

ASX RELEASE

Strategic Investment by Songtradr

Sydney, Australia, 4 April 2022: Jaxsta Limited ACN 106 513 580 (**Jaxsta** or the **Company**, ASX: JXT) the world's largest database of official music credits, has today announced a further strategic investment from Songtradr Inc. of A\$3.0 million via a secured convertible note (**Convertible Note**).

Highlights:

- The Convertible Note provides an interest free secured initial loan of A\$1.7 Million (**Initial Advance**) until the Convertible Note is approved by shareholders;
- Upon shareholder approval of the Convertible Note, the Initial Advance will be increased by a further A\$1.3 Million subscription (**Tranche 2**) for a total subscription amount of A\$3.0 Million, convertible by Songtradr into fully paid ordinary Jaxsta shares at A\$0.021 per share (**Subscription Amount**);
- The Convertible Note facilitates a further potential investment by Songtradr of A\$3.0 Million through the issue of 142,857,143 share options with an exercise price of A\$0.021 per share (to the extent exercised by Songtradr);
- The Convertible Note carries an interest rate of 7.5% per annum capitalised quarterly commencing at the date of shareholder approval of the Convertible Note, with interest capable of conversion to shares by Songtradr at the conversion price of A\$0.021 and convertible at the time of conversion and a three year term; and
- The Company will be undertaking strategic and operational changes as part of the growth investment to ensure at least a 12 months cash runway.

The agreement extends the existing strategic partnership initiated by Songtradr in 2020. The Company will be using this investment to expand its technology platform to deliver a transformational B2C strategy targeting the rapid global expansion of music consumption and fan engagement.

Jacqui Louez-Schoorl, Jaxsta CEO & Founder, stated, *"We're delighted to further grow our relationship with Songtradr, and excited with our plans to expand the platform. This new initiative will utilise our valuable data to benefit both the music industry as well as music consumers and fans. We believe that our existing customers (Jaxsta Core and Plus users) will realise increased value through consumer activity insights and transactions. Additionally, this B2C expansion will open up a much larger market for our growing API licensing business by combining data from new growth initiatives with our unmatched B2B data."*

Songtradr, CEO and Founder Paul Wiltshire added, *"Music consumption has been evolving rapidly over the last 2 pandemic years. From new technologies such as NFTs that have opened up entirely new markets to physical vinyl sales that have increased approximately 60% (US\$1B)*

in 2021 compared to 2020, there is a big opportunity for Jaxsta. As the only platform in the world that has global connected music credits data sourced directly from the music industry with unique URLs for virtually every known released album and artist in history, Jaxsta can create significant value through highly targeted, unique consumer experiences, monetising its data in a new and rapidly growing market. From Songtradr's perspective, Jaxsta's technology is a key component to solving industry-wide data related issues and our focus on the transformation of the B2B music marketplace. This deeper investment between Jaxsta and Songtradr will foster new innovation and increased opportunities for both companies."

The Convertible Note will provide Jaxsta with A\$3.0 Million of working capital. Songtradr may convert the notes into fully paid ordinary shares in Jaxsta by providing Jaxsta with a conversion notice at any time prior to the end of the term, subject to obtaining shareholder approval under section 611(7) of the Corporations Act 2001 (Cth) where required. A full conversion of the Convertible Note by Songtradr would result in the issue of 142,857,143 fully paid ordinary Jaxsta shares being issued to Songtradr (**Conversion Shares**). Songtradr will also be granted an additional 142,857,143 options under the Convertible Note with an exercise price of A\$0.021 per share, expiring on repayment, or to the extent unexercised, on conversion of the Convertible Note in full (**Songtradr Options**).

Convertible Note:

The Convertible Note is secured by way of the existing general security deed dated 10 November 2020 between Jaxsta and Songtradr and will be documented by way of a deed of amendment and restatement of the convertible note deed dated 10 September 2020 between the Company and Songtradr (**Existing Agreement**).

The A\$1.7M Initial Advance is expected to be paid to Jaxsta in April 2022 following execution of the formal documentation by the parties and the remainder of Tranche 2, being the further A\$1.3M subscription, will be provided on the business day following satisfaction of the last Tranche 2 conditions precedent (see below), with the Initial Advance being applied to Subscription Amount. The Songtradr Options will be granted on the business day following satisfaction of the Tranche 2 conditions precedent.

Conditions of the Convertible Note include a transformation plan encompassing :

- A focused expansion of its platform to target B2C audiences;
- An agreed revenue growth plan targeting profitability within the next 18 months.
- Songtradr appointing 2 directors to the Board of the Company.

Tranche 2 is also subject to the following conditions:

- No default under the Existing Agreement or Initial Advance; and
- The Company obtains approval of its shareholders for the issue of the Convertible Notes and Songtradr Options for the purposes of ASX Listing Rules 7.1, 10.11 (if required by ASX) and all other purposes. Approval must be obtained no later than 90 days following the date of this announcement.



If shareholder approval is obtained for the Convertible Note and Songtradr converts their notes under the Existing Agreement, Convertible Note and all Songtradr Options are exercised, Songtradr will hold a relevant interest in Jaxsta's securities of up to 53.81%¹.

The Convertible Note will be issued on receipt of shareholder approval for the transactions at a general meeting of shareholders which is expected to be held no later than 29 June 2022. The Company will separately dispatch notice of meeting convening the general meeting and setting out the relevant disclosure in respect of the Convertible Note.

Events of Default under the Existing Agreement will apply to the Convertible Note, as well as additional events of default. Failure to satisfy the Tranche 2 conditions precedent will also result in an event of default under the Initial Advance.

This transaction also triggers an amendment to the conversion price of the existing convertible note held by Songtradr to be agreed upon by the parties within ten days of executing the Convertible Note. The final full details of the terms of the Convertible Note will be set out in the Notice of Meeting.

For further information please contact:

Authorisation & Additional Information:

This announcement was authorised by the Board of Directors of Jaxsta Limited

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¹ This calculation is based on the maximum potential conversion of the Convertible Note with the maximum interest payable accrued by the end of the three year term converted into ordinary shares. The calculation does not include the exercise of any of the 49,152,223 share options currently on issue by other parties.

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ABOUT JAXSTA

Jaxsta is the world's largest public-facing and most connected music credits database and technology. Partnered with the industry's leading major and independent record companies, as well as publishers, distributors, royalty agencies and industry associations, Jaxsta is the go-to authoritative source of official music credits information. The Company's core platform, Jaxsta.com, is a free and paid subscription service and provides B2B data-solutions for the music and related media industries. Jaxsta Plus, the Company's subscription service, harnesses the power of Jaxsta's data to help music industry professionals connect, save time, and advance their businesses and careers.

ABOUT SONGTRADR

Songtradr is the largest B2B music licensing marketplace in the world providing music creators and rights owners with a complete tech-enabled solution for rights management and monetisation while providing B2B music users such as digital platforms, brands, advertisers, gaming and filmmakers with intelligent access to music.

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