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ASX Release

QUARTERLY REVIEW FOR THE PERIOD ENDED 30 SEPTEMBER 2020 AND TRADING UPDATE

SUMMARY

- Cash receipts of $1.58 million for the quarter (2019 $2.35 million)
- Cash receipts for the 9 months $6.72 million (2019 $6.94 million)
- Operating cash outflow of $554k, net cash increase of $146k due to successful capital raise
- Completed $700k capital raise with funds to be used to pursue growth strategy – New products in RPM market and growth through acquisition
- Lodgement of medical cannabis cultivation licence in New Zealand
- Convertible Note approved reducing financing costs
- Non-Executive director appointed
- Binding term sheet signed with MyFiziq in early October to integrate the CompleteScan platform to Jayex Connect, adding to Jayex suite of products in the RPM market

Melbourne, Australia; 29 October 2020: 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 30 September 2020 (the **Quarter**).

COVID-19 continued to impact the global economy in the third quarter of 2020. In the UK, Jayex's largest market, the frontline COVID initiatives undertaken by the NHS had an impact on demand. As a result, cash receipts in the third quarter were $1.58M.

Despite a softer third quarter, cash receipts for the nine months year to date stand at $6.72 million, compared to $6.94 million at the same time last year, with a strong first half performance offsetting the impact felt in the third quarter.

Furthermore, during October the company experienced a strong improvement in trading during September, which has continued into October and the trend is expected to continue in Q4, reflecting the underlying demand for Jayex's products and reflecting the ability for healthcare organizations to now manage COVID-19 compared to earlier in the pandemic.

The company reported a net operating cash outflow of $554,000. This included a one-off payment of $300,000 for a medicinal cannabis licence as detailed below.

Whakaora Hou Pty Ltd

Jayex has worked with its wholly owned subsidiary Whakaora Hou Pty Ltd to enable it to lodge an application for a Medicinal Cannabis Licence under the New Zealand Misuse of Drugs (Medicinal Cannabis) Regulations 2019 during the Quarter. Jayex funded this application at a cost of $300,000 and WHL now has a completed and ready to use facility near Auckland.

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Capital Raise

During the quarter Jayex raised $700,000 in a placement with institutional and sophisticated investors which was finalised in September. This resulted in a net increase in cash of $146,000 for the Quarter.

The raise was strongly supported by new and existing shareholders and provides funding to enable Jayex to continue to pursue its two-pronged growth strategy of product expansion and growth through acquisition.

Pursuing growth strategy

Remote patient monitoring (RPM) is at the forefront of Jayex's product expansion strategy. As part of this strategy the Company is launching a new product, Jayex Fit to Work, powered by BodyTel for the remote monitoring and management of fever and flu-like symptoms. The license for the product is with Lifespot Health Ltd (ASX:LSH) and the launch will occur in November this year.

In early October, Jayex signed a binding term sheet with MyFiziq to integrate the CompleteScan platform into Jayex Connect. The CompleteScan platform enables patients to collect and submit personal data such as dimensions and other health information. The platform adds new functionality and innovative features to the Jayex Connect platform, enhancing the ability for GP's and healthcare providers to improve interactions with patients and improve efficiencies. This, along with their agreement with Lifespot, is an important step in Jayex's shift to RPM and the pursuit of this strategy.

Jayex is currently considering potential acquisition targets and will update the market in due course.

Convertible note

On 29 September, shareholders approved the issue of convertible notes to major shareholder Covenant Holdings (WA) Pty Ltd (Covenant) which is a company controlled by Jayex's Executive Chairman, Mr Michael Boyd. Covenant had advanced loans to the company for general working capital purposes and pursuant to the Convertible Note Deed, Jayex and Covenant agreed to convert the debt to Convertible Notes. Accordingly, the company has issued 3,000,000 Convertible Notes with a face value of $1.00 per Convertible Note. This has reduced the interest cost on funds used by the Company.

Non-exec director appointed

Jayex welcomed Mr Nick Harper to the board in September as Non-Executive Director. Nick's experience in software development has enhanced the leadership capability of the company. Nick has over thirty years' experience working in software development. During that time, he has worked in the public sector, investment banking and the aviation industry in a wide variety of roles and with varied responsibilities from batch valuation systems to real-time data processing and most recently product ownership. Based in the UK, Nick also has extensive experience of project management and software team building

Outlook

In a challenging and unprecedented economic environment, Jayex is well placed and funded to continue to further develop its growth strategy.

Payments to related parties of the entity and their associates during the quarter were $70,000 comprising of Director fees as outlined in the Appendix 4C.

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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

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Name of entity

JAYEX HEALTHCARE LIMITED

ABN	**Quarter ended ("current quarter")**
15 119 122 477	30 SEPTEMBER 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (9 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	**1,658**	**6,718**
1.2	Payments for		
	(a) research and development		
	(b) product manufacturing and operating costs	(330)	(1,439)
	(c) advertising and marketing	(14)	(82)
	(d) leased assets	(40)	(120)
	(e) staff costs	(555)	(1,929)
	(f) administration and corporate costs	(1,273)	(3,057)
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**	**(554)**	**(189)**

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		

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 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	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**	**700**	**1,363**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,309	437
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(554)	(189)
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)	700	1,363

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**1,455**	**1,611**

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	1,455	1,309
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)**	**1,455**	**1,309**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(70)
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

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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	4,738	4,738
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	4,738	4,738

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**
$2,000,000	Covenant Holdings (WA) Pty Ltd	8% per annum	30/06/2021	Unsecured
$1,000,000	Covenant Holdings (WA) Pty Ltd	12% per annum	30/06/2021	Unsecured
$155,000	Covenant Holdings (WA) Pty Ltd	Interest free	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)	(554)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	1,455
8.3	Unused finance facilities available at quarter end (Item 7.5)	0
8.4	Total available funding (Item 8.2 + Item 8.3)	1,455
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	n/a

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

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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 October 2020 .....

Authorised 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.

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