



ASX RELEASE

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

Sydney, Australia, 28 July 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 30 June 2022.

The Company embarked on many changes during the quarter ending 30 June 2022 as it executed its transformation plan as part of the Songtradr investment and partnership.

Business Activities

Jaxsta's business activities for the quarter ended 30 June 2022 are set out below:

- Launch of Business and Enterprise subscriptions: The Company added new Business and Enterprise tiers which focus on roster management and high volume analytics. These new subscriptions start at \$999 per annum and are aimed at clearly defined industry users;
- Launch of Advertising on Site and Changes to Free and Creator subscriptions: A restructure of the access to site has been completed in which visitors to Jaxsta.com can no longer search the database for free and must sign up to a subscription to access additional features and allow for more search capabilities.

Beth Appleton, Jaxsta CEO highlighted: "This has been a solid 6 weeks of growth. The Business/Enterprise memberships have now been available for 5 weeks and we already have a number of signups. In switching off free access we have had the largest membership growth period since we launched our Creator (previously Plus) membership in August 2021. We are confident in the growth in Business and Creator memberships and all business activities are focused on revenue growth including our B2C strategic offering currently in development and continued acceleration of membership onboarding."

Summary of cash position and expenditure

- As at 30 June 2022, Jaxsta had \$3,123 million in cash and cash equivalents. The company had operating net cash burn of \$1.508 million, which was a 0.48% increase on the previous quarter's \$1.501 million operating net cash burn, from a mix of decreased spend on staff and various vendors as part of the Songtradr Operating Plan and paydown of existing payables from previous quarter. 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 March 2022, the company focused on the delivery of the new Business and Enterprise subscription tiers, the launch of on site advertising, delivery of additional social sharing assets for Jaxsta Creator, and completion of the Songtradr transaction. This resulted in a mix of changes that drove the final cash flow level:
 - There was an decrease in staff costs of \$47K from the changes implemented during the quarter which will have a full effect in the coming cash quarter;
 - There was an increase in platform costs of \$29K from work on the current and impending platform improvements. The Company has identified areas to reduce this spend in the following quarter;
 - There was an increase of \$39K in general and administrative costs from transaction costs and paydown of last quarter payables;
- The Company undertook a review of operations in April to reduce operating costs by \$1.5M per annum. Those savings have started but will have a more quantifiable impact in the coming quarter.

Payments to related parties and their associates

The Company paid \$204K 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

Jaxsta Investor Relations:

E: jaxstainvestors@jaxsta.com
P: +61 2 8317 1000

www.jaxsta.com

Level 1, 113-115 Oxford Street
Darlinghurst 2010 NSW Australia

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ABOUT JAXSTA

Jaxsta is the world's only official music credits database. It contains more than 230 million official, deep-linked music credits across 65 million pages, sourced from over 300 data partners, including record labels, publishers and industry associations. Jaxsta's data is mapped to the world's charts and can provide world-first insights including custom repertoire reports to ensure industry organizations can map music ownership and revenue. Jaxsta is a key solution to the music industry's metadata problem.

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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 June 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to Date \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	44	101
1.2 Payments for		
(a) research and development	(16)	(215)
(b) product manufacturing and operating costs	(288)	(1,142)
(c) advertising and marketing	(204)	(838)
(d) leased assets	-	-
(e) staff costs	(851)	(3,415)
(f) administration and corporate costs	(193)	(899)
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	(1,508)	(5,499)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(18)
(d) investments	-	-
(e) intellectual property	-	(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	(3)	(22)

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	3,000	3,000
3.6	Repayment of borrowings	(40)	(148)
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	2,960	5,181

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,674	3,463
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,508)	(5,499)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(22)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,960	5,181
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,123	3,123

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	3,073	1,624
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)	3,123	1,674

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	204
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

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.

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
37	37
-	-
-	-
37	37

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)	(1,514)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	3,123
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	3,116
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	2.07

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:

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:

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.

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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.

28/07/2022

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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