



ASX Release

Business Update: Jayex receives funding in form of COVID-19 support

Melbourne, Australia; 19th May 2020: Jayex Healthcare Limited (ASX:JHL) (**Jayex** or **Company**), a leading UK and Australian e-health provider of integrated SaaS healthcare services delivery platforms, today released an update to its cash position.

Highlights:

- Current cash and near cash position has increased to \$4.3 million due to applications made in the UK for COVID-19 assistance
- Funding allows for the hire of additional development resources, to complete contracted work-on-hand which will bring in immediate revenue
- Move to cloud validated as company sees strong revenue retention from sticky customers during pandemic
- Revenue from existing contracts expected to continue to grow

Funding to promote stability and continued growth

As part of Jayex's response to COVID-19 the Company has made applications to programs made available to it both in the UK and Australia.

In the UK, the wholly owned subsidiary Jayex Technology Ltd (Jayex Tech) has been notified that its application under the Coronavirus Business Interruption Loan Scheme (CBILS)* has been successful and will be funded shortly. This is a loan facility of £600,000 (~\$1.12M AUD) to help the Company offset possible future loss of revenue and resultant cash flow as well as programs to assist with staffing costs.

Jayex's current cash and near cash position has been increased as a result to \$4.3 million as a result of this additional debt funding in the UK and this position could be further enhanced once Australian COVID-19 assistance applications are processed.

The loan facility which has no interest payable by the company for 12 months, will enable Jayex Tech to continue its UK operations unchanged. Jayex Tech has a number of signed contracts awaiting implementation. With the addition of more development resources these contracts will be able to be completed, bringing immediate revenue. The funding gives Jayex Tech confidence that future operations can be funded including marketing, sales, and software development.

Sticky customer base provides resilience

The COVID-19 pandemic has validated Jayex's move to the cloud as clients connected to Jayex Connect still have access to all products and services offered via the cloud platform.

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The transition to SaaS has enabled all Jayex Connect clients to access new and upcoming products and services as they are released including the new Connect mobile check-in for GP Clinics and Connect@home telehealth services which are currently being introduced.

This is important for revenue retention as the Jayex Connect Platform is significantly integrated into the GP clinics and hospital workflows where it has been deployed.

Jayex expects revenue from existing contracts to continue to grow in Q2 as clients joining the Jayex Connect Platform are still able, in most cases, to connect remotely. Due to the SaaS format, installation, training and support is all available remotely.

Employees

Jayex Tech has utilised the Coronavirus Job Retention Scheme (CJRS)** and furloughed nine employees involved in sales and support, areas that have seen reduced activity since March. Whilst employees involved in CJRS are not allowed to work for the Company they are able to undertake education and training which is being actively encouraged.

Commenting on the programs, CEO Nick Fernando said, “We are very pleased to have received the funding for our UK-based business. We can now move projects forward, which otherwise would not have happened in the near term and at the same time keep the business in a cash flow positive position. This will help build on the momentum that we gained in Q1 2020, where sales were up 23% and staffing costs reduced 23%, on the same period last year.”

“The company has continued to grow its Jayex Connect platform and now has an installed base of 787. Pleasingly, the company has received a single order in March to deliver 169 of its connect based Patient Check-in systems to a UK based Clinical Commissioning Group.”

For and on behalf of the Board and for further information:

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

Jayex Healthcare 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 *Enlighten* patient workflow platform;
- the *Appointuit* patient engagement solution;
- the *Pharmacy Delivery 2 U* prescription delivery service; and
- the *BluePoint*® remote pharmacy prescription processing and dispensing terminal.



***What is the Coronavirus Business Interruption Loan Scheme (CBILS)?**

The Coronavirus Business Interruption Loan Scheme (CBILS) provides financial support to smaller businesses (SMEs) across the UK that are losing revenue, and seeing their cashflow disrupted, as a result of the COVID-19 outbreak.

The scheme provides the lender with a government-backed, partial guarantee against the outstanding balance of the finance. The borrower remains 100% liable for the debt. There are no guarantee fees for SMEs. Lenders pay a fee to access the scheme.

The Government will make a Business Interruption Payment to cover the first 12 months of interest payments and any lender-levied charges. Government pays interest and fees for 12 months

****What is Coronavirus Job Retention Scheme (CBRS)?**

As part of its response to the COVID-19 pandemic the government has introduced the *Coronavirus Job Retention Scheme*. This allows all UK employers with employees on a PAYE scheme to designate those employees as 'furloughed workers'. Employers have access to government support to continue paying part of these furloughed employees' salaries and protect the employees from redundancy.

Until July 31 furloughed workers will continue to receive 80% of their current salary, up to £2,500 but must not work for the employer.

From 1 August to October 31 the scheme becomes more flexible. Workers will continue to receive 80% of their salary subject to the cap but employers will need to share the burden of paying salaries with the Government. Employees will be able to work part-time during this phase. The percentage division of the grant between the government and employers during this second phase has not been confirmed.