

ASX Release

Quarterly Business Activity Report and Appendix 4C for the March 2023 Quarter

Sydney, Australia, 27 April 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 March 2023.

The Company has delivered on its cost savings forecasts during the quarter ending 31 March 2023 preparing the company for a very positive June quarter growing the combined Vinyl, Vampr and Jaxsta products.

Business Activities

Jaxsta's business activities for the quarter ended 31 March 2023 are set out below:

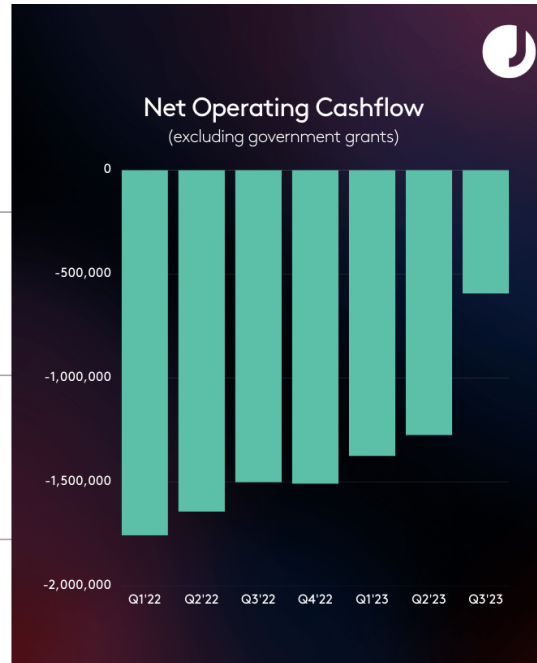
- The Company launched the vinyl.com platform with a Record of the Day campaign trialling and optimising the site in preparation for its 1.0 launch during the last week of April 2023. Sales have been achieved every day from launch with a total of US\$2.0K by quarter end and US\$10.5k revenue to date.
- The Company signed a Heads of Agreement for the acquisition of Vampr, Inc., the largest music industry social network, with an estimated completion date of 1 June 2023.
- The Company has reached its previously announced reduced cost structure of \$700K per quarter. The Company reduced its cash outflows over the last 12 months from \$1.501M in the March 2022 quarter to \$0.593M in the current quarter, a reduction of \$0.908M.
- 7 new Business Memberships have been signed bringing the total Enterprise and Business Subscriptions to 51.
- An additional 4 API deals have been signed in the quarter with Data Solution revenues increasing to A\$92K YTD.

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10 Enterprise Subscriptions

41 Business Subscriptions

16 API Clients Live



Beth Appleton, Jaxsta CEO highlighted: “As we complete the acquisition of Vampr and connect our Creator and Music Fan communities to both Jaxsta and vinyl.com, I am increasingly confident and energized by our momentum, revenue growth and visible path to profitability. With the MVP launch of Vinyl.com and continued focus on growing the Jaxsta business and enterprise subscription products, our quarterly cash receipts reached AU\$58K in the March quarter. We continue to cost optimise and are focused on extracting every value out of integrating Vampr’s community into the Jaxsta and Vinyl community. We are preparing to make available an equity raise in May with the aim of raising at least an additional 12 months of runway assuming no further growth or further cost efficiencies. We have ambitious and achievable targets for this quarter with the vinyl.com 1.0 release as well as its distribution expansion into several additional territories. We are completely committed to continuing to deliver revenue growth and shareholder value and looking forward to another positive momentum quarter ahead.”

Summary of cash position and expenditure

- As at 31 March 2023, Jaxsta had \$1.221 million in cash and cash equivalents. The company had an operating net cash burn of \$593 thousand, which was a 53% decrease on the previous quarter’s \$1.274 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 31 December 2022, the company completed the transition of cost savings for a significant reduction in cash outflows in the quarter. The Company also commenced the Vinyl.com Record of the Day campaign to test the site in low volumes as it works on enhancing the platform before opening the entire catalogue in late April. This resulted in a mix of changes that drove the final cash flow level:
 - There was an decrease in staff costs of \$231K from staff reductions implemented in the previous quarters;
 - There was a decrease in data and platform operating costs of \$84K from the continued reduction in costs from data contracts;
 - There was a \$275K decrease in research and development costs from the work on our Vinyl.com platform that is being completed in the next quarter;
 - There was an increase of \$2K in Sales and Marketing costs from the small campaign initiatives on the Record of the Day campaign that is deferred to the full Vinyl.com catalogue launch in the next quarter;
 - There was a decrease of \$71K in general and administrative costs from continued cost optimisation efforts in the current quarter.

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.

- 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.

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 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.

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")

31 March 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	58	166
1.2 Payments for		
(a) research and development	(2)	(284)
(b) product manufacturing and operating costs	(106)	(618)
(c) advertising and marketing	(7)	(97)
(d) leased assets	24	24
(e) staff costs	(480)	(1,952)
(f) administration and corporate costs	(84)	(490)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	9
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	(593)	(2,169)
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
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)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(25)	(89)
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	(25)	269

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,842	3,124
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(593)	(2,169)
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)	(25)	269
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,224	1,224

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	1,174	1,662
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)	1,224	1,712

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

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)

(593)

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

1,224

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

-

8.4 Total available funding (Item 8.2 + Item 8.3)

1,224

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

2.06

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.

27/04/2023

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.

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