

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")

31 December 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	1,046	3,450
1.2	Payments for		
	(a) research and development	(183)	(241)
	(b) product manufacturing and operating costs	(155)	(461)
	(c) advertising and marketing	-	(1)
	(d) leased assets	-	-
	(e) staff costs	(436)	(782)
	(f) administration and corporate costs	(808)	(1,445)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	3
1.5	Interest and other costs of finance paid	-	(132)
1.6	Income taxes received/(paid)	83	83
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(450)	474

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)	(360)	(360)
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	(464)	(199)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(824)	(559)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	5,269	5,269
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	-	-
3.6	Repayment of borrowings	-	(329)
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	5,269	4,940

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	1,240	380
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(450)	474
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(824)	(559)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,269	4,940

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	-	-
4.6	Cash and cash equivalents at end of quarter	5,235	5,235

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	5,235	1,240
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)	5,235	1,240

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**

146

-

Payments were for salaries or director fees and travel expenses.

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**

-

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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	\$76	\$76
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.		

The Company has \$971,525 in convertible debt that expires on the completion of the merger of Jaxsta and Mobilarm. The debt carries an interest rate of 6.0%. The Company also increased the size of the facility by a further \$700,000 convertible at the Company's option at the price of \$0.007 per share. The Company has drawn \$700,000 of this facility. The note is convertible by the Noteholder upon giving the Company thirty days notice or by the Company providing the Noteholder thirty days notice, both at the price of \$0.007 per share. As part of the Jaxsta acquisition, the Noteholder has agreed to convert at \$0.0125 per share and was approved by shareholders on 17 August 2018. The conversion occurred on 16 November 2018.

The Company entered into a \$2,000,000 convertible note facility on the 30th of September 2016. The facility carries a 12% interest rate and is convertible at the lower of \$0.04 per share or the price of any future capital transaction during the term of the note. The Company has drawn \$1,920,000 of this facility. As part of the Jaxsta acquisition, the Noteholder has agreed to convert at \$0.0125 per share and was approved by shareholders on 17 August 2018. The conversion occurred on 16 November 2018.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development (Platform Development)	(564)
9.2 Product manufacturing and operating costs	-
9.3 Advertising and marketing	(178)
9.4 Leased assets	-
9.5 Staff costs	(746)
9.6 Administration and corporate costs	(219)
9.7 Other	(2,168)
9.8 Total estimated cash outflows	(3,875)

The Other category includes one time transactional costs in relation to the purchase & sales of businesses, re-listing, IPO, review audit and other pre-launch expenses. Costs associated with review audit are subject to possible claim by the company to seek reimbursement of costs.

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions \$A'000	Disposals \$A'000
10.1	Name of entity	Jaxsta Holdings Pty Ltd	Marine Rescue Technologies Ltd
10.2	Place of incorporation or registration	Australia	United Kingdom
10.3	Consideration for acquisition or disposal	\$21,398	\$6,000
10.4	Total net assets	\$1,844	\$4,266
10.5	Nature of business	Music metadata database	Man Overboard Safety Devices
<p>The consideration for Jaxsta Holdings was all paid in ordinary shares with the issue of 106,991,795 ordinary shares in Mobilarm Limited at a value of \$0.20.</p> <p>The consideration for Marine Rescue Technologies includes \$1,376,185 provided to date, \$623,815 due within one year of the listing from closing and a final deferred payment of \$4,000,000 due within two years of closing.</p>			

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: 
Company Secretary (on behalf of the Board)

Date: 31 January 2019

Print name: Naomi Dolmatoff

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.