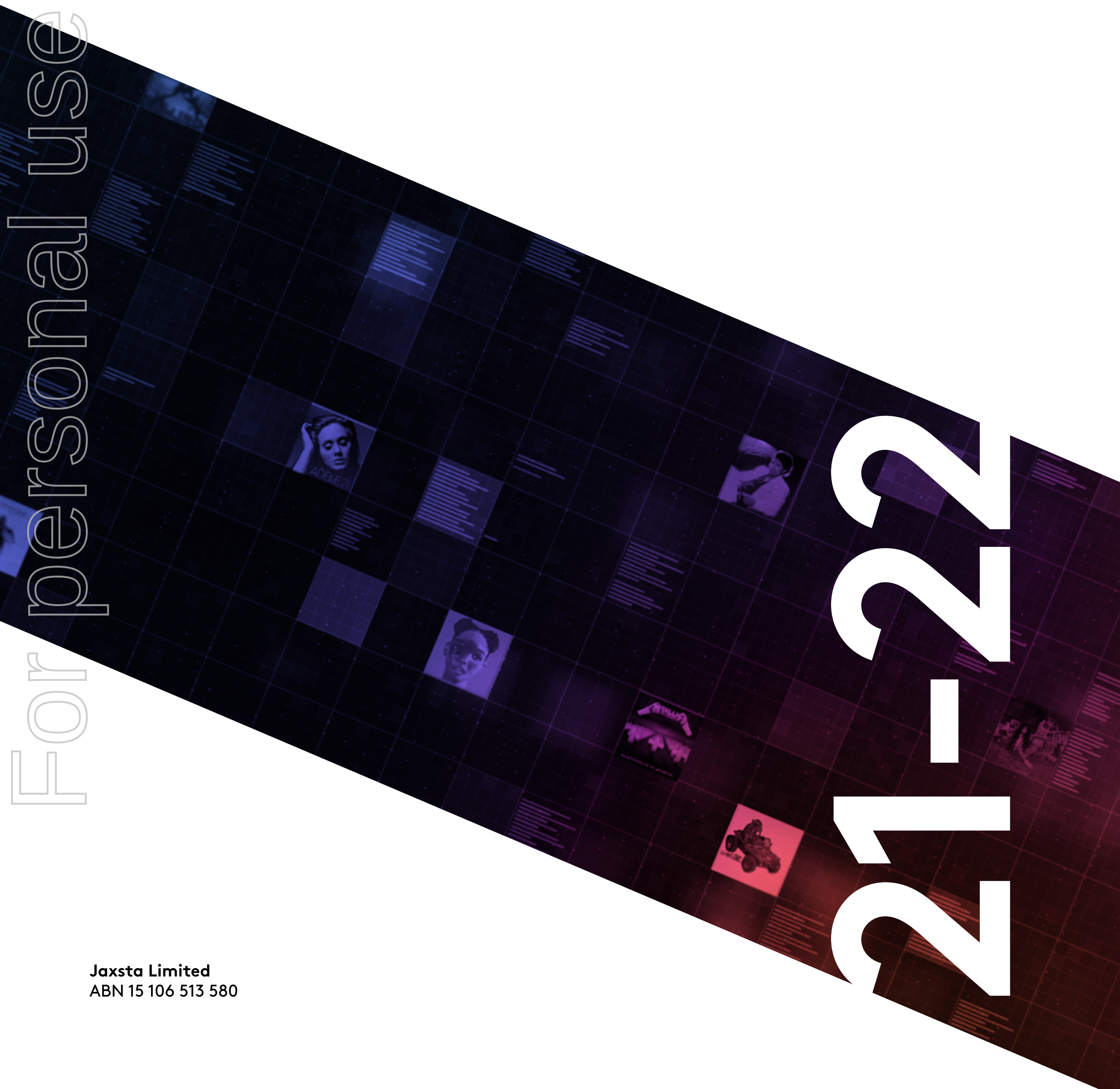
jaxsta

Annual Report 2022



Jaxsta Limited
ABN 15 106 513 580

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Credit where credit is due

Photo credit: gilaxia

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Inside this report

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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:

Level 1/113-115 Oxford Street
Darlinghurst, NSW 2010

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.

2021-2022
Financial Year Milestones

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August 2021

jaxsta Plus

jaxsta Core

Launch of Jaxsta Plus and Jaxsta Core Membership options.

November 2021

jaxsta | One Sheet

Your Official Music Resume

Launch of Jaxsta One Sheet - your official music resume.

31 March 2022

Launch of Share Awards & Certifications.

1 April 2022

MUSIC BIZ 2022

POWERED BY MUSIC BUSINESS ASSOCIATION

Nashville | May 9-12

Jaxsta nominated for a Bizzy Award - presented by 2022 Music Biz in the 'Master of Metadata Award' category.

5 April 2022

Songtradr

Strategic investment by Songtradr.

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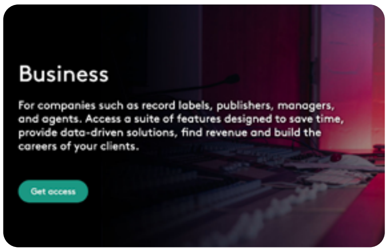
28 April 2022

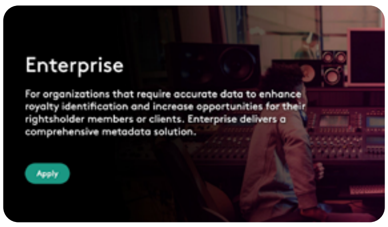
Beth Appleton appointed as CEO of Jaxsta. Jacqui Louez Schoorl new title - Founder, Director.

2nd June 2022

Superstar Producer Mike Dean signs up to Jaxsta, and shares his plaque to his Instagram audience of 581,000 followers.

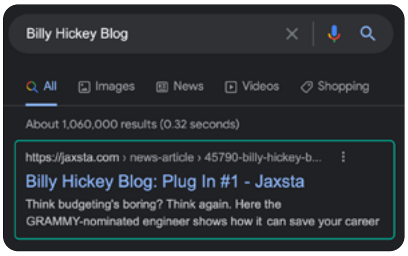
16 June 2022





Jaxsta Revampts Platform and launches Business Subscriptions

23 June 2022



ads now added to our site. SEO-friendly custom URLS now added to our Jaxsta feature articles

19 July 2022

DISTROKID

Data partnership with DistroKid goes live

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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

Chair’s Letter

Dear Shareholder,

On behalf of the Board, it is a pleasure to present Jaxsta’s annual report. We have made some significant changes over the last year in order to accelerate the plans for success.

Last year we saw the relaunch of the paid subscriptions and the ramp up of our Data Solutions. Both of these segments did not reach the goals set for the year, but a lot of the activities during the year were building up to further enhance this:

- We created a tiered structure to our subscription service and have now added the Business and Enterprise tiers as of the end of the financial year. The latter is critical to bring in the corporate clients that require our data and have a need to manage portfolios of creatives.
- We enhanced the subscription service with incredible value features, such as the One Sheet and the digital shareable plaques. Both of these have been staples in converting new or free users to paid subscriptions.
- We have metered our search and added advertising to the site focusing our power users to the paid tiers they require.
- We are working on further enhancements primarily aimed at providing all subscribers and API users with even more comprehensive tools that enhance the functionality and value of our data for their use.

We also strengthened our partnership with Songtradr through further investment, but more importantly a collaborative relationship in which we are working together to close data solution deals and have further strengthened the board with the addition of Ben Katovsky and Stephen Gledden.

We thanked Jacqui Louez Schoorl for her dedication and everything that she has built as Beth Appleton became Jaxsta’s new Chief Executive Officer in April. Beth and Jacqui continue to work closely in driving the mission of Jaxsta.

We also reviewed our cost structure and made changes to extend our cash reserves whilst building a leaner more agile organisation. The focus is on growth and diversification in order to get Jaxsta to where it needs to be within this 12 month period.

I would like to thank my fellow Board members, as we work through the transition to grow the existing B2B solutions and get ready to launch B2C solutions. Our new board members Ben and Stephen are on board and working on the new vision. Lastly I would like to thank our long standing shareholders who continue to support our mission.

This is a critical year in the Jaxsta story and the team is committed to getting the step change in our performance to the long-term sustainability of the Company.

Yours Sincerely,

Linda Jenkinson

Independent, non-Executive Chair

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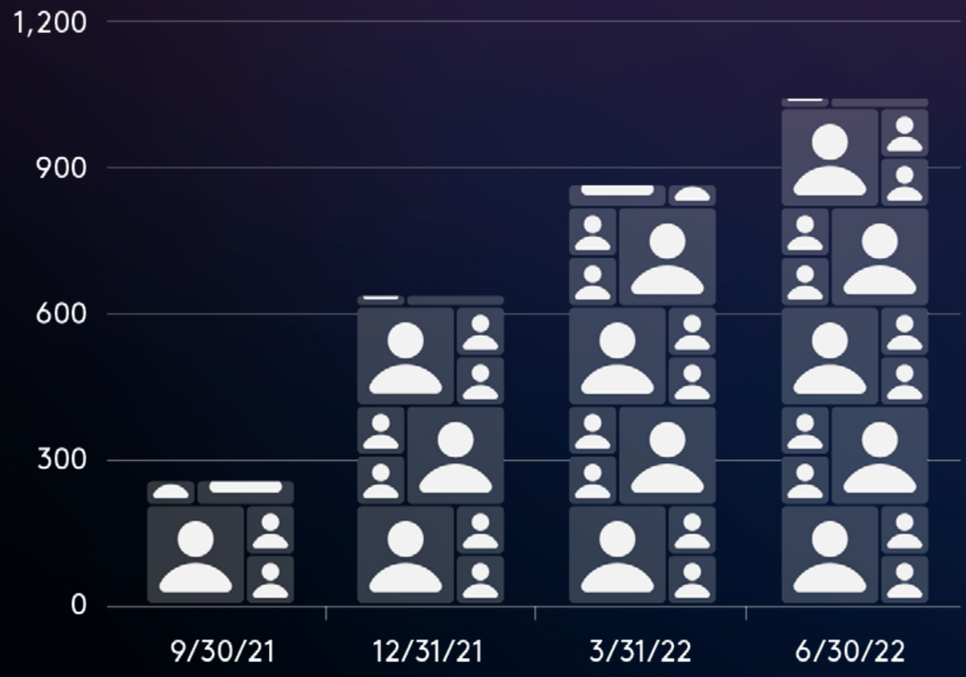
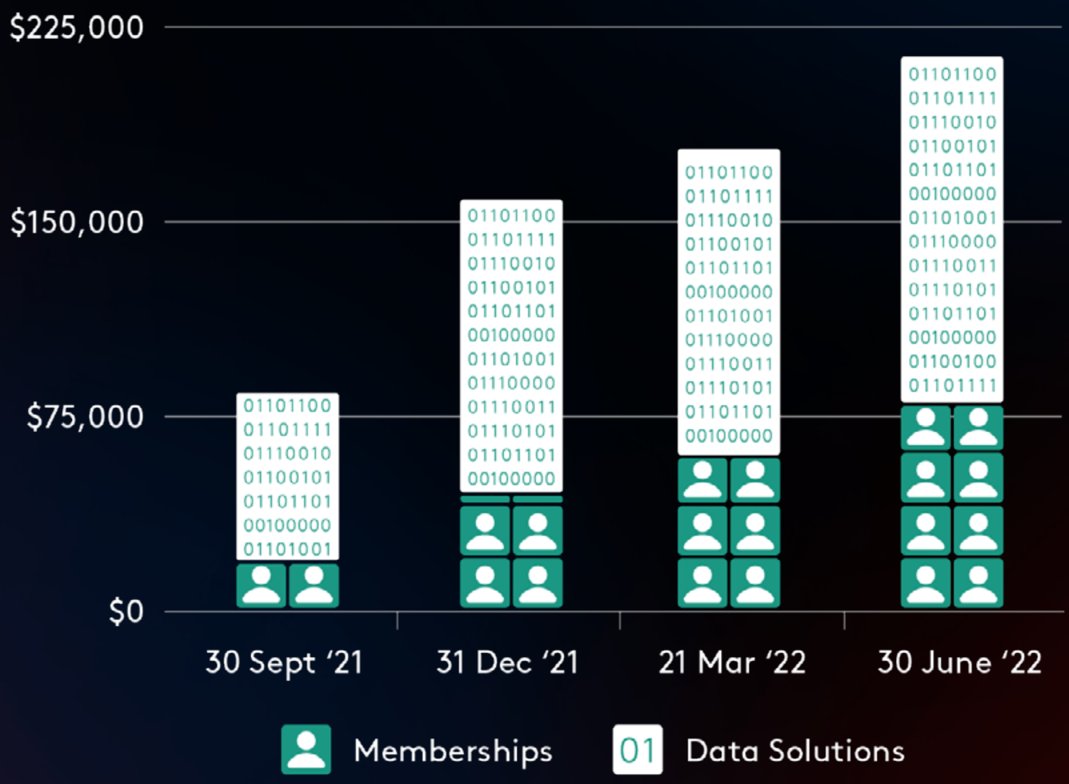
Total Jaxsta Creator Memberships



Annual Recurring Revenue by Quarter



Potential ARR in AUD based on number of memberships at the full plan rate.

Chief Executive Officer's Letter

"As the world's only Official Music Credits database, we are focused on connecting Jaxsta to commercial opportunities and delivering solutions that only our data can provide.

On behalf of the Company, it is a pleasure to present Jaxsta's annual report. This is my inaugural report and I am confident that the growth we have experienced in the past year is set to continue. My immediate aim is to grow the company to profitability, commercialising our key assets, building on the bedrock of what is now a well established, unparalleled global music industry dataset. I would like to invite all existing and potential investors to join myself and the Jaxsta board on 28th September 2022 for our quarterly update.

In the past year the music industry has seen continued compelling growth and expansion. Be it catalog acquisitions, bonds, new technologies such as NFTs, the divergence of musical genres or the increased demand for vinyl, the business is always evolving. Ultimately, one thing powers the industry: people's love of music. Those who create music deserve to be paid fairly, and that process begins with being credited accurately. That's why correct metadata is so critical.

Global recorded music revenues grew 18.5% in 2021, with revenues of US$25.9 billion[source IPFI]. Every day Jaxsta ingests, on average, the credits for more than 62,000 songs – this equates to somewhere between 600,000 and 700,000 creator credits daily [based on last 30 days]. These songs are commercialised globally on multiple digital music platforms, yet it remains incredibly complicated and difficult for creators and performers to receive the revenues they have rightly earned. The only way that revenues can be distributed efficiently and fairly is if the creators are accurately credited. The responsibility for those involved in the distribution of music to enable this has never been more important.

All the credits on Jaxsta are licensed from the source– none are crowd-sourced. This uniquely connected dataset is Jaxtsa's valuable IP. The establishment of the Jaxsta platform has taken investment and time to reach the connectivity we have now achieved. The data that is licensed from our 326 data partners (this time last year we had 250) now includes recordings data and works (publishing data), which positions Jaxsta as the Only Official Music Credits database. With 75 million pages, we are bigger than Wikipedia (56 million). We are the only true source of truth in the music industry.

RETURN TO PAID SUBSCIPTIONS: CREATOR, BUSINESS AND ENTERPRISE

After waiving subscription fees during the first year of the pandemic to assist creators whose income had been drastically reduced, in August 2021 we returned to paid and launched two tiers of subscription. The uptake was steady but not at the acceleration we needed to see. We regrouped strategically and looked at our product offering and market fit. We dove deep into the data, and from this our subscriptions evolved to focus on three levels: Creator, Business and Enterprise.

Creator contains an extensive and evolving suite of features designed to empower music makers and the industry professionals who represent them.

Business is aimed at companies such as record labels, publishers, managers and agents and includes a suite of features designed to save time, provide data-driven solutions and build the careers of each business's clients.

Enterprise is for organisations that require accurate data to enhance royalty identification and increase opportunities for their rightsholder subscribers of clients. Enterprise delivers a comprehensive metadata solution.

Since then we have seen month-on-month continued growth of our sign-ups and Creator member upgrades. Over 22,000* Creators have signed up to Jaxsta (limited but free access to trial the Jaxsta experience), and 1,100 have upgraded to Creator subscribers (potential ARR of US$53,900/A$78,240).

Image of Beth Appleton
Photo credit: Renee Novytarger

*Jaxsta has 125k email sign ups. For accurate commercial forecasting we are reporting the subscribers who have signed in again/up since returning to paid in Aug 2021 [20k]

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Our consumer funnel is focused on onboarding subscribers and upgrading them to the Creator subscriptions by communicating through socials, onsite cues, advertising and partnerships. The message is simple: "Have all your Official Credits in one place, share them to get work, and use them to get paid." More than 26,000 profiles have now been claimed and this is our primary audience for Creator subscription. The average monthly growth of our Creator subscription based on the past 12 months is 20.47%, and we are focused on increasing this with smart campaigns. With unsponsored creatives such as multi-platinum musician and music supervisor Ryan Svendsen continuously advocating for Jaxsta, the word is spreading throughout our target market – the music community.

> Fellow producers, musicians, artists, engineers.
>
> For YEARS I have been trying to get my music credits all in one place where they can be displayed beautifully which leads to more opportunities. Jaxsta is that place.
>
> Trust me, this is a must have.
>
> **- Ryan Svendsen**
> (Lil Nas X, 070 Shake) Multi-Platinum Certified Music Supervisor and Horn Player

The explosion of music from those who self release and distribute via platforms such as SoundCloud Repost, CD Baby and DistroKid means that official data is not only the responsibility of the major record labels and publishers. The Creator and DIY economy is accelerating in growth of artists, credits, hits and market share.

Our largest month for onboarding Creator subscribers was in February, where Jaxsta saw 100 new sign-ups. This was powered by our marketing communications with distributor SoundCloud Repost. Our marketing team works with our data partners to drive regular campaigns with independent distributors. These organisations represent millions of creators who often don't have marketing or label services support, and therefore need the tools Jaxsta has and is building.

THE PLATFORM CONTINUES TO EVOLVE

This year we launched our bespoke reports solution that uniquely matches official credits with chart and playlist data. These reports are used by labels, publishers and more to find talent and revenue. In addition, repertoire reports are available for companies to value catalogs and for those administering royalty collection.

> "At peermusic Neighbouring Rights, we work hard to gather a complete and accurate listing of our clients' performances, so that we can make sure all revenue due to them is claimed and paid. The impressive breadth of the Jaxsta dataset has helped identify a number of additional performances for our clients, and our trust in the "official" data means we spend less time verifying and cleansing data – so we can get our clients' claims registered and monies flowing faster.
>
> **- Matt Phipps-Taylor**
> Chief Information Officer, peermusic

Music catalogs are being acquired at a growing rate with significant investment. In order to ensure that all potential revenues are included in the valuation of such catalogs, and that this value is realised, accurate credits and catalog detail is required. Jaxsta provides this solution.

This was the first phase in the launch of our Business and Enterprise subscriptions, which debuted in June this year. Our small and dedicated team is focused on outreach, and to date we have have 6 Business and 4 Enterprise subscribers.

Jaxsta is a wonderful playground for music fans. By analysing the data in our strategic review, however, we could see that the free experience was impacting subscription uptake as businesses were using Jaxsta's data to find missing credits and increase revenue collection for free. The second phase of our Business and Enterprise subscription strategy was the introduction of a metered paywall and switching off our 'FREE' level of subscription. This has not impacted sign-ups or time on site for subscribers, and now all users sign in and are part of our community, subscription and community funnel.

The Jaxsta One Sheet, which we launched in November 2021, is becoming an industry staple – an important tool that provides a snapshot of a creative's accomplishments with a view to creating and converting opportunities. There are now more than 250 Jaxsta One Sheets in circulation, with creators embedding them on their websites and linking to them from their socials, as well as sharing their own unique URL to ensure they are first in line for opportunities.

> Thank you 😍 love how easy it is to use my One Sheet. 🙌
>
> **- Hallie Melton**
> (Amber Mark, Teddy Swims) Mastering Engineer

API, SONGTRADR AND THE FUTURE

Our API business remains a critical focus. All opportunities and discussions are managed specifically by our CTO Michael Stone and myself. We now have five API customers in operation and a further 11 deals signed and awaiting deployment. This month we made our Works API endpoints and data available to select customers for beta testing, including millions of work-recording matches linking a recording to its derivative work. With this data update and ongoing outreach we have multiple APIcommercial use cases currently being tested with third parties relating to neighboring rights, catalog analysis, repertoire publishing, accurate reporting, talent spotting and more.

Following the announcement of Songtradr's investment in Jaxsta, we have been working closely with the Songtradr team. The support and partnership from Paul Wiltshire, CEO, and his team is second to none, and the drive we have for our businesses to complement and support each other is delivering commercial opportunities.

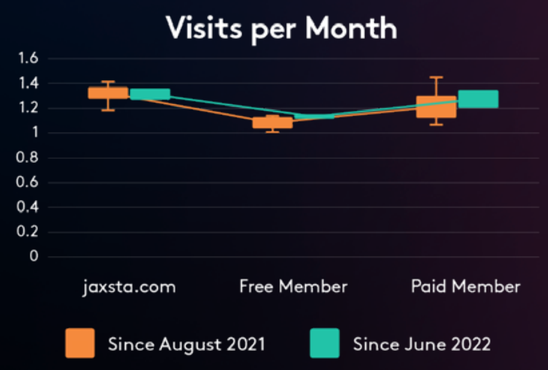
What about consumers and the value of this incredible data to power a compelling B2C experience? Yes, this is in product planning now and an update on this initiative will be shared at Jaxsta's September Investor Business Update.

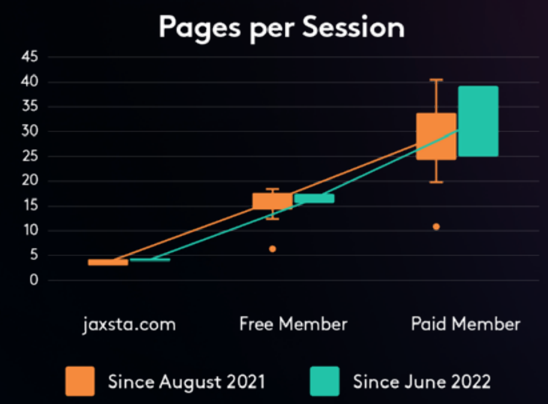
As we focus on our commercial business I leave you with this thought. Many libraries around the world have the responsibility to ensure that the heritage and legacy of writings and recordings are in safe keeping. We no longer have physical copies to archive our musical jewels, yet there is a fundamental responsibility and necessity for the global music industry to ensure we record information, and with that pay the world's music creators with transparency. Jaxsta remains committed to being at the forefront of this movement.

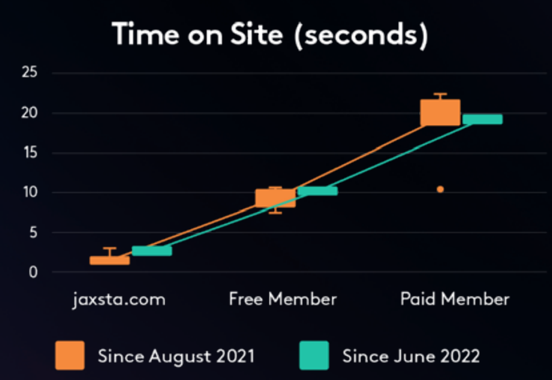
Yours Sincerely,

Beth Appleton
Chief Executive Officer

jaxsta.com traffic before and after introduction of metered paywall







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Jaxsta is home to

275M
Credits

75M
Pages

326
Data Partners

47M
Recordings

11M
Works

657k
Avg. Daily Credits Ingested

32k
Avg. Daily Release Messages

as of 14th September 2022

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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 2022.

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)

Brett Cottle - Non-Executive Director (resigned on 24 June 2022)

Principal activities

During the financial year the principal continuing activities of the Group consisted of creating an online platform to hold official music metadata and to develop a repository of official music-related information, comprising liner notes and label copy.

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 $6,200,747 (30 June 2021: $5,709,673).

The financial year ended 30 June 2022 was focused on advancing commercial efforts. Starting with the relaunch of Jaxsta Pro in August 2021 and the subsequent release of key features such as the One Sheet, shareable plaques, introduction of advertising on site and the release of the Business and Enterprise tiers in June 2022. The Group also focused on completing the data landscape, with the addition of SoundCloud (REPOST) and DistroKid. This followed the efforts in 2021 to normalise the business post the initial COVID-19 changes. As at 30 June 2022, we have 1,125 Creator members which contributed $20,455 in amortised subscription revenues during the year ended 2022. The Group also had various data solution deals which added $84,047 in revenue for the year ended 30 June 2022.

The strategy around Jaxsta Pro is threefold:

1. Continue to attract new users to the service at all tiers. The Group continued to evolve its marketing campaigns to increase signups and site traffic;
2. Continue to enhance the value proposition of the existing tiers, such as the addition of its upcoming Works solution. The Group rolled out the One Sheet in November 2021, and digital plaques in March 2022 to keep increasing the value of Creator to its members in order to enhance the conversion ratio from Free to Creator; and
3. Continue enhancing the recently released Business and Enterprise tiers that allow businesses to manage a portfolio of creatives or provide enterprise clients the tools to enhance discovery and validation of client records.

On the Jaxsta Data Solutions front, the Group had seven contracts being used by clients in their live environments during the year ended. The Group's strategy in this segment is as follows:

1. Utilise the Songtradr business development partnership to reach more customers and work on combined solutions;
2. Release the Works API solution to link recording and publisher data; and
3. Continue to add other data sets.

The Group continues to take feedback from customers to adapt priorities in its roadmap to balance a mix of projects that deliver near term revenue increases and those that deliver long term competitive advantages.

The Group completed a capital raise in September to enhance its capital reserves for a total net proceeds of $2,329,560 at a price of $0.06 per share.

Key financial matters

- Employee benefit expense of $4,191,061 (30 June 2021: $3,308,269) includes a non-cash component of $431,378 (30 June 2021: $325,765) 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 expense of $1,523,893 (30 June 2021: $1,601,881) includes a non-cash component of $20,052 (30 June 2021: $272,300) to record share-based compensation expenses. The decrease was mostly due by by the decrease in share based compensation to partners offset by an increase from our AWS systems.
- Cash and cash equivalents at 30 June 2022 of $3,123,935 (30 June 2021: $3,461,427).

Additional capital raising activities were undertaken during the period resulting in the gross receipt of additional cash of $3,000,000 in the form of a convertible note in June 2022 and $2,500,060 in the September 2021 equity placement. This 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 2022.

As a result of the loss incurred and the operating cash outflows the year ended 30 June 2022 and the deficiency in working capital at the reporting date, there is a material uncertainty on 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 has developed an online platform to hold official music metadata to become a repository of official music-related information, comprising liner notes and label copy. Jaxsta relaunched the paid subscription tiers in August 2021 and added additional features during the year such as the One Sheet, Vanity URLs and our shareable Digital Plaques. We made changes to the service in June 2022 including search limitations and introduction of advertisement supported free pages. We also added more API endpoints during the year as we engaged with prospective customers and identified particular needs to address. As at 30 June, the Group had 1,040 Creator subscribers.

As at 30 June 2022, Jaxsta had renewed a number of existing commercial data access agreements, and metadata and artwork agreements, with relevant data owners continuing to access and supply updates of their data into its platform, creating an official source for much of this data.

Business strategies and prospects for future years

- Jaxsta Pro - Subscription and industry tools including Creator, Business and Enterprise tiers (paid subscriptions) and Free (trial service). This also includes marketing initiatives to promote users and sponsors of its services, as well as third party affiliate sales.
- Jaxsta Data Solutions - Jaxsta's large volume data solutions, including its commercial API and other bespoke solutions.
- Jaxsta B2C - Jaxsta's consumer focused proposition including e-commerce and fan experience. This is a key focus for FY2023 as part of the Songtradr investment.

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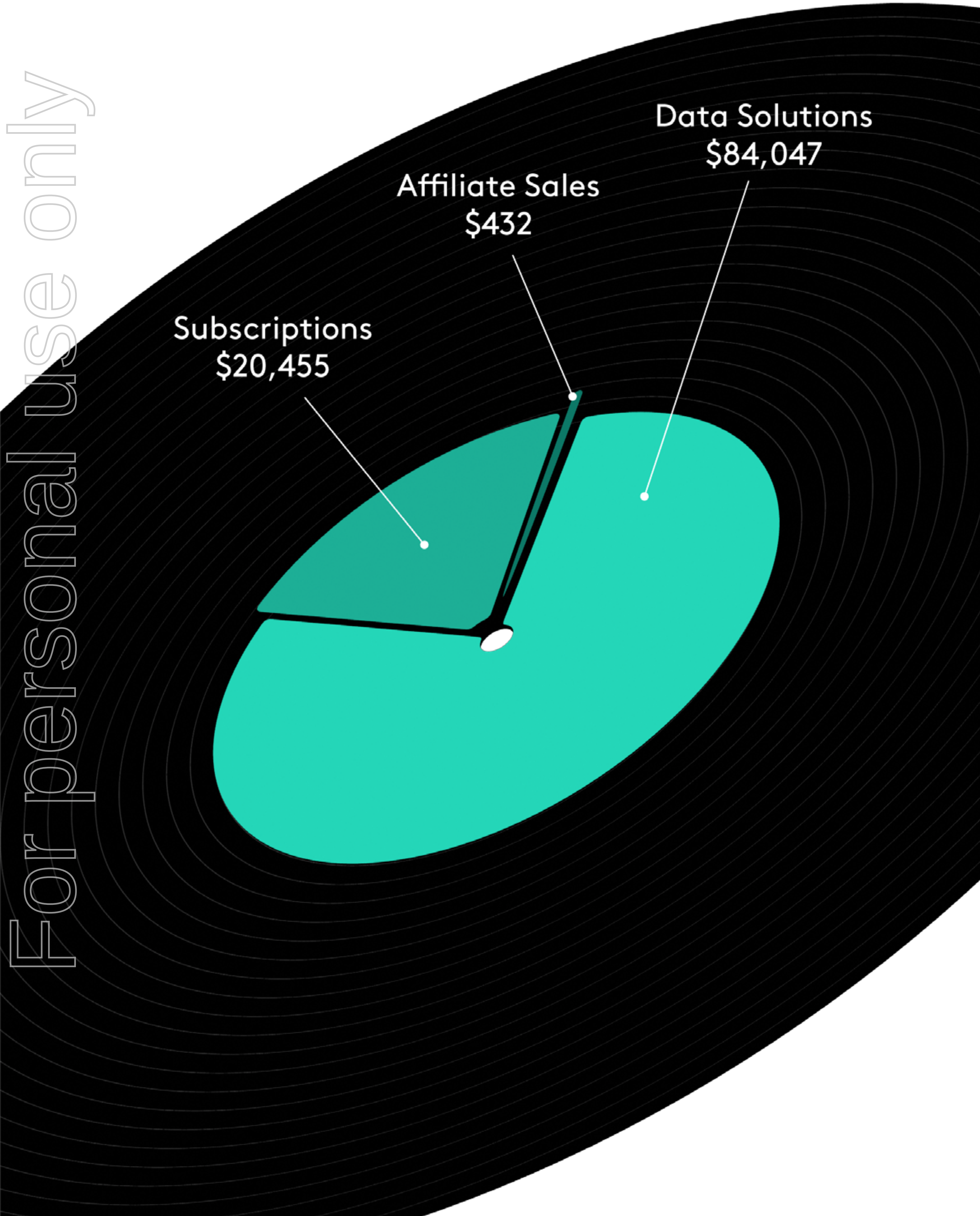
Revenue 1 June 2021 to 30 June 2022



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In order to achieve the near term goals for the segments, the development focus for FY2023 is to:

- finish the rollout of the key features of the Business and Enterprise tiers;
- complete the rollout of the Works product for both its subscription service and data solutions;
- clear focus on onboarding Business and Enterprise memberships;
- rollout of Jaxsta branded B2C solutions.

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 FY2023.

Significant changes in the state of affairs

On 24 June 2022, the shareholders authorised the Company to enter into an additional tranche of the prior convertible note agreement with Songtradr Inc. for a principal value of $3,000,000. 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. All the conditions of the original convertible note remain and in addition the Company 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 variation of the note, the original note of $1,420,000 would change the conversion price 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 adjust the conversion price in certain circumstances occur before the final redemption date. The note 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 second tranche 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 three 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.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2022 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.

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Information on Directors

Name	Linda Jenkinson
Title	Non-Executive Director and Chair
Qualifications	Bachelor of Business Studies, Master of Business Administration, New Zealand CPA (non-current)
Experience and expertise	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, 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 and during this time for five years served 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.
Other current directorships	Medadvisor Limited, Eclipx Group Limited, Guild Group Holdings & Subsidiaries and Harbour Asset Management
Former directorships (last 3 years)	Air New Zealand Limited
Special responsibilities	Member of Remuneration and Nomination Committee
Interests in shares	None
Interests in options	14,500,000 options over ordinary shares

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Name	Robert Kenneth ('Ken') Gaunt
Title	Non-Executive Director
Experience and expertise	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 throughout his career including as a director on the multi-award winning, iconic tourist attraction, Sydney Seaplanes, as a board member of Hong Kong-based Fintronics Holding Company Limited and as a 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.
Other current directorships	K2 Energy Ltd
Former directorships (last 3 years)	None
Special responsibilities	None
Interests in shares	5,451,818 ordinary shares
Interest in options	10,000,000 options over ordinary shares

Name	Ben Katovsky
Title	Non-Executive Director
Experience and expertise	Ben is a leading global music executive who has been recently appointed President and Chief Operating Officer of Hipgnosis Somng Management and for the last four years has been 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 before his role at BMG where he has been instrumental in driving BMG's rapid global growth as one of the world's largest investors in music rights.
Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	None
Interests in shares	None
Interest in options	10,000,000 options over ordinary shares

Name	Steve Gledden
Title	Non-Executive Director
Experience and expertise	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 it's global platform to serve the needs of both enterprise customers and consumers.
Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	None
Interests in shares	None
Interest in options	10,000,000 options over ordinary shares

Name	Jacqueline ('Jacqui') Louez Schoorl
Title	Executive Director, Chief Executive Officer and Co-founder (resigned as Director on 15 July 2022, stepped down as CEO on 27 Aprril 2022)
Experience and expertise	Jacqui's career spans over two decades across music, film and television, working for the likes of Channel 9, IF Magazine, George Lucas' private company on the Star Wars Episodes II and III movies, Baz Luhrmann and Catherine Martin on their 'Chanel No. 5' campaign, Amalgamated Holdings (now Event Hospitality) and EMI Music. A regular panelist, Jacqui's speaking engagements have included Commonwealth Bank's Women In Focus conference, BigSound, General Assembly, Australian Music Week and Music Australia, ARIA Masterclass series and ARIA Week, Indie Week A2IM, MusicBiz Conference, CDBabyDIY Conference, Lets Dew Lunch webinar series, The Future of What, Music Tectonics, Short Black & Kick Ass Chicks podcasts and Vivid Ideas festival. Jacqui also spends her time working as the Founder of Women In Music Sydney, a non-profit organisation bringing together a dynamic group of dedicated music professionals to network, learn and in the process create a supportive community. She is also a Dementia Australia advocate often speaking on her family's experience with Alzheimers where she helps to shed some light on the journey for those with Dementia or Alzheimer's. Jacqui is an alumnus of Commonwealth Bank of Australia's Women In Focus Program. Jacqui is a proud Advisory Board member of MusicBiz in the US and MusicHealth.AI, Australia.
Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	None
Interests in shares	48,490,004 ordinary shares (25,920,000 held indirectly)
Interest in options	20,000,000 options over ordinary shares

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Name	Jorge Nigaglioni
Title	Executive Director, Chief Financial Officer and Company Secretary (resigned as Director on 1 July 2022)
Experience and expertise	Jorge has over 26 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. As a Controller at Agilent Technologies, he was involved in turning around two divisions to profitability. In his last two years at PricewaterhouseCoopers he was involved in auditing and consulting for start-up companies, where he has focused his expertise to launch early ventures to success. 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.
Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	None
Interests in shares	650,179 ordinary shares
Interest in options	8,000,000 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 26 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.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2022, 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	32	33	-	-	-	-
Ken Gaunt	32	33	-	-	-	-
Jacqui Louez Schoorl	27	33	-	-	-	-
Jorge Nigaglioni	33	33	-	-	-	-
Brett Cottle	27	33	-	-	-	-

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

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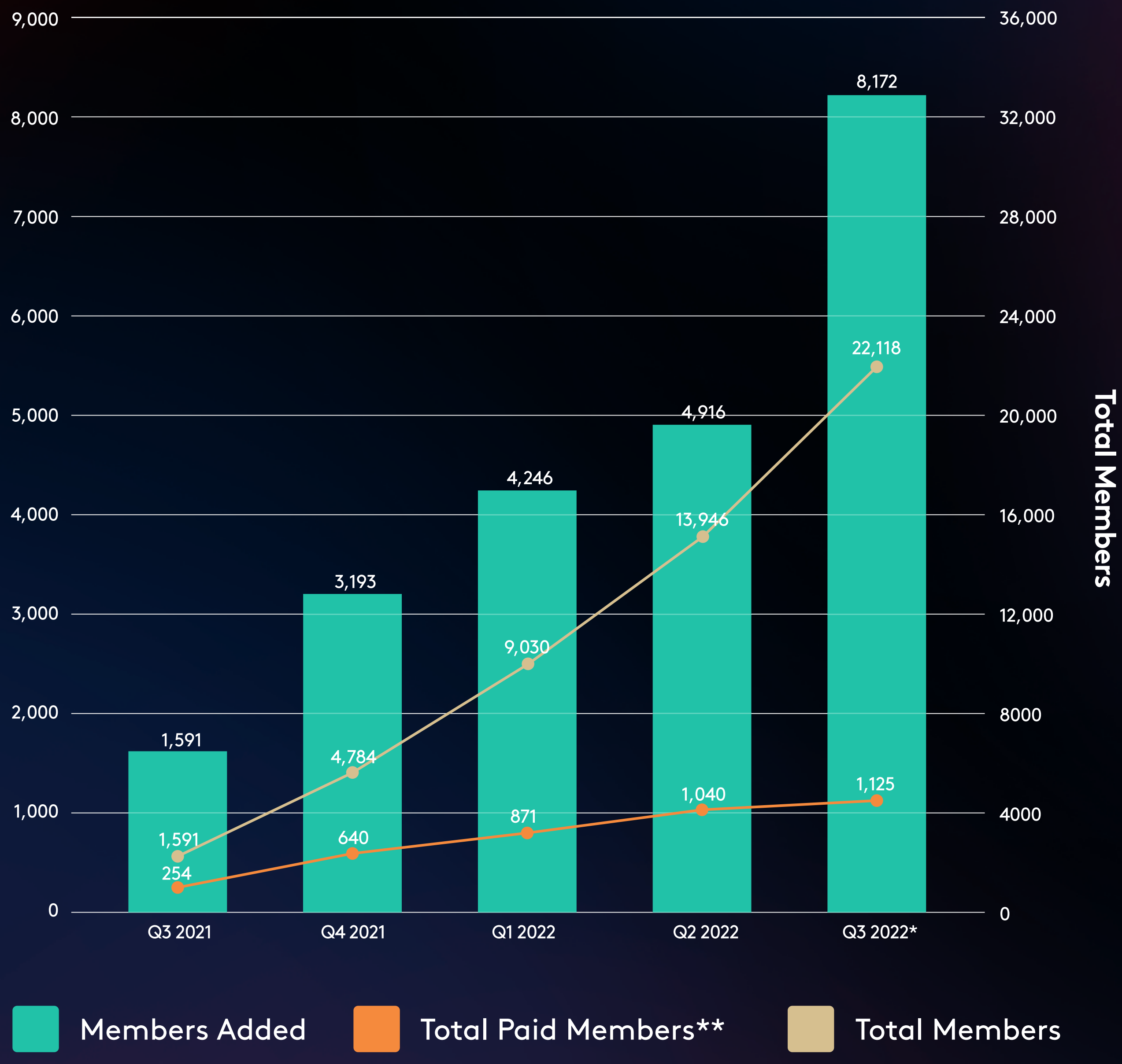
Total Memberships Quarterly



* Q3 Data through 14 September 2022
** Paid members include members under Creator, Business and Enterprise Memberships

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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.

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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 2022.

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Voting and comments made at the company's 2021 Annual General Meeting ('AGM')
At the 2021 AGM, 86.01% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. 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)
- Jacqui Louez Schoorl - Executive Director, Chief Executive Officer 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)
- Brett Cottle - Non-Executive Director (resigned on 24 June 2022)

And the following persons:

- Michael Stone - Chief Technology Officer
- Beth Appleton - Chief Marketing Officer, Chief Executive Officer (appointed on 27 April 2022)
- Shaun Alexander - Head of Growth (resigned 6 September 2021)

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2022	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled * $	Total $
Non-Executive Directors:							
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
Executive Directors:							
Jacqui Louez Schoorl	287,500	-	-	23,568	9,800	131,928	452,796
Jorge Nigaglioni	240,000	-	-	23,568	-	51,428	314,996
Other KMP:							
Michael Stone	230,000	-	-	23,000	-	33,522	286,522
Beth Appleton	266,868	-	-	23,568	-	1,606	292,042
	1,259,368	-	-	116,104	9,800	412,298	1,797,570

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

2021	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees $	Cash bonus** $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled * $	Total $
Non-Executive Directors:							
Linda Jenkinson [1]	117,658	-	-	11,177	-	66,536	195,371
Ken Gaunt [1]	45,000	-	-	4,275	-	-	49,275
Brett Cottle [1]	45,000	-	-	4,275	-	66,536	115,811
	-	-	-	-	-	-	-
Executive Directors:							
Jacqui Louez Schoorl [2]	281,250	-	-	25,017	21,812	131,928	460,007
Jorge Nigaglioni [3]	203,870	-	-	18,538	253	26,154	248,815
Other KMP:							
Philip Morgan [4]	92,260	-	-	6,362	-	17,129	115,751
Shaun Alexander	182,640	20,000	-	18,437	809	8,917	230,803
Michael Stone	143,750	-	-	13,617	157	10,690	168,214
Iain Bartram [5]	32,040	-	-	3,044	-	-	35,084
	1,143,468	20,000	-	104,742	23,031	327,890	1,619,131

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

** Bonus was paid on 15 April 2021 in cash based on defined Jaxsta Pro Subscription targets met.

[1] To assist the business during the COVID-19 the board waived 50% of their fees during the Jul-Sep 2020 quarter.
[2] To assist the business during the COVID-19 the CEO waived 25% of her base salary during the Jul-Sep 2020 quarter.
[3] To assist the business during the COVID-19 the CFO waived 50% of his base salary during the Jul-Sep 2020 quarter.
[4] Represents remuneration from 1 July 2020 to his resignation date of 31 October 2020.
[5] Represents remuneration from 1 July 2020 to his resignation date of 31 July 2020.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2022	2021	2022	2021	2022	2021
Non-Executive Directors:						
Linda Jenkinson	55%	66%	-	-	45%	34%
Brett Cottle	51%	43%	-	-	49%	57%
Ken Gaunt	76%	100%	-	-	24%	-
Executive Directors:						
Jacqui Louez Schoorl	71%	71%	-	-	29%	29%
Jorge Nigaglioni	84%	89%	-	-	16%	11%
Other KMP:						
Michael Stone	88%	94%	-	-	12%	6%
Beth Appleton	99%	-	-	-	1%	-
Philip Morgan	-	85%	-	-	-	15%
Shaun Alexander	-	87%	-	9%	-	4%
Iain Bartram	-	100%	-	-	-	-

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
Name	2022	2021	2022	2021
Other KMP:				
Shaun Alexander	-	100%	-	-

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)
Title:	CEO until 26 April 2022, changed to Founder role from 27 April 2022
Agreement commenced:	16 November 2018
Term of agreement:	No fixed term
Details:	Base salary for the year ended 30 June 2022 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 2022 is $240,000 per annum, plus superannuation. Base salary was reduced by 50% for the period between 1 July 2020 and 30 September 2020 (inclusive). 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.

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Name:	Beth Appleton
Title:	Chief Marketing Officer, Chief Executive Officer (appointed on 27 April 2022)
Agreement commenced:	12 July 2021, amended to reflect CEO title on 27 April 2022
Term of agreement:	No fixed term
Details:	Base salary for the year ended 30 June 2022 is $275,000 per annum exclusive of superannuation, plus phone allowance. Salary package to be reviewed annually by the Board or Remuneration and Nomination Committee. 3-month termination notice by either party.

Name:	Shaun Alexander (resigned 6 September 2021)
Title:	Head of Growth
Agreement commenced:	11 February 2020
Term of agreement:	No fixed term
Details:	Base salary for the year ended 30 June 2022 is $180,000 per annum, including superannuation, plus phone allowance and parking. Performance bonus of $20,000 paid in full or part based on mutually agreed success factors. Salary package and bonus entitlement to be reviewed annually by the Remuneration and Nomination Committee. 1-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 2022 is $230,000 per annum inclusive of superannuation, plus phone allowance. Salary package to be reviewed annually by the 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 2022.

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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 [1]	30 Sep 2024	$0.200	$0.1070
Brett Cottle	3,000,000	30 Sep 2019	Variable [1]	30 Sep 2024	$0.200	$0.1070
Michael Stone	400,000	7 Dec 2020	Variable [2]	6 Dec 2026	$0.154	$0.0790
Shaun Alexander	400,000	7 Dec 2020	Variable [3]	6 Dec 2026	$0.154	$0.0790
Jorge Nigaglioni	3,000,000	22 Apr 2021	Variable [4]	21 Apr 2026	$0.129	$0.0730
Linda Jenkinson	1,500,000	16 Jun 2021	Variable [4]	15 Jun 2026	$0.096	$0.0530
Brett Cottle	1,500,000	16 Jun 2021	Variable [4]	15 Jun 2026	$0.096	$0.0530
Michael Stone	1,600,000	16 Jun 2021	Variable [5]	15 Jun 2026	$0.096	$0.0530
Beth Appleton	1,500,000	16 Jun 2022	Variable [6]	16 Jun 2025	$0.035	$0.0002
Michael Stone	1,000,000	16 Jun 2022	Variable [7]	16 Jun 2025	$0.035	$0.0002
Linda Jenkinson	5,000,000	24 Jun 2022[10]	Variable [8]	30 Jun 2025	$0.035	$0.0004
Linda Jenkinson	5,000,000	24 Jun 2022[10]	Variable [9]	30 Jun 2025	$0.000	$0.0210
Ken Gaunt	5,000,000	24 Jun 2022[10]	Variable [8]	30 Jun 2025	$0.035	$0.0004
Ken Gaunt	5,000,000	24 Jun 2022[10]	Variable [9]	30 Jun 2025	$0.000	$0.0210
Jorge Nigaglioni	5,000,000	24 Jun 2022[10]	Variable [9]	30 Jun 2025	$0.000	$0.0210
Steve Gledden	5,000,000	24 Jun 2022[10]	Variable [8]	30 Jun 2025	$0.035	$0.0004
Steve Gledden	5,000,000	24 Jun 2022[10]	Variable [9]	30 Jun 2025	$0.000	$0.0210
Ben Katovsky	5,000,000	24 Jun 2022[10]	Variable [8]	30 Jun 2025	$0.035	$0.0004
Ben Katovsky	5,000,000	24 Jun 2022[10]	Variable [9]	30 Jun 2025	$0.000	$0.0210

[1] 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.
[2] vesting tranches of 125,000 for reaching 50,000 paid subscriber increase in the Jaxsta Pro subscription service at a minimum price of $75, 125,000 for reaching $2 million in Data Solution Deals, 50,000 for reaching a one year service period and 100,000 for reaching a two year service period.
[3] vesting tranches of 100,000 for each 25,000 paid subscriber increase in the Jaxsta Pro subscription service at a minimum price of $75 with minimum one (50%) and two year (50%) service requirements. These were cancelled in Oct 2021.
[4] 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.
[5] 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.
[6] 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.
[7] 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.
[8] 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.
[9] vesting tranches of 2,500,000 options for each year of service in lieu of cash board fees or portion of salary.
[10] approved at shareholder meeting on 24 June 2022, issued on 1 July as part of the new remuneration period for which they are part of.

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.

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The number of options over ordinary shares granted to and vested by Directors and other KMP as part of compensation during the year ended 30 June 2022 are set out below:

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
Linda Jenkinson	10,000,000*	1,500,000	-	-
Ken Gaunt	10,000,000*	-	-	-
Ben Katovsky	10,000,000*	-	-	-
Steve Gledden	10,000,000*	-	-	-
Brett Cottle	-	1,500,000	-	-
Jorge Nigaglioni	5,000,000*	3,000,000	-	-
Beth Appleton	1,500,000	-	-	-
Michael Stone	1,000,000	2,000,000	-	-
Shaun Alexander	-	400,000	-	-

* Approved at shareholder meeting on 24 June 2022, issued on 1 July as part of the new remuneration period for which they are part of.
There were no options over ordinary shares granted to or vested or lapsed by Directors and other KMP as part of compensation during the year ended 30 June 2022.

Additional information
The earnings of the Group for the four years to 30 June 2022 are summarised below:

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

Four years shown as that is 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:

	2022	2021	2020	2019
Share price at financial year end ($)	0.02	0.05	0.03	0.22
Basic earnings per share (cents per share)	(2.61)	(2.18)	(4.35)	(0.11)
Diluted earnings per share (cents per share)	(2.61)	(2.18)	(4.35)	(0.11)

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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	Disposals/ other	Balance at the end of the year
Ordinary shares					
Jacqui Louez Schoorl *	48,490,004	-	-	-	48,490,004
Jorge Nigaglioni **	650,179	-	-	-	650,179
Brett Cottle [1]	166,668	-	-	(166,668)	-
Ken Gaunt ***	5,451,818	-	-	-	5,451,818
	54,758,669	-	-	(166,668)	54,592,001

* Shares held in Mrs Louez Schoorl's own name and in the name of Louis Schoorl (her husband & Jaxsta co-founder).
** Shares held in Mr Nigaglioni's own name and in the name of Jaeanai Technologies Pty Ltd.
*** Shares held in the name of Blazzed Pty Limited as of 23 March 2020 when Mr Gaunt joined the board of Jaxsta as a non-executive director.

[1] Disposals/other represents shares held at resignation date.

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
Options over ordinary shares					
Linda Jenkinson	4,500,000	10,000,000[2]	-	-	14,500,000
Jacqui Louez Schoorl	20,000,000	-	-	-	20,000,000
Jorge Nigaglioni	3,000,000	5,000,000[2]	-	-	8,000,000
Ken Gaunt	-	10,000,000[2]	-	-	10,000,000
Ben Katovsky	-	10,000,000[2]	-	-	10,000,000
Steven Gledden	-	10,000,000[2]	-	-	10,000,000
Brett Cottle [1]	4,500,000	-	-	(4,500,000)	-
Beth Appleton	-	1,500,000	-	-	1,500,000
Michael Stone	2,000,000	1,000,000	-	-	3,000,000
Shaun Alexander [1]	400,000	-	-	(400,000)	-
	34,400,000	47,500,000	-	(4,900,000)	77,000,000

[1] Disposals/other represents shares held at resignation date.
[2] Approved at shareholder meeting on 24 June 2022, issued on 1 July as part of the new remuneration period for which they are part of.

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.

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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
28 March 2019	28 March 2026	$0.000	150,000
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	6,000,000
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	1,105,000
15 April 2021	14 April 2024	$0.150	3,000,000
26 November 2020[1]	21 April 2026	$0.129	3,000,000
16 June 2021[1]	15 June 2026	$0.096	3,000,000
16 June 2021[1]	15 June 2026	$0.096	1,600,000
5 October 2021	4 October 2024	$0.150	2,000,000
19 May 2022[1]	15 June 2025	$0.035	2,500,000
24 June 2022[1]	30 June 2025	$0.000	25,000,000
24 June 2022[1]	30 June 2025	$0.035	20,000,000
24 June 2022[1]	30 June 2025	$0.021	142,857,143
			239,359,366

[1] As per AASB 2, the grant date reflects the date at which the associated service were understood by the parties to commence even though the actual grant 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 issued on the exercise of options

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 performance rights

There were no ordinary shares of Jaxsta Ltd issued on the exercise of performance rights during the year ended 30 June 2022 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

19 September 2022

Sydney, New South Wales

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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 2022, 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 code of professional conduct in relation to the audit.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

RJ Isbell

R J Isbell
Partner – Audit & Assurance

Sydney, 19 September 2022

www.grantthornton.com.au
ACN-130 913 594

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Statement of profit or loss and other comprehensive income

	Note	Consolidated 2022 $	Consolidated 2021 $
Revenue	5	104,935	4,840
Other income	6	1,131,982	1,371,154
Fair value gain in value of financial instrument	17	366,150	-
Interest income calculated using the effective interest method		274	1,309
Expenses			
Raw materials and consumables used		(1,180)	(7)
Employee benefits expense	7	(4,191,061)	(3,388,838)
Product development expense	7	(1,523,893)	(1,601,881)
Depreciation and amortisation expense	7	(239,468)	(169,693)
Impairment of intangibles	7,14	-	(16,251)
Professional fees		(364,019)	(446,372)
Marketing expense		(750,483)	(569,113)
Occupancy expense		(18,442)	(94,440)
Other expenses	7	(681,885)	(683,365)
Finance costs	7	(33,657)	(117,016)
Loss before income tax expense		(6,200,747)	(5,709,673)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Jaxsta Ltd		(6,200,747)	(5,709,673)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Jaxsta Ltd		(6,200,747)	(5,709,673)
		Cents	Cents
Basic earnings per share	33	(1.87)	(2.18)
Diluted earnings per share	33	(1.87)	(2.18)

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

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Statement of financial position

	Note	Consolidated 2022 $	Consolidated 2021 $
Assets			
Current assets			
Cash and cash equivalents	9	3,123,935	3,461,427
Trade and other receivables	10	1,113,693	876,611
Other assets	11	30,610	146,020
Total current assets		4,268,238	4,484,058
Non-current assets			
Property, plant and equipment	12	41,230	51,503
Right-of-use assets	13	83,261	230,653
Intangibles	14	187,158	245,241
Total non-current assets		311,649	527,397
Total assets		4,579,887	5,011,455
Liabilities			
Current liabilities			
Trade and other payables	15	872,348	520,341
Contract liabilities	16	1,199	25,000
Borrowings	17	33,915	26,778
Lease liabilities	18	86,315	70,209
Employee benefits	19	254,156	176,136
Lease make good provision		24,814	24,462
Total current liabilities		1,272,747	842,926
Non-current liabilities			
Contract liabilities	16	498,801	475,000
Borrowings	17	-	1,448,638
Lease liabilities	18	-	142,831
Derivative financial instruments	17,24	2,163,021	-
Employee benefits	19	51,036	37,876
Total non-current liabilities		2,712,858	2,104,345
Total liabilities		3,985,605	2,947,271
Net assets		594,282	2,064,184
Equity			
Issued capital	20	38,620,271	36,454,852
Reserves	21	4,806,801	2,241,375
Accumulated losses		(42,832,790)	(36,632,043)
Total equity		594,282	2,064,184

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

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Statement of changes in equity

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2020	32,792,654	1,460,473	(30,922,370)	3,330,757
Loss after income tax expense for the year	-	-	(5,709,673)	(5,709,673)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(5,709,673)	(5,709,673)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	3,604,448	-	-	3,604,448
Share-based payments	-	780,902	-	780,902
Convertible note issuance equity component (note 20)	57,750	-	-	57,750
Balance at 30 June 2021	36,454,852	2,241,375	(36,632,043)	2,064,184

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
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)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	2,165,419	-	-	2, 165,419
Share-based payments (note 34)	-	573,324	-	573,324
Convertible note issuance transaction cost (note 21)	-	1,992,102	-	1,992,102
Balance at 30 June 2022	38,620,271	4,806,801	(42,832,790)	594,282

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

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Statement of cash flows

	Note	Consolidated 2022 $	Consolidated 2021 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		101,296	20
Receipts from grants - research and development (inclusive of GST)		809,265	1,108,176
Payments to suppliers and employees (inclusive of GST)		(6,371,181)	(5,055,737)
Receipts from grants - export development (inclusive of GST)		100,000	-
Government grants received - COVID-19 support		-	488,800
		(5,360,620)	(3,458,741)
Interest received		274	1,309
Interest and other finance costs paid		(147,997)	(117,016)
Net cash used in operating activities	31	(5,508,343)	(3,574,448)
Cash flows from investing activities			
Payments for property, plant and equipment	12	(16,936)	(25,930)
Payments for intangibles	14	(10,383)	(24,960)
Proceeds from disposal of property, plant and equipment		-	482
Net cash used in investing activities		(27,319)	(50,408)
Cash flows from financing activities			
Proceeds from issue of shares	20	2,500,060	4,086,775
Share issue transaction costs		(170,500)	(424,577)
Proceeds from borrowings		3,000,000	1,420,000
Repayment of borrowings		-	(334,593)
Repayment of lease liabilities		(131,390)	(66,170)
Net cash from financing activities		5,198,170	4,681,435
Net increase/(decrease) in cash and cash equivalents		(337,492)	1,056,579
Cash and cash equivalents at the beginning of the financial year		3,461,427	2,404,848
Cash and cash equivalents at the end of the financial year	9	3,123,935	3,461,427

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

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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:

Level 1/113-115 Oxford Street

Darlinghurst, NSW 2010

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 19 September 2022. The Directors have the power to amend and reissue the financial statements.

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.

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 $6,200,747 (2021: $5,709,673) and had a net cash outflow from operations of $5,508,343 (2021: $3,574,448) for the year ended 30 June 2022. The Group had net assets of $594,282 as at 30 June 2022 (30 June 2021: net assets of $2,064,184). 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 $1,858,276.

The Group is in the process of transitioning from a start-up/development business to a commercialised business with the intention of deriving revenues from product sales and services. As part of the Songtradr investment in June 2022 the Group undertook various initiatives to improve its operations:

- it reduced its annual cash burn by $1.5M by removing various costs from the operation;
- it changed board and some executive cash compensation with equity-based compensation;
- it restructured its subscription offering to offer free access with advertising revenues;
- it launched its Business and Enterprise tiers aimed at clients that manage portfolios of creatives or have large data analysis needs;
- it entered into a business development agreement with Songtradr to grow the size of its business development efforts;
- it is working on its B2C offering that will complement the current B2B offerings in its subscription and data solutions offerings.

Note 2. Significant accounting policies (continued)

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 and Jaxsta Pro metadata platform, resulting in increased revenues through its continued feature and campaign rollout, accordingly cash receipts from revenues from platform use have been forecast;
- the continued commercialisation of its Data Solutions;
- the launch of its commercial B2C initiatives;
- the receipt of a R&D tax concession for the financial year ended 30 June 2022; and
- a potential capital raising within the next 12 months.

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.

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 27.

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Note 2. Significant accounting policies (continued)

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 2022 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.

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.

Note 2. Significant accounting policies (continued)

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 to 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 licenses, as well as the price of the subscriptions or licenses. 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 licenses 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.

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.

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Note 2. Significant accounting policies (continued)

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.

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.

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Note 2. Significant accounting policies (continued)

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Where changes are made to the terms of borrowings, modification accounting may be required which requires derecognition of the original note and recognition of the new note, with the difference recognised through profit and loss.

Convertible notes issued by the Group include embedded derivatives that gives the holder the option to convert into a variable number of shares. The derivative liability embedded in the host contract is accounted for separately at fair value through profit or loss. On initial recognition, the difference between the fair value of the embedded derivative and the proceeds is recognised as a financial liability and is subsequently measured at amortised cost. The corresponding interest on convertible notes is expensed to profit or loss.

Derivatives are classified as current or non-current depending on the expected period of realisation.

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.

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.

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Note 2. Significant accounting policies (continued)

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.

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

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.

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.

Note 2. Significant accounting policies (continued)

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 as a non-current liability 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.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

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.

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.

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Note 2. Significant accounting policies (continued)

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 either the Monte Carlo, Binomial or Black Sholes 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, it is treated as if it has 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.

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.


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Note 2. Significant accounting policies (continued)

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.

Comparatives

Certain comparatives have been reclassified for consistency with the current period presentation. There was no effect on profit, assets, liabilities 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 2022. 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 Classification of liabilities as current or non-current

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Note 2. Significant accounting policies (continued)

AASB 2020-1 Classification of liabilities as current or non-current
AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2023, as extended by AASB 2020-6. Early adoption is permitted. This standard amends AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or noncurrent. 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 conditional, the right only exists if, at the end of the reporting period, those conditions have been complied with. 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.

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.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured 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; and
- Level 3: Unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

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Note 3. Critical accounting judgements, estimates and assumptions (continued)

Equity component of convertible note
The Group has used a borrowing rate of 10% in order to calculate the equity component of its convertible notes. The equity component of the convertible notes is based on the present value of the convertible note at the aforementioned borrowing rate over the life of the note of three years.

Right-of-use assets
The Group has used a borrowing rate of 10% for the lease liability portion of its right-of-use assets. Right-of-use assets have a life of 23 months based on the initial lease term.

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.

Debt modification accounting
The accounting for debt modification depends on whether it is considered an amendment to the terms of a debt instrument are considered to be 'substantial' or 'non-substantial'. This determination requires significant judgement. Refer to Note 17 for considerations made.

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.

Major customers
There are 4 major customers (2021: none) that account for more than 75.6% of the Group's revenue. The total amount of revenues from these customers was $33,286, $22,361, $13,202 and $10,447.

Geographical information

	Sales to external customers		Geographical non-current assets	
	2022 $	2021 $	2022 $	2021 $
Australia	37,021	4,840	311,649	527,397
Americas	62,709	-	-	-
Europe, Middle East and Africa	4,261	-	-	-
Asia Pacific	944	-	-	-
	104,935	4,840	311,649	527,397

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.

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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 set up services relating to our APIs or Data Solutions are recognised when performed. All subscriptions are for one to twelve month terms and include an auto-renewal clause, although customers can cancel the subscriptions prior to the end.

	Consolidated 2022 $	Consolidated 2021 $
Revenue from contracts with customers	104,935	4,840

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

	Consolidated 2022 $	Consolidated 2021 $
Major product lines		
Subscription revenue	20,455	-
API revenue	84,047	4,840
Other	433	-
	104,935	4,840
Timing of revenue recognition		
Goods transferred at a point in time	84,480	4,840
Services transferred over time	20,455	-
	104,935	4,840

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

Note 6. Other income

	Consolidated 2022 $	Consolidated 2021 $
Net foreign exchange (loss)/gain	(7,805)	9,919
Government grants - COVID-19 support *	-	514,800
Export market development grant	100,000	-
Research and development tax incentive	1,039,787	842,435
Other income	-	4,000
Other income	1,131,982	1,371,154

* During the previous financial year the Group received payments from the Australian Government amounting to $67,500 and $447,300 as part of its 'Boosting Cash Flow for Employers' and 'JobKeeper' schemes, respectively, in response to the Coronavirus ('COVID-19') pandemic. These non-tax amounts were recognised as government grants and recognised as income once there was reasonable assurance that the Group complied with any conditions attached.

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Note 7. Expenses

	Consolidated 2022 $	Consolidated 2021 $
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	1,180	7
Depreciation		
Computer equipment	21,042	14,235
Office equipment	6,167	6,781
Buildings right-of-use assets	143,793	48,675
Total depreciation	171,002	69,691
Amortisation		
Platform development	56,707	59,660
Trademarks	11,759	40,342
Total amortisation	68,466	100,002
Total depreciation and amortisation	239,468	169,693
Impairment		
Trademarks (note 13)	-	16,251
Employee benefits expense		
Salary and wages	3,468,837	2,815,098
Share-based payments expense	431,378	325,765
Defined contribution superannuation expense	290,846	247,975
Total employee benefits expense	4,191,061	3,388,838
Product development expense		
Product development cash expenses	1,503,841	1,329,580
Product development equity based payments	20,052	272,301
Total product development expense	1,523,893	1,601,881
Other expenses including the following material expenses:		
Board fees	249,900	220,085
Insurance	131,787	105,546
Audit fees	108,030	114,383
Filing fees	84,341	123,627
Other	107,707	119,724
Other expenses	681,765	683,365
Finance costs		
Interest and finance charges paid/payable on borrowings	122,742	103,229
Interest and finance charges paid/payable on lease liabilities	13,311	13,787
Finance costs expensed	33,657	117,016

Note 8. Income tax

	Consolidated 2022 $	Consolidated 2021 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(6,200,747)	(5,709,673)
Tax at the statutory tax rate of 25% (2021: 26%)	(1,550,187)	(1,484,515)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Impairment of intangibles	-	4,225
Research and development uplift	627,506	219,033
Derivative financial instruments - liabilities	(117,136)	-
	(1,039,817)	(1,261,257)
Current year tax losses not recognised	1,039,817	1,261,257
Income tax expense	-	-

	Consolidated 2022 $	Consolidated 2021 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	43,822,293	37,153,470
Potential tax benefit @ 25%	10,955,573	9,288,368

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The corporate tax rate applicable to base rate entities reduced from 27.5% to 26% for the 2020-21 income year and further reduced to 25% prospectively for the 2021-22 income year. 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 the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised. The impact of the change in tax rate on deferred tax balances has been recognised as tax expense in profit or loss or as an adjustment to equity to the extent to which the deferred tax relates to items previously recognised outside profit or loss.

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 2022 $	Consolidated 2021 $
Current assets		
Cash on hand	7	277
Cash at bank	3,073,928	3,411,150
Cash on deposit	50,000	50,000
	3,123,935	3,461,427

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Note 10. Receivables

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Trade receivables	25,625	6,573
Research and development incentive receivable	1,039,784	842,432
Other receivables	1,995	1,995
GST receivable	46,289	25,611
	1,113,693	876,611

Note 11. Other assets

	Consolidated 2022 $	Consolidated 2021 $
Current assets		
Prepayments	4,210	119,620
Security deposits	26,400	26,400
	30,610	146,020

Note 12. Property, plant and equipment

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Computer equipment - at cost	142,899	131,260
Less: Accumulated depreciation	(118,217)	(97,175)
	24,682	34,085
Office equipment - at cost	51,020	45,723
Less: Accumulated depreciation	(34,472)	(28,305)
	16,548	17,418
	41,230	51,503

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 2020	27,029	20,851	47,880
Additions	21,382	4,547	25,929
Disposals	(91)	(391)	(482)
Write off of assets	-	(808)	(808)
Depreciation expense	(14,235)	(6,781)	(21,016)
Balance at 30 June 2021	34,085	17,418	51,503
Additions	11,639	5,297	16,936
Depreciation expense	(21,042)	(6,167)	(27,209)
Balance at 30 June 2022	24,682	16,548	41,230

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Note 13. Right-of-use assets

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Buildings - right-of-use	303,554	303,554
Less: Accumulated depreciation	(220,293)	(72,901)
	83,261	230,653

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.

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

Balance at 1 July 2020	-
Additions	279,328
Depreciation expense	(48,675)
Balance at 30 June 2021	230,653
Lease modification	(3,599)
Depreciation expense	(143,793)
Balance at 30 June 2022	83,261

For other lease disclosures, refer to:
- note 7 for depreciation on right-of-use assets;
- note 7 for interest on lease liabilities;
- note 18 for lease liabilities; and
- statement of cash flows for repayment of lease liabilities.

Note 14. Intangibles

	Consolidated 2022 $	Consolidated 2021 $
Non-current assets		
Platform development - at cost	178,963	178,963
Less: Accumulated amortisation	(178,963)	(122,256)
	-	56,707
Trademarks - at cost	255,510	245,127
Less: Accumulated amortisation	(52,101)	(40,342)
Less: Impairment	(16,251)	(16,251)
	187,158	188,534
	187,158	245,241

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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:

Consolidated	Platform development $	Trademarks $	Total $
Balance at 1 July 2020	116,367	220,167	336,534
Additions	-	24,960	24,960
Impairment of assets	-	(16,251)	(16,251)
Amortisation expense	(59,660)	(40,342)	(100,002)
Balance at 30 June 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	-	187,158	187,158

Note 15. Trade and other payables

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Trade payables	195,165	162,299
Other payables	677,183	358,042
	872,348	520,341

Refer to note 23 for further information on financial instruments.

Note 16. Contract liabilities

	Consolidated 2022 $	Consolidated 2021 $
Current liabilities		
Contract liabilities	1,199	25,000
Non-current liabilities		
Contract liabilities	498,801	475,000

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

	2022 $	2021 $
Opening balance	500,000	-
Payments received in advance	-	500,000
Closing balance	500,000	500,000

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.


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Note 16. Contract liabilities (continued)

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 $500,000 as at 30 June 2022 ($500,000 as at 30 June 2021) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2022 $	2021 $
Within 6 months	-	2,500
6 to 12 months	1,199	22,500
12 to 18 months	11,699	33,000
18 to 24 months	37,102	43,500
beyond 24 months	450,000	398,500

Note 17. Borrowings & derivative financial instruments

	Consolidated	
	2022 $	2021 $
Current liabilities		
Insurance financing	33,915	26,778
Non-current liabilities		
Convertible Notes Payable – tranche 1 (i)	846,483	1,448,638
Derivative Financial Liabilities – tranche 1 (i)	557,919	-
Convertible Notes Payable – tranche 2 (ii)	-	-
Derivative Financial Liabilities – tranche 2 (ii)	758,619	-
	2,163,021	1,448,638

Refer to note 23 for further information on financial instruments.

Insurance financing
Insurance funding is a ten months short term loan with a fixed interest rate of 5.19% (2021: 5.49%).

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 of the prior convertible note agreement with Songtradr Inc. for a principal value of $3,000,000. 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. All the conditions of the original convertible note remain and in addition the Company 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 variation of the note, the original note of $1,420,000 would change the conversion price 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 adjust the conversion price if certain circumstances occur before the final redemption date. The note 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 second tranche 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 three 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.

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Note 17. Borrowings & derivative financial instruments (continued)

(i) **Tranche 1** - Under the requirements of AASB 9 *Financial Instruments*, the change in terms of the notes requires derecognition of the original note and recognition of the new 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 are not closely related. The financial liability host and the embedded derivative components have therefore been bifurcated and valued separately.

As of 30 June 2022, the tranche 1 financial liability host has been measured at $846,483 and the derivative liability is recorded at $557,919 after recording a fair value gain of $111,436 from date of modification to 30 June 2022.

(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 2022, the tranche 2 financial liability host has been measured at $1,013,502 before recording the deferred component of the transaction costs being the fair value of the Songtradr options ($1,992,102). In accordance with AASB 9, the day 1 loss of $978,600 has been deferred and will be recognised over the 3 year life of the options. The derivative liability is recorded at $758,619 after recording a fair value gain of $254,714.

The toal fair value gain on re-measurement of the derivative liability components as at 30 June 2022 is $366,150.

Refer to note 24 for fair value measurement of the derivative.

Note 18. Lease liabilities

	Consolidated	
	2022	2021
	$	$
Current liabilities		
Lease liability	86,315	70,209
Non-current liabilities		
Lease liability	-	142,831

Refer to note 22 for information on the maturity analysis of lease liabilities.

Note 19. Employee benefits

	Consolidated	
	2022	2021
	$	$
Current liabilities		
Annual leave	254,156	176,136
Non-current liabilities		
Long service leave	51,036	37,876

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Note 19. Employee benefits (continued)

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 2022 $	Consolidated 2021 $
Employee benefits obligation expected to be settled after 12 months	31,673	68,656

Note 20. Issued capital

	Consolidated 2022 Shares	Consolidated 2021 Shares	Consolidated 2022 $	Consolidated 2021 $
Ordinary shares - fully paid	342,578,199	300,910,430	38,620,271	36,397,102
Equity component of convertible notes	-	-	-	57,750
	342,578,199	300,910,430	38,620,271	36,454,852

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2020	247,190,330		32,792,654
Shares issued on capital raising	24 March 2021	53,720,000	$0.075	4,029,000
Shares issued on capital raising	24 March 2021	100	$0.250	25
Shares issue transaction costs		-	$0.000	(424,577)
Balance	30 June 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		-	$0.000	(276,916)
Balance	30 June 2022	342,578,199		38,620,271

Movements in equity component of convertible notes

Details	Date	Issue price	$
Balance	1 July 2020		-
Issue of convertible notes - tranche 1	10 September 2020		57,750
Balance	30 June 2021		57,750
Modification of convertible note - tranche 1			(57,750)
Balance	30 June 2022		-

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.

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Note 20. Issued capital (continued)

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.

Equity component of convertible notes
This represents the conversion right of the convertible notes. Refer to note 17 for further information.

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 2021 Annual Report.

Note 21. Reserves

	Consolidated 2022 $	Consolidated 2021 $
Share-based payments reserve	4,806,801	2,241,375

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	Share-based payments reserve $
Balance at 1 July 2020	1,460,473
Employee share-based payment expense	325,765
Broker options	182,837
Data partner warrants granted	272,300
Balance at 30 June 2021	2,241,375
Transaction costs of Songtradr options	1,992,102
Employee share-based payment expense	431,380
Broker options	121,892
Data partner warrants granted	20,052
Balance at 30 June 2022	4,806,801

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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:

	Assets		Liabilities	
Consolidated	**2022 $**	**2021 $**	**2022 $**	**2021 $**
US dollars	74,944	209	12	-

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 to achieve this when necessary.

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

	2022		2021	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Insurance financing	5.19%	33,915	5.49%	26,778
Convertible notes payable	7.50%	846,483	7.50%	1,448,638
Net exposure to cash flow interest rate risk		880,398		1,475,416

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

For the Group the loans outstanding, totalling $880,398 (2021: $1,475,416), are principal and interest payment loans. Monthly cash outlays of approximately $640 (2021: $488) per month are required to service the interest payments. An official increase/decrease in interest rates of 1 (2021: 1) basis points would have an adverse/favourable effect on profit before tax of $8,804 (2021: $14,754) 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 $49,321 (2021: $9,097) are due during the year ending 30 June 2022 (2021: 30 June 2021).

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Note 23. Financial instruments (continued)

Consolidated	2022 Weighted average interest rate %	2022 Balance $	2021 Weighted average interest rate %	2021 Balance $
Insurance financing	5.19%	33,915	5.49%	26,778
Convertible notes payable	7.50%	846,483	7.50%	1,448,638
Net exposure to cash flow interest rate risk		880,398		1,475,416

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

For the Group the loans outstanding, totalling $880,398 (2021: $1,475,416), are principal and interest payment loans. Monthly cash outlays of approximately $640 (2021: $488) per month are required to service the interest payments. An official increase/decrease in interest rates of 1 (2021: 1) basis points would have an adverse/favourable effect on profit before tax of $8,804 (2021: $14,754) 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 $49,321 (2021: $9,097) are due during the year ending 30 June 2022 (2021: 30 June 2021).

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.

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.

Note 23. Financial instruments (continued)

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

Consolidated - 2021	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	162,299	-	-	-	162,299
Other payables	-	358,042	-	-	-	358,042
Interest-bearing - variable						
Convertible notes payable	7.50%	-	-	1,448,638	-	1,448,638
Insurance financing	5.49%	26,778	-	-	-	26,778
Lease liability	-	70,209	142,831	-	-	213,040
Total non-derivatives		617,328	142, 831	1,448,638	-	2,208,797

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

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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

Consolidated - 2022	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative financial liabilities	-	-	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%-5%	A 1% change would decrease the fair value by $28,379 and a -1% change would increase the fair value by $56,826.

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 2022 $	 2021 $
Short-term employee benefits	1,259,368	1,163,468
Post-employment benefits	116,104	104,742
Long-term benefits	9,800	23,031
Share-based payments	412,298	327,890
	1,797,570	1,619,131

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 2022 $	 2021 $
Audit services - Grant Thornton		
Audit or review of the financial statements	108,030	114,643

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Note 27. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 28. Related party transactions

Parent entity
Jaxsta Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

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	
	2022 $	2021 $
Loss after income tax	(117,044)	(2,924,989)
Total comprehensive income	(117,044)	(2,924,989)

Statement of financial position

	Parent	
	2022 $	2021 $
Total current assets	15,192,295	9,864,111
Total assets	15,192,295	9,864,111
Total current liabilities	-	-
Total liabilities	2,163,021	1,448,638
Equity		
Issued capital	38,620,271	36,454,852
Share-based payments reserve	4,806,801	2,241,375
Accumulated losses	(30,397,798)	(30,280,754)
Total equity	13,029,274	8,415,473

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Note 29. Parent entity information (continued)

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 2022 and 30 June 2021.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

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. 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 2022 %	Ownership interest 2021 %
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%

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2022 $	Consolidated 2021 $
Loss after income tax expense for the year	(6,200,747)	(5,709,673)
Adjustments for:		
Depreciation and amortisation	239,468	169,693
Share-based payments	573,324	780,902
Foreign exchange differences	7,805	(9,919)
Write off of assets	-	17,059
Net gain on amendment of convertible notes	(366,150)	-
Finance costs reduction on amendment of convertible notes	(102,396)	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(237,082)	651,414
Decrease in prepayments	115,410	77,394
Increase/(decrease) in trade and other payables	352,007	(50,809)
Increase in contract liabilities	-	500,000
Increase/(decrease) in employee benefits	91,180	(24,971)
Increase in other provisions	18,838	24,462
Net cash used in operating activities	(5,508,343)	(3,574,448)

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Note 32. Changes in liabilities arising from financing activities

Consolidated	Research and development rebate financing $	Insurance financing $	Convertible notes payable $	Lease liability $	Derivative financial instrument $	Total $
Balance at 1 July 2020	365,037	24,972	-	-	-	390,009
Net cash from/(used in) financing activities	(365,037)	1,806	1,420,000	(66,170)	-	990,599
Interest	-	-	28,638	-	-	28,638
Acquisition of plant and equipment by means of leases	-	-	-	279,210	-	279,210
Balance at 30 June 2021	-	26,778	1,448,638	213,040	-	1,688,456
Net cash from/(used in) financing activities	-	7,137	3,000,000	(126,725)	-	2,880,412
Interest	-	-	(167,704)	-	-	(167,704)
Remeasurement of convertible note	-	-	(3,434,451)	-	1,316,538	(2,117,913)
Balance at 30 June 2022	-	33,915	846,483	86,315	1,316,538	2,283,251

Note 33. Earnings per share

	Consolidated 2022 $	Consolidated 2021 $
Loss after income tax attributable to the owners of Jaxsta Ltd	(6,200,747)	(5,709,673)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	332,418,113	261,760,987
Weighted average number of ordinary shares used in calculating diluted earnings per share	332,418,113	261,760,987
	Cents	**Cents**
Basic earnings per share	(1.87)	(2.18)
Diluted earnings per share	(1.87)	(2.18)

239,359,366 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 34. 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 2,500,000 options under the ESIS to senior executives as part of aligning compensation with the goals of the Songtradr transaction.

Additionally, the Company received shareholder approval on 24 June 2022 for 47,500,000 options for the new Board of Directors that were issued subsequent to the year end on 1 July 2022 as part of the starting tenure of new directors and compensation change for existing directors and executives. The Company also issued 142,857,143 options to Songtradr Inc. as part of the Songtradr transaction and approved by shareholders on 24 June 2022.

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Note 34. Share-based payments (continued)

During the year the Group also issued 2,000,000 options to its financial advisors managing the Capital Offer. The three year options were issued with an exercise price of 200% the price of the offer to shareholders. The options were issued in October 2021 and ratified by shareholders at a General Meeting on 24 November 2021.

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

	Number of options 2022	Weighted average exercise price 2022	Number of options 2021	Weighted average exercise price 2021
Outstanding at the beginning of the financial year	48,302,223	$0.160	35,899,145	$0.168
Granted	192,357,143	$0.021	12,675,000	$0.126
Cancelled/forfeited	(1,300,000)	$0.355	(271,922)	$0.295
Outstanding at the end of the financial year	239,359,366	$0.021	48,302,223	$0.160
Exercisable at the end of the financial year	11,440,556	$0.129	7,871,378	$0.115

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
14/04/2021	14/04/2024	$0.150	3,000,000	-	-	-	3,000,000
26/11/2020 [1]	21/04/2026	$0.129	3,000,000	-	-	-	3,000,000
11/06/2021 [1]	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

[1] 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 grant date occurred later due to necessary shareholder approvals or finalisation of award terms.

Note 34. Share-based payments (continued)

2021

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	601,922	-	-	(76,922)	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	-	2,075,000	-	(195,000)	1,880,000
14/04/2021	14/04/2024	$0.150	-	3,000,000	-	-	3,000,000
26/11/2020 [1]	21/04/2026	$0.129	-	3,000,000	-	-	3,000,000
11/06/2021 [1]	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
			35,899,145	12,675,000	-	(271,922)	48,302,223

The weighted average share price during the financial year was $0.050 (2021: $0.095).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.8 years (2021: 3.3 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
05/10/2021	03/10/2024	$0.062	$0.150	179.00%	-	2.00%	$0.0609
16/06/2022	15/06/2025	$0.035	$0.035	36.00%	-	5.00%	$0.0002
24/06/2022	30/06/2025	$0.024	$0.000	37.00%	-	5.00%	$0.0210
24/06/2022	30/06/2025	$0.024	$0.035	37.00%	-	5.00%	$0.0004
24/06/2022	30/06/2025	$0.024	$0.021	37.00%	-	5.00%	$0.0210

Note 35. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 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.

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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 2022 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

19 September 2022

Sydney, New South Wales

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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 2022 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 2022 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 $6,200,747 during the year ended 30 June 2022, and as of that date, the Group's current assets exceeded its current liabilities by $594,282. 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.

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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
Convertible loan notes (Note 17 and Note 20)	
The Group entered into an amendment agreement of its existing convertible notes during the year. The amendment resulted in an additional tranche of convertible notes being issued with a principal value of $3,000,000 and re-set the conversion price of the existing notes from $0.035 to $0.021 per share. At the same time, and as consideration for entering into the agreement, the Group issued the note holder with an option deed for 142,857,142 options at a subscription price of $0.021. Convertible notes may be classified as equity, liability, or a compound financial instrument (i.e. features of both equity and liability). Appropriate classification requires management to consider the relevant definitions under AASB 132: *Financial Instruments - Presentation*. In some instances, conversion features do not meet the definition of equity and are required to be accounted for as an embedded derivative. Significant judgement is involved in accounting for and valuing the convertible notes, including whether the amendments are a modification or extinguish the original agreement and the subjectivity of inputs put into the required valuations. As such, this has been identified as a key audit matter.	Our procedures included, amongst others: • obtaining and reviewing the amended convertible note agreement and attached option deed, including reviewing key clauses around conversion features; • obtaining management's assessment on compliance with the relevant Australian Accounting Standards and assessing whether classification and recognition of the instruments are appropriate; • obtaining management's assessment of the accounting treatment of the amendments made to the convertible notes and assessing whether the amendments have been accounted for appropriately; • recalculating interest expense based on agreed terms of the agreement and comparing it to the actual interest expense incurred for the year; • obtaining management's valuation in relation to the fair value of the conversion feature and attached options and assessing the reasonableness of the valuation performed, including: – understanding the significant assumptions utilised in the model; – assessing the accuracy of the underlying data utilised in the valuation model, including agreeing the key inputs to supporting documentation; – re-performing a sample of the valuation with the assistance of our internal valuation specialist. • recalculating the modification accounting of the original notes; and • assessing the adequacy of the relevant disclosures in the financial statements.

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Key audit matter	How our audit addressed the key audit matter
Recognition of R&D tax incentive (Notes 6 and 10)	
Under the research and development (R&D) tax incentive scheme, the Group receives an R&D refundable tax offset from the Australian government, which represents the corporate tax rate plus 18.5 cents in each dollar of eligible annual R&D expenditure. It is a requirement under the Accounting Standards and Group policy to recognise this income when it is probable that the economic benefit will flow to the entity and the income can be reliably measured. This is considered an area of focus and is a Key Audit Matter for the year ended 30 June 2022 due to the degree of judgment and interpretation of the R&D tax legislation required by management to assess the eligibility of the R&D expenditure eligible under the scheme.	Our procedures included, amongst others: • obtaining, through discussions with management, an understanding of the process to estimate the claim; • utilising an internal R&D tax specialist to; – review the expenditure methodology employed by management for consistency with the R&D tax offset rules; and – consider the nature of the expenses against the eligibility criteria of the R&D tax incentive scheme to form a view about whether the expenses included in the estimate were likely to meet the eligibility criteria; • comparing the nature of the R&D expenditure included in the current year estimate to the prior year's claim; • selecting a sample of R&D expenditure and agreeing to supporting documentation to ensure appropriate classification, the validity of the claimed amount and eligibility against the R&D tax incentive scheme criteria; and • assessing the appropriateness of the financial statement disclosures.

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 2022, 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.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 20 to 28 of the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Jaxsta Ltd, for the year ended 30 June 2022 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

Grant Thornton Audit Pty Ltd
Chartered Accountants

RJ Isbell

R J Isbell
Partner – Audit & Assurance

Sydney, 19 September 2022

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Shareholder Information

The shareholder information set out below was applicable as at 14 September 2022.

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	88	0.01	-	-
1,001 to 5,000	267	0.25	-	-
5,001 to 10,000	260	0.63	-	-
10,001 to 100,000	639	7.61	9	0.63
100,001 and over	332	91.50	27	99.37
	1,586	100.00	36	100.00
Holding less than a marketable parcel	846	1.94	-	-

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
Ms Jacqueline Samantha Louez Schoorl	25,920,004	7.57
Mr Louis Schoorl	22,570,000	6.59
GE Equity Investments Pty Ltd	15,577,500	4.55
Ms Patrycja Dorata Protasiuk	9,052,989	2.64
T R Samuels Transport Pty Limited	9,000,000	2.63
BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	8,974,663	2.62
Alua Nominees Pty Ltd	6,688,723	1.95
Blazzed Pty Ltd <Gaunt Management A/C>	5,044,016	1.47
Mr John Raymond Kirton	5,000,000	1.46
Sandhurst Trustees Ltd <Cyan C3g Fund A/C>	4,517,020	1.32
Citicorp Nominees Pty Limited	4,498,107	1.31
Mr Edward Reece Leigh Jones	4,100,000	1.20
Rgc Capital Pty Limited	3,600,000	1.05
Jalsu Pty Ltd <The Fisher Assets A/C>	3,500,000	1.02
Wells Estates Pty Ltd <Kk Wells Super Fund A/C>	3,320,000	0.97
Mr Kausheel Kumar	3,151,978	0.92
Mr Jun Gu	3,020,835	0.88
Mrs Deborah Karin Reilly	2,750,469	0.80
Sassey Pty Ltd <Avago Super Fund A/C>	2,614,000	0.76
23 Xi Investments Pty Ltd <JJC Consulting Services A/C>	2,500,000	0.73
Total	**143,949,804**	**42.42**
Total Issued Capital	**342,728,199**	**100.00**

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	96,502,223	36
Convertible notes	2	1

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Ms Jacqueline Samantha Louez Schoorl	25,920,004	7.57
Mr Louis Schoorl	22,570,000	6.59

Sunstantial holder (unquoted securities)

	Number held	Instrument
Ms Jacqueline Samantha Louez Schoorl	20,000,000	Unquoted options
Songtradr	2	Convertible notes

	Options over ordinary shares	
	Number held	% of total options issued
Ms Jacqueline Samantha Louez Schoorl	20,000,000	20.72

	Convertible notes	
	Number held	% of total Convertible notes issued
Songtradr Inc	2	100.00

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.

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Corporate Directory

Directors

Linda Jenkinson
Chair

Ken Gaunt
Non-Executive Director

Ben Katovsky
Independent, Non-Executive Director

Steve Gledden
Independent, Non-Executive Director

Key Executives

Beth Appleton
Chief Executive Officer

Jorge Nigaglioni
Chief Financial Officer & Company Secretary

Michael Stone
Chief Technology Officer

Registered Office & Principal Place of Business

Level 1/113-115 Oxford Street
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Contact Details

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Email: jaxstainvestors@jaxsta.com

Auditors

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Share Registry

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automicgroup.com.au

Jaxsta Limited ordinary shares are listed on the Australian Stock Exchange (ASX) under the ticker JXT.

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The story behind the music

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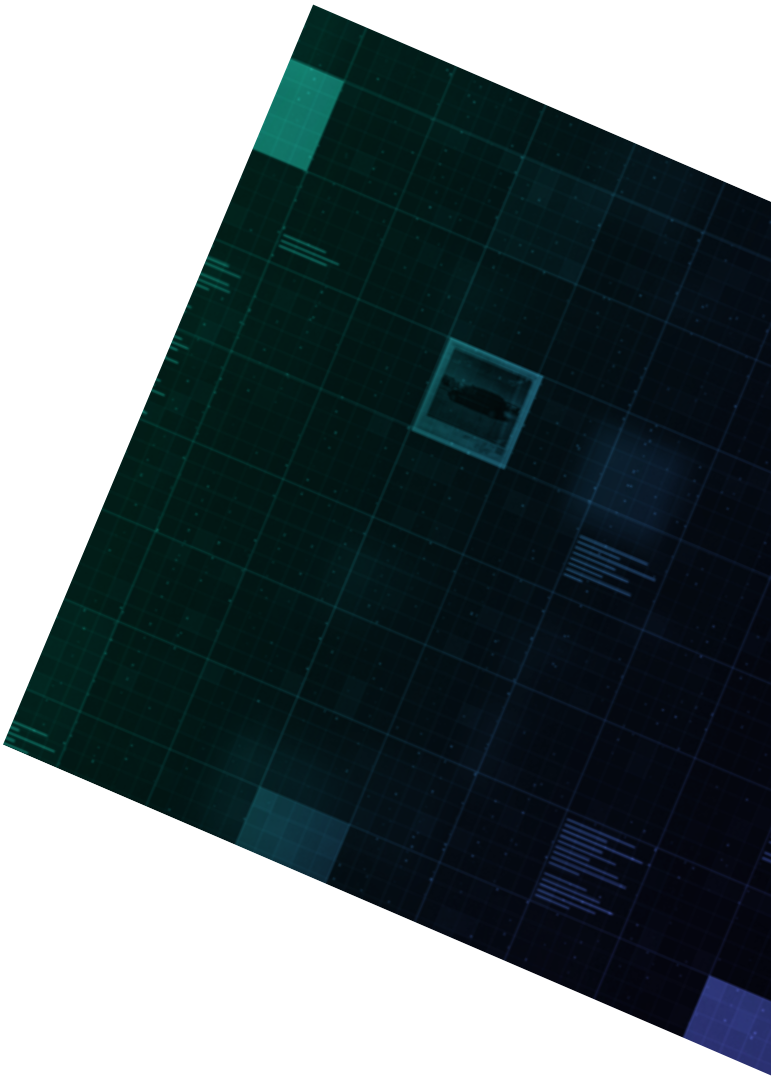

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