



ASX Release

Jayex Technology agrees strategic investment into Brainworks Foundry, Inc.

Highlights

- Jayex has signed a binding agreement for the investment of US\$2 Million in cash into Brainworks' Foundry, Inc. ("**Brainworks**").
- Brainworks' AI technology platform is currently undergoing preliminary clinical trials and is designed to allow a patient's vital signs, incl. heart rate, respiratory rate, blood oxygenation to be measured simply by focusing a smart camera (phone, PC, TV) on the patient's face for 5-30 seconds.
- In addition, Brainworks has utilized existing technologies to develop a highly scalable polymerase chain reaction ("**PCR**") testing process, using next-generation gene sequencing and DNA barcoding that reduces cost and turnaround time.
- Post-COVID, Brainworks plans to diversify its platform to support additional viral and bacterial tests including influenza, Hepatitis, HIV, and other pathologies.

Melbourne, Australia; 30 July 2021: Jayex Technology Limited (ASX: JTL) (**JTL** or the **Company**) is pleased to announce that the Company has executed a binding Heads of Agreement with Brainworks Foundry, Inc. (**Brainworks**) a company incorporated in July 2017 in Delaware, United States, to invest US\$2 Million in cash for a 14% interest in Brainworks.

Brainworks' Smart Health AI technology platform is currently undergoing preliminary clinical trials and is designed to allow a patient's vital signs, incl. heart rate, respiratory rate, blood oxygenation etc. to be measured simply by pointing the camera of a smartphone at the patient's face for 5-30 seconds. The platform can securely store a patient's health data and deliver test results to key healthcare professionals and other non-regulated stakeholders. This technology has undergone preliminary clinical trials at Medstar Health, which are due to be completed later in 2021 when the pandemic abates to allow a return to normal hospital operations. Brainworks will then need to make a submission to the FDA to seek approval of the technology platform.

Medio Labs, a brand operating under and owned by Brainworks, is a new AI-enhanced healthcare service developed by applying Brainworks' latest discoveries in AI and neuroscience and molecular sensing. Medio Labs offers affordable SARS-CoV-2/COVID-19 testing at 2 approved laboratories in the United States by combining new gene-sequencer enhanced coronavirus detection with expedited saliva sample kit shipping to deliver accurate individual results within hours. Medio Labs technology is based on existing technology developed by a large reputable US research institution (**Existing Technology**), but which has now been significantly enhanced (by Medio Labs) and as a result, Medio Labs owns all of the IP associated with its technology. Testing is currently offered utilising the Existing Technology under an FDA Emergency Use Authorisation (EUA) held by that institution and under a contract between Brainworks and the institution. By virtue of the EUA, FDA clinical trials have not been required for these technologies to be commercially deployed.

Brainworks is developing its own lab which is proposed to utilise an extended version of the existing EUA and then subsequently under its own broader EUA and, finally full approval (subject to going through the relevant approval process).

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Dr Phillip Alvelda, Brainworks Founder and CEO, is a global thought leader in Artificial Intelligence and has founded multiple Silicon Valley technology companies.

The investment into Brainworks fits with Jayex's renewed and repositioned business model as previously noted¹, and to extend its SaaS Connect data management capabilities for GP Clinics into more GP/Patient related services such as remote patient monitoring. The opportunity to introduce clinical innovations is a natural extension of this approach to assist GP's. Jayex is now a simpler, more agile business with innovation at its core as it focuses on growth in primary care.

Under the terms of the binding Heads of Agreement (**Agreement**), Jayex has agreed to subscribe for up to an aggregate 14% equity interest in Brainworks (**Transaction**) on the following terms:

- (a) an initial subscription for 617,283 shares of standard preferred stock in Brainworks at an issue price of USD0.81 each (**Brainworks Shares**) for a total consideration of USD500,000 (the **Subscription**); and
- (b) three (3) subsequent exclusive options (**Options**), to subscribe in each tranche for 617,283 shares of standard preferred stock in Brainworks at an issue price of USD0.81 each, for a total consideration of USD500,000 for each Option. Each Option may be exercisable by Jayex separately but all within a period of 4 months following execution of the Agreement (**Option Period**).

The consideration will be funded by way of existing cash reserves and completion of a rights issue to be undertake in due course².

The Subscription will trigger the conversion of the Simple Agreement for Future Equity (**SAFE**) notes, whereby existing investors in Brainworks will be issued shares of preferred stock in Brainworks on principally the same terms as those to be issued to Jayex under the Transaction.

The Agreement is subject to certain conditions precedent including completion of financial, legal and technical due diligence by Jayex on Brainworks and its assets to the satisfaction of Jayex within 15 days of execution of the Agreement.

Jayex is not currently entitled to appoint a nominee to the Board of Brainworks.

ASX has confirmed that the Transaction does not constitute a significant change to the nature or scale of its activities for the purposes of Chapter 11 of the ASX Listing Rules such that Shareholder approval will not be required in respect of the Transaction and Jayex will not be required to re-comply with Chapters 1 and 2 of the ASX Listing Rules. Note that ASX has further advised Jayex that required to disclose that if it seeks to:

1. acquire any further shareholding in Brainworks Foundry Inc.; or
2. provide any further funding to Brainworks Foundry Inc. (including, but not limited to, via loans or options or convertible notes); or

¹ Refer to ASX announcement dated 27 May 2021 and its 2020 Annual Report released to the ASX on 12 March 2021.

² Refer to ASX announcement dated 24 May 2021.



3. enter into any further arrangements or agreements with Brainworks Foundry Inc. (including, but not limited to, in-kind arrangements for the provision of services or staff or R&D, or licensing arrangements),

that Listing Rules 11.1.2 and Listing Rules 11.1.3 are likely to be triggered.

If Jayex completes the Subscription and is issued Brainworks Shares upon exercise of the Options within the Option Period, Jayex will hold a 14% equity interest in Brainworks on a post SAFE notes conversion basis (and assuming that no further equity is issued by Brainworks).

Michael Boyd, Executive Chairman Jayex Technology, commented:

“Jayex’s investment in Brainworks forms part of our renewed growth strategy to incorporate new technologies into our business model and we look forward with working with the Brainworks Team. The Brainworks-Medio Labs testing process is intended to be applied (subject to any further FDA authorisations and approvals required) across other pathologies such as cancer testing and STD panels which provides additional opportunities to be rolled out.”

Dr Phillip Alvelda, CEO Brainworks, commented:

“The Global Coronavirus pandemic has really highlighted the critical need for a new generation of pathology tests with the sensitivity to detect even single molecules of a virus but can also scale to affordably test millions of people on a weekly basis. We are seeking to address SARS-CoV-2/COVID surveillance and diagnostic testing through our AI enhanced pathology testing platform based on next-generation gene sequencing, and we plan to apply the technology to a growing array of other pathologies.”

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About Jayex Technology Limited – www.jayex.com/en-au/

Jayex 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 Chair of Jayex Technology Limited.

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