



ASX Release

31 July 2023

QUARTERLY REVIEW FOR THE PERIOD ENDED 30 JUNE 2023

- Cash receipts of \$1.9 million for the quarter ended 30 June 2023 (\$2.07 million quarter ended 30 June 2022)
- Operational cash outflow of \$158k (outflow \$285k quarter ended 31 March 2022)
- New senior leadership team in place
- Investment into new operational processes and software
- New licenses billed during half-year ending 30 June 2023 were 473, compared with 177 licenses billed during half-year ended 30 June 2022.

Melbourne, Australia; 31 July 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 30 June 2023 (the Quarter).

Unaudited total revenue for the quarter was \$713k, compared with \$954k for the quarter ended 30 June 2022. From this, hardware revenue was \$120k in the quarter, compared with \$283k for the quarter ended 30 June 2022. Changes in sales recognition impacted the recorded sales in the period, see below.

Unaudited net loss for the quarter was \$736k, compared with a net loss of \$770k for the quarter ended 30 June 2022. The loss relates to a change in the method used to recognise hardware revenue in addition to costs incurred during the ongoing restructuring and transformation of the Company, including \$66k of one-time recruitment and severance costs.

Building on the successes of first quarter the Company chose to invest more heavily to accelerate other changes in the Company. During the quarter, a new senior leadership team has been appointed, comprising a new Sales Director, a new Marketing Director and a new Engineering Director. The appointment of this team has enabled a significant acceleration of the growth strategy initiated during the first quarter.

Changes have been made in the sales and installation processes and the method for recognising hardware revenue. Hardware orders were previously invoiced when the equipment was shipped to the customer. During the quarter, this approach was changed such that customers are now invoiced following the successful onsite installation and commissioning of the hardware. The new approach radically simplifies credit control and has reduced payment disputes. The change has, however, caused a temporary reduction in reported hardware revenue as orders invoiced under the previous system are cleared.

For clarity, there has been no reduction in demand for hardware and in fact hardware sales have exceeded delivery capacity in the quarter.

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/>



Improvements made to the sales function have already started to deliver performance improvements; new licenses billed during the year to 30 June were 473, compared with 177 billed in the year to 30 June 2022. Other metrics such as open support tickets, abandoned customer calls, inbound enquiries and Average Revenue Per User (ARPU) have all improved over the quarter.

The increase in new business has exceeded the capacity of the current internal operations team, who carry out the software side of the commissioning of new installations, including integrating the Company's cloud services with each customer's patient record systems.

In response to this, the Company has brought forward plans to outsource its service desk, thereby enabling skilled resources to be redeployed from the internal service desk into the operations team. A contract has been signed with an outsourced service desk provider; the transition of services is underway and planned to be completed by the end of September 2023. On completion of the transition project, the Company will have capacity to deliver at least three-times the number of new installations currently possible. In addition, the new service desk will be fully ITIL-compliant and will operate in compliance with strict performance SLAs.

Update on JV with Shine Clinical

A number of key contractual items remain to be agreed between the parties. However, the delay in executing the JV Agreement, which covers provision of outsourced clinician services, has not prevented the Company from progressing the development of the enhancement of its Connect platform to enable automated patient search and clinical risk stratification functionality, this IP is 100% owned by Jayex. Currently, two initial proofs of concept are underway in the build phase and the relevant certification processes are also in progress.

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 31 March 2023, that the only payments to related parties of the Company pertaining to payments to Directors for salaries, fees and consultancy. This totaled payment of \$12k, over the period.

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

Contacts for further information:

Chief Executive Officer
Rob Hadley
r.hadley@jayex.com
+44 (0) 208 838 6222

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/>



About Jayex Technology Limited - www.jayex.com

Jayex Technology is a leading provider in the United Kingdom of integrated healthcare services delivery platforms, incorporating the Company's 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;

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/>

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")

30 JUNE 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,900	3,629
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(542)	(1,119)
(c) advertising and marketing	(10)	(11)
(d) leased assets		
(e) staff costs	(822)	(1,420)
(f) administration and corporate costs	(655)	(1,353)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(29)	(66)
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	(158)	(340)
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 (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(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		
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	238	598
3.6	Repayment of borrowings	(114)	(402)
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	124	196
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	128	238
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(158)	(340)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	124	196
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	94	94

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	94	128
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)	94	128

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	(12)
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	1,947	1,947																										
7.2	Credit standby arrangements																												
7.3	Other (please specify)																												
7.4	Total financing facilities	1,947	1,947																										
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%;">\$684,000</td> <td style="width: 25%;">National Westminster Bank</td> <td style="width: 15%;">2% from July21</td> <td style="width: 15%;">30/06/2026</td> <td style="width: 30%;">Unsecured</td> </tr> <tr> <td>\$836,000</td> <td>National Westminster Bank</td> <td>2% from Feb22</td> <td>31/01/2027</td> <td>Unsecured</td> </tr> <tr> <td>\$142,000</td> <td>Covenant Holdings (WA) Pty Ltd</td> <td>Interest free</td> <td>31/12/2023</td> <td>Unsecured</td> </tr> <tr> <td>\$95,000</td> <td>Turbine Capital Ltd</td> <td>15% Mar 23</td> <td>11/08/2023</td> <td>Unsecured</td> </tr> <tr> <td>\$190,000</td> <td>Turbine Capital Ltd</td> <td>Interest Free</td> <td>11/08/2023</td> <td>Unsecured</td> </tr> </table>				\$684,000	National Westminster Bank	2% from July21	30/06/2026	Unsecured	\$836,000	National Westminster Bank	2% from Feb22	31/01/2027	Unsecured	\$142,000	Covenant Holdings (WA) Pty Ltd	Interest free	31/12/2023	Unsecured	\$95,000	Turbine Capital Ltd	15% Mar 23	11/08/2023	Unsecured	\$190,000	Turbine Capital Ltd	Interest Free	11/08/2023	Unsecured
\$684,000	National Westminster Bank	2% from July21	30/06/2026	Unsecured																									
\$836,000	National Westminster Bank	2% from Feb22	31/01/2027	Unsecured																									
\$142,000	Covenant Holdings (WA) Pty Ltd	Interest free	31/12/2023	Unsecured																									
\$95,000	Turbine Capital Ltd	15% Mar 23	11/08/2023	Unsecured																									
\$190,000	Turbine Capital Ltd	Interest Free	11/08/2023	Unsecured																									

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(158)
8.2	Cash and cash equivalents at quarter end (item 4.6)	94
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	94
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?	
	<p>Answer: We expect to see a slight improvement in net operating cash flows during the next quarter as remaining overdue tax payments are cleared and restructuring expenses are completed. We expect to see a material improvement in net operating cash flows for the quarter ending December 31 2023, as Company enters into BAU operations following completion of transformation programme.</p>	

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: Not at this time.

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. If necessary we will delay discretionary expenditure on new product development and associated marketing.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 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.