

Enlitic, Inc.
Appendix 4D
Half-year report

1. Company details

Name of entity:	Enlitic, Inc.
ARBN:	672 254 027
Reporting period:	For the half-year ended 30 June 2024
Previous period:	For the half-year ended 30 June 2023

2. Results for announcement to the market

			US\$
Revenues from ordinary activities	down	25.0% to	204,334
Loss from ordinary activities after tax	down	16.8% to	(6,845,737)
Loss for the half-year	down	16.8% to	(6,845,737)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to US\$6,845,737 (30 June 2023: US\$8,226,554).

Refer to the Directors' report in the attached Interim Report for discussion of the review of operations for the half-year.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	4.71	9.43

Calculated as follows:

	Group 30 Jun 2024 US\$	30 Jun 2023 US\$
Net assets	4,070,042	5,752,431
Less: Intangibles	(4,643)	(9,708)
Net tangible assets	4,065,399	5,742,723
Total ordinary shares ('common stock') issued (number)	86,298,010	60,894,964

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

The attached financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, the attached financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. An unqualified opinion has been issued with a paragraph addressing material uncertainty related to going concern.

11. Attachments

Details of attachments (if any):

The Interim Report of Enlitic, Inc. for the half-year ended 30 June 2024 is attached.

12. Signed

Signed  913292715FE349A...

Date: 29 August 2024

Darren Scotti
Chief Financial Officer and Company Secretary

Enlitic, Inc.

ARBN 672 254 027

Interim Report - 30 June 2024

Enlitic, Inc.
Contents
30 June 2024

Directors' report	2
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	17
Independent auditor's review report to the members of Enlitic, Inc.	18

Enlitic, Inc.
Directors' report
30 June 2024

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Enlitic, Inc. (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2024.

Directors

The following persons were Directors of Enlitic, Inc. during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Lawrence Gozlan - Chair
Michael Sistenich
Riichi Yamada
Sergio Duchini
Lisa Pettigrew (appointed 4 March 2024)

Principal activities

The Group's principal activity is to intelligently manage healthcare data using the power of artificial intelligence to expand capacity and improve clinical workflows and create a foundation for a real-world evidence medical image database for healthcare providers.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

The loss for the Group after providing for income tax amounted to US\$6,845,737 (30 June 2023: US\$8,226,554).

As a result of the loss incurred for the half-year ended 30 June 2024 and the net cash outflows from operating activities for the interim period, there is a material uncertainty on whether the Group can continue as a going concern. The Directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Enlitic uses AI 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 mission is to revolutionise healthcare by leveraging AI and data, empowering evidence-based decision-making, enhancing research, and transforming healthcare delivery. Enlitic operates in the global healthcare IT market, specifically within the radiology sub sector.

The Group primarily generates revenue from a subscription-based revenue model; contracts typically have a 3-year term with a renewal mechanism. Having commenced 2024 with eleven signed customer agreements, the Group signed six customer agreements during the 6 months ended 30 June 2024, showing continued positive momentum in commercialising its products.

For the 6 months ended 30 June 2024, the Group reported an increase in customer license agreement ('Subscription') revenue of 103.5% to US\$183k from US\$90k. There was a decrease in consultancy revenue of 88.1% to US\$22k from US\$183k as a result of the sale of the Company's CXR Focal Opacity technology to Clairvo (refer Matters subsequent to the end of the financial half-year below for details).

The Group has seen an increase in open pipeline of opportunities to US\$63.0 million at 30 June 2024, up 11.9% from US\$56.3 million at 30 June 2023⁽¹⁾.

(1) 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.

Operating expenses, which consist of employee expenses, marketing expenses, administration expenses, professional fees, subscriptions, travel and other expenses decreased by approximately 14.0% to US\$7.1 million for the 6 months to 30 June 2024 from \$8.2 million for the six months to 30 June 2023.

**Enlitic, Inc.
Directors' report
30 June 2024**

Enlitic is at the forefront of managing and standardising medical imaging data in radiology through AI, a path which was previously untrodden in the healthcare industry. In these early stages of commercialising our product offering, we are creating and growing this new market with each additional client or partnership. As the Group converts its opportunity pipeline into signed customers, the number of images/studies being standardised within the market is growing which, in turn, further cements Enlitic's position as the benchmark for imaging data standardisation. Enlitic continues its discussions with industry stakeholders, including OEMs, with a view to bringing them into the Enlitic ecosystem and helping ensure their products meet the needs of their customers.

The loss before income tax expense decreased to US\$6.8 million for the six months to 30 June 2024 from a loss before income tax of US\$8.2 million for the six months to 30 June 2023.

As a result of the loss incurred for the half-year ended 30 June 2024 and the net cash outflows from operating activities for the interim period, there is a material uncertainty on whether the Group can continue as a going concern. The Directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Significant changes in the state of affairs

On 4 March 2024, Lisa Pettigrew was appointed as a Non-Executive Director. Lisa was granted 100,000 options with shareholder approval at the AGM.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

CXR Focal Opacity

On 7 August 2024 the company reached an agreement to sell CXR Focal Opacity, Enlitic's chest x-ray technology, to Clairvo Technologies Inc ('Clairvo') for a cash consideration of US\$500,000.

Under the terms of the agreement, Enlitic assigns its right, title and interest in CXR Focal Opacity to Clairvo and also grants Clairvo perpetual non-exclusive licenses of certain patents relevant to CXR Focal Opacity and to certain Enlitic background intellectual property as needed by Clairvo to use and practice CXR Focal Opacity.

Clairvo is a wholly owned subsidiary of Marubeni Corporation, which holds approximately 12.3% of the shares in Enlitic at the date of the agreement being signed. Mr Riichi Yamada, a Non-Executive Director of Enlitic nominated by Marubeni Corporation, has not participated in any consideration or approval of the transaction or its terms in his capacity as a director of the Company.

Acquisition of Laitek

On 29 August 2024 the company announced that it has entered into conditional binding documentation ('SPA') to acquire 100% of the shares in Laitek, Inc. ('Laitek') for total consideration of US\$4.95 million ('Proposed Acquisition').

Laitek, founded in the 1980s, is one of the major providers of tech-enabled healthcare medical imaging data migration and routing services in the United States. It offers contract-based medical imaging data migration services to customers on a re-occurring basis as well as ongoing software licensing. Per management accounts, Laitek reported US\$6.8 million in revenue in FY23 derived from its direct and original equipment manufacturer ('OEM') customers and has 55 employees, based in the US and Romania.

The Proposed Acquisition is subject to certain conditions, including Enlitic successfully conducting a capital raising to finance the cash acquisition consideration, and obtaining the approval of Enlitic securityholders under ASX Listing Rule 7.1 in respect of that capital raising. As a company incorporated in Delaware, securityholder approval will also be required to amend Enlitic's constituent documents to facilitate the capital raising, and the acquisition is also conditional on obtaining this securityholder approval.

There will be no changes to the Board or senior management of Enlitic as part of, or in connection with, the Proposed Acquisition.

The total consideration payable for the Proposed Acquisition is US\$4.95 million, which comprises, Cash consideration of US\$4 million which it is proposed to be funded by the partial funds raised from the Company's proposed equity raising.

In addition, the Proposed Acquisition comprises Scrip Consideration of US\$950,000 worth of Common Stock (with the number of common stock being determined by reference to the issue price under the proposed capital raising).

Enlitic, Inc.
Directors' report
30 June 2024

The issue of Common Stock under the Scrip Consideration is conditional on the Company obtaining securityholder approval for the purposes of ASX Listing Rule 7.1.

If such securityholder approval is not obtained, the Company may (at its election) do either of the following, or a combination of both:

- issue such number of Common Stock (being determined by reference to the issue price under the proposed capital raising) under its available ASX Listing Rule 7.1 capacity; or
- make a cash payment to the Sellers for the balance of the value of scrip consideration (US\$950,000) not satisfied by the issue of Common Stock.

To the extent any Common Stock is issued under the Scrip Consideration, it will be escrowed for 9 months from issue.

Completion of the Proposed Acquisition is subject to a set of standard conditions to completion, as well as the following:

- the Company raising not less than US\$4 million under a fundraising, and that fundraising being approved by securityholders; and
- an amendment to the Company's certificate of incorporation increasing the amount of authorized stock available for issuance in connection with the fundraising being approved by securityholders.

Capital Raising

On 29 August 2028 the Company requested a trading halt for the purposes of undertaking a proposed equity raising, part of which is in connection with the proposed acquisition of the shares in Laitek described above.


No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

DocuSigned by:

DE5D0CE1338245D...

Sergio Duchini
Director

29 August 2024

DocuSigned by:

E1E7FDCDCC9D469...

Michael Sistenich
Director

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Enlitic, Inc. and its controlled entities for the half-year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Australian Professional Accounting Bodies in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature in blue ink that reads "RSM".**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink that appears to read "M Parameswaran".**M PARAMESWARAN**

Partner

Melbourne, Victoria

Dated: 29 August 2024

Enlitic, Inc.
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2024

		Group	
	Note	30 Jun 2024	30 Jun 2023
		US\$	US\$
Revenue	4	204,334	272,566
Other income	5	1,778	-
Interest revenue calculated using the effective interest method		78,238	31,058
Expenses			
Employee benefits expense	6	(4,289,257)	(5,212,244)
Marketing		(123,041)	(160,838)
Depreciation and amortisation expense		(57,201)	(242,607)
Professional fees		(1,436,295)	(1,665,089)
Administration expenses		(4,585)	(3,931)
Subscriptions		(426,863)	(451,901)
Exchange loss		(1,092)	(3,970)
Travel		(259,205)	(262,851)
Fair value loss on derivatives		-	(53,145)
Other expenses		(532,548)	(470,730)
Finance costs	6	-	(2,872)
Loss before income tax expense		(6,845,737)	(8,226,554)
Income tax expense		-	-
Loss after income tax expense for the half-year		(6,845,737)	(8,226,554)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(26,633)	(39,432)
Other comprehensive income for the half-year, net of tax		(26,633)	(39,432)
Total comprehensive income for the half-year		(6,872,370)	(8,265,986)
		Cents	Cents
Basic earnings per share	12	(7.93)	(2,667.43)
Diluted earnings per share	12	(7.93)	(2,667.43)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Enlitic, Inc.
Consolidated statement of financial position
As at 30 June 2024

		Group	
	Note	30 Jun 2024	31 Dec 2023
		US\$	US\$
Assets			
Current assets			
Cash and cash equivalents		4,295,241	11,091,059
Trade and other receivables		62,667	66,074
Contract assets		24,977	10,473
Prepayments		411,456	272,269
Total current assets		<u>4,794,341</u>	<u>11,439,875</u>
Non-current assets			
Property, plant and equipment	7	89,805	126,739
Intangibles		4,643	7,175
Total non-current assets		<u>94,448</u>	<u>133,914</u>
Total assets		<u>4,888,789</u>	<u>11,573,789</u>
Liabilities			
Current liabilities			
Trade and other payables		818,747	633,426
Total current liabilities		<u>818,747</u>	<u>633,426</u>
Total liabilities		<u>818,747</u>	<u>633,426</u>
Net assets		<u>4,070,042</u>	<u>10,940,363</u>
Equity			
Issued capital	8	112,752,181	112,750,132
Reserves	9	3,294,188	3,320,821
Accumulated losses		<u>(111,976,327)</u>	<u>(105,130,590)</u>
Total equity		<u>4,070,042</u>	<u>10,940,363</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Enlitic, Inc.
Consolidated statement of changes in equity
For the half-year ended 30 June 2024

Group	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2023	58,759,786	3,155,003	(89,579,150)	(27,664,361)
Loss after income tax expense for the half-year	-	-	(8,226,554)	(8,226,554)
Other comprehensive income for the half-year, net of tax	-	(39,432)	-	(39,432)
Total comprehensive income for the half-year	-	(39,432)	(8,226,554)	(8,265,986)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	41,550,331	-	-	41,550,331
Share-based payments	-	132,447	-	132,447
Balance at 30 June 2023	<u>100,310,117</u>	<u>3,248,018</u>	<u>(97,805,704)</u>	<u>5,752,431</u>

Group	Issued capital US\$	Reserves US\$	Accumulated losses US\$	Total equity US\$
Balance at 1 January 2024	112,750,132	3,320,821	(105,130,590)	10,940,363
Loss after income tax expense for the half-year	-	-	(6,845,737)	(6,845,737)
Other comprehensive income for the half-year, net of tax	-	(26,633)	-	(26,633)
Total comprehensive income for the half-year	-	(26,633)	(6,845,737)	(6,872,370)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 8)	2,049	-	-	2,049
Balance at 30 June 2024	<u>112,752,181</u>	<u>3,294,188</u>	<u>(111,976,327)</u>	<u>4,070,042</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Enlitic, Inc.
Consolidated statement of cash flows
For the half-year ended 30 June 2024

		Group	
	Note	30 Jun 2024	30 Jun 2023
		US\$	US\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		193,237	246,228
Payments to suppliers and employees (inclusive of GST)		(7,026,752)	(7,259,544)
		(6,833,515)	(7,013,316)
Interest received		78,238	-
Interest and other finance costs paid		-	(2,872)
Net cash used in operating activities		(6,755,277)	(7,016,188)
Cash flows from investing activities			
Payments for property, plant and equipment	7	(18,188)	(352)
Proceeds from disposal of property, plant and equipment		2,231	-
Net cash used in investing activities		(15,957)	(352)
Cash flows from financing activities			
Proceeds from issue of shares	8	2,049	11,589,837
Repayment of lease liabilities		-	(204,777)
Net cash from financing activities		2,049	11,385,060
Net (decrease)/increase in cash and cash equivalents		(6,769,185)	4,368,520
Cash and cash equivalents at the beginning of the financial half-year		11,091,059	2,215,777
Effects of exchange rate changes on cash and cash equivalents		(26,633)	(39,432)
Cash and cash equivalents at the end of the financial half-year		4,295,241	6,544,865

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Enlitic, Inc.
Notes to the consolidated financial statements
30 June 2024

Note 1. General information

The financial statements cover Enlitic, Inc. as a Group consisting of Enlitic, Inc. ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year (together referred to in these financial statements as the 'Group'). The financial statements are presented in US Dollars, which is Enlitic, Inc.'s functional and presentation currency.

Enlitic, Inc. is a listed public company limited by shares, incorporated and domiciled in United States of America. Its registered office and principal place of business are:

Registered office

1209 Orange Street
City of Wilmington
County of New Castle
Delaware, USA 19801

Principal place of business

2510 East Harmony Road
Suite 202
Fort Collins
Colorado, USA 80528

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 29 August 2024. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 30 June 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 30 June 2024 and are not expected to have a significant impact for the full financial year ending 31 December 2024.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a net loss after tax of \$6,845,737 and had net cash outflows from operating activities of \$6,755,277 for the half-year ended 30 June 2024.

These factors indicate a material uncertainty which may cast significant doubt over the ability of the Group to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Note 2. Material accounting policy information (continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern as the Directors believe the Group will have the ability to raise funds from existing shareholders and new investors to support working capital and execute its strategic growth initiatives.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

The Group is organised into one operating segment as the Group operated mainly in the United States of America and in one industry being to intelligently manage healthcare data using the power of artificial intelligence to expand capacity and improve clinical workflows and create a foundation for a real-world evidence medical image database for healthcare providers. This assessment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. Accordingly, the information provided reflects the one operating segment.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

A reconciliation of EBITDA to statutory loss is as follows:

	Group	
	30 Jun 2024	30 Jun 2023
	US\$	US\$
EBITDA	(6,866,774)	(8,012,133)
<i>Add back/deduct:</i>		
Income tax expense	-	-
Finance costs	-	(2,872)
Interest revenue calculated using the effective interest method	78,238	31,058
Depreciation and amortisation expense	(57,201)	(242,607)
Loss for the period	<u>(6,845,737)</u>	<u>(8,226,554)</u>

Note 4. Revenue

	Group	
	30 Jun 2024	30 Jun 2023
	US\$	US\$
Subscription	182,503	89,678
Consultancy fees	21,831	182,888
Revenue	<u>204,334</u>	<u>272,566</u>

Enlitic, Inc.
Notes to the consolidated financial statements
30 June 2024

Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Group	
	30 Jun 2024	30 Jun 2023
	US\$	US\$
<i>Geographical regions</i>		
United States of America	66,666	25,000
Europe	89,500	51,834
Japan	48,168	195,732
	<u>204,334</u>	<u>272,566</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	<u>204,334</u>	<u>272,566</u>

Note 5. Other income

	Group	
	30 Jun 2024	30 Jun 2023
	US\$	US\$
Net gain on disposal of assets	<u>1,778</u>	<u>-</u>

Note 6. Expenses

	Group	
	30 Jun 2024	30 Jun 2023
	US\$	US\$
Loss before income tax includes the following specific expenses:		
<i>Employee benefits</i>		
Wages and salaries	3,605,610	4,293,398
Employee benefits	424,512	478,344
Share-based payment expense	-	132,447
Payroll taxes	259,135	308,055
Employee benefits expensed	<u>4,289,257</u>	<u>5,212,244</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on lease liabilities	<u>-</u>	<u>2,872</u>

Enlitic, Inc.
Notes to the consolidated financial statements
30 June 2024

Note 7. Property, plant and equipment

	Group	
	30 Jun 2024	31 Dec 2023
	US\$	US\$
<i>Non-current assets</i>		
Leasehold improvements - at cost	65,010	65,010
Less: Accumulated depreciation	(65,010)	(65,010)
	<u>-</u>	<u>-</u>
Furniture and fixtures - at cost	93,630	101,849
Less: Accumulated depreciation	(82,820)	(83,055)
	<u>10,810</u>	<u>18,794</u>
Computer equipment - at cost	2,423,664	2,407,230
Less: Accumulated depreciation	(2,344,669)	(2,299,285)
	<u>78,995</u>	<u>107,945</u>
	<u><u>89,805</u></u>	<u><u>126,739</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<i>Group</i>	<i>Leasehold improvements</i>	<i>Furniture and fixtures</i>	<i>Computer equipment</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Balance at 1 January 2024	-	18,794	107,945	126,739
Additions	-	-	18,188	18,188
Disposals	-	(453)	-	(453)
Depreciation expense	-	(7,531)	(47,138)	(54,669)
	<u>-</u>	<u>(7,531)</u>	<u>(47,138)</u>	<u>(54,669)</u>
Balance at 30 June 2024	<u><u>-</u></u>	<u><u>10,810</u></u>	<u><u>78,995</u></u>	<u><u>89,805</u></u>

Note 8. Issued capital

	Group			
	30 Jun 2024	31 Dec 2023	30 Jun 2024	31 Dec 2023
Class of shares	Shares	Shares	US\$	US\$
Ordinary shares ('common stock') - fully paid	<u>86,298,010</u>	<u>86,279,385</u>	<u>112,752,181</u>	<u>112,750,132</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	US\$
Balance	1 January 2024	86,279,385		112,750,132
Issued on exercise of options	1 January 2024	2,000	US\$0.11	220
Issued on exercise of options	14 January 2024	1,000	US\$0.11	110
Issued on exercise of options	5 February 2024	<u>15,625</u>	<u>US\$0.11</u>	<u>1,719</u>
Balance	30 June 2024	<u><u>86,298,010</u></u>		<u><u>112,752,181</u></u>

Note 9. Reserves

	Group	
	30 Jun 2024	31 Dec 2023
	US\$	US\$
Foreign currency reserve	221,294	247,927
Share-based payments reserve	3,072,894	3,072,894
	<u>3,294,188</u>	<u>3,320,821</u>

Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to US Dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current financial half-year are set out below:

Group	<i>Foreign currency reserve US\$</i>	<i>Share-based payments reserve US\$</i>	<i>Total US\$</i>
Balance at 1 January 2024	247,927	3,072,894	3,320,821
Foreign currency translation	(26,633)	-	(26,633)
Share-based payments	-	-	-
Balance at 30 June 2024	<u>221,294</u>	<u>3,072,894</u>	<u>3,294,188</u>

Note 10. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 11. Contingent liabilities

During the prior periods, the Company has filed amended payroll tax returns to rectify tax offsets relating to prior years. As at 30 June 2024, the Group may be liable for a payroll tax payment of approximately \$101,000 (excluding interest and penalties) relating to prior years, if the outcome of the assessment of the amended payroll tax returns are not in the Group's favor.

Enlitic, Inc.
Notes to the consolidated financial statements
30 June 2024

Note 12. Earnings per share

	Group	
	30 Jun 2024	30 Jun 2023
	US\$	US\$
Loss after income tax	<u>(6,845,737)</u>	<u>(8,226,554)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>86,294,934</u>	<u>308,407</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>86,294,934</u>	<u>308,407</u>
	Cents	Cents
Basic earnings per share	(7.93)	(2,667.43)
Diluted earnings per share	(7.93)	(2,667.43)

Options have not been included in the calculation of diluted earnings per share as their inclusion would be anti-dilutive to the Group as at 30 June 2024 and 30 June 2023.

Note 13. Events after the reporting period

CXR Focal Opacity

On 7 August 2024 the company reached an agreement to sell CXR Focal Opacity, Enlitic's chest x-ray technology, to Clairvo Technologies Inc ('Clairvo') for a cash consideration of US\$500,000.

Under the terms of the agreement, Enlitic assigns its right, title and interest in CXR Focal Opacity to Clairvo and also grants Clairvo perpetual non-exclusive licenses of certain patents relevant to CXR Focal Opacity and to certain Enlitic background intellectual property as needed by Clairvo to use and practice CXR Focal Opacity.

Clairvo is a wholly owned subsidiary of Marubeni Corporation, which holds approximately 12.3% of the shares in Enlitic at the date of the agreement being signed. Mr Riichi Yamada, a Non-Executive Director of Enlitic nominated by Marubeni Corporation, has not participated in any consideration or approval of the transaction or its terms in his capacity as a director of the Company.

Acquisition of Laitek

On 29 August 2024 the company announced that it has entered into conditional binding documentation ('SPA') to acquire 100% of the shares in Laitek, Inc. ('Laitek') for total consideration of US\$4.95 million ('Proposed Acquisition').

Laitek, founded in the 1980s, is one of the major providers of tech-enabled healthcare medical imaging data migration and routing services in the United States. It offers contract-based medical imaging data migration services to customers on a re-occurring basis as well as ongoing software licensing. Per management accounts, Laitek reported US\$6.8 million in revenue in FY23 derived from its direct and original equipment manufacturer ('OEM') customers and has 55 employees, based in the US and Romania.

The Proposed Acquisition is subject to certain conditions, including Enlitic successfully conducting a capital raising to finance the cash acquisition consideration, and obtaining the approval of Enlitic securityholders under ASX Listing Rule 7.1 in respect of that capital raising. As a company incorporated in Delaware, securityholder approval will also be required to amend Enlitic's constituent documents to facilitate the capital raising, and the acquisition is also conditional on obtaining this securityholder approval.

There will be no changes to the Board or senior management of Enlitic as part of, or in connection with, the Proposed Acquisition.

The total consideration payable for the Proposed Acquisition is US\$4.95 million, which comprises, Cash consideration of US\$4 million which it is proposed to be funded by the partial funds raised from the Company's proposed equity raising.

Note 13. Events after the reporting period (continued)

In addition, the Proposed Acquisition comprises Scrip Consideration of US\$950,000 worth of Common Stock (with the number of common stock being determined by reference to the issue price under the proposed capital raising).

The issue of Common Stock under the Scrip Consideration is conditional on the Company obtaining securityholder approval for the purposes of ASX Listing Rule 7.1.

If such securityholder approval is not obtained, the Company may (at its election) do either of the following, or a combination of both:

- issue such number of Common Stock (being determined by reference to the issue price under the proposed capital raising) under its available ASX Listing Rule 7.1 capacity; or
- make a cash payment to the Sellers for the balance of the value of scrip consideration (US\$950,000) not satisfied by the issue of Common Stock.

To the extent any Common Stock is issued under the Scrip Consideration, it will be escrowed for 9 months from issue.

Completion of the Proposed Acquisition is subject to a set of standard conditions to completion, as well as the following:

- the Company raising not less than US\$4 million under a fundraising, and that fundraising being approved by securityholders; and
- an amendment to the Company's certificate of incorporation increasing the amount of authorized stock available for issuance in connection with the fundraising being approved by securityholders.

Capital Raising

On 29 August 2028 the Company requested a trading halt for the purposes of undertaking a proposed equity raising, part of which is in connection with the proposed acquisition of the shares in Laitek described above.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Enlitic, Inc.
Directors' declaration
30 June 2024

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

DocuSigned by:

DE5D0CE1338245D...

Sergio Duchini
Director

29 August 2024

DocuSigned by:

E1E7FDCDCC9D469...

Michael Sistenich
Director

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INDEPENDENT AUDITOR'S REVIEW REPORT To the Members of Enlitic, Inc.

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Enlitic, Inc. ("the Company") and its controlled entities (together referred to as "the Group") which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, and notes to the financial statements, including material accounting policy information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Enlitic, Inc. is not 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 half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Enlitic, Inc., would be in the same terms if given to the directors as at the time of this auditor's report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the half-year financial report, which indicates that the Group incurred a net loss after tax of \$6,845,737 and had net cash outflows from operating activities of \$6,755,277 during the half-year ended 30 June 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Report on the Half-Year Financial Report (Continued)*Directors' Responsibility for the Half-Year Financial Report*

The directors of the Enlitic, Inc. are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**RSM AUSTRALIA PARTNERS****M PARAMESWARAN**

Partner

Melbourne, Victoria

Dated: 29 August 2024