

ASX RELEASE

Quarterly Business Activity Report and Appendix 4C for the March 2022 Quarter

Sydney, Australia, 28 April 2022: 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 March 2022.

Business Activities

Jaxsta's business activities for the quarter ended 31 March 2022 are set out below:

- **Growth of Jaxsta Pro Features and User Base:** The Company released updates to the Jaxsta Pro service, including shareability features and enhancements to the Jaxsta One Sheet, a music industry based style CV for Jaxsta Plus users during the quarter. Plus membership has increased to 1,162 as of 27 April 2022, up from 627 at 31 December 2021, along with 116,549 core users up from 106,200 at 31 December 2021.
 - The One Sheet feature has been enhanced with the addition of social and streaming account information;
 - Additional shareability tools have been added for enhanced posting to socials from user accounts. Rollout occurred during The Recording Academy's 2022 Grammy season to promote nominees and winners;
 - Distrokid data ingestion commenced during the March quarter; and
 - Jaxsta has 41.2 million official records in the platform.
- **Data Solutions:** The company continued to expand its data offering to different market segments. The Company has signed 18 data solution deals as at 27 April 2022.

Jaxsta Overall

- Jaxsta completed the third quarter with approximately 545 thousand visitors (and approximately 1.8 million page views).
- Total pages have now surpassed 62.9 million.

Summary of cash position and expenditure

- As at 31 March 2022, Jaxsta had \$1,674 million in cash and cash equivalents. The company had operating net cash burn of \$1.503 million, which was a 8.47% decrease on the previous quarter's \$1.642 million operating net cash burn excluding the annual tax credit, mostly due a reduction in administration costs. 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 31 December 2021, the company focused on the delivery of the updated One Sheet and shareability functions in Jaxsta Plus, the ingestion of Distrokid data and engaging with partners and customers on potential data solution deals. This resulted in a mix of changes that drove the final cash flow level:
 - There was an increase in staff costs of \$105K from increases in the development and marketing teams;
 - There was a decrease in marketing costs of \$47K from reduced marketing during the January holiday period;
 - There was a decrease of \$183K in general and administrative costs from annual costs paid during the previous quarter;
- The Company has undertaken a review of operations in April and will be reducing operating costs by \$1.5M per annum to extend its cash resources as part of the growth plan from the Songtradr Strategic Investment.

Payments to related parties and their associates

The Company paid \$200K 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 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 March 2022

Consolidated statement of cash flows	Current quarter \$A'000	9 Months to Date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	31	56
1.2 Payments for		
(a) research and development	(19)	(199)
(b) product manufacturing and operating costs	(258)	(854)
(c) advertising and marketing	(204)	(634)
(d) leased assets	-	-
(e) staff costs	(900)	(2,563)
(f) administration and corporate costs	(153)	(706)
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	-	909
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,503)	(3,991)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(15)
(d) investments	-	-
(e) intellectual property	(1)	(4)
(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	-	-

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

2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(1)	(19)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	-	(171)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(39)	(108)
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	(39)	2,221

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,217	3,463
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,503)	(3,991)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(19)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(39)	2,221
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,674	1,674

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	1,624	3,167
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)	1,674	3,217

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	199
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
7.1 Loan facilities	76	76
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	76	76

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 5.19% and secure the loan against the rights in the policy. Interest and principal are repaid in monthly instalments. At 31 December 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)	(1,503)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,674
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,674
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	1.11

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

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: The Company has undertaken cost saving initiatives that have begun implementation in April 2022. The reductions are part of a convertible note arrangement. The impact of the savings are targeted to have an impact of \$1.5M per annum.

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: The Company has entered into a Convertible Note Agreement that will provide a further \$3.0M upon shareholder approval. The approval will be sought this quarter at an EGM. The combined note and savings above are expected to extend cash life by a minimum of twelve months.

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: The Company expects to continue its operations based on the additional funding, savings realised and a further shift of its business to a B2C focus.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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.

Date: 28/04/2022
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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.