



ASX Release

QUARTERLY REVIEW FOR THE PERIOD ENDED 31 DECEMBER 2020 AND TRADING UPDATE

HIGHLIGHTS

- Cash receipts for the 12 months to 31 December 2020 - \$8.01 million (\$8.61 million 31 December 2019)
- Cash receipts of \$1.29 million for the quarter ended 31 December 2020 (\$1.68 million 31 December 2019)
- Operating cash outflow of \$315k
- Additional CBILS of \$1.08m (£600,000) approved in December 2020 completed in January 2021 undrawn
- First contract won in NHS Community market segment with significant additional opportunities
- Hospital contracts won in Australia and significant partnership signed in New Zealand
- Appointment of BioAgronomics Group in New Zealand in anticipation of granting of Commercial Cultivation License

Melbourne, Australia; 29 January 2021: 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 4C – Quarterly cash flow report for the quarter ended 31 December 2020 (the **Quarter**).

United Kingdom

COVID-19 tightened its grip on the UK, Jayex's largest market, in the fourth quarter of 2020. The necessary frontline COVID-19 related response in the UK has impacted demand for Jayex's products and as a result, cash receipts in the quarter were \$1.29 million.

Despite the challenging year, cash receipts for the 12 months ending 31 December were \$8.01 million, down 9.3% from the prior corresponding period (\$8.61 million, December 2019).

Jayex saw signs of recovery in November as it achieved a record sales month with over \$460,000 in sales coming equally from GP (Primary) and Hospitals (Acute) areas. This is expected to continue into the March quarter which is traditionally the biggest selling quarter for the UK business, subject to the impact of the COVID-19 vaccine rollout program.

The company re-organized its operations in the quarter, increasing efficiencies through a management re-organisation and upskilling employees with a focus on speed to market for their product. The Company is currently interviewing for a Head of Growth/COO and anticipates that position filled in this quarter.

During the quarter, Jayex began expansion into a new segment, NHS Community who provide services such as dentistry and mental health. Jayex has not previously provided services to this segment however its products are a natural fit and its brand is well recognised. NHS Community spend around £10 billion annually from the NHS budget, making this a significant growth opportunity for Jayex.

“This year has been very challenging for Jayex and our customers, especially those in the UK. Despite the frustrations of furloughs and lockdowns our team has worked tirelessly to ensure that our clients have been well looked after. It is this dedication and tenacity that has reinforced the high esteem in which the Jayex brand is held and has resulted in outcomes that will serve us well as the operating environment returns to normal. I look forward to capitalising on our work in the coming year,” said Michael Boyd, Executive Chairman.

Australia and New Zealand

Jayex secured a partnership with Medtech Global, a Melbourne-based company which provides practice management software in Australia and New Zealand, as well as other markets. This partnership will see Medtech Global and Jayex - who have complementary product offerings - work together to integrate the Jayex queue management and self-check in kiosks to provide a seamless end-to-end solution for healthcare practices, enhancing the product suite and assisting healthcare organisations to improve service and care delivery. The partnership is expected to accelerate Jayex’s growth in New Zealand, where Medtech is the leading provider of practice management software.

Jayex has also been awarded the tender for queue management solutions at the Dubbo Base Hospital redevelopment, which will kick off end of Q1 2021.

During the quarter, Jayex delivered Phase 2 of the project at Hornsby Ku-ring-gai Hospital which included additional patient self-check-in kiosks and patient calling screens. The partnership with Hornsby Ku-ring-gai Hospital will see Jayex’s Queue Management System (QMS) revolutionise the hospital’s existing patient management procedures through the rollout of freestanding kiosks that have scanning and Medicare reading capabilities, display monitors used to call and direct patients for their appointment, surveying capabilities, and patient calling via SMS.

Jayex also developed a paperless e-form allowing clinicians and admin staff to communicate with each other regarding MBS item numbers and follow up appointments without the use of paper. This has improved the workflow around the patient journey and the time the clinician spends reporting. The final phase (3) will go live May 2021.

New Zealand Start-Up Whakaora Hou Ltd (100% subsidiary of Jayex) plans advance with advisor appointment.

After final submission of all documents to New Zealand Authorities, Whakaora Hou Limited (WHL) is now making final preparations for its initial New Zealand site in readiness for Ministry of Health’s Office of Drug Control inspections. Current expectations are for inspection of the facility in February and issuance of a Commercial Cultivation License to WHL in March 2021.

WHL is pleased to announce the appointment to its Advisory Board of Mr David Watson. Following the appointments of Robert C. Clarke as Director of Research and Mojave Richmond as Director of Breeding & Cultivation. David was the founder of HortaPharm B.V. the World’s first legal medicinal cannabis company and accredited with collecting the World’s most diverse and important collection of medicinal cannabis seeds.

HortaPharm’s genetics are legendary within the cannabis and hemp industries. With David Watson advising, Robert Clarke leading research and Mojave Richmond leading the breeding and cultivation; the Company is well positioned to capitalise on the expanding medicinal cannabis sector through plant breeding and whole plant therapeutics adhering to international Quality Standards.

WHL is set not just to become another cultivator or vertically integrated cannabis company; it is set to lead a genetics reset of the industry, first in Oceania then turning its focus globally.

For further general information on the Advisory Board members please refer below.

https://en.wikipedia.org/wiki/Hortapharm_B.V.

<https://markets.businessinsider.com/news/stocks/segra-appoints-world-renowned-cannabis-breeding-expert-david-watson-to-advisory-board-1020562952>

<https://www.fastcompany.com/48172/dr-dopes-connection>

<https://www.laweekly.com/the-curious-case-of-gw-pharmaceuticals-2/>

Post December 31 Events

The Company's UK subsidiary received confirmation of a further CBILS facility from its bankers on 22 January 2021. As per the 4C section 8.2 Cash and equivalents were \$1.14m at 31 December 2020. With the addition of the new CBILS facility Cash, equivalents and unused credit facilities rises to \$2.22m. Consequently the number of funded quarters as calculated in section 8.5 rises to 7.05 inclusive of the CBILS facility.

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 December 2020, that the only payments to related parties of the Company pertain to payments to Directors for salaries, fees and consultancy.

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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.

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")

31 DECEMBER 2020

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	1,294	8,012
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(244)	(1,683)
	(c) advertising and marketing	(27)	(109)
	(d) leased assets	(45)	(165)
	(e) staff costs	(572)	(2,501)
	(f) administration and corporate costs	(721)	(3,778)
1.3	Dividends received (see note 3)		
1.4	Interest received		
1.5	Interest and other costs of finance paid		(280)
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	(315)	(504)
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 (12 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)		700
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
3.6	Repayment of borrowings		(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		1,363
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,455	1,611
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(315)	(504)
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)		1,363

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,140	1,296

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	1,140	1,455
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)	1,140	1,455

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
(30)

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	4,583	4,583
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	4,583	4,583

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
\$3,000,000	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
\$1,083,000	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)	(315)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,140
8.3 Unused finance facilities available at quarter end (Item 7.5)	0
8.4 Total available funding (Item 8.2 + Item 8.3)	1,140
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	3.6

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: 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: 29 January 2021

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.