





We've created the world's largest  
database of official music credits so  
you can find **verified data**

**accurate reports**  
**music ownership**  
**revenue**  
**opportunities**  
**repertoire**  
**talent**  
**validation**  
**and be found**

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## General information

The financial statements cover Jaxsta Ltd as a Group consisting of Jaxsta Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Jaxsta Ltd's functional and presentation currency.

Jaxsta Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

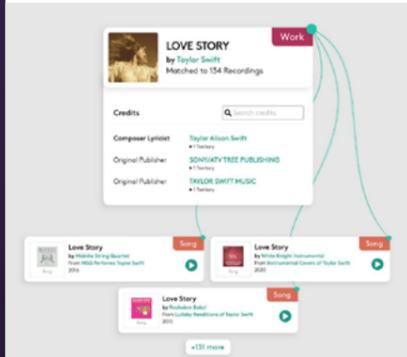
11 Wilson St, South Yarra VIC 3141

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 August 2022. The Directors have the power to amend and reissue the financial statements.

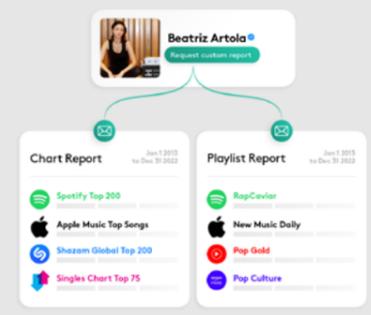
# 2022-2023 Financial Year Milestones

October 2022



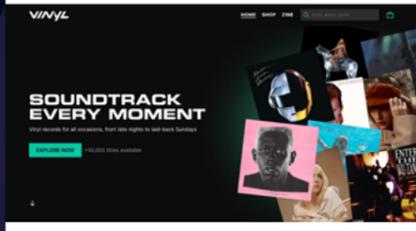
Accurate data matching of Works to Recordings added within the Jaxsta database.

January 2023



Auto-generated Repertoire Reports and Award & Certification Reports from Roster Dashboard for Business and Enterprise Members.

May 2023



Official Vinyl.com launch, shipping to USA, Canada and Australia.

May 2023



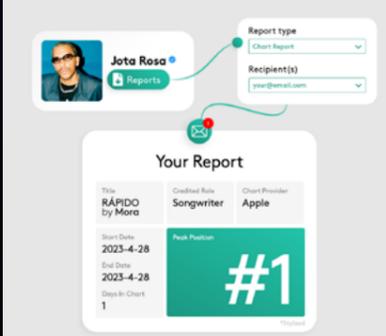
Jaxsta Business and Enterprise members can now obtain current and historical chart performance data for all releases and recordings matched to the profiles they have claimed.

June 2023



Jaxsta announced as Master of Metadata at the Music Business Association's Bizzy Awards 2023.

January 2023



Custom Playlist Reports and Chart Reports available on request.

March 2023



Vinyl.com MVP goes live in the US with "Record Of The Day" Campaign.

June 2023



Jaxsta completes acquisition of Vampr.

June 2023



Josh Simons appointed as CEO of Jaxsta.



## Chair's Letter

### *Dear Shareholders,*

On behalf of the Board, it is a pleasure to present this year's Jaxsta's annual report. The past year has seen some major changes to your Company on its continuing evolution to reach the long-term goals of the Company.

Over the last 12 months we have made some large changes that are expanding our commercial endeavours. This has been reflected in the sizable increase in revenue from the previous year and we are well positioned to continue that strong growth in the next 12 months. These changes include the following:

- the growth of our B2B services, be it subscription or data solution based;
- the acquisition of Vampr which has fast tracked our networking and advertising capabilities and provides a more comprehensive solution to music creators;
- the launch of Vinyl.com which provides our B2C platform to grow. The platform will continue to evolve as we add more capabilities and products to make this the premier destination for music collectables; and
- the conversion of Songtradr's tranche #1 convertible note. This vote of confidence from Songtradr and Songtradr founder Paul Wiltshire continues to provide a great partnership and supportive shareholder base to achieve the long-term vision.

We have welcomed our new CEO, Josh Simons as part of the next phase of the Company to accelerate our capabilities and deliver solutions and market opportunities in a faster, more streamlined Jaxsta.

As always we continue to value our shareholder's investment and continuously adjust our cost structure to maximise our runway without sacrificing the opportunities ahead. As we continue to grow our revenues we continue to reduce our financing needs.

The strategy that we laid out 18 months ago is taking shape and producing early results. The commitment from our employees, our Board members and customers is reflected in our results. I also thank our long standing shareholders who continue to provide feedback and support our path forward.

These next 12 months are very exciting as we convert the new opportunities from this past year into blossoming revenue streams that will establish Jaxsta as a successful venture for its shareholders.

Yours Sincerely,

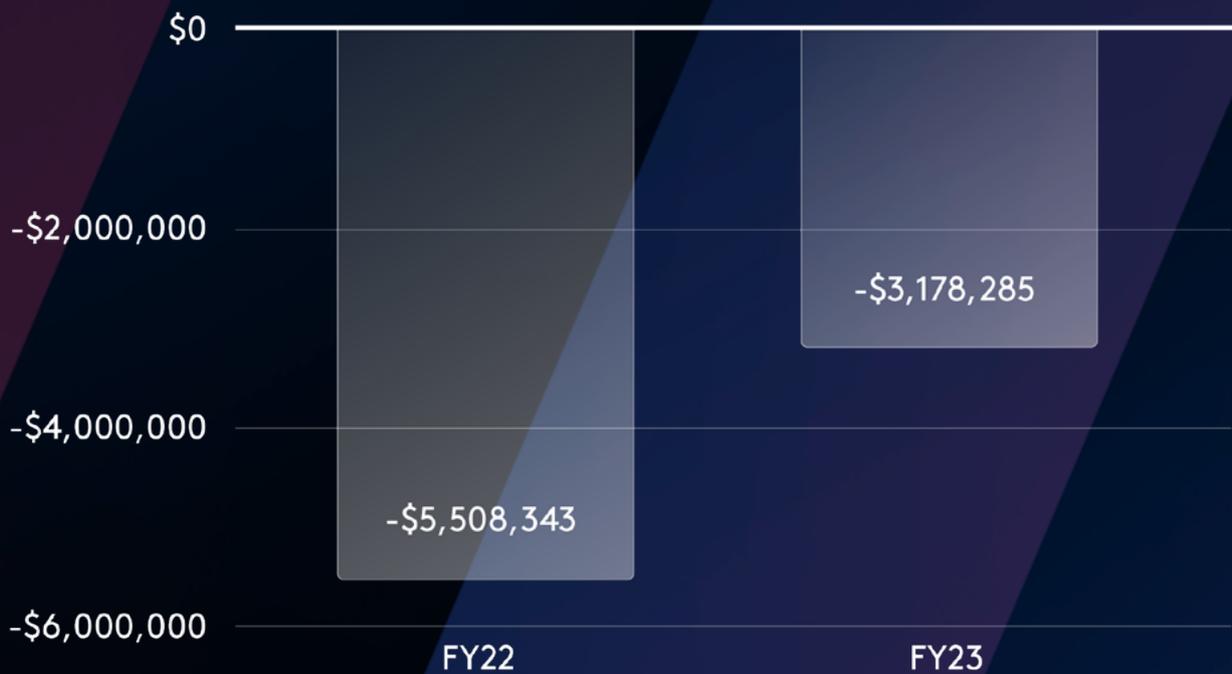
**Linda Jenkinson**

Independent, non-Executive Chair

## Revenues FY23 vs FY22



## Operating Cash Flows FY23 vs FY22





## Chief Executive Officer's Letter

*Dear shareholders,*

As I sit down to draft my first annual report as CEO of Jaxsta, I am filled with an overwhelming blend of pride and gratitude. This past year has been a monumental chapter in Jaxsta's journey, characterised by significant achievements, challenges met, and milestones reached. It has also been a year of transformation—transformation guided by strategic actions and decisions that have set us on a strong trajectory for growth and success.

### **THE FINANCIAL LANDSCAPE: AN IN-DEPTH LOOK AT OUR PERFORMANCE**

#### *Operational and Financial Milestones*

Our financial report speaks volumes about our momentum. A 455% year-over-year increase in revenue and a 42% reduction in operational cash use are not merely numerical achievements; they are the embodiment of the collective effort, commitment, and innovation of every member of our newly integrated Jaxsta team.

#### *Investor Relations and Market Confidence*

The financial performance has been complemented by a steady rise in investor confidence, as evidenced by the 126% jump in our share price from 2.7c on 1st July 2022 to 6.1c on 1st July 2023. Our transparent and frequent communication has helped keep our shareholders informed and aligned with our vision.

### **NAVIGATING THE DYNAMIC WORLD OF MUSIC: INDUSTRY CONTEXT AND TRENDS**

#### *Global Relevance*

The global music industry is amidst an exciting transformation. New technologies, emerging markets, and changes in consumer behaviour are all contributing to an industry that's evolving at a rapid pace. Our efforts are in sync with these trends, and our platforms are designed to meet the needs of this changing landscape.

#### *Ethics and Fairness*

In a world where fair compensation for artists is a growing concern, Jaxsta has committed to ensuring that creators are accurately credited and thereby compensated. Accurate metadata is not just an operational requirement for us; it's an ethical obligation.

**“ACCURATE METADATA IS NOT JUST AN OPERATIONAL REQUIREMENT FOR US; IT'S AN ETHICAL OBLIGATION.”**

### **STRATEGIC INTEGRATION: UNIFYING STRENGTHS, MAXIMISING VALUE**

#### *The Synergy of Acquisitions*

The acquisition of Vampr was not just an addition of services or users; it was a strategic move designed to leverage complementary strengths. The subsequent decision by Songtradr to convert their first note after this acquisition stands as a strong endorsement of that strategic vision.

#### *Technology and Operations: A Seamless Fusion*

This year marked a significant operational milestone with the integration of our technology stacks across all our platforms. We took technical development under our control, providing us with greater agility. In doing so, we have been able to implement real-time changes based on valuable customer feedback and we introduced a Chief Product Officer role to ensure that the company is making data-informed decisions, to compliment the musictech expertise of our team members.

## EXPANDING OUR FOOTPRINT: GEOGRAPHIC AND TECHNOLOGICAL FRONTIERS

### *North America*

While our services have global relevance, North America remains a focal point due to its size and influence in the music industry. Here, we aim to capture a significant market share by offering services tailored to the unique needs and opportunities presented by this market. From a revenue standpoint, it remains our largest market across all business units. Nevertheless, as Australia's only listed music business, we take very seriously our commitment to offering a unique experience for our ANZ customers, and the local market remains key to our overall objectives and success.

### *Embracing Artificial Intelligence*

Technology is at the heart of everything that we offer at Jaxsta, and we are particularly excited about the potential of Artificial Intelligence. We have begun mapping the application of AI into our products through our R&D roadmap as we research how recent advances in the space can revolutionise our customer interaction models, whilst also improving our operational efficiencies.

## FUTURE ROADMAP: VISION 2024 AND BEYOND

As FY24 gets well underway, my team and I are laser focused on one key metric: quarter over quarter revenue growth. For the first time in our history, the company has the product, the people, and the processes in place to finally tell a good revenue story. My job is to realise that into actual outcomes which benefit shareholders.

### *Product Innovations*

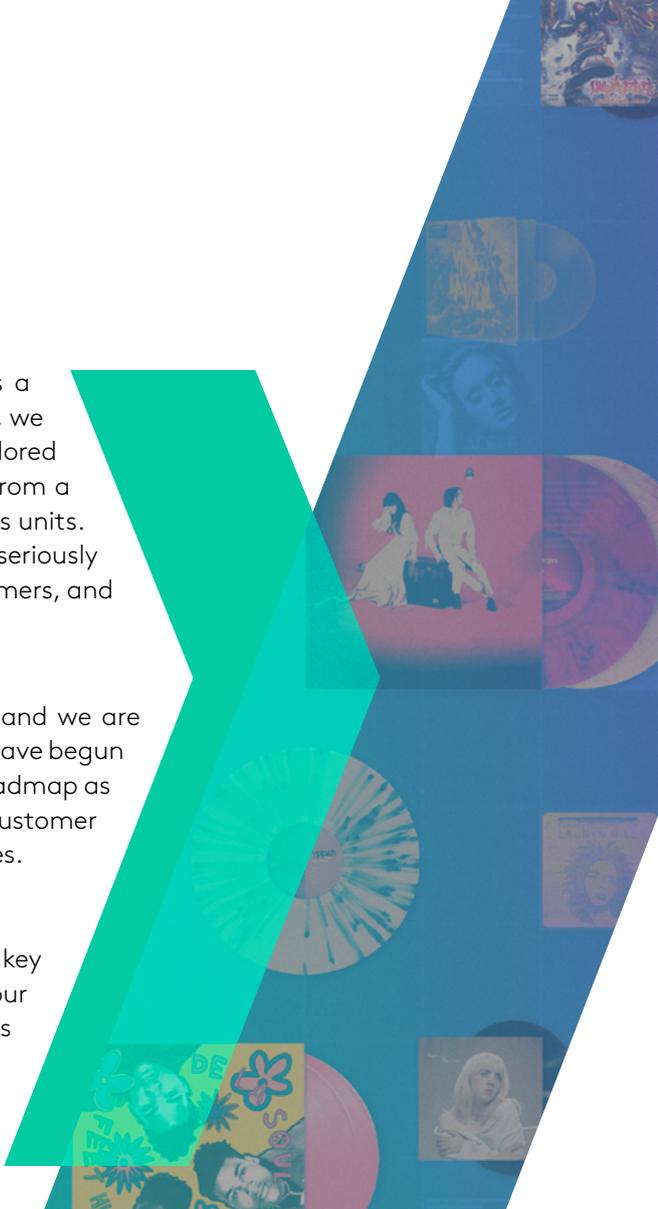
Our R&D pipeline is bustling with new ideas and innovations. We're building on the respective strengths of Vampr and Jaxsta to create the go-to artist EPK, coupled with a platform for artists to find paid opportunities. Our focus for Vinyl.com will be to become the top-of-mind store for music fans, by nailing the customer experience, expanding geographically and leaning into the Jaxsta metadata that powers the store. Organic growth is the most important piece of our overall strategy to grow revenues over the next 12 months.

### *Growth through Acquisition*

The other area of focus my leadership team is spending time on is the evaluation of strategic acquisitions which can both compliment and fast track our growth plans for the benefit of shareholders, and we hope to say more on this in the coming months and quarters.

### *Sustainability and Corporate Responsibility*

As we grow, we also recognize our role as corporate citizens. We are committed to sustainability and social responsibility and have initiated programs aimed at reducing our carbon footprint while promoting inclusivity. These are reflected in our ongoing cost cutting initiatives and through our diverse and global new C-Suite in a company which proudly operates in remote teams.



*Thank You for Being  
a Part of This Journey*

As we look back at the year gone by, we are filled with gratitude. We thank you, our shareholders, for your faith and investment; our customers, for your loyalty and feedback; and our team members, for your dedication and hard work.

With the road ahead looking promising, filled with opportunities and challenges alike, we are energised for the journey that lies ahead. We invite you to continue to be a part of this exciting adventure.

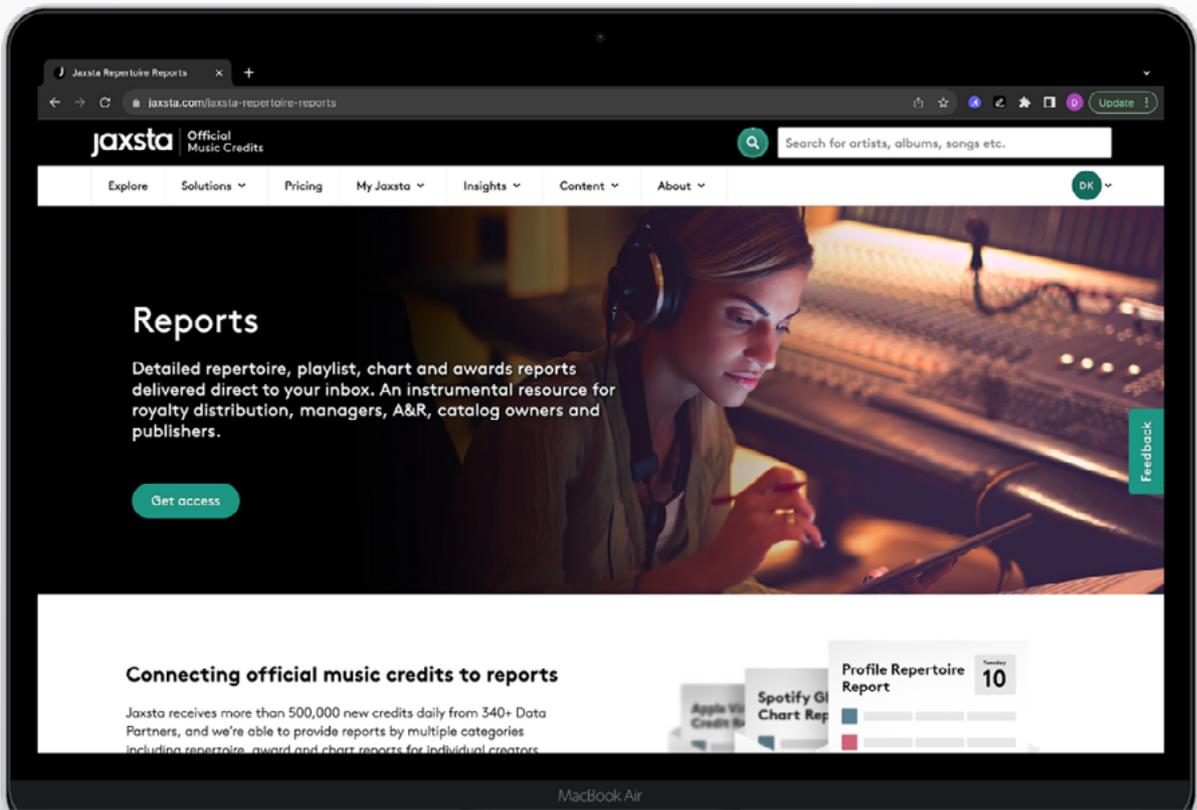
Warm regards,



**Josh Simons**

Chief Executive Officer

# jaxsta



Jaxsta platforms are home to

**366M**    **114M**

Credits

Pages

**379**

Data Partners

**60M**

Recordings

**16M**

Works

**92M**

Swipes

**8.6M**

Connections Made

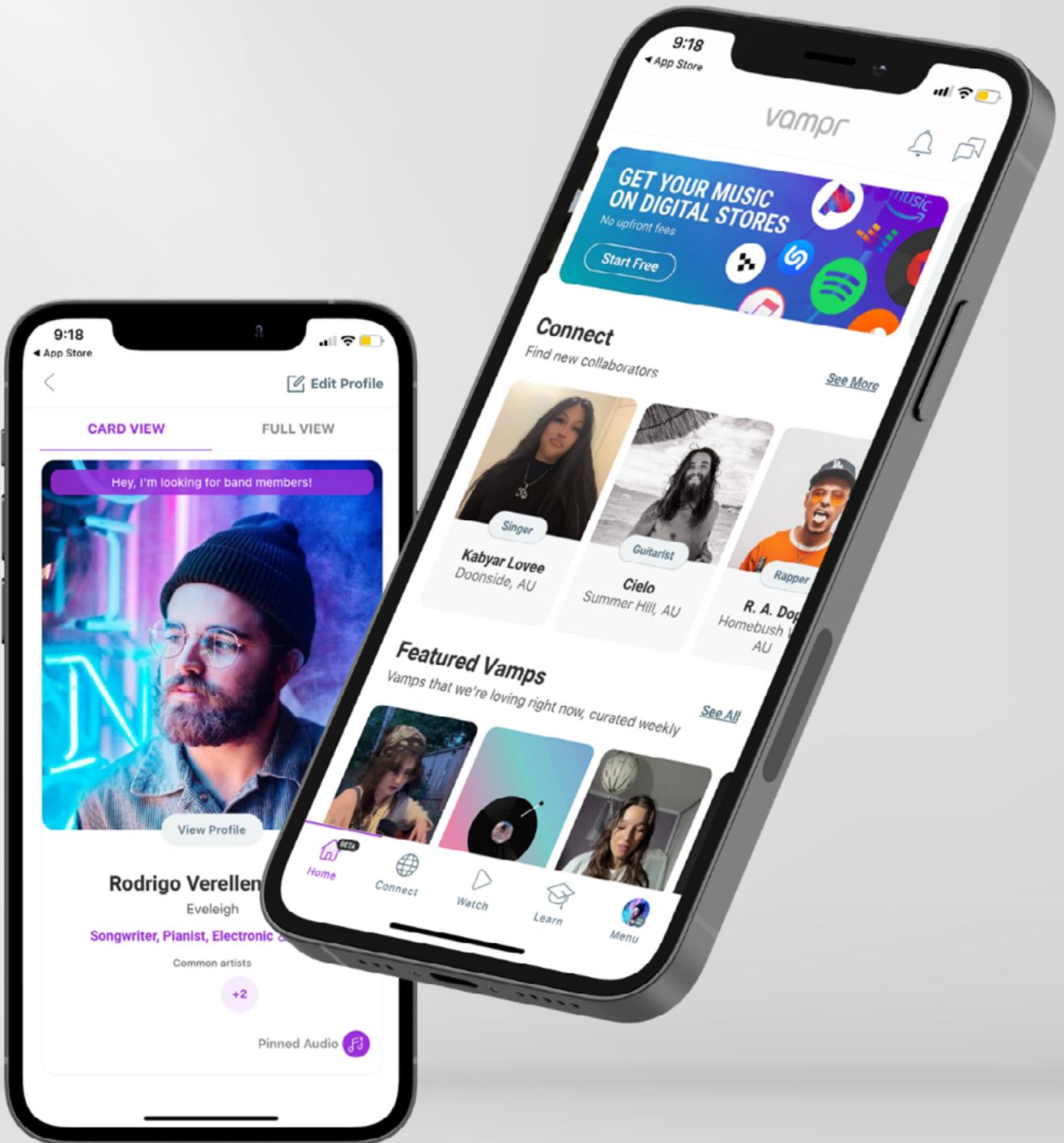
**190+**

Countries

**52,000+**

Vinyl Titles Available

as at 27 September 2023



# Corporate Directory

## Directors

Linda Jenkinson  
Chair

Ken Gaunt  
Non-Executive Director

Ben Katovsky  
Independent, Non-Executive Director

Steve Gledden  
Independent, Non-Executive Director

## Company Secretary

Jorge Nigaglioni

## Notice of annual general meeting

The details of the annual general meeting of Jaxsta Ltd are:  
Location: Angel Place, Level 27, 123 Pitt Street, Sydney NSW  
2000 Date & Time: 1:00 pm on Wednesday 29 November 2023

## Registered Office & Principal Place of Business

11 Wilson St, South Yarra VIC 3141

## Share Register

Automatic Pty Limited  
Level 2, Canning Highway  
Perth WA 6000

Phone: 02 9698 5414

## Auditor

Grant Thornton Audit Pty Ltd  
17/383 Kent St,  
Sydney NSW 2000

## Stock exchange listing

Jaxsta Ltd shares are listed on the Australian Securities Exchange (ASX code: JXT)

## Website

[www.jaxsta.com](http://www.jaxsta.com)

## Corporate Governance Statement

The directors and management are committed to conducting the business of Jaxsta Ltd in an ethical manner and in accordance with the highest standards of corporate governance. Jaxsta Ltd has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition)

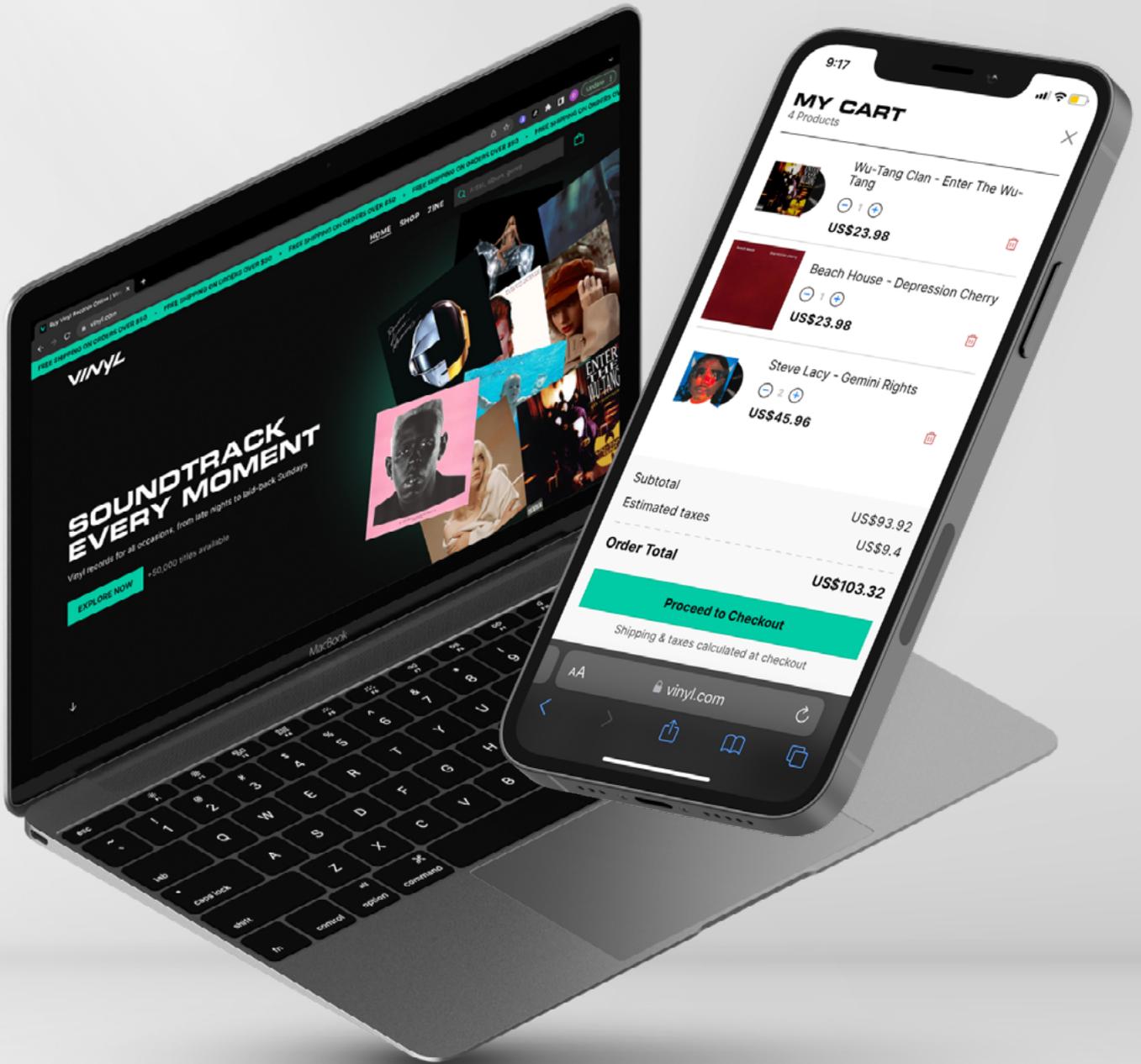
(‘Recommendations’) to the extent appropriate to the size and nature of its operations.

The Group’s Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed and ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement and Corporate Governance Compliance Manual can be found on the Group’s website at:

<https://jaxsta.com/info/investors>

# VINYL

• C O M



# Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Jaxsta Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

## Directors

The following persons were Directors of Jaxsta Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Linda Jenkinson - Non-Executive Director and Chair

Robert Kenneth ('Ken') Gaunt - Non-Executive Director

Ben Katovsky - Non-Executive Director (appointed on 1 July 2022)

Steve Gledden - Non-Executive Director (appointed on 1 July 2022)

Jacqueline ('Jacqui') Louez Schoorl - Executive Director, Founder (resigned as Director on 15 July 2022)

Jorge Nigaglioni - Executive Director, Chief Financial Officer and Company Secretary (resigned as Director on 1 July 2022)

## Principal activities

During the financial year the principal continuing activities of the Group consisted of providing tech solutions that connect and give credit to the creator economy. Through ecommerce, social network platforms and a proprietary database of official credits, the transformative products connect and empower all participants of the music ecosystem.

## Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Review of operations

The loss for the Group after providing for income tax amounted to \$10,792,141 (30 June 2022: \$6,200,747).

For the financial year ended 30 June 2023, the Group focused on the implementation of critical components of its growth strategy as outlined below:

- Expand the Subscription and API offerings to grow the B2B side of those offerings. The Business and Enterprise tiers launched and added additional revenue to the subscription service during the year. The Group's Works product helped win additional work on the API front.
- Expand the addressable market of Jaxsta by deploying its consumer focused Vinyl.com offering separately instead of blended into the Jaxsta portal. The Company deployed a limited scope release in March 2023 and expanded the catalogue offered in May 2023.
- Reduce costs to extend its capital further. The Company successfully attained its targeted annual burn rate of \$2.8 million by the conclusion of the March quarter. It continues to focus on further savings at every stage.
- The Company acquired Vampr as of 1 June 2023. This expands the Creator offerings and adds the critical networking element that the Company had in its roadmap. The community of Vampr creators aligns well with the development of the Vinyl community as we aim to broaden our range of offerings and interconnected promotional activities.
- This culminated in record-breaking revenue of \$582,209 for the Company, a significant increase from \$104,935 achieved in the previous year. The launch of Vinyl and timing of the Vampr acquisition means that revenue will grow further in 2023 as those two offerings will have a full year's worth of trading.

The strategy for the Company continues on the tenets laid out above whilst prioritising revenue growth areas like Vinyl and Vampr. The integration of the businesses will also help reduce costs and streamline the rollout of new solutions. The business strategy for the year ahead comprise three key elements:

- (1) Combine all Vampr and Jaxsta functionalities in the Creator vertical to provide a single app experience that provide significant value to the Creator community;
- (2) Continue enhancing the Vinyl.com rollout by focusing on building the community aspect and establishing partnerships for more content and exclusives and establish Vinyl.com as the go to site; and
- (3) Continue engagement with B2B customers on data solutions and Enterprise/Business subscriptions.

The Group's focus encompasses revenue growth, ongoing enhancements to net operating cash flows, and the expansion of its user base.

### Key financial matters

- Employee benefits expense of \$3,081,318 (30 June 2022: \$4,191,061) includes a non-cash component of \$550,037 (30 June 2022: \$431,378) to record share-based compensation expenses. The increase year on year was a result of increased spending in development and marketing as part of the re-launch of Jaxsta Pro paid.
- Product development expenses totalled \$844,370 which represents a decrease compared to \$1,523,893 in the prior year. This reduction can be attributed primarily to the decrease in share-based compensation to partners, partially offset by an increase in expenses related to the Group's AWS systems.
- Cash and cash equivalents at 30 June 2023 of \$2,966,748 (30 June 2022: \$3,123,935).

The Company's loss of \$10,792,141 includes \$6,918,828 of Fair value (loss)/gain on financial liabilities and finance costs mostly from the Songtradr convertible notes. The fair value increase relates to the increase in the Company's share price from \$0.022 at 30 June 2022 to the price of \$0.057 at 30 June 2023. The \$0.035 increase has been reflected by increasing the fair value of the convertible notes. The Company converted Tranche #1 on 13 September 2023 reducing short term debt by \$1,774,597 in exchange for 84,504,631 ordinary shares, leaving only Tranche #2 and its principal of \$3,000,000 for movement in the coming periods.

The remaining operating loss after removing the fair value measurement and finance costs described above is \$3,873,313 (30 June 2022: \$6,533,240), a reduction of 41%, which reflects the combination of increased revenues and the extensive cost cutting undertaken over the year to streamline operations.

Additional capital raising activities were undertaken during the period resulting in the receipt of cash of \$3,372,975, comprising an equity placement of \$372,975 (at a price of \$0.03 per share) in December 2022 and an equity placement of \$3,000,000 (at a price of \$0.04 per share) in June 2023. These capital raises, in combination with continued savings initiatives allowed the Group to fund product development and sales and marketing activities, and put the Group in a strong cash position as at 30 June 2023.

As a result of the net loss for the year, net operating cash outflows, and the deficiency in working capital as at 30 June 2023, there is a material uncertainty as to whether the Group can continue as a going concern. The Directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

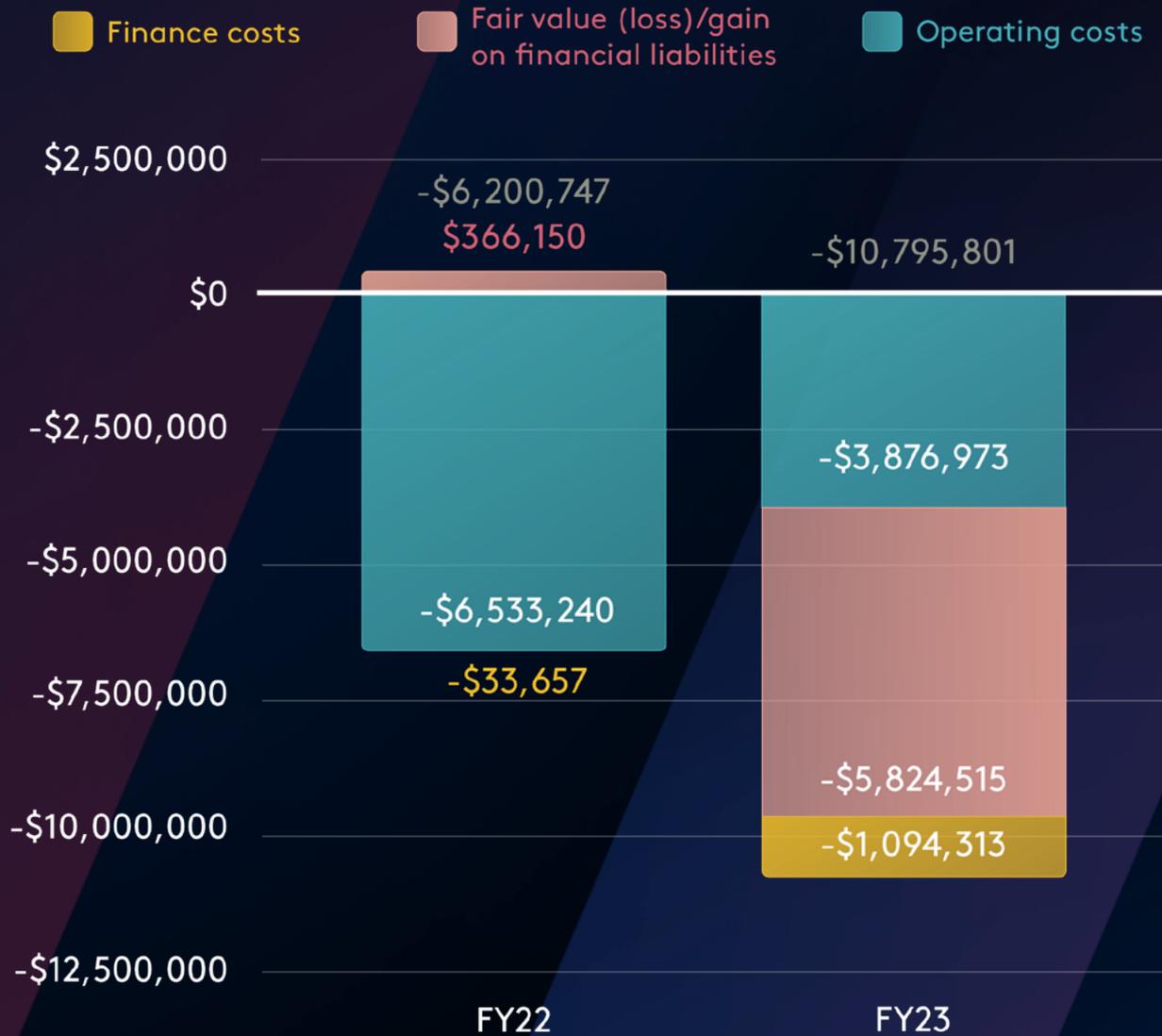
### Development update

Jaxsta continued enhancing its online official music metadata platform during the year. Key initiatives included the rollout of the Works data matching functionality, the automated reports functionality for Business and Enterprise customers that includes Repertoire, Awards and Certification and Custom Playlist reports.

The Company also built the Vinyl.com platform as a way to reach consumers in a unique platform aimed at fixing the discovery problem. The initial Record of the Day launch in March 2023 was aimed at working out initial customer feedback before the launch of the full catalogue in May 2023.

The Vampr acquisition was completed on 1 June 2023 and the development work on that platform continued post acquisition.

# Breakdown of Operating Loss FY22 and FY23



## Business strategies and prospects for future years

- Enhance the Creator market value proposition with the combined power of Vampr and Jaxsta.
- Focus on building the Vinyl.com brand and grow the Vinyl.com community.
- Connect the consumer and creator communities to promote more opportunities for creators to commercialise their creations and for consumers to have a better link to their favourite creatives.

In order to achieve the near-term goals for the segment, the development focus for FY2024 is to:

- integrate of Vampr Pro and Jaxsta Creator into a single platform;
- continue enhancements of the Vinyl.com platform to establish a loyal growing community of collectors and experts;
- accelerate the reach of Business and Enterprise potential customers and grow the recurring membership base; and
- continue to grow our visitor and active users to grow the healthy advertising business established.

The Group is reliant on the support of its data partners who provide the official data upon which the platform is based and the accreditation by which the product is trusted by the wider music industry. These two items remain key in the commercial rollout in FY2024.

## Significant changes in the state of affairs

### **Share issue**

On 3 January 2023, 12,431,754 ordinary shares were issued after receipt of \$372,975 cash after the December 2022 capital raising at \$0.03 per share.

On 27 June 2023, 73,750,000 ordinary shares were issued with a further 1,250,000 shares to be issued after reporting date after receipt of \$3,000,000 after the June 2023 capital raising at \$0.04 per share.

### **Vampr Acquisition**

On 1 June 2023, the Group announced that it had completed the acquisition of 100% of the shares of Vampr, Inc in exchange for the following:

- The issue of 88,734,476 shares in the Company which, at the time, represented 19.99% of the issued capital of the Company post share issue ('Equity Consideration'). The Equity Consideration is subject to an escrow period of one year that expires on 31 May 2024.
- In addition to the Equity Consideration, the Company will pay up to US\$250,000 with accrued interest ('Note Consideration') within a year of completion to extinguish a short-term loan facility provided by a Vampr Director to Vampr. The Note Consideration may be converted into shares in the Company at \$0.05 per share anytime during that 1 year period.
- The Company will pay the verifiable legal and accounting costs of Vampr capped at US\$15,000.
- Josh Simons will be appointed as the Company's Chief Strategy Officer with a minimum two year term and become an observer to the Board of the Company. The details of his compensation package are:
  - 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 an exercise price to be determined when the Company's share price reaches \$0.15 per share subject to a minimum employment term of 1 year; and
  - 1.5m options at an exercise price to be determined when the Company's share price reaches \$0.20 per share subject to 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.

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

The Company obtained shareholder approval for the above transaction on 30 May 2023.

There were no other significant changes in the state of affairs of the Group during the financial year.

## Matters subsequent to the end of the financial year

On 13 September 2023, the Company issued 84,504,631 ordinary shares as part of the conversion of Songtradr's tranche #1 convertible notes. The total principal and interest converted amounted to \$1,774,597.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

## Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

## Information on Directors

<b>Name</b>	Linda Jenkinson
<b>Title</b>	Non-Executive Director and Chair
<b>Qualifications</b>	Bachelor of Business Studies, Master of Business Administration, New Zealand CPA (non-current)
<b>Experience and expertise</b>	Linda is a successful businesswomen and entrepreneur with over 26 years of general management and consulting experience. She's founded numerous businesses and was the first New Zealand woman to list a company on the NASDAQ stock exchange, with DMSC, the \$250 million on-demand courier company she co-founded. She also co-founded a global customer and employee experience platform, which was sold to the Accor hotel group, and WOW for Africa which was a social venture fund supporting women entrepreneurs in Senegal. Linda is an experienced company director, sitting on multiple boards including Air New Zealand, Fleetpartners Group Ltd (formerly Eclipx Group) and Guild Group. She's received a number of awards including EY Master Entrepreneur of the Year New Zealand in 2013, World Class New Zealander in 2016 and is a Top 100 Most Influential Women in San Francisco. Linda is currently the Chair of Unicef New Zealand. She has been based for many years in San Francisco where she has spent five years serving on the Board of the Bay Area Red Cross and was Chair of the fund raising committee. Prior to her entrepreneurial career, Linda was a Partner at A.T. Kearney in the Global Financial Services practice where she worked with some of the world's largest financial institutions. Linda holds a Master of Business Administration from The Wharton School, University of Pennsylvania in Finance and a Bachelor of Business Studies from Massey University in Data Processing and Accounting & Finance. She qualified for her New Zealand CPA (ACA). Linda is currently building Level-Up, a program to supercharge high-growth companies who are expanding globally. She is a New Zealand citizen who holds residency in the United States and co-locates between Wellington and San Francisco
<b>Other current directorships</b>	Medadvisor Limited, PureProfile Ltd, Guild Group Holdings & Subsidiaries and Harbour Asset Management
<b>Former directorships (last 3 years)</b>	Air New Zealand Limited, Fleetpartners Group Ltd
<b>Special responsibilities</b>	Member of Remuneration and Nomination Committee
<b>Interests in shares</b>	None
<b>Interests in options</b>	14,500,000 options over ordinary shares

<b>Name</b>	Robert Kenneth ('Ken') Gaunt
<b>Title</b>	Non-Executive Director
<b>Experience and expertise</b>	Zimbabwean born Ken Gaunt is a successful entrepreneur and investor with over 31 years of experience in sales management, corporate advisory and early-stage business development. After emigrating to Australia from Cape Town in 1997, Ken co-founded and was the managing director of Electronic Banking Solutions Pty Ltd which he grew into Australia's largest independent ATM operator. After guiding that company through a successful merger with Cashcard Australia Limited, in 2005 Ken completed the \$330 million sale of the merged financial services operation to an American private investment firm. Ken is an experienced board member holding various national and international board positions including the multi-award winning, iconic tourist attraction, Sydney Seaplanes, Hong Kong-based Fintronics Holding Company Limited and non-executive director of the Australian listed oil and gas company, K2 Energy Limited. Ken was CEO of Mobilarm Limited, the company which Jaxsta Limited completed a successful reverse takeover with in late 2018.
<b>Other current directorships</b>	K2 Energy Ltd
<b>Former directorships (last 3 years)</b>	None
<b>Special responsibilities</b>	None
<b>Interests in shares</b>	14,504,807 ordinary shares
<b>Interest in options</b>	10,000,000 options over ordinary shares

<b>Name</b>	Ben Katovsky
<b>Title</b>	Non-Executive Director
<b>Experience and expertise</b>	Ben is a leading global music executive who is currently President and Chief Operating Officer of Hipgnosis Song Management Limited, the leading song management company and alternative asset manager investing in music rights. Prior to this, Ben was Chief Operating Officer of BMG, the fourth largest music business in the world. Ben's career began in technology in both software engineering and product development. Ben has particular experience in supporting growing music companies to deliver revenue growth and operational scaling and in using innovative technology to achieve this.
<b>Other current directorships</b>	None
<b>Former directorships (last 3 years)</b>	None
<b>Special responsibilities</b>	None
<b>Interests in shares</b>	None
<b>Interest in options</b>	10,000,000 options over ordinary shares

<b>Name</b>	Steve Gledden
<b>Title</b>	Non-Executive Director
<b>Experience and expertise</b>	Steve is a highly successful entrepreneur, investor and mentor with extensive expertise in guiding startups to successful scale up. Steve will help transition Jaxsta as it evolves global platform to serve the needs of both enterprise customers and consumers.
<b>Other current directorships</b>	None
<b>Former directorships (last 3 years)</b>	None
<b>Special responsibilities</b>	None
<b>Interests in shares</b>	None
<b>Interest in options</b>	10,000,000 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

## Company Secretary

Jorge Nigaglioni - Chief Financial Officer and Company Secretary from 20 July 2020. Jorge has over 28 years of experience in accounting and finance roles in both public and private companies. Jorge has worked with start-up companies and has been CFO for three publicly listed companies in the United States and Australia. Jorge has a Master's of Business Administration from the University of Wisconsin-Madison and a Bachelor of Science degree in Business Administration from Bryant University.

## Meeting of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

	Full Board		Remuneration and Nomination Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Linda Jenkinson	12	13	-	-	-	-
Ken Gaunt	13	13	-	-	-	-
Ben Katovsky	11	13	-	-	-	-
Stephen Gledden	11	13	-	-	-	-

Held: represents the number of meetings held during the time the Director held office.

## Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

### Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The Remuneration and Nomination Committee is responsible for determining and reviewing remuneration arrangements for its Directors and executives. The performance of the Group depends on the quality of its Directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In consultation with external remuneration consultants (refer to the section 'Use of remuneration consultants' below), the Remuneration and Nomination Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

### **Non-executive Directors' remuneration**

Fees and payments to non-executive Directors reflect the demands and responsibilities of their role. Non-executive Directors' fees and payments are reviewed annually by the Remuneration and Nomination Committee. The Remuneration and Nomination Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other non-executive Directors based on comparative roles in the external market. The Chair is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 17 August 2018, where the shareholders approved a maximum annual aggregate remuneration of \$500,000.

### **Executive remuneration**

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Remuneration and Nomination Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include client (data partner) engagement, leadership contribution and product development.

The long-term incentives ('LTI') include long service leave and share-based payments (for example tax effective incentive options) exercisable over a 2 to 4 year period, which are awarded to key staff and executives as part of a long-term retention strategy.

### **Group performance and link to remuneration**

Remuneration for certain individuals is directly linked to the performance of the Group. A portion of share options are dependent on defined volume weighted average price ('VWAP') targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Remuneration and Nomination Committee. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Remuneration and Nomination Committee is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

### **Use of remuneration consultants**

The Group did not engage the use of a remuneration consultant during the financial year ended 30 June 2023.

### **Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')**

At the 2022 AGM, 98.68% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

## **Details of remuneration**

### **Amounts of remuneration**

Details of the remuneration of KMP of the Group are set out in the following tables.

The KMP of the Group consisted of the following Directors of Jaxsta Ltd:

- Linda Jenkinson - Non-Executive Director and Chair
- Ken Gaunt - Non-Executive Director
- Ben Katovsky - Non-Executive Director (appointed on 1 July 2022)
- Steve Gledden - Non-Executive Director (appointed on 1 July 2022)

And the following persons:

- Josh Simons - Chief Executive Officer (appointed on 29 June 2023)
- Michael Stone - Chief Technology Officer
- Beth Appleton - Chief Marketing Officer, Chief Executive Officer (resigned on 29 June 2023)
- Jacqui Louez Schoorl - Executive Director and Co-founder (resigned as Director on 15 July 2022)
- Jorge Nigaglioni - Executive Director, Chief Financial Officer and Company Secretary (resigned as Director on 1 July 2022)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled options *	
2023	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Linda Jenkinson	-	-	-	-	-	114,449	114,449
Ken Gaunt	-	-	-	-	-	34,876	34,876
Ben Katovsky	-	-	-	-	-	36,616	36,616
Steve Gledden	-	-	-	-	-	36,616	36,616
<i>Executive Directors:</i>							
Jacqui Louez Schoorl	257,175	-	-	19,352	29,328	131,928	437,783
<i>Other KMP:</i>							
Michael Stone	231,200	-	-	24,150	2,689	23,475	281,514
Beth Appleton	276,500	-	-	25,292	1,506	1,567	304,865
Joshua Simons	30,000	-	-	3,150	14	1,468	34,632
Jorge Nigaglioni	180,000	-	-	18,900	1,148	111,801	311,849
	<u>974,875</u>	<u>-</u>	<u>-</u>	<u>90,844</u>	<u>34,685</u>	<u>492,796</u>	<u>1,593,200</u>

\* Represents the value of equity-based compensation expensed during the year, not the value of the award granted during the year.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled options *	
2022	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Linda Jenkinson	110,000	-	-	9,900	-	96,907	216,807
Ken Gaunt	50,000	-	-	5,000	-	17,334	72,334
Brett Cottle	75,000	-	-	7,500	-	79,573	162,073
	-	-	-	-	-	-	-
<i>Executive Directors:</i>							
Jacqui Louez Schoorl	287,500	-	-	23,568	9,800	131,928	452,796
Jorge Nigaglioni	240,000	-	-	23,568	-	51,428	314,996
<i>Other KMP:</i>							
Michael Stone	230,000	-	-	23,000	-	33,522	286,522
Beth Appleton	266,868	-	-	23,568	-	1,606	292,042
	<u>1,259,368</u>	<u>-</u>	<u>-</u>	<u>116,104</u>	<u>9,800</u>	<u>412,298</u>	<u>1,797,570</u>

\* Represents the value of equity-based compensation expensed during the year, not the value of the award granted during the year.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
<i>Non-Executive Directors:</i>						
Linda Jenkinson	-	55%	-	-	100%	45%
Steve Gledden	-	-	-	-	100%	-
Ben Katovsky	-	-	-	-	100%	-
Ken Gaunt	-	76%	-	-	100%	24%
Brett Cottle	-	51%	-	-	100%	49%
<i>Executive Directors:</i>						
Jacqui Louez Schoorl	70%	71%	-	-	30%	29%
Jorge Nigaglioni	64%	84%	-	-	36%	16%
<i>Other KMP:</i>						
Michael Stone	92%	88%	-	-	8%	12%
Joshua Simons	96%	-	-	-	4%	-
Beth Appleton	99%	99%	-	-	1%	1%

### Service agreements

Remuneration and other terms of employment for KMP are formalised in service agreements. Details of these agreements are as follows:

Name: Jacqui Louez Schoorl (resigned as Director on 15 July 2022; last day as Executive was 26 April 2023)  
 Title: Founder role  
 Agreement commenced: 16 November 2018  
 Term of agreement: No fixed term  
 Details: Base salary for the year ended 30 June 2023 is \$300,000 per annum, plus superannuation. Salary package to be reviewed annually by the Remuneration and Nomination Committee. 12-month termination notice by either party provided that notice cannot be given by either party before 16 November 2020.

Name: Jorge Nigaglioni (resigned as Director on 1 July 2022)  
 Title: Chief Financial Officer and Company Secretary  
 Agreement commenced: 20 July 2020  
 Term of agreement: No fixed term  
 Details: Base salary for the year ended 30 June 2023 is \$180,000 per annum, plus superannuation. Salary package to be reviewed annually by the Remuneration and Nomination Committee. 3-month termination notice by Jaxsta increasing by one month for every year of service up to a maximum of 12 months. 3-month termination by executive.

Name: Beth Appleton  
 Title: Chief Marketing Officer, Chief Executive Officer (resigned on 29 June 2023)  
 Agreement commenced: 12 July 2021, amended to incorporate Chief Executive Officer role from 27 April 2022  
 Term of agreement: No fixed term  
 Details: Base salary for the year ended 30 June 2023 is \$276,500 per annum plus superannuation and phone allowance. Salary package to be reviewed annually by the Board or Remuneration and Nomination Committee. 3-month termination notice by either party.

Name: Michael Stone  
Title: Chief Technology Officer  
Agreement commenced: 16 November 2020  
Term of agreement: No fixed term  
Details: Base salary for the year ended 30 June 2023 is \$231,200 per annum plus superannuation and phone allowance. Salary package to be reviewed annually by the Remuneration and Nomination Committee. 3-month termination notice by either party.

Name: Joshua Simons  
Title: Chief Strategy Officer, Chief Executive Officer (appointed on 29 June 2023)  
Agreement commenced: 1 May 2023, amended to incorporate Chief Executive Officer role from 29 June 2023  
Term of agreement: No fixed term  
Details: Base salary for the year ended 30 June 2023 is \$220,000 per annum plus superannuation and phone allowance. Salary package to be reviewed annually by the Board or Remuneration and Nomination Committee. 3-month termination notice by either party.

KMP have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

#### Issue of shares

There were no shares issued to Directors and other KMP as part of compensation during the year ended 30 June 2023.

#### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of Directors and other KMP in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Linda Jenkinson	3,000,000	30 Sep 2019	Variable <sup>1</sup>	30 Sep 2024	\$0.200	\$0.1070
Brett Cottle	3,000,000	30 Sep 2019	Variable <sup>1</sup>	30 Sep 2024	\$0.200	\$0.1070
Michael Stone	400,000	7 Dec 2020	Variable <sup>2</sup>	6 Dec 2026	\$0.154	\$0.0790
Jorge Nigaglioni	3,000,000	22 Apr 2021	Variable <sup>3</sup>	21 Apr 2026	\$0.129	\$0.0730
Linda Jenkinson	1,500,000	16 Jun 2021	Variable <sup>3</sup>	15 Jun 2026	\$0.096	\$0.0530
Brett Cottle	1,500,000	16 Jun 2021	Variable <sup>3</sup>	15 Jun 2026	\$0.096	\$0.0530
Michael Stone	1,600,000	16 Jun 2021	Variable <sup>4</sup>	15 Jun 2026	\$0.096	\$0.0530
Beth Appleton	1,500,000	16 Jun 2022	Variable <sup>5</sup>	16 Jun 2025	\$0.035	\$0.0002
Michael Stone	1,000,000	16 Jun 2022	Variable <sup>6</sup>	16 Jun 2025	\$0.035	\$0.0002
Linda Jenkinson	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>7</sup>	30 Jun 2025	\$0.035	\$0.0004
Linda Jenkinson	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>8</sup>	30 Jun 2025	\$0.000	\$0.0210
Ken Gaunt	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>7</sup>	30 Jun 2025	\$0.035	\$0.0004
Ken Gaunt	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>8</sup>	30 Jun 2025	\$0.000	\$0.0210
Jorge Nigaglioni	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>8</sup>	30 Jun 2025	\$0.000	\$0.0210
Steve Gledden	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>7</sup>	30 Jun 2025	\$0.035	\$0.0004
Steve Gledden	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>8</sup>	30 Jun 2025	\$0.000	\$0.0210
Ben Katovsky	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>7</sup>	30 Jun 2025	\$0.035	\$0.0004
Ben Katovsky	5,000,000	24 Jun 2022 <sup>9</sup>	Variable <sup>8</sup>	30 Jun 2025	\$0.000	\$0.0210
Beth Appleton	3,000,000	26 Oct 2022	Variable <sup>10</sup>	3 Nov 2028	\$0.048	\$0.0112
Michael Stone	1,000,000	26 Oct 2022	Variable <sup>10</sup>	3 Nov 2028	\$0.048	\$0.0112
Jorge Nigaglioni	1,000,000	26 Oct 2022 <sup>11</sup>	Variable <sup>12</sup>	3 Nov 2028	\$0.048	\$0.0112
Joshua Simons	3,000,000	24 Apr 2023 <sup>11</sup>	Variable <sup>12</sup>	31 May 2033	\$0.050	\$0.0040

- <sup>1</sup> vesting tranches of 750,000 options for each \$0.10 increase in the Company's share price (measured on a VWAP basis so that each increment increase has to exist for at least 30 consecutive ASX trading days) from A\$0.20.
- <sup>2</sup> vesting tranches of (i) 125,000 options for reaching 50,000 paid subscribers in the Jaxsta Pro subscription service at a minimum price of \$75; (ii) 125,000 options for reaching \$2 million in Data Solution Deals; (iii) 50,000 options for reaching a one year service period; (iv) and 100,000 options for reaching a two year service period.
- <sup>3</sup> vesting tranches of 750,000 options for each \$0.075 increase in the Company's share price (measured on a VWAP basis so that each increment increase has to exist for at least 30 consecutive ASX trading days) from A\$0.175.
- <sup>4</sup> vesting tranches of 400,000 options for each \$0.075 increase in the Company's share price (measured on a VWAP basis so that each increment increase has to exist for at least 30 consecutive ASX trading days) from A\$0.175.
- <sup>5</sup> vesting tranches of 750,000 options for each \$0.050 increase in the Company's share price (measured on a VWAP basis so that each increment increase has to exist for at least 14 consecutive ASX trading days) from A\$0.100.
- <sup>6</sup> vesting tranches of 500,000 options for each \$0.050 increase in the Company's share price (measured on a VWAP basis so that each increment increase has to exist for at least 14 consecutive ASX trading days) from A\$0.100.
- <sup>7</sup> vesting tranches of 2,500,000 options for each \$0.050 increase in the Company's share price (measured on a VWAP basis so that each increment increase has to exist for at least 14 consecutive ASX trading days) from A\$0.100. The second increase requires a full year of service.
- <sup>8</sup> vesting tranches of 2,500,000 options for each year of service in lieu of cash board fees or portion of salary.
- <sup>9</sup> approved at shareholder meeting on 24 June 2022 and issued on 1 July as part of the new remuneration period for which they are part of.
- <sup>10</sup> vesting when the Company's share price reaches \$0.048 and the executive has reached the one year anniversary date from the award date.
- <sup>11</sup> approved at shareholder meeting on 30 May 2023, as part of the remuneration award following the Vampr acquisition.
- <sup>12</sup> vesting tranches of 1,500,000 options for each \$0.050 increase in the Company's share price (measured on a VWAP basis so that each increment increase has to exist for at least 14 consecutive ASX trading days) from A\$0.150. The second increase requires a full year of service.

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. Options vest based on the provision of service over the vesting period whereby the KMP becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The number of options over ordinary shares granted to and vested in Directors and other KMP as part of compensation during the year ended 30 June 2023 are set out below:

Name	Number of options granted during the year 2023	Number of options granted during the year 2022	Number of options vested during the year 2023	Number of options vested during the year 2022
Linda Jenkinson *	-	10,000,000	-	-
Ken Gaunt *	-	10,000,000	-	-
Ben Katovsky *	-	10,000,000	-	-
Steve Gledden *	-	10,000,000	-	-
Jorge Nigaglioni *	1,000,000	5,000,000	-	-
Beth Appleton	3,000,000	1,500,000	-	-
Joshua Simons **	3,000,000	-	-	-
Michael Stone	1,000,000	1,000,000	-	-

\* Approved at shareholder meeting on 24 June 2022 and issued on 1 July as part of the new remuneration period for which they are part of.

\*\* Approved at shareholder meeting on 30 May 2023 as part of the remuneration award following the Vampr acquisition.

### Additional information

The earnings of the Group for the five years to 30 June 2023 are summarised below:

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Sales revenue	582,209	104,935	4,840	9,520	-
Loss after income tax	(10,792,141)	(6,669,173)	(5,709,673)	(10,438,665)	(14,384,104)

Information for four years shown as these are the full periods since the reverse takeover transaction on 28 December 2018.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end (\$)	0.06	0.02	0.05	0.03	0.22
Basic earnings per share (cents per share)	(3.02)	(1.87)	(2.18)	(4.35)	(0.11)
Diluted earnings per share (cents per share)	(3.02)	(1.87)	(2.18)	(4.35)	(0.11)

### Additional disclosures relating to KMP

#### Shareholding

The number of shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Resignation Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Jacqui Louez Schoorl *	48,490,004	-	-	(24,000,000)	24,490,004
Joshua Simons**	-	-	22,905,968	-	22,905,968
Jorge Nigaglioni ***	650,179	-	-	-	650,179
Ken Gaunt ****	5,451,818	-	9,052,989	-	14,504,807
	<u>54,592,001</u>	<u>-</u>	<u>31,958,957</u>	<u>(24,000,000)</u>	<u>62,550,958</u>

\* Shares held in Mrs Louez Schoorl's own name and in the name of Louis Schoorl (her husband & Jaxsta co-founder). Disposals/other represents shares held at resignation date as Executive Director.

\*\* Shares held in Mr Simons' own name and in the name of Guildford Holdings (Aust) Pty Ltd.

\*\*\* Shares held in Mr Nigaglioni's own name and in the name of Jaeana Technologies Pty Ltd.

\*\*\*\* Shares held by Mr Gaunt in the name of Blazzed Pty Limited.

#### Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted *	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Linda Jenkinson	14,500,000	-	-	-	14,500,000
Ken Gaunt	10,000,000	-	-	-	10,000,000
Ben Katovsky	10,000,000	-	-	-	10,000,000
Steve Gledden	10,000,000	-	-	-	10,000,000
Jacqui Louez Schoorl	20,000,000	-	-	-	20,000,000
Jorge Nigaglioni	8,000,000	1,000,000	-	-	9,000,000
Beth Appleton	1,500,000	3,000,000	-	-	4,500,000
Joshua Simons	-	3,000,000	-	-	3,000,000
Michael Stone	3,000,000	1,000,000	-	-	4,000,000
	<u>77,000,000</u>	<u>8,000,000</u>	<u>-</u>	<u>-</u>	<u>85,000,000</u>

\* Approved at shareholder meeting on 30 May 2023 as part of the remuneration award following the Vampr acquisition.

\* Approved at shareholder meeting on 30 May 2023 as part of the remuneration award following the Vampir acquisition.

*Loans to KMP and their related parties*

There are no loans to KMP and their related parties at year end.

*Other transactions with KMP and/or their related parties*

There were no other transactions during the financial year.

*This concludes the remuneration report, which has been audited.*

**Shares under option**

Unissued ordinary shares of Jaxsta Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option or warrant
16 November 2018	16 November 2023	\$0.200	20,000,000
16 November 2018	16 November 2023	\$0.300	1,000,000
14 March 2019	31 March 2027	\$0.010	713,105
14 March 2019	31 March 2028	\$0.010	2,139,315
15 March 2019	31 March 2027	\$0.010	675,573
15 March 2019	31 March 2028	\$0.010	675,573
18 June 2019	31 May 2027	\$0.010	562,978
18 June 2019	31 May 2028	\$0.010	562,977
30 July 2019	31 July 2027	\$0.010	234,574
30 July 2019	31 July 2028	\$0.010	234,574
30 September 2019	30 September 2024	\$0.200	3,000,000
30 September 2019	1 October 2026	\$0.230	150,000
30 September 2019	1 October 2027	\$0.230	150,000
10 March 2020	31 August 2027	\$0.010	2,048,554
7 December 2020	6 December 2026	\$0.154	865,000
26 November 2020 *	21 April 2026	\$0.129	1,500,000
15 April 2021	14 April 2024	\$0.150	3,000,000
16 June 2021 *	15 June 2026	\$0.096	3,000,000
16 June 2021 *	15 June 2026	\$0.096	1,600,000
5 October 2021	4 October 2024	\$0.150	2,000,000
19 May 2022 *	15 June 2025	\$0.035	2,500,000
24 June 2022 *	30 June 2025	\$0.000	25,000,000
24 June 2022 *	30 June 2025	\$0.035	20,000,000
24 June 2022 *	30 June 2025	\$0.021	142,857,143
26 October 2022	3 November 2028	\$0.048	6,100,000
24 April 2023	31 May 2033	\$0.050	3,000,000
21 June 2023	26 June 2025	\$0.150	2,000,000
			245,569,366

\* As per AASB 2, the grant date reflects the date at which the terms of the arrangement to provide associated services were understood by the parties to commence even though the actual issue date occurred later due to necessary shareholder approvals or finalisation of award terms.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

**Shares under performance rights**

There were no unissued ordinary shares of Jaxsta Ltd under performance rights outstanding at the date of this report.

## Shares under performance rights

There were no unissued ordinary shares of Jaxsta Ltd under performance rights outstanding at the date of this report.

## Shares issued on the exercise of options

The following ordinary shares of Jaxsta Ltd were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of options granted:

<b>Date options granted</b>	<b>Exercise price</b>	<b>Number of shares issued</b>
28 March 2019	\$0.010	150,000

## Shares issued on the exercise of performance rights

There were no ordinary shares of Jaxsta Ltd issued on the exercise of performance rights during the year ended 30 June 2023 and up to the date of this report.

## Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

## Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

## Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

## Non-audit services

There were no non-audit services provided during the financial year by the auditor.

## Officers of the Company who are former partners of Grant Thornton

There are no officers of the Company who are former partners of Grant Thornton.

## Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



**Linda Jenkinson**

Chair

29 September 2023

Sydney, New South Wales

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**Grant Thornton Audit Pty Ltd**  
Level 17  
383 Kent Street  
Sydney NSW 2000  
Locked Bag Q800  
Queen Victoria Building NSW  
1230  
T +61 2 8297 2400

## Auditor's Independence Declaration

### To the Directors of Jaxsta Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Jaxsta Ltd for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M Dewhurst  
Partner – Audit & Assurance

Sydney, 29 September 2023

**[www.grantthornton.com.au](http://www.grantthornton.com.au)**  
ACN-130 913 594

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# Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	Consolidated	
		2023	2022
		\$	\$
<b>Revenue</b>	5	582,209	104,935
Other income	6	762,024	1,139,787
Interest income calculated using the effective interest method		12,561	274
<b>Expenses</b>			
Raw materials and consumables used	7	(40,580)	(1,180)
Employee benefits expense	7	(3,081,318)	(4,191,061)
Product development expense	7	(844,370)	(1,523,893)
Depreciation and amortisation expense	7	(72,107)	(239,468)
Write-off of assets	7	(68,016)	-
Professional fees		(544,997)	(364,019)
Marketing expense		(177,502)	(750,483)
Occupancy expense		(7,761)	(18,442)
Fair value (loss)/gain on financial liabilities	17	(5,824,515)	366,150
Other expenses	7	(393,456)	(689,690)
Finance costs	7	(1,094,313)	(33,657)
<b>Loss before income tax expense</b>		(10,792,141)	(6,200,747)
Income tax expense	8	-	-
<b>Loss after income tax expense for the year attributable to the owners of Jaxsta Ltd</b>		(10,792,141)	(6,200,747)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(3,660)	-
Other comprehensive income for the year, net of tax		(3,660)	-
<b>Total comprehensive income for the year attributable to the owners of Jaxsta Ltd</b>		<u>(10,795,801)</u>	<u>(6,200,747)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	34	(3.02)	(1.87)
Diluted earnings per share	34	(3.02)	(1.87)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

# Statement of financial position

As at 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	2,966,748	3,123,935
Trade and other receivables	10	919,551	1,113,693
Other assets	11	29,205	30,610
Total current assets		<u>3,915,504</u>	<u>4,268,238</u>
<b>Non-current assets</b>			
Property, plant and equipment	12	18,329	41,230
Right-of-use assets	13	-	83,261
Intangibles	14	5,761,390	187,158
Total non-current assets		<u>5,779,719</u>	<u>311,649</u>
<b>Total assets</b>		<u>9,695,223</u>	<u>4,579,887</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	868,357	872,348
Contract liabilities	16	40,332	1,199
Borrowings and derivative financial instruments	17	4,547,882	33,915
Lease liabilities	18	-	86,315
Employee benefits	19	120,515	254,156
Lease make good provision		-	24,814
Total current liabilities		<u>5,577,086</u>	<u>1,272,747</u>
<b>Non-current liabilities</b>			
Contract liabilities	16	431,239	498,801
Borrowings and derivative financial instruments	17	5,055,960	2,163,021
Employee benefits	19	29,107	51,036
Total non-current liabilities		<u>5,516,306</u>	<u>2,712,858</u>
<b>Total liabilities</b>		<u>11,093,392</u>	<u>3,985,605</u>
<b>Net (liabilities)/assets</b>		<u>(1,398,169)</u>	<u>594,282</u>
<b>Equity</b>			
Issued capital	20	46,873,583	38,620,271
Reserves	21	5,353,179	4,806,801
Accumulated losses		<u>(53,624,931)</u>	<u>(42,832,790)</u>
<b>Total (deficiency)/equity</b>		<u>(1,398,169)</u>	<u>594,282</u>

The above statement of financial position should be read in conjunction with the accompanying notes

# Statement of changes in equity

*For the year ended 30 June 2023*

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Retained profits</b> \$	<b>Total equity</b> \$
Balance at 1 July 2021	36,454,852	2,241,375	(36,632,043)	2,064,184
Loss after income tax expense for the year	-	-	(6,200,747)	(6,200,747)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(6,200,747)	(6,200,747)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	2,165,419	-	-	2,165,419
Share-based payments (note 35)	-	573,324	-	573,324
Convertible note issuance transaction cost (note 20)	-	1,992,102	-	1,992,102
Balance at 30 June 2022	<u>38,620,271</u>	<u>4,806,801</u>	<u>(42,832,790)</u>	<u>594,282</u>

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Retained profits</b> \$	<b>Total deficiency in equity</b> \$
Balance at 1 July 2022	38,620,271	4,806,801	(42,832,790)	594,282
Loss after income tax expense for the year	-	-	(10,792,141)	(10,792,141)
Other comprehensive income for the year, net of tax	-	(3,660)	-	(3,660)
Total comprehensive income for the year	-	(3,660)	(10,792,141)	(10,795,801)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 20)	8,253,312	-	-	8,253,312
Share-based payments (note 35)	-	550,038	-	550,038
Balance at 30 June 2023	<u>46,873,583</u>	<u>5,353,179</u>	<u>(53,624,931)</u>	<u>(1,398,169)</u>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

# Statement of cash flows

For the year ended 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		298,914	101,296
Receipts from grants - research and development (inclusive of GST)		1,040,906	809,265
Payments to suppliers and employees (inclusive of GST)		(4,559,336)	(6,371,181)
Receipts from grants - export development (inclusive of GST)		32,574	100,000
		(3,186,942)	(5,360,620)
Interest received		11,464	274
Interest and other finance costs paid		-	(147,997)
Net cash used in operating activities	32	(3,175,478)	(5,508,343)
<b>Cash flows from investing activities</b>			
Cash acquired on purchase of business	30	31,657	-
Payments for property, plant and equipment	12	-	(16,936)
Payments for intangibles	14	(1,028)	(10,383)
Net cash from/(used in) investing activities		30,629	(27,319)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	20	3,372,950	2,500,060
Share issue transaction costs		(187,965)	(170,500)
Proceeds from borrowings		-	3,000,000
Repayment of borrowings		(113,887)	-
Repayment of lease liabilities		(83,436)	(131,390)
Net cash from financing activities		2,987,662	5,198,170
Net decrease in cash and cash equivalents		(157,187)	(337,492)
Cash and cash equivalents at the beginning of the financial year		3,123,935	3,461,427
Cash and cash equivalents at the end of the financial year	9	<u>2,966,748</u>	<u>3,123,935</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

# Notes to the consolidated Financial Statements

## Note 1. General information

The financial statements cover Jaxsta Ltd as a Group consisting of Jaxsta Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Jaxsta Ltd's functional and presentation currency.

Jaxsta Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

11 Wilson Street

South Yarra VIC 3141

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Going concern

The Group incurred a loss after tax of \$10,792,141 (2022: \$6,200,747) and had a net cash outflow from operations of \$3,175,478 (2022: \$5,508,343) for the year ended 30 June 2023. The Group had net liabilities of \$1,398,169 as at 30 June 2023 (30 June 2022: net assets of \$594,282). The conditions above give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern. As at the signing date of the financial statements, the Group had cash assets of \$1,829,540.

The Group continues its progress of growing its revenues from an early start-up/development business to a commercialised business with the intention of deriving revenues from product sales and services. Revenues grew from \$104,935 in the previous year to \$582,209 this year. After acquiring Vampr and launching Vinyl, Jaxsta expects its full year revenues to increase again and continue to reduce its operating cash outflows as it looks to reach a breakeven position in the future. Jaxsta undertook many cost saving initiatives last year and continues to reduce costs where it can as shown in the reduction of operating cash outflows of \$2,332,865.

Management has prepared cash flow forecasts for the Group which assumes continuity of business on the basis of the following events occurring:

- the continuation of the Jaxsta Pro metadata platform and Vampr Pro networking platform, resulting in increased revenues through its campaign rollout, accordingly cash receipts from revenues from platform use have been to increase forecast;
- the continued commercialisation of its Data Solutions;
- the growth of its Vinyl.com B2C platform;
- the receipt of a R&D tax concession for the financial year ended 30 June 2023; and
- a potential capital raising within the next 12 months.

## Note 2. Significant accounting policies (continued)

The Directors believe that the Group is a going concern and that the above events will eventuate in the short term and accordingly the financial statements have been prepared on a going concern basis.

In the event that the above assumptions do not eventuate, there is a material uncertainty that casts significant doubt over the ability of the Group to continue as a going concern.

In the event that the Group does not achieve the conditions stated above by the Directors, the ability of Jaxsta and therefore the Group to continue as a going concern may be impacted. As a result, the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should Jaxsta and the Group not continue as a going concern.

### Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the financial liabilities held at fair value through profit or loss.

#### Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

### Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 29.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jaxsta Ltd ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Jaxsta Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

## Note 2. Significant accounting policies (continued)

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Foreign currency translation

The financial statements are presented in Australian dollars, which is Jaxsta Ltd's functional and presentation currency.

#### Foreign currency transactions

Foreign currency transactions are translated into the Group's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### Revenue recognition

The Group recognises revenue as follows:

#### Revenue from contracts with customers

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as a provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is recognised as interest revenue.

The Group accounts for a contract with a customer when all of the following criteria are met:

- the parties to the contract have approved the contract and are committed to perform their respective obligations;
- the Group can identify each party's rights regarding the goods or services to be transferred;
- the Group can identify the payment terms for the goods or services to be transferred;
- the contract has commercial substance; and
- it is probable that the Group will collect the consideration to which it will be entitled in exchange for the goods or services that will be transferred to the customer.

Subscription revenues consist primarily of fees earned from subscription-based arrangements for providing customers the right to license or access the data through the Application Programming Interface (API) or through the cloud-based portal. Subscription revenues vary based on the number and size of active subscriptions or API licences, as well as the price of the subscriptions or licences. Subscriptions have contractual terms of one to twelve months and they automatically renew unless cancelled prior to the next billing period. Subscription revenue is recognised on a pro rata basis as subscriptions or licences may cover multiple accounting periods, commencing on the date the subscription is made available to customers. Any set up services relating to our APIs or Data Solutions are recognised when performed.

#### Interest

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### Other income

Other income is recognised when it is received or when the right to receive payment is established.

## Note 2. Significant accounting policies (continued)

### Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

### Research and development tax incentive

Research and development tax incentive is recognised on an accrual basis.

Jaxsta has adopted the income approach to accounting for research and development tax incentive pursuant to AASB 120 'Accounting for Government Grants and Disclosure of Government Assistance' whereby the concession is recognised in profit or loss on a systematic basis in the periods in which the entity recognises the eligible expenses. It is recognised when it can be measured reliably, when there is reasonable assurance that the Group will comply with the conditions attaching to the incentive and that the incentive will be received.

### Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

## Note 2. Significant accounting policies (continued)

### Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### Derivative financial instruments

#### Hedges of a net investment

Hedges of a net investment in a foreign operation include monetary items that are considered part of the net investment. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised directly in equity whilst gains or losses relating to the ineffective portion are recognised in profit or loss. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised directly in equity is transferred to profit or loss.

### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amounts is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Computer equipment: 2 to 3 years

Office equipment: 5 to 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## Note 2. Significant accounting policies (continued)

### Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

### Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

#### Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

#### Platform development

Research costs are expensed in the period in which they are incurred. Platform development costs will be capitalised if and when: it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Significant costs associated with the platform development of the website, including the capacity to generate subscriptions, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

#### Trademarks

Significant costs associated with trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

### Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

## Note 2. Significant accounting policies (continued)

### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

### Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

### Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

### Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

## Note 2. Significant accounting policies (continued)

### Employee benefits

#### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

#### Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Monte Carlo option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

## Note 2. Significant accounting policies (continued)

### Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

### Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Earnings per share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Jaxsta Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

## Note 2. Significant accounting policies (continued)

### Comparatives

Certain comparatives have been realigned where necessary, to be consistent with current year presentation. There was no impact on the net profit or loss result, net assets or equity.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Amending accounting standards issued are not considered to have a significant impact on the financial statements of the Group as their amendments provide either clarification of existing accounting treatment or editorial amendments.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within 12 months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

### Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

#### Intangible asset impairment testing

The Group test whether goodwill has suffered any impairment on an annual basis. For the 2023 reporting period, the recoverable amount was determined based on value in use calculations which require the use of assumptions. The calculations use cash flow projections by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts for this type of business and stage.

The following sets out the key assumptions used;

Sales growth rate	74.64%
Operating cost	55.97%
Discount rate	20.00%

#### Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The key estimate used in the valuation is the expected stock price volatility.

The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

#### Going Concern

The going concern basis of accounting is considered a critical estimate and judgement area as management and the Directors have made the use of significant accounting estimates and judgements in the preparation of the cash flow forecast used in assessing the going concern of the Group. See note 2.

#### Research and development tax incentive

Research and development tax incentive is recognised on an accrual basis. Management estimates the income based on actual expenditure eligible for the tax incentive for each year end and believes the estimate to be reasonable under the circumstances. The final submission is made under the Company's tax return and the final determination by the Australian Taxation Office can differ.

### Note 4. Operating segments

#### Identification of reportable operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Management identifies one operating segment based on the Group's service lines, therefore the operating segment information is as disclosed throughout these financial statements.

The Group's segment operating loss reconciles to the Group's loss before tax as presented in its financial statements.

The information reported to the CODM is on a monthly basis.

## Note 4. Operating segments (continued)

### Major customers

There are 5 major customers (2022: 4) that account for more than 70.3% (2022: 75.6%) of the Group's revenue. The total amount of revenues from these customers was \$174,248, \$84,174, \$68,730, \$44,736 and \$37,709 (2022: \$33,286, \$22,361, \$13,202 and \$10,447).

### Geographical information

	Sales to external customers		Geographical non-current assets	
	2023	2022	2023	2022
	\$	\$	\$	\$
Australia	13,336	37,021	5,779,719	311,649
Americas	422,795	62,709	-	-
Europe, Middle East and Africa	144,997	4,261	-	-
Asia Pacific	1,081	944	-	-
	<u>582,209</u>	<u>104,935</u>	<u>5,779,719</u>	<u>311,649</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

## Note 5. Revenue

Subscription revenue is recognised on a pro rata basis as subscriptions or licenses may cover multiple accounting periods, commencing on the date the subscription is made available to customers. Any revenue related to set up services of our APIs or Data Solutions are recognised as performed whilst the recurring API subscriptions are recognised over the period of the contract. All subscriptions are for 1 to 12 month terms and include an auto-renewal clause, although customers can cancel the subscriptions prior to the end.

	Consolidated	
	2023	2022
	\$	\$
Revenue from contracts with customers	<u>582,209</u>	<u>104,935</u>

### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2023	2022
	\$	\$
<i>Major product lines</i>		
Subscription revenue	388,068	20,455
API revenue	154,560	84,047
Other	39,581	433
	<u>582,209</u>	<u>104,935</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	39,581	84,480
Services transferred over time	542,628	20,455
	<u>582,209</u>	<u>104,935</u>

The disaggregation of revenue by geographical regions is presented in note 4 'Operating segments'.

## Note 6. Other income

	Consolidated 2023 \$	Consolidated 2022 \$
Export market development grant	36,600	100,000
Research and development tax incentive *	721,386	1,039,787
Other income	4,038	-
	<u>762,024</u>	<u>1,139,787</u>
Other income	<u>762,024</u>	<u>1,139,787</u>

\* For the research and development incentive receivable as at reporting date refer to note 10.

## Note 7. Expenses

	Consolidated 2023 \$	Consolidated 2022 \$
Loss before income tax includes the following specific expenses:		
Cost of sales	40,580	1,180
<i>Depreciation</i>		
Computer equipment	5,698	21,042
Office equipment	7,239	6,167
Buildings right-of-use assets	49,075	143,793
Total depreciation	62,012	171,002
<i>Amortisation</i>		
Platform development	-	56,707
Trademarks	10,095	11,759
Total amortisation	10,095	68,466
Total depreciation and amortisation	72,107	239,468
<i>Write-off of assets</i>		
Right-of-use assets - buildings (note 13)	(11,897)	-
Trademarks (note 14)	(56,119)	-
Total write-off	(68,016)	-
<i>Employee benefits expense</i>		
Salary and wages	2,313,126	3,468,837
Share-based payments expense	550,038	431,378
Defined contribution superannuation expense	218,154	290,846
Total employee benefits expense	3,081,318	4,191,061
<i>Product development expense</i>		
Product development cash expenses	843,788	1,503,841
Product development equity-based payments	582	20,052
Total product development expense	844,370	1,523,893

## Note 7. Expenses (continued)

	Consolidated 2023 \$	2022 \$
<i>Other expenses including the following material expenses:</i>		
Board fees	-	249,900
Insurance	103,485	131,787
Accounting and audit fees	140,756	108,030
Filing fees	94,139	84,341
Other	55,076	115,632
	<u>393,456</u>	<u>689,690</u>
Other expenses		
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	1,094,313	20,346
Interest and finance charges paid/payable on lease liabilities	-	13,311
	<u>1,094,313</u>	<u>33,657</u>
Finance costs expensed		
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	7,222	7,805
	<u>7,222</u>	<u>7,805</u>
<i>Net loss on disposal</i>		
Net loss on disposal of property, plant and equipment	5,847	-
	<u>5,847</u>	<u>-</u>

## Note 8. Income tax

	Consolidated 2023 \$	2022 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(10,792,141)	(6,200,747)
Tax at the statutory tax rate of 25%	(2,698,035)	(1,550,187)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and development uplift	180,347	627,506
Derivative financial instruments - liabilities	(1,456,129)	(117,136)
Share-based payments	(137,509)	-
Amortisation of intangibles	(2,524)	-
Depreciation of property, plant and equipment	(15,503)	-
	<u>(4,129,353)</u>	<u>(1,039,817)</u>
Current year tax losses not recognised	4,129,353	1,039,817
	<u>4,129,353</u>	<u>1,039,817</u>
Income tax expense	<u>-</u>	<u>-</u>

	Consolidated 2023 \$	2022 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	47,922,967	43,822,293
Potential tax benefit @ 25%	11,980,742	10,955,573

The corporate tax rate applicable to base rate entities reduced to 25% for the 2021-22 income year onwards. The Company qualifies as a base rate entity as it has a turnover of less than \$50 million and less than 80% of its assessable income is derived from base rate entity passive income. The Company has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on this effective tax rate.

Any potential tax benefit, excluding tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

## Note 9. Cash and cash equivalents

	Consolidated 2023 \$	2022 \$
<i>Current assets</i>		
Cash on hand	-	7
Cash at bank	2,916,748	3,073,928
Cash on deposit	50,000	50,000
	<u>2,966,748</u>	<u>3,123,935</u>

## Note 10. Trade and other receivables

	Consolidated 2023 \$	2022 \$
<i>Current assets</i>		
Trade receivables	167,963	25,625
Research and development incentive receivable	651,764	1,039,784
Other receivables	52,525	1,995
GST receivable	47,299	46,289
	<u>919,551</u>	<u>1,113,693</u>

### *Allowance for expected credit losses*

No allowance has been recorded as the amounts over 90 days are all in current discussions with customers who continue to use the platform.

The ageing of the receivables above are as follows:

	Consolidated 2023 \$	2022 \$
0 to 3 months overdue	875,677	1,113,693
3 to 6 months overdue	37,251	-
Over 6 months overdue	6,623	-
	<u>919,551</u>	<u>1,113,693</u>

## Note 11. Other assets

	Consolidated 2023 \$	2022 \$
<i>Current assets</i>		
Prepayments	28,171	4,210
Security deposits	1,034	26,400
	<u>29,205</u>	<u>30,610</u>

## Note 12. Property, plant and equipment

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Computer equipment - at cost	37,601	142,899
Less: Accumulated depreciation	(26,741)	(118,217)
	10,860	24,682
Office equipment - at cost	20,875	51,020
Less: Accumulated depreciation	(13,406)	(34,472)
	7,469	16,548
	18,329	41,230

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 July 2021	34,085	17,418	51,503
Additions	11,639	5,297	16,936
Depreciation expense	(21,042)	(6,167)	(27,209)
	24,682	16,548	41,230
Balance at 30 June 2022	24,682	16,548	41,230
Disposals	(8,124)	(1,840)	(9,964)
Depreciation expense	(5,698)	(7,239)	(12,937)
	10,860	7,469	18,329
Balance at 30 June 2023	10,860	7,469	18,329

## Note 13. Right-of-use assets

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Buildings - right-of-use	-	303,554
Less: Accumulated depreciation	-	(220,293)
Less: Impairment	-	-
	-	83,261
	-	83,261

### Note 13. Right-of-use assets (continued)

The Group leases buildings for its offices under agreements of between 2 to 3 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group's previous office lease terminated on 31 January 2023, but the premises were vacated early and the cost for January 2023 was recognised as an impairment to the asset of \$11,897.

#### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	<b>Buildings</b> \$
Balance at 1 July 2021	230,653
Lease modification	(3,599)
Depreciation expense	<u>(143,793)</u>
Balance at 30 June 2022	83,261
Write-off of assets	(11,897)
Lease modification	(22,289)
Depreciation expense	<u>(49,075)</u>
Balance at 30 June 2023	<u><u>-</u></u>

For other lease related disclosures, refer to:

- note 7 for depreciation on right-of-use assets;
- note 7 for interest on lease liabilities;
- statement of financial position for lease liabilities; and
- statement of cash flows for repayment of lease liabilities.

### Note 14. Intangibles

	<b>Consolidated</b> <b>2023</b> \$	<b>2022</b> \$
<i>Non-current assets</i>		
Goodwill - at cost	5,639,418	-
Platform development - at cost	178,963	178,963
Less: Accumulated amortisation	<u>(178,963)</u>	<u>(178,963)</u>
	-	-
Trademarks - at cost	256,538	255,510
Less: Accumulated amortisation	(62,196)	(52,101)
Less: Write-off	<u>(72,370)</u>	<u>(16,251)</u>
	121,972	187,158
	<u><u>5,761,390</u></u>	<u><u>187,158</u></u>

The Group decided not to proceed with certain patent applications as part of their cost cutting measures and wrote-off \$56,119 of patents during the year ended 30 June 2023.

## Note 14. Intangibles (continued)

### Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

<b>Consolidated</b>	<b>Goodwill</b> \$	<b>Platform development</b> \$	<b>Trademarks</b> \$	<b>Total</b> \$
Balance at 1 July 2021	-	56,707	188,534	245,241
Additions	-	-	10,383	10,383
Amortisation expense	-	(56,707)	(11,759)	(68,466)
Balance at 30 June 2022	-	-	167,158	187,158
Additions	-	-	1,028	1,028
Additions through business combinations (note 30)	5,639,418	-	-	5,639,418
Write-off of assets (note 7)	-	-	(56,119)	(56,119)
Amortisation expense	-	-	(10,095)	(10,095)
Balance at 30 June 2023	<u>5,639,418</u>	<u>-</u>	<u>121,972</u>	<u>5,761,390</u>

### Impairment tests for goodwill and intangible assets

Goodwill and trademarks are tested annually for impairment. Goodwill is allocated to the Vampr cash-generating unit ('CGU').

Trademarks are assessed for indicators of impairment and are allocated to the full Group's sole operating segment.

Goodwill was acquired close to the financial year end and management performed impairment testing and the Directors' have determined that no impairment is required for the year ending 30 June 2023.

The Directors have determined that the recoverable amount for trademarks is the same whether the basis of value in use or fair value less costs to sell is used. Trademarks were re-assessed and after the impairment recognised during the year, the remaining balance was amortised over the period of their expected benefit, being their finite life of 20 years.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

The following key assumptions were used in the discounted cash flow model for the CGU:

- 20% pre-tax discount rate;
- 75% sales growth;
- 56% operating cost.

The discount rate of 20% pre-tax reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 75% revenue growth rate is prudent and justified, based on the state of revenue for the business at the early stage of growth.

Compared to prior years, management have increased their estimation of the increase in operating costs and overheads, due to the changes to the development and marketing initiatives it now believes to be needed to secure the revenue growth in the earlier years rather than later in the forecast window.

### Sensitivity

As disclosed in note 3, the Directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:

- Revenue would need to decrease by more than 83% for the Vampr acquisition before goodwill would need to be impaired, with all other assumptions remaining constant.
- The discount rate would be required to increase by 63% for the Vampr acquisition before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of the goodwill is based would not cause the CGU's carrying amount to exceed its recoverable amount.

If there are any negative changes in the key assumptions on which the recoverable amount of goodwill is based, this would result in a further impairment charge.

## Note 15. Trade and other payables

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	297,857	195,165
Sales tax payable	1,800	-
Other payables	568,700	677,183
	<u>868,357</u>	<u>872,348</u>

Refer to note 23 for further information on financial instruments.

## Note 16 Contract liabilities

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Contract liabilities	<u>40,332</u>	<u>1,199</u>
<i>Non-current liabilities</i>		
Contract liabilities	<u>431,239</u>	<u>498,801</u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	500,000	500,000
Transfers to revenue	(28,429)	-
Closing balance	<u>471,571</u>	<u>500,000</u>

On 10 September 2020, the Group entered into a five year commercial agreement with Songtradr to deliver an end-to-end integrated platform solution for Jaxsta Pro members to use Songtradr's neighbouring rights collection service, powered by Jaxsta's global performer metadata. The Group completed the integration in March 2021. The agreement includes an upfront license fee of \$500,000 paid by Songtradr to Jaxsta (the 'License Fee') and provides Jaxsta with 20% of net neighbouring rights revenues received by Songtradr from Jaxsta users adopting the service after recoupment of the License Fee. Revenues recognised during the five year period will be reduced from the License Fee until it has been fully utilised. At the end of the five year term, Songtradr has the option to extend for a further five year period or request the balance left to be repaid.

### *Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$471,571 as at 30 June 2023 (\$500,000 as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2023	2022
	\$	\$
6 to 12 months	35,820	1,199
12 to 18 months	17,910	11,699
18 to 24 months	17,910	37,102
beyond 24 months	399,931	450,000
	<u>471,571</u>	<u>500,000</u>

## Note 17. Borrowings & derivative financial instruments

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Insurance financing	134,542	33,915
Convertible notes payable - Tranche #1 (i), (iii)	1,967,237	-
Derivative financial liability	2,446,103	-
	<u>4,547,882</u>	<u>33,915</u>
<i>Non-current liabilities</i>		
Convertible notes payable - Tranche #1 (i)	3,349	846,483
Derivative financial liabilities - Tranche #1 (i)	-	557,919
Derivative financial liabilities - Tranche #2 (ii)	5,052,611	758,619
	<u>5,055,960</u>	<u>2,163,021</u>

Refer to note 23 for further information on financial instruments.

### *Insurance financing*

Insurance funding is a 10 month short term loan, repayable/renewable on 31 October 2023 with a fixed interest rate of 6.98% (2022: 5.19%).

### *Convertible notes payable*

On 10 September 2020, the Company entered into a convertible note agreement with Songtradr Inc. for a principal value of \$1,420,000. Conversion would result in the issue of 40,571,429 fully paid ordinary Jaxsta shares at a price of \$0.035 per share for the principal value of the note. The conversion is at the right of the noteholder, except if:

- the Company registers a full year net profit of \$5,000,000 at which time 100% of the note is converted automatically; or
- the Company registers a full year net profit of \$2,500,000 at which time 50% of the note is converted automatically.

On 24 June 2022, the shareholders authorised the Company to enter into an additional tranche ('Tranche #2') of the prior convertible note agreement with Songtradr Inc. for a principal value of \$3,000,000 ('convertible note variation'). Conversion would result in the issue of 142,857,143 fully paid ordinary Jaxsta shares at a price of \$0.021 per share for the principal value of the note. The Company also agreed to appoint two directors proposed by Songtradr and enter into a cost reduction and growth plan agreed to by Songtradr. The Company completed those requirements by the completion of the shareholder approval. Additionally, as a consequence of the convertible note variation, the original note of \$1,420,000 would change from \$0.035 to \$0.021, resulting in the potential issue of a further 27,047,619 ordinary shares.

The noteholder, at their option, can convert or seek repayment of the note at the expiration of the term of the note. The note has an anti-dilution clause that adjusts the conversion price if certain circumstances occur before the final redemption date.

The convertible note, as varied, has a term of up to 3 years and carries a coupon rate of 7.5% which will be accrued and paid at the end of the term or capitalised and converted at the time of conversion or repayment. The note is secured by a first ranking security over the assets of the Company and its subsidiaries. The noteholder has issued a conversion notice to be executed for Tranche #1 to be converted at the expiry date of 9 September 2023. Refer to note 36.

Tranche #2 also includes a separate option to invest a further \$3,000,000 under an option agreement with an exercise price of \$0.021 per share. The option has a life of 3 years and can only be exercised if Tranche #2 is partially or fully converted and up to the amount of Tranche 2 converted into shares.

## Note 17. Borrowings & derivative financial instruments (continued)

### Notes:

- (i) **Tranche #1** - Under the requirements of AASB 9 *Financial Instruments*, the change in terms of the notes requires derecognition of the original convertible note and recognition of a new convertible note, with the difference recognised in the profit or loss. The note is considered a hybrid financial instrument that contains a financial liability host and an embedded derivative based on the fair value of the conversion option that is not closely related. The financial liability host and the embedded derivative components have therefore been bifurcated and valued separately.

As of 30 June 2023, the Tranche #1 host liability is recorded at \$1,597,154 (2022: 846,483) and the derivative liability has been measured at \$2,446,103 (2022: \$557,919) after recording a fair value loss for the year of \$1,811,860 (2022: gain of \$111,436). This reflects the current terms of the debt and represents interest and principal.

- (ii) **Tranche #2** - The note is considered a hybrid financial instrument that contains a financial liability host and an embedded derivative based on the fair value of the conversion option that are not closely related. The financial liability host and the embedded derivative components have therefore been bifurcated and valued separately.

As of 30 June 2023, the Tranche #2 host liability is recorded at \$3,349 (2022: nil) and the derivative liability has been measured at \$5,052,611 (2022: \$1,013,502), after recording a fair value loss of \$4,036,640 and an interest expense of \$334,533.

- (iii) On 1 June 2023, the Company entered into a one year convertible note agreement with one of the vendors of Vamp, as part of the transaction for a principal amount of US\$258,000. The noteholder has the right to convert the note at a conversion price of A\$0.05. The note carries a 10% interest rate. The note is considered a single combined instrument at FVTPL. The Company recognised a fair value loss of \$28,923.

The total fair value loss on re-measurement of the derivative liability components as at 30 June 2023 was \$5,824,515 (2022: gain of \$366,150).

## Note 18. Lease liabilities

	Consolidated 2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability	-	86,315

Refer to note 23 for information on the maturity analysis of lease liabilities.

## Note 19. Employee benefits

	Consolidated 2023 \$	2022 \$
<i>Current liabilities</i>		
Annual leave	120,515	254,156
<i>Non-current liabilities</i>		
Long service leave	29,107	51,036

### Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Group does not have an unconditional right to defer settlement. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated 2023 \$	2022 \$
Employee benefits obligation expected to be settled after 12 months	112,024	31,673

## Note 20. Issued capital

		2023 Shares	Consolidated 2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid		517,644,429	342,578,199	46,873,583	38,620,271
<i>Movements in ordinary share capital</i>					
Details	Date	Shares	Issue price	\$	
Balance	1 July 2021	300,910,430		36,397,102	
Shares issued on capital raising	28 September 2021	41,667,669	\$0.060	2,500,060	
Shares issued on capital raising	28 September 2021	100	\$0.250	25	
Transaction costs				(276,916)	
Balance	30 June 2022	342,578,199		38,620,271	
Exercise of share options	15 July 2022	150,000		-	
Shares issued on capital raising	3 January 2023	12,431,754	\$0.030	372,950	
Issue of shares - Vampr acquisition (note 30)	1 June 2023	88,734,476	\$0.057	5,057,865	
Shares issued on capital raising	27 June 2023	73,750,000	\$0.040	2,950,000	
Shares to be issued on capital raising	27 June 2023			50,000	
Transaction costs				(177,503)	
Balance	30 June 2023	517,644,429		46,873,583	

### Ordinary shares

Ordinary shares entitle the holder to participate in dividends and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or Company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

## Note 21. Reserves

	Consolidated	
	2023	2022
	\$	\$
Foreign currency reserve	(3,660)	-
Share-based payments reserve	5,356,839	4,806,801
	<u>5,353,179</u>	<u>4,806,801</u>

### Foreign currency reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency reserve \$	Share-based payments reserve \$	Total \$
Balance at 1 July 2021	-	2,241,375	2,241,375
Transaction costs of Songtradr options	-	1,992,102	1,992,102
Employee share-based payment expense	-	431,380	431,380
Broker options	-	121,892	121,892
Data partner warrants granted	-	20,052	20,052
	<u>-</u>	<u>4,806,801</u>	<u>4,806,801</u>
Balance at 30 June 2022	-	4,806,801	4,806,801
Foreign currency translation	(3,660)	-	(3,660)
Employee share-based payment expense	-	550,038	550,038
	<u>-</u>	<u>550,038</u>	<u>550,038</u>
Balance at 30 June 2023	<u>(3,660)</u>	<u>5,356,839</u>	<u>5,353,179</u>

## Note 22. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Note 23. Financial instruments

### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

### Market risk

#### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	2023 \$	2022 \$	2023 \$	2022 \$
US dollars	227,952	74,944	259,590	12

The Group had net liabilities denominated in foreign currencies of \$31,638 (assets of \$227,952 less liabilities of \$259,590) as at 30 June 2023 (2022: net assets of \$74,932 (assets of \$74,944 less liabilities of \$12)). Based on this exposure, had the Australian dollars weakened by 10%/strengthened by 10% (2022: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been \$3,137 lower/\$3,137 higher (2022: \$7,494 lower/\$7,494 higher) and equity would have been \$2,196 lower/\$2,196 higher (2022: \$5,246 lower/\$5,246 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2023 was \$7,222 (2022: \$7,805).

#### Price risk

The Group is not exposed to any significant price risk.

#### Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The policy is to maintain approximately 100% of current borrowings at fixed rates.

## Note 23. Financial instruments (continued)

As at the reporting date, the Group had the following borrowings outstanding:

Consolidated	2023		2022	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Insurance financing	6.98%	134,542	5.19%	33,915
Convertible notes payable	7.67%	5,242,206	7.50%	846,483
Net exposure to cash flow interest rate risk		<u>5,376,748</u>		<u>880,398</u>

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

For the Group the loans outstanding, totalling \$5,376,748 (2022: \$880,398), are principal and interest payment loans. Monthly cash outlays of approximately \$500 (2022: \$640) per month are required to service the interest payments. An official increase/decrease in interest rates of 1 (2022: 1) basis points would have an adverse/favourable effect on profit before tax of \$1,894 (2022: \$8,804) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts' forecasts. In addition, minimum principal repayments of \$24,873 (2022: \$49,321) are due during the year ending 30 June 2023 (2022: 30 June 2022).

### Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), and ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

### Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at the Board level, given to parties securing the liabilities of certain subsidiaries.

Generally, trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Credit risk related to balances with banks and other financial institutions is managed by the Group in accordance with approved board policy. Such policy requires that surplus funds are only invested with major financial institutions.

### Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

## Note 23. Financial instruments (continued)

### Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

<b>Consolidated - 2023</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	297,857	-	-	-	297,857
Other payables	-	568,700	-	-	-	568,700
<i>Interest-bearing - fixed</i>						
Convertible notes payable	7.67%	2,108,258	-	3,233,562	-	5,341,820
Insurance financing	6.98%	134,542	-	-	-	134,542
Lease liability	-	-	-	-	-	-
<b>Total non-derivatives</b>		<b>3,109,357</b>	<b>-</b>	<b>3,233,562</b>	<b>-</b>	<b>6,342,919</b>

<b>Consolidated - 2022</b>	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	195,165	-	-	-	195,165
Other payables	-	677,183	-	-	-	677,183
<i>Interest-bearing - fixed</i>						
Convertible notes payable	7.50%	-	-	846,483	-	846,483
Insurance financing	5.19%	33,915	-	-	-	33,915
Lease liability	-	86,315	-	-	-	86,315
<b>Total non-derivatives</b>		<b>992,578</b>	<b>-</b>	<b>846,483</b>	<b>-</b>	<b>1,839,061</b>
<b>Derivatives</b>						
Derivative financial instrument	-	-	-	1,316,538	-	1,316,538
<b>Total derivatives</b>		<b>-</b>	<b>-</b>	<b>1,316,538</b>	<b>-</b>	<b>1,316,538</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## Note 24. Fair value measurement

### Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - 2023</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Current liabilities				
Derivative financial instruments	-	-	2,446,103	2,446,103
Non-current liabilities				
Derivative financial instruments	-	-	5,052,611	5,052,611
Total liabilities	-	-	7,498,714	7,498,714
<b>Consolidated - 2022</b>	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Liabilities</i>				
Non-current liabilities				
Derivative financial instruments	-	-	1,316,538	1,316,538
Total liabilities	-	-	1,316,538	1,316,538

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

### Valuation techniques for fair value measurements categorised within level 2 and level 3

Derivative financial instruments have been valued using observable market data where it is available and relies as little as possible on entity specific estimates.

### Level 3 assets and liabilities

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Derivative financial instruments	Discount rate	2% to 5%	+ 1% change would decrease the fair value by \$154,665 and a -1% change would increase the fair value by \$151,814.

## Note 25. Key management personnel disclosures

### Compensation

The aggregate compensation made to Directors and other members of KMP of the Group is set out below:

	Consolidated 2023	2022
	\$	\$
Short-term employee benefits	974,875	1,259,368
Post-employment benefits	90,844	116,104
Long-term benefits	34,685	9,800
Share-based payments	492,796	412,298
	<u>1,593,200</u>	<u>1,797,570</u>

## Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Company:

	Consolidated 2023	2022
	\$	\$
<i>Audit services - Grant Thornton</i>		
Audit or review of the financial statements	<u>159,990</u>	<u>108,030</u>

## Note 27. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2023 and 30 June 2022.

## Note 28. Related party transactions

### Parent entity

Jaxsta Ltd is the parent entity.

### Subsidiaries

Interests in subsidiaries are set out in note 31.

### Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the Directors' report.

### Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

### Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

## Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
Loss after income tax	(22,834,512)	(117,044)
Total comprehensive income	(22,834,512)	(117,044)

### Statement of financial position

	Parent	
	2023	2022
	\$	\$
Total current assets	3,024,370	15,192,295
Total assets	8,478,792	15,192,295
Total current liabilities	4,428,380	-
Total liabilities	9,484,340	2,163,021
Equity		
Issued capital	46,873,583	38,620,271
Share-based payments reserve	5,353,179	4,806,801
Accumulated losses	(53,232,310)	(30,397,798)
Total (deficiency)/equity	<u>(1,005,548)</u>	<u>13,029,274</u>

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

### Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

### Note 30. Business combinations

On 1 June 2023, the Company acquired 100% of the ordinary shares of Vampr Inc. for the total consideration transferred of \$5,454,422. Vampr is the world's leading music industry social network connecting musicians, creatives and artists so they can collaborate, create new music and monetise their work. This acquisition immediately increases Jaxsta's footprint in the creator community. Goodwill of \$5,639,418 has been recognised as the Company has accounted for the acquisition under provisional accounting at 30 June 2023. The acquired business contributed revenues of \$14,603 and profit after tax of \$390 to the Group for the period from 1 June 2023 to 30 June 2023. If the acquisition occurred on 1 July 2022, the full year contributions would have been revenues of \$381,751 and losses after tax of \$1,234,429. The values identified in relation to the acquisition of Vampr Inc. are provisional as at 30 June 2023 until all intangibles asset values are individually assigned.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	31,657
Trade and other receivables	22,191
Trade and other payables	(238,844)
Net liabilities acquired	(184,996)
Goodwill	5,639,418
Acquisition-date fair value of the total consideration transferred	<u>5,454,422</u>
Representing:	
Jaxsta Ltd shares issued to vendor	5,057,865
Convertible notes	396,557
	<u>5,454,422</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	5,454,422
Less: shares issued by Company as part of consideration	(5,057,865)
Less: convertible notes	(396,557)
Net cash used	<u>-</u>

### Note 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Jaxsta Holdings Pty Ltd	Australia	100.00%	100.00%
Jaxsta Enterprise Pty Ltd	Australia	100.00%	100.00%
Jaxsta Inc.	United States of America	100.00%	100.00%
Vampr (Australia) Pty Ltd	Australia	100.00%	-
Vampr, Inc.	United States of America	100.00%	-
Vinyl, Inc.	United States of America	100.00%	-

### Note 32. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2023	2022
	\$	\$
Loss after income tax expense for the year	(10,792,141)	(6,200,747)
Adjustments for:		
Depreciation and amortisation	72,107	239,468
Share-based payments	550,038	573,324
Foreign exchange differences	364	7,805
Write-off of assets	68,016	-
Net loss/(gain) on convertible notes	5,824,515	(366,150)
Finance costs on convertible notes	1,094,313	(102,396)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	194,142	(237,082)
Decrease in prepayments	1,405	115,410
Increase/(decrease) in trade and other payables	(1,184)	352,007
Increase/(decrease) in employee benefits	(155,570)	91,180
Increase/(decrease) in other provisions	(31,483)	18,838
Net cash used in operating activities	<u>(3,175,478)</u>	<u>(5,508,343)</u>

### Note 33. Changes in liabilities arising from financial activities

Consolidated	Insurance financing \$	R&D financing \$	Convertible notes payable \$	Lease liability \$	Derivative financial instrument \$
Balance at 1 July 2021	26,778	-	1,448,638	213,040	-
Net cash from/(used in) financing activities	7,137	-	3,000,000	(126,725)	-
Interest	-	-	(167,704)	-	-
Remeasurement of convertible note	-	-	(3,434,451)	-	1,316,538
Balance at 30 June 2022	33,915	-	846,483	86,315	1,316,538
Net cash used in financing activities	(11,258)	-	-	(83,436)	-
Interest	-	-	358,947	-	-
Loan from acquired entity	-	111,885	359,204	-	-
Remeasurement of convertible note	-	-	405,952	-	6,182,176
Other changes	-	-	-	(2,879)	-
Balance at 30 June 2023	<u>22,657</u>	<u>111,885</u>	<u>1,970,586</u>	<u>-</u>	<u>7,498,714</u>

## Note 34. Earnings per share

	Consolidated	
	2023	2022
	\$	\$
Loss after income tax attributable to the owners of Jaxsta Ltd	<u>(10,792,141)</u>	<u>(6,200,747)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>356,920,578</u>	<u>332,418,113</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>356,920,578</u>	<u>332,418,113</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(3.02)	(1.87)
Diluted earnings per share	(3.02)	(1.87)

245,569,366 options over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive. These options could potentially dilute basic earnings per share in the future.

## Note 35. Share-based payments

An Employee Share Incentive Scheme ('ESIS') was established by the Group and approved by shareholders at a general meeting in August 2018, whereby the Group may, at the discretion of the Remuneration and Nomination Committee, grant options over ordinary shares in the Company to employees and Directors of the Group. The options are issued for consideration to be paid at time of exercise and are granted in accordance with performance guidelines established by the Board of Directors or its Remuneration and Nomination Committee. The ESIS was renewed and approved by shareholders at a general meeting in June 2022 and extends the plan for a further three years.

During the year, the Company issued 11,100,000 options under the ESIS to senior executives as part of aligning compensation with the goals of the Songtradr transaction.

## Note 35. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

	Number of options 2023	Weighted average exercise price 2023	Number of options 2022	Weighted average exercise price 2022
Outstanding at the beginning of the financial year	239,359,366	\$0.021	48,302,223	\$0.160
Granted	11,100,000	\$0.067	192,357,143	\$0.021
Cancelled/forfeited	(4,740,000)	\$0.165	(1,300,000)	\$0.355
Exercised	(150,000)	\$0.010	-	\$0.000
Outstanding at the end of the financial year	<u>245,569,366</u>	\$0.125	<u>239,359,366</u>	\$0.021
Exercisable at the end of the financial year	<u>24,095,556</u>	\$0.062	<u>11,440,556</u>	\$0.129

### 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
16/11/2018	16/11/2023	\$0.200	20,000,000	-	-	-	20,000,000
16/11/2018	16/11/2023	\$0.300	1,000,000	-	-	-	1,000,000
14/03/2019	31/03/2027	\$0.010	713,105	-	-	-	713,105
14/03/2019	31/03/2028	\$0.010	2,139,315	-	-	-	2,139,315
15/03/2019	31/03/2027	\$0.010	675,573	-	-	-	675,573
15/03/2019	31/03/2028	\$0.010	675,573	-	-	-	675,573
28/03/2019	28/03/2026	\$0.010	150,000	-	(150,000)	-	-
18/06/2019	31/05/2027	\$0.010	562,978	-	-	-	562,978
18/06/2019	31/05/2028	\$0.010	562,977	-	-	-	562,977
30/07/2019	31/07/2027	\$0.010	234,574	-	-	-	234,574
30/07/2019	31/07/2028	\$0.010	234,574	-	-	-	234,574
30/09/2019	30/09/2024	\$0.200	6,000,000	-	-	(3,000,000)	3,000,000
30/09/2019	01/10/2026	\$0.230	150,000	-	-	-	150,000
30/09/2019	01/10/2027	\$0.230	150,000	-	-	-	150,000
10/03/2020	31/08/2027	\$0.010	2,048,554	-	-	-	2,048,554
07/12/2020	06/12/2026	\$0.154	1,105,000	-	-	(240,000)	865,000
26/11/2020 <sup>1</sup>	21/04/2026	\$0.129	3,000,000	-	-	-	3,000,000
14/04/2021	14/04/2024	\$0.150	3,000,000	-	-	-	3,000,000
11/06/2021 <sup>1</sup>	15/06/2026	\$0.096	3,000,000	-	-	(1,500,000)	1,500,000
16/06/2021	15/06/2026	\$0.096	1,600,000	-	-	-	1,600,000
05/10/2021	04/10/2024	\$0.150	2,000,000	-	-	-	2,000,000
16/06/2022	15/06/2025	\$0.035	2,500,000	-	-	-	2,500,000
24/06/2022	30/06/2025	\$0.000	25,000,000	-	-	-	25,000,000
24/06/2022	30/06/2025	\$0.035	20,000,000	-	-	-	20,000,000
24/06/2022	30/06/2025	\$0.021	142,857,143	-	-	-	142,857,143
26/10/2022	03/11/2028	\$0.048	-	6,100,000	-	-	6,100,000
24/04/2023	31/05/2033	\$0.050	-	3,000,000	-	-	3,000,000
21/06/2023	26/06/2025	\$0.150	-	2,000,000	-	-	2,000,000
			<u>239,359,366</u>	<u>11,100,000</u>	<u>(150,000)</u>	<u>(4,740,000)</u>	<u>245,569,366</u>

Weighted average exercise price	\$0.021	\$0.067	\$0.010	\$0.165	\$0.125
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<sup>1</sup> As per AASB 2, the grant date reflects the date at which the associated service was understood by the parties to commence even though the actual issue date occurred later due to necessary shareholder approvals or finalisation of award terms.

## Note 35. Share-based payments (continued)

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
16/11/2018	16/11/2023	\$0.200	20,000,000	-	-	-	20,000,000
16/11/2018	16/11/2023	\$0.300	1,000,000	-	-	-	1,000,000
14/03/2019	31/03/2027	\$0.010	713,105	-	-	-	713,105
14/03/2019	31/03/2028	\$0.010	2,139,315	-	-	-	2,139,315
15/03/2019	31/03/2027	\$0.010	675,573	-	-	-	675,573
15/03/2019	31/03/2028	\$0.010	675,573	-	-	-	675,573
28/03/2019	28/03/2025	\$0.650	525,000	-	-	(525,000)	-
28/03/2019	28/03/2026	\$0.000	150,000	-	-	-	150,000
18/06/2019	31/05/2027	\$0.010	562,978	-	-	-	562,978
18/06/2019	31/05/2028	\$0.010	562,977	-	-	-	562,977
30/07/2019	31/07/2027	\$0.010	234,574	-	-	-	234,574
30/07/2019	31/07/2028	\$0.010	234,574	-	-	-	234,574
30/09/2019	30/09/2024	\$0.200	6,000,000	-	-	-	6,000,000
30/09/2019	01/10/2026	\$0.230	150,000	-	-	-	150,000
30/09/2019	01/10/2027	\$0.230	150,000	-	-	-	150,000
10/03/2020	31/08/2027	\$0.010	2,048,554	-	-	-	2,048,554
07/12/2020	06/12/2026	\$0.154	1,880,000	-	-	(775,000)	1,105,000
26/11/2020 <sup>1</sup>	21/04/2026	\$0.129	3,000,000	-	-	-	3,000,000
14/04/2021	14/04/2024	\$0.150	3,000,000	-	-	-	3,000,000
11/06/2021 <sup>1</sup>	15/06/2026	\$0.096	3,000,000	-	-	-	3,000,000
16/06/2021	15/06/2026	\$0.096	1,600,000	-	-	-	1,600,000
05/10/2021	04/10/2024	\$0.150	-	2,000,000	-	-	2,000,000
16/06/2022	15/06/2025	\$0.035	-	2,500,000	-	-	2,500,000
24/06/2022	30/06/2025	\$0.000	-	25,000,000	-	-	25,000,000
24/06/2022	30/06/2025	\$0.035	-	20,000,000	-	-	20,000,000
24/06/2022	30/06/2025	\$0.021	-	142,857,143	-	-	142,857,143
			48,302,223	192,357,143	-	(1,300,000)	239,359,366
Weighted average exercise price			\$0.160	\$0.021	\$0.000	\$0.355	\$0.102

<sup>1</sup> As per AASB 2, the grant date reflects the date at which the associated service was understood by the parties to commence even though the actual issue date occurred later due to necessary shareholder approvals or finalisation of award terms.

The weighted average share price during the financial year was \$0.040 (2022: \$0.050).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.84 years (2022: 2.8 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
26/10/2022	03/11/2028	\$0.029	\$0.048	37.00%	-	-	\$0.0112
24/04/2023	31/05/2033	\$0.050	\$0.050	25.00%	-	-	\$0.0395
21/06/2023	26/06/2025	\$0.059	\$0.150	23.00%	-	-	\$0.0132

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### Note 36. Events after the reporting period

On 13 September 2023, the Company issued 84,504,631 ordinary shares as part of the conversion of Songtradr's tranche #1 of its convertible note. The total principal and interest converted amounted to \$1,774,597.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5) (a) of the Corporations Act 2001..

On behalf of the Directors



-----  
Linda Jenkinson  
Chair

29 September 2023

Sydney, New South Wales

## Independent Auditor's Report

### To the Members of Jaxsta Ltd

#### Report on the audit of the financial report

##### Opinion

We have audited the financial report of Jaxsta Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

##### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of \$10,792,141 during the year ended 30 June 2023, and as of that date, the Group's total assets exceeded its total liabilities by \$1,398,169. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<b>Goodwill impairment (Note 14)</b>	
<p>As at 30 June 2023 the Group carries goodwill of \$5.6m relating to the acquisition of Vampr, Inc. on 1 June 2023.</p> <p>Goodwill is required to be assessed for impairment annually by management as prescribed in AASB 136 Impairment of Assets.</p> <p>The Group estimates the fair value of the Vampr Cash Generating Unit ("CGU) by calculating a recoverable amount using a value-in-use and, in doing so, determining the following key inputs:</p> <ul style="list-style-type: none"><li>• forecasted cash flows from operations;</li><li>• estimated growth rates;</li><li>• working capital adjustments;</li><li>• discount rates; and</li><li>• terminal value.</li></ul> <p>This area is a key audit matter due to the significant level of management estimates and judgements applied in preparing the value-in-use model.</p>	<p>Our procedures included, amongst others, obtaining management's value-in-use model and performing the following audit procedures:</p> <ul style="list-style-type: none"><li>• understanding and documenting management's process for the assessment of impairment, including identification of CGUs;</li><li>• identifying and corroborating the key assumptions and adjustments used in the model;</li><li>• assessing management's impairment calculation by:<ul style="list-style-type: none"><li>– challenging management's assumptions;</li><li>– testing mathematical accuracy of the calculations;</li><li>– comparing to historical performance, including management's ability to forecast;</li><li>– analysing the reasonableness of cash flow forecasts used based on Board approved budgets;</li><li>– performing sensitivity analysis on the key inputs and assumptions, including scenario analysis of possible outcomes; and</li><li>– corroborating against industry forecasts.</li></ul></li><li>• evaluating the value in use model against the requirements of AASB 136; and</li><li>• checking the adequacy of related financial statement disclosures.</li></ul>

### **Information other than the financial report and auditor's report thereon**

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the financial report**

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1\\_2020.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf). This description forms part of our auditor's report.

### **Report on the remuneration report**

#### **Opinion on the remuneration report**

We have audited the Remuneration Report included in pages 19 to 27 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Jaxsta Ltd, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

## Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



M D Dewhurst  
Partner – Audit & Assurance  
Sydney, 29 September 2023

# Shareholder Information

## Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	95	0.01	-	-
1,001 to 5,000	252	0.16	-	-
5,001 to 10,000	243	0.39	-	-
10,001 to 100,000	609	4.78	8	-
100,001 and over	312	94.66	34	100.00
	<b>1,511</b>	<b>100.00</b>	<b>42</b>	<b>100.00</b>
Holding less than a marketable parcel	494	32.69	-	-

## Equity security holders

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Songtradr Inc	84,504,631	14.03
Realwise Group Holdings Pl	50,000,000	8.30
Wiltshire Media Pty Ltd	25,250,000	4.19
BNP Paribas Nominees Pty Ltd (IB AU Noms Retailclient DRP)	24,404,069	4.05
GE Equity Investments Pty Ltd	20,536,000	3.41
Blazzed Pty Ltd (Gaunt Management A/C)	14,097,005	2.34
Mr Louis Schoorl	13,320,000	2.21
Ms Jacqueline Samantha Louez Schoorl	11,170,004	1.86
HSBC Custody Nominees (Australia) Limited - A/C 2	9,822,263	1.63
Mr Edward Reece Leigh Jones	5,500,000	0.91
Mr John Raymond Kirton	5,050,000	0.84
Mr John Pierre Abi-Younes	5,000,000	0.83
Sandhurst Trustees Ltd (Cyan C3G Fund A/C)	4,517,020	0.75
RGC Capital Pty Limited	4,400,000	0.73
Mr Joseph Jordan Ajaka	3,900,000	0.65
Alua Nominees Pty Ltd	3,778,946	0.63
Wells Estates Pty Ltd (KK Wells Super Fund A/C)	3,565,000	0.59
D A Casey & Associates Pty Limited (David Casey Family A/C)	3,500,000	0.58
Mr Said Elhage	3,475,000	0.58
Citicorp Nominees Pty Limited	3,334,741	0.55
	<b>299,124,679</b>	<b>49.66</b>

*Unquoted equity securities*

	Number on issue	Number of holders
Options over ordinary shares issued	-	-
Convertible notes	-	1

**Substantial holders**

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
Songtradr Inc	84,504,631	14.03
Realwise Group Holdings PI	50,000,000	8.30

**Substantial holder (unquoted securities)**

	Number held	Instrument
Vampr shareholders as a group	88,734,476	Unquoted shares
Ms Jacqueline Samantha Louez Schoorl	20,000,000	Unquoted options
Songtradr	1	Convertible notes

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

# Credit where credit is due

Photo credit: Aleksandr Popov





## **Jaxsta Ltd**

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