

ASX RELEASE

Activity Report and Appendix 4C December 2020 Quarter

Sydney, Australia, 20 January 2021: Jaxsta Limited ACN 106 513 580 (**Jaxsta** or the **Company**, ASX: JXT) the world's largest dedicated database of official music credits, is pleased to release its consolidated quarterly cash flow and business activity report for the period ending 31 December 2020.

Business Activities

Jaxsta's business activities for the quarter ended 31 December 2020 are set out below:

- **Increased Membership:** now over 83,000 Jaxsta Pro members, as compared to 73,000 at the time of the September 4C Update;
- Prepared its commercial API for customer engagement;
- Extension of data contract and continued enhancement and addition of new features to Jaxsta Pro.

As at 31 December 2020, Jaxsta had \$2.659 million in cash and cash equivalents. This is \$0.603 million down from the previous quarter period end of \$3.262 million and comes after an operating net cash burn of \$0.506 million which was a 15% reduction on the previous quarter's \$0.592 million operating net cash burn. The reduction was mostly due to the collection of the final R&D concession balance for FY2020.

During the quarter, the business funded its operating activities from its working capital reserves and finalised the sale of Marine Rescue Technologies (MRT) by collecting the final balance of \$320,000.

Summary of expenditure

When looking at the Company's cash expenditure for the quarter and comparing it to the quarter ending 30 September 2020, the company continued its focus on cost containment whilst moving its efforts to commence commercial activities in its Data Solutions and Jaxsta Pro segments in the coming year. The focus was to deliver the technical requirements to allow users to engage our paid applications. This resulted in a mix of changes that drove the final cash flow level:

- There was an increase in staff and admin costs of \$91K due to increased costs for moving the board and C-Suite back to full salaries or fees for the quarter, offset by redundancies enacted in the previous quarter;

- The expenditure mix shifted more funds to product development and operating activities as part of the preparation of the Jaxsta API for commercial release for a net increase of ;
- These was a \$13K reduction in marketing costs as the Jaxsta Pro campaign has shifted to focus on the targeted members for its commercial release in 2021.;
- The Company obtained the final \$320K for the sale of MRT;
- Lastly the completion of the R&D concession refund triggered the repayment of the funds advanced under the R&D facility of \$423K.

During the quarter ended 31 December 2020, the Company used its cash assets in a manner consistent with the prospectus issued on 7 September 2018.

Payments to related parties and their associates

The Company paid \$257K to its related parties comprising salaries, directors fees, reimbursable expense payment and travel allowances to directors including the Chief Executive Officer. No payments were made to associates of any related parties.

- Ends -

For further information please contact:

Authorisation & Additional Information:

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

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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 Pro^{Beta}, 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Jaxsta Limited

ABN

15 106 513 580

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	6 months \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	500
1.2	Payments for		
	(a) research and development	(261)	(413)
	(b) product manufacturing and operating costs	(234)	(271)
	(c) advertising and marketing	(167)	(347)
	(d) leased assets	-	-
	(e) staff costs	(718)	(1,482)
	(f) administration and corporate costs	(346)	(489)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	1,221	1,406
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(506)	(1,097)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(4)	(4)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-

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2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	320	383
2.6	Net cash from / (used in) investing activities	316	379

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	1,420
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(8)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(413)	(440)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(413)	972

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,262	2,405
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(506)	(1,097)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	316	379
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(413)	972
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,659	2,659

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,609	3,212
5.2	Call deposits	50	50
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,659	3,262

6. Payments to related parties of the entity and their associates

6.1	Aggregate amount of payments to related parties and their associates included in item 1
6.2	Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

257

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
86	86
-	-
-	-
86	86

7.5 **Unused financing facilities available at quarter end**

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- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Jaxsta funds its insurance policies through Principle Finance Pty Ltd, who charges a flat rate of 5.49% and secure the loan against the rights in the policy. Interest and principal are repaid in monthly instalments. At 31 December 2020, the loan facility derived from the insurance policies was \$86K.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(506)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,659
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,659
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	5.25

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

20/01/2021

Date:

The Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.