



## **Quarterly Cashflow Report**

**Sydney, Australia, 26th April 2019:** Jaxsta (ASX:JXT) (“Jaxsta” or “the Company”) today released its Quarterly Cashflow Report for the period ending 31 March 2019.

### **Operational Summary**

- During the March 2019 quarter, Jaxsta signed commercial data access agreements with two major international music record companies, Universal Music Group and Warner Music Group
- As at 31 March 2019, the Company held 28 licensing data agreements, reaching critical mass covering approximately 80 per cent of the popular music industry<sup>1</sup>
- Participation at major conferences and music award events, including NY:LON Connect, Rights Tech Conference, AIM Connect, Producers and Engineer Wing GRAMMY Week event, the 61<sup>st</sup> Grammy Awards and SXSW Conference, to promote the upcoming soft launch of Jaxsta Beta
- Presented at the APRA AMCOS Board and Executive conference to educate key executives and directors on Jaxsta to secure ongoing collaboration opportunities with APRA
- Expanded the Australian team, including a Technical Project Manager and a Data Support Engineer, to support upcoming soft launch of Jaxsta Beta
- Company remains on track for a soft launch of Jaxsta Beta in the first half of CY19

### **Basis of preparation of Cashflow Report**

The 100% acquisition by the Company (formerly Mobilarm Limited) of Jaxsta Holdings Pty Ltd (“Jaxsta Holdings”) on 28 December 2018 constituted a ‘reverse acquisition’ in accordance with Australian Accounting Standards Board (AASB 3) Business Combinations. In accordance with the accounting standard the cash flows for the nine months ended 31 March 2019 include the cash flows of Jaxsta Holdings for the period 1 July 2018 to 28 December 2018 and the cash flows of Jaxsta Limited (which includes Jaxsta Holdings) for the period from 29 December 2018 to 31 March 2019.

### **Financial Summary**

- Cash on hand at the end of the quarter to 31 March 2019 was \$1.704 million (down from \$5.235 million at 1 January 2019).
- One time transactional costs of \$2.094 million, relating to the purchase & sales of businesses, re-listing, IPO, review audit and other pre-launch expenses were incurred

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<sup>1</sup> As calculated by market share by distributors by number of streams.

during the nine months to 31 March 2019. Of these costs, \$1.563 million was paid in this quarter, with the balance of \$531,000 due to be paid in the fourth quarter of 2019. The balance of funds used during the quarter, were predominantly for technical staff and platform development costs (including data partner fees) in the lead up to soft launch of Jaxsta Beta.

- Jaxsta plans to fund its short to medium term activities from a combination of potential capital management initiatives as well as accelerated deferred consideration from the sale of the Marine Rescue Technologies Limited (MRT) (subject to shareholder approval). Refer to ASX Announcement dated 26th April 2019 for further information.
- Funds will continue to be used on System and Platform Development in the lead up to soft launch for Jaxsta Beta.
- Funds will also be used on advertising, marketing and promotion in the lead up to a commercial product launch.
- Jaxsta will continue to keep the market informed as to any updates in-line with its continuous disclosure obligations.



Jaxsta CEO and Co-founder Jacqui Louez Schoorl noted the significant progress made over the last three months, having signed key commercial data agreements with major music labels.

“The March quarter was highly productive given we signed two of the world’s largest record labels as official data partners. The agreements with Universal Music Group (UMG) and Warner Music Inc (WMG) not only enable us to use their official data on the platform worldwide, but also means Jaxsta has reached critical mass coverage of the music industry, allowing us to focus on the soft launch of Jaxsta Beta.”

“Jaxsta remains on track for the platform’s beta launch in the coming months. In the meantime, we continue to showcase and hold demonstrations of Jaxsta to key industry groups and players. In the month ahead, we will also build on these industry engagement strategies by accelerating marketing and media activities.”

“We thank investors and shareholders for their continued support and are pleased to report the important milestones the Company has made this quarter,” said Ms Louez Schoorl.

**-ENDS-**

### **Company contact details**

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 expected to launch in 2019.

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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")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(404)	(769)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	(124)	(186)
(d) leased assets	-	-
(e) staff costs	(562)	(1,287)
(f) administration and corporate costs	(389)	(657)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(2)	(12)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	4	690
1.8 Other (provide details if material)	(1,563)	(1,773)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(\$3,039)</b>	<b>(\$3,993)</b>
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.		

## Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(8)	(11)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	(14)	(54)
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(22)</b>	<b>5,117</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	1,567
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	36	(352)
3.5	Proceeds from borrowings	-	71
3.6	Repayment of borrowings	(500)	(746)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(464)</b>	<b>540</b>

## Quarterly report for entities subject to Listing Rule 4.7B

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	5,235	46
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,039)	(3,993)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	5,117
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(464)	540
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>(1,710)</b>	<b>(1,710)</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	1,690	5,234
5.2	Call deposits	20	
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,710</b>	<b>5,234</b>

**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

156

-

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

**7. Payments to related entities of the entity and their associates****Current quarter  
\$A'000**

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

**8. Financing facilities available***Add notes as necessary for an understanding of the position***Total facility amount  
at quarter end  
\$A'000****Amount drawn at  
quarter end  
\$A'000**

8.1 Loan facilities

46

46

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.

After the end of the quarter, Jaxsta entered into an agreement with the purchaser of Marine Rescue Technologies Limited to reduce the total consideration payable to \$4,376,186.87 (plus VAT, if applicable) and to accelerate the deferred payment terms, with the purchaser agreeing to pay the outstanding \$3,000,000 (plus VAT, if applicable) by 28 June 2019 (subject to Jaxsta shareholder approval). See ASX Announcement dated 26<sup>th</sup> April 2019 for further details.

**9. Estimated cash outflows for next quarter****\$A'000**

9.1 Research and development

(339)

9.2 Product manufacturing and operating costs

-

9.3 Advertising and marketing

(138)

9.4 Leased assets

-

9.5 Staff costs

(721)

9.6 Administration and corporate costs

(382)

9.7 Other (provide details if material)

(531)

**9.8 Total estimated cash outflows****(2,111)**

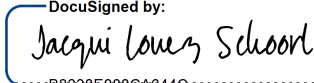
The Other category includes outstanding one time transaction costs in relation to the purchase & sales of businesses, re-listing, IPO and review audit which are expected to be paid during quarter 4.

## Quarterly report for entities subject to Listing Rule 4.7B

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:  B9938E688CA644C..... Date: 4/26/2019  
(Director/Company secretary)

Print name: Jacqui Louez Schoorl

## 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.