



ASX Release

31 January 2023

JAYEX EXECUTES BINDING TERM SHEET FOR HEALTH ANALYTICS JOINT VENTURE WITH SHINE CLINICAL LTD

- Jayex signs binding term sheet with Shine Clinical Ltd for new UK opportunity
- UK Health analytics segment large and growing, estimated today at \$180 million pa
- Jayex uniquely positioned to provide Shine Clinical services to its 2,500+ UK GP clinic customers and gain significant new non-NHS customers
- EPS positive transaction with cash component funded from operations

Melbourne, Australia; 31 January 2023: Jayex Technology Limited (ASX: JTL) (**Jayex** or **Company**), a leading UK and Australian provider of integrated e-health SaaS healthcare services delivery platforms, today is pleased to announce that the Company has entered into a Binding Term Sheet Agreement with Shine Clinical Limited (**Shine**) under which, subject to completion of due diligence processes and completion of formal documentation, the companies will operate a business via a joint venture arrangement that will provide services to:

- UK NHS customers in managing disease prevalence, ensuring patients get access to the appropriate treatments for their conditions.
- Enable UK pharmaceutical and medical device industry customers to achieve their market access strategies.

Shine is a rapidly growing provider of clinical data services including health data analytics with an experienced healthcare management team, an expanding customer base that includes NHS, pharmaceutical and other health industry organisations. In joining Jayex in the new venture, Shine can accelerate its growth by utilising the Jayex customer base in the UK.

Jayex and Shine have agreed to bring their respective GP data analytical and revenue optimisation businesses together through the joint venture arrangement to realise the immediate synergy benefits from their complimentary and merged data analytical software programs and to develop new IP to increase the automation of the analytical processes. All IP developed by the joint venture business utilising Jayex's existing technology will be owned by Jayex.

The joint venture will leverage the Jayex customer base and data integration capabilities along with Shine's healthcare data analytics intellectual property, to deliver services that are highly competitive and rapidly scalable. The joint venture will have sufficient operational capacity and financial standing to be able to credibly compete for and deliver large industry contracts (Annual Contract Value greater than A\$2 million). Typically, contracts are multi-month, range in size from A\$500,000-A\$2 million and are often repeated on an annual basis.

The joint venture will provide the Company:



- An opportunity to rapidly broaden the scope of the patient engagement journey currently supported via the core Jayex services;
- Entry into a large and growing market segment, estimated at approximately \$180 million in the short- to medium-term, with a low number of competitors;
- The opportunity to materially increase the scope and value of services provided to the existing Jayex customer base, as well as improving the ability to secure new primary care non-NHS customers.

The joint venture is structured with Shine issuing Jayex with ordinary shares so that Jayex is the holder 30% of the issued capital of Shine. The total consideration payable by Jayex, which is payable over nine milestones, for the Shine shares comprises cash of approximately A\$133,000 and approximately 24.3 million shares in Jayex. Both components of the consideration (i.e. the cash and shares in Jayex), are subject to the successful satisfaction of a number of performance milestones by the joint venture business (which is to be operated by Shine). Further details of the milestones are set out in Schedule 1. All milestones are required to be completed by 31 December 2023 (i.e. none of the milestones extend beyond 31 December 2023). Each milestone has both a minimum revenue target and gross margin target to ensure profitable contracts.

As part of the joint venture, Jayex has agreed to exclusively source its clinical services from Shine for Jayex's business and the joint venture business. Shine has agreed to exclusively source its technical services and support from Jayex for Shine's business and the joint venture business.

CEO, Rob Hadley, commented "Our partnership with Shine Clinical is the first significant step in our strategy to aggressively grow the value delivered through and derived from our very significant primary care customer base".

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

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About Jayex Technology Limited – www.jayex.com

Jayex Technology 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;



SCHEDULE 1 – MERGER CONSIDERATION AND MILESTONES^{1,2,3}

Milestone Event	Milestone Consideration
Date of execution of formal documents ⁴	Jayex share issue to Shine equal to £63,000
Shine achieves £111,000 revenue at minimum gross margin of 42% from new GP Practice QOF contracts. ⁵	Jayex pays Shine £11,655 cash and issues Shine Jayex shares equal to £11,655
Shine achieves £70,000 revenue at minimum gross margin of 42% from new GP practice group QOF contracts. ⁶	Jayex pays Shine £7350 cash and issues Shine Jayex shares equal to £7350.
Shine achieves £80,000 revenue at minimum gross margin of 42% from Primary Care training contracts. ⁷	Jayex pays Shine £8400 cash and issues Shine Jayex shares equal to £8400.
Shine achieves £35,000 revenue at minimum gross margin of 42% from industry customer no.1 service design contract. ⁸	Jayex pays Shine £3675 cash and issues Shine Jayex shares equal to £3675.
Shine achieves £15,000 revenue at minimum gross margin of 42% from industry customer no.1 pilot contract. ⁹	Jayex pays Shine £1575 cash and issues Shine Jayex shares equal to £1575.
Shine achieves £50,000 revenue at minimum gross margin of 42% from industry customer no.1 diabetes delivery contract. ¹⁰	Jayex pays Shine £5250 cash and issues Shine Jayex shares equal to £5250
Shine achieves £19,000 revenue at minimum gross margin of 42% from industry customer no.2 service design contract. ¹¹	Jayex pays Shine £1995 cash and issues Shine Jayex shares equal to £1995.
Shine achieves £20,000 revenue at minimum gross margin of 42% from industry customer no.2 pilot contract. ¹²	Jayex pays Shine £2100 cash and issues Shine Jayex shares equal to £2100
Shine's forward order book at completion, being 31 December 2023 (Completion Date) includes committed contract revenue of not less than £500,000.	Jayex pays Shine £34,000 cash and issues Shine Jayex shares equal to £34,000.

Notes

1. Achievement of each revenue based Milestone, and the relevant date, will be verified and certified by Jayex's auditor before Jayex shares are issued in satisfaction of each Milestone.



2. Jayex shares to be issued to Shine are ordinary voting shares.
3. If any or all of the revenue-based Milestones are not achieved by Completion Date, Shine shall still issue Jayex with shares equal to 30% of the issued ordinary voting shares in Shine on or before the Completion Date.
4. In the period:
 - a. from the date of signing of the Term Sheet to and including 30 June 2023, the price per Jayex share for all Jayex share issues will be A\$0.010; and
 - b. from 1 July 2023 to and including the Completion Date, the price per Jayex share for all Jayex share issues will be the sum equal to the average of the VWAP for Jayex shares over the preceding 5 ASX trading days prior to the relevant Milestone date (where VWAP is the volume weighted average price per share on a trading day).
5. On the date that the revenue recognised from Shine's contracts with new GP practice customers for QOF services during the calendar year 2023 and delivering a gross margin of no less than 42% reaches a value of £111,000, Shine will be issued with Jayex shares to the value of £11,655 and cash to the value of £11,655.
6. On the date that the revenue recognised from Shine's contracts with GP practice group customers for QOF services during the calendar year 2023 and delivering a gross margin of no less than 42% reaches a value of £70,000, Shine will be issued with Jayex shares to the value of £7350 and cash to the value of £7350.
7. On the date that the revenue recognised from Shine's contracts for Primary care training during the calendar year 2023 and delivering a gross margin of no less than 42% reaches a value of £80,000, Shine will be issued with Jayex shares to the value of £8400 and cash to the value of £8400.
8. On the date that the revenue recognised from Shine's contract with Industry customer 1 for the delivery of the Diabetes service design during the calendar year 2023 and delivering a gross margin of no less than 42% reaches a value of £35,000, Shine will be issued with Jayex shares to the value of £3675 and cash to the value of £3675.
9. On the date that the revenue recognised from Shine's contract with Industry customer 1 for the delivery of the Diabetes pilot during the calendar year 2023 and delivering a gross margin of no less than 42% reaches a value of £15,000, Shine will be issued with Jayex shares to the value of £1575 and cash to the value of £1575.
10. On the date that the revenue recognised from Shine's contract with Industry customer 1 for the delivery of the Diabetes service during the calendar year 2023 and delivering a gross margin of no less than 42% reaches a value of £50,000, Shine will be issued with Jayex shares to the value of £5250 and cash to the value of £5250.
11. On the date that the revenue recognised from Shine's contract with Industry customer 2 for the delivery of the service design during the calendar year 2023 and delivering a gross margin of no less than 42% reaches a value of £19,000, Shine will be issued with Jayex shares to the value of £1995 and cash to the value of £1995.
12. On the date that the revenue recognised from Shine's contract with Industry customer 2 for the delivery of the pilot during the calendar year 2023 and delivering a gross margin of no less than 42% reaches a value of £20,000, Shine will be issued with Jayex shares to the value of £2100 and cash to the value of £2100.