



ASX Release

**Jayex divests Acute (hospital) queue management business for £1.3M (~\$2.4M AUD)
Plus earn out of up to £1M (~\$1.8M AUD)
Frees up cash for accelerated NHS GP and NHS Community SaaS roll-out and Cannabis
development**

HIGHLIGHTS

- Jayex to sell its on-premises Acute (hospital) queue management business for £1.3M (3.1x recurring earnings) to Canadian based medical technology company Vitalhub Inc with completion expected end of April 2021
- Vitalhub to purchase all existing hospital contracts in the UK and Australia from Jayex, including an Enlighten license to operate the services
- Transaction value of £1.3M (~\$2.4M AUD) in cash and Vitalhub shares + additional earn out capacity of up to £1.0M (~\$1.8M AUD)
- Jayex retains all IP and ownership of the Enlighten technology stack
- Divestment enables Jayex to focus on core and higher-margin NHS GP (Primary Care) and Community markets and increase services offered through its SaaS based Connect platform
- Funds released for the development of NZ based cannabis subsidiary

Melbourne, Australia; 13 April 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 announced that it has entered into an asset sale of its on-premises hospital queue management business segment to Canadian based Vitalhub Inc (Vitalhub, TSXV:VHI) for a transaction value of £1.3M (~\$2.4M AUD).

Under the agreement, Vitalhub will acquire Jayex's hospital contracts in both the UK and Australia. Jayex will receive £1.04M (~\$1.9M AUD) in cash and £0.26M (~\$.47M AUD) in Vitalhub shares (150,078 shares in total). The cash component will be subject to a six month Escrow Agreement in the sum of £156,000 (~\$0.28M AUD) on completion.

The transaction value of £1.3M represents a multiple of 3.1 x recurring earnings and is based on minimum recurring license and maintenance revenues of £420k (\$.75M AUD) (Transferred Recurring Revenue) transferred to Vitalhub at closing. There is an earnout component to the transaction, where over the 24 months preceding completion, Jayex will receive 50% of revenue earned in excess of the Transferred Recurring Revenue in cash, capped at £1M (~\$1.8M AUD).

Under the agreement, Jayex will provide a perpetual licence to Vitalhub for the duration that the contracted clients use the Enlighten platform, Jayex will however will retain complete ownership of the technology stack. Six employees will transfer to Vitalhub under the arrangement.

Commenting on the sale, chairman Mr Michael Boyd said, "The sale of Jayex's on-premises hospital queue management business will enable us to refocus our technology efforts, accelerating other projects such as expanding our core SaaS based Connect platform not only in the UK but also into Australia and New Zealand as well as further exploring remote patient monitoring (RPM) and other telehealth opportunities. These opportunities are faster moving, higher margin and position us for growth into clinical data management to add to our demographic data management business.

“The opportunity for Jayex lies within the GP and NHS Community segment where we have a strong reputation with excellent brand awareness in the UK. Our goal is to expand and tailor our products and technologies further and invest our resources to maximise the benefit for the GP market.

“We are excited about our cloud solutions and our ability to grow the business this year, as COVID-19 vaccines are rolled out across the UK and globally and economies recover. Cloud solutions are faster to deploy, attract a higher margin and are based on a pricing structure which provides for a strong incentive for clients to stay with us over time.

“As part of Jayex’s goal to refocus its technologies, the Company, which traditionally solely captured demographics data, will move into the clinical data segment and in particular clinical data between the GP and patient. We continue to look at Remote Patient Monitoring opportunities as well as actively looking at new services based around telehealth and patient baseline informatics. As part of this strategy, Jayex has recruited for its software development team and also appointed head of growth to the team,” continued Mr Boyd.

Further with recent granting of a medical cannabis cultivation licence (announced to the ASX on 12th April) to our wholly owned subsidiary WHL, Jayex has funds in hand to develop the business.

In 2020 Jayex rejuvenated its internal systems including migrating the entire accounting and CRM onto a new more complete system that is better suited to managing our UK GP clinic customer base. This will enable better client management, including sales processes, billing, installations and fault detection and management. This new system went live on 1 March 2021 and is already in use by all divisions of the Company, providing comprehensive client record data.

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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.