

ASX ANNOUNCEMENT

Jaxsta executes combined commercial agreement and investment from Songtradr for an initial \$1.92M

Sydney, Australia, 10 September 2020: Jaxsta Limited ACN 106 513 580 (Jaxsta or the Company, ASX: JXT) the world's largest public-facing, dedicated database of official music credits, today announced a strategic five-year commercial agreement with Songtradr to provide a bespoke tech-enabled revenue identification and collection service for Jaxsta Pro users identifying missing performer income from sound recordings ("Neighbouring Rights"). Additionally, Songtradr has made an investment of AUD\$1.42 million via a convertible note. The partnership with Songtradr provides Jaxsta with a new revenue stream while also substantially increasing cash reserves to accelerate the product roadmap and revenue generating products including the planned transition to paid Jaxsta Pro subscription and the launch of Jaxsta Marketing Solutions.

Highlights:

- Exclusive five-year commercial agreement signed with Songtradr
 - Delivers an end-to-end integrated platform solution for Jaxsta Pro members to use Songtradr's Neighbouring Rights collection service powered by Jaxsta's global performer metadata
 - Incorporates an upfront license fee of \$500,000 paid by Songtradr to Jaxsta (the "License Fee")
 - Provides Jaxsta with 20% of net Neighbouring Rights revenues received by Songtradr from Jaxsta users adopting the service after recoupment of the License Fee
 - The convertible note investment of AUD\$1.42 million will provide additional working capital to support the commercialisation of the Jaxsta platform and product.
- Songtradr were motivated by the recent rapid increase of user adoption of the Jaxsta platform with over 60,000 members, representing 146% average month on month growth in members since April, and the partnership represents an initial upfront value of AUD\$1.92 million
- The worldwide Neighbouring Rights market is estimated to be worth a total of USD\$2.6 billion ¹

1

<https://www.musicweek.com/talent/read/the-neighbouring-rights-sector-looks-to-the-future/080469>



The commercial agreement is a five year exclusive arrangement with an option for Songtradr to renew on the same terms for a further five years.

Under the partnership, an API connection between Jaxsta and Songtradr will be created that enables Jaxsta Pro members who have claimed their profile to utilise Songtradr's platform and tools to initiate collection and ongoing management of this revenue stream. Songtradr will utilise Jaxsta's music credits metadata to assist in the identification of uncollected royalties resulting from the performance of certain sound recordings on broadcast and digital/online media.

Since the onset of COVID19, many musicians have been restricted from their regular income from live performance. This partnership will provide the ability for artists and musicians around the globe who have performed on sound recordings the ability to claim previously unidentified and/or unclaimed Neighbouring Rights revenue.

The partnership with Songtradr and the establishment of this new revenue stream for Jaxsta and its data partners further validates Jaxsta's tech-enabled mission of providing accurate credit for music creators and rights owners positioning Jaxsta as a valuable partner to the music industry.

Jacqui Louez Schoorl, CEO and Co-Founder, stated, *"We are thrilled to be partnering with the team at Songtradr. We believe this new revenue-generating product will also drive increased adoption of Jaxsta Pro subscriptions. This partnership with Songtradr highlights the significant opportunities that exist in solving the data-centric challenges faced by the music industry. The partnership allows Songtradr to provide an enhanced global product leveraging the use of official metadata only available through Jaxsta. This service provides an additional benefit that Jaxsta Pro members will be able to access as we continue to grow the capabilities of the platform."*

It's been an ambition of mine to work with Paul and his team at Songtradr since we first met at SxSW in Austin Texas in 2017. As fellow Australians, and founders of music tech companies, we share a global vision for a more connected and data enriched music industry."

Paul Wiltshire, Songtradr CEO and Founder added, *"Jaxsta has solved a significant piece of the music industry data dilemma and has built a scalable technology solution that integrates neatly into our music rights ecosystem and licensing marketplace. Many artists and musicians around the world have been impacted by loss of earnings from live performance and this partnership allows us to significantly increase our capacity to collect unidentified and unclaimed revenue during these unprecedented times."*

The convertible note will provide Jaxsta with AUD\$1.42 million of working capital with a conversion price of 3.5 cents per share (**Subscription Amount**). Songtradr may at any time convert the notes into fully paid ordinary shares in Jaxsta by providing Jaxsta with a conversion notice. If converted by Songtradr, this would result in the issue of 40,571,428 fully paid ordinary Jaxsta shares being issued for the Subscription Amount (**Conversion Shares**).



Jaxsta intends to use its existing placement capacity under Listing Rule 7.1 to issue the Convertible Note and the Conversion Shares to Songtradr.

The note has a term of up to 3 years and carries a coupon rate of 7.5% which will be accrued and paid at the end of the term or capitalised and converted at the time of conversion or repayment. The note is secured by a first ranking security over the assets of the Company and its subsidiaries. The Convertible Note will not be quoted or traded on ASX. The Convertible Note will be issued on receipt of cleared funds which are expected to be received by Jaxsta by 11 September 2020.

Further details of the terms of the Convertible Note will be set out in the Appendix 3B and the Convertible Note cleansing notice to be released on the ASX company announcements platform.

An investor update Zoom will be held at:

- Sydney, Australia (Tuesday 15 September 2020 at 10:30 am AEST)
- Los Angeles, CA (Monday 14 September 2020 at 5:30 pm PST)

To register please go to the link below at the time of the event:

[Jaxsta Investor Webinar](#)

For further information please contact:

Authorisation & Additional Information:
This announcement was authorised by the
Board of Directors of Jaxsta Limited

Jaxsta Investor Relations:
Stephanie Ottens
E: jaxstainvestors@jaxsta.com
P: +61 2 8097 1201

www.jaxsta.com

Level 1, 113-115 Oxford Street
Darlinghurst 2010 NSW Australia

-Ends-



ABOUT JAXSTA

Jaxsta is the world's largest public-facing and most connected music credits database and technology. Partnered with the industry's leading major and independent record companies, as well as publishers, distributors, royalty agencies and industry associations, Jaxsta is the go-to authoritative source of official music credits information. The Company's core platform, Jaxsta.com, is a free and paid subscription service and provides B2B data-solutions for the music and related media industries. Jaxsta Pro^{Beta}, the Company's subscription service, harnesses the power of Jaxsta's data to help music industry professionals connect, save time, and advance their businesses and careers.

ABOUT SONGTRADR

Songtradr is the largest B2B music licensing marketplace in the world providing music creators and rights owners with a complete tech-enabled solution for rights management and monetisation while providing B2B music users such as brands, advertisers, filmmakers, SVOD and broadcast networks, gaming, streaming and social media platforms with highly-efficient, AI guided access to music.

ABOUT NEIGHBOURING RIGHTS

Neighbouring Rights relate to the public performance or broadcast of sound recordings (also known as master recordings) which contain performances by artists and musicians. Revenues are collected from broadcasters (including digital broadcasters) by Collective Management Organisations ("CMO") which operate in most territories around the world. Revenues collected are shared between the sound recording owner, the featured artist and any performing contributors on the sound recording.