



ASX Release

QUARTERLY AND HALF-YEAR REVIEW FOR THE PERIOD ENDED 30 JUNE 2020 AND BUSINESS UPDATE

HIGHLIGHTS

- Business remains stable despite COVID-19 conditions.
- Net cash from operating activities increased by \$209k and included customer receipts of \$2.9m, repayment of borrowings made of \$420k and directors fees of \$180k paid to Michael Boyd and Brian Renwick in relation to the annual periods of 2018 and 2019 (see section 6.1).
- Successful innovation, development and roll out of new products as part of core strategy to expand the SaaS Connect platform, products per customer and ultimately increase revenue per customer.
 - Launched and commercially sold Jayex web-mobile check-in ahead of planned roadmap timetable.
 - License agreement entered with Lifespot Health Ltd, technologies enable patients to monitor chronic disease and critical conditions with mobile devices, market valued at \$12 billion.
- Jayex SaaS Connect platform continues to grow with 959 customers using the platform (up 47% from a year ago).
- Jayex Technology Limited attained £600,000 (\$1.08m AUD) in UK Government support due to COVID-19.

Melbourne, Australia; 24 July 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 its Appendix 4C – Quarterly cash flow report for the quarter ended 30 June 2020 (the **Quarter**).

Q2 2020 has been marked by COVID-19 and its effect on individual businesses and the global economy. Although Jayex is not immune from the fallout that COVID-19 has caused, its healthcare solutions play an important role in the day to day functioning of the healthcare system. As a result of the demand for its services, Jayex is well placed to navigate the consequential economic downturn we are seeing due to COVID-19.

Revenue

The company finished a highly variable half year with a similar overall revenue figure to that of last year \$4.3m (vs H1 19 \$4.6m). SaaS revenue was stable but Q2 new business sales were down \$494k against the same period last year due to the impact of COVID-19 and the deferral and delaying of projects that Jayex now expects to close and invoice in Q3.

Once COVID-19 has stabilised, the healthcare systems that we operate in are expected (in the short-term) to demand more services from Jayex, to meet the increased demand and backlog for patient “back to normal” services. As a result, the Company expects to recover “delayed” revenue.

Government support during COVID-19

To support the Company through the COVID-19 period, Jayex has benefited from utilising government assistance programs ensuring that the company is in a favourable cash positive position.

Jayex Technology Limited was successful in attaining £600,000 (\$1.08m AUD) to support any possible future loss of revenue, as well as assist, maintain and ensure that the company progresses with its development and technological roadmap.

Growth through innovating new products

The Jayex Connect platform is growing from strength to strength, endorsing the company's SaaS capability as it executes on its strategy to grow products and products per customer. Jayex now has 959 customers using the platform up 47% from last year.

The creation of new and innovative products to add to the Connect platform is at the center of Jayex's growth strategy. Jayex launched a new module in Q2 - the Jayex web-mobile check-in. It enables easy and efficient check-in from a mobile device supporting social distancing behaviour, helping to reduce queues and avoiding congested waiting room areas. This capability has been very well received by healthcare providers/customers and patients under the current COVID-19 constraints. The capability has been sold ahead of the planned roadmap timetable in response to the demand due to COVID-19.

Existing product rollout

Jayex Australia successfully installed its Queue Management System (QMS) for the North Sydney Local Health District. This was the first project completed in Australia with the Jayex/Cerner partnership and the first of its kind for Jayex in New South Wales. Additionally, Jayex UK delivered a QMS in a state-of-the-art new build project located in the Alfred Barrow Health centre in Barrow-in-Furness, Cumbria, England. The Jayex solution integrates community and primary care services, focusing on helping people stay healthy within the local community. Both these projects in Australia and the UK are airport-style, state-of-the-art self-check-in systems that provide patients with easy-to-use touchscreens that ensure quick and discreet arrival, removing the need to wait at reception.

Remote Patient Monitoring product development

In June, Jayex executed a Software Licence Agreement with Lifespot Health Ltd (Lifespot) incorporating its existing BodyTel software platform and integrated Bluetooth technology products and services exclusively into Jayex products and services branded 'Powered by BodyTel' for the UK market. These technologies allow patients to monitor chronic disease and critical conditions with their mobile devices and the data to be shared in real-time with healthcare professionals. Conditions monitored include chronic disease states, post-operative recovery, COVID-19 and others. Research conducted by Jayex has valued this "home care" and "RPM" service at \$12 billion across the UK, Australia and New Zealand markets. The agreement between Jayex and Lifespot will focus on providing services to meet this growing demand in the RPM market.

Whakaora Hou Ltd

During the quarter, the Company appointed Mr. Jeremy Kannermeyer as a Director of its wholly owned subsidiary Whakaora Hou Limited in Auckland, New Zealand, to support and steer the asset to operational and commercial use. The appointment of Mr. Kannermeyer is the next step in applying for a cultivation licence in medical cannabis in New Zealand.

Change of Executive Chair and Non-Executive Director Fees

Following the resignation of the Company's Chief Executive Officer in July 2020, a review was completed by the Remuneration and Nomination Committee of the remuneration of the Company's Executive Chair and Non-Executive Directors and the required increased workload that would be taken on by them.

It was determined that the Executive Chair and Non-Executive Directors of the Company's remuneration should be updated to reflect required workload required of them until such time as a new CEO is appointed to the Company. Details of these changes are noted as follows:

Title	Executive Chair
Effective Date	17 th August 2020
Remuneration	\$175,000 per annum
Review	The earlier of the appointment of new CEO or 31 December 2020

Title	Non-Executive Directors
Effective Date	17 th August 2020
Remuneration	\$100,000 per annum
Review	The earlier of the appointment of new CEO or 31 December 2020

Positive outlook

Jayex continues to successfully drive its migration from a product company to a SaaS business. We have successfully begun rolling out new products such as web-mobile check-in capability as well continuing to develop and bring new products to market. The company is well placed to weather the COVID-19 storm given the inherent benefits of the healthcare sector (during this time) and also the government support we have received to further new product roll-out and development.

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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 *Jayex Connect* – the complete cloud-based Patient Engagement Platform;
- 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.

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

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 JUNE 2020

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	2,933	5,060
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(492)	(1,109)
	(c) advertising and marketing	(36)	(68)
	(d) leased assets	(35)	(80)
	(e) staff costs	(744)	(1,374)
	(f) administration and corporate costs	(717)	(1,364)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid	(700)	(700)
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	209	365
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(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	1,083	1,083
3.6	Repayment of borrowings	(420)	(420)
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	663	663

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	437	281
4.2	Net cash from / (used in) operating activities (item 1.9 above)	209	365
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	663	663

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,309	1,309

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	1,309	437
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)	1,309	437

6. Payments to related parties of the entity and their associates

- 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

Current quarter \$A'000
(180)

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

7. Financing facilities

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.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	4,738	4,738
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	4,738	4,738

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.

Facility Amount	Lender	Interest Rate	Maturity Date	Secured/unsecured
\$2,000,000	Covenant Holdings (WA) Pty Ltd	8% per annum	30/06/2021	Unsecured
\$1,000,000	Covenant Holdings (WA) Pty Ltd	12% per annum	30/06/2021	Unsecured
\$155,000	Covenant Holdings (WA) Pty Ltd	Interest free	30/06/2021	Unsecured
\$500,000	Covenant Holdings (WA) Pty Ltd	Interest free	30/06/2021	Unsecured
\$1,083,000	National Westminster Bank	2% from July21	30/06/2026	Unsecured

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	209
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,309
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	1,309
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	n/a

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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

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

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: n/a

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: 24 July 2020

Authorised by the Board

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.