

31 January 2025

Quarterly Activity Report & Appendix 4C

Q4 FY24

Highlights

- Unaudited total revenue of US\$0.80m, up 41.1% on Q3 FY24 (US\$0.57m)
- Completion of Laitek acquisition, adding data migration and routing services to Enlitic's offering
- Multiple new customer and distribution agreements signed, including Darwinist, Medica, Philips, Bayer, DMC, National Cancer Centre Japan and UltraRad
- Completion of A\$22.5m Conditional Placement and A\$906k Share Purchase Plan
- Cash outflows in Q4 FY24 included significant extraordinary items and are expected to normalise at a substantially lower base in FY25
- Since completion of the Laitek Acquisition, significant cost synergies across Laitek and Enlitic achieved ahead of expectations
- As at 31 December 2024, cash balance of US\$7.16m
- Company expects to reach operational cashflow break even by the end of 2025.

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 provides its Quarterly Activity Report and Appendix 4C for the three-month period ended 31 December 2024 ("Q4 FY24").

Michael Sistenich, CEO of Enlitic, said "The final quarter of 2024 was a transformational time for Enlitic. The completion of our A\$22.5m conditional placement and the conclusion of our Security Purchase Plan provided us with the financial strength to acquire Laitek, one of the major providers of tech-enabled healthcare medical imaging data migration and routing services in the US. The Laitek acquisition provides significant opportunities for us, from cost efficiencies to product growth and versatility, as well as extending our customer reach. We are well placed to continue accelerating our customer and distribution growth.

"Enlitic's new agreements signed with Medica Group and Darwinist, as well as the previously announced agreements with Philips Healthcare, Bayer, DMC Healthcare, National Cancer Centre Japan and UltraRad, demonstrate our increasing footprint in the

global commercial market. We remain focused on providing the healthcare industry with AI-driven solutions to their data efficiency and interoperability challenges, while driving long term growth for our shareholders.

“With one-off acquisition and integration costs paid in Q4 FY24, we expect normalised costs to be substantially lower, normalising at US\$4.2m in Q1 FY25. At the same time, the Company is prioritising the continued growth of migrations to its platform to drive revenue growth in FY25. The combination of this anticipated revenue growth and a substantially lower normalised cost base are the foundations of the Company’s expectation of reaching operational cash flow break even by the end of 2025.”

Operational Highlights

Customer growth

As previously announced to ASX, Enlitic signed new agreements with the following customer and partners across the globe:

- Enlitic signed a three-year global distribution contract with Darwinist, a distributor of clinical AI software. Enlitic’s Ensign 2.0 with ENDEX™ and ENCOG™ modules will be integrated with Darwinist’s Beagle platform, which streamlines integration of AI across the healthcare sector. The initial agreement will generate initial shared revenue of up to US\$100,000 per annum. The agreement provides scope for Enlitic to be promoted to Suggested and Recommended vendor, contingent on certain milestones, which would be expected to see increased revenue. The total potential aggregate contract value at the initial partnership level is up to US\$300,000.
- Medica Group entered into a Software License Agreement with Enlitic to implement Enlitic’s Ensign 2.0 platform with the ENDEX™ data standardisation module. Medica Group is the leading UK-based telemedicine provider providing teleradiology services to more than half of the 200+ NHS trusts. The initial agreement is a period of 12 months with automatic renewal each year to 5 years (unless otherwise terminated). Assuming successful validation testing, revenue generation of approximately GBP160k (~AU\$310k) per year is expected during the term of the agreement.
- Customer and partnership agreements were also signed during the quarter with Philips Healthcare, Bayer, DMC Healthcare, National Cancer Centre Japan and UltraRad.

These new customer and distribution partnerships will support the commercialisation of Enlitic’s products and elevate Enlitic’s profile as a global player in the Health-tech industry.

In addition to further sales, Enlitic’s focus is the onboarding of newly-contracted clients to generate revenue for the Company, including recurring revenue and project consulting fees. Following the required onboarding and integration, the new customers signed during Q4 FY24 are expected to contribute to revenue in CY25. This can require several months for new contracts, as the client works with Enlitic through validation testing, integration and implementation, prior to production. Enlitic may also earn fees from the client during the pre-production process, after which the contract formally commences and generates recurring revenue for the Company.

Enlitic’s open pipeline opportunity at 31 December is US\$93.3m (US\$63.2m at 30 September 2024)¹. This estimate now represents the opportunity set of the combined Enlitic and Laitek businesses at the end of the quarter. Enlitic continues to focus on the commercialisation of its data standardisation solutions and building its customer open opportunity pipeline.

Corporate Summary

Acquisition of Laitek, Inc

In October 2024, Enlitic completed its transformative acquisition of Laitek, Inc, one of the major providers of tech-enabled healthcare medical imaging data migration and routing services in the US. The Company purchased 100% of the shares in Laitek for cash and scrip acquisition consideration, totalling US\$4.95m (c.A\$7.3m^{2,3}).

A\$23.4m Financing Completed

Enlitic completed a non-underwritten security purchase plan (“SPP”) in November 2024. Under the SPP, A\$906,274.40 was raised with 18,123,488 new fully paid CHESS depository interests (CDI’s). This followed Enlitic’s successful A\$22.5 million conditional placement (“Conditional Placement”), which successfully completed in October 2024.

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

² US\$4.0M converted based on a USD:AUD exchange rate of 0.677 as at Wednesday, 28 August 2024.

³ CDIs issued under the Scrip Consideration of US\$0.95M are fixed at the USD:AUD exchange rate of 0.661, as stipulated in the stock purchase agreement.

The proceeds of the SPP and Conditional Placement were used to fund the cash consideration component of the acquisition of Laitek Inc, for general corporate and working capital purposes and to allow flexibility in implementing Enlitic's strategic commercial objectives.

Board Changes

As previously disclosed to the market, Mr Riichi Yamada resigned from his position as Non-Executive Director of Enlitic, Inc. to focus on his ongoing role as CEO and President of Clairvo Technology, Inc, a 100% subsidiary of Marubeni Corporation. Mr Yamada's resignation was effective 31 December 2024. This followed the appointment of Ms Lisa Pettigrew as an independent Non-Executive Director in March 2024.

Financial Performance & Cash Flow Summary

Enlitic's unaudited revenue increased to US\$0.80m, compared to US\$0.57m in the prior quarter (Q3 FY24) which included the proceeds of the sale of CXR Focal Opacity (US\$0.50m). Q4 FY24 revenue included a part contribution from Laitek following the completed of its acquisition in mid-October 2024.

Laitek derives its income from data migration and routing projects as well as ongoing software licensing. In FY23, 93% of Laitek's revenue was attributable to data migration projects, which can lead to lumpy revenue due to the project-based nature. While Laitek reached its expected annual revenue estimate, announced at the time of its acquisition, the majority of this revenue was received prior to the acquisition completing and as such has not been included in the Company's unaudited revenue figure for Q4.

Cash receipts for the quarter were US\$0.25m, compared to US\$0.55m in the previous quarter. The decrease relates primarily to the one-off receipt for the sale of CXR Focal Opacity in the previous quarter. Additionally, the timing of some collections was impacted in Q4 and have now been resolved, with over US\$0.3m being collected early in the Q1 FY25 quarter.

The net operating cash outflow for the period was US\$4.4m, an increase compared to US\$2.7m in the previous quarter. Cash outflows for the quarter were elevated significantly beyond the expected normalised quarterly outflows due to costs associated with integrating Laitek into the business, (approximately US\$0.4m), along with additional, one-off Laitek operating costs (approximately US\$1.0m).

Payments for marketing and advertising costs were US\$0.47m for the quarter, compared to the previous quarter (Q3 FY24: US\$0.08m). This increase is consistent with prior comparative periods as the Enlitic team attends its key annual industry conference, Radiological Society of North America (RSNA) Annual Meeting, in December each year.

Payments for research and development costs for the quarter were US\$1.5m, a 25% increase on the prior quarter (Q3 FY24: US\$1.20m). Payments for manufacturing and operating costs in Q4 FY24 were US\$0.34m and were up 56% from the previous quarter (Q3FY24: US\$0.22m). Payments for staff costs were US\$1.90m, compared US\$1.30m in the previous quarter, a net increase of 46%. All these increases are related to the integration of Laitek along with the addition of Laitek operating expenses.

Payments for administration and corporate costs were US\$0.43m for the quarter, down 5.5% from US\$0.46m during the previous quarter.

The Company continues to maintain its disciplined approach to maximising cost efficiencies while it pursues its growth strategy. Synergy savings of approximately US\$1.0m were implemented by the end of Q4 2024. During integration of the businesses a further US\$1.0m of savings were identified and implemented in January 2025 bringing the total cost reductions for Enlitic to \$2.0m.

Enlitic's cash balance at 31 December 2024 was US\$7.16m, compared to US\$1.62m in the prior quarter, boosted by the proceeds of its A\$22.5m capital raise and its A\$906k SPP.

In accordance with ASX Listing Rule 4.7C.3, cash paid for Directors and Non-Executive Directors in Q4 FY24 amounted to US\$139k in aggregate which includes salaries, travel, and reimbursement of applicable costs.

A breakdown of Enlitic's Use of Funds for its capital raise completed in October 2024 is found below:

Use of Funds

	Per Capital Raising Disclosure ⁴ (US\$m) ⁵	As at 31 December 2024 (US\$m)
Acquisition of Laitek	4.0	4.0
Research and development program	3.0	1.5
Quality and regulatory compliance costs	0.4	0.1
Strategic development	0.3	0.1
Sales and marketing	2.7	0.7

⁴ As disclosed in Enlitic's Proposed Acquisition and Capital Raising Disclosure (released on 2 September 2024), this reflects the Conditional Placement proceeds of A\$22.5m.

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 0.67907, which was the published exchange rate at the Proposed Acquisition and Capital Raising Disclosure date) as this is the predominate transacting currency of the Company.

Customer service	1.4	0.5
Corporate costs	1.4	1.1
Working capital and administrative costs	0.7	0.6
Costs of the Offer	1.3	1.2
Total	15.3	9.8

The use of funds is broadly in line with Enlitic’s Proposed Acquisition and Capital Raising Disclosure (“Capital Raising Disclosure”). Corporate costs are proportionally higher than indicated as a consequence of the operational integration of Enlitic with Laitek.

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

– ENDS –

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 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.

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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")

December 31 2024

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (12 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers	250	1,102
1.2 Payments for		
(a) research and development	(1,501)	(5,532)
(b) product manufacturing and operating costs	(341)	(983)
(c) advertising and marketing	(465)	(690)
(d) leased assets	-	-
(e) staff costs	(1,895)	(5,846)
(f) administration and corporate costs	(432)	(1,993)
1.3 Dividends received (see note 3)		
1.4 Interest received	26	118
1.5 Interest and other costs of finance paid	(5)	(5)
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	(4,363)	(13,829)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses	(4,418)	(4,418)
(c) property, plant and equipment		(22)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

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Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		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	(4,418)	(4,436)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	15,605	15,605
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	(1,203)	(1,203)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(29)	(29)
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	14,373	14,373

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,616	11,091
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(4,363)	(13,829)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4,418)	(4,436)

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (12 months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	14,373	14,374
4.5	Effect of movement in exchange rates on cash held	(51)	(44)
4.6	Cash and cash equivalents at end of period	7,157	7,157

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	7,157	1,616
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)	7,157	1,616

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	138

Cash Paid for Directors and Non-Executive Directors in quarter 2 amounted to US\$138k which includes salaries, travel and reimbursement of any costs.

7. Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
<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>		
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)	(4,363)
8.2 Cash and cash equivalents at quarter end (item 4.6)	7,157
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	7,157
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.64
<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: No. The company expects normalised costs to be substantially lower, normalising at US\$4.2m in Q1 FY25. At the same time, the Company is prioritising the continued growth of migrations to its platform to drive revenue growth in FY25.	
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: No. The combination of anticipated revenue growth and a substantially lower normalised cost base are the foundations of the Company's expectation of reaching operational cash flow break even by the end of 2025.	
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: Yes. The combination of this anticipated revenue growth and a substantially lower normalised cost base are the foundations of the Company's expectation of reaching operational cash flow break even by the end of 2025.	
<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: 31 January 2025

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.