



ASX Release

QUARTERLY REVIEW FOR THE QUARTER ENDED 30 JUNE 2018 AND STRATEGIC UPDATE

- Cash receipts from customers of \$2.9m, up 28% on prior quarter
- Cash as at 30 June of \$1.35m, an increase of 40% on prior quarter
- Cost restructuring implemented in July 2017 delivers significant improvement to Company's financial performance for 1H FY18
- New wholly-owned subsidiary MC2U signs an agreement to commercialise in New Zealand JHL's P2U[®] and BluePoint[®] technology into a remote medical cannabis dispensing solution post 30 June

Melbourne, Australia: 25 July 2018: Jayex Healthcare Limited (ASX:JHL) (**Jayex** or **Company**), a medical technology and software licensing company, today released its Appendix 4C – Quarterly cash flow report for the quarter ended 30 June 2018 (the **Quarter**).

Financial Overview

Cash at 30 June 2018 was \$1.35m, a 40% increase on cash as at 31 March 2018 of \$962k. Total cash inflows of \$2.9m reflects cash received from customers, up 28% on the prior quarter. Net operating cash inflows were \$0.4m for the period.

Sales from Jayex Australia Pty Limited (comprising both Appointuit, Jayex check-in and Digital Media solutions) continued to track to budget. During the period, the Company received a number of hospital installation orders for its Enlighten patient workflow platform, however, delays by the ordering hospitals resulted in installation and invoicing being pushed into Q3 FY18.

Importantly, the impact of the Company's cost restructuring program delivered dramatically improved financial performance for 1H FY18. For the first half ended 30 June 2018, the Company made a loss of \$96k, a significant reduction on the prior corresponding period's loss of \$1.35m (1H FY17). The Company expects cost savings resulting from the restructure will be continue to be realised and reflected in the FY18 full year result.

Operational Update

Operationally, the Company continues to develop and deploy its e-health technologies of Appointuit (patient engagement), Enlighten (patient arrival registration system) and Patient Calling and Patient Information solutions across the UK and Australia, as well as commencing the development of the BluePoint[®] (remote pharmacy prescription processing and dispensing terminal) and P2U[®] (Pharmacy Delivery 2 U prescription delivery service) for application and deployment in the anticipated medical cannabis market in New Zealand.



Extending JHL's commercial application to the growing medical cannabis market

As announced on 10 July 2018, the Company's new wholly-owned subsidiary, Medical Cannabis 2 U (**MC2U**), signed a binding term sheet Licence Agreement with MediCann NZ[®] Limited (**MediCann**) to develop and commercialise the Company's P2U[®] and BluePoint[®] technologies so that MediCann can exclusively use them to distribute their prescription based medical cannabis products to patients in New Zealand (**MediCann Project**).

An objective of the agreement is to develop the Company's P2U[®] (Pharmacy Delivery 2 U) and BluePoint[®] remote pharmacy dispensing terminal technology into a convenient, 24/7 medical cannabis dispensing solution that improves patient and carer access to prescribed medical cannabis medication.

Subject to satisfactory completion or achievement of important conditions summarised below (Conditions), the agreement is expected to position the Company so that it may extend the commercial application of those technologies to the large and rapidly growing global medical cannabis market.

The Company's objective is to develop and prepare the modified P2U[®] and BluePoint[®] technologies so that they can be licensed and/or sold as a sale and distribution technology platform in countries or regions where prescription based access to medical cannabis, and remote medical cannabis dispensing, is permitted by law.

In that context, the objective is to enable patients with the ability to use P2U[®] to order their prescribed medical cannabis medication for collection at their chosen pharmacy or delivery to their home or office. The intention is for the P2U[®] solution to provide patients with greater access to their prescribed medical cannabis medication by removing barriers to accessibility, such as proximity to a green-pharmacist – a pharmacist specifically licensed to dispense medical cannabis – or a patient's ability to leave their home.

Similarly, the objective is for the modified BluePoint[®] remote pharmacy dispensing terminal to provide patients with remote access to prescribed medical cannabis medications and scheduled products. A key safety feature is BluePoint's proprietary fail-safe technology, which protects patients from the incorrect dispensing of medication. This feature has extensive patent protection in the USA and Asia. The intention is for the BluePoint[®] terminal to also enable a patient to have on-demand video access to a green-licensed pharmacist for consultation in respect to the remote dispensing of prescribed medical cannabis.

Under the agreement, the Conditions must be satisfied or achieved before the Company can develop the modified P2U[®] and BluePoint[®] technologies, and their potential launch in New Zealand. Assuming the Conditions are satisfied and achieved, the Company's objective is for successful application of those technologies in New Zealand to provide a basis for other similar opportunities to be pursued in other countries as their relevant laws permit the prescribed use and remote dispensing of medical cannabis.

As announced on 10 July 2018, the Conditions to be satisfied and achieved include:

- the Misuse of Drugs (Medical Cannabis) Amendment Bill 2017 (NZ) (**NZ Act**) coming into force;
- relevant regulations being made and approved by the New Zealand Parliament to give effect to the NZ Act in a manner consistent with the MediCann Project and that permits the activities contemplated by the MediCann Project;
- MediCann or a subsidiary of MediCann applying for and being granted each of the applicable licences required to conduct the MediCann Project; and



- the Company raising sufficient funds for, and MC2U successfully completing, the P2U[®] and BluePoint[®] technology development programs by 31 July 2019 or such later date as the parties agree.

Formal consulting agreement

As announced on 10 July 2018, the Company has today executed a formal consulting agreement with Mr Ross Smith incorporating the binding term sheet terms announced on that date.

Ends

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About Jayex Healthcare Limited – www.jayex.com

Jayex Healthcare is a leading provider, both in the United Kingdom and Australia, of integrated healthcare delivery platforms and consultancy, incorporating the Company's four interconnected technologies, being:

- 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 report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

JAYEX HEATHCARE LIMITED

ABN

15 119 122 477

Quarter ended ("current quarter")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	2,923	5,207
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(619)	(1,174)
(c) advertising and marketing	(42)	(73)
(d) leased assets	(65)	(184)
(e) staff costs	(832)	(1,794)
(f) administration and corporate costs	(544)	(1,430)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(77)	(87)
1.6 Taxes paid	-	-
1.7 GST/VAT payment	(381)	(381)
1.8 Other (provide details if material)	39	95
1.9 Net cash from / (used in) operating activities	402	179
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(d) intellectual property	-	-
(e) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	-	-
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) 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 shares	-	-
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options	-	-
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings		170
3.6 Repayment of borrowings (interest)	-	-
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	-	170

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	962	1,015
4.2 Net cash from / (used in) operating activities (item 1.9 above)	402	179
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)	-	170

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(19)	(19)
4.6	Cash and cash equivalents at end of quarter	1,345	1,345

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	1,345	962
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)	1,345	962

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

37

-

Premises lease payments for the quarter.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

-

-

Nil

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	3,055	3,055
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

Facility amount	Lender	Interest rate	Secured/unsecured
\$2,000,000	Covenant Holdings (WA) Pty Ltd	8% per annum	Unsecured
\$830,000	Covenant Holdings (WA) Pty Ltd	12% per annum	Unsecured
\$55,000	Covenant Holdings (WA) Pty Ltd	Interest free	Unsecured
\$170,000	Covenant Holdings (WA) Pty Ltd	12% per annum	Unsecured

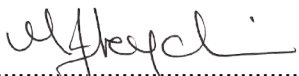
9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(512)
9.3 Advertising and marketing	(27)
9.4 Leased assets	-
9.5 Staff costs	(908)
9.6 Administration and corporate costs	(448)
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	(1,895)

* Please note that the above estimated cash outflows for the next quarter do not include inflows of receipts from customers. The cash outflows are estimates only and variable outflows are calculated on forecast revenue for the quarter. Variable outflows will change if actual revenue differs from forecast revenue.

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity	-	-
10.2 Place of incorporation or registration	-	-
10.3 Consideration for acquisition or disposal	-	-
10.4 Total net assets	-	-
10.5 Nature of business	-	-

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.

Sign here:  Date: 25 July 2018
(Company secretary)

Print name:MELANIE LEYDIN.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.