jaxsta

2019 ANNUAL REPORT

Jaxsta Limited (formerly known as Mobilarm Limited)
ABN 15 106 513 580

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2019 FY Milestones

28th December 2018

Jaxsta re-lists on the Australian Securities Exchange.

6th February 2019

Jaxsta attended the GRAMMY Awards® Week to showcase previews of Jaxsta Beta to an exclusive group of music industry professionals.

12th March 2019

Jaxsta signs Universal Music Group as a data partner to supply official music data and credits for Jaxsta's platform.

15th March 2019

Jaxsta signs Warner Music Group as a data partner, completing the final of the 'big three' global record labels as official partners.

5th May 2019

Jaxsta continues music industry engagement with presence at leading industry event Music Biz in Nashville.

13th June 2019

Jaxsta Beta launched and is accessible to the public on jaxsta.com.

17th June 2019

Jaxsta attends industry conference Indie Week in New York to promote the launch of Jaxsta Beta to music industry professionals.

24th June 2019

Jaxsta signs Merlin as Data Partner. Jaxsta now holds 30 data licensing agreements covering approximately 90 per cent of the popular music industry[1].

Photo credit: Nicholas Green

[1] As calculated according to the distributor's estimated individual market share by number of streams as quoted to Jaxsta by our data partners.

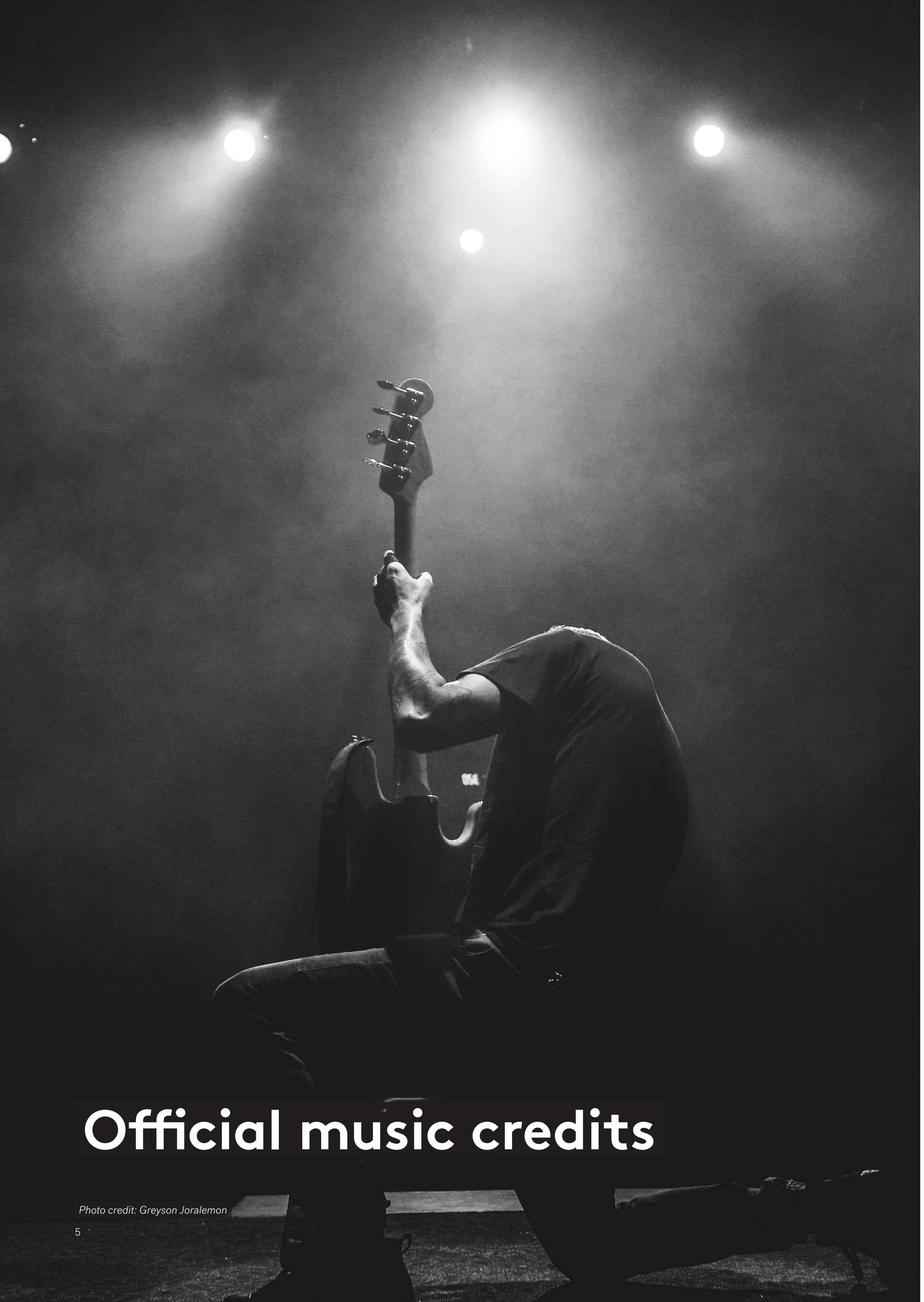
Jaxsta By The Numbers

100,000,000+	Individual music credits on Jaxsta
30,000,000+	Pages on Jaxsta
22,000,000+	Unique recordings (i.e. songs)
6,000,000+	Individual profiles
2,300,000+	Songwriter profiles
1,800,000+	Artist profiles (e.g. band, solo artist or feature performer)
1,000,000+	Guitar credits
500,000+	Drum credits
250,000+	Producer profiles
175,000+	Engineer profiles
49,000+	Songs with 'Summer" in the title
8,000+	Recordings of 'Silent Night'
5,000+	Recordings of "Amazing Grace"
3,800+	Presentations Team Jaxsta have delivered to the Music Industry

NOTE: By the time you read this, thousands more credits would have been ingested into Jaxsta.

2,123	Tim Tams our team have shared with the Music Industry
2015	Year Jaxsta was founded by Jacqui Louez Schoorl and Louis Schoorl
2006	Year Jaxsta Startup idea conceived
1,500+	Bagpipe credits
1,000+	Triangle credits
800	Merlin members representing 10,000+ labels from 63 countries
223	Countries/Territories Jaxsta receives website traffic
100	Percent of the 'Big 3' major labels (Sony, Universal & Warner) providing credits to Jaxsta
61	Years of GRAMMY nominee and winner data on Jaxsta
30	Jaxsta Data Partners, representing 100's thousands of labels
19	Years it would take to review all pages on Jaxsta (20 sec per page)
3	Continents where Jaxsta Team are based (U.S. Europe, Australia)
1	Performance Rights Organisation (PRO) signed. APRA AMCOS the first to sign with Jaxsta
1	**There's only one leading database for official music credits – Jaxsta!**

Photo credit: Boga Rin



Official music credits

Photo credit: Greyson Joralemon

Chairmans' Letter

Dear Shareholder,

On behalf of the Board, it is a pleasure to present Jaxsta's first annual report following the completion of the reverse takeover transaction in December 2018 and re-listing on the ASX. I am pleased to share the strong progress we have made during 2019.

Jaxsta's vision has always been to tell the story behind the music and give credit where credit is due for millions of artists, songwriters, producers and music makers. We are pleased to report that since re-listing less than 12 months ago, we have turned our vision into reality by launching the beta version of our core product offering (Jaxsta Beta), which is now live on Jaxsta.com. This is a major milestone for the Company and introduces our core product offering to the public.

Leading up to Jaxsta Beta's launch, in addition to the existing data partnership with Sony Music Entertainment, the Company established additional data partnerships with major record labels to ingest their data into the platform. This included entering into data licensing agreements with Universal Music Group (**Universal**) and Warner Music Group (**Warner**) – two of the biggest record labels in the world – and with Music and Entertainment Rights Licensing Independent Network (**Merlin**), the global rights agency for the world's independent label sector.

As of the end of July 2019, Jaxsta had secured 30 data licensing agreements which represent approximately 90 per cent of the global recorded music industry. Many of our data partners also have an equity stake in Jaxsta, highlighting their support of our vision and mission.

Jaxsta's strong momentum in securing numerous data licensing agreements is a testament of our strong alignment with the music industry and its key players. Ultimately, Jaxsta is a music company operating in the technology space, and relationships have always played a critical role in the music industry. We place a strong emphasis on our partnerships and we thank all our partners for their continued support of Jaxsta.

On behalf of the Board, I'd like to take this opportunity to thank CEO and Co-founder Jacqui Louez Schoorl and the entire Jaxsta team for their outstanding efforts and dedication. We acknowledge the hardworking team behind the negotiations that led us to secure data partnerships with some of the world's biggest record labels.

I would like to thank my fellow Board members for their contribution this year, and thank our shareholders for their continued support. We do not take this for granted.

We look forward to another exciting year ahead as Jaxsta prepares for the launch of our business-to-business paid subscription product which targets the music industry and associated professionals (Jaxsta Pro). The launch of Jaxsta Pro is expected before the end of the 2019 calendar year.

Yours Sincerely,

Brett Cottle AM
Independent, non-Executive Chairman

[1] As calculated according to the distributor's estimated individual market share by number of streams as quoted to Jaxsta by our data partners
Image of Brett Cottle by Cybele Malinowski

Chief Executive Officer & Chief Information Officer's Report

We are pleased to report Jaxsta's many achievements and significant milestones over the past year. It has been a truly transformative year for the Company – not only did it become a publicly listed entity by way of a successful reverse-takeover, but we also launched Jaxsta Beta, now live on jaxsta.com.

There is currently no public facing official central database of music credits and liner notes. Jaxsta is well positioned to satisfy this unmet need for music industry professionals, artists, creators as well as music enthusiasts alike.

Launch of Jaxsta Beta

The launch of Jaxsta Beta was a significant milestone for the Company and we are pleased to have achieved this in line with the business model outlined in our Prospectus dated 28 September 2018. The platform is positioned to be the world's first dedicated database of official music credits. To date, it holds over 100 million individual credits across more than 30 million pages which are updated daily to reflect the latest information from our data partners. Developing this bespoke product from the ground up and entirely in-house, using cutting-edge and innovative solutions, was a significant technical achievement.

Feedback from users who tested Jaxsta Beta (both pre- and post-launch) has been positive and encouraging. We continue to improve the platform to enhance the user experience and are using this feedback to inform and refine our core product as we prepare for the launch of Jaxsta Pro, which is expected before the end of calendar year 2019.

Major data licensing partnerships signed

Since signing the data licensing agreements with Universal, Warner and Merlin, we have been processing each organisation's data and music credits for ingestion into our platform.

These data partnerships are a result of our strong relationships with the music industry and a testament to the buy-in we have from industry players. The willingness of our partners to enter into these arrangements underscores the need for a product like Jaxsta Beta and Jaxsta Pro. We look forward to formalising additional data partnerships in the next year and increasing the scope of official music data and credits available on the platform.

Sales and Marketing activities

During the year, Jaxsta's representatives attended major music industry conferences and gatherings to promote the launch of Jaxsta Beta.

These events included the GRAMMY® Producer and Engineers Wing event in Los Angeles, the 61st GRAMMY® Awards, SXSW Conference in Austin Texas, Music Biz in Nashville, A2IM Indie Week in New York, APRA AMCOS Music Awards in Melbourne, AIM Connected in London and Indie-Con and the AIR Awards in South Australia.

Industry feedback relating to Jaxsta Beta has been positive and we are pleased to report encouraging initial user engagement on Jaxsta.com. In preparation of the launch of Jaxsta Pro, we enhanced our sales and marketing capabilities through strategic hires and we continue to raise the profile of Jaxsta through existing and new channels.

Jaxsta Pro Launch Update

We are currently preparing for the launch of Jaxsta Pro which will be a significant milestone for the Company with subscription fees to be received from Jaxsta Pro users establishing the Company's first revenue stream.

As part of the Jaxsta Pro launch, our development team are refining the platform features in response to testing and user acceptance of Jaxsta Beta. Simultaneously, our marketing team is currently preparing for the pending launch and we look forward to updating shareholders on developments on this front.

Future Outlook

We would like to take this opportunity to thank Jaxsta's executive team and all the staff for their outstanding efforts this past year. 2019 was a transformative year for the Company and our recent successes have been the culmination of years of hard work and dedication.

In the year ahead, we expect to launch Jaxsta Pro, formalise more data partnerships and continue to improve the platform to introduce new features and capabilities.

As we look ahead, we are committed to our vision: to tell the story behind the music and give credit where credit is due for millions of artists, songwriters, producers and music makers. We thank all our shareholders and remain committed to building greater shareholder value in the year ahead.

Jacqui Louez Schoorl
Chief Executive Officer
& Co-Founder

Phil Morgan
Chief Information Officer

Image of Jacqui Louez Schoorl and Phil Morgan
Photo credit: Hollie Adams

Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as the '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 year ended 30 June 2019 (the 'Directors' Report'). The Directors' Report together with the Financial Statements commencing on page 25 constitute Jaxsta's 2019 Annual Report (the 'Report').

Directors

The following persons were Directors of Jaxsta during the whole of the financial year and up to the date of this Report, unless otherwise stated:

- Brett Cottle (Non-Executive Chairman) - appointed on 28 December 2018;
- Jacqueline Louez Schoorl (Executive) - appointed on 28 December 2018;
- Linda Jenkinson (Non-Executive) - appointed on 28 December 2018;
- Jorge Nigaglioni (Non-Executive);
- Lorna Inman (Non-Executive) - appointed on 1 September 2012 and ceased 25 February 2019;
- Sir Tim McClement (Non-Executive) - ceased 28 December 2018; and
- Robert Kenneth Gaunt (Executive) - ceased 28 December 2018.

Principal Activities

The principal activities of the Group during the full year were:

- from 1 July 2018 to 27 December 2018 - the development, manufacturing and sale of 'man overboard safety solutions' and implementing the reverse takeover by Jaxsta Holdings Pty Limited; and
- from 28 December 2018 - creating an online platform to hold official music metadata to develop a repository of official music-related information, comprising liner notes and label copy.

Completion of the reverse takeover in December 2018 constituted a significant change in the nature of the activities of the Group during the year. The Group's focus is now solely pursuing the principal activities of Jaxsta as set out above.

Dividends

No dividends were paid or declared during the current financial year.

Review of operations

Reverse takeover - acquisition of Jaxsta Holdings Pty Ltd

On 20 November 2018, Mobilarm Limited ('Mobilarm') (now renamed Jaxsta Limited) acquired 100% of the share capital of Jaxsta Holdings Pty Ltd ('Jaxsta Holdings') in return of 109,399,795 ordinary

shares in Mobilarm. This resulted in Jaxsta Holdings' shareholders holding a controlling share in Mobilarm, which was shortly thereafter renamed and re-listed as Jaxsta Limited (ASX: JXT).

The acquisition has been accounted for as a share-based payment and the principles of reverse acquisition accounting have been applied, i.e., the reverse acquisition of Mobilarm by Jaxsta Holdings. The consolidated results reflect the full year of Jaxsta Holdings and its controlled entities for the entire year plus Jaxsta (formerly Mobilarm) from 28th December 2018 to 30 June 2019. The comparative information represents Jaxsta Holdings and its controlled entities only.

The loss for the Group after providing for income tax amounted to $20,084,398 (30 June 2018: $3,283,529).

The loss includes listing expenses of $14,227,655 (30 June 2018: $nil) of which $13,875,930 is a deemed non-cash, non-recurring expense resulting from application of the reverse acquisition accounting principles referred to below. This expense is effectively the difference between the net assets of Jaxsta Holdings at 28 December 2018 and the value of the shares issued in Jaxsta (formerly MBO) to the Jaxsta Holdings Pty Ltd shareholders.

Key financial matters

- Employee Benefit Expense includes a non-cash component of $358,557 to record stock options expenses
- Product Development Expense includes a non-cash component of $177,259 to record stock options expenses
- Listing Expenses include a non-cash component of $13,875,930 representing the deemed cost of the reverse takeover
- Cash & Cash equivalents at 30 June 2019 of $2,452,760
- Pre-existing Goodwill of $4,025,904

For further commentary please refer to notes to the Financial Statements commencing on page 25 of this Report.

Development update

Jaxsta 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 platform progressed through beta testing in 2017 and the subsequent beta version launch of the platform together with the launch of Jaxsta's website (Jaxsta.com) occurred on 13 June 2019.

As at 30 June 2019, Jaxsta had 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 platform, creating an official source for much of this data.

The launch of the Beta signifies that Jaxsta is confident that it's platform will provide qualitative data coverage for its users.

Significant changes in the state of affairs

On 20 November 2018, Mobilarm acquired Jaxsta Holdings and was renamed Jaxsta Limited. Refer to 'Review of Operations' for further information on acquisition.

On 28 December 2018, Mobilarm 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.

On 14 May 2019, Jaxsta successfully completed a capital raising of $3,305,000 before capital raising costs of $227,711 by issuing 13,220,000 ordinary shares at $0.25 per share.

Matters subsequent to the end of the financial year

In May 2018, Mobilarm entered into an agreement to sell all of the shares in its operating subsidiary, Marine Rescue Technologies Limited ('MRT'), to Secure2Go Limited ('S2G') and that agreement was subsequently amended to incorporate JJC Capital Pte Ltd ('JJC') as a partial purchaser (S2G and JJC, together the 'MRT Purchasers'). The sale of MRT was completed on 28 December 2018 but the obligation to pay the deferred consideration has not yet fallen due.

During the financial year, the MRT Purchasers and Jaxsta have entered into a number of agreements amending key terms of the MRT sale (as detailed in Note 30 of the Notes to Financial Statements on page 60 of this Report). The Company has already received $1,376,187 in connection with the sale and an aggregate receivable of $4,623,813 is currently due to Jaxsta from the MRT Purchasers as follows:

- $623,813 on 28 December 2019; and
- $4,000,000 on 28 December 2020.

On 25 September 2019 the MRT Purchasers and Jaxsta entered into a further agreement which, subject to shareholder approval in accordance with the Listing Rules, will amend some of the key terms of the MRT sale (the 'Current Amendment Agreement'). If approved, the Current Amendment Agreement will bring forward the deferred consideration payments and, in consideration for that acceleration, will reduce the aggregate amount due to Jaxsta. Under the amended payment terms, total consideration of:

- $3,200,000 would be received, constituting an early repayment discount of $1,423,813, with a first payment of $1,500,000 due promptly upon receipt of shareholder approval by Jaxsta and the balance due no later than 31st March 2020; or
- $3,800,000 would be received, constituting an early repayment discount of $823,813, with a first payment of $1,500,000 due promptly upon receipt of shareholder approval by Jaxsta and the balance due no later than 31st December 2020.

The first payment of $1,500,000 is currently held in an escrow account and will be release once shareholder approval is received. The other key terms of the Current Amendment Agreement are detailed in Note 30 of the Notes to Financial Statements on page 60 of this Report.

Resolutions relating the approval of the Current Amendment Agreement will be included in the notice of meeting for Jaxsta's 2019 Annual General Meeting.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of Jaxsta or intervene in any proceedings to which Jaxsta is a party for the purpose of taking responsibility on behalf of Jaxsta for all or any part of those proceedings.

Jaxsta was not a party to any such proceedings during the year.

Options and Warrants

At the date of this Report, the unissued ordinary shares of Jaxsta under option are as set out below.

Grant Date	Date of Expiry	Exercise Price	Number under Option/Warrants
16 November 2018	16 November 2023	$0.20	20,000,000
16 November 2018	16 November 2023	$0.30	1,000,000
28 March 2019	28 March 2026	$0.00	990,000
28 March 2019	28 March 2025	$0.651	601,923
14 March 2019	14 March 2026	$0.01	2,852,420
15 March 2019	15 March 2028	$0.01	675,573
15 March 2019	15 March 2028	$0.01	675,573
18 June 2019	18 June 2027	$0.01	562,978
18 June 2019	18 June 2028	$0.01	562,977
30 July 2019	30 July 2028	$0.01	469,148
			28,390, 592

Neither the option holders nor the warrant holders have any rights to participate in any issues of shares or other interests of Jaxsta or any other Group member.

Other than the warrants granted on 30 July 2019, there have been no other options or warrants granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to Directors and executives as remuneration, refer to the Remuneration Report.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Information Relating to Directors and Company Secretary

Brett Cottle	Non-Executive Chairman
Qualifications	Bachelor of Laws Order of Australia
Experience	Brett was the Chief Executive of Australasian Performing Right Association Ltd (APRA) for 28 years until stepping down in June 2018.

	For the last 21 of those years Brett also held the position of Chief Executive of Australasian Mechanical Copyright Owners Society Ltd (AMCOS) following the merger of back offices of those organisations in 1997. APRA AMCOS administers performance, broadcast, on line and recording rights in musical works on behalf of songwriters and music publishers, and is the largest music industry body in Australasia with annual turnover exceeding $430 million. Brett hold a law degree from Sydney University, is a past Director of the Australian Copyright Council and a past member of the Copyright Law Review Committee. Between 1991 and 2018 Brett was a Director of the International Confederation of Societies of Authors and Composers (CISAC) and is the only Australian to have served as Chair of that international body, a position he held between 2005 and 2010. In 2012
Interest in Shares	166,668
Special Responsibilities	Chairman of Remuneration and Nomination Committee Member of Audit & Risk Committee
Directorships held in other listed entities during the three years prior to the current year	None

Jacqueline Louez Schoorl	Chief Executive Officer and Executive Director
Qualifications	Australian Institute of Company Directors graduate and member
Experience	Jacqui's career spans over two decades across music, film and television, working for the likes of Channel 9, IF Magazine, George Lucas' private company on the Star Wars Episodes II and III movies, Baz Luhrmann and Catherine Martin on their 'Chanel No. 5' campaign, Amalgamated Holdings (now Event Hospitality) and EMI Music. For the past 6.5 years, Jacqui has been working solely on Jaxsta. A regular panelist, Jacqui's speaking engagements have included Commonwealth Bank's Women In Focus conference 2017, BigSound, General Assembly, Australian Music Week and Music Australia – Contemporary Music Roundtable Conference, ARIA Masterclass series 2017 and ARIA Week 2018, The Future of What podcast and Vivid Ideas 2017 and 2018. Jacqui also spends her time working as the Founder of Women In Music Sydney, a non-profit organisation bringing together a dynamic group of dedicated music professionals to network, learn and in the process create a supportive community. She is also a Dementia Australia advocate often speaking on her family's experience with Alzheimers where she helps to shed some light on the journey for those with Dementia or Alzheimer's. Jacqui is a alumni member of CBA's (Commonwealth Bank of Australia's) Women In Focus Program. Jacqui is a graduate of the Australian Institute of Company Directors course.
Interest in Shares	25,920,004
Interest in Options	20,000,000
Special Responsibilities	None
Directorships held in other listed entities during the three years prior to the current year	None

Jorge Nigaglioni	Non-Executive
Qualifications	The Master of Business Administration Bachelor of Science Australian Institute of Company Director graduate and member Certificate in Governance Practice and Administration from Chartered Secretaries Australia
Experience	Jorge has over 24 years of experience in accounting and finance roles in both public and private companies. Jorge has worked with start up companies and has been CFO for two publicly listed companies in the United States and Australia. As a Controller at Agilent Technologies, he was involved in turning around two divisions to profitability. In his last two years at PricewaterhouseCoopers he was involved in auditing and consulting for start up companies, where he has focused his expertise to launch early ventures to success. Jorge has a Masters of Business Administration from the University of Wisconsin-Madison and a Bachelor's of Science degree in Business Administration from Bryant University.
Interest in Shares	650,179
Special Responsibilities	None
Directorships held in other listed entities during the three years prior to the current year	None

Linda Jenkinson	Non-Executive
Qualifications	Bachelor of Business Studies Master of Business Administration New Zealand CPA (non-current)
Experience	Linda is a successful businesswomen and entrepreneur with over 25 years of general management and consulting experience. She's founded numerous businesses and was the first New Zealand woman to list a company on the NASDAQ stock exchange, with DMSC, the $250 million on-demand courier company she co-founded. She also co-founded a global customer and employee experience platform, which was sold to the Accor hotel group, and WOW for Africa which was a social venture fund supporting women entrepreneurs in Senegal. Linda is an experienced company director, sitting on multiple boards including Air New Zealand, Eclipx Group and Guild Group. She's received a number of awards including EY Master Entrepreneur of the Year New Zealand in 2013, World Class New Zealander in 2016 and is a Top 100 Most Influential Women in San Francisco. Linda is currently the Chair of Unicef New Zealand. She has been based for many years in San Francisco and during this time for a five years served on the Board of the Bay Area Red Cross and was Chair of the fund raising committee. Prior to her entrepreneurial career, Linda was a Partner at A.T. Kearney in the Global Financial Services practice where she worked with some of the world's largest financial institutions. Linda holds a Master of Business Administration from The Wharton School, University of Pennsylvania in Finance and a Bachelor of Business Studies from Massey University in Data Processing and Accounting & Finance. She qualified for her New Zealand CPA (ACA). Linda is currently building

	Level-Up, a program to supercharge high-growth companies who are expanding globally. She is a New Zealand citizen who holds residency in the United States and co-locates between Wellington and San Francisco. Linda will be considered independent in her role as Non-Executive Director following completion of the Acquisition.
Interest in Shares and Options	None
Special Responsibilities	Chairman of Audit & Risk Committee Member of Remuneration and Nomination Committee
Directorships held in other listed entities during the three years prior to the current year	Air New Zealand Limited; Eclipx Group Limited; Guild Group Holdings & Subsidiaries; and Harbour Asset Management
Shelley Burger*	**Company Secretary**
Qualifications	Bachelor of Design Computing (Honours) Bachelor of Laws
Experience	Shelley has over 12 years' experience in legal practice and governance and has worked with ASX-listed entities in the financial services, technology and telecommunications industries. Shelley is admitted in the High Court of Australia, the Federal Court of Australia and Supreme Court of New South Wales.

** The following people also acted as Company Secretary of Jaxsta during the year:*

- *Naomi Dolmatoff (appointed 28 December 2018, ceased 12 August 2019);*
- *Jorge Nigaglioni (appointed 20 November 2018, ceased 28 December 2018); and*
- *David McArthur (appointed 11 January 2011, ceased 20 November 2018).*

Meetings of Directors

The number of meetings of Jaxsta's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each Director were:

	Board		Audit & Risk Committee		Remuneration & Nominations Committee	
	Eligible	**Attended**	**Eligible**	**Attended**	**Eligible**	**Attended**
Brett Cottle	13	13	3	3	1	1
Jacqui Louez Schoorl	13	12	-	-	-	-
Linda Jenkinson	13	12	3	3	1	1
Jorge Nigaglioni	17	17	-	-	-	-
Lorna (Launa) Inman*	3	3	1	1	-	-
Robert Ken Gaunt**	4	4	-	-	-	-
Tim McClement**	4	3	-	-	-	-

* Launa Inman ceased to be a director on 25 February 2019

** Robert Ken Gaunt and Tim McClement ceased to be directors on 28 December 2018

Remuneration Report

The Directors of Jaxsta present the remuneration report contained on pages 16 to 24 for the Group for the financial year ended 30 June 2019 (the 'Remuneration Report'). The Remuneration Report forms part of the Directors' Report.

The Remuneration Report is made in accordance with a resolution of Directors and details the remuneration arrangements of the Group's Key Management Personnel ('KMP'). It has been prepared in accordance with the requirements of the Corporations Act 2001 (Cth) (the 'Corporations Act') and its Regulations and has been audited as required by section 308(3C) of the Corporations Act.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all Directors.

The Remuneration Report is set out into the following key sections:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share based compensation; and
- Additional disclosures relating to KMP.

Principles used to determine the nature and amount of remuneration

The remuneration policy of Jaxsta has been designed to align KMP objectives with the Group's vision, values and overall business objectives. The objective of the remuneration policy is to provide a fixed remuneration component and offering specific long-term incentives to ensure reward for performance is competitive and appropriate for the results delivered.

The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Group.

The Board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- fair and reasonable;
- create value for shareholders; and
- linking performance of the Group to the individual and the general external market environment.

The Remuneration and Nominations Committee is responsible for determining and reviewing remuneration arrangements for Jaxsta's directors and the Group's executives. The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- motivating KMP to pursue the Group's long-term growth and success;
- demonstrate a clear relationship between the Group's overall performance and the performance of KMP; and
- align the interests of KMP with the creation of value for shareholders.

Additionally, the reward framework seeks to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive directors' and executive directors' remuneration is separate.

Non-Executive Remuneration

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration and Nominations Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other Non-Executive Directors based on comparative roles in the external market. The Chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. At the extraordinary meeting of shareholders held on 17 August 2018, the current maximum annual aggregate remuneration for Non-Executive Directors of $500,000 was approved. The current aggregate Non-Executive Directors' remuneration level is within this approved range.

Executive Remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-base payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprise the executive's total remuneration.

Fixed remuneration consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nominations Committee based on individual and business unit performance, the overall performance of the Group and the general external pay environment.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example parking). Tax effective salary sacrifice arrangements are encouraged where this does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program will be designed to align the targets of the business units with the short-term performance hurdles of executives. STI payments are based on specific annual targets and key performance indicators ('KPIs') being achieved. KPIs include client (data partner) engagement, leadership contribution and product development. A one-off grant of options was offered to long term employees (including two KMP) who transitioned across to the Group as part of the reverse takeover. Employees were offered an equivalent number of $0 priced options as those held prior to the reverse takeover.

The longer-term incentives ('LTI') include share-based payments (for example Tax Effective Incentive Options) exercisable over a 2 to 4 year period, are awarded to key staff and executives as part of a long-term retention strategy.

The Company's 2019 Annual Meeting (AGM)

A Remuneration Report has been prepared for the 2019 year and a resolution will be put to the 2019 AGM to ask shareholders to approve it.

Details of Remuneration

The KMP of the consolidated entity consisted of:

- the directors of Jaxsta Limited:
  - Jacqui Louez Schoorl – Co-Founder & Chief Executive Officer;
  - Brett Cottle – Non-Executive Chairman
  - Linda Jenkinson – Non-Executive Director
  - Jorge Nigaglioni – Non-Executive Director
  - Lorna Inman - Non-Executive Director (28 Dec 2019 to 25 Feb 2019);
  - Ken Gaunt – Director (to 28 December 2018);
  - Tim McClement – Independent Chairman (to December 2018); and
- and the following executives:
  - Philip Morgan – Chief Information Officer;
  - Renee Bryant – Chief Financial Operations Officer; and
  - Richard Huey – Head of Partnerships.

Amounts of Remuneration

Details of the remuneration of KMP of the consolidated Group are set out in the following tables. Prior to the acquisition on 28 December 2018, Jaxsta Holdings Pty Limited was not required to prepare a Remuneration report in accordance with the Corporations Act.

The 2019 table below represents remuneration paid by the consolidated entity consisting of Jaxsta Holdings Pty Limited and its subsidiaries for the entire financial year and Mobilarm Limited (now known as Jaxsta Limited) for the period from 28 December 2018 to 30 June 2019.

2019	Short term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Superannuation	Long Services Leave	Equity-settled	
Non-Executive Directors:							
Brett Cottle (Chairman) (Note 1)	60,000	-	-	5,700	-	-	65,700
Linda Jenkinson (Note 1)	32,850	-	-	-	-	-	32,850
Jorge Nigaglioni (Note 1)	30,000	-	-	2,850	-	-	32,850
Lorna Inman (Note 2)	10,950	-	-	-	-	-	10,950
Executive Directors:							
Jacqui Louez Schoorl	221,159	-	-	18,738	23,090	66,904	329,891
Other Key Management Personnel:							
Philip Morgan	202,113	-	-	19,087	12,292	45,928	279,420
Renee Bryant	200,360	-	-	19,000	4,868	-	224,228
Richard Huey (Note 3)	125,627	-	-	-	-	36,563	162,190
	883,059	-	-	65,375	40,250	149,394	1,138,078
Robert Ken Gaunt (Note 4)	410,282	-	-	-	-	-	410,282
Tim McClement (Note 4)	161,488	-	-	-	-	-	161,488
Jorge Nigaglioni (Note 5)	377,065	-	-	35,821	-	-	412,886
	948,835	-	-	35,821	-	-	984,656
Total for period 1 Jul 2018 to 30 June 2019	1,831,894	-	-	101,196	40,250	-	2,122,734

***Note 1.** Represents remuneration from 28 December 2018 to 30 June 2019*

***Note 2.** Represents remuneration from 28 December 2018 to 25 February 2019, being date of resignation of director*

***Note 3.** In addition to fixed fee payment, contractor is eligible for a 20% (US$20,000) Performance bonus / At risk STI.*

***Note 4.** Represents remuneration from 1 July 2018 to 28 December 2018, being date of resignation of director.*

***Note 5.** Represents remuneration from 1 July 2018 to 28 December 2018.*

The proportion of remuneration linked to performance and the fixed proportion is set out below.

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2019	2018	2019	2018	2019	2018
Non-Executive Directors:						
Brett Cottle (Chairman)	100%	-	-	-	-	-
Linda Jenkinson	100%	-	-	-	-	-
Jorge Nigaglioni	100%	-	-	-	-	-
Executive Directors:						
Jacqui Louez Schoorl	50%	-	50%	-	-	-
Other Key Management Personnel:						
Philip Morgan	100%	-	-	-	-	-
Renee Bryant	100%	-	-	-	-	-
Richard Huey	84%	-	16%	-	-	-
Robert Ken Gaunt	100%	-	-	-	-	-
Tim McClement	100%	-	-	-	-	-
Jorge Nigaglioni	100%	-	-	-	-	-

** At Jaxsta's extraordinary general meeting held on 13 June 2019, shareholders approved 3,000,000 unquoted options to be granted to each of Brett Cottle and Linda Jenkinson. As at the date of this Report, the options have not yet been issued.*

No cash bonuses were paid to KMPs during the year.

Service Agreements

Remuneration and other terms of employment for KMPs are formalised in service agreements. Details of these agreements are set out below.

Jacqueline Louez Schoorl

Title:	Co-founder & Chief Executive Officer
Agreement commenced:	16 November 2018
Term of agreement:	No fixed term
Details:	Initial base salary for year ended 30 June 2019 is $110,000 per annum, plus superannuation from commencement; increasing to: (i) $205,000 per annum, plus superannuation upon signing of one commercial milestone contract, then (ii) $300,000 per annum, plus superannuation upon signing of two commercial milestone contracts. Salary package to be reviewed annually by the Remuneration and Nominations Committee. 12-month termination notice by either party.

Philip Morgan

Title:	Chief Information Officer
Agreement commenced:	4 April 2016
Term of agreement:	No fixed term
Details:	Base salary for year ended 30 June 2019 is $220,000 per annum inclusive of superannuation, plus phone allowance. Salary package to be reviewed annually by the Remuneration and Nominations Committee. 1-month termination notice by either party.

Renee Bryant

Title:	Chief Financial Operations Officer
Agreement commenced:	26 March 2018
Term of agreement:	No fixed term
Details:	Base salary for year ended 30 June 2019 is $200,000 per annum, plus superannuation, plus phone allowance and parking. Salary package to be reviewed annually by the Remuneration and Nominations Committee. 3-month termination notice by either party.

Richard Huey

Title:	Head of Partnerships
Agreement commenced:	1 March 2016
Term of agreement:	No fixed term
Details:	Fee for year ended 30 June 2019 is US$100,000 per annum, plus 20% performance bonus, plus US$3,700 home office allowance (previously US$72,000 up to 31 December 2019). Contract terms to be reviewed annually by the Remuneration and Nominations Committee. 14 days termination notice by either party.

Share-based compensation

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KPMs in this financial year or future reporting years are as set out below.

Grant Date	Vesting date and exercisable date	Expiry Date	Exercise Price	Fair value per option at grant date
16-Nov-18	Variable *	16-Nov-23	$0.20	$0.033
28-Mar-19	1-May-19	28-Mar-26	$0.00	$0.390
28-Mar-19	28-Mar-20	28-Mar-26	$0.00	$0.390
28-Mar-19	28-Mar-20	28-Mar-25	$0.65	$0.137
28-Mar-19	28-Mar-21	28-Mar-25	$0.65	$0.137
28-Mar-19	28-Mar-22	28-Mar-25	$0.65	$0.137
28-Mar-19	28-Mar-23	28-Mar-25	$0.65	$0.137

** vest in tranches of 1,000,000 options for each $0.10 increase in Jaxsta's share price (measured on a VWAP basis so that each increment increase has to exist for at least 30 consecutive ASX trading days) from A$0.20.*

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2019 is set out below.

Name	Number of options granted during the year		Number of options vested during the year	
	2019	2018	2019	2018
Jacqui Louez Schoorl	20,000,000	-	-	-
Philip Morgan	675,000	-	-	-
Richard Huey	150,000	-	-	-
Total for period 1 Jul 2018 to 30 June 2019	20,825,000	-	-	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2019 is set out below.

Name	Value of options granted during the year	Value of options exercised during the year	Value of options lapsed during the year	Remuneration consisting of options for the year
	$	$	$	%
Jacqui Louez Schoorl	66,904	-	-	20%
Philip Morgan	45,928	-	-	16%
Richard Huey	36,563	-	-	23%
Total for period 1 Jul 2018 to 30 June 2019	149,394	-	-	

** At Jaxsta's extraordinary general meeting held on 13 June 2019, shareholders approved 3,000,000 unquoted options to be granted to each of Brett Cottle and Linda Jenkinson. As at the date of this Report, the options have not yet been issued.*

Performance Rights

There were no performance rights over ordinary shares issued to Directors and other KMPs as part of compensation that were outstanding as at 30 June 2019.

There were no performance rights over ordinary shares granted to or vested by Directors and other KMPs as part of compensation during the year ended 30 June 2019.

Additional Disclosures Relating to KMP

KMP shareholdings

The number of ordinary shares in Jaxsta held by each KMP of the Group during the financial year is set out below.

Shareholding	Balance at the start of the year*	Received as part of remuneration	Additions	Disposals / Other	Balance at the end of the year
Brett Cottle (Chairman)	-	-	166,668	-	166,668
Jorge Nigaglioni**	-	-	-	650,179	650,179
Lorna Inman	-	-	666,666	499,999	166,667
Jacqui Louez Schoorl	7,329,413	-	18,590,591	-	25,920,004
Philip Morgan	-	-	10,000	-	10,000
Renee Bryant	-	-	266,669	-	266,669
	7,329,413	-	19,700,594	1,150,178	27,180,187
Robert Ken Gaunt ***	68,715,026	-	-	62,272,523	6,442,503
Tim McClement ***	1,000,000	-	-	900,000	100,000
Jorge Nigaglioni	-	-	-	-	-
	69,715,026	-	-	63,172,523	6,542,503
Total for period 1 Jul 2018 to 30 June 2019	77,044,439	-	19,700,594	64,322,701	33,722,690

** Balance at the start of the year represents shareholding in Jaxsta Holdings Pty Limited prior to reverse acquisition.*

*** Other includes shares held in Mobilarm Limited prior to reverse acquisition. The shares were converted into Jaxsta Limited after capital reorganisation as referred in Note 10 in the Notes to the Financial Statements on page 44 of the Report.*

****A 1:10 share consolidation occurred during the reporting period. Shares held in name of Blazzed Pty Limited.*

*****A 1:10 share consolidation occurred during the reporting period. Shares held in name of Lady Lynne McClement.*

Option Holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below.

Option holdings	Balance at the start of the year	Granted	Exercised	Expired/ forfeited /other	Balance at the end of the year
Jacqui Louez Schoorl	-	20,000,000	-	-	20,000,000
Philip Morgan	-	675,000	-	-	675,000
Richard Huey	-	150,000	-	-	150,000
Total for period 1 Jul 2018 to 30 June 2019	-	20,825,000	-	-	20,825,000

Other Equity-related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other Transactions with KMP and/or their Related Parties

During the financial year:

- payments for music industry liaison services and product development services from New Holland Pty Limited (related to Jacqui Louez Schoorl) of $24,000 (ex GST) were made; and
- services were provided by Jaxsta Co-Founder, Louis Schoorl.

There were no other transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

This concludes the Remuneration Report, which has been audited.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act appears on page 63 of this Report.

Indemnity and insurance of officers

Jaxsta has indemnified the Directors and officers of Group for costs incurred, in their capacity as a Director or officers, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, Jaxsta paid a premium in respect of a contract to insure the Directors and officers of the Group against a liability to the extent permitted by the Corporations Act. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

Jaxsta has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, Jaxsta has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act for leave to bring proceedings on behalf of Jaxsta, or to intervene in any proceedings to which Jaxsta is a party for the purpose of taking responsibility on behalf of Jaxsta for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 10 to the Financial Statements on page 44 of this Report. The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act. The Directors are of the opinion that the services as disclosed in Note 10 to the Financial Statements do not compromise the external auditor's independence requirements of the Corporations Act for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do
- not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for Jaxsta, acting as advocate for Jaxsta or jointly sharing economic risks and rewards.

Rounding of amounts

Jaxsta is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this Report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Corporate Governance

The Group's Corporate Governance Statement and Appendix 4G checklist are released to ASX on the same day the Report is released. The Corporate Governance Statement and Corporate Governance Manual can be found on Jaxsta's website at https://www.jaxsta.com. This Report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act.

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

On behalf of the directors

Jacqueline Louez Schoorl
Chief Executive Officer
26 September 2019
Sydney, New South Wales

	Note	30 June 2019 $	30 June 2018 $
Revenue from continuing operations			
Interest income		3,649	363
Other Revenue			
Research and development rebate	4	665,657	583,622
Other revenue	4	35,657	-
Total Revenue		**704,963**	**583,985**
Expenses			
Employee benefits expense	5	(2,736,521)	(1,805,132)
Marketing expenses		(498,605)	(290,960)
Occupancy expenses		(145,536)	(161,117)
Professional fees		(793,060)	(590,847)
Product development expense		(757,230)	(234,707)
Depreciation and amortisation expense		(42,993)	(343,674)
Finance costs		(18,887)	(10,282)
Other expenses	5	(745,061)	(430,795)
Listing expenses	5	(14,227,655)	-
Impairment expenses	5	(823,813)	-
Total Expenses		**(20,789,361)**	**(3,867,514)**
Loss before income tax		**(20,084,398)**	**(3,283,529)**
Income tax expense	6	-	-
Loss after income tax expense for the year attributable to the owners of Jaxsta Limited		**(20,084,398)**	**(3,283,529)**
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Jaxsta Limited		**(20,084,398)**	**(3,283,529)**
Earnings per share			
Basic earnings per share (cents)	10	(0.15)	(0.07)
Diluted earnings per share (cents)	10	(0.15)	(0.07)

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

	Note	30 June 2019 $	30 June 2018 $
CURRENT ASSETS			
Cash and cash equivalents	11	2,452,760	46,299
Trade and other receivables	12	705,248	752,131
Other assets	15	187,402	60,963
TOTAL CURRENT ASSETS		**3,345,410**	**859,393**
NON-CURRENT ASSETS			
Trade and other receivables	12	3,176,187	-
Property, plant and equipment	13	42,019	40,148
Intangible assets	14	4,393,845	4,389,459
TOTAL NON-CURRENT ASSETS		**7,612,051**	**4,429,607**
TOTAL ASSETS		**10,957,461**	**5,289,000**
CURRENT LIABILITIES			
Trade and other payables	16	599,692	706,796
Loans and borrowings	17	26,597	2,622,437
Provisions	18	159,389	84,790
TOTAL CURRENT LIABILITIES		**785,678**	**3,414,023**
NON-CURRENT LIABILITIES			
Provisions	18	88,902	-
TOTAL NON-CURRENT LIABILITIES		**88,902**	**-**
TOTAL LIABILITIES		**874,580**	**3,414,023**
NET ASSETS		**10,082,881**	**1,874,977**
EQUITY			
Contributed equity	19	35,670,064	7,974,578
Accumulated losses		(26,183,999)	(6,099,601)
Reserves	21	596,816	-
TOTAL EQUITY		**10,082,881**	**1,874,977**

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

	Contributed equity $	Reserves $	Accumulated losses $	Total equity $
As at 1 Jul 2017	**5,499,602**	**-**	**(2,816,072)**	**2,683,530**
Loss after income tax expense for the year	-	-	(3,283,529)	(3,283,529)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,283,529)	(3,283,529)
Transactions with owners in their capacit as owners				
Shares issued during the period	2,474,976	-	-	2,474,976
Balance at 30 June 2018	**7,974,578**	**-**	**(6,099,601)**	**1,874,977**
Refer to note 2 for explanation on comparatives				
As at 1 Jul 2018	**7,974,578**	**-**	**(6,099,601)**	**1,874,977**
Loss after income tax expense for the year			(20,084,398)	(20,084,398)
Other comprehensive income for the year, net of tax			-	-
Total comprehensive income for the year			**(20,084,398)**	**(20,084,398)**
Transactions with owners in their capacit as owners				
Contributions of equity, net of transaction cost (note 19)	27,695,486	-	-	27,695,486
Share-based payment (note 21)	-	596,816	-	596,816
Balance at 30 June 2019	**35,670,064**	**596,816**	**(26,183,999)**	**10,082,881**

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

	30 June 2019 $	30 June 2018 $
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from grants - research & development	696,745	603,285
Payments to suppliers and employees	(6,891,396)	(3,385,292)
Interest received	3,649	363
Interest costs	(11,537)	(10,282)
Net cash flows (used in) operating activities	**(6,202,539)**	**(2,791,926)**
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(15,297)	(23,341)
Payment for intangibles	(75,157)	-
Cash acquired from acquisition of subsidiary	5,332,655	-
Net cash flows provided by/(used in) investing activities	**5,242,201**	**(23,341)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	4,471,645	2,474,976
Share issue transaction costs	(604,731)	-
Proceeds from borrowings	77,056	1,127,592
Advances to related parties	-	(750,000)
Repayment of borrowings	(54,451)	-
Proceeds from borrowings - related parties	465,654	-
Loan repayments made to related parties	(988,374)	-
Net cash flows provided by financing activities	**3,366,799**	**2,852,568**
Net increase in cash held	2,406,461	37,301
Cash at beginning of financial year	46,299	8,998
Cash at the end of the period	**2,452,760**	**46,299**

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

Note 1. General information

The financial statements contained on pages 28 to 31 of this Report cover Jaxsta Limited ('Jaxsta', 'company' or 'parent') as a consolidated entity consisting of Jaxsta Limited and the entities it controlled at the end of, or during, the financial year ('consolidated entity' or 'the Group') ended 30 June 2019 (the 'Financial Statements'). The Financial Statements are presented in Australian dollars, which is Jaxsta presentation currency. The functional currency of Jaxsta Holdings Pty Ltd is Australian dollars and Jaxsta is Australian dollars.

Jaxsta is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report (pages 9 to 26 of this Report). The Directors' Report is not part of the Financial Statements.

The Financial Statements were authorised for issue, in accordance with a resolution of Directors, on 25 September 2019. The Directors have the power to amend and reissue the Financial Statements.

Note 2. Significant accounting policies and basis of preparation

The Financial Statements are general purpose, consolidated financial statements which have been prepared in accordance with the Corporations Act, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of the Financial Statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the Financial Statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The principal accounting policies adopted in the preparation of the Financial Statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) New, revised or amending Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 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.

b) Going concern basis of accounting

The Group incurred a loss after tax and before listing costs of $5,856,742, which includes listing expenses of $14,227,655 and share based payment expenses of $596,816 and has a net cash outflow from operations of $6,202,539 for the period ended 30 June 2019 and had net current assets of $2,559,732 and net tangible assets of $5,689,036 as at that date. As at the date of this Report, the Group had cash assets of $923,771. The consolidated entity is the process of transitioning from a start-up/development business to a commercialised business with the intention of deriving product sales. No product sales have been derived to date.

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These conditions above give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Management have prepared cash flow forecasts for the Group for the period ending 31 December 2020 which assumes continuity of business on the basis of the following events occurring:

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 ended 30 June 2019 and establishing a line of credit secured against the future R&D tax concessions that Group expects to receive in respect of FY2020;

c) the partial receipt of the deferred consideration receivables in respect of the MRT sale or entry into binding documentation, which will have the effect of bringing forward the collection of:

   I. $3,200,000 with an early repayment discount of $1,423,813, with the first payment of $1,500,000 due promptly upon obtaining shareholder approval in respect of the relevant amendment documentation and the balance due no later than 31st March 2020; or

   II. $3,800,000 with an early repayment discount of $823,813, with the first payment of $1,500,000 due promptly upon obtaining shareholder approval in respect of the relevant amendment documentation and the balance due no later than 31st December 2020;

d) further development expenditure on transferring the Jaxsta Beta Site; and

e) a proposed capital raising within the next 12 months.

The Directors believe that the Group is a going concern and that the above events will eventuate in the short term and accordingly the Financial Statements have been prepared on a going concern basis.

In the event that the above assumptions do not eventuate, there are material uncertainties that cast significant doubt over the ability of the Group to continue as a going concern.

In the event that the Group does not achieve the conditions stated above by the Directors, the ability of Jaxsta and therefore the Group to continue as a going concern may be impacted. As a result, the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the Financial Statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should Jaxsta and the Group not continue as going concerns.

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: (a) Jaxsta Holdings Pty Ltd for the entire year; and (b) Jaxsta Limited from 28th December 2018 to 30 June 2019. Therefore, the comparatives will not compare to the consolidated financial results of Jaxsta published in prior financial reporting periods. Refer to 'Business Combination' accounting policy (at page 40 of this Report) for further explanation of the accounting for this transaction.

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 Group'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 (at page 44 of this Report).

Principles of consolidation

The Financial Statements incorporate the assets and liabilities of all subsidiaries of Jaxsta as at 30 June 2019 and the results of all subsidiaries for the year then ended.

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 Pty Limited by Jaxsta has been accounted as a share-based payment in accordance with AASB 2 'Share- based Payments' and the Financial Statements represent a continuation of the Financial Statements of Jaxsta Holdings. The comparative information is related to Jaxsta Holdings Pty Limited and its controlled entities operations and not those of Jaxsta. As a result, the comparatives will not compare to the consolidated financial results of Jaxsta (formerly Mobilarm Limited) published in prior financial reporting periods. Refer to 'Business Combination' accounting policy below at page 40 of this Report 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.

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 tax incentive

Research & development tax incentive 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.

Property, plant and equipment

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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.

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Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments (AASB 9).

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are contingent consideration that may be paid by an acquirer as part of a business combination to which AASB 3: Business Combinations applies, held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned from the financial asset and is included in the face of the statement of profit and loss and other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies is classified as a financial liability and measured at fair value through 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 any 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.

Trademarks

Trademarks are recognised at cost of acquisition. They have an infinite life and are carried at cost less any impairment losses.

Platform Development Costs

Platform Development Costs are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Platform Development Costs are amortised over their useful lives as determined by the Directors of 3 years from 13 June 2019.

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.

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by

comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the respective Accounting Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The Financial Statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

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.

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 year, Jaxsta Holdings Pty Limited's original shareholders obtained a controlling interest in Jaxsta 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 Financial Statements in accordance with AASB 2 'Share-based Payments' and as a continuation of the financial statements of Jaxsta Holdings Pty Limited, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of Jaxsta. The deemed issue of shares is, in effect, a share-based payment transaction whereby Jaxsta Holdings Pty Limited is deemed to have received the net assets of Jaxsta, together with the listing status of Jaxsta. The overall accounting effect is very similar to that of a reverse acquisition in AASB 3.

Because the Financial Statements represent a continuation of the financial statements of Jaxsta Holdings Pty Limited, 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) assets and liabilities, not those of Jaxsta Holdings Pty Limited;
- 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 Limited would have needed to issue to acquire the same shareholding percentage in Mobilarm Limited (now renamed Jaxsta) 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 Financial Statements at acquisition date are those of Jaxsta Holdings Pty Ltd;
- a shared-based payment transaction arises whereby Jaxsta Holdings Pty Limited is deemed to have issued shares in exchange for the net assets of Mobilarm Limited's (now renamed Jaxsta) (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 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), including the equity instruments issued by Mobilarm Limited's (now renamed Jaxsta) effect the acquisition;
- the results for the year ended 30 June 2019 comprise the consolidated results for the full-year of Jaxsta Holdings Pty Limited together with the results of Mobilarm Limited's (now renamed Jaxsta) from 28 December 2018 to 30 June 2019; and
- the comparative results represent the results of Jaxsta Holdings Pty Limited and its controlled entities only.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

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.

Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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.

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 Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements or share splits in ordinary shares issued during the financial 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.

Adoption of new Accounting Standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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

- *AASB 9 Financial Instruments*
  The standard is applicable to annual reporting periods beginning on or after 1 January 2018.

  The Standard is applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

The adoption of AASB 9 has resulted in an expected credit loss on the MRT Receivable amounting to $823,813 during the year ended 30 June 2019. There are no other impacts as a result of the application of AASB 9.

- *AASB 15 Revenue from Contracts with Customers*
  The standard is applicable to annual reporting periods beginning on or after 1 January 2018.

  AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expect to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

  The application of this standard has no impact on the Financial Statements as Jaxsta did not have any contracts with customers in the 2019 financial year.

The following new accounting standard applies from 1 July 2019 have not been early adopted.

- *AASB 16 Leases*
  AASB 16 will cause the majority of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown; the profit and loss impact of the leases will be through amortisation and interest charges.

  Whilst the impact of AASB 16 has not yet been quantified, the entity currently does not have any operating leases. The expected impact on the financial statements is minimal.

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 Group 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.

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 recoverable amount of each Cash Generating Unit ('CGU') is determined based on fair value less costs to sell which is based on recently transacted market prices of the Jaxsta Limited stock on the ASX that arose from capital raisings.

Going Concern

The going concern basis of accounting is considered a critical estimate and judgement area as Management and the Directors have made the use of significant accounting estimates and judgements in the preparation of the cash flow forecast used in assessing the going concern of the Group.

Note 4. Other income

	30 June 2019	30 June 2018
	$	$
Research and development tax incentive	665,657	583,622
Other revenue	35,657	-
Total other revenue	**701,314**	**583,622**

Note 5. Loss for the year

	30 June 2019	30 June 2018
	$	$
Loss before income tax includes the following specific expenses:		
a. Expenses		
Other Expenses includes the following material expenses:		
Professional advisers fees	102,803	109,574
Board fees	258,446	-
Commission	66,566	-
Employee benefit expenses includes the following:		
Salary and wages	2,201,414	1,659,387
Share-based payments expense	358,557	-
Superannuation expense	176,550	145,745
Total employee benefit expenses	**2,736,521**	**1,805,132**

b. Significant Revenue and Expenses

Impairment expenses			
- Impairment expenses	(i)	823,813	-
Listing expenses include the following:			
Share based payment listing expense	(ii)	13,875,930	-
Legal and professional expenses		351,725	-
Total listing expenses		**14,227,655**	-

(i) As a result of negotiation post year end, management have determined to impair the MRT receivable by $823,813 as at 30 June 2019. Refer to Note 12.

(ii) Listing expenses of $14,227,655 of which $13,875,930 is a deemed non-cash, non-recurring expense resulting from application of the reverse acquisition accounting principles.

Note 6. Tax expense

	30 June 2019 $	30 June 2018 $
The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax rate at 27.5% (2018: 27.5%)	(5,523,209)	(902,970)
Add:		
Tax effect amounts which are not deductible/taxable) in calculating taxable income:		
- Permanent differences	4,541,668	275,808
Current year tax losses not recognised	981,542	627,163
Income tax attributable to the group	-	-

Tax losses not recognised

The potential tax benefit for tax losses has not been recognised in the statement of financial position. Utilisation of the carry forward tax losses may be subject to a substantial annual limitation due to the ownership change limitations and the same business test accordingly the recovery of this benefit is not considered probable.

Note 7. Key management personnel compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2019.
The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	30 June 2019 $	30 June 2018 $
Short-term employee benefits	883,059	110,000
Post-employment benefits	65,375	10,450
Other long-term benefits	40,250	-
Share-based payments	149,395	-
Total KMP compensation	**1,138,079**	**120,450**

Short-term employee benefits
These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Post-employment benefits
These amounts are superannuation contributions made during the year.

Other long-term benefits
These amounts represent long service leave benefits accruing during the year, long-term disability benefits and deferred bonus payments.

Share-based payments
These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date. Share-based payments is detailed in Note 21.

Note 8. Auditor's remuneration

	30 June 2019 $	30 June 2018 $
Remuneration of the auditor for:		
Auditing or reviewing the financial statements by Walker Wayland Audit (WA) Pty Ltd	53,403	-
Auditing or reviewing the financial statements by Ernst & Young for three years ended 30 June 2016, 2017 and 2018	170,600	-
	224,003	-

Note 9. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 10. Earnings per share

	30 June 2019 $	30 June 2018 $
Loss after income tax attributable to the owners of Jaxsta Limited	(20,084,398)	(3,283,529)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	133,873,975	44,812,106
Weighted average number of ordinary shares used in calculating diluted earnings per share	133,873,975	44,812,106
	Cents	Cents
Basic earnings per share	(0.15)	(0.07)
Diluted earnings per share	(0.15)	(0.07)

The weighted average number of ordinary shares for the comparative period has been adjusted to give effect to the capital reorganisation which occurred during the 30 June 2019 financial year.

Note 11. Cash and cash equivalents

		30 June 2019 $	30 June 2018 $
Cash on hand		101	-
Cash at bank		2,432,659	46,299
Term Deposits	(i)	20,000	-
		2,452,760	**46,299**

(i) The term deposit will mature on 26 February 2020 with 31 days notice early withdrawal facility available. The interest rate is 2.3%.

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	2,452,760	46,299
	2,452,760	**46,299**

Note 12. Trade and other receivables

		30 June 2019 $	30 June 2018 $
Current			
GST receivable		74,735	-
Other receivables	(i)	630,513	752,131
Total		**705,248**	**752,131**

(i) $623,813 of other receivables relates to the deferred consideration in relation to the sale of the MRT business which is due from Secure2go Group Ltd on or before 28 December 2019. The terms have changed post year end as referred to in the subsequent events note 30.

(i) $750,000 excess cash resources were advanced to the holders of the convertible note in accordance with an agreement and was extinguished in cash on the acquisition of Jaxsta Holdings Pty Limited by Jaxsta Limited on 28 December 2018. For details, refer to Note 22: Related Party Disclosures.

Non Current

		30 June 2019 $	30 June 2018 $
Other receivables	(i)	4,000,000	-
Provision for impairment	(ii)	(823,813)	-
		3,176,187	-
Total Trade and other receivables		**3,881,435**	**752,131**

(i) Other receivables relate to the deferred consideration in relation to the sale of the MRT business which is due from Secure2go Group Ltd after 28 December 2020.

(ii) The original receivable from Secure2Go Group Ltd was $4,000,000 and it has been impaired for $823,813 as at 30 June 2019. The total current and non current Secure2Go receivable after the impairment provision is $3,800,000 as at 30 June 2019.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

			Past due but not impaired (days overdue)				
	Gross Amount	**Impaired**	**<30**	**31-60**	**61-90**	**>90**	**Within initial trade terms**
2019							
GST receivable	74,735	-	-	-	-	-	74,735
Other receivables	6,700	-	4,569	-	-	2,131	-
MRT receivables	4,623,813	(823,813)(i)	-	-	-	-	4,623,813
Total	**4,705,248**	-	**4,569**	-	-	**2,131**	**4,698,548**
2018							
Other receivables	752,131	-	2,131	-	-	-	750,000
Total	**752,131**	-	**2,131**	-	-	-	**750,000**

(i) Refer to Note 12 and 30 for details of renegotiated term of the MRT receivables.

Note 13. Property, plant and equipment

	30 June 2019 $	30 June 2018 $
Office Equipment - at cost	41,446	37,171
Less: Accumulated depreciation	(16,147)	(10,983)
	25,299	**26,188**
	30 June 2019 $	30 June 2018 $
Leasehold Improvements - at	312,163	312,163
Less: Accumulated depreciation	(312,163)	(312,163)
	-	-
Computer Equipment - at cost	118,116	107,092
Less: Accumulated depreciation	(101,396)	(93,133)
	16,720	**13,959**
Total property, plant and equipment	**42,019**	**40,147**

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Equipment $	**Leasehold Improvement** $	**Computer Equipment** $	**Total** $
Consolidated Group:				
Balance at 1 July 2017	36,371	300,843	4,117	341,331
Additions	800	-	15,963	16,763
Disposals	-	(942)	-	(942)
Depreciation expense	(10,983)	(299,901)	(6,121)	(317,005)
Balance at 30 June 2018	**26,188**	**-**	**13,959**	**40,147**

Additions	4,275	-	11,024	15,299
Depreciation expense	(5,164)	-	(8,263)	(13,427)
Balance at 30 June 2019	**25,299**	-	**16,720**	**42,019**

Note 14. Intangible assets

		30 June 2019 $	30 June 2018 $
Platform Development Costs	(i)	178,963	153,508
Less: Accumulated amortisation		(2,778)	-
		176,185	**153,508**
Formation Costs		118,684	94,640
Less: Accumulated amortisation		(118,684)	(26,649)
		-	**67,991**
Trademark	(ii)	191,756	142,056
Less: Accumulated amortisation		-	-
		191,756	**142,056**
		30 June 2019 $	30 June 2018 $
Goodwill	(iii)	4,025,904	4,025,904
Less: Impairment		-	-
		4,025,904	**4,025,904**
Total Intangible assets		**4,393,845**	**4,389,459**

	Platform Development Costs $	Formation Costs $	Trademark $	Goodwill $	Total $
Balance at 30 June 2018					
Balance at the beginning of the year	147,508	94,640	128,285	4,025,904	4,396,337
Additions	6,000	-	13,771	-	19,771
Amortisation charge	-	(26,649)	-	-	(26,649)
Impairment losses	-	-	-	-	-
Net Carrying Amount	**153,508**	**67,991**	**142,056**	**4,025,904**	**4,389,459**
Balance at 30 June 2019					
Balance at the beginning of the year	153,508	67,991	142,056	4,025,904	4,389,459
Additions	25,455	24,044	49,700	-	99,199
Disposals	-	-	-	-	-
Amortisation charge	(2,778)	(92,035)	-	-	(94,813)
Impairment losses	-	-	-	-	-
Net Carrying Amount	**176,185**	-	**191,756**	**4,025,904**	**4,393,845**

(i) Platform Development costs
Development costs have been capitalised at cost. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Platform Development Costs are amortised over their useful lives, being 3 years as determined by the Directors. Amortisation commenced on 13 June 2019.

(ii) Trademark
Trademarks are assessed to have an indefinite life and will not be amortised.

(iii) Goodwill
Goodwill has been capitalised at the amount of excess consideration paid over purchase of Jaxsta Enterprise Pty Ltd. The recoverable amount of Jaxsta business is determined based on fair value less costs to sell, which is based on recent capital raisings and quoted prices on the active market, being the ASX.
In December 2018, the company raised equity funds via the issue of 26,345,000 shares at an issue price of $0.20 per share raising a total of $5,269,000 and in May 2019 the company raised further equity funds via the issue of 13,220,000 shares at an issue price of $0.25 per share raising a total of $3,305,000. The active market transactions would value the cash generating unit in excess of its carrying value based on the respective market capitalisation. The market price of the Jaxsta Ltd shares as at the date of this report is $0.21.

Note 15. Other assets

	30 June 2019 $	30 June 2018 $
Prepayments	161,002	34,563
Rental Bond	26,400	26,400
Total	**187,402**	**60,963**

Note 16. Trade and other payables
Current

	30 June 2019 $	30 June 2018 $
Unsecured liabilities:		
Trade creditors	300,707	418,201
Other creditors and accruals	298,985	288,595
Total	**599,692**	**706,796**

Note 17. Loans and borrowings
Current

		30 June 2019 $	30 June 2018 $
Convertible notes	(i)	-	1,500,000
Insurance funding	(ii)	26,597	-
Loan from related party	(iii)	-	822,437
Founder loan	(iv)	-	300,000
Total		**26,597**	**2,622,437**

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

(ii) Insurance funding is a ten months short term loan with an fixed interest rate of 5.85%

(iii) The company entered into a loan arrangement facility at no interest with New Holland Pty Limited for $272,680 which was repaid in cash in January 2019 and $549,798 loan with Marine Recue Technologies Ltd was partially repaid in September 2018, with a balance of $34,758 carried forward. Further loans of $465,654 were obtained during the financial year, of which $200,654 were repaid in cash during January 2019, with the remaining balance settled through the issue of shares.

(iv) One of the founding directors entered into a loan agreement with an interest rate of 0%. The loan was repaid by the issue of shares.

Note 18. Provisions
Current

	30 June 2019 $	30 June 2018 $
Employee benefits - annual	159,389	84,790
	159,389	84,790

Non-current

	30 June 2019 $	30 June 2018 $
Employee benefits - long service	88,902	-
	88,902	-

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.
The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 19. Issued Capital

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.

	30 June 2019 Shares	30 June 2018 Shares	30 June 2019 $	30 June 2018 $
Ordinary shares - Fully paid	231,326,901	493,119,559	35,670,064	7,974,578
	231,326,901	**493,119,559**	**35,670,064**	**7,974,578**

	Date	**Issue Price**	**No. of shares**	**$**
Balance	1 July 2018		493,119,559	7,974,578
Share consolidation 1 for 10	17 August 2018		(448,307,453)	-
Conversion of performance	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 to effect the acquisition of Jaxsta Holdings Pty Ltd.	28 December 2018	0.20	109,399,795	21,879,959
Notional reverse acquisition adjustment	28 December 2018		-	(6,153,742)
Shares issued on capital raising	28 December 2018	0.20	26,345,000	5,269,000
Shares issued on capital raising	14 May 2019	0.25	13,220,000	3,305,000
Shares issue transaction costs,			-	(604,731)
Balance	**30 June 2019**		231,326,901	35,670,064

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 20. Cash flow information

	30 June 2019 $	30 June 2018 $
a. Reconciliation of Cash Flows from Operating Activities with Loss after Income Tax		
Loss for the period	(20,084,398)	(3,283,529)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss:		
- Depreciation and amortisation	42,993	343,674
- Write-off capitalised expenditure	41,204	-
- Net foreign currency losses/(gains)	7,350	-
- Impairment expenses	823,813	-
- Listing expenses	13,875,930	-
- Employee share scheme expense	535,816	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and term receivables	-	19,663
- (increase)/decrease in prepayments	(22,130)	-
- (decrease)/increase in trade payables and accruals	(1,507,315)	157,211
- (decrease)/increase in provisions	163,501	-
- (increase)/decrease in other current assets	(79,303)	(28,945)
Cash flows from operating activities	**(6,202,539)**	**(2,791,926)**

b. Non-cash Financing and Investing Activities
(i) Loans and Borrowing:
$1,500,000 convertible note were converted to shares in Jaxsta Limited on 28 December 2019.
$299,717 Loan from related party were converted to shares in Jaxsta Limited on 28 December 2019
$300,000 Funder loans were converted to shares in Jaxsta Limited on 28 December 2019
(ii) Trade and Other Receivables:
$750,000 Other receivables were converted to shares in Jaxsta Limited on 28 December 2019.

Note 21. Reserves

	30 June 2019 $	30 June 2018 $
Share based payment reserve	596,816	-
Balance at the beginning of the year	-	-
CEO share options expense	66,903	-
Lead Manager options expense	61,000	-
Employee option plan	280,313	-
Employee incentive option plan expense	11,341	-
Data Partner warrants granted	177,259	-
Balance at the end of the year	**596,816**	-

The following share-based payment arrangements existed as at 30 June 2019

CEO Options						
Number of Options	Exercise Price ($)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
20,000,000	0.20	16-Nov-18	Granted	vest in tranches of 1,000,000 options for every share price increase of $0.10 from the initial price of $0.20 on a trailing 30-day VWAP basis	16-Nov-23	1 & 2
20,000,000	Total CEO Options					
Lead Manager (share issue)						
Number of Options	Exercise Price ($)	Granted Date	Status	Vesting Conditions	Expiry Date	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	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	16-Nov-23	3
333,333	0.30	16-Nov-18	Granted	the final third of the Options will vest when the Share price his $0.50 for a period of 5 consecutive trading days	16-Nov-23	3
1,000,000	Total Lead Manager Options					
Employee Options						
Number of Options	Exercise Price ($)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
345,000	-	28-Mar-19	Vested	100% exercisable from 1 May 2019 until expiry	28-Mar-26	1 & 2
345,000	-	28-Mar-19	Granted	100% exercisable after 28 the March 2020 until expiry	28-Mar-26	1 & 2
25,000	-	28-Mar-19	Granted	100% exercisable after 31 October 2019 until expiry	28-Mar-26	1 & 2
25,000	-	28-Mar-19	Vested	100% exercisable from 1 May 2019 until expiry	28-Mar-26	1 & 2
150,000	-	28-Mar-19	Vested	100% exercisable after 1 May 2019	28-Mar-26	1 & 2
100,000	-	28-Mar-19	Vested	100% exercisable after 1 May 2019	28-Mar-20	1 & 2
990,000	Total Employee Options					
Employee Incentive Options						
Number of Options	Exercise Price ($)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
169,711	0.651	28-Mar-19	Granted	Subject to exercise restrictions from grant date to 1st anniversary	28-Mar-25	4

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Number of Options	Exercise Price ($)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
169,712	0.651	28-Mar-19	Granted	Subject to exercise restrictions from grant date to 2nd anniversary	28-Mar-25	4
131,250	0.651	28-Mar-19	Granted	Subject to exercise restrictions from grant date to 3rd anniversary	28-Mar-25	4
131,250	0.651	28-Mar-19	Granted	Subject to exercise restrictions from grant date to 4th anniversary	28-Mar-25	4
601,923	Total Employee Incentive Options					
Data Partner Warrants						
Number of Warrants	Exercise Price ($)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
713,105	0.01	14-Mar-19	Granted	Vesting (on the last day of the month) 12 months after date of issue and subject to other non-market vesting conditions	14-Mar-26	5
713,105	0.01	14-Mar-19	Granted	Vesting (on the last day of the month) 12 months after date of issue	14-Mar-26	5
713,105	0.01	14-Mar-19	Granted	Vesting 24 months after date of issue	14-Mar-26	5
713,105	0.01	14-Mar-19	Granted	Vesting 24 months after date of issue and subject to other non-market vesting conditions	14-Mar-26	5
675,573	0.01	15-Mar-19	Granted	Vesting 12 months after date of issue	15-Mar-27	5
675,573	0.01	15-Mar-19	Granted	Vesting 24 months after date of issue	15-Mar-28	5
562,978	0.01	18-Jun-19	Granted	Vesting (on the last day of the month preceeding) 12 months after date of issue	18-Jun-27	5
562,978	0.01	18-Jun-19	Granted	Vesting (on the last day of the month preceeding) 24 months after date of issue	18-Jun-28	5
5,329,522	Total Data Partner Warrants					

Notes:
1. Issued under the terms of Incentive Option Plan (Jaxsta). Refer to the table for terms.
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 issue document dated 28 December 2018.
4. Issued pursuant to the 2019 rights issue document dated 28 March 2019.
5 Warrants to various data partners between 14 March 19 and 18 June 2019 .
All options and warrants 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

	2019	
	Number of Options & warrants	Weighted Average Exercise Price ($)
Total options and warrants		
Outstanding at the beginning of the year	-	-
Granted	27,921,444	0.170
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding at year end	27,921,444	0.170
Exercisable at year end	27,921,444	0.170

Options Reserve

The fair value of issued CEO share options is calculated to be $0.033 per option totalling $660,000 (2018: $NIL). The number of options granted during the year pursuant to the Incentive Option Plan (Jaxsta) was 20,000,000 (2018: (NIL).

The fair value of issued Employee share options is calculated to be $0.39 per option totalling $386,100 (2018: $NIL). The number of options granted during the year pursuant to the Employee Incentive Option Plan (Jaxsta) was 990,000 (2018: (NIL).

The fair value of issued Employee Incentive share options is calculated to be $0.137 per option totalling $82,463 (2018: $NIL). The number of options granted during the year pursuant to the Employee Incentive Option Plan (Jaxsta) was 601,923 (2018: (NIL).

The fair value of issued Lead Manager share options is calculated to be $0.061 per option totalling $61,000 (2018: $NIL). The number of options granted during the year pursuant to the ESOP was 1,000,000 (2018: (NIL)

The fair value of issued Data partner Warrants is calculated to be $0.137 per warrant totalling $1,033,627 (2018: $NIL). The number of warrants granted during the year pursuant to the Incentive Option Plan (Jaxsta) was 5,329,521 (2018: (NIL).

In March 2019, the company granted Senior Employees 990,000 options with an exercise price of Nil, exercisable 34 days from grant date. The value of these options is $386,100.

Included under employees and contractor costs in the statement of profit and loss and other comprehensive income is a share-based payments expense of $358,557 (2018: NIL), representing the expense for the current reporting period.

Included under product development expense in the statement of profit and loss and other comprehensive income is a share-based payments expense of $177,259 (2018: NIL), representing the expense for the current reporting period.

Included in Equity as a cost of capital raising is share based payment expense of $61,000 for Lead Manager Options.

The value of share options issued during the financial year has been calculated by using a binomial option pricing model applying the following inputs:

	CEO Options	Lead Manager	Employee Options	Employee Incentive	Data Partner
Exercise prices	$0.20	$0.30	$0.00	$0.651	$0.01
Underlying share prices	$0.20	$0.20	$0.39	$0.39	$0.18 - $0.24
Days to expiration	1,825	1,825	365 to 2555	2,190	2555 to 3285
Days to vesting	0 to 1,825	0 to 1,825	34 to 272	365 to 1367	365 to 730
Expected share price volatility	50%	50%	50%	50%	50%
Risk free interest rate	2.02%	2.02%	2.02%	2.02%	2.02%

Expected share price volatility has been based using comparable entities listed on the ASX which operate in the same industry group as Jaxsta Limited (Jaxsta). The Directors believed this to be fair representation of Jaxsta expected volatility in the absence of volatility.

The life of the options is based on the contracted expiry date.

Note 22. Related Party Disclosures

(a) The Group's main related parties are as follows:

Entities exercising control over the Group:

(i) The ultimate parent entity that exercises control over the Group is Jaxsta Limited, which is incorporated in Australia.

(ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 7.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Trade and other receivables

	30 June 2019 $	30 June 2018 $
Loan to other related party - Mobilarm Ltd		
Beginning of the year	750,000	-
Loans advanced	-	750,000
Loan repayment received	(750,000)	-
End of the year	-	**750,000**

This loan is interest free, unsecured and at call. It was extinguished in cash on the acquisition of Jaxsta Holdings Pty Limited on 28 December 2018.

Loans and Borrowings

	30 June 2019 $	30 June 2018 $
Loan from other related party -New Holland Pty Ltd		
Beginning of the year	272,680	94,845
Loans advanced	-	177,835
Loan repayment	(272,680)	-
End of the year	-	**272,680**

This loan was interest free and was repaid in cash in January 2019.

	30 June 2019 $	30 June 2018 $
Loan from other related party - Marine Rescue Technologies Ltd		
Beginning of the year	549,758	200,000
Loans advanced	465,654	349,758
Loan repayment	(1,015,412)	-
End of the year	-	**549,758**

This loan was interest free and $715,695 was repaid in cash in January 2019 with the remaining balance settled through the issue of shares in Jaxsta Limited.

	30 June 2019 $	30 June 2018 $
Loan from other key management personnel related entities - Jacqui Louez Schoorl and Louis Schoorl		
Beginning of the year	300,000	-
Loans advanced	-	300,000
Loan repayment	(300,000)	-
End of the year	-	**300,000**

This loan agreement with an interest rate of 0%.The loan was repaid by the issue of shares in Jaxsta Limited.

The following related party transactions occurred during the financial period:

Brett Cottle received director fees of $60,000 for the financial year, any other transactions throughout the year relate to reimbursements for expenses incurred by Jaxsta Ltd or his related entities on behalf of the Group.

Jorge Nigaglioni received a salary and directors fee of $30,000 for the financial year and is paid to himself. Any other transactions throughout the year relate to reimbursements for expenses incurred by Jaxsta Ltd or his related entities on behalf of the Group.

Linda Jenkinson received directors fee of $32,850 for the financial year and is paid to herself. Any other transactions throughout the year relate to reimbursements for expenses incurred by Jaxsta Ltd or his related entities on behalf of the Group.

Launa Inman received directors fee of $10,950 for the financial year and is paid to herself. Any other transactions throughout the year relate to reimbursements for expenses incurred by Jaxsta Ltd or her related entities on behalf of the Group.

Jacqui Louez Schoorl received a salary and directors fee of $221,159 for the financial year and is paid to herself, accordingly. Any other transactions throughout the year relate to reimbursements for expenses incurred by her or her related entities on behalf of the Group.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Note 23. Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	30 June 2019 $	30 June 2018 $
Financial assets			
Cash and cash equivalents	11	2,452,760	46,299
Loans and receivables	12	81,435	752,131
MRT receivables	12	3,800,000	-
Total financial assets		**6,334,195**	**798,430**

	Note	30 June 2019 $	30 June 2018 $
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	16	599,692	706,796
Loans and borrowings	17	26,597	2,622,437
Total financial liabilities		**626,289**	**3,329,233**

Financial Risk Management Policies

The directors overall risk management strategy seeks to assist the group in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and price risk.

There have been no substantive changes in the types of risks the group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at board level, given to parties securing the liabilities of certain subsidiaries.

Other receivables is deferred consideration in relation to the sale of the MRT business which is due from Secure2go Group Ltd on or before 28 December 2020. Refer to Events After the Reporting Period in Note 30.

The group has a significant concentrations of credit risk with MRT receivables. Details with respect to credit risk of trade and other receivables are provided in Note 12 and Note 30.

Trade and other receivables that are neither past due nor impaired are considered to be high credit quality. Aggregated of such amounts are detailed in Note 12.

Credit risk related to balances with banks and other financial institutions is managed by the group in accordance with approved board policy. Such policy requires that surplus funds are only invested with major financial institutions.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Total	
	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$
Financial liabilities due for payment						
Loans and borrowings	26,597	2,622,437	-	-	26,597	2,622,437
Trade and other payables	599,692	706,796	-	-	599,692	706,796
Total contractual outflows	626,289	3,329,233	-	-	626,289	3,329,233
Total expected outflows	**626,289**	**3,329,233**	**-**	**-**	**626,289**	**3,329,233**

	Within 1 year		1 to 5 years		Total	
	2019	2018	2019	2018	2019	2018
	$	$	$	$	$	$
Financial assets cash flows realisable						
Cash and cash equivalents	2,452,760	46,299	-	-	2,452,760	46,299
Trade and loan receivables	705,248	752,131	3,176,187	-	3,881,435	752,131
Total anticipated inflows	3,158,008	798,430	3,176,187	-	6,334,195	798,430
Net (outflow)/inflow on financial instruments	**3,158,008**	**798,430**	**3,176,187**	**-**	**6,334,195**	**798,430**

(b) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Group to interest rate risk are borrowings, foreign currency, and cash and cash equivalents.

(ii) Foreign exchange risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for commodities.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

		Profit	Equity
		$	$
Year ended 30 June 2019			
+/- 1% in interest rates	+/-	1	1
Year ended 30 June 2018			
+/- 1% in interest rates	+/-	463	463

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 24 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.
These sensitivities assume that the movement in a particular variable is independent of other variables.

		2019		2018	
	Note	Net carrying value $	Net fair value $	Net carrying value $	Net fair value $
Financial assets					
Cash and cash equivalents	11	2,452,760	2,452,760	46,299	46,299
Trade and other receivables	12	3,881,435	3,881,435	752,131	752,131
Other assets	15	26,400	26,400	26,400	26,400
Total financial assets		**6,360,595**	**6,360,595**	**824,830**	**824,830**

		2019		2018	
	Note	Net carrying value $	Net fair value $	Net carrying value $	Net fair value $
Financial liabilities					
Trade and other payables	16	599,692	599,692	706,796	706,796
Loans and borrowings	17	26,597	26,597	2,622,437	2,622,437
Total financial liabilities		**626,289**	**626,289**	**3,329,233**	**3,329,233**

Cash and cash equivalents, trade and other receivables, loans and advances and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Note 24. Fair Value Measurements

The carrying amounts of cash and cash equivalents, trade and other receivables, loans and advances and trade and other payables are carried at their amortised cost less any impairment. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current interest rate that is valuable for similar financial liabilities.

Note 25. Contingent Assets and Contingent Liabilities

There were no contingent assets or contingent liabilities which would have a material effect on the consolidated entity's financial statements as at 30 June 2019 (2018: $ nil).

Note 26. Contractual Commitments

Jaxsta Limited had no contractual commitments as at 30 June 2019,

Note 27. Parent Entity Information

Parent entity information

Parent entity financial information relates to Jaxsta Limited (formerly Mobilarm Limited). As detailed in note 2, Jaxsta Limited is " the legal parent " of the consolidated entity with effect from 28 December 2018. The information for the periods represents the standalone financial information of the parent entity.

The comparative financial information are not part of the consolidated entity's financial position or performance for the 30 June 2018.

Statement of financial position

	30 June 2019 $	30 June 2018 $
Assets		
Current assets	3,352,624	-
Non - current	30,822,298	10,800,492
TOTAL ASSETS	**34,174,922**	**10,800,492**
LIABILITIES		
Current liabilities	43,109	300,000
Non-current	-	1,500,000
TOTAL LIAIBLITIES	**43,109**	**1,800,000**
Equity		
Issued capital	64,828,062	7,974,578
Retained earnings	(31,293,066)	1,025,914
Option reserve	596,816	-
TOTAL EQUITY	**34,131,813**	**9,000,492**

Statement of profit or loss and other comprehensive income

	30 June 2019 $	30 June 2018 $
Total loss	(1,319,520)	-
Total comprehensive loss	**(1,319,520)**	-

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Contractual commitments

The parent entity had no contractual commitments as at 30 June 2019 and 30 June 2018.

Note 28. Interests in subsidiaries

Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Country of Incorporation	Ownership Interest Held by the Group 2019	2018
Jaxsta Holdings Pty Ltd	Australia	100%	
Jaxsta Enterprise Pty Ltd	Australia	100%	100%
Jaxsta Inc.	United States of America	100%	100%

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Note 29. Registered Office

The registered office of the company is:
Level 1/ 113-115 Oxford Street
Darlinghurst NSW 2010

The principal place of business is:
Level 1/ 113-115 Oxford Street
Darlinghurst NSW 2010

Note 30. Events After the Reporting Period

Other than the events described below, there are no other events or circumstances have arisen that would require disclosure in the financial report.

Other receivable $4.6m in relation to sale of the MRT business which is due from Secure2go Group Limited.

Jaxsta (formerly Mobilarm Limited) entered into a Share Sale and Purchase Agreement with Secure2Go Group Limited ACN 612 127 867 ('Secure2Go') on or about 18 May 2018 ('SSPA') under which Mobilarm Limited sold all of the shares and other securities in its subsidiary, Marine Rescue Technologies Limited CRN 4202403 ('MRT') to Secure2Go, or its nominee JJC Capital Pte Ltd (herein referred to as the 'Disposal').
The Company sought and received shareholder approval for the Disposal at the 2018 EGM. The material terms of the Disposal were set out in the 'Notice of General Meeting' dated 16 July 2018. The SSPA was amended a number of times by the following documents entered into between the Company, Secure2Go and others:

- a first amendment agreement dated on or about 22 May 2018 amending, among other things, the payment terms;
- a side letter dated 17 November 2018 in relation to the discharge of the completion payment;
- a third amendment agreement dated 26 April 2019 which, subject to shareholder approval, reduced the outstanding deferred consideration receivable by the Company; and
- a fourth amendment agreement dated 28 June 2019 which, subject to shareholder approval, extended the payment date of the outstanding deferred consideration.

The Company has received $1,376,187 in connection with the Disposal. However, as the outstanding deferred consideration was not paid in accordance with the terms of the SSPA as amended by the third and fourth amendment agreements, the original terms of the SSPA (i.e., before such amendments were made) remained binding on the parties (the 'Current Terms'). Under such terms, Secure2Go is required to make the following payments of deferred consideration to Jaxsta:

- $623,813 on 28 December 2019, being the first anniversary of the date of completion of the Disposal (or any earlier date Secure2Go chooses); and
- $4,000,000 on 28 December 2020, being the second anniversary of the date of completion of the Disposal (or any earlier date Secure2Go chooses),

(together, the 'Deferred Payments').

Proposed further amendments to the SSPA
The Company, Secure2Go and others have entered into a fifth amendment agreement to the SSPA on 25 September 2019 ('Fifth SSPA Amendment Agreement').

The Fifth SSPA Amendment Agreement, which remains subject to shareholder approval in accordance with the Listing Rules, brings forward the due date for each Deferred Payment and, in consideration for the same, reduces the aggregate amount of the Deferred Payments. The key terms are:

1) (effective date) the material terms of the Fifth SSPA Amendment Agreement will not become binding on the parties unless and until shareholder approval is received by Jaxsta;

2) (discount) the aggregate consideration for the Disposal is reduced from $6,000,000 (plus VAT, if applicable) to $4,376,187 (plus VAT, if applicable), including $1,376,187 which the Company has already received;

3) (first payment) Secure2Go must pay $1,500,000 into escrow immediately upon signing the Fifth SSPA Amendment Agreement and such amount will be released to Jaxsta as the first Deferred Payment promptly upon receipt of shareholder approval; and

4) (second payment) the balance of the Deferred Payments will be treated as follows:

a) if $1,700,000 is received by Jaxsta by no later than 31st March 2020, such payment will be considered full and final satisfaction of Secure2Go's obligations to pay the purchase price for the Disposal which will secure an early repayment discount of $1,423,813; or

b) if the payment referred to in 4(a) above is not received by the required date, $2,300,000 will be due no later than 31st December 2020 and, upon receipt, such payment will be considered full and final satisfaction of Secure2Go's obligations to pay the purchase price for the Disposal and will secure an early repayment discount of $823,813.

(collectively. 'the Proposed Amendments').

In circumstances where shareholder approval is not obtained by Jaxsta by at its next general meeting, the purchase price and payment terms applicable to the Disposal will revert to the Current Terms.

Note 31. Difference to Preliminary Financial Report and Appendix 4E

Since the lodgement of the company's Appendix 4E and the Preliminary Financial Report with the ASX on 30 August 2019, Jaxsta has signed an agreement with Secure2Go as detailed in Note 30 - Events After the Reporting Period. The revised terms agreed with Secure2Go have resulted in impairment of the Receivable from Secure2Go by $823,813. This impairment was not included in the Preliminary Financial Report. The difference between the Preliminary Financial Report and this Final Audited Financial Report are summarised below:

	Preliminary Financial Report	Impairment	Final Audited Financial Report
Loss after income tax expense for the year attributable to the owners of Jaxsta Limited	(20,908,211)	(823,813)	(20,084,398)
Net Assets	9,259,068	(823,813)	10,082,881

Director's Declaration

In accordance with a resolution of the Directors of Jaxsta Limited, the Directors of Jaxsta declare that:

- the consolidated financial statements and notes, as set out on pages 25 to 61, are in accordance with the Corporations Act 2001 (Cth) and:
  - comply with the Australian Accounting Standards and the Corporations Regulations 2001, which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
  - give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the consolidated Group;
- in the Directors' opinion there are reasonable grounds to believe that Jaxsta and consolidated entity will be able to pay its debts as and when they become due and payable; and
- the Directors have been given the declarations required by s295A of the Corporations Act 2001 (Cth) from the Chief Executive Officer and Chief Financial Operations Officer.

On behalf of the Directors

Jacqueline Louez Schoorl

Executive Director

26 September 2019

Sydney, New South Wales

Auditor's Independence Declaration

Walker Wayland Audit (WA) Pty Ltd
Associated with Walker Wayland (WA) Pty Ltd
ABN 65 105 127 937
PERTH
Level 3, 1 Preston Street
Como WA 6152
PO Box 2162
Como Beach WA 6152
Telephone: +61 8 9364 9988
Facsimile: +61 8 9367 3444
www.ww-wa.com.au

AUDITOR'S 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 year ended 30 June 2019 there have been:

i. no contraventions of the auditors' independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Walker Wayland Audit (WA) Pty Ltd

Walker Wayland Audit (WA) Pty Ltd

Wali Aziz

Consultant – Registered Company Auditor

Dated this 26th day of September 2019, Sydney

Independent Auditor's Report

Walker Wayland Audit (WA) Pty Ltd
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF JAXSTA LIMITED

REPORT ON THE FINANCIAL REPORT

OPINION

We have audited the accompanying financial report of Jaxsta Limited (the Group) and its controlled entities which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

(a) the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

I. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
II. complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Material Uncertainty Regarding Going Concern

Without modifying our opinion, we draw attention to Note 2b) "Going Concern basis of Accounting" in the financial report, which indicates:

- The Group incurred a Loss after tax for the year ended 30 June 2019 was $20,084,398 which includes listing expenses of $14,227,655.
- The Group incurred a Net cash outflow for the year ended 30 June 2019 of $6,202,539.
- The Group is in the process of transitioning from a start-up/development business to a commercialised business with the intention of deriving product sales.
- The Group has not derived product sales to date.

These conditions, indicate the existence of material uncertainties that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated.

The ability of the entity to continue as a going concern is dependent upon the following:

- Launching the final platform website and the subsequent derivation of subscription-based sales.
- Collecting the MRT receivable in part or in full.
- Raising additional funds from equity and debt capital.
- Reducing discretionary overhead expenditure assuming the above three matters do not eventuate.

BASIS FOR OPINION

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's responsibility section of our report. We are independent of the Group in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

The key audit matters are the matters that, in our professional judgement, were of most significance in our audit of the financial report for the current year. The matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matter
Accounting for the reverse acquisition 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 Jaxsta Limited (formerly Mobilarm Limited). The acquisition has been accounted for as a share-based payment under AASB 2 *Share based payments* and the principles of reverse acquisition have been applied. The accounting for the reverse acquisition is a key audit matter due to the accounting complexity of the transaction, and the level of audit effort involved. Management judgement was required to determine that Mobilarm did not meet the definition of a 'business' under AASB 3 *Business Combinations* and could not be accounted for as a business combination. Additionally, Management applied judgement to conclude that the basis of preparation of the financial statements, including comparative information, should be analogised to that of a reverse acquisition. No goodwill was recognised on the transaction.	Our procedures included, amongst others: • Reviewed the sale and purchase agreements to assess the requirements of the relevant accounting standards, including interpretation guidance and authoritative support. These included: • the use of reverse acquisition accounting as the basis of preparation of the financial statements; • the determination that the transaction was a share-based payment, and • the treatment of the specific costs incurred as part of the reverse listing transaction as share-based payments. • We reviewed the shareholdings of Jaxsta Limited, the composition of the new Board and Management to determine who has control of the group and who is the accounting acquirer. • We also reviewed the recognition, measurement, presentation & disclosure of the reverse acquisition accounting in the consolidated financial statements of Jaxsta Limited. This included reviewing the consolidation entries of all the entities in the new group, the completeness of the updated equity structure, the treatment of the excess of the deemed acquisition cost as an expense.

Jaxsta Limited
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Key audit matters	How our audit addressed the key audit matter
Goodwill – impairment testing (Note 14) The Group has recorded intangible assets with a carrying value of $4,393,845 (which includes goodwill of $4,025,904) on the Statement of Financial Position as at 30 June 2019 as disclosed in Note 14 "Intangible Assets." AASB 136 Impairment of Assets requires intangible assets with indefinite useful lives, such as goodwill, to be tested for impairment annually. It also requires intangible assets with definite useful lives such as platform development costs, to be reviewed for indicators of impairment. This area is a key audit matter due to the management judgement and assumptions applied in preparing a fair value less costs to sell model to satisfy the impairment test. The market capitalisation less selling costs of Jaxsta Limited has been used as the fair value less costs to sell. The market capitalisation exceeds the carrying value of goodwill at year end, accordingly no impairment write-down has been recognised for the year ended 30 June 2019.	Our procedures included, amongst others: • Reviewed managements fair value less costs to sell memorandum • Tested the mathematical accuracy of the fair value less costs to sell model; • Agreed the market price of the Company's quoted securities to the ASX at year end and as at the date of this report • Agreed the quoted securities to the company's share registry records • Considered the liquidity and tradability of the shares • Evaluated the fair value less costs to sell model against the requirements of AASB 136 Impairment of Assets • Assessed the adequacy of the related disclosures within the financial report
Other receivable (MRT) – existence and recoverability (Note 12) The Group has a total consideration receivable outstanding from the sale of the MRT Business amounting to $3,800,000 as disclosed in Note 12 which includes an $823,813 impairment provision recognised for the year ended 30 June 2019. The total receivable is considered to be a key audit matter as it is material and significant to the Group's statement of financial position and future cash flows.	Our procedures included, amongst others: • Reviewed managements memorandum • Confirmed the balance as at 30 June 2019 with the purchaser - MRT, in addition to confirming the payment terms • Reviewed the sale and purchase agreement to ensure the receivable is consistent with that document • Reviewed board minutes and latest amended deed to confirm any renegotiated amounts • Obtained documentation to assess the financial position of the MRT purchaser in order to assess recoverability • Discussed the recoverability of the receivable with management, the board and audit committee • Assessed the adequacy of related disclosures, including current and non-current classification within the financial statements;

Key audit matters	How our audit addressed the key audit matter
Share options and warrants (Note 21) During the year ended 30 June 2019, the Group has issued options and warrants to directors, employees, and other service providers resulting in an expense for the year of $535,816. These options and warrants have been accounted for in accordance with AASB 2 "Share Based Payments." The accounting for share based payments is a key audit matter because the expense recognised incorporates a judgemental option value. The Group valued the options, assisted by an external expert, using the Black Scholes model, where inputs such as volatility and risk-free rate require judgement.	Our procedures included, amongst others: • Compared the terms and conditions for a sample of the options issued during the financial year included in the expense calculations with appropriate board minutes and letters of advice to employees and service providers • Obtained the Group's expert's options valuation report and assessed the reasonableness of selected inputs used in the valuation of the share options using available supporting data. Assessed the competency of the Group's expert including their experience and qualifications • Assessed attributes, on a sample basis in respect of the valuation of the share options. Ascertained whether these attributes were appropriately included in the share option valuation model, and the expense is recognised over the appropriate vesting period • Assessed the reasonableness of the fair value calculation through re-performing the calculation using the Black Scholes model • Evaluated the adequacy of disclosures made by the Group in the financial report

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Group's directors report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DIRECTORS' RESPONSIBILTY FOR THE FINANCIAL REPORT

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australia Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Australian Accounting Standards AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Jaxsta Limited
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AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee than an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

walker wayland audit

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in the Directors' Report on pages 16 to 23 for the year ended 30 June 2019. The Directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, which based on our audit, is in accordance with Australian Auditing Standards.

OPINION

In our opinion, the Remuneration Report of Jaxsta Limited for the year ended 30 June 2019, complies with Section 300A of the Corporations Act 2001.

RESPONSIBILITIES

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with Section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australia Auditing Standards.

Walker Wayland Audit (WA) Pty Ltd

Walker Wayland Audit (WA) Pty Ltd

Wali Aziz
Consultant – Registered Company Auditor

Dated this 26th day of September 2019, Sydney

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Additional Shareholder Information

Shareholder Information required by the Australian Securities Exchange Limited ('ASX') Listing Rules and not disclosed elsewhere in the Report is set out below. The shareholder information is current as at 31 July 2019.

Jaxsta Limited shares are traded on the ASX under the code 'JXT'. Jaxsta's securities are not traded on any other exchange.

Share Registry	Registered Office	Principle Place of Business
Security Transfer Registrars	Level 1, 113-115 Oxford St	Level 1, 113-115 Oxford St
770 Canning Hwy	Darlinghurst NSW 2010	Darlinghurst NSW 2010
Applecross WA 6153	T: +61 2 8317 1000	T: +61 2 8317 1000
T: 1300 992 916 or +61 3 9628 2200 (International)		

The details of Jaxsta's Company Secretary, Shelley Burger, is set out in the Directors' Report.

A review of the operations of Jaxsta and its other Group members for the reporting period is set out in the Directors' Report.

Corporate Governance

In accordance with the 3rd edition ASX Corporate Governance Council's Principles and Recommendations, the 2019 Corporate Governance Statement, as approved by the Board, is available on Jaxsta's website at: https://jaxsta.com/info/governance-documents. The Corporate Governance Statement sets out the extent to which Jaxsta has followed the ASX Corporate Governance Council's 29 Recommendations during the 2019 financial year.

Substantial Shareholders of Fully Paid Ordinary Shares

The number of securities held by substantial shareholders and their associates, as disclosed to the ASX are set out below:

Name	Number	%
Jacqueline Samantha Louez Schoorl	25,920,004	11.88
Louis Schoorl	25,920,004	11.88
AustralianSuper Pty Ltd	14,383,332	6.59
Jaxsta Limited	87,593,950	37.87

Distribution of Security Holders and Holdings

Fully Paid Ordinary Shares

Range	Ordinary Shares	%	Number of Holders	%
1 to 1,000	28,887	0.01	58	6.32
1,001 to 5,000	764,918	0.33	259	28.24
5,001 to 10,000	1,621,955	0.70	188	20.50
10,001 to 100,000	10,287,977	4.45	282	30.75
100,001 and over	218,623,164	94.51	130	14.18
Total	**231,326,901**	**100.00**	**917**	**100.00**

Options

Range	Options	%	Number of Holders	%
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	90,000	0.40	1	11.11
100,001 and over	22,501,923	99.60	10	88.89
Total	**22,591,923**	**100.00**	**11**	**100.00**

Warrants

Range	Warrants	%	Number of Holders	%
1 to 1,000	-	-	-	-
1,001 to 5,000	-	-	-	-
5,001 to 10,000	-	-	-	-
10,001 to 100,000	-	-	-	-
100,001 and over	5,798,669	100%	4	100%
Total	**5,798,669**	**100%**	**4**	**100%**

The number of shareholders holding less than a marketable parcel of ordinary shares is 156 based on Jaxsta's closing share price of $0.21, on 31 July 2019.

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Twenty Largest Shareholders

No.	Name	No. of shares	%
1	SCHOORL JACQUELINE S L	25,920,004	11.20
2	SCHOORL LOUIS	25,920,000	11.20
3.	GLENEAGLE SEC NOM PL	15,400,000	6.66
4	PROTASIUK PATRYCJA D	12,386,322	5.35
5	HSBC CUSTODY NOM AUST LTD	12,063,549	5.21
6	GLENEAGLE SEC NOM PL	11,580,470	5.01
7	JJC CAP PTE LTD	10,000,000	4.32
8	VERHEGGEN MELANIE T	9,543,994	4.13
9	J P MORGAN NOM AUST PL	8,334,721	3.60
10	MERRILL LYNCH AUST NOM PL	7,968,362	3.44
11	VERHEGGEN MELANIE T	5,618,455	2.43
12	CITICORP NOM PL	5,123,908	2.22
13	BLAZZED PL	5,044,016	2.18
14	VALUE NOM PL	4,209,285	1.82
15	SPINITE PL	3,900,000	1.69
16	JUNIOR JAY PL	3,181,489	1.38
17	SARGON CT PL	2,950,000	1.28
18	HASLER GARY DARREN	2,257,144	0.98
19	NEWD CORP PL	2,065,220	0.89
20	HSBC CUSTODY NOM AUST LTD	2,004,750	0.87
Total		**175,471,689**	**75.86**
Balance of Register		**55,855,212**	**24.14**
Grand Total		**231,326,901**	**100**

Escrowed Securities

Fully Paid Ordinary Shares

Jaxsta has 87,593,951 fully paid ordinary shares that are currently the subject of escrow arrangements as detailed below:

- 86,760,617 shares are subject to escrow for 24 months from date of re-quotation of Jaxsta shares on ASX. Jaxsta shares were re-instated to the official list of the ASX on 28 December 2018; and
- 833,334 shares are subject to escrow until 28 August 2019.

Options

There are 21,000,000 options subject to escrow for 24 months from date of re-quotation of Jaxsta shares on ASX. Jaxsta shares were re-instated to the official list of the ASX on 28 December 2018.

Unquoted securities

Options

Jaxsta has issued 21,591,923 options at various exercise prices and expiry dates under the Jaxsta Incentive Options Plan. The Jaxsta Incentive Options Plan was approved by shareholders in general meeting on 17 August 2018.

Jaxsta has issued 1,000,000 options to Bell Potter Securities Limited which are exercisable at A$0.30 per option and will expire at 5:00pm (WST) on 16 November 2023.

Warrants

Jaxsta has issued 5,798,669 unlisted warrants to four warrant holders and remain unexercised. Details of holders of 20% or more of the warrants are as follows:

Name	Number	%
Universal Music Investments	2,852,420	49.19
Warner Music Inc.	1,351,146	23.30
Other holders	1,595,103	27.51
Total	**5,798,669**	**100.00**

On Market Buy-Back

There is no current on market buy-back.

Voting Rights

The voting rights attached to ordinary shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

Option holders do not have any voting rights on the options held by them.

Warrant holders do not have any voting rights on the warrants held by them.

Statement Regarding Use of Cash and Assets

During the period between 28 December 2018 and 30 June 2019, Jaxsta has used its cash and assets readily convertible to cash that it had at the time of ASX admission in a way consistent with its business objectives set out in the Prospectus dated 7 September 2018.

Corporate Directory

Directors

Brett Cottle
Chairman

Jacqueline Louez Schoorl
Executive Director

Linda Jenkinson
Non-Executive Director

Jorge Nigaglioni
Non-Executive Director

Company Secretary

Shelley Burger
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

Contact Details

Web: https://www.jaxsta.com/
Tel: (02) 8317 1000
Email: jaxstainvestors@jaxsta.com

Auditors

Walker Wayland Audit (WA) Pty Limited
Level 3, 1 Preston Street,
Como WA 6152

Principle Place of Business

Level 1/ 113-115 Oxford Street
Darlinghurst NSW 2010

Share Registry

Security Transfer Australia
770 Canning Highway
Applecross WA 6153

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

Photo credit: Anton Mislawsky

Jaxsta Ltd
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Darlinghurst NSW 2010 Australia
info@jaxsta.com
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