Jaxsta Limited

Appendix 4D

31 December 2018

ASX RELEASE

APPENDIX 4D

FOR THE PERIOD ENDED 31 DECEMBER 2018

1. Company Details

Name of entity:	Jaxsta Limited (ASX: JXT)
ABN:	15 106 513 580
Reporting period:	For the half-year ended 31 December 2018
Previous period:	For the half-year ended 31 December 2017

2. Results for announcement to the market

During the reporting period, Mobilarm Limited (now renamed Jaxsta Limited) ('the legal parent' or 'Jaxsta') acquired Jaxsta Holdings Pty Ltd ('the legal subsidiary' or 'Jaxsta Holdings'). The acquisition has been accounted for as a share-based payment and the principles of reverse acquisition have been applied.

As a result of the acquisition, the comparative information represents the results for Jaxsta Holdings Pty Ltd only. The current period represents the results of the consolidated entity comprising Jaxsta and Jaxsta Holdings.

		31 Dec 2018	**31 Dec 2017 (previous corresponding period)**
	Movement	**A$'000**	**A$'000**
Revenue from ordinary activities	0%	0	0
loss from ordinary activities after tax attributable to members	down 1617%	(15,628)	(910)
		A$	**A$**
Net loss for the period attributable to members	down 1617%	(15,628)	(910)

Comments

The loss includes listing expenses of $14,227,525 (31 December 2017: $nil) of which $13,839,486 is a deemed non-cash, non-recurring component resulting from the application of reverse acquisition accounting pursuant to AASB 3 Business Combinations. This expense is effectively the difference between the net assets of Jaxsta Holdings Pty Ltd at 28 December 2018 and the value of the shares issued in Jaxsta Limited (formerly Mobilarm Limited) to the Jaxsta Holdings Pty Ltd shareholders.

Jaxsta Limited

Appendix 4D

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Additional disclosure can be found in the notes to the Interim Half Yearly Report and the Directors' Report for the half year period ended 31 December 2018. Information should be read in conjunction with Mobilarm Limited's 2018 Annual Report and the attached Interim Half Yearly Report.

Dividends

The board of Jaxsta has not proposed any dividends to be paid in respect of the six months ended 31 December 2018.

Jaxsta does not have a dividend reinvestment plan in place.

3. Net Tangible Assets

	31 December 2018 (Cents)	*31 December 2017 (cents)*
Net tangible assets per ordinary security	2.87	(8.95)

The net tangible assets per ordinary security is calculated based on 218,106,901 ordinary shares on issue as at 31 December 2018 and 27,260,978 ordinary shares that would have been in existence had the acquisition/group reorganisation occurred as at 31 December 2017.

4. Control gained over entities

On 28th December 2018 Mobilarm Limited (now renamed Jaxsta Limited) acquired Jaxsta Holdings Pty Ltd and Jaxsta Limited was officially readmitted to the official list of ASX on 28 December 2018. For accounting purposes, the acquisition has been accounted for as a share-based payment and the principles of reverse acquisition have been applied, as noted in section 2 above.

5. Audit qualification review

Details of audit/review dispute or qualification (if any):

The consolidated Interim Half Year Report was subject to a review by Walker Wayland Audit (WA) Pty Limited and the review report is attached as part of the Interim Half Year Report.

Jaxsta Limited

(Formerly known as Mobilarm Limited)

ABN 15 106 513 580

Interim Half Year Report – 31 December 2018

Contents

The directors present their report, together with the financial statements, of the consolidated entity (refer to hereafter as the 'consolidated entity' or 'Group') consisting of Jaxsta Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half year ended 31 December 2018.

Directors

The following persons were directors of Jaxsta Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Jorge Nigaglioni (Non-Executive)	
Jacqueline Louez Schoorl (Executive)	Appointed on 28th December 2018
Brett Cottle (Non-Executive Chairman)	Appointed on 28th December 2018
Lorna Inman (Non-Executive)	Appointed on 28th December 2018, Resigned on 25th February 2019
Linda Jenkinson (Non-Executive)	Appointed on 28th December 2018
Sir Tim McClement (Non-Executive)	Resigned on 28th December 2018
Robert Kenneth Gaunt (Executive)	Resigned on 28th December 2018

Principal Activities

The principal activities of the Group during the half year were creating an online platform to hold official music metadata to develop a repository of official music-related information, comprising liner notes and label copy.

There were no other significant changes in the nature of the activities of the Group during the half year.

Dividends

No dividends were paid or declared for the half year.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $15,628,398 (31 December 2017: $910,494)

The loss includes listing expenses of $14,227,525 (31 December 2017: $nil) of which $13,839,486 is a deemed non-cash, non-recurring expense resulting from the reverse acquisition accounting referred to below. This expense is effectively the difference between the net assets of Jaxsta Holdings Pty Ltd at 28 December 2018 and the value of the shares issued in Jaxsta Limited (formerly Mobilarm Limited) to the Jaxsta Holdings Pty Ltd shareholders.

Mobilarm Limited (now renamed Jaxsta Limited) has acquired 100% of Jaxsta Holdings Pty Ltd.

Jaxsta is a music technology company incorporated in Australia that has developed an online platform to hold official music metadata to develop a repository of official music-related information, comprising liner notes and label copy.

The Jaxsta Platform has progressed through beta testing in 2017 and is proposed for a 'soft launch' in the next few months. This Jaxsta Beta, which is the public music database, will also see the launch of Jaxsta's Jaxsta.com website. Jaxsta has entered into a number of commercial data access agreements and metadata and artwork agreements with relevant data owners to access and ingest their data into its Jaxsta Platform, creating an official source for much of this data.

The Jaxsta Platform is scheduled to launch as Jaxsta Beta in the first half of 2019, subject to the finalisation of outstanding contracts and the ingestion of further data into the Jaxsta Platform. The launch of the Beta will not occur until Jaxsta is satisfied that it will provide qualitative data coverage for its users.

Acquisition of Jaxsta Holdings Pty Ltd

On 28th December 2018, Mobilarm Limited ('Mobilarm') (now renamed Jaxsta Limited) acquired 100% of the share capital of Jaxsta Holdings Pty Ltd (Jaxsta Holdings). The acquisition resulted in Jaxsta's original shareholders holding a controlling share in Mobilarm.

The acquisition has been accounted for as a share-based payment and the principles of reverse acquisition have been applied. The consolidated results reflect the full half-year of Jaxsta Holdings Pty Limited and its controlled entities plus Mobilarm from 28th December 2018 to 31st December 2018. The comparative period results reflect Jaxsta Holdings Pty Limited and its controlled entities only.

Important points to note

- Employee Benefit Expense includes a non-cash component of $1,447 to record stock options expenses
- Listing Expenses include a non-cash component of $13,839,486 representing the deemed cost of the reverse acquisition
- Cash & Cash equivalents at 31 December 2018 of $5,234,821
- Pre-existing Goodwill of $4,025,904
- Receivables from the sale of Marine Rescue Technologies Ltd (MRT) by Mobilarm Limited of $4,623,813

For further commentary please refer to notes to the Interim Half Year Report commencing on page 10.

Significant changes in the state of affairs

On 28th December 2018 Mobilarm Limited (now renamed Jaxsta Limited) acquired Jaxsta Holding Pty Limited. Refer to 'Review of Operations' for further information on acquisition.

On 28 December 2018, the company successfully completed a capital raising of $5,269,000 before capital raising costs of $377,020 by issuing 26,345,000 ordinary shares at $0.20 per share, and was readmitted to the official list on the ASX.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 follows this Directors' report on page 5.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

DocuSigned by:
Jacqui Louez Schoorl
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Jacqueline Louez Schoorl
Chief Executive Officer
26 February 2019

Sydney, New South Wales

Walker Wayland Audit (WA) Pty Ltd

Associated with Walker Wayland (WA) Pty Ltd

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AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF JAXSTA LIMITED

We declare that, to the best of our knowledge and belief, during the half year period ended 31 December 2018 there have been:

(i) no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Walker Wayland Audit (WA) Pty Ltd

Walker Wayland Audit (WA) Pty Ltd

Wali Aziz

Consultant – Registered Company Auditor

Dated this 26th day of February 2019, Sydney

Jaxsta Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2018

	Note	31 December 2018 $	31 December 2017 $
Revenue from continuing operations			
Interest income		102	30
Other Revenue			
Research and development rebate		685,657	583,622
Total Revenue		**685,759**	**583,652**
Expenses			
Employee benefits expense		(956,238)	(854,059)
Marketing expenses		(71,736)	(43,846)
Occupancy and administrative expenses		(73,960)	(69,067)
Professional fees		(472,144)	(253,632)
Depreciation and amortisation expense		(32,873)	(43,966)
Finance costs		(9,642)	(2,268)
Other expenses		(470,039)	(227,279)
Listing expenses	4	(14,227,525)	-
Total Expenses		**(16,314,157)**	**(1,494,116)**
Loss before income tax		**(15,628,398)**	**(910,464)**
Income tax expense		-	-
Loss after income tax expense for the half - year attributable to the owners of Jaxsta Limited		**(15,628,398)**	**(910,464)**
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owner of Jaxsta Limited		**(15,628,398)**	**(910,464)**
Earnings per share			
Basic earnings per share (cents)	17	(0.03)	(0.03)
Diluted earnings per share (cents)	17	(0.03)	(0.03)

Refer to note 2 for explanation on comparatives.

The accompanying notes should be read in conjunction with these consolidated financial statements.

Jaxsta Limited
Consolidated Statement of Financial Position
As at 31 December 2018

	Note	31 December 2018 $	30 June 2018 $
CURRENT ASSETS			
Cash and cash equivalents	**5**	5,234,821	46,299
Trade and other receivables	**6**	710,744	752,131
Other assets	**7**	111,120	60,963
TOTAL CURRENT ASSETS		**6,056,685**	**859,393**
NON-CURRENT ASSETS			
Trade and other receivables	**8**	4,000,000	-
Plant and equipment	**9**	37,107	40,148
Intangible assets	**10**	4,361,877	4,389,459
TOTAL NON-CURRENT ASSETS		**8,398,984**	**4,429,607**
TOTAL ASSETS		**14,455,669**	**5,289,000**
CURRENT LIABILITIES			
Trade and other payables	**11**	2,918,988	791,586
Loans and borrowings	**12**	809,905	2,622,437
Provisions	**13**	99,554	-
TOTAL CURRENT LIABILITIES		**3,828,447**	**3,414,023**
TOTAL LIABILITIES		**3,828,447**	**3,414,023**
NET ASSETS		**10,627,222**	**1,874,977**
EQUITY			
Contributed equity	**14**	32,292,775	7,974,578
Accumulated losses		(21,727,999)	(6,099,601)
Reserves	**16**	62,446	-
TOTAL EQUITY		**10,627,222**	**1,874,977**

Refer to note 2 for explanation on comparatives.

The accompanying notes should be read in conjunction with these consolidated financial statements.

Jaxsta Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2018

	Contributed equity $	Reserves $	Accumulated losses $	Total equity $
As at 1 July 2017	**5,499,602**	**-**	**(2,816,072)**	**2,683,530**
Loss after income tax expense for the half-year	-	-	(910,464)	(910,464)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(910,464)	(910,464)
Transactions with owners in their capacity as owners				
Shares issued during the period	273,961	-	-	273,961
Balance at 31 December 2017	**5,773,563**	**-**	**(3,726,536)**	**2,047,027**
Refer to note 2 for explanation on comparatives				
As at 1 July 2018	**7,974,578**	-	**(6,099,601)**	**1,874,977**
Loss after income tax expense for the half-year			(15,628,398)	(15,628,398)
Other comprehensive income for the half-year, net of tax			-	-
Total comprehensive income for the half-year			**(15,628,398)**	**(15,628,398)**
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction cost (note 14)	24,318,197	-	-	24,318,197
Share-based payment (note 16)	-	62,446	-	62,446
Balance at 31 December 2018	**32,292,775**	**62,446**	**(21,727,999)**	**10,627,222**

The accompanying notes should be read in conjunction with these consolidated financial statements.

Jaxsta Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2018

	31 December 2018 $	31 December 2017 $
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from grants - research & development	685,657	598,716
Payments to suppliers and employees	(1,630,949)	(1,489,604)
Interest received	102	30
Interest costs	(9,642)	(2,268)
Net cash flows used in operating activities	**(954,832)**	**(893,126)**
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(3,044)	(7,800)
Payment for intangibles	(40,409)	-
Cash acquired from acquisition of subsidiary	5,182,372	-
Net cash flows used in investing activities	**5,138,918**	**(7,800)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	1,566,645	250,000
Share issue transaction costs	(388,039)	-
Proceeds from borrowings	71,572	545,593
Funds received in advance	-	100,000
Repayment of Receivables - related parties	(245,742)	-
Net cash flows provided by financing activities	**1,004,436**	**895,593**
Net increase/(decrease) in cash held	5,188,522	(5,333)
Cash at beginning of financial year	46,299	8,996
Cash at the end of the period	**5,234,821**	**3,663**

Refer to note 2 for explanation on comparatives.

The accompanying notes should be read in conjunction with these consolidated financial statements.

Note 1. General information

The financial statements cover Jaxsta Limited ('company' or 'parent') as a consolidated entity consisting of Jaxsta Limited and the entities it controlled at the end of, or during, the half-year ('consolidated entity'). The financial statements are presented in Australian dollars, which is Jaxsta Limited's presentation currency. The functional currency of Jaxsta Holdings Pty Ltd is Australian dollars and Jaxsta Limited is Australian dollars.

Jaxsta Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 1/ 113-115 Oxford Street Darlinghurst NSW 2010 Australia	Level 1/ 113-115 Oxford Street Darlinghurst NSW 2010 Australia

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 26 February 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

New, revised or amending Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 December 2018 reporting period. The Directors' assessment of the impact of these new standards and interpretations is that they will result in no material changes to the amounts recognised in the financial statements, but may impact the type of information disclosed in the financial statements.

Going concern basis of accounting

The consolidated entity incurred a loss after tax and before listing costs of $1,400,873 and has a net cash outflow from operations of $954,832 for the period ended 31 December 2018 and had net current assets of $2,228,238 and net tangible assets of $6,265,345 as at that date. As at the date of this report the group had cash assets of $2,184,000. Included within current and non current trade and other receivables is the amounts owing from the sale of the MRT business of $623,813 (Note 6) and $4,000,000 (Note 8) respectively.

Management have prepared cash flow forecasts for the group for the period ending 28 February 2020 which assumes the following:

a) The completion of the Jaxsta Beta Metadata platform resulting in the subsequent commercialisation, accordingly cash receipts from revenues from platform use have been forecast

b) The receipt of a R&D tax concession for the financial year ending 30 June 2019

c) The partial receipt of the MRT sale consideration receivables

The ability of the Group to continue as a going concern is dependent on the achievement of the above assumptions. Management and the Board believe the above will eventuate in the short term and accordingly the financial report has been prepared on a going concern basis.

The Directors believe that the internal and external information available to the board and management in relation to the above assumptions, indicate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

Basis of preparation

Acquisition accounting and comparative information

On 28th December 2018, Jaxsta Limited ('the legal parent') acquired Jaxsta Holdings Pty Ltd ('the legal subsidiary). For accounting purposes, the acquisition has been accounted for as a share-based payment and the principles of reverse acquisition have been applied.

As a result of the acquisition, the comparative information represents Jaxsta Holdings Pty Ltd and its controlled entities only. The current period represents the consolidated entity comprising Jaxsta Holdings Pty Ltd for the entire six month period and Jaxsta Limited from 28th December 2018 to 31st December 2018. Therefore the comparatives will not compare to the consolidated financial results of Jaxsta Ltd published in prior financial reporting periods. Refer to 'Business Combination' accounting policy for further explanation of the accounting for this transaction.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jaxsta Limited as at 31 December 2018 and the results of all subsidiaries for the half-year then ended. Jaxsta Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The acquisition of Jaxsta Holdings by Jaxsta has been accounted as a share-based payment in accordance with AASB 2 'Share- based Payments' and the consolidated financial statements represent a continuation of the financial statements of Jaxsta Holdings. The comparative information is related to Jaxsta Holdings Pty Ltd and its controlled entities operations and not those of Jaxsta Limited. As a result, the comparatives will not compare to the consolidated financial results of Jaxsta Limited (formerly Mobilarm Limited) published in prior financial reporting periods. Refer to 'Business Combination' accounting policy for further explanation of the accounting for this transaction.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

Revenue was measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration was deferred, it was treated as the provision of financing and was discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received was interest revenue.

Services

Revenue from rendering of services was recognised in proportion to the stage of completion of the work performed at the reporting date.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Research & Development rebate

Research & development rebate is recognised when it is received.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established being when the contract performance obligations are satisfied.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Computer Equipment	2 to 3 years
Leasehold improvements	5 to 10 years
Office Equipment	5 to 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangibles

Goodwill

Goodwill is calculated as the excess of the sum of:

a) the consideration transferred;
b) any non-controlling interest; and
c) the acquisition date fair value of any previously held equity interest;
d) over the acquisition date fair value of ne identifiable assets acquired in a business combination.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segments. Gains and losses on the disposal of an equity interest include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the reporting period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Acquisition of Jaxsta Holdings Pty Ltd

During the financial half-year, Jaxsta Holdings Pty Ltd's original shareholders obtained a controlling interest in Jaxsta Limited after the acquisition transaction. This transaction did not meet the definition of a business combination per AASB 3 'Business Combinations'. The transaction has therefore been accounted for in the consolidated financial statements in accordance with AASB 2 'Share-based Payments' and as a continuation of the financial statements of Jaxsta Holdings Pty Ltd, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of Jaxsta Limited. The deemed issue of shares is, in effect, a share- based payment transaction whereby Jaxsta Holdings Pty Ltd is deemed to have received the net assets of Jaxsta Limited, together with the listing status of Jaxsta Limited. The overall accounting effect is very similar to that of a reverse acquisition in AASB 3.

Because the consolidated financial statements represent a continuation of the financial statements of Jaxsta Holdings Pty Ltd, the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in AASB 3 have been applied:

- fair value adjustments arising at acquisition were made to Mobilarm Limited's (now renamed Jaxsta Limited) assets and liabilities, not those of Jaxsta Holdings Pty Ltd;

- the cost of the acquisition, and amount recognised as issued capital to affect the transaction, is based on the notional amount of shares that Jaxsta Holdings Pty Ltd would have needed to issue to acquire the same shareholding percentage in Mobilarm Limited (now renamed Jaxsta Limited) at the acquisition date and the value of the existing Mobilarm Limited's options at the date of the acquisition;
- retained earnings and other equity balances in the consolidated financial statements at acquisition date are those of Jaxsta Holdings Pty Ltd;
- a shared-based payment transaction arises whereby Jaxsta Holdings Pty Ltd is deemed to have issued shares in exchange for the net assets of Mobilarm Limited's (now renamed Jaxsta Limited) (together with its listing status). The listing status does not qualify for recognition as an intangible asset and has therefore been expensed in the profit or loss as a share based payment listing expense;
- the equity structure in the consolidated financial statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of Mobilarm Limited's (now renamed Jaxsta Limited) , including the equity instruments issued by Mobilarm Limited's (now renamed Jaxsta Limited) effect the acquisition;
- the results for the half-year ended 31st December 2018 comprise the consolidated results for the half-year of Jaxsta Holdings Pty Ltd together with the results of Mobilarm Limited's (now renamed Jaxsta Limited) from 28th December 2018 to 31 December 2018; and
- The comparative results represent the results of Jaxsta Holdings Pty Ltd and its controlled entities only.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Jaxsta Holdings Pty Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial half-year, adjusted for bonus elements or share splits in ordinary shares issued during the financial half-year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2018. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Adoption of new Accounting Standards

The following new accounting standards which apply from 1 July 2018 have been adopted.

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers

The application of these standards has no impact on the financial report.

The following new accounting standards which apply from 1 July 2019 have not been adopted.

- AASB 16 Leases - The application of this standard has no impact on the financial report.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The key estimate used in the valuation is the expected stock price volatility. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Income tax

The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Goodwill

Goodwill arises as a result of a business combination and represents the excess of the fair value of the consideration over the fair value of the net assets acquired, which involved judgement. The Group tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate the goodwill may be impaired. The key judgements are the expected timing and growth rates in forecast revenue and the weighted average cost of capital (14.9% has been used) that are applied. The recoverable amount of each Cash Generating Unit (CGU) is determined based on fair value less costs to sell.

Note 4. Expenses

	Consolidated	
	31 Dec 2018	31 Dec 2017
	$	$
Loss before income tax includes the following specific expenses:		
Listing expenses include the followings:		
Share based payment listing expense	13,839,486	-
Legal and professional expenses	388,039	-
Total listing expenses	**14,227,525**	**-**

Note 5. Current assets - cash and cash equivalents

	Consolidated	
	31 Dec 2018	30 Jun 2018
	$	$
Cash at bank and on hand	5,234,821	46,299
	5,234,821	**46,299**

Note 6. Current assets - trade and other receivables

		Consolidated	
		31 Dec 2018	30 Jun 2018
		$	$
GST receivable		86,931	-
Other receivables	(i)	623,813	2,131
Advances to	(ii)	-	750,000
		710,744	**752,131**

(i) Other receivables is deferred consideration in relation to the sale of the MRT business which is due from Secure2go Pty Limited within 12 months.

(ii) Excess cash resources were advanced to the holders of the convertible note (Mobilarm Limited) in accordance with the agreement.

Note 7. Current assets - other assets

	Consolidated	
	31 Dec 2018	30 Jun 2018
	$	$
Prepayments	111,120	34,563
Other receivables	-	26,400
Total	**111,120**	**60,963**

Note 8. Non current assets - trade and other receivables

	Consolidated	
	31 Dec 2018	30 Jun 2018
	$	$
Other receivables	4,000,000	-
	4,000,000	**-**

Other receivables is deferred consideration in relation to the sale of the MRT business which is due from Secure2go Pty Limited within two years.

Note 9. Non-current assets - property, plant and equipment

	Consolidated	
	31 Dec 2018	30 Jun 2018
	$	$
Office Equipment - at cost	37,171	37,171
Accumulated amortisation	(13,291)	(10,983)
	23,880	**26,188**
Leasehold Improvements - at cost	312,163	312,163
Less: Accumulated depreciation	(312,163)	(312,163)
	-	-
Computer Equipment - at cost	110,137	107,092
Accumulated amortisation	(96,910)	(93,133)
	13,227	**13,959**
Total property, plant and equipment	**37,107**	**40,148**

Note 10. Intangible assets

	Platform Development Costs	Formation Costs	Trademark	Goodwill	Total
Balance at 31 December 2018	**$**	**$**	**$**	**$**	**$**
Cost	160,902	92,035	175,071	4,025,904	4,453,912
Accumulated Amortisation	-	(92,035)	-	-	(92,035)
Net Carrying Amount	160,902	-	**175,071**	**4,025,904**	**4,361,877**
Balance at 30 June 2018	**$**	**$**	**$**	**$**	**$**
Cost	153,508	133,239	142,056	4,025,904	4,454,707
Accumulated Amortisation	-	(65,248)	-	-	(65,248)
Net Carrying Amount	**153,508**	**67,991**	**142,056**	**4,025,904**	**4,389,459**

Trademarks are assesessed to have an indefinite life and will not be amortised. Platform Development Cost are not amortised because the platform is still under development.

Note 11. Current liabilities - trade and other payables

		Consolidated	
		31 Dec 2018	30 Jun 2018
		$	$
Trade creditors		2,138,527	418,201
Other creditors and accruals		669,555	373,385
Amount payable to related party	(i)	110,906	-
Total		**2,918,988**	**791,586**

Amount payable to related party represents interest payable on convertible notes and was paid in January 2019.

Note 12. Current liabilities - loan and borrowings

		Consolidated	
		31 Dec 2018	30 Jun 2018
		$	$
Convertible notes	(i)	-	1,500,000
Insurance funding		71,571	-
Loan from related	(ii)	738,334	822,437
Founder loan	(iii)	-	300,000
Total		**809,905**	**2,622,437**

(i) The convertible note at 30 June 2018 was owing to Mobilarm Limited and was extinguished on the acquisition of Jasxta Holdings Pty Limited by Mobilarm Limited.

(ii) The Company entered into a loan arrangement facility at no interest with New Holland Pty Limited for $272,680 which was repaid in January 2019. $465,654 loan with Marine Rescue Technologies Ltd was repaid in January 2019

(iii) One of the founding directors entered into a loan agreement with an interest rate of 0%. The loan was repaid prior to 31 December 2018.

Note 13. Current liabilities - provisions

	Consolidated	
	31 Dec 2018	30 Jun 2018
	$	$
Employee benefits - annual leave	99,554	-
	99,554	-

Note 14. Equity - contributed equity

The share capital dollar value represents the continuation of Jaxsta Holdings Pty Ltd. The number of shares on issue reflect those of Jaxsta Limited. Refer to note 2 "Business combinations' for further details of the accounting principles applied.

	31 December 2018	30 June 2018	31 December 2018	30 June 2018
	Shares	**Shares**	**$**	**$**
Ordinary shares - Fully paid	218,106,901	493,119,559	32,292,775	7,974,578
	218,106,901	**493,119,559**	**32,292,775**	**7,974,578**

	Date	Issue Price	No. of shares	31 Dec 2018 $
Balance	1 July 2018		493,119,559	7,974,578
Share consolidation 1 for 10	17 August 2018		(448,307,453)	-
Conversion of performance share	28 December 2018	0.00	5,000,000	-
Performance shares	28 December 2018	0.00	550,000	-
Conversion of loan	28 December 2018	0.13	32,000,000	4,000,000
Shares issued on capital raising	28 December 2018	0.20	109,399,795	21,879,959
Shares issued on capital raising	28 December 2018	0.20	26,345,000	5,269,000
Notional reverse acquisition	28 December 2018		-	(6,453,742)
Shares issue transaction costs, net of			-	(377,020)
Balance	**31 December 2018**		**218,106,901**	**32,292,775**

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

Note 15. Equity - dividends
There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 16. Equity - reserves

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Equity - settled employee benefits reserve	62,446	-
Balance at the beginning of the year	-	-
CEO share options expense	1,446	-
Lead Manager options expense	61,000	
Credit adjustment for options forfeited during the year	-	-
Vested options expensed in prior periods which expired	-	-
Balance at the end of the year	**62,446**	**-**

The following share-based payment arrangements existed at 31 December 2018

CEO Options

Number of Options	Exercise Price ($)	Granted Date	Status	Vested Date	Expiry Date	Conditions	Note
20,000,000	0.20	16-Nov-18	Granted	vest in tranches of 500,000 options for each $0.10 increase in the company's share price	16-Nov-23	Yes	1 & 2
20,000,000	Total CEO Options						

Lead Manager (share issue)

Number of Options	Exercise Price ($)	Granted Date	Status	Vested Date	Expiry Date	Conditions	Note
333,333	0.30	16-Nov-18	Granted	one third of the Options will vest when the Share price hits $0.30 for a period of 5 consecutive trading days;	16-Nov-23	Yes	3
333,333	0.30	16-Nov-18	Granted	one third of the Options will vest when the Share price hits $0.40 for a period of 5 consecutive trading days; and	16-Nov-23	Yes	3
333,333	0.30	16-Nov-18	Granted	the final third of the Options will vest when the Share price his $0.50 for a period of 5 consecutive trading days.	16-Nov-23	Yes	3
1,000,000	Total Lead Manger Options						

Notes:
1. Issued under the terms of Incentive Option Plan (Jaxsta).
2. Vesting basis to remain employed by Jaxsta at vesting date (ranging from 0 to 1,825 days)
3. Issued pursuant to the 2018 rights issued document dated 28 December 2018

All options granted are in respect of ordinary shares in Jaxsta Limited and confer a right of one ordinary share for each option held.
Movement in the number of share options on issue

	2018	
	Number of Options	**Weighted Average Exercise Price ($)**
Total options		
Outstanding at the beginning of the yea	-	-
Granted	21,000,000	$0.205
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding at year end	21,000,000	$0.205
Exercisable at year end	21,000,000	$0.205

Options Reserve

The fair value of issued CEO share options is calculated to be $0.033 per option totalling $660,000 (2017: $NIL). The number of options granted during the year pursuant to the Incentive Option Plan (Jaxsta) was 20,000,000 (2017: (NIL), while no employee share options either expired or were forfeited during the financial year (2017: NIL).
Included under employees and contractor costs in the statement of profit and loss and other comprehensive income is a share-based payments expense of $1,446 (2017: NIL), representing the expense for the current reporting period.
The fair value of issued Lead Manager share options is calculated to be $0.061 per option totalling $61,000 (2017: $NIL). The number of options granted during the year pursuant to the ESOP was 1,000,000 (2017: (NIL)
The value of share options issued during the financial year has been calculated by using a modified binomial option pricing model applying the following inputs:

	CEO Options	**Lead Manager Options**
Exercise prices	$0.20	$0.30
Underlying share prices	$0.20	$0.20
Days to expiration	1,825	1,825
Days to vesting	0 to 1,825	0 to 1,825
Expected share price volatility	50%	50%
Risk free interest rate	2.02%	2.02%

For options issued near the beginning of the financial year, a historical volatility of the shares for a company listed on the ASX which operates in the same industry group as Jaxsta Limited (Jaxsta) was used as a basis for determining expected share price volatility for Jaxta. The Directors believed this to be fair representation of Jaxsta volatility in the absence of volatility data for Jaxsta at the time (Jaxta listed on the ASX on 28 December 2018). For options that were issued near the end of the financial year, the volatility of Jaxsta's share price since the date of listing on the Jaxsta was used as a basis for determining expected Historical volatility is assumed to be indicative of future volatility however future volatility may not replicate historical volatility.
The life of the options is based on the contracted expiry date.

Note 17. Earnings per share

	Consolidated	
	31 Dec 2018 $	31 Dec 2017 $
Loss after income tax attributable to the owners of Jaxsta Limited	(15,628,398)	(910,464)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	490,859,181	27,260,978
Weighted average number of ordinary shares used in calculating diluted earnings per share	490,859,181	27,260,978
	Cents	Cents
Basic earnings per share	(0.03)	(0.03)
Diluted earnings per share	(0.03)	(0.03)

The weighted average number of ordinary shares for the comparative period has been adjusted to give effect to capital reorganisation which occurred on financial half-year.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company and consolidated entity will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

DocuSigned by:
Jacqui Louez Schoorl
B3338E888CA644C...

Jacqueline Louez Schoorl
Executive Director

26 February 2019

Sydney, New South Wales

Walker Wayland Audit (WA) Pty Ltd

Associated with Walker Wayland (WA) Pty Ltd

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Independent Auditors Review Report

To the members of Jaxsta Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Jaxsta Limited and its Controlled Entities which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the Company and the entity it controlled at the half-year end or from time to time during the financial period.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entities financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jaxsta Limited ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jaxsta Limited and its controlled entities is not in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of Jaxsta Limited's consolidated financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

ii. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*

Walker Wayland Audit (WA) Pty Ltd

Walker Wayland Audit (WA) Pty Ltd

Wali Aziz
Consultant – Registered Company Auditor

Dated this 26th day of February 2019, Sydney

Jaxsta Limited

Corporate Directory

31 December 2018

DIRECTORS

Brett Cottle	Chairman
Jacqueline Louez Schoorl	Executive Director
Linda Jenkinson	Non-Executive Director
Jorge Nigaglioni	Non-Executive Director

COMPANY SECRETARY

Naomi Dolmatoff	Company Secretary

KEY EXECUTIVES

Jacqueline Louez Schoorl	Chief Executive Officer
Renee Bryant	Chief Financial Operations Officer
Philip Morgan	Chief Information Officer

REGISTERED OFFICE

Level 1/ 113-115 Oxford Street

Darlinghurst NSW 2010

PRINCIPLE PLACE OF BUSINESS

Level 1/ 113-115 Oxford Street

Darlinghurst NSW 2010

CONTACT DETAILS

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Email: jaxstainvestors@jaxsta.com

SHARE REGISTRY

Security Transfer Australia

770 Canning Highway

Applecross WA 6153

AUDITORS

Walker Wayland Audit (WA) Pty Limited

Level 3, 1 Preston Street,

Como WA 6152

Jaxsta Limited ordinary shares are listed on the Australian Stock Exchange (ASX) under the ticker JXT.