



ASX Release

30 January 2023

QUARTERLY REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2022

- Cash Receipts of \$6.98 million for the 12 months to 31 December 2022 (\$6.94 million 31 December 2021)
- Cash receipts of \$1.11 million for the quarter ended 31 December 2022 (\$1.65 million 31 December 2021)
- Operational cash outflow of \$403k (outflow \$836k 31 December 2021)
- 368 annual licences billed in Q4 2022

Melbourne, Australia; 30 January 2023: Jayex Technology Limited (ASX: JTL) (**Jayex** or **Company**), a leading UK and Australian provider of integrated e-health SaaS healthcare services delivery platforms, today released its 4C – Quarterly cash flow report for the quarter ended 31 December 2022 (the Quarter).

As previously reported, the transition of NHS Clinical Commissioning Groups (CCG's) into newly formed Integrated Care Boards (ICB's) has delayed large-scale investments in digital technologies. Therefore, as expected, the closing of a number of large opportunities in the sales pipeline has been delayed to Q1 2023. The quarter ending December is traditionally the slowest quarter for sales in the UK.

An initial review of operations and product by incoming CEO Mr Rob Hadley, during the quarter identified several projects in the business that were incurring material cost while having no prospect of delivering an adequate return in the short to medium-term. These projects have been either cancelled or postponed, resulting in an annualised saving in operating costs of approximately \$160k.

As outlined in the 30 November 2023 market update further restructuring and realignment of the Company Mr Hadley had identified operational efficiency savings of \$1.3m p.a. At the end of January these were 83% completed with the balance of action planned for February 2023. Further, corporate costs will be reduced by \$250k p.a. through the conversion to options of the convertible note (Notice of Meeting to be sent soon) and reduction in the number of directors.

These operational and corporate changes put the Company into a positive cash generating position ready for growth in 2023.

Receipts from customers were \$1.11 million for the quarter to 31 December 2022 down from \$1.80 million from quarter ended 30 September 2022. The lower level of collection is a result of both better collection practices over the past year, yielding a much smaller debtors book and lower sales during the quarter. A total of 368 annual licences were billed in Q4 2022.

Jayex Technology Limited
(ACN 119 122 477)

Level 4, 100 Albert Road, South Melbourne, VIC, 3205
T: +61 3 9692 7222 | W: <https://www.jayex.com/en-au/>



There was an operating cash outflow of \$403K for the Quarter, compared with an inflow of \$142K in Q3 2022. Major expenditure during the quarter included \$605k of Product and Operational costs. This is broken down into Cost of Goods Sold of \$384k, Software Licence costs \$132k and Travel and Office costs of \$89k. Other operational expenses totalled \$780k for Q4. There were no material substantive business activities.

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 2022, that the only payments to related parties of the Company pertaining to payments to Directors for salaries, fees and consultancy. This totalled payment of \$11k, over the period.

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

Contacts for further information:

CEO
Rob Hadley

Non-Executive Chairman
Michael Boyd

r.hadley@jayex.com
+44 (0) 778 666 2917

m.boyd@jayex.com
+44 (0) 731 210 6490

About Jayex Technology Limited - www.jayex.com

Jayex Technology is a leading provider in the United Kingdom and Australia of integrated healthcare services delivery platforms, incorporating the Company's three 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 TECHNOLOGY LIMITED

ABN

15 119 122 477

Quarter ended ("current quarter")

31 DECEMBER 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,112	6,985
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(384)	(2,369)
(c) advertising and marketing	(10)	(73)
(d) leased assets	(58)	(259)
(e) staff costs	(590)	(2,767)
(f) administration and corporate costs	(357)	(1,780)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(116)	(499)
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	(403)	(762)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		153
	(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		153
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		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings	270	270
3.6	Repayment of borrowings	(102)	(384)
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	168	(114)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	473	961
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(403)	(762)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		153

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	168	(114)
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	238	238

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	238	473
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)	238	473

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	(11)
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. 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	5,176	5,176		
7.2	Credit standby arrangements				
7.3	Other (please specify)				
7.4	Total financing facilities	5,176	5,176		
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.				
	\$2,700,000	Covenant Holdings (WA) Pty Ltd	6.5% per annum	30/06/2021	Unsecured
	\$550,000	Covenant Holdings (WA) Pty Ltd	Interest free	30/06/2021	Unsecured
	\$756,000	National Westminster Bank	2% from July21	30/06/2026	Unsecured
	\$900,000	National Westminster Bank	2% from Feb22	31/01/2027	Unsecured
	\$270,000	Covenant Holdings (WA) Pty Ltd	Interest free	31/12/2022	Unsecured

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(403)
8.2	Cash and cash equivalents at quarter end (item 4.6)	238
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	238
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	(0.6)
	<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: Q1 is our seasonal peak in the UK, we expect increased sales activity with a resultant positive cash flow with a high surplus of receipts to be received.	

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: Yes, in addition to 8.6.1. payments for staff and administrative costs have been reduced, additionally changes to product procurement result in an increase in the net cash from operating activities.

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, changes made in operations have significantly reduced the operational costs of the business.

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: 30 January 2023

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.