



ASX Release

30 April 2021

## QUARTERLY REVIEW FOR THE PERIOD ENDED 31 MARCH 2021 AND TRADING UPDATE

- Cash receipts of \$1.265 million for the quarter ended 31 March 2021 (\$2.127 million 31 March 2020)
- Trading improvement in March with revenue of £290k (~\$520 AUD) following challenging January and February due to vaccine rollout and lockdown in UK
- Company reorganisation complete resulting in renewed strategy, new custom CRM in place and Head of Growth appointed
- Operating cash outflow of \$539k for the Quarter
- Second CBILS loan of \$1.089m received 16 February 2021
- Subsequent to Quarter
  - Jayex divests Acute (hospital) queue management business as it realigns strategy
  - NZLD Cannabis cultivation license granted for Jayex's subsidiary - Whakaora Hou Limited

**Melbourne, Australia; 30 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 released its 4C – Quarterly cash flow report for the quarter ended 31 March 2021 (the **Quarter**).

### Operational update

The ongoing COVID-19 pandemic has continued to impact Jayex's trading performance during the Quarter. January and February saw the Company's operations affected by the vaccine rollout and lockdown in the UK, impacting demand for Jayex's products. Trading conditions improved in the latter part of the Quarter, with £290k in revenue from operations reported in March. Increasingly NHS practices are returning to normal operations and the expectation is that demand will return accordingly. The COVID pandemic and response has highlighted the need for increased digital information flow between GP and patients which Jayex will capitalise on with new product launches in the coming quarter. Receipts from customers was \$1.27M in the Quarter compared with \$1.29M in Q4 20.

Jayex concluded the reorganisation of its operations during the Quarter which included upskilling employees with a focus on speed to market for their products. As part of this, the Company rolled out new custom CRM software which will ensure robust customer interactions. Jayex took the opportunity to realign its strategy and refocus its technology efforts as the business moves to its next phase of growth.

With over 3,200 GP practice clients worldwide the focus for the Company is to continue to create, licence and acquire additional products and services to supply its GP practice customers. Additionally,

the SaaS pricing structure is designed to encourage customers to utilize more of the Jayex products versus competitor products through the cascading pricing structure that delivers more value as the GP practice uses more services. Mr Ryan Chana was appointed in April as Head of Growth and will commence with Jayex in May 2021. Mr Chana will be focused on collaborating with the NHS to drive growth within the GP and NHS Community segments.

### **Cannabis update - Jayex subsidiary, Whakaora Hou Ltd**

As reported in March 2021, Jayex's wholly owned New Zealand based medicinal cannabis subsidiary, Whakaora Hou Limited (WHL), underwent an inspection by the New Zealand Medicinal Cannabis Agency (NZ Ministry of Health). This inspection was an integral part of the issuance of a Commercial Cultivation License and followed on from the finalising of the desktop application (reported by Jayex in the Company's 4E announcement).

### **Post March 31 Events**

#### **Divestment of hospital queue management business segment**

Subsequent to the Quarter end, Jayex 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).

The divestment aligns with Jayex's forward looking strategy to refocus its technology efforts, accelerating other projects such as expanding its core SaaS based Connect platform in the UK, and into Australia and New Zealand. The opportunity for Jayex lies within the GP and NHS Community segment where the company has a strong reputation with excellent brand awareness in the UK. The Company is now a leaner, more agile business supported by cloud solutions which are faster to deploy with a higher margin.

The divestment enables the Company to further explore remote patient monitoring and telehealth opportunities and position the company for growth into clinical data management. Clinical data management will supplement Jayex's existing demographic data management business.

The agreement will see Vitalhub acquire Jayex's hospital contracts in both the UK and Australia. Jayex will receive a combination of cash £1.04M (~\$1.9M AUD) and £0.26M (~\$0.47M AUD) in Vitalhub shares (150,078 shares in total), with 15% of the cash component subject to a twelve month Escrow Agreement.

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 (\$0.75M AUD).

#### **Cultivation licence**

During April, WHL successfully obtained a cultivation licence for medical marijuana from the New Zealand Medicinal Cannabis Agency (NZ Ministry of Health). Jayex will now work with the WHL team in executing the WHL business plan.

WHL is focusing on research and development around strains of cannabis that are significantly different from hybridized variety's commonly available today. It is seeking a licence from Bioarc Ltd (an associated company) to grow strains from the legendary HortaPharm seed collection that produced Sativex and

Epilex. Robert Clarke and Mojave Richmond from Bio-Agronomics are selecting the strain varieties that will initially be licensed for the New Zealand market. It is anticipated that the breeding program will commence in the third quarter of this year once applications to import the seeds and the ready to go facility has selected suitable local staff.

### **Additional Funding**

The Company's UK subsidiary received funds from its CBILS facility from its bankers on 16 February 2021. As per the 4C section 8.2 Cash and equivalents were \$1.69m at 31 March 2021, including the CBILS Facility cash.

### **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 2021, that the only payments to related parties of the Company pertain to payments to Directors for salaries, fees and consultancy. This totaled payments of \$230k, over the period.

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**About Jayex Healthcare Limited - [www.jayexhealthcare.com.au](http://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")**

31 MARCH 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,265	1,265
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs	(422)	(422)
(c) advertising and marketing	(14)	(14)
(d) leased assets	(41)	(41)
(e) staff costs	(753)	(753)
(f) administration and corporate costs	(526)	(526)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(48)	(48)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(539)</b>	<b>(539)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(e) intellectual property		
(f) other non-current assets		
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)		
<b>2.6 Net cash from / (used in) investing activities</b>		

<b>3. Cash flows from financing activities</b>		
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	1,089	1,089
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,089</b>	<b>1,089</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,140	1,140
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(539)	(539)
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)	1,089	1,089
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,690</b>	<b>1,690</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,690	1,140
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,690</b>	<b>1,140</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(230)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

*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.*

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>		
7.1	Loan facilities	5,672	5,672		
7.2	Credit standby arrangements				
7.3	Other (please specify)				
7.4	<b>Total financing facilities</b>	<b>5,672</b>	<b>5,672</b>		
7.5	<b>Unused financing facilities available at quarter end</b>		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.				
	\$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
	\$1,089,000	National Westminster Bank	2% from Feb22	31/01/2027	Unsecured

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(539)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,690
8.3	Unused finance facilities available at quarter end (item 7.5)	0
8.4	Total available funding (item 8.2 + item 8.3)	1,690
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.1
	<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?	
	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: a/a

*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: 30 April 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.