Interim Financial Report
For the half year ended
31 December 2021

Jaxsta Ltd
ABN 15 106 513 580

Jaxsta Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity:	Jaxsta Ltd
ABN:	15 106 513 580
Reporting period:	For the half-year ended 31 December 2021
Previous period:	For the half-year ended 31 December 2020

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	100.0%	to	30,958
Other income and interest revenue	down	21.8%	to	650,489
Loss from ordinary activities after tax attributable to the owners of Jaxsta Ltd	up	24.3%	to	(3,224,774)
Loss for the half-year attributable to the owners of Jaxsta Ltd	up	24.3%	to	(3,224,774)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Group after providing for income tax amounted to $3,224,774 (31 December 2020: $2,594,487).

Refer to Market announcement, which precedes the Appendix 4D, for further commentary on the results for the half-year ended 31 December 2021.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.34	0.60

Net tangible assets per ordinary security has been calculated by including the right-of-use assets of $1,052 (30 June 2021: $17,613).

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The review report is expected to contain a paragraph addressing material uncertainty related to going concern.

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11. Attachments

Details of attachments (if any):

The Interim Report of Jaxsta Ltd for the half-year ended 31 December 2021 is attached.

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12. Signed



Signed _____ Date: 28 February 2022

Jacqueline Louez Schoorl
Executive Director & Chief Executive Officer
Sydney

Half Year 2022 Milestones

12th JULY 2021

Beth Appleton, former General Manager of Warner Music Australia & Senior VP of Marketing Australasia, joins Jaxsta as Chief Marketing Officer

12th AUGUST 2021

Launch of new paid structure for Jaxsta Pro with its Plus tier available to members who want access to all features available and a free Core tier available for members who are not ready to upgrade but want access to the free features.

23rd AUGUST 2021

Distrokid enters into a Commercial Data Access Agreement, which will bring the large catalogue of self publishing creatives from the service into Jaxsta in the first months of 2022.

27th SEPTEMBER 2021

Soundcloud (Repost) enters into a Commercial Data Access Agreement, The data ingestion commenced in December 2021 and completed in January 2022.d

10th NOVEMBER 2021

Jaxsta launches its One Sheet feature for Jaxsta Plus members, providing a personalised page to use for communicating key information about your profiles. One Sheets also have vanity URLs to more easily promote profiles.

31 DECEMBER 2021

Jaxsta has signed 12 Data Solution deals, delivering 4 by year end and working with customers on their deployments

Jaxsta by the Numbers

Feb 28 2022



	Profiles	Credits
Main Artists	5,567,590	73,383,322
Songwriters	6,287,356	74,730,193
Producers	1,201,244	13,428,781
Engineers	456,257	10,777,923

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The World's Home Of Official Music Credits

Jaxsta Ltd

ABN 15 106 513 580

Interim Report - 31 December 2021

Jaxsta Ltd
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31 December 2021

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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 half-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 28 February 2022. The directors have the power to amend and reissue the financial statements.

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 half-year ended 31 December 2021.

Directors

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

Linda Jenkinson	Non-Executive Director and Chair
Jacqueline ('Jacqui') Louez Schoorl	Executive Director, Chief Executive Officer and Co-founder
Jorge Nigaglioni	Executive Director, Chief Financial Officer and Company Secretary
Brett Cottle	Non-Executive Director
Robert Kenneth ('Ken') Gaunt	Non-Executive Director

Principal activities

During the financial half-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 half-year.

Review of operations

The loss for the Group after providing for income tax amounted to $3,224,774 (31 December 2020: $2,594,487).

The half-year ended 31 December 2021 was the first step towards normalising the business post the initial COVID-19 changes. Financial year 2020 was about stability and setting up the future growth. The Group continued to hire talent in key areas to secure that next phase, one key addition was Beth Appleton as the Company's Chief Marketing Officer. The Group also focused on completing the data landscape, with the addition of Soundcloud (REPOST) and Distrokid, the latter's data ingestion which will be completed in the second half of this year.

On the Jaxsta Pro segment, the paid tier Jaxsta Plus was launched in August 2021. We also continued with a free tier, Jaxsta Core, as we transition and enhance the value proposition. As at 31 December 2021, we have 600 Jaxsta Plus members and 109,906 Jaxsta Core members. The strategy around Jaxsta Pro is threefold:

(1) Continue to attract new users to the service at all tiers. We continue to evolve our marketing campaign to increase signups and site traffic;
(2) Continue to enhance the value proposition of the existing tiers. The Group rolled out the One Sheet in November 2021, one of the various projects undertaken to keep increasing the value of Jaxsta Plus to its members in order to enhance the conversion ratio from Core to Plus; and
(3) Deploy the enhanced business tiers that allow businesses to manage a portfolio of creatives or provide enterprise clients the tools to enhance discovery and validation of client records.

The Group enhanced its development team over the half year as it looks to increase the cadence of releases and new features in the second half of the year.

On the Jaxsta Data Solutions front, the Group had signed a total of 12 contracts as at 31 December 2021, with 5 of those contracts being used by clients in their live environments. The Group's strategy in this segment is as follows:

(1) Expand the team with a dedicated resource to manage the segment, including sales and data strategy;
(2) Focus on key industry segments which have the most interest in the current data sets such as neighbouring rights, artist management, talent discovery; and
(3) Continue to add other data sets

The Group continues to take feedback from customers to change 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 $2,345,085 at a price of $0.06 per share.

Significant changes in the state of affairs

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

COVID-19

The Group adjusted its operations as a result of COVID-19 by offering its Jaxsta Pro service for free for at least the remainder of the 2020 calendar year, which it extended until the relaunch was completed in August 2021. The performance/touring and recording sectors of the music industry had to cancel activities during the year affecting the income of many music professionals. The Group's action provided music professionals a tool to maximise the potential for their careers during and post COVID-19 by having their profiles with official credits ready for their next engagement, which was considered to be an important administrative activity.

The Group's mandate continues to be the prudent use of its cash resources in line with achieving strategic goals of platform acceptance by the target market.

As a pre-revenue venture, the focus was on safely continuing operations and continuing the development of the Jaxsta platform whilst engaging customers during the free membership promotion. The safety of Jaxsta's employees is paramount and the Group implemented security measures to be able to work remotely. The Group continues to adjust its COVID-19 work from office and home policies as needed by changes in government mandates within each jurisdiction it operates. The Group managed through the Delta wave that affected New South Wales during the first half of the year which affected the timing of the launch of Jaxsta Plus. The Group is managing through the current Omicron wave with many of the measures put into place throughout the pandemic.

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 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Jacqueline Louez Schoorl
Executive Director & Chief Executive Officer

28 February 2022


jaxsta

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Auditor's Independence Declaration

To the Directors of Jaxsta Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Jaxsta Limited for the half-year ended 31 December 2021, 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 review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton Audit Pty Ltd
Chartered Accountants

Rosie Isbell
Partner – Audit & Assurance

Sydney, 28 February 2022

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Jaxsta Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 $	Consolidated 31 Dec 2020 $
Revenue		30,958	2
Other income	3	650,325	831,986
Interest revenue calculated using the effective interest method		164	1,144
Expenses			
Raw materials and consumables used		(407)	(1)
Employee benefits expense	4	(2,057,053)	(1,658,068)
Product development expense		(721,015)	(753,659)
Depreciation and amortisation expense	4	(122,118)	(40,744)
Impairment of intangibles		-	(16,251)
Professional fees		(196,474)	(216,474)
Marketing expense		(398,111)	(343,254)
Occupancy expense		(9,608)	(55,787)
Other expenses		(331,592)	(290,218)
Finance costs	4	(69,843)	(53,163)
Loss before income tax expense		(3,224,774)	(2,594,487)
Income tax expense		-	-
Loss after income tax expense for the half-year attributable to the owners of Jaxsta Ltd		(3,224,774)	(2,594,487)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Jaxsta Ltd		(3,224,774)	(2,594,487)
		Cents	**Cents**
Basic earnings per share	12	(1.00)	(1.05)
Diluted earnings per share	12	(1.00)	(1.05)

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

Jaxsta Ltd
Statement of financial position
As at 31 December 2021

	Note	Consolidated 31 Dec 2021 $	Consolidated 30 Jun 2021 $
Assets			
Current assets			
Cash and cash equivalents		3,217,273	3,461,427
Trade and other receivables	5	627,566	876,611
Other assets		193,982	146,020
Total current assets		4,038,821	4,484,058
Non-current assets			
Property, plant and equipment		51,891	51,503
Right-of-use assets	6	154,625	230,653
Intangibles	7	219,182	245,241
Total non-current assets		425,698	527,397
Total assets		4,464,519	5,011,455
Liabilities			
Current liabilities			
Trade and other payables	8	499,281	520,341
Contract liabilities		25,000	25,000
Borrowings	9	109,725	26,778
Lease liabilities		10,742	70,209
Employee benefits		221,911	176,136
Lease make good provision		24,640	24,462
Total current liabilities		891,299	842,926
Non-current liabilities			
Contract liabilities		475,000	475,000
Borrowings	9	1,506,676	1,448,638
Lease liabilities		142,831	142,831
Employee benefits		48,982	37,876
Total non-current liabilities		2,173,489	2,104,345
Total liabilities		3,064,788	2,947,271
Net assets		1,399,731	2,064,184
Equity			
Issued capital	10	38,678,021	36,454,852
Reserves		2,578,527	2,241,375
Accumulated losses		(39,856,817)	(36,632,043)
Total equity		1,399,731	2,064,184

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

Jaxsta Ltd
Statement of changes in equity
For the half-year ended 31 December 2021

Consolidated	Issued capital $	Reserves $	Accumulated losses $	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 half-year	-	-	(2,594,487)	(2,594,487)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,594,487)	(2,594,487)
Transactions with owners in their capacity as owners:				
Share-based payments (note 13)	-	336,260	-	336,260
Convertible note issuance equity component	57,750	-	-	57,750
Balance at 31 December 2020	32,850,404	1,796,733	(33,516,857)	1,130,280

Consolidated	Issued capital $	Reserves $	Accumulated losses $	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 half-year	-	-	(3,224,774)	(3,224,774)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(3,224,774)	(3,224,774)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 10)	2,223,169	-	-	2,223,169
Share-based payments (note 13)	-	337,152	-	337,152
Balance at 31 December 2021	38,678,021	2,578,527	(39,856,817)	1,399,731

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

Jaxsta Ltd
Statement of cash flows
For the half-year ended 31 December 2021

	Note	Consolidated 31 Dec 2021 $	Consolidated 31 Dec 2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		283,099	499,999
Payments to suppliers and employees (inclusive of GST)		(3,806,193)	(3,070,102)
Receipts from grants - research and development (inclusive of GST)		842,435	1,108,176
Receipts from grants - export development (inclusive of GST)		100,000	-
Government grants received - COVID-19 support		-	364,000
		(2,580,659)	(1,097,927)
Interest received		164	1,159
Interest and other finance costs paid		(69,843)	-
Net cash used in operating activities		(2,650,338)	(1,096,768)
Cash flows from investing activities			
Payments for property, plant and equipment		(13,910)	(3,656)
Payments for intangibles	7	(10,286)	-
Proceeds from disposal of Marine Rescue Technologies ('MRT') brand		-	382,500
Net cash (used in)/ from investing activities		(24,196)	378,844
Cash flows from financing activities			
Proceeds from issue of shares	10	2,500,085	-
Share issue transaction costs		(155,000)	-
Proceeds from borrowings		140,985	1,420,000
Repayment of borrowings		-	(448,346)
Repayment of lease liabilities		(55,690)	-
Net cash from financing activities		2,430,380	971,654
Net (decrease)/increase in cash and cash equivalents		(244,154)	253,730
Cash and cash equivalents at the beginning of the financial half-year		3,461,427	2,404,848
Cash and cash equivalents at the end of the financial half-year		3,217,273	2,658,578

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, 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 $3,224,774 (31 December 2020: $2,594,487 and had a net cash outflow from operations of $2,650,338 (31 December 2020: $1,096,768) for the half-year ended 31 December 2021. As at 31 December 2021, the Group had an excess working capital of $3,147,522 (30 June 2021: excess working capital of $3,641,132). As at the signing date of the Financial Statements, the Group had cash assets of $2,148,385.

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. Our commercial API and Jaxsta Pro subscription service started earning revenues over the last few months and the Company is working to continue its development roadmap to enhance both services in order to accelerate revenue growth.

The Group launched its Jaxsta Pro service in November 2019, to navigate COVID the product transitioned to operate under a freemium model and re-launched to a new paid product (Jaxsta Plus) version in August 2021. In addition it has launched its commercial API in January 2021 with the intention of growing its Data Solutions business segment revenues in the coming periods.

Management has prepared cash flow forecasts for the Group for the period ending 28 February 2023 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 receipt of a R&D tax concession for the financial year ended 30 June 2022 and establishing a line of credit secured against the future R&D tax concessions that the Group expects to receive in respect of FY2022 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 are material uncertainties that cast significant doubt over the ability of the Group to continue as a going concern.

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.

Note 2. 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.

All of the Group's revenues during the half-year ended 31 December 2021 and 31 December 2020 were generated in Australia.

Note 3. Other income

	Consolidated	
	31 Dec 2021	31 Dec 2020
	$	$
Net foreign exchange (loss)/gain	(5,599)	20,374
Government grants - COVID-19 support *	-	390,000
Export market development grant	100,000	-
Research and development tax incentive	555,924	418,332
Other income	-	3,280
Other income	650,325	831,986

* During the half-year the Group received payments from the Australian Government amounting to $nil (2020: $67,500) and $nil (2020: $332,500) 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 have been recognised as government grants and recognised as income once there is reasonable assurance that the Group will comply with any conditions attached.

Note 4. Expenses

	Consolidated 31 Dec 2021 $	Consolidated 31 Dec 2020 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Computer equipment	10,674	6,758
Office equipment	2,848	3,998
Buildings right-of-use assets	72,251	-
Total depreciation	85,773	10,756
Amortisation		
Platform development	30,506	29,988
Trademarks	5,839	-
Total amortisation	36,345	29,988
Total depreciation and amortisation	122,118	40,744
Employee benefits expense		
Salary and wages	1,714,169	1,296,444
Share-based payments expense	199,499	239,580
Defined contribution superannuation expense	143,385	122,044
	2,057,053	1,658,068
Finance costs		
Interest and finance charges paid/payable on borrowings	69,843	53,163

Note 5. Trade and other receivables

	Consolidated 31 Dec 2021 $	Consolidated 30 Jun 2021 $
Current assets		
Trade receivables	20,275	6,573
Research and development incentive receivable	555,921	842,432
Other receivables	1,995	1,995
BAS receivable	49,375	25,611
	627,566	876,611

Note 6. Right-of-use assets

	Consolidated 31 Dec 2021 $	Consolidated 30 Jun 2021 $
Non-current assets		
Buildings - right-of-use	303,554	303,554
Less: Accumulated depreciation	(148,929)	(72,901)
	154,625	230,653

Note 6. Right-of-use assets (continued)

The Group leases building space for its office under agreement 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 financial half-year are set out below:

Consolidated	Buildings $
Balance at 1 July 2021	230,653
Lease modification	(3,777)
Depreciation expense	(72,251)
Balance at 31 December 2021	154,625

Note 7. Intangibles

	Consolidated 31 Dec 2021 $	Consolidated 30 Jun 2021 $
Non-current assets		
Platform development - at cost	178,963	178,963
Less: Accumulated amortisation	(152,762)	(122,256)
	26,201	56,707
Trademarks - at cost	255,413	245,127
Less: Accumulated amortisation	(46,181)	(40,342)
Less: Impairment	(16,251)	(16,251)
	192,981	188,534
	219,182	245,241

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

Consolidated	Platform development $	Trademarks $	Total $
Balance at 1 July 2021	56,707	188,534	245,241
Additions	-	10,286	10,286
Amortisation expense	(30,506)	(5,839)	(36,345)
Balance at 31 December 2021	26,201	192,981	219,182

Note 8. Trade and other payables

	Consolidated 31 Dec 2021 $	Consolidated 30 Jun 2021 $
Current liabilities		
Trade payables	157,564	162,299
Other payables	341,717	358,042
	499,281	520,341

Note 9. Borrowings

	Consolidated	
	31 Dec 2021 $	30 Jun 2021 $
Current liabilities		
Insurance financing	109,725	26,778
Non-current liabilities		
Convertible notes payable	1,506,676	1,448,638

Insurance financing
Insurance funding is a ten months short term loan with a fixed interest rate of 5.19% (30 June 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.

The noteholder can convert or seek repayment of the note at the expiration of the term of the note. 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 note is considered a compound financial instrument and equity component has been estimated for the conversion into ordinary shares (refer note 10).

Note 10. Issued capital

	Consolidated			
	31 Dec 2021 Shares	30 Jun 2021 Shares	31 Dec 2021 $	30 Jun 2021 $
Ordinary shares - fully paid	342,578,199	300,910,430	38,620,271	36,397,102
Equity component of convertible notes	-	-	57,750	57,750
	342,578,199	300,910,430	38,678,021	36,454,852

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	300,910,430		36,454,852
Shares issued on capital raising	28 September 2021	41,667,669	$0.060	2,500,060
Shares issued on capital raising	28 September 2021	100	$0.250	25
Transaction costs		-		(276,916)
Balance	31 December 2021	342,578,199		38,678,021

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared 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.

Note 10. 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.

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

Note 11. Dividends

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

Note 12. Earnings per share

	Consolidated 31 Dec 2021 $	Consolidated 31 Dec 2020 $
Loss after income tax attributable to the owners of Jaxsta Ltd	(3,224,774)	(2,594,487)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	322,423,681	247,190,330
Weighted average number of ordinary shares used in calculating diluted earnings per share	322,423,681	247,190,330
	Cents	**Cents**
Basic earnings per share	(1.00)	(1.05)
Diluted earnings per share	(1.00)	(1.05)

41,155,000 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 13. 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 2021 and extends the plan for a further three years.

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

	Number of options 31 Dec 2021	Weighted average exercise price 31 Dec 2021	Number of options 31 Dec 2020	Weighted average exercise price 31 Dec 2020
Outstanding at the beginning of the financial half-year	36,155,000	$0.189	26,751,822	$0.209
Granted	-	$0.000	2,075,000	$0.154
Cancelled/forfeited	(1,150,000)	$0.381	(76,922)	$0.651
Outstanding at the end of the financial half-year	35,005,000	$0.178	28,749,900	$0.204
Exercisable at the end of the financial half-year	-	$0.000	-	$0.000

The weighted average share price during the financial half-year was $0.064 (31 December 2020: $0.074).

Note 13. Share-based payments (continued)

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 2.75 years (31 December 2020: 3.39 years).

Note 14. Events after the reporting period

No matter or circumstance has arisen since 31 December 2021 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.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Jacqueline Louez Schoorl
Executive Director & Chief Executive Officer

28 February 2022

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Independent Auditor's Review Report

To the Members of Jaxsta Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Jaxsta Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Jaxsta Limited does not comply with the *Corporations Act 2001* including:

(a) giving a true and fair view of Jaxsta Limited's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss after tax of $3,224,774 and had a net cash outflow from operations of $2,650,338 during the half year ended 31 December 2021. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Grant Thornton Audit Pty Ltd
Chartered Accountants

R J Isbell
Partner – Audit & Assurance

Sydney, 28 February 2022


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