

ASX Release

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

Sydney, Australia, 31 January 2023: 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 2022.

The Company has delivered substantially improved financial results during the quarter ending 31 December 2022 while also preparing to launch its consumer platform, Vinyl.com this quarter.

Business Activities

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

- The Company increased quarter over quarter revenues by 140%
- The Company decreased quarter over quarter operating costs by \$85K (not including contractor fees paid to Icontech for the development of Vinyl.com)
- The Company has reduced quarterly costs since the March quarter by \$446K
- The Company decreased half year cash spend by 38% compared to the half year ended 31 December 2021
- The Company announced the upcoming launch of Vinyl.com as its B2C platform to launch in the March quarter;
- The Company rolled out the Roster Dashboard and Downloadable Reports functionality that are key functionality in the Business and Enterprise subscription plans;

Beth Appleton, Jaxsta CEO highlighted: "We have hit 2023 running with solid improvements made in the last quarter. Monthly revenues have increased 232% from 12 months ago to AU\$34K per month. We now have 26 Business Members, 8 Enterprise and 10 API deals. Monthly costs have decreased 43% in the same period with further savings coming this quarter from the office exit. We have ambitious targets for this quarter with a highly focused team and investors who believe in our trajectory as we continue to focus on our revenue growth"

Summary of cash position and expenditure

- As at 31 December 2022, Jaxsta had \$1,774 million in cash and cash equivalents. The company had an operating net cash burn of \$212 thousand, which was a 85% decrease on the previous quarter's \$1.379 million operating

net cash burn, largely due to the receipt of the annual R&D incentive grants, the effect of various cost savings initiatives and offset by spend on the Vinyl.com development. 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 September 2022, the company focused on the delivery of key Business and Enterprise subscription tier functionality and the development of its B2C Vinyl.com platform and strategy. This resulted in a mix of changes that drove the final cash flow level:
 - There was an decrease in staff costs of \$49K from staff reductions implemented in the previous and current quarter;
 - There was a decrease in data and platform operating costs of \$131K as the Company transitioned to new data contracts on more beneficial terms and had a full quarter's impact of the savings on platform efficiencies enacted in the previous quarter;
 - There was a \$272K increase in research and development costs from the work on our Vinyl.com platform performed during the quarter;
 - There was a decrease of \$80K in Sales and Marketing costs from a reduced campaign on the subscriber platform reallocated for the Vinyl.com launch;
 - There was a decrease of \$94K in general and administrative costs from the payment of annual costs during the previous quarter such as audit and listing fees.
 - The Company received its R&D Incentive and EMDG grants during the quarter amounting to \$1.073 million.

Payments to related parties and their associates

The Company paid \$112K to its related parties comprising salaries, directors fees, reimbursable expense payment to directors including executives who were directors during the past six months. 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 only official music credits database. It contains more than 270 million official, deep-linked music credits across 75 million pages, sourced from over 325 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")

31 December 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	52	92
1.2 Payments for		
(a) research and development	(277)	(282)
(b) product manufacturing and operating costs	(191)	(512)
(c) advertising and marketing	(5)	(91)
(d) leased assets	-	-
(e) staff costs	(711)	(1,472)
(f) administration and corporate costs	(156)	(405)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	1,073	1,073
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(212)	(1,592)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(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	-	-

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.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	373	373
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	(15)	(15)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(25)	(64)
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	333	294

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,704	3,123
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(212)	(1,592)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	333	294
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,825	1,825

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	1,724	1,654
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)	1,825	1,825

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	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter
\$A'000**

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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

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
-	-
-	-
-	-
-	-

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)	(212)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	1,825
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	1,825
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	8.60

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.

31/01/2023

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.