

Company announcement

PME signs binding Heads of Agreement for finance facility and accompanying reseller agreement with Echo IQ

25 June 2026

Leading health imaging company Pro Medicus Limited [ASX: PME] today announced that it had entered into a binding Heads of Agreement with Echo IQ Ltd [ASX: EIQ] for a financing arrangement and accompanying reseller agreement to assist in the further development and commercialisation of EIQ's suite of AI solutions including algorithms for aortic stenosis and heart failure. A copy of the announcement issued by Echo IQ today is attached.

The binding Heads of Agreement provides for definitive legal agreements to be negotiated and entered into within the next 20 business days, failing which the transaction may be terminated. PME will make a further announcement as and when either event occurs.

"In addition to providing financial backing, we are looking to offer our Visage 7 Cardiology customers the option of Echo IQ's technology." said Dr Sam Hupert, Pro Medicus CEO. "This is in line with our AI strategy of offering a curated suite of algorithms that will be a mixture of algorithms created by us, those created in conjunction with our clinical partners and 3rd party algorithms such as Echo-IQ".

Authorised by the Board of Pro Medicus Limited.

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Binding Heads of Agreement secured with leading health imaging company, Pro Medicus Limited (ASX: PME)

- Binding Heads of Agreement secured with global healthcare technology leader Pro Medicus Limited (ASX: PME), establishing the framework for a strategic investment and US commercial partnership
- PME investment is for an initial A\$10 million, followed by an option for PME to invest a further A\$10 million tranche upon Echo IQ receiving FDA clearance of EchoSolv HF
- Proposed investment provides balance sheet strength to seek to accelerate commercialisation initiatives and broader growth opportunities across the US
- Structure aligns Pro Medicus' participation with a key potential value catalyst for the Company and provides EIQ with funding flexibility to seek to accelerate US commercialisation activities
- Pro Medicus to become a proposed reseller of EchoSolv, subject to entry into definitive agreements, providing potential access to an extensive network of leading US health systems, academic medical centres and enterprise healthcare customers
- Strategic partnership validates the clinical utility, commercial potential and growing importance of Echo IQ's AI-powered cardiovascular diagnostic technology
- Aligns Echo IQ with one of the world's leading healthcare imaging software companies, creating a potential pathway to accelerate adoption and scale across the world's largest healthcare market
- Definitive legal documentation being finalised with transaction completion expected in the coming weeks
- EchoSolv HF FDA submission remains on track for an expected outcome in the near term
- Company now fully funded to support US commercialisation activities.

Sydney: Artificial Intelligence ("AI") and Medical Technology Company Echo IQ Limited (ASX: EIQ) ("Echo IQ" or "the Company") is pleased to advise that it has executed a binding Heads of Agreement ("HOA") with global health imaging company, Pro Medicus Limited (ASX: PME) ("Pro Medicus"), establishing the framework for a proposed strategic investment and commercial partnership.

Under the HOA, the parties have agreed the key commercial principles and transaction terms under which Pro Medicus will, subject to the satisfaction of conditions, provide a strategic investment of up to A\$20 million in Echo IQ and become a reseller of the Company's EchoSolv product suite throughout the United States ("US").

The proposed strategic investment and commercial partnership are subject to the finalisation of definitive legal documentation and other conditions (including, in respect of the option for PME to invest A\$10 million of its proposed A\$20 million strategic investment, US Food & Drug Administration ("FDA") clearance of EchoSolv HF, which has not yet been obtained). While the parties are working towards agreeing the definitive legal documentation, there can be no assurance that any agreement will be reached.

The proposed partnership represents a significant strategic milestone for Echo IQ. Beyond the proposed investment, the arrangement has the potential to provide exceptional validation for Echo IQ and access to a leading healthcare technology platform with an extensive US based customer network, supporting the Company's strategy to accelerate adoption of its AI-powered cardiac diagnostic solutions across the US.

Pro Medicus is widely regarded as one of Australia's most successful healthcare technology companies and a global leader in enterprise medical imaging software. Through its Visage platform, Pro Medicus provides mission-critical imaging solutions to many of the largest health systems, academic medical centres and integrated delivery

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networks throughout the US. For over 30 years, Pro Medicus has established a demonstrated track record of technological innovation and successful deployment of enterprise-scale healthcare software solutions across some of the world's most demanding clinical environments.

Echo IQ believes that Pro Medicus' decision to pursue both a strategic investment and commercial relationship reflects the growing importance of artificial intelligence within cardiovascular care and validates the clinical utility and commercial potential of the EchoSolv platform.

The proposed partnership is expected to leverage the complementary nature of both parties' technologies, combining Pro Medicus' enterprise healthcare footprint and commercial reach with Echo IQ's AI-powered cardiac disease detection capabilities.

Investment – Secured convertible notes:

Under the agreed framework, Pro Medicus would, subject to the finalisation of definitive legal documentation, make an initial A\$10 million investment in Echo IQ through subscription for secured convertible notes, together with the right to subscribe for a further A\$10 million of secured convertible notes upon clearance by the FDA of EchoSolv HF, which the Company is currently pursuing. The proposed structure aligns future investment with one of Echo IQ's most significant potential value catalysts and provides the Company with additional balance sheet strength to support Echo IQ's growing pipeline of commercialisation activities and broader growth initiatives across the US.

Commercial partnership:

The HOA also establishes the commercial framework for a proposed reseller arrangement under which Pro Medicus would, subject to the finalisation of definitive legal documentation, market and distribute Echo IQ's products to its healthcare customer base.

The Company believes this aspect of the proposed partnership has the potential to be highly strategic, providing an additional pathway to commercial adoption through Pro Medicus' extensive network of healthcare providers and enterprise customers.

Management commentary:

Chief Executive Officer, Mr Dustin Haines said: *"The execution of this binding Heads of Agreement with Pro Medicus represents a transformational milestone for Echo IQ and a significant validation of both our technology and long-term commercial strategy, while also providing exceptional financial flexibility to accelerate our commercialisation activities in the US.*

Pro Medicus is recognised globally as one of the most successful healthcare technology companies, with a proven track record of delivering enterprise-scale software solutions to many of the leading health systems and academic medical centres across the United States. Their decision to pursue both a strategic investment and commercial partnership with Echo IQ reflects the growing clinical relevance of artificial intelligence in cardiovascular care and the commercial opportunity we believe exists for the EchoSolv platform.

Importantly, this proposed partnership extends far beyond the investment itself. Through Pro Medicus, we have the opportunity to leverage an established healthcare platform, trusted customer relationships and a highly experienced commercial organisation with deep penetration into the US healthcare market. We believe this creates a compelling pathway to accelerate awareness, adoption and commercialisation of EchoSolv across a broad range of healthcare providers.

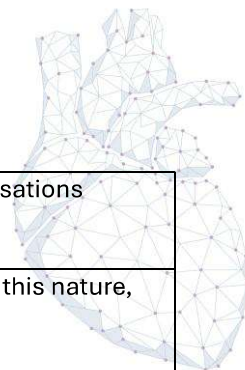


The proposed investment structure also aligns Pro Medicus' participation with one of our most significant potential value catalysts, being FDA clearance of EchoSolv HF, which remains subject to regulatory review, while providing Echo IQ with additional balance sheet strength to support our growing commercial activities and strategic initiatives.

We believe this partnership has the potential to be highly complementary for both organisations, combining Pro Medicus' global healthcare footprint with Echo IQ's AI-powered cardiac diagnostic capabilities. We look forward to progressing definitive agreements and working together to unlock what we believe is a substantial opportunity in one of the largest and most important healthcare markets in the world."

The key terms of the proposed secured convertible notes are as follows:

Topic	Summary
Noteholder	Pro Medicus Limited ACN 006 194 752
Securities	Secured unlisted convertible notes in the Company (Notes). The Notes will be secured over all assets of the Company and its subsidiaries and specific security will be granted over the Company's aortic stenosis and heart failure algorithms.
Subscription amount and face value	The Company will issue an initial 10,000,000 Notes with a face value of A\$1 per Note (Initial Notes). If (i) the Initial Notes have been issued and (ii) FDA clearance is obtained for the Company's heart failure algorithm, the Noteholder may subscribe for (and the Company must issue) an additional 10,000,000 Notes with a face value of A\$1 per Note in the 12 month period immediately following the FDA clearance.
Maturity Date	To the extent the Notes have not been converted or redeemed, the Notes must be redeemed in full 24 months after their date of issue.
Repayment	The Notes are repayable in full on the Maturity Date. No voluntary prepayment is permitted.
Interest rate	12.5% per annum compounding daily and payable on the Maturity Date and where the Notes are required to be mandatorily redeemed (see further below).
Conversion period	The Noteholder may elect to convert the Note (subject to a minimum of 1,000,000 Notes) to fully paid ordinary shares in the Company (Shares) at any time prior to the earlier of the Maturity Date and any mandatory redemption.
Conversion price	The lower of A\$1.05 (the Valuation Cap) and the 5 day volume weighted average price of the Shares as traded on the ASX as at the time a conversion notice is issued, subject to a floor price.
Mandatory redemption	To the extent the Notes have not been converted, the Company will be required to redeem the Notes in full (including any accrued interest) if the Company or any of its subsidiaries becomes insolvent, an event of default occurs (as to which see below) or there is a change in control of the Company.
Representations and warranties	The Company and Noteholder will be required to provide standard representations and warranties in the definitive convertible note documentation.
Undertakings	The Company has given customary undertakings to the Noteholder for a transaction of this nature, including undertakings not to incur certain financial indebtedness, to



	maintain protection and ownership of its IP, to comply with laws and authorisations required by it and to carry on its business in the ordinary course.
Events of default	The Notes will be subject to events of default customary for a transaction of this nature, including: ▪ Non-payment of amounts due and owing to the Noteholder in respect of the Notes; ▪ Breach of negative covenants regarding financial indebtedness, guarantees, security, loans, distributions, disposals and share capital transactions; ▪ Insolvency of the Company or its subsidiaries; ▪ The Company suffering a material adverse change; ▪ The Company undertaking certain changes to its capital structure; ▪ Default under, or termination of, certain material contracts of the Company.
Options	The Noteholder will be granted 0.75 unlisted options in the Company for every Note subscribed for (Options). The Options will, on exercise, entitle the Noteholder to receive one Share in the Company. Each Option will have an exercise price of A\$1.35 and will be exercisable (subject to a minimum of 1,000,000 Options) at any time from their date of issue until the Maturity Date which is 24 months from the date of issue of the Notes.

The issuance of the secured convertible notes to Pro Medicus does not require approval of the Company's shareholders as it is being made in reliance on the Company's available placement capacity under ASX Listing Rule 7.1.

The Company provides the following information for the purposes of section 4 of ASX Compliance Update No. 05/20, and ASX Compliance Update No. 05/23:

- the Company has negotiated the terms of the secured convertible notes at arm's length, with a sophisticated counterparty who is independent of the Company;
- the Company considers that the issue of the secured convertible notes is an appropriate and commercial arrangement to provide working capital to enable the Company to support its ongoing activities and operations;
- prior to entering into the HoA, the Company considered other available fundraising options, such as a traditional equity raising, to meet the Company's funding requirements. The Company was of the view that the other options available were not on the same commercial terms and were therefore not in the best interests of shareholders of the Company; and
- while the secured convertible notes benefit from security granted by the EIQ group, the Company has not agreed to issue 'collateral shares' to holders of Notes.

- ENDS -

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

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ABOUT ECHO IQ

Echo IQ uses AI-driven technology and proprietary software to improve decision making in Cardiology. The company is based in Sydney, Australia.

FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements, including statements regarding the proposed strategic investment and commercial partnership with Pro Medicus, the expected benefits of the proposed transaction, the anticipated timing of definitive documentation and transaction completion, the potential for FDA clearance of EchoSolv HF, the commercialisation of EchoSolv in the United States, and the Company's broader growth strategy. These statements can generally be identified by the use of words such as "proposed", "expected", "potential", "believes", "anticipates", "opportunity", "strategy" and other similar expressions.

Forward-looking statements are based on the Company's current expectations and assumptions as at the date of this announcement and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Actual results, performance or achievements may differ materially from those expressed or implied in such forward-looking statements. Key risk factors include, but are not limited to, the following:

FDA clearance risk: The second investment tranche of A\$10 million is conditional upon clearance by the US Food and Drug Administration of EchoSolv HF. There is no assurance that EchoSolv HF will receive FDA clearance, that clearance will be obtained within any particular timeframe, or that the FDA will not require additional clinical data, labelling restrictions or post-market conditions that may affect the commercial utility of the product. FDA regulatory review processes are subject to inherent uncertainty, and the regulatory pathway, scope and outcome remain at the discretion of the FDA. PME is not obliged to make the second investment of A\$10 million even if FDA clearance is obtained.

Reimbursement risk: Commercial adoption of EchoSolv in the United States will depend, in part, on the availability of adequate reimbursement from Medicare, Medicaid and commercial health insurers. There is no assurance that favourable CPT coding, coverage determinations or reimbursement rates will be established for EchoSolv, or that any such reimbursement, if obtained, will be at levels sufficient to support widespread commercial adoption. The absence of an established reimbursement pathway may limit the willingness of US health systems to procure and deploy the product.

Commercial arrangement risk: The proposed reseller arrangement with Pro Medicus remains subject to the negotiation and execution of definitive legal documentation. There is no assurance that definitive agreements will be entered into on terms consistent with the HOA, or at all. Even if definitive agreements are executed, the commercial success of the reseller arrangement will depend on factors including Pro Medicus' willingness and ability to actively market and distribute EchoSolv, customer acceptance of the product, competitive dynamics in the US AI-enabled cardiac imaging market, and the establishment of appropriate pricing structures.

Regulatory and compliance risk: The commercialisation of EchoSolv in the United States is subject to ongoing compliance with FDA post-market surveillance requirements, adverse event reporting obligations, and software change management protocols applicable to AI-enabled medical devices. The product will also be subject to federal and state healthcare laws and regulations, including HIPAA privacy and security requirements, state health data privacy laws, and anti-kickback and false claims statutes. Changes in regulatory requirements or enforcement priorities may adversely affect the Company's ability to market, distribute or derive revenue from EchoSolv in the United States.

Dilution risk: The proposed convertible note structure may result in dilution to existing shareholders upon conversion. The terms of conversion remain subject to finalisation in the definitive documentation.

No party is under any obligation to update any forward-looking statement contained in this announcement to reflect events or circumstances after the date of this announcement, except as required by the ASX Listing Rules or applicable law.