

29 April 2024

## Quarterly Activity Report

### Q1 FY24

---

#### Highlights

- Unaudited total revenue of US\$0.13m, an increase of 5% from the prior quarter
  - New contract signed with Unilabs for the ENDEX technology
  - Appointment of Lisa Pettigrew as Non-Executive Director
  - Cash reserves of US\$7.4m to fund growth
- 

**Enlitic, Inc.** (ASX: ENL) (“Enlitic” or “the Company”), a software development company that uses artificial intelligence to develop software products that manage medical imaging data in radiology, today announces its Quarterly Activity Report and Appendix 4C for the three-month period ended 31 March 2024 (“Q1 FY24”).

#### **Unilabs Extension and Expansion contract**

In March 2024, Enlitic signed an ‘Expansion and Extension Contract’ to provide its ENDEX software to leading diagnostic services provider Unilabs Laboratoire d’analyses médicales’ (“Unilabs”) radiology business. The contract generates revenue for Enlitic totalling US\$2.1 million over 5 years. Unilabs is a prominent international provider of diagnostic services with a network of over 180 imaging centres conducting more than 5 million exams annually.

Unilabs is the parent company of Enlitic’s client, the Telemedicine Clinic (“TMC”), which subscribes to its ENDEX product. TMC’s use of ENDEX has led to a 10% increase in radiology efficiency. A full case study of Enlitic’s partnership with TMC can be found [here](#).

The new agreement with Unilabs replaces and extends the existing TMC subscription.

**Michael Sistenich, CEO of Enlitic**, said “In the first quarter of 2024 we’ve continued our positive momentum with client opportunities, product development and strengthening our company’s leadership team. Signing the expanded Unilabs contract is excellent validation that we are making a difference to our clients’ ability to deliver more efficient patient outcomes and it’s rewarding to be able to help them in further areas of their organisation. We look forward to deepening our relationship with Unilabs and all our other clients as they continue to implement our products into their workflows.”

“This quarter, we appointed Steve Rankin as Chief Strategy Officer and Lisa Pettigrew as Non-Executive Director on our Board. These appointments add to the depth and breadth of Enlitic’s

experience and skill set. Regarding our product offerings, our R&D Team is working hard to accelerate the development of our technology enhancements, including ENSIGHT and ENCODE, which we believe will bring further optionality and opportunity to our clients.”

## Operational Highlights

### Customer growth

Enlitic’s conversion of its open opportunity pipeline has continued its positive momentum. As noted above, the Company expanded and extended its existing relationship with TMC and its parent company, Unilabs.

Enlitic’s open opportunity pipeline has fallen marginally during the quarter to US\$62.4m as of 31 March 2024 (31 Dec 2023: US\$66.4m)<sup>1</sup>. Changes in the customer open opportunity pipeline can vary quarter to quarter. These are due to the timing of conversion of opportunities into contracted customers, such as, Unilabs. The change in open opportunity pipeline is also impacted by prospective customer budgets, or movements of prospective customers within the open opportunity pipeline.

Enlitic continues to focus on the commercialisation of its data standardisation solutions and the building of its customer open opportunity pipeline.

### Product Development

Over the quarter, the Company has been working to accelerate the development of its future technology enhancements, ENSIGHT and ENCODE. Enlitic’s ENSIGHT framework focuses on connectivity, enabling insights into medical image content. ENCODE is the Company’s proposed coding and reimbursement module. It seeks to improve data quality by using advanced algorithms to identify coding discrepancies or inconsistencies.

### Board & Leadership Team

As previously disclosed, the Company appointed Ms. Lisa Pettigrew as an independent Non-Executive Director of Enlitic, effective 4 March 2024. Ms. Pettigrew has over 15 years of board and executive experience spanning Australian and US companies. Her entrepreneurial skillset in healthcare and technology further strengthens Enlitic’s board.

The Company also appointed global medical imaging expert, Steve Rankin, as Chief Strategy Officer at Enlitic, effective 1 February 2024. Mr. Rankin is an experienced healthcare leader with over 25 years of experience in imaging and is focused on driving and optimising the Company’s growth strategy.

---

<sup>1</sup> The dollar values represent the Company’s estimate (based on initial discussions and assessments with each potential customer) of TCV (the total contracted minimum licence revenue to be charged over the term (generally 3 years of contracts entered into with customers) of the contract plus ancillary revenue (as applicable)) of each customer pipeline opportunity if every such opportunity was to result in a signed Licence Agreement (and the Company has assumed each such Licence Agreement has a term of 3 years). There is no guarantee that any of the customer pipeline opportunities will result in any contracted clients or contracted revenue, and the dollar values indicated do not in any way represent an estimate of likely future revenue arising from those. It merely provides an indication of the potential size of the revenue opportunity presented by the customer pipeline opportunities.

## First Quarter Financial Performance & Cash Flow

Unaudited revenue was US\$0.13m, up 5% from the prior quarter (Q4 FY23: US\$0.12m), primarily due to new customer invoicing.

Cash receipts for the quarter were US\$0.1m, up 47% from US\$0.07m in the previous quarter. This increase is a consequence of an improvement in collection during Q1 FY24. The net operating cash outflow for the period was US\$3.6m, reflecting a slight fall in corporate and administrative costs versus the prior period's net operating cash outflow of US\$4.4m.

Marketing and advertising costs were US\$0.08m for the quarter, down from US\$0.41m in the previous quarter (Q4 FY23: US\$0.41m). This decrease is in line with expectations as conference activity is seasonally higher in the last quarter of the calendar year. Operating costs in Q1 FY24 were US\$0.2m and were in line with the previous quarter (Q4 FY23: US\$0.2m). Administration and corporate costs were US\$0.56m for the quarter, down from US\$1.33m during the previous quarter. This was primarily due to the removal of the costs associated with the initial public offer ("IPO") undertaken in Q4 FY23.

Research and development costs for the quarter were US\$1.5m, a 15% increase on the prior quarter (Q4 FY23: US\$1.3m). Staff costs of US\$1.4m were up 16% on the previous quarter of US\$1.2m. These increases were in line with expectations and are due to the company's focus on accelerating product development.

Enlitic's cash balance at 31 March 2024 was US\$7.4m, down from US\$11.1m in the prior quarter.

## Use of Funds

A summary of the expenditure for the period ending 31 March 2024 compared with the proposed use of funds commencing from the date of Official Quotation on the ASX, as per Enlitic's Pre-Quotation Disclosure dated 18 December 2023, is outlined below:

	Per Pre-Quotation Disclosure <sup>1</sup> (US\$) <sup>2</sup>	Period ending 31 March 2024 (US\$)
Research and development program	3,812,306	2,021,559
Quality and regulatory compliance costs	570,167	177,032
Strategic development	415,479	172,649
Sales and marketing	3,465,840	1,038,036
Customer service	1,761,909	395,477
Corporate costs	1,763,787	901,379
Working capital and administrative costs	921,329	450,689
Costs of the Offer	2,147,811	2,393,934
<b>Total</b>	<b>14,858,629</b>	<b>7,550,754</b>

<sup>1</sup> As disclosed in Enlitic's Pre-Quotation Disclosure (released on 18 December 2023), this reflects the IPO proceeds of US\$13.8m along with the cash on hand of US\$1.1m prior to the receipt of IPO proceeds.

<sup>2</sup>The use of funds presented in the Company's Pre-Quotation Disclosure was presented in AUD. The amounts have been converted to USD (at a rate of 0.6707<sup>3</sup> which was the published exchange rate at the Pre-Quotation Disclosure date) as this is the predominant transacting currency of the Company.

<sup>3</sup>Source: Bloomberg.com

The use of funds is broadly in line with Enlitic's Pre-Quotation Disclosure. Sales and marketing and customer service are proportionally lower than as stated in the Pre-Quotation Disclosure as both expense categories are not anticipated to increase until mid-2024. Both corporate costs and the costs of the offer are proportionally higher than the Pre-Quotation Disclosure relating to additional complexity associated with listing a foreign entity on the ASX.

In accordance with ASX Listing Rule 4.7C.3, cash paid for Directors and Non-Executive Directors in Q1 FY24 amounted to US\$123k in aggregate which includes salaries, travel, and reimbursement of applicable costs.

– ENDS –

## Enquiries

### Enlitic Investor Relations

Australia:  
invest\_au@enlitic.com

USA:  
invest@enlitic.com

## About Enlitic

Enlitic is a software company that uses artificial intelligence to develop software products that manage medical imaging data in radiology (such as MRI, CT scans, X-ray and ultrasound images) and licences such products to healthcare providers. Enlitic's products (including its current product offering and product suite under development) seek to standardise, protect, integrate, and analyse data to create the foundation of a real-world evidence platform that has the ability to improve clinical workflows, increase efficiencies, and expand capacity. Read more at [enlitic.com](https://enlitic.com).

### Forward-looking statements

Certain statements made during or in connection with this announcement contain or comprise certain forward-looking statements regarding the Company, its projected cash flow, financial performance, its customer contracts and customer pipeline and product development. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, such expectations are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward looking statements and no assurance can be given that such expectations will prove to have been correct.

Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, delays or changes in product development and realisation of customer pipeline, changes in demand, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in exchange rates and business and operational risk management.

To the maximum extent permitted by law, each of the Company, its officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the material contained in these forward-looking statements and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in forward-looking statements or any error or omission. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events other than required by the applicable laws, including the ASX Listing Rules. Accordingly, you should not place undue reliance on any forward-looking statement.

This announcement was authorised for release by the Board of Enlitic, Inc.

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

ENLITIC, INC.

**ABN**

ARBN 672 254 027

**Quarter ended ("current quarter")**

March 31 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$US'000</b>	<b>Year to date (3 months) \$US'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	100	100
1.2 Payments for		
(a) research and development	(1,489)	(1,489)
(b) product manufacturing and operating costs	(232)	(232)
(c) advertising and marketing	(81)	(81)
(d) leased assets	-	-
(e) staff costs	(1,401)	(1,401)
(f) administration and corporate costs	(565)	(565)
1.3 Dividends received (see note 3)		
1.4 Interest received	48	48
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(3,620)</b>	<b>(3,620)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(10)	(10)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) investments		
	(e) intellectual property		
	(f) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(10)</b>	<b>(10)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	1	1
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>1</b>	<b>1</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	11,091	11,091
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,620)	(3,620)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(10)	(10)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (3 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1	1
4.5	Effect of movement in exchange rates on cash held	(20)	(20)
4.6	<b>Cash and cash equivalents at end of period</b>	<b>7,442</b>	<b>7,442</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	7,442	11,091
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,442</b>	<b>11,091</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	123
<i>Cash Paid for Directors and Non-Executive Directors in quarter 4 amounted to US\$110k which includes salaries, travel and reimbursement of any costs.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(3,620)
8.2	Cash and cash equivalents at quarter end (item 4.6)	7,442
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	7,442
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.06
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....29 April 2024.....

Authorised by: the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.