

ASX RELEASE

Quarterly Business Activity Report and Appendix 4C for the September 2021 Quarter

Sydney, Australia, 28 October 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 30 September 2021.

Business Activities

Jaxsta's business activities for the quarter ended 30 September 2021 are set out below:

- **Increased Site Traffic:** New campaign aimed at increasing traffic and conversion. Visitors have grown from 3,637 per day in July to 6,912 in Oct, an 91% increase.
- **Jaxsta Pro Paid Tiers Launch:** Move back to paid on 12 August 2021 with new paid Plus tier in addition to free Core tier. Combined membership at 108,056 members as at 26 October 2021. Plus membership is at 520 members.
- **Data Solutions:** Team and process changes to accelerate the sales cycle on both inbound and outbound activities. Increased signed deals to 10, with 4 in production status as at 26 October 2021.

Jaxsta Site Traffic

- The Company has two primary focuses on site traffic. The first focus is growing overall brand awareness to become the number one destination for music professionals and fans alike.
- The second is to drive conversions of traffic from Jaxsta to its Pro subscription service. As we grow the overall visitors, we can reach out to more users for conversion.

	August	September	October MTD* (through 26 Oct)
Visitors	108,539	124,719	179,701

- Digital Marketing is targeting customer segments with bespoke creative designed to educate how Jaxsta enables solutions for each persona.
- Jaxsta has had over 1.1 million visitors year to date as of October.

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Jaxsta Pro Tiers Launch

- The company moved its subscription service to a hybrid paid and free tiered model on 12 August 2021. From launch the company has focused on all channels of embracing funnel marketing principles.
- Social Media traction is increasing, specifically with regards to advocacy with multiple posts from key members who share with their own followers.
- The CRM and member communications strategy is targeted at converting members to become Plus members. Open rates of emails are very healthy, indicative of the loyalty for Jaxsta and the content and features the company delivers.
- The company has long term commitment with multiple music industry bodies in many international markets. In all cases Jaxsta has strong support with committed amplification and communication to each party's memberships with regard to new features and the value of becoming a Jaxsta community member.
- As the Company adds additional Plus features over the coming months it will use those feature launches to convert existing Core members (see below table) to Plus.

jaxsta Plus	520
jaxsta Core	107,516
jaxsta Pro	108,056

- The Company continues to engage with customers on feedback in order to educate customers on the existing features and get feedback on improvements and priorities on the next features to be deployed.
- Plus users have a higher use on site due to the additional features as part of their subscription.

13 Aug - 24 Oct	jaxsta	jaxsta Core	jaxsta Plus
Visits per Month	1.29	1.04	1.16
Time on Site	00:54	09:01	18:45
Pages per Session	3.36	15.24	26.89

Data Solutions

- The Company has realigned its team efforts this quarter with new tools and processes to close deals faster. More Importantly it has started an outreach program to promote its solutions to industry segments where it has had success such as royalty, audio monitoring, licensing and artist management companies.

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- The Data Solution deals have variable revenues depending on the number of calls or reports requested. The largest fixed recurring revenue deal has a fixed annual revenue of US\$30,000. The variable component revenue will depend on usage.
- Three additional deals have moved into production in October as we have some customers moving from test to production in their environments.

As at 26 October 2021	Number of Deals
API Deals Signed	10
API Deals In Production	4
API Deals Awaiting Deployment	6

Summary of cash position and expenditure

- As at 30 September 2021, Jaxsta had \$4,095 million in cash and cash equivalents. The company had operating net cash burn of \$1.755 million which was a 20% increase on the previous quarter's \$1.611 million operating net cash burn, mostly due to the annual costs experienced in the first financial quarter of the year such as audit and listing fees as well as temporary increased costs in our cloud and service infrastructure and development resources during the launch phase. During the quarter, the business funded its operating activities from its working capital reserves.
- When looking at the Company's cash expenditure for the quarter and comparing it to the quarter ending 30 June 2021, the company focused on ramping up the resources required for the return to paid for Jaxsta Pro. This resulted in a mix of changes that drove the final cash flow level:
 - There was an increase in staff and admin costs of \$94K due to staffing increases to our development and marketing teams this quarter in anticipation of the Jaxsta Pro relaunch;
 - There was an increase of \$123K in Platform Development & Data expenditure as part of contract extensions with our data partners;
 - There was a reduction of \$70K in general and administrative costs;
- The Company filed its R&D tax incentive claim for the year and has received the credit in October 2021.

Payments to related parties and their associates

The Company paid \$198K to its related parties comprising salaries, directors fees, reimbursable expense payment to directors including the Chief Executive Officer and Chief Financial 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
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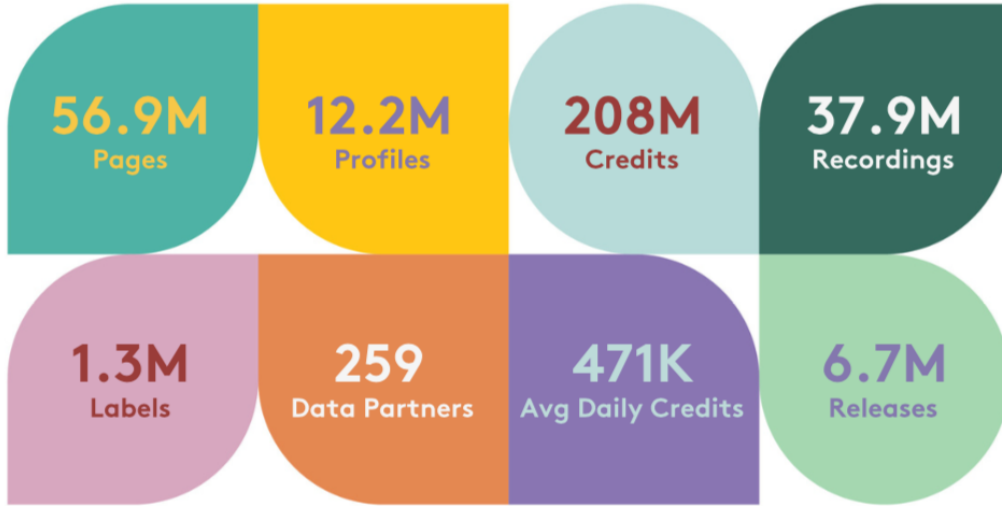
ABOUT JAXSTA

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.

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Jaxsta by the Numbers

Oct 27 2021



Main Artists

Profiles
5,123,977

Credits
69,267,880

Songwriters

Profiles
5,813,013

Credits
69,202,950

Producers

Profiles
1,066,554

Credits
11,842,137

Engineers

Profiles
410,210

Credits
10,165,052

jaxsta

The World's Home Of Official Music Credits

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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")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	3 Months to Date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	4	4
1.2 Payments for		
(a) research and development	(161)	(161)
(b) product manufacturing and operating costs	(336)	(336)
(c) advertising and marketing	(178)	(178)
(d) leased assets	-	-
(e) staff costs	(869)	(869)
(f) administration and corporate costs	(215)	(215)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,755)	(1,755)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(9)	(9)
(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	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(9)	(9)

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

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,500	2,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(29)	(29)
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	2,471	2,471

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,462	3,462
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,755)	(1,755)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9)	(9)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,471	2,471
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,169	4,169

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	4,119	3,412
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)	4,169	3,462

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

		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	198
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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

This includes the salaries, directors fees, reimbursable expense payment and travel allowances payable to directors, including the Chief Executive Officer and Chief Financial Officer.

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.

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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Quarterly cash flow report for entities subject to Listing Rule 4.7B

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

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

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 30 September 2021, the loan facility derived from the insurance policies was nil as it completed its annual policy cycle.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,755)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	4,169
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	4,169
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.37

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

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

27/10/2021

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.

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