

# ASX Announcement

## Hydrix to sell AI technology that improves identification of structural heart disease

**Hydrix Limited** (ASX: **HYD**) (**Hydrix** or the **Company**) is pleased to announce that it has entered into a commercial agreement with Australian based medical technology company, Echo IQ (ASX: EIQ), to sell its EchoSolv<sup>™</sup> platform in Australia, New Zealand, and Singapore.

## Highlights

- EchoSolv AI technology automatically analyses echocardiographic measurements in under 3 seconds to improve the detection & diagnosis of patients at high risk of structural heart disease
- Expands Hydrix product portfolio, accelerates path to recurring revenue, and anticipated to be financially accretive and to provide operational synergies
- More than 1 million echocardiograms and 10,000 Aortic Valve replacements are carried out annually in Australia, New Zealand, and Singapore
- Exclusive distribution agreement to market and sell the EchoSolv™ platform under a three-year initial term, annually renewable thereafter by mutual agreement
- The product is ready for sale in Australia as Software-as-a-Medical Device (SaMD)

#### Improving patient outcomes

Aortic Valve disease is the most frequent cause of severe heart valvular disease, with Aortic Stenosis (AS) the most serious and common valve disease. AS occurs in approximately 3% of the population aged > 65; this disease burden is increasing with the aging population.

Guidelines for valve replacement are well established but the challenge is ensuring all patients with AS receive this life-saving treatment. Patients without symptoms are often not identified for treatment and unconscious bias can result in missed opportunities. For example, in a recent Australian clinical trial women were found to be 66% less likely to have been accurately diagnosed than men.

EchoSolv is a cloud-based technology, that uses proprietary Artificial Intelligence (AI) to help identify patients at high-risk of structural heart disease including Aortic Stenosis. A recently published study demonstrated the accuracy of EchoSolv which identified 100% of in-guideline patients with Aortic Stenosis and an additional 72% of patients at severe risk who might otherwise have gone undetected.

EchoSolv's key benefits include:

- EchoSolv's automated analysis and risk assessment of electrocardiogram data in under 3 seconds, supports improved diagnosis and enables a faster time to treatment
- Easy integration with no disruption to existing workflows, and HIPPA and SOCII compliant; and
- Provides flexibility to use retrospectively on previous or current echocardiograms.

This assistive AI technology gives cardiologists extra time with their patients, while providing better diagnostic assurance.

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### Market potential and terms of the agreement

Hydrix Medical's mission is to significantly improve management of cardiovascular disease; the world's leading cause of death. This agreement demonstrates our capability to identify disruptive cardiovascular technology companies who are also seeking third party Asia Pacific distribution. This commercial arrangement with Echo IQ will leverage our expertise in cardiac health innovation and distribution; *building on the Hydrix Brand*.

This product shares a common industry knowledge base, customer, and sales channel with other Hydrix Medical products, including the AngelMed Guardian. The Echo IQ product expands and diversifies our portfolio, accelerates path to recurring revenue streams, and is anticipated to deliver growth and operational synergies, and be financially accretive for Hydrix.

The initial term of the agreement is three (3) years and thereafter annually renewable by mutual consent. Hydrix Medical has exclusive rights to promote, market, and sell EchoSolv (and future products) to cardiologists in Australia (excluding QLD), New Zealand and Singapore.

More than 150,000 people in the distribution territory have moderate to severe aortic stenosis which is likely to nearly double over the next 25 years as the population ages. There are more than one million echocardiography tests and over 10,000 aortic valve replacements each year in these markets.

Echo IQ will pay Hydrix a sales commission on each qualified customer contract facilitated by Hydrix, and entered into by Echo IQ directly with the customer. A portion of the commission is payable to Hydrix upfront after Echo IQ completes the initial customer implementation, and thereafter on each contract anniversary date for the remainder of the contract period, based on the recurring fees payable by the customer to Echo IQ. The agreement has customary performance obligations and other terms and conditions.

Sales into Singapore are subject to jurisdictional regulatory approval.

Although Hydrix is not able to forecast revenue estimates from this agreement at this early stage, Hydrix anticipates the "cardiac product portfolio" it is assembling will, in due course, deliver material revenues and earnings.

#### Andrew Grover, Executive Chair Echo IQ commented:

"I am very pleased to appoint a highly respected company such as Hydrix Medical to help create a leading market position in Australia, New Zealand and Singapore for our EchoSolv AI technology.

"Distribution of the EchoSolv platform fits with Hydrix Medical's strategy and helps Echo IQ accelerate our go-to-market strategy, and importantly, help solve unmet healthcare needs, faster."

#### Vickie Edwards, Director Sales & Operations - Hydrix Medical commented:

"Hydrix Medical is excited to be partnering with Echo IQ. Their proprietary technology is the type of disruptive and innovative cardiology solutions which we believe will help clinicians improve patient outcomes and create efficiencies within the healthcare system. The EchoSolv product is market-ready, providing an immediate opportunity to help address an unmet need and generate revenues."

## -ENDS-

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Authorisation: This announcement has been authorised for release by the Board of Hydrix.

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# About Hydrix Limited

Hydrix Limited (ASX: HYD) is a powerful product innovation company. Hydrix's purpose is to enhance the health, safety, and well-being of a billion lives. The company leverages its powerful product innovation capability across three business segments: Services: design, engineer and deliver world first products and innovation; Ventures: invest in high potential MedTech clients; and Medical: distribute disruptive cardiovascular products.

## About ECHO IQ

Echo IQ (ASX: EIQ) uses AI-driven technology and proprietary software to improve decision making in Cardiology. Echo IQ's cloud-based decision-support software, EchoSolv<sup>™</sup> aims to provide physicians with a reliable tool to identify patients at-risk of structural heart disease who may benefit for further referral. EchoSolv<sup>™</sup> aims to improve the current standard clinical workflow associated with diagnosis and treatment.

The company is based in Sydney, Australia.