



19 August 2019

Reference: 05499

ASX Limited
Maria Clemente
Adviser, Listings Compliance (Sydney)
20 Bridge Street
Sydney NSW 2000

By email: maria.clemente@asx.com.au

Dear Maria

Jaxsta Limited (ASX: JXT): Appendix 4C Query

We refer to your letter of 15 August 2019 requesting further information in relation to Jaxsta Limited's (**Jaxsta or the Company**) Appendix 4C quarterly report for the period ended 30 June 2019 (**Appendix 4C**) lodged with the ASX Market Announcements Platform and released on 31 July 2019.

Responses to your request for Information

Please see below our responses to each question raised in your letter. We confirm that our responses are in a format suitable for release to the market under Listing Rule 18.7A.

1. Does JXT expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

Jaxsta expects to commence generating revenues from its B2B subscription-based service, Jaxsta Pro, which it currently anticipates will be launched by the end of 2019. Although the Company expects that it will continue to have negative cash flows in the short term, these will reduce with the revenues generated from product sales.

In addition to revenues from sales, Jaxsta expects to receive:

- a) between \$700,000 and \$800,000 as a grant under the government research and development tax incentive program in September 2019; and
- b) \$623,813.13 by 28 December 2019, being the first instalment of the deferred consideration from the sale of Marine Rescue Technologies Limited (**MRT**) (as outlined in the ASX announcement released on 29 July 2019).

Jaxsta continues to explore various capital management initiatives and opportunities in the lead up to the launch of Jaxsta Pro including pursuing ongoing negotiations to bring forward the payment of the deferred consideration in respect of the MRT sale (as foreshadowed in Jaxsta's ASX announcements released on 29 July 2019 and 31 July 2019 respectively).

2. Has JXT 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?

Jaxsta's Board and management are in discussions with various parties to secure additional cash flow funding. In addition to the matters noted in response to question 1 above, possible lines of cash flow funding being considered by the Company include undertaking a capital raise, establishing a line of credit secured against the future grant that the Company expects to receive under the government research and development tax incentive program for FY2020 or establishing a short term, unsecured line of credit.

3. *Does JXT expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*

Yes, the Company expects to be able to continue its operations and to meet its business objectives. This expectation is based on the information provide in response to questions 1 and 2 above.

4. *Please confirm that JXT is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.*

Jaxsta confirms that it is complying with Listing Rule 3.1 and that there is no information that should be given to the ASX about its financial condition under that rule that has not already been released to the market.

5. *Please confirm that JXT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JXT with delegated authority from the board to respond to ASX on disclosure matters.*

Jaxsta's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy.

The Company is not aware of any other information which may be relevant to ASX forming an opinion on whether Jaxsta is complying with Listing Rule 12.2. The Company is of the view however that its financial condition is adequate to warrant the continued quotation of its securities and its continued listing.

Yours sincerely,

Shelley Burger
General Counsel and Company Secretary
Jaxsta Limited



15 August 2019

Reference: 05499

Ms Shelley Burger
Company Secretary
Jaxsta Limited
Level 1, 113-115 Oxford Street
Darlinghurst NSW 2010

By email: shelly.burger@jaxsta.com

Dear Ms Burger

Jaxsta Limited ('JXT'): Appendix 4C Query

ASX refers to JXT's Appendix 4C quarterly report for the period ended 30 June 2019 lodged with the ASX Market Announcements Platform and released on 31 July 2019 (the 'Appendix 4C').
ASX notes that JXT has reported:

- negative net operating cash flows for the quarter of \$2,286,000;
- cash at the end of the quarter of \$2,453,000; and
- estimated cash outflows for the next quarter of \$1,949,000.

It is possible to conclude, based on the information in the Appendix 4C, that if JXT were to continue to expend cash at the rate indicated by the Appendix 4C, JXT may not have sufficient cash to continue funding its operations.

Request for Information

In view of that, ASX asks JXT to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Does JXT expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has JXT 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?
3. Does JXT expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that JXT is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under that rule that has not already been released to the market.
5. Please confirm that JXT's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JXT with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that JXT considers may be relevant to ASX forming an opinion on whether JXT is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEST Tuesday, 20 August 2019**.

If we do not have your response by then, ASX will have no choice but to consider suspending trading in JXT's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, JXT's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market. Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to JXT's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that JXT's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in JXT's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Maria Clemente
Adviser, Listings Compliance (Sydney)