

ASX Release

Jaxsta to acquire Vampr - the world's largest music creator networking platform and app.

Sydney, Australia, 22 February 2023: Jaxsta Limited ACN 106 513 580 (**Jaxsta** or the **Company**, ASX: JXT) the world's largest dedicated database of official music credits, has executed a Heads of Agreement to acquire Vampr, the world's leading music industry social network connecting musicians, creatives and artists so they can collaborate, create new music and monetize their work.

This acquisition provides an accelerated implementation of Jaxsta's growth strategy, immediately increasing Jaxsta's footprint in the creator community by 1.3m creators and significantly expanding the potential user base for the launch of vinyl.com. Importantly, Vampr users represent a growing portion of the independent music community and will be able to increase adoption of the Jaxsta platform and product offering.

- The Vampr creator user base of 1.3 million, grew by 23% over the previous 12 months, and is expected to drive growth in Jaxsta subscriptions.
- Vampr makes money from paid subscriptions (Vampr Pro), advertising, royalty collection and other sources.
- Vampr's freemium business model already converts 4% of weekly active users into paying subscribers and is expected to accelerate when Vampr Pro is bundled with the Jaxsta Creator subscription. Combining these products creates a much more compelling product for the independent artist and musician.
- Vampr generates growing advertising revenues from a range of long term advertising partners. By including Jaxsta's display advertising inventory deployed on more than 85 million web pages, advertisers will have access to a broader audience across more marketing channels.
- The award winning Vampr app¹ with 72% of its user base under 30 represents a key complementary cohort for the launch of vinyl.com. This demographic of Millennial and Gen Z's are driving vinyl sales growth which reached 43.46 million units in 2022² and reported sales revenue of US\$570 million for H1 2022.³

¹<https://vampr.presskithero.com/awards>

²<https://www.forbes.com/sites/billrosenblatt/2023/01/16/luminate-data-music-report-the-album-is-once-again-a-vinyl-lp>

³<https://www.riaa.com/wp-content/uploads/2022/09/Mid-Year-2022-RIAA-Music-Revenue-Report-1.pdf>

- Vampr was recognized by Fast Company's Most Innovative Companies in 2022.
- Former recording artist and music technology entrepreneur, Josh Simons, the founder and CEO of Vampr will be joining Jaxsta as Chief Strategy Officer, bringing his experience and vision to help guide the combined Jaxsta Group product offering and technology platform.
- The combined pro forma unaudited calendar year revenues through 31 December 2022 would be A\$603k.

Beth Appleton, Jaxsta's CEO stated "The acquisition of Vampr represents a rare opportunity to accelerate our B2C expansion through the launch of our e-commerce platform, vinyl.com. We continue to focus on driving revenue growth and profitability capitalizing on the bedrock of the Jaxsta platform and the moat we have built through our industry leading music data solution. Together, I believe we are going to be an exceptional business, forming a fully integrated music tech company and platform that will be at the forefront of the rapidly evolving music industry landscape."

Josh Simons, Founder and CEO of Vampr added "Combining our grassroots network with the definitive official music credits database is both a highly strategic and logical combination which we believe will provide great value to Vampr and Jaxsta's users as well as our mutual shareholders. Our team cannot wait to get started and to support Jaxsta in realising their [Vinyl.com](https://vinyl.com) vision and I'm personally very excited to work with Beth and the Jaxsta team to build transformational products for the music industry and music lovers."

Paul Wiltshire, CEO of Songtradr commented, "Josh has systematically built the Vampr platform and community successfully since launching. The Vinyl.com target audience and Vampr audience represent highly complementary cohorts so this transaction will in my view greatly accelerate adoption of Vinyl.com following launch. Equally, the Jaxsta platform will similarly benefit from increased adoption by the Vampr user base as musicians and artists are often taking their first steps into the music industry via Vampr. It's effectively the top of the funnel. This is a really exciting combination."

Ben Katovsky, Non-Executive Director of Jaxsta commented, "Jaxsta has been built on recognizing and supporting music creators. Jaxsta's music credits database and community already built to power this will be key enablers of Jaxsta's strategy to create a unique community powered music discovery experience on Vinyl.com. The acquisition of Vampr will be transformative in the community that Jaxsta can bring to Vinyl.com while also significantly accelerating the wider expansion of Jaxsta's B2C strategy."

The terms of the deal include:

- Jaxsta will acquire 100% of the assets or the entire Issued Capital of Vampr, in exchange for 88,734,476 shares in Jaxsta which represents 19.99% of the currently issued capital of Jaxsta after the issue of these shares (“Equity Consideration”). The Equity Consideration will be subject to an escrow period of one year.
- In addition to the Equity Consideration, Jaxsta will pay up to US\$250,000 and any accrued interest (“Cash Consideration”) within 1 (one) year of completion to extinguish a short-term loan facility provided by a Vampr Director to Vampr. The Cash Consideration may be converted into shares at an exercise price of \$0.05 anytime during that 1 year period.
- Jaxsta will pay the verifiable legal and accounting costs of Vampr capped at US\$15,000.
- Josh Simons will be appointed as Jaxsta’s Chief Strategy Officer with a minimum two year term that includes a compensation package of:
 - a base salary of A\$180,000 plus superannuation and entitlements;
 - a short term incentive of 10% of the net profit of the Vampr business for each of the first two years;
 - 1.5M Options at (exercise price to be determined) when JXT hits \$0.15 per share and a minimum employment term of 1 years;
 - 1.5M Options at (exercise price to be determined) when JXT hits \$0.20 per share and a minimum employment term of 2 years.
- Any such equity incentives will be subject to Shareholder approval and have no less than a 10 year expiry date.
- Josh Simons will become an observer to the board of Jaxsta.

The acquisition of Vampr will not constitute a change in the nature and scale of the Company’s activities under Listing Rule 11.1.

The Board of Directors will be seeking shareholder approval on the above transaction. The timeline is outlined below:

INDICATIVE TIMETABLE

Event	Date
Dispatch of Notice of General Meeting	24 March 2023
General Meeting to approve the Acquisition	24 April 2023
Settlement of the Acquisition	30 April 2023
Dispatch of Holding Statements	30 April 2023

INDICATIVE CAPITAL STRUCTURE

Shares	
Ordinary shares currently on issue	355,159,853
Consideration shares	88,734,476
TOTAL	443,894,329
Options	
Share options currently on issue	240,569,366
Options issued to Vampr key management	3,000,000
Options to convert line of credit to equity	8,000,000
TOTAL	253,569,366
Convertible Notes	
Convertible Notes currently on issue ¹	1
TOTAL	1

¹ The convertible note tranches have principal balances of \$1,420,000 and \$3,000,000 for Tranche 1 and Tranche 2, respectively. Both tranches have a conversion price of \$0.021.

- 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 310 million official, deep-linked music credits across 85 million pages, sourced from over 349 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 VAMPR

Vampr is the world's leading music industry social network connecting musicians, creatives and artists so they can collaborate, create new music and monetize their work. Founded by *The Music Network's* 30 Under 30 Power Player, Josh Simons, and multi-platinum songwriter/guitarist from 'Hunters & Collectors', Baz Palmer, the multi award-winning app recently surpassed a milestone of 1.285 million global users who are active in 182 countries. The company was named by *Fast Company* in their Most Innovative Companies list in 2022.