



## ASX RELEASE

# Business Update inc. \$1.25m cash received and Chair changes

### Highlights:

- *Final payment terms agreed for the MRT Disposal, including release of initial \$1.25m tranche from escrow today;*
- *Ms Linda Jenkinson appointed as Chair as at 1/04/20 and Mr Brett Cottle stood down as Chair on 31/01/20 due to personal reasons;*
- *Significant cost saving measures:*
  - *operational expenses will be cut by approximately \$312K per month (as compared to the January actuals of \$699K);*
  - *Jaxsta's CEO will take a 50% pay cut, through to June 2020;*
  - *the Company's Board will take a 100% fee cut, through to June 2020*
  - *a strategic headcount reduction was completed in March 2020 focused on streamlining the business's operational activities;*
  - *a number of the Company's major suppliers have agreed to restructure the Company's payment terms effectively relieving the Company from certain obligations to make substantial payments for at least the next 6 months;*
- *the Company's finance team is utilising the various government austerity packages available to it as already announced by the Government and will review any additional ones offered as they are made available in the coming period; and*
- *a new marketing approach to the industry re Jaxsta Pro.*

**Sydney, Australia, 31 March 2020:** Jaxsta Limited ACN 106 513 580 (Jaxsta or the Company, ASX: JXT) provides the following updates in relation to the resignation of the Company's Chair and the appointment of a new Chair, the sale of Marine Rescue Technologies Limited CRN 4202403 (MRT Disposal) and the Company's strategic plan in the face of the current global economic and financial crisis.

### **Confirmation on the final deferred payment for the MRT Disposal**

The Company refers to the announcement dated 20 March 2020 regarding the outstanding deferred consideration for the MRT Disposal to C-Tech Global Marine Group

Limited (formerly known as Secure2Go Group Limited) and JJC Capital Pte Ltd (together, the **Purchasers**).

Jaxsta advises that agreement has been reached with the Purchasers regarding the payment of the remaining \$1.7m from the Purchasers to Jaxsta. The agreed terms provide for:

- the immediate payment of \$1.25m (which was being held in escrow pending final documentation);
- commencing on 20 April 2020, the payment of 8 equal monthly instalments of \$31,500 (which includes interest at the rate of 8% on the amount outstanding as at the date of this announcement);
- the payment of a final instalment of \$225,000 on 28 December 2020; and
- in the event of a default on any monthly payment which is not cured within 30 days, the immediate payment of the full amount outstanding.

Jaxsta confirms that the full amount payable under the agreement will be \$1,727,000 and that the initial \$1.25m was released from escrow today.

#### ***Confirmation of resignation of Mr Brett Cottle***

Mr Brett Cottle resigned as Chair of Jaxsta today due to personal reasons. Mr Cottle will remain on the Board as a Non-Executive Independent Director. The Board would like to thank Brett for his tremendous efforts and guidance over the past year, being the Company's first year as a listed entity, a transformational period for any company joining the ASX. Jaxsta CEO and Co-Founder, Ms Louez Schoorl, said "Mr Cottle's ability to steer Jaxsta steadily through some complex environments with a combination of calm and equal steel as required has been greatly appreciated."

#### ***Confirmation of appointment of Ms Linda Jenkinson to Chair***

The Board welcomes Ms Linda Jenkinson as the new Chair and are confident her current experience Jaxsta as Independent Non-Executive Director, coupled with her immense global business achievements, including being the first NZ woman to list a company on the NASDAQ stock exchange with DMSC, the \$250 million on-demand courier company she co-founded, will be instrumental in guiding Jaxsta through the challenging times ahead.

Linda sits on multiple boards including Air New Zealand, Guild Group and Massey University. She was named EY Master Entrepreneur of the Year New Zealand in 2013 and named World Class New Zealander in 2016.

### **Significant cost saving measures**

The Company is immediately introducing a cost cutting program across the board to further strengthen the balance sheet in these challenging times. This program is expected to result in an aggregate monthly cost reduction of approximately \$303k (as compared to the most recent 4C estimated cash outflows for the next quarter). Through the end of June 2020, Jaxsta's CEO has voluntarily accepted a 50% salary reduction and Jaxsta's Board members have waived their service fees. The above savings are in addition to:

- cost cuts on vendors, non-essential paid services and offline marketing programs including all travel; and
- the completion of a strategic headcount reduction (across permanent staff and contractors).

A number of the Company's major suppliers have also agreed to restructure the Company's payment terms effectively relieving Jaxsta from certain obligations to make substantial payments for at least the next 6 months.

Finally, with respect to the various Federal and State Government stimulus packages currently being made available in Australia, the Company is utilising and applying for any benefits available to it and its employees. As the impact of these benefits is better understood, further details will be announced to the market.

### **Marketing initiatives**

Jaxsta is currently finalising new marketing initiatives to significantly raise market awareness of Jaxsta Pro globally, particularly in respect of music industry professionals. Further details regarding these strategies will be announced in due course.

**-Ends-**

## ABOUT JAXSTA

Jaxsta is the music industry's global music technology company using data to solve an industry-wide need for official data. Digital music has seen an end to the printed "jacket" that once came with a physical CD or LP - where music enthusiasts and professionals would look to discover the names of those responsible for the music they love. The go-to authoritative source of music information, Jaxsta is collecting music metadata from major and independent record labels, publishers, royalty agencies and industry associations across the globe. The data is de-duplicated, cross-referenced, deep-linked and then made available online within a multi-functional, ever-evolving platform.

The Company's core platform, Jaxsta.com, is live and its B2B subscription-based service, Jaxsta Pro<sup>Beta</sup>, launched in November 2019. Jaxsta Pro<sup>Beta</sup> includes features only available to paid users. The Company's head office is in Sydney, with representatives in New York, London and Los Angeles.

### Authorisation & Additional Information:

This announcement was authorised by the Board of Directors of Jaxsta Limited  
jaxsta.com  
Level 1, 113-115 Oxford Street  
Darlinghurst 2010 NSW Australia

### Jaxsta Investor Relations:

Jacqui Louez Schoorl  
E: [jaxstainvestors@jaxsta.com](mailto:jaxstainvestors@jaxsta.com)  
P: +61 2 8317 1000