



ASX Release

29 October 2021

QUARTERLY REVIEW FOR THE PERIOD ENDED 30 September 2021 AND TRADING UPDATE

- Cash receipts of \$1.56M for the quarter ended 30 September 2021 (\$2.48M 30 June 2021)
- Agreed to investment of US \$2.0M in cash into Brainworks Foundry Inc. ("Brainworks"), with US \$1.0M invested to date
- Brainworks has developed AI technology which allows patients to monitor vital signs as well as well as a highly scalable PCR testing process developed from existing technologies
- As vaccination rates across the UK reach 80%, Jayex core customers; GP clinics, saw an increase in foot traffic
- Signs of revenue recovery ahead with bulk order secured in October with Barnet North London CCG.

Melbourne, Australia; 27 October 2021: Jayex Technology Limited (ASX: JTL) (**Jayex** or **Company**) a leading UK and Australian e-health provider of integrated SaaS healthcare services delivery platforms, today released its 4C – Quarterly cash flow report for the quarter ended 30 September 2021 (the **Quarter**).

Operational update

Vaccination rates hit 80% in the UK during the Quarter and businesses across the region adjusted to the new COVID normal trading environment as restrictions eased and people went about their lives again. Jayex's core customer, the GP clinic, saw an increase in foot traffic back to the physical clinic locations and an increase in device use as "Arrive", "Kiosk" and "Display" were switched back on. Pleasingly Jayex also re-engaged with the Scottish GP market during the Quarter and have begun negotiations with clinics, aiming to grow the number of sites as well as products they can offer.

The September quarter is traditionally Jayex's slowest and this was evident with a downward trend in customer receipts with \$1.56M in receipts received compared with \$2.48M in 2Q 21. However signs of revenue recovery can be seen ahead for Jayex as they have received a \$335K bulk order which was secured in October with Barnet North London CCG, a group of general practitioners in Barnet. The order includes 13 Arrive touchscreens and 56 Display calling screens.

There was an operating cash outflow of \$608K for the Quarter compared with an outflow of \$220K (2Q 21), the increase in cash outflow can largely be explained by the reduction in customer receipts for the Quarter.

Strategic investment in Brainworks Foundry Inc.

In July, Jayex agreed to a strategic investment into Brainworks. The Company signed a binding agreement

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for the investment of US \$2.0M in cash into Brainworks. Under the terms of the binding Heads of Agreement, Jayex has agreed to subscribe for up to an aggregate 14% equity interest in Brainworks through initial subscription of its 617,283 shares at an issue price of US \$0.81 each for a total consideration of US \$0.5M and three subsequent exclusive options, to subscribe in each additional tranche for 617,283 shares at an issue price of US \$0.81 per share for a total consideration of US \$1.5M.

During the Quarter, Jayex invested \$1.359M (US \$1.0M) in Brainworks, completing the first two tranches.

Brainworks' AI technology platform monitor's patient's vital signs including heart rate, respiratory rate and blood oxygenation with the platform currently undergoing preliminary clinical trials. Brainworks has also developed a highly scalable polymerase chain reaction (PCR) testing process, using next generation gene sequencing and DNA barcoding that reduces cost and turnaround times.

The platform has capacity to support additional viral and bacterial tests including influenza, hepatitis, HIV and other pathologies. Brainworks intends to diversify its platform and explore these options post COVID.

Rights Issue

On 16 August 2021, Jayex announced a non-renounceable entitlement issue of one (1) New Share for every three (3) existing shares held by Eligible Shareholders on the 11 August 2021 at an issue price of 2.5 cents per New Share to raise approximately \$1,837,115. The offer closed on 15 September 2021 and \$674k was received in relation to the rights issue. The funds raised have been used to part fund Jayex's investment in Brainworks.

Valuation of medical marijuana licence complete

The medical marijuana cultivation licence held by Jayex subsidiary Whakaora Hou Ltd is up for sale due to the small size and regulatory constraints of the New Zealand cannabis market. The licence has now been valued ahead of the sale process and sale is anticipated in the fourth Quarter of 2021.

Proceeds from sale of Acute Business to VitalHub inc. and repayment of loan

Jayex received \$571K in sale proceeds which were released from Escrow during the Quarter in relation to the Acute Business Disposal to VitalHub inc.

\$56K was repaid against the 1st National Westminster Bank CBILs Loan during the Quarter.

Related Party Payments

In line with its obligations under ASX Listing Rule 4.7C.3, the Company has advised in the Appendix 4C, Section 6.1 for the period ended 30 September 2021, that the only payments to related parties of the Company pertaining to payments to Directors for salaries, fees and consultancy. This totaled payment of \$76k, over the period.



This announcement is authorised for release to the market by the Board of Jayex Technologies Limited.

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About Jayex Technology Limited - www.jayexhealthcare.com.au

Jayex Technology is a leading provider in the United Kingdom and Australia of integrated healthcare services delivery platforms, incorporating the Company's four interconnected and proprietary technologies, being:

- the *Jayex Connect* – the complete cloud-based Patient Engagement Platform;
- the *Enlighten* patient workflow platform;
- the *Appointuit* patient engagement solution;

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Appendix 4C

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

Name of entity

JAYEX HEALTHCARE LIMITED

ABN

15 119 122 477

Quarter ended ("current quarter")

30 SEPTEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,555	5,295
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(433)	(1,345)
(c) advertising and marketing	(23)	(66)
(d) leased assets	(41)	(123)
(e) staff costs	(798)	(2,591)
(f) administration and corporate costs	(822)	(2,397)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(46)	(140)
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	(608)	(1,367)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments	(1,359)	(1,359)
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses	571	996
	(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)		
2.6	Net cash from / (used in) investing activities	(788)	(363)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	674	1,206
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		1,089
3.6	Repayment of borrowings	(56)	(356)
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	618	1,939

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,169	1,182
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(608)	(1,367)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(788)	(363)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	618	1,939
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,391	1,391

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 \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,391	2,169
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)	1,391	2,169

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(76)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000																				
7.1	Loan facilities	5,316	5,316																				
7.2	Credit standby arrangements																						
7.3	Other (please specify)																						
7.4	Total financing facilities	5,316	5,316																				
7.5	Unused financing facilities available at quarter end		0																				
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.																						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 15%;">\$2,700,000</td> <td style="width: 25%;">Covenant Holdings (WA) Pty Ltd</td> <td style="width: 15%;">6.5% per annum</td> <td style="width: 15%;">30/06/2021</td> <td style="width: 30%;">Unsecured</td> </tr> <tr> <td>\$500,000</td> <td>Covenant Holdings (WA) Pty Ltd</td> <td>Interest free</td> <td>30/06/2021</td> <td>Unsecured</td> </tr> <tr> <td>\$1,027,000</td> <td>National Westminster Bank</td> <td>2% from July21</td> <td>30/06/2026</td> <td>Unsecured</td> </tr> <tr> <td>\$1,089,000</td> <td>National Westminster Bank</td> <td>2% from Feb22</td> <td>31/01/2027</td> <td>Unsecured</td> </tr> </table>			\$2,700,000	Covenant Holdings (WA) Pty Ltd	6.5% per annum	30/06/2021	Unsecured	\$500,000	Covenant Holdings (WA) Pty Ltd	Interest free	30/06/2021	Unsecured	\$1,027,000	National Westminster Bank	2% from July21	30/06/2026	Unsecured	\$1,089,000	National Westminster Bank	2% from Feb22	31/01/2027	Unsecured
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\$1,027,000	National Westminster Bank	2% from July21	30/06/2026	Unsecured																			
\$1,089,000	National Westminster Bank	2% from Feb22	31/01/2027	Unsecured																			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(608)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,391
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,391
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.3
	<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: a/a

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: 29 October 2021

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.