



ASX ANNOUNCEMENT

Quarterly Cashflow Report – June Quarter 2019

Sydney, Australia, 30 April 2019: Jaxsta Limited (**ASX:JXT**) (“**Jaxsta**” or “**the Company**”), a music technology company developing an online platform to hold official music data, today released its Quarterly Cashflow Report for the period ending 30 June 2019.

Operational Summary

- Major milestone met with launch of Jaxsta Beta (Jaxsta.com). The platform is positioned to be the world’s first database of official music credits, and the Company has ingested data from all three major labels now (Warner, Sony and Universal)
- Secured data access agreement with Merlin, the global digital rights agency for the world’s independent label sector, to license and authorise Jaxsta to use Merlin and its participating members* data worldwide (869 members in 63 countries)
- The Company now holds 30 licensing data agreements, covering approximately 90 per cent of the popular music industry¹
- Participation at major conferences and music award events to promote the launch of Jaxsta Beta, including New York Music Tech Meet Up and DDEX, as well as targeted engagement at Music Biz in Nashville, A2IM Indie Week and Libera Awards in New York, Association of Independent Music’s (AIM) conference AIM Connected in London, the APRA AMCOS Music Awards in Melbourne and Indie Con and the AIR Awards in South Australia
- Extensive media coverage in mainstream and trade publications on recent Jaxsta milestones, including the launch of Jaxsta Beta and Merlin agreement
- Enhanced marketing capabilities through new team hires
- Jaxsta Pro, the company’s B2B subscription-based service, remains on track for a market launch in the coming months

Financial Summary

- In May, Jaxsta completed a \$3.3 million placement to accelerate the launch of Jaxsta Pro and Jaxsta API, in line with its long-term business plan
- Cash balance at year end 30 June 2019 was \$2.5 million (up from \$1.7 million as at 31 March 2019)
- The balance of one time transactional costs of \$416,000, relating to the purchase & sales of businesses, re-listing, IPO, review audit and other pre-launch expenses was settled in the quarter

¹ As calculated by market share by distributors by number of streams.

- Funds were invested to support advertising and promotion of the Jaxsta Beta launch, including two new hires in a Digital Marketing Specialist and Customer Service Manager. Management of the marketing budget and commercial launch strategy will be further streamlined with the confirmed appointment of a Marketing Manager in July
- Funds will continue to be invested in System and Platform Development in the lead up to commercial product launch. New hires include Head of Original Content and Data Engineering Support
- On 13 June 2019, shareholders approved a reduction in the deferred consideration payment due from Marine Rescue Technology (“**MRT**”) to \$3 million (a discount of \$1.6 million) to bring forward the settlement in full by 28 June 2019. An extension was granted to 31 July 2019. Jaxsta advises that it has received confirmation that it will not receive the deferred payment of \$3,000,000 (plus VAT, if applicable) from the purchaser by 31 July 2019. As a result, the purchase price and payment terms applicable to the MRT Disposal will revert to the original payment terms with the total consideration for the MRT Disposal being \$6,000,000, with the purchaser required to pay \$623,813.13 by 28 December 2019 and \$4,000,000 by 28 December 2020. All values above are exclusive of VAT, if applicable. Refer to ASX announcement 29 July 2019.
- Jaxsta continues to explore various capital management initiatives and opportunities in the lead up to its commercial product launch, which includes government grant funding and a possible further alternative proposal from Secure2Go in respect of the MRT Disposal.

Jaxsta CEO and Co-founder Jacqui Louez Schoorl noted Jaxsta.com’s beta launch was a major milestone given the complexity and scale of the task to create the world’s first database of official music credits.

The platform currently holds more than 100 million credits for individual artists, songwriters, musicians, producers, engineers. There is currently no music equivalent to the film industry’s Amazon owned IMDb (international movie database), and the Company has delivered this key milestone within six months of listing on the ASX.

“The beta launch of Jaxsta.com is the first significant step towards realising our Company’s vision. This is a platform with the entire official music catalogues of all three major international record labels, Merlin plus APRA AMCOS and 25 other labels and recording groups – with more to be added,” said Ms Louez Schoorl.

“The response from industry players has been highly positive and we are pleased to report encouraging user engagement statistics on the platform at this early stage of our launch.”

She added that the platform will continue to ingest data from Merlin’s participating members in the coming months and reaffirmed Jaxsta Pro’s launch remained on track in the coming months.

“As we continue to ingest and de-duplicate data from Merlin, our focus is now on our B2B subscription-based service, Jaxsta Pro. As per our Prospectus - and as reaffirmed at our recent Extraordinary General Meeting - we will launch this product in the second half of 2019.”

Jaxsta thanks shareholders for their continued support and for investors who participated in the recent placement.

-ENDS-

ABOUT JAXSTA:

Jaxsta (ASX: JXT) is a music technology company developing an online platform to hold global official music data. Through direct industry partnerships, the company aims to credit the 'who, what, when and where' of music. The company's core platform, Jaxsta.com, is now live. Jaxsta Pro, the Company's B2B subscription-based service, will launch in the coming months

JAXSTA INVESTOR RELATIONS:

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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

Jaxsta Limited

ABN

15 106 513 580

Quarter ended ("current quarter")

30 June 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers	-	-	-
1.2 Payments for			
(a) research and development	(376)	(1,145)	
(b) product manufacturing and operating costs	-	-	
(c) advertising and marketing	(285)	(471)	
(d) leased assets	-	-	
(e) staff costs	(624)	(1,911)	
(f) administration and corporate costs	(445)	(1,102)	
1.3 Dividends received (see note 3)	-	-	
1.4 Interest received	2	3	
1.5 Interest and other costs of finance paid	-	(12)	
1.6 Income taxes paid	-	-	
1.7 Government grants and tax incentives	10	700	
1.8 Other (provide details if material)	(568)	(2,263)	
1.9 Net cash from / (used in) operating activities	(2,286)	(6,203)	
The Other category includes residual one time transactional costs in relation to the purchase & sales of businesses, re-listing, IPO, review audit and other pre-launch expenses.			

2. Cash flows from investing activities			
2.1 Payments to acquire:			
(a) property, plant and equipment	(25)	(33)	
(b) businesses (see item 10)	-	-	

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(c) investments	-	-
	(d) intellectual property	(4)	(58)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	5,182
	(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	(29)	5,092

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	3,305	4,472
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	(228)	(605)
3.5	Proceeds from borrowings	-	77
3.6	Repayment of borrowings	(19)	(427)
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	3,058	3,517

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	1,710	46
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,286)	(6,203)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(29)	5,092
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,035	3,517

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	2,453	2,453

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	2,433	1,690
5.2	Call deposits	20	20
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)	2,453	1,710

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
164
-

Payment include salaries, directors fees, minor expense payment and travel allowances.

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
-
-

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	27	27
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.		

During the quarter, Jaxsta entered into an agreement with the purchaser of Marine Rescue Technologies Limited to reduce the total consideration to \$4,376,186.87 (plus VAT, if applicable) to facilitate the possible acceleration of the deferred payment terms, with the purchaser agreeing to pay the outstanding \$3,000,000 (plus VAT, if applicable) by 28 June 2019 (receiving Jaxsta shareholder approval by EGM on 13 June 2019). Jaxsta agreed to a further extension of the repayment date to 31 July 2019 which was not met. As a result, the original payment terms revert to the original agreement, with the total consideration being \$6 million with repayment of the outstanding \$623,813.13 by 28 December 2019 and \$4,000,000 by 28 December 2020.

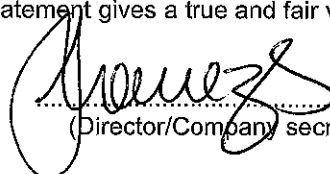
9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	(554)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(115)
9.4 Leased assets	-
9.5 Staff costs	(742)
9.6 Administration and corporate costs	(469)
9.7 Other (provide details if material)	(69)
9.8 Total estimated cash outflows	(1,949)

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:


(Director/Company secretary)

Date: 31 JULY 2019

Print name:

JACQUI LOVEZ SCHOORE

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.
4. Cash flows from investing activities 2.2 (b) year to date 12 months A\$,000 (\$5,182) was cash received on 28 December 2018 due to reverse acquisition of Mobilarm Ltd.