of \$1,615,783 was transferred from the options reserve (see note 14).

### 14. Share Based Payments Reserve

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
<b>Balance at beginning of period</b>	<b>6,586,511</b>	<b>5,334,971</b>
Vesting of options*	898,700	2,380,326
Options exercised	(1,615,783)	(713,258)
Performance rights exercised	-	(36,250)
Options lapsed	(1,505,496)	(379,278)
Performance shares issued	-	-
<b>Balance at end of period</b>	<b>4,363,933</b>	<b>6,586,511</b>

\*an amount of \$86,630 has been recognised as a prepayment, as the services have not yet been utilized, therefore, the share based payment expense recognised in the Statement of Profit or Loss and Other Comprehensive income is \$812,070

## Notes to the Financial Statements for the year ended 30 June 2024

Share based payments expense recognised in Statement of Profit or Loss and Other Comprehensive income

	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Share based payment expense	808,303	2,380,326
Consulting and professional fees	3,767	77,000
Employee costs - bonus paid in shares	-	43,500
	<b>812,070</b>	<b>2,500,826</b>

	2024 Number	Weighted Average Price
<b>Options</b>		
Balance at beginning of period	173,400,000	0.18
Options granted	9,275,000	0.31
Options exercised	(65,400,000)	0.06
Options lapsed	(50,000,000)	0.23
<b>Balance at end of period</b>	<b>67,275,000</b>	<b>0.27</b>

<b>Performance Rights</b>		
Balance at beginning of period	-	
Performance Rights granted	2,250,000	
Performance Rights exercised	-	
Performance Rights lapsed	(2,250,000)	
<b>Balance at end of period</b>	<b>-</b>	

	2023 Number	Weighted Average Price
<b>Options</b>		
Balance at beginning of period	176,375,000	0.14
Options granted	30,000,000	0.30
Options exercised	(18,475,000)	0.08
Options lapsed	(14,500,000)	0.09
<b>Balance at end of period</b>	<b>173,400,000</b>	<b>0.18</b>

<b>Performance Rights</b>		
Balance at beginning of period	250,000	
Performance Rights granted	-	
Performance Rights exercised	(250,000)	
Performance Rights lapsed	-	
<b>Balance at end of period</b>	<b>-</b>	



## Notes to the Financial Statements for the year ended 30 June 2024

### 14. Share Based Payments Reserve (continued)

#### Share option program

Options are granted under the Company's Incentive Option Scheme, and eligible participants can be employees, consultants or advisors. Options issued pursuant to the Scheme are issued free of charge. The ability for a participant to exercise the options is restricted in accordance with the terms and conditions detailed in the Incentive Option Scheme. The exercise period may also be affected by other events as detailed in the terms and conditions of the scheme. Each option entitles the holder to subscribe for and be allotted one share. Shares issued pursuant to the exercise of options, including bonus issues, and new issues, rank equally and carry the same rights and entitlements as other shares on issue.

#### Fair value of share options

The fair value of options at grant date was determined using the Black-Scholes Model. The inputs used in the measurement of the fair values of the options granted during the period are set out in the table below.

Inputs	Director Options	CEO Options	CEO Options	CEO Options	Advisor Options
Number of options	5,000,000	1,000,000	1,000,000	1,000,000	1,275,000
Exercise price	0.25	0.30	0.45	0.55	0.25
Expiry date	29/11/2026	20/02/2027	20/02/2027	20/02/2028	14/06/2027
Grant date	21/11/2023	4/12/2023	4/12/2023	4/12/2023	14/06/2024
Share price at grant date	0.170	0.155	0.155	0.155	0.170
Risk free interest rate	4.1%	4.1%	4.1%	4.1%	4.1%
Volatility	71%	71%	71%	79%	75%
Option value	0.07	0.05	0.03	0.05	0.07

#### Fair value of performance rights

The fair value of performance rights at grant date was determined using a combination of Hoadley's Barrier 1 Model and Hoadley's Parisian Model. The inputs used in the measurement of the fair value at of the performance rights granted during the period are set out in the table below.

Inputs	CEO PRs	CEO PRs	CEO PRs
Number of performance rights	750,000 <sup>1</sup>	750,000 <sup>2</sup>	750,000 <sup>3</sup>
Expiry date	20/02/2027	20/02/2027	20/02/2027
Grant date	4/12/2023	4/12/2023	4/12/2023
Share price at grant date	0.155	0.155	0.155
Risk free interest rate	3.96%	3.96%	3.96%
Volatility	72%	72%	72%
Performance rights value	0.11	0.08	0.07

1. The performance rights vest when the VWAP share price is over \$0.30 for 30 days and continued service until vesting date
2. The performance rights vest when the VWAP share price is over \$0.45 for 30 days and continued service until vesting date
3. The performance rights vest when the VWAP share price is over \$0.55 for 30 days and continued service until vesting date

## Notes to the Financial Statements for the year ended 30 June 2024

The performance rights lapsed on 2 April 2024 as the service condition was not met.

The terms and conditions of the options granted and on issue during the year were as follows.

		Grant Date	Expiry Date	Vesting Date	Exercise Price	Grant Date Fair Value	Granted	Balance at 30 June 2024
<b>Class B Director Options</b>	(i)	30/08/2019	30/06/2023	30/08/2019	\$0.08	\$135,876	9,000,000	-
<b>Class B Supplier &amp; Employee Options</b>	(i)	3/09/2019	30/06/2023	3/09/2019	\$0.08	\$391,913	26,000,000	-
<b>Employee Options</b>	(ii)	22/05/2020	30/06/2023	10/08/2021	\$0.08	\$28,815	3,000,000	-
<b>Supplier Options</b>	(i)	31/05/2021	31/05/2024	31/05/2021	\$0.05	\$769,105	30,000,000	-
<b>Employee Options</b>	(iii)	31/05/2021	31/05/2024	30/05/2024	\$0.05	\$145,979	2,500,000	-
<b>Class A Director Options</b>	(i)	31/05/2021	31/05/2024	31/05/2021	\$0.05	\$875,873	15,000,000	-
<b>Class A Supplier Options</b>	(iv)	31/05/2021	9/06/2024	31/05/2022	\$0.10	\$491,311	8,000,000	-
<b>Class B Supplier Options</b>	(v)	31/05/2021	9/06/2024	30/11/2022	\$0.17	\$304,804	8,000,000	-
<b>Class C Supplier Options</b>	(vi)	31/05/2021	9/06/2024	31/05/2023	\$0.25	\$193,207	12,000,000	-
<b>Class D Supplier Options</b>	(vi)	31/05/2021	9/06/2024	31/05/2023	\$0.30	\$117,756	12,000,000	-
<b>Employee Options</b>	(ii)	10/06/2021	30/06/2024	31/12/2023	\$0.30	\$41,534	1,000,000	-
<b>Employee Options</b>	(ii)	10/06/2021	30/06/2023	5/05/2023	\$0.12	\$25,129	500,000	-
<b>Employee Options</b>	(ii)	12/10/2021	9/06/2024	12/10/2023	\$0.25	\$144,785	2,000,000	-
<b>Employee Options</b>	(ii)	12/10/2021	9/06/2024	12/10/2023	\$0.30	\$66,119	1,000,000	-
<b>Director Options</b>	(ii)	29/11/2021	29/10/2024	29/11/2023	\$0.25	\$127,283	2,000,000	2,000,000
<b>Director Options</b>	(i)	29/11/2021	17/12/2024	29/11/2021	\$0.25	\$1,456,552	25,000,000	25,000,000
<b>Employee Options</b>	(vii)	3/02/2022	3/02/2025	3/02/2024	\$0.25	\$320,000	5,000,000	5,000,000
<b>Employee Options</b>	(ii)	3/02/2022	3/02/2025	3/02/2024	\$0.25	\$64,000	1,000,000	1,000,000
<b>Employee Options</b>	(ii)	8/08/2022	2/02/2025	2/02/2025	\$0.25	\$510,000	10,000,000	8,000,000
<b>Advisor Options</b>	(i)	28/11/2022	2/02/2025	28/11/2022	\$0.25	\$750,000	10,000,000	10,000,000
<b>Director Options - Class A</b>	(i)	28/11/2022	8/12/2025	28/11/2022	\$0.30	\$409,284	5,000,000	5,000,000
<b>Director Options - Class B</b>	(i)	28/11/2022	8/12/2025	8/12/2022	\$0.50	\$300,927	5,000,000	5,000,000
<b>Director Options</b>	(viii)	21/11/2023	29/11/2026	30/11/2023	\$0.25	\$332,500	5,000,000	5,000,000
<b>CEO Options</b>	(ix)	4/12/2023	20/02/2027	20/02/2027	\$0.30	\$ 49,600	1,000,000	-
<b>CEO Options</b>	(ix)	4/12/2023	20/02/2027	20/02/2027	\$0.45	\$ 34,920	1,000,000	-
<b>CEO Options</b>	(ix)	4/12/2023	20/02/2028	20/02/2028	\$0.55	\$ 51,147	1,000,000	-
<b>Advisor Options</b>	(i)	14/06/2024	14/06/2027	14/06/2024	\$0.25	\$ 90,398	1,275,000	1,275,000*

## Notes to the Financial Statements for the year ended 30 June 2024

### 14. Share Based Payments Reserve (continued)

- i. Vested immediately on grant date
- ii. Vest on the date specified in the table subject to continuous employment over the vesting period
- iii. Vest over a 3 year period (40% after 12 months, 40% after 24 months, balance after 36 months).
- iv. Vested after a 12 month period of continuous employment and to achievement of a successful clinical trial with a valve manufacturer.
- v. Vest after an 18 month period of continuous employment and achievement of a successful clinical trial with a drug manufacturer.
- vi. Vest after a 24 month period of continuous employment and achievement of set revenue targets for Echo IQ of USD \$2m and USD \$3m.
- vii. 1m vest upon 24 months employment, 1.5m vest upon 18 months employment and \$500k invoiced sales, 2.5m vest upon \$1m invoiced sales and 24 months employment.
- viii. Vest after 6 month service period
- ix. Vest after 24 months continuous service

### Weighted Average Contractual Life

The weighted average remaining contractual life of the options outstanding at 30 June 2024 is 0.85 years (2023: 1.2 years).

## 15. Operating Segments

The Group is organised based on its products and services and has three reportable segments as follows:

- ▶ Houston We Have Software segment, which offers products and services across Defence and other sectors;
- ▶ Echo IQ segment, a business acquired on 31 May 2021, which is focused on developing artificial intelligence software that aids in predicting Aortic Stenosis heart condition; and
- ▶ Prometheus Information segment, which offers products and services across the Health Insurance sector and was classified as a discontinued operation in the year ended 30 June 2022 (see Note 5).

No operating segments have been aggregated to form the above reportable segments. Segment performance is reviewed based on operating profit or loss in the consolidated financial statements. However, Group corporate overhead costs that are not considered to be appropriate to allocate, are not allocated to operating segments.

## Notes to the Financial Statements for the year ended 30 June 2024

### Geographical locations

All revenue and operating assets are attributed to geographic location based on the location of customers, which are in Australia and the United Kingdom. The revenue and operating assets for the United Kingdom are included below in the Houston We Have line items.

	30 June 2024	30 June 2023
	\$	\$
<b>Operating revenue</b>		
Echo IQ	24,000	65,475
Houston We Have Software	20,500	41,857
Prometheus Information (Discontinued Operations)	-	-
<b>Consolidated Group operating revenue</b>	<b>44,500</b>	<b>107,332</b>
<b>Segment profit/(loss) before tax</b>		
Echo IQ	(5,405,736)	(8,246,404)
Houston We Have Software	(3,410)	(19,403)
Prometheus Information (Discontinued Operations)	-	410,185
<b>Consolidated Group profit/(loss) before tax</b>	<b>(5,409,146)</b>	<b>(7,855,622)</b>
<b>Segment assets</b>		
Echo IQ	8,226,511	10,358,665
Houston We Have Software	29,040	25,020
Prometheus Information (Discontinued Operations)	-	-
Unallocated	-	-
<b>Consolidated Group assets</b>	<b>8,255,551</b>	<b>10,383,685</b>
<b>Segment Liabilities</b>		
Echo IQ	(1,477,097)	(2,991,023)
Houston We Have Software	(10,462)	(9,891)
Prometheus Information (Discontinued Operations)	-	-
Unallocated	-	-
<b>Consolidated Group liabilities</b>	<b>(1,487,559)</b>	<b>(3,000,914)</b>



## Notes to the Financial Statements for the year ended 30 June 2024

### 16. Financial Instruments

#### Financial risk management objectives and policies

The Group's financial instruments comprise deposits with banks, receivables, other deposits, trade and other payables, convertible notes and from time to time short term loans from related parties. The Group does not trade in derivatives or in foreign currency. The Group manages its risk exposure of its financial instruments in accordance with the guidance of the audit and risk management committee and the Board of Directors. The main risks arising from the Group's financial instruments are market risk, credit risk and liquidity risk. This note presents information about the Group's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

#### Risk management framework

The Board has overall responsibility for the establishment and oversight of the risk management framework. Informal risk management policies are established to identify and analyse the risks faced by the Group. The primary responsibility to monitor the financial risks lies with the CEO and the Company Secretary under the authority of the Board.

#### Credit risk

Credit risk arises mainly from the risk of counterparties defaulting on the terms of their agreements. The carrying amounts of the following assets represent the Group's maximum exposure to credit risk in relation to financial assets. The Group mitigates credit risk on cash and cash equivalents by dealing with large Australian institutions where credit risk is low. Credit risk of trade and other receivables is low as it usually consists predominantly of amounts recoverable from taxation, other government authorities and health insurance funds in Australia. All amounts receivable as at 30 June 2024 were received after reporting date.

#### Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's

## Notes to the Financial Statements for the year ended 30 June 2024

reputation. Ultimate responsibility for liquidity management rests with the Board. The Group monitors rolling forecasts of liquidity on the basis of expected fund raisings, trade payables and other obligations for the ongoing operation of the Group.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying Amount	Contractual Cashflows	< 1 Year	1 – 5 Years	Interest
	\$	\$	\$	\$	\$
<b>30 June 2024</b>					
Trade & other payables	(1,360,351)	(1,360,351)	(1,360,351)	-	-
<b>Total</b>	<b>(1,360,351)</b>	<b>(1,360,351)</b>	<b>(1,360,351)</b>	<b>-</b>	<b>-</b>
<b>30 June 2023</b>					
Trade & other payables	(2,900,243)	(2,900,243)	(2,900,243)	-	-
<b>Total</b>	<b>(2,900,243)</b>	<b>(2,900,243)</b>	<b>(2,900,243)</b>	<b>-</b>	<b>-</b>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

## Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimising the return.

## Interest rate risk

The Group's income statement is affected by changes in interest rates due to the impact of such changes on interest income from cash and cash equivalents and interest-bearing security deposits. A change of 100 basis points in interest rates throughout the reporting period would not have increased (decreased) profit or loss by a significant amount. The Group did not have any variable interest rate financial liabilities in the current or prior year. The Group does not have interest rate swap contracts. The Group always analyses its interest rate exposure when considering the renewals of existing positions including alternative financing.

## Currency risk

The Group is exposed to transactional foreign currency risk to the extent there is a mismatch between currencies in which sales, purchases, receivables and payables are denominated and the respective functional currencies of the Group companies. The functional currencies of the Group are Australian Dollars (AUD) and Pounds Sterling (GBP). The Group did not designate any net positions in a hedging relationship on the basis of limited transaction value and low risk.

## Notes to the Financial Statements for the year ended 30 June 2024

### Capital management

The Board's policy is to maintain a strong capital base, where possible, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group is not subject to externally imposed capital requirements.

### Estimation of fair values

The carrying amounts of financial assets and liabilities approximate their net fair values, given the short time frames to maturity and or variable interest rates.

## 17. Interests in Controlled Entities

Company Name	Place of Incorporation	% Ownership	
		2024	2023
HWH Software Pty Ltd	Australia	100%	100%
Echo IQ Global Pty Ltd	Australia	100%	100%
Echo IQ Incorporated	USA	100%	100%

## 18. Commitments and Contingencies

a. Contingent assets

There are no contingent assets as at 30 June 2024.

b. Contingent liabilities

There are no contingent liabilities as at 30 June 2024.

The Company did not 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 Echo IQ achieving US\$10 million in revenue within 3 years). This agreement has now lapsed and there are no further performance securities remaining to be issued under that agreement in the present or future reporting periods.

## 19. Related party transactions

KMP compensation	Consolidated 30 June 2024	Consolidated 30 June 2023
	\$	\$
Short term employee benefits	454,983	355,977
Post employment benefits	45,763	37,418
Long term benefits	-	-
Shared based payments	304,381	822,975
Termination payments	-	-
<b>Total</b>	<b>805,127</b>	<b>1,216,370</b>

### KMP compensation

Detailed remuneration disclosures are provided in the remuneration report included in the Directors' Report.

## Notes to the Financial Statements for the year ended 30 June 2024

### Transactions with related parties

Other than KMP compensation, there were no transactions with related parties during the reporting year.

### Outstanding balances arising from sales/purchases of goods and services

There are no outstanding balances arising from sales/purchases of goods and services at the end of the reporting year.

### Loan to Directors and their related parties

No loans have been made to any Director or any of their related parties, during the reporting year.

## 20. Parent entity

	30 June 2024	30 June 2023
	\$	\$
<i>Statement of financial position</i>		
Assets		
Current Assets	1,962,666	3,751,267
Non-current assets	17,974,374	14,566,641
<b>Total Assets</b>	<b>19,937,040</b>	<b>18,317,908</b>
Liabilities		
Current Liabilities	323,217	1,821,614
Non-current liabilities	-	-
<b>Total Liabilities</b>	<b>323,217</b>	<b>1,821,614</b>
<b>Net Assets</b>	<b>19,613,823</b>	<b>16,496,294</b>
Equity		
Contributed equity	41,530,159	35,997,376
Reserves	4,363,932	6,586,510
Accumulated losses	(26,280,268)	(26,087,592)
<b>Total equity</b>	<b>19,613,823</b>	<b>16,496,294</b>
<i>Statement of profit or loss and other comprehensive income</i>		
Loss for the year	(922,682)	(4,023,133)
<b>Total comprehensive income</b>	<b>(922,682)</b>	<b>(4,023,133)</b>



## Notes to the Financial Statements for the year ended 30 June 2024

### 21. Auditors remuneration

	30 June 2024	30 June 2023
	\$	\$
Audit of the financial statements	69,274	69,100
Other services provided by the auditors	-	-
	<b>69,274</b>	<b>69,100</b>

### 22. Events after the end of the reporting date

On 4 July 2024, the Company announced the completion of a strategic integration partnership agreement with ScImage Inc.

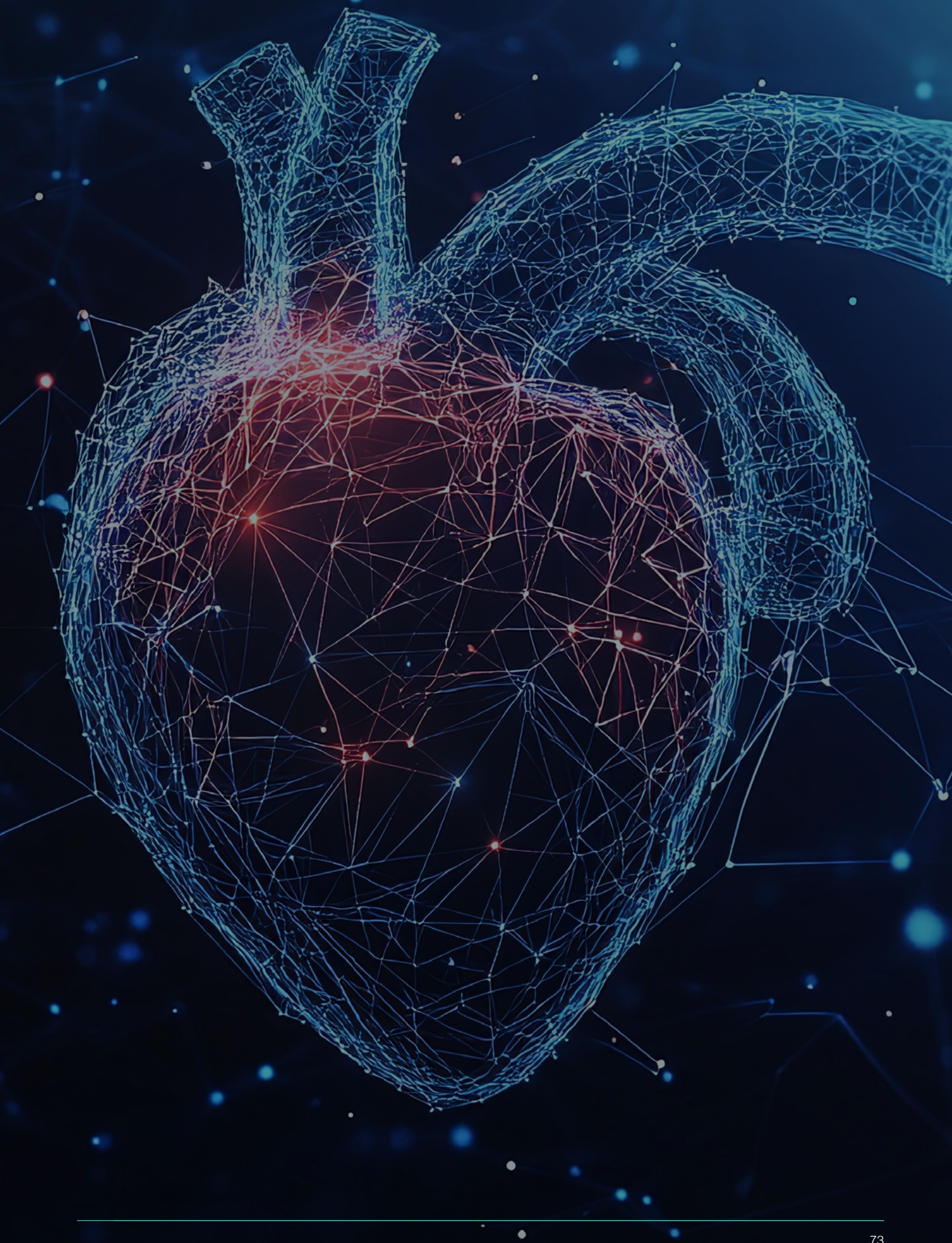
On 16 July 2024, the Company issued 30 million unlisted options expiring on 31 December 2025 and exercisable at \$0.25, and 3 million performance right expiring on 31 December 2025.

On 2 August 2024, the Company issued 9.2 million unlisted options expiring on 14 June 2027 and exercisable at \$0.25, and 1.275 million unlisted options expiring on 14 June 2027 and exercisable at \$0.25.

On 13 September 2024, the Company issued 47,366,667 ordinary shares raising \$7.1 million.

On 13 September 2024, the Company issued 3.5 million ordinary shares for consultancy and advisory services.

Other than the matters described above, there has not been any other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.





## Consolidated entity disclosure statement

### As at 30 June 2024

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest	Tax residency
			%	
HWH Software Pty Ltd	Body corporate	Australia	100%	Australia *
Echo IQ Global Pty Ltd	Body corporate	Australia	100%	Australia *
Echo IQ Incorporated	Body corporate	USA	100%	USA

Echo IQ Limited (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

## Basis of preparation

The consolidated entity disclosure statement (CEDS) has been prepared in accordance with subsection Section 295 (3A) of the Corporations Act 2001. The entities listed in the statement are Echo IQ Limited and all the entities it controls in accordance with AASB 10 Consolidated Financial Statements.

## Key assumptions and judgements

### Determination of tax residency

Section 295 (3A) Corporations Act requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997 (Cth). The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the Group has applied the following interpretations:

### Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

### Foreign tax residency

The Group has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

# Directors' Declaration

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The Directors of the Echo IQ Limited (the Group) declare that:

1. The consolidated financial statements and notes that are set out on pages 42—72 and the remuneration report set out on pages 34—38 in the Directors' report are in accordance with the Corporations Act 2001, including:
  - a. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
  - b. complying with Australian Accounting Standards and the Corporations Act 2001; and
  - c. in the Directors' opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2024.
3. The Directors draw attention to Note 2 in the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.
4. The information disclosed in the consolidated entity disclosure statement on page 74 is true and correct.

Signed in accordance with a resolution of the directors.



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Andrew Grover

**Executive Chairman**

30 September 2024



# Audit Report



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECHO IQ LIMITED

### Report on the Financial Report

#### Opinion

We have audited the financial report of Echo IQ Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 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 year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement, and the directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion the accompanying financial report of Echo IQ Limited is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the consolidated entity 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



## Key Audit Matters

A key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial report of the current year. This matter was addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For each matter below, our description of how our audit addressed the matter is provided in that context

### 1. Valuation of Intangible Assets

#### Why significant

As at 30 June 2024 the carrying value of Intangible assets was \$5,783,108 (2023: \$6,367,022), as disclosed in Note 10. This was in relation to software and NEDA contractual assets. This represents 70% of total assets of the consolidated entity.

The consolidated entity's accounting policy in respect of Intangible assets is outlined in Note 2 of the financial report with the nature of critical estimates and judgements relating to this balance, including:

- to determine the useful life of the contractual intangible asset, and its related amortisation expenses.
- to determine whether within the scope of AASB 136, there is any indication of impairment on carrying value of intangible assets.
- to determine If any such indication exists than the assets recoverable amount to be estimated that reflects the current market assessments of the value of Capitalised cost specific to the intangible assets or CGU.

Considering the significant judgement involved in assessing the above critical estimates and judgements of the intangibles assets this was considered to be a key audit matter.

#### How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- conducting a detailed review of management's prepared assessment to evaluate the Group's accounting policy in determining the useful life of intangible assets under AASB 138 Intangible Assets, including reviewing key supporting documents and agreements.
- Conducting a detailed review of management's prepared assessment of impairment indicators of intangible assets, evaluating the internal and external sources of information under AASB 136 to challenge management's assessment.
- Reviewing the various disclosures in Notes 2 and note 10 for accuracy and completeness with AASB 138 Intangibles.



## Other Information

### 2. Valuation of Share Based Payments

#### Why significant

As at 30 June 2024, the value of Share Based Payments Reserve being \$4,363,933 as disclosed in Note 14. In addition, during the year a share-based payment expense of \$808,304, consulting and professional charges of \$3,767 has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

The consolidated entity’s accounting judgement and estimates in respect of share-based payments is outlined in Note 2.

Significant judgement is required in relation to:

- The valuation method used in the model; and
- The assumptions and inputs used within the model.

#### How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Reviewed the company’s valuations of the equity instruments issued, including:
  - assessing the appropriateness of the valuation method used; and
  - assessing the reasonableness of the assumptions and inputs used within the valuation model.
- Reviewed Board meeting minutes and ASX announcements as well as enquired of relevant personnel to ensure all share-based payments had been recognised;
- Assessed the allocation and recognition to ensure these are reasonable; and
- Assessed the appropriateness of the related disclosures in Notes 2 and 14.

Those charged with governance are responsible for the other information. The other information comprises the information included in the consolidated entity’s annual report for the year ended 30 June 2024, but does not include the financial report and our auditor’s report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors’ for the Financial Report

The Directors of the Company are responsible for the preparation of:-

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act2001; and





for such internal control as the Directors determine is necessary to enable the preparation of:-

- i) the financial report (other than the consolidated entity disclosure statements) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the group financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.



We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on the Remuneration Report

##### Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Echo IQ Limited for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

##### Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in dark ink that reads 'PKF Perth' in a cursive, stylized script.

PKF PERTH

A handwritten signature in dark ink that appears to read 'Shane Cross' in a cursive, stylized script.

SHANE CROSS

PARTNER

30 September 2024

PERTH, WESTERN AUSTRALIA

# Additional ASX Information

The Group sets out below additional information required by ASX Listing Rule 4.10 and not disclosed elsewhere in this report, along with information required to be disclosed as a condition of ASX Listing Rule waivers and confirmations given to the Group by ASX. This information is current as at 20 September 2024.

## Securities

Quotation has been granted for 588,521,043 ordinary shares of the Company on the Australian Securities Exchange.

## Quoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
EIQ	2,039	Ordinary Fully Paid	588,521,043

## Number and Distribution of Holders

Analysis of number of shareholders by size of holding:

Range	Total holders	Units	%
1 - 1,000	128	67,155	0.01
1,001 - 5,000	342	1,161,696	0.20
5,001 - 10,000	297	2,374,216	0.40
10,001 - 100,000	805	33,213,444	5.64
100,001 Over	467	551,704,532	93.74
<b>Total</b>	<b>2,039</b>	<b>588,521,043</b>	<b>100.00</b>

There are 180 holders holding less than a marketable parcel of fully paid ordinary shares.

## Top 20 Shareholders

Details of the 20 largest holdings of quoted fully paid ordinary shares are set out below.

Rank	Name	Units	%
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	33,199,295	5.64
2	A22 PTY LTD	28,500,000	4.84
3	STEV SAND INVESTMENTS PTY LTD <STEVEN FORMICA FAMILY A/C>	27,100,000	4.60
4	RICHMOND BRIDGE SUPERANNUATION PTY LTD <RICHMOND BRIDGE SUPER A/C>	21,764,854	3.70
5	ALERTE DIGITAL HEALTH PTE LTD	17,373,863	2.95
6	BELLCOO INVESTMENTS PTY LTD <THE NORTHLAKE S/F A/C>	15,248,099	2.59
7	MR BRIAN JOSEPH GLYNN	13,875,483	2.36
8	KING CORPORATE PTY LTD	13,283,334	2.26
9	SHAH NOMINEES PTY LTD <LOUIS CARSTEN SUPER FUND A/C>	12,700,000	2.16
10	HEATH NOMINEES (AUST) PTY LTD <THE HEATH FAMILY A/C>	12,361,373	2.10
11	SHAH NOMINEES PTY LTD	10,060,162	1.71
12	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	9,952,397	1.69
13	HUNT PROSPERITY PTY LTD <INVESTIUS PB MICRO CAP A/C>	9,803,001	1.67
14	BELGRAVIA STRATEGIC EQUITIES PTY LTD	8,526,000	1.45
15	MS LAURA BAILEY	8,250,000	1.40
16	T MITCHELL PTY LTD <THE T MITCHELL S/F A/C>	7,668,236	1.30
17	SHRIVER NOMINEES PTY LTD	7,150,000	1.21
18	KLI PTY LTD <THE T TEH'S FAMILY A/C>	6,840,000	1.16
19	XERYUS INTERNATIONAL PTY LTD	6,590,481	1.12
20	MIKADO CORPORATION PTY LTD <JFC SUPERANNUATION A/C>	6,300,000	1.07

## Additional ASX Information (continued)

### Restricted Securities

All securities are unrestricted.

	Shares	% of Shares
Steve Formica	30,516,667	5.19%

### Voting Rights

Fully paid ordinary shares every member present at a meeting in person or by proxy has one vote on a show of hands, and one vote for each share on a poll.

Performance shares and options: no voting rights.

### Unquoted Equity Securities

Class	Total number of securities	Holders
PERFORMANCE RIGHTS EXP 31/12/25	3,000,000	2
UNL OPTS EXP 02/02/25 @ \$0.25	24,000,000	13
UNL OPTS EXP 08/12/25 @ \$0.30	5,000,000	4
UNL OPTS EXP 08/12/25 @ \$0.50	5,000,000	3
UNL OPTS EXP 14/06/27 @ \$0.25	10,475,000	9
UNL OPTS EXP 17/12/24 @ \$0.25	25,000,000	3
UNL OPTS EXP 29/10/24 @ \$0.25	2,000,000	1
UNL OPTS EXP 29/11/26 @ \$0.25	5,000,000	1
UNL OPTS EXP 31/12/25 @ \$0.25	30,000,000	2

### Other

The Group is not currently conducting an on-market buy-back. There are no issues of securities approved for the purposes of item 7 of section 611 of the Corporations Act which have not yet been completed. No securities were purchased on-market during the reporting period in respect of an employee incentive scheme.



# Corporate Governance

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The Board is committed to achieving and demonstrating high standards of corporate governance. The Board has implemented corporate governance policies and practices which it considers appropriate for the scale and maturity of the Group's business and operations. The Group has reviewed its corporate governance practices against the 'Corporate Governance Principles and Recommendations

(4th Edition)' published by the ASX Corporate Governance Council. The Group's Corporate Governance Statement for the financial year ended 30 June 2024 has been approved by the Board and is dated 28 September 2024. The Group's Corporate Governance Statement and Corporate Governance Plan are both available on the Group's website at <https://www.echoiq.ai/investor-centre#governance>



**Echo IQ**  
AI with heart

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

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