

31 October 2024

Quarterly Activity Report & Appendix 4C

Q3 FY24

Highlights

- Unaudited total revenue of US\$0.57m (Q2 FY24: US\$0.08m)
 - Transformative acquisition of Laitek, one of the major providers of tech-enabled healthcare medical imaging data migration and routing services in the US, for cash and scrip consideration of US\$4.95m (c.A\$7.3m)¹
 - Strong new customer and distribution momentum with Philips Healthcare, Bayer, DMC Healthcare, National Cancer Centre Japan and UltraRad, post quarter-end, and as previously announced to the market
 - Enlitic's cash position of US\$1.62m at 30 September was bolstered post quarter-end by a successful capital raise of AU\$22.5m (approx. US\$15m²)
 - Proceeds of the capital raise (after costs) were, post the end of the quarter, used to fund the Laitek acquisition and will be used for general corporate purposes
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Enlitic, Inc. (ASX: ENL) ("Enlitic" or "the Company"), a software development company using 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 30 September 2024 ("Q3 FY24").

Michael Sistenich, CEO of Enlitic, said "The third quarter of 2024 marked an inflection point in the implementation of our growth strategy, with the announcement of our acquisition of Laitek, and its subsequent completion post-quarter end, enabling us to enhance our product offering and accelerate the delivery of greater value to our customers and broader ecosystem. In tandem with and since this milestone, we have delivered excellent global commercial traction with our ENDEX product through new partnerships with worldwide leaders such as Philips and Bayer Healthcare. We have seen our products used for a new use case, which is expected to further accelerate our ability

¹ Based on a USD:AUD exchange rate of 0.677 as at Wednesday, 28 August 2024.

² The amount of proceeds from the raise has been converted to USD at a rate of 0.667 which was the published exchange rate at the 16 October 2024 date), as this is the predominate transacting currency of the Company.

to offer solutions to one of the most critical problems in healthcare, scaling to meet growing demand, while also creating value for all our stakeholders.”

Operational Highlights

Transformative Acquisition of Laitek

During the quarter, Enlitic announced the proposed acquisition of Laitek, Inc, one of the major providers of tech-enabled healthcare medical imaging data migration and routing services in the US. This acquisition was subsequently completed post-quarter end on 17 October 2024.

This transformative acquisition enables Enlitic to provide a differentiated and synergetic service offering and provides Enlitic with significant access to new clients. The acquisition is also expected to bring compelling potential revenue synergies and cost savings.

Capital Raise

During the quarter, and co-incident with the announcement of its acquisition of Laitek, Enlitic also announced a conditional capital raising of A\$22.5M (before costs). This capital raising was approved by shareholders and funds were received following the quarter end.

Of these funds raised, A\$5.9M was paid as the cash consideration at the completion of the Laitek acquisition (which completed after the end of the relevant quarter).

The remainder of the funds raised (after costs) will be used for general corporate purposes and is expected to be sufficient to fund the ongoing operations of the business until it reaches cashflow breakeven. A Share Purchase Plan was also announced during the quarter, but opened after close of the quarter and has not yet closed.

Sale of non-core technology

Enlitic reached an agreement to sell its CXR Focal Opacity technology to Clairvo, Technologies, Inc in August 2024 for a cash consideration of US\$500,000. CXR Focal Opacity is a non-core capability for Enlitic which contains detection and triage algorithms relating to chest x-rays. CXR Focal Opacity was previously distributed by Clairvo in Japan on behalf of Enlitic. As Enlitic’s growth strategy has evolved to focus on its core competencies in data standardisation, the Board determined to divest this technology. Clairvo remains a distributor of Enlitic’s core products in Japan.

Financial Performance & Cash Flow

Enlitic's unaudited revenue was US\$0.57mm, compared to US\$0.08m in the prior quarter (Q2 FY24). Cash receipts for the quarter were US\$0.55m, up 172% from US\$0.202m in the previous quarter. This increase is primarily due to the sale of Enlitic's chest x-ray focal opacity technology to Clairvo Technologies Inc. The net operating cash outflow for the period was US\$2.7m, a reduction of 15% from the previous quarter. The company is focused on cost efficiencies while it pursues growth. This is reflected by prudent cash management in the appropriate areas of the business.

Administration and corporate costs were US\$0.46m for the quarter, down 15.2% from US\$0.56m during the previous quarter. Research and development costs for the quarter were US\$1.20m, an 11.0% decrease on the prior quarter (Q2 FY24: US\$1.34m).

Marketing and advertising costs were US\$0.08m for the quarter, up 11.8% on the previous quarter (Q2 FY24: US\$0.07m). Operating costs in Q3 FY24 were US\$0.22m and were up 14.7% from the previous quarter (Q2 FY24: US\$0.19m). Staff costs of US\$1.30m were up 3.8% on the previous quarter of US\$1.25m.

These changes were in line with expectations.

Enlitic's cash balance at 30 September 2024 was US\$1.62m, compared to US\$4.3m in the prior quarter. Subsequent to the end of Q3 FY24, Enlitic received the proceeds of its capital raise which significantly strengthened its cash position. Part of the proceeds of this capital raise were used to fund the acquisition of Laitek, Inc, and part of the proceeds are being used to fund Enlitic's ongoing operations and costs associated with the raise. It is currently expected that the funds raised will be sufficient to fund Enlitic's ongoing operations through to cash flow breakeven.³

In addition, the Company has an open Share Purchase Plan which is expected to close on 6th November 2024.

A breakdown of Enlitic's Use of Funds for its capital raise conducted at the time of Enlitic's IPO are found below:

³ Refer to the 'Key Risks' section in the Investor Presentation released to ASX on 2 September 2024.

Use of Funds

	Per Pre- Quotation Disclosure ⁴ (US\$) ⁵	As at 30 September 2024 (US\$)
Research and development program	3,812,306	4,564,482
Quality and regulatory compliance costs	570,167	372,451
Strategic development	415,479	339,755
Sales and marketing	3,465,840	2,153,653
Customer service	1,761,909	1,146,983
Corporate costs	1,763,787	2,148,325
Working capital and administrative costs	921,329	1,366,388
Costs of the Offer	2,147,811	2,393,934
Total	14,858,629	14,485,971

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 however, both expense categories are anticipated to increase from 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 Q3 FY24 amounted to US\$137k in aggregate which includes salaries, travel, and reimbursement of applicable costs.

⁴ 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.

⁵ 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 0.6707⁶ which was the published exchange rate at the Pre-Quotation Disclosure date) as this is the predominate transacting currency of the Company.

⁶Source: Bloomberg

Customer growth

As previously announced to ASX, and following the end of the quarter to which this Quarterly Activity Report relates, Enlitic signed new agreements with the following customer and partners across the globe:

- Philips Healthcare, recognised as one of the top 5 global PACS vendors, has agreed , following satisfactory completion of on-site validation testing on Philips' images, to implement Enlitic's ENDEX under a new three-year agreement, through Enlitic's distribution partner, Blackford. The initial agreement is for a limited number of use sites with the opportunity to expand to further sites.
- Enlitic signed a three-year platform distribution agreement with multinational biomedical company, Bayer Healthcare. Once validation testing has been successfully completed, Bayer Healthcare will integrate Enlitic's ENDEX into and distributed alongside Bayer's radiation dose management proprietary software products to support radiation dose monitoring. ENDEX will initially be rolled out to up to 50 radiology sites, with the potential for expansion to up to 200 sites. This is the third collaboration between Enlitic and Bayer and will expand ENDEX into a new use case: Radiation Dosimetry for radiation dose monitoring.
- DMC Healthcare has entered into a three-year contract with Enlitic's distribution partner, Biotronics 3D to use ENDEX for AI Orchestration and Radiology Workflow improvement.
- National Cancer Center Japan, the country's largest cancer research centre, has entered into a five-year agreement with Enlitic's distribution partner, Clairvo Technologies to leverage Enlitic's ENDEX for Radiology Workflow.
- A new three-year reseller agreement was signed with UltraRAD, a leading software solutions and cloud-based services provider to radiologists and hospitals in the United States. UltraRAD is licensed to distribute ENDEX Radiology Workflow to its US market customers, broadening Enlitic's customer acquisition channels in the US.

The new distribution and customer partnerships will support the commercialisation of ENDEX and expand Enlitic's serviceable market through new use cases. Following any required integration and validation steps, new customers adopting Enlitic's ENDEX are expected to contribute to revenue in CY25.

Enlitic's open pipeline opportunity at 30 September is US\$63.2m (US\$62.4m at 30 June 2024)⁷. Enlitic continues to focus on the commercialisation of its data standardisation solutions and building its customer open opportunity pipeline.

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

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Enquiries

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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.

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

⁷ 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

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.

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")

September 30 2024

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	550	852
1.2 Payments for		
(a) research and development	(1,197)	(4,031)
(b) product manufacturing and operating costs	(219)	(642)
(c) advertising and marketing	(76)	(225)
(d) leased assets	-	-
(e) staff costs	(1,299)	(3,951)
(f) administration and corporate costs	(457)	(1,561)
1.3 Dividends received (see note 3)		
1.4 Interest received	14	92
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)		
1.9 Net cash from / (used in) operating activities	(2,684)	(9,466)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(4)	(22)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment	4	4
	(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)		
2.6	Net cash from / (used in) investing activities	(1)	(18)

3.	Cash flows from financing activities		
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
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)		
3.10	Net cash from / (used in) financing activities	-	1

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,282	11,091
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,684)	(9,466)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1	(18)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1
4.5	Effect of movement in exchange rates on cash held	17	8
4.6	Cash and cash equivalents at end of period	1,616	1,616

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	1,616	4,282
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,616	4,282

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	137
<i>Cash Paid for Directors and Non-Executive Directors in quarter 2 amounted to US\$137k which includes salaries, travel and reimbursement of any costs.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
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.		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,684)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,616
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,616
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.60
	<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: Following the end of the quarter, the company has completed a capital raising of approximately A\$22.5 million (US\$15m). ¹	
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: Following the end of the quarter, the company has completed a capital raising of approximately A\$22.5 million (US\$15m). ²	

¹ Based on a USD:AUD exchange rate of 0.667 as at 16 October 2024.

² Based on a USD:AUD exchange rate of 0.667 as at 16 October 2024.

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: Following the end of quarter, the company has raised cash which is expected to be sufficient to fund the ongoing operations of the business until it reaches cashflow breakeven.

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.

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: 31 October 2024

Authorised by: 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.