

ASX Release

QUARTERLY BUSINESS ACTIVITY REPORT AND APPENDIX 4C FOR THE JUNE 2023 QUARTER

Sydney, Australia, 31 July 2023: Jaxsta Limited ACN 106 513 580 (**Jaxsta** or the **Company**, ASX: JXT), the world's largest database of official music credits, is pleased to release its business update for the fourth quarter ended 30 June 2023 (Q4 FY23).

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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 343 million official, deep-linked music credits across 107 million pages, sourced from over 359 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.

ABOUT VINYL

VINYL is a record store with a difference. VINYL is a global marketplace where Creators and Music Fans connect and collect. VINYL.com is an online record store that allows you to easily buy your favourite record while allowing you to dig through liner notes as though you're diggin' through crates, exploring who did what on each album and more. Our offer to music fans is an extensive catalog of over 50,000 records across all genres, powered by Official Music Credits, verifying every creative contribution on every recording. VINYL will ensure that everyone is recognised - main artists, songwriters, producers, composers, engineers, musicians and all roles. VINYL.com has a clear vision of the experience that should be expected with this iconic url and is expanding beyond selling vinyl records to include merchandise, tickets, digital collectibles and experiences that connect fans with creators.

Internal use only

Jaxsta (ASX: JXT)

Quarterly Activities Report, Q4 2023

31 July 2023

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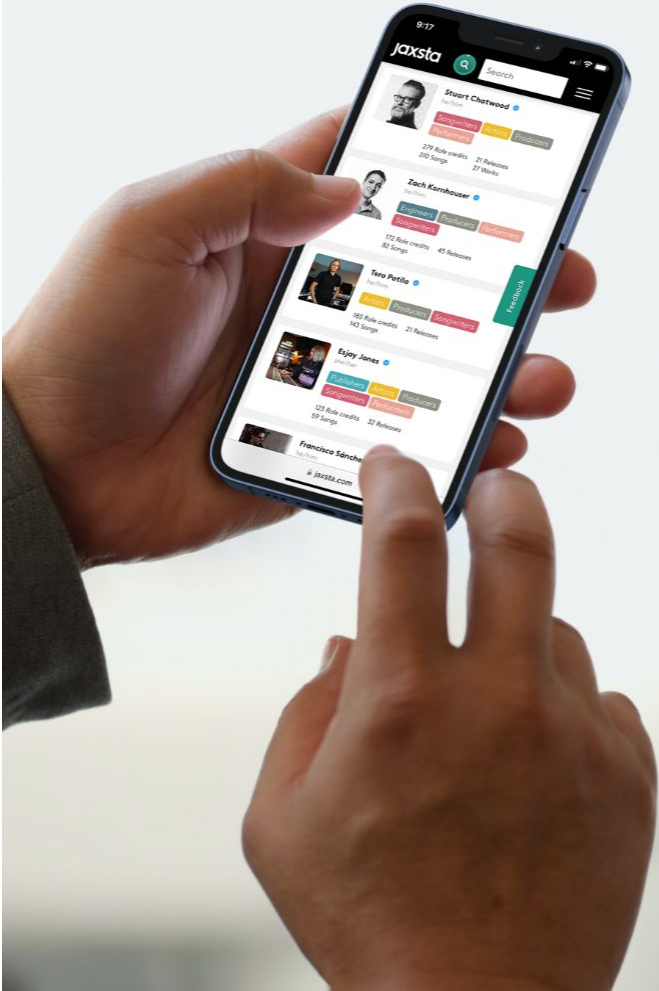
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Message from the CEO

Welcome to a new era for Jaxsta.

We've arrived at an exciting time for the business following the completion of the Vampr acquisition and the launch of Vinyl.com. As such, the Board and I have carefully focused the company's resources and efforts on key identified initiatives that will drive customer growth, and importantly, revenue growth and profitability.

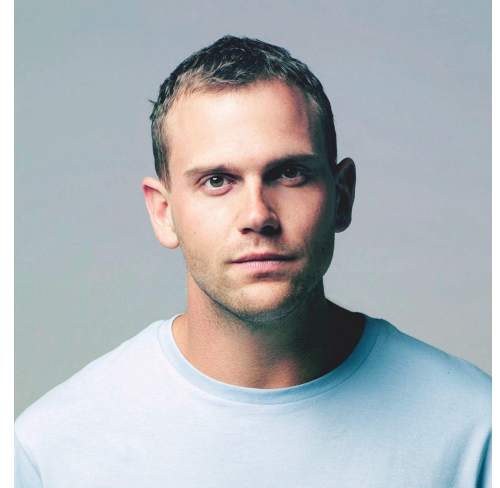
The company has an overarching initiative to integrate and optimise the three platforms: Jaxsta, Vampr, and our new consumer platform Vinyl.com. As we continue to grow what is already a highly engaged community where creators have tools to help them thrive and the connections to collaborate, shareholders can expect to see our products evolve into streamlined combined user experiences as we start to realise the full value of our community and scale across all of our products. The combined platform will offer a highly unique global music experience for our customers, uniting creators and fans in a dynamic marketplace of connection and exchange with a class-leading music discovery and music product buying experience.

We are well on our way to delivering on this mission, however we have plenty of work to do in order to integrate the three platforms so that the company can operate at its full potential. We have recently implemented an initial set of changes to make the operations of Jaxsta far more nimble and responsive to required iteration in order to provide the business with stronger and faster commercial outcomes.

Meanwhile, the world's largest music market, North America, remains at the forefront of our geographic focus and the combination of our services will allow us to grow the business in this region far more effectively. Over the next six months, we will be regularly releasing updates to the products with this objective in mind. As both the CEO and one of the largest shareholders, I am fully committed to the growth and success of the business.

Lastly, Jaxsta recognises the importance of AI to the music industry and our product and development team is currently researching how to incorporate the technology utilising our extensive proprietary music industry data, our unique advantage over competitors. The goal is to use AI to generate personalised e-commerce and social recommendations, enriching customer interactions. Additionally, AI will be harnessed to increase internal operational efficiencies, reducing costs and optimising productivity on our road to profitability.

I look forward to sharing more about Jaxsta in our next update.



A handwritten signature in black ink that reads "Joshua Simons". The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Josh Simons - Chief Executive Officer

The logo for Jaxsta, featuring the word "jaxsta" in a lowercase, white, sans-serif font.The logo for Vampr, featuring a white geometric icon resembling a stylized 'V' or a play button, followed by the word "vampr" in a lowercase, white, sans-serif font.The logo for Vinyl, featuring the word "VINYL" in a bold, uppercase, white, sans-serif font.

Highlights from the Quarter

Jaxsta's key business highlights for the quarter ending 30 June 2023 are set out below:

- **134% increase in QoQ cash receipts**, which includes one month of Vampr receipts since close of acquisition on 1 June.
- **Receipts from customers grew** to an all time high of \$136K this quarter, more than the entire revenues of FY2022, representing a YoY increase of 210% this quarter compared to the same quarter a year ago.
- The Company **completed the acquisition of Vampr** to further enhance its revenue, addressable market and creator portfolio.
- The Company **completed a \$3M capital raise** with participation from new key investor Richard White.
- Vinyl.com came out of beta and launched with a full realised catalogue that **added 50,000 titles to the platform**.
- The Company **enacted further cost savings** during the quarter to account for synergies following the Vampr acquisition.
- Appointed Vampr CEO Josh Simons as the new Jaxsta CEO.

Summary of cash position and expenditure

Summary of cash position and expenditure:

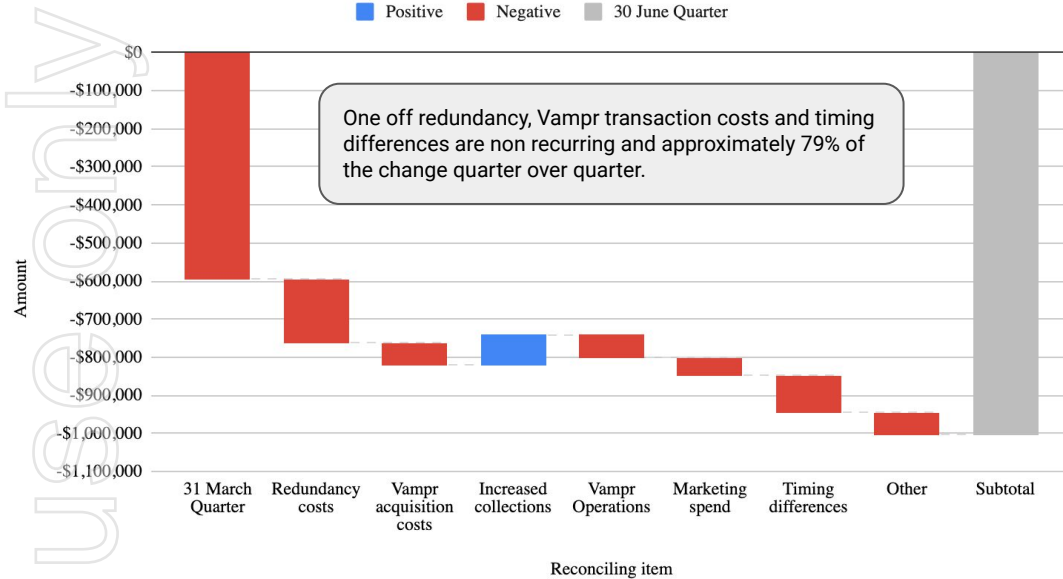
- As at 30 June 2023, Jaxsta had \$2.966 million in cash and cash equivalents. The company had an operating net cash burn of \$1.006 million, which was a 69% increase on the previous quarter's \$593 thousand operating net cash burn. This was largely due to one time expenses related to redundancies (\$165K), acquisition costs from Vampr (\$60K), adding the Vampr costs to the operation for the month of June (\$60K), timing differences (\$97K), offset by increased customer receipts (\$78K). Further redundancy and Vampr transition costs will affect Q1 before fully normalising the recurring cash expenditure.
- When looking at the Company's cash expenditure for the quarter and comparing it to the quarter ending 31 March 2023:
 - There was an increase in staff costs of \$260K from redundancies and new Vampr staff;
 - There was an increase in data and platform operating costs of \$106K from data partner renewals and the addition of Vampr operations;
 - There was a \$31K increase in research and development costs from the work on our Vinyl.com and Vampr platforms;
 - There was an increase of \$48K in Sales and Marketing costs from the increased campaign for Vinyl.com and Vampr;
 - There was an increase of \$20K in general and administrative costs from Vampr transaction costs incurred in the current quarter.
- During the quarter, the business funded its operating activities from its working capital reserves.

Payments to related parties and their associates:

The Company had no payment 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.

Cashflow comparison

30 June 2023 Quarter Cash Flow Variance



Market Opportunity & Key Metrics

Our FY2024 key metric is revenue, as we look to:

- Ramp up our Vinyl.com capabilities and sales in key markets
- Continue the build of Vampr Pro and advertising sales
- Grow Jaxsta Business and Enterprise subscriptions

The vinyl market continues its growth, increasing by 22% in the US in the first half of 2023.¹ Vinyl sales have also increased worldwide by 25% YoY.² Our focus will be to deliver quarter over quarter sales growth to establish the brand as the market leader in this space.

The music creator tools market was worth \$4.1 billion in 2022, across all segments, with distribution being one of the top two segments.³ Jaxsta's services to creators has now greatly expanded with the Vampr acquisition.

¹ <https://www.theguardian.com/music/2023/jul/12/vinyl-sales-us-report>

² <https://luminatedata.com/reports/midyear-music-industry-report/>

³ <https://musicindustryblog.wordpress.com/category/creator-tools/>



Appendix 4C

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

Name of entity

Jaxsta Ltd

ABN

15 106 513 580

Quarter ended ("current quarter")

30 June 2023

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	136	299
1.2 Payments for		
(a) research and development	(33)	(317)
(b) product manufacturing and operating costs	(212)	(831)
(c) advertising and marketing	(55)	(153)
(d) leased assets	(1)	23
(e) staff costs	(740)	(2,691)
(f) administration and corporate costs	(104)	(594)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,073
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,006)	(3,178)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	(50)	(50)
(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	(50)	(50)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,000	3,373
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	(177)	(188)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(25)	(114)
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	2,798	3,071

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,224	3,124
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,006)	(3,178)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(50)	(50)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,798	3,071
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,966	2,966

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	2,916	1,174
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)	2,966	1,224

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**

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

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
112	112
-	-
-	-
112	112

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)

(1,006)

8.2 Cash and cash equivalents at quarter end (Item 4.6)

2,966

8.3 Unused finance facilities available at quarter end (Item 7.5)

-

8.4 Total available funding (Item 8.2 + Item 8.3)

2,966

8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**

2.95

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.

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.

31/07/2023

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.