



Quarterly Activities Report

Q3 FY23/24

24 April 2024

Letter from the CEO

Dear Shareholders,

I am delighted to share our Q3 update, where Vinyl Group continued its trajectory of record growth while setting new benchmarks for our business. This quarter, we are pleased to report a 218% increase in revenue quarter-over-quarter (QoQ), increasing to \$1.86 million. This result includes only a partial quarter of results from The Brag Media following closing the acquisition on January 31, and follows a traditionally robust holiday quarter.

Following completion of the acquisition of The Brag Media, we immediately implemented a short term integration plan unlocking synergies across our tech platforms, including the launch of a merch store on Vinyl.com with official Rolling Stone merchandise, the introduction of cross-promotional display ads across our media properties, and the bundling of unused US ad inventory into a new Vampr Extended Ad Network offering for North America customers. Additionally, our IT teams are making steady progress towards integrating and consolidating internal systems, enhancing overall efficiency.

Our product and development teams have been rolling out new product features for Vampr, starting with our first-ever web networking experience. We're also underway with a full backend refactoring of Jaxsta to align our technology with the most modern and efficient coding practices, to unlock substantial cost savings and adopt an AI framework to improve the customer experience.

The capabilities of the Vampr platform were also showcased by our direct signing of differently-abled artist Emmanuel Kelly, whose single 'My Sky' reached No. 3 on the Ireland Spotify charts while also dominating mainstream Australian radio this summer. Looking ahead, Emmanuel will be opening for Coldplay in Australia and New Zealand this October. You can learn more about his story and how he used Vampr on Rolling Stone Australia [here](#).

I'm pleased to highlight that Vinyl.com's average order value has increased by 37% QoQ, and Jaxsta's B2B signups have surged by 90% in the same period. These figures have been further validated by our first industry award nominations since rebranding, marking Vinyl Group as a finalist in the Music Week Awards' Music Consumer Innovation category and our CMO, Alli Galloway, as a finalist in BandT's Women Leading Tech Awards.

Lastly, we were thrilled to host the first Rolling Stone Awards in Sydney since acquiring The Brag Media. Sponsored by Shure, the event was a tremendous success, attended by over 800 industry professionals, repeat customers and guests, including award-winners Neil Finn and Tones & I.

As always, your trust in us is deeply valued, and I look forward to staying connected through our new [Investor Hub](#) where will be sharing exciting updates in the coming weeks and months.

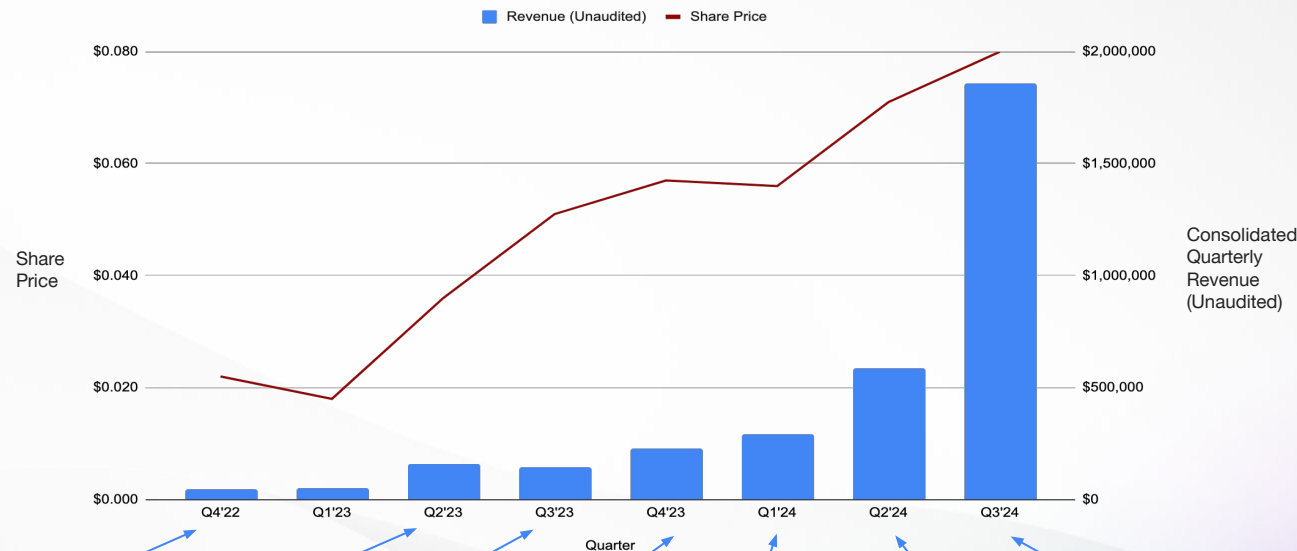


A handwritten signature in black ink that reads "Joshua Simons".

Josh Simons - Chief Executive Officer

Highlights from the Quarter and Traction

Share Price vs Quarterly Revenue (Unaudited)



We have grown revenues by

218%_{QoQ}


And compared with last year

1181%

Q3'24 vs Q3'23

 **Songtradr**
Investment &
Turnaround plan

 **VINYL**
COM
announced

 **vampr**
acquisition
announced

Vampr completed;
Vinyl.com launch;
\$3M placement

Josh Simons
appointed CEO;
Songtradr
converts Note #1

brag media
acquisition announced;
\$11M funding facility;
rebrand as Vinyl Group

Rolling Stone
2024 awards
following
completion of
Brag acquisition

The Brag Media 2024 Presentation

As narrated by Jess Hunter - available to watch on our Investor Hub page ¹



Jess Hunter
The Brag Media, General Manager

¹ <https://investors.vinyl.group/activity-updates/the-brag-media-upfront-presentation>

Mission

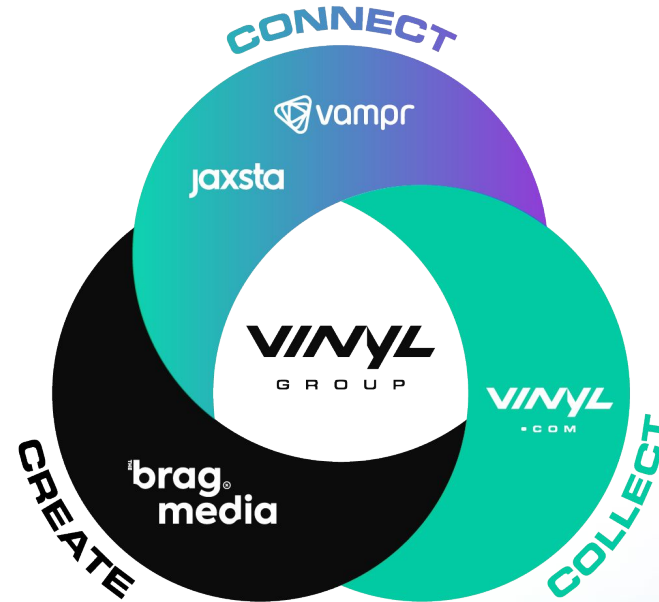
Vinyl Group provides world class tools to power and empower all participants of the music ecosystem: creators, rights holders and fans.

Collecting music - Vinyl.com is the best **e-commerce** experience for fans and super fans who love owning music.

Connecting musicians - **Subscription**, **API** and **freemium** access to Jaxsta, the largest database of music credits and Vampr, the leading online social-professional network for creators.

Creating engagement - Through **advertising**, **events**, consumer and trade media, The Brag Media is Australia's largest youth publisher, helping brands and talent connect with fans.

Our 2024 focus is on revenue growth, margin growth and complementary acquisition growth.



Summary of cash position and expenditure

Summary of cash position and expenditure:

- As at 31 March 2024, Vinyl Group had \$2.901 million in cash and cash equivalents. The company had an operating net cash burn of \$1.256 million, which was a 125% increase on the previous quarter's \$0.559 million operating net cash burn. Our net cash burn quarter over quarter increased by only \$52K or 4%, when you exclude R&D incentives received in the previous quarter.
- Cash from customers increased to \$1.690 million, which was an increase of \$1.166 million from the previous quarter.
- When looking at the Company's cash expenditure for the quarter and comparing it to the quarter ending 31 December 2023:
 - There was an increase in staff costs of \$768K from the additional Brag employees added during quarter;
 - There was an increase in product and platform operating costs of \$447K from continued sales of Vinyl.com and the cost of Brag Media campaigns during the quarter;
 - There was a \$27K decrease in research and development costs from the work on our Vinyl.com and Vampr platforms;
 - There was a decrease of \$82K in Sales and Marketing costs reducing from the increased holiday campaign for Vinyl.com;
 - There was an increase of \$114K in general and administrative costs from a mix of compliance costs and Brag transaction costs incurred in the current quarter.
- During the quarter, the business funded its operating activities from its working capital reserves.

Payments to related parties and their associates:

The Company had no payment to its related parties comprising salaries, directors fees, reimbursable expense payment to directors including executives who were directors during the past six months. No payments were made to associates of any related parties.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Vinyl Group Ltd

ABN

15 106 513 580

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to Date \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	1,690	2,476
1.2	Payments for		
	(a) research and development	(194)	(613)
	(b) product manufacturing and operating costs	(1,035)	(1,859)
	(c) advertising and marketing	(114)	(444)
	(d) leased assets	(2)	(7)
	(e) staff costs	(1,164)	(2,180)
	(f) administration and corporate costs	(443)	(975)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	6	18
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	773
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,256)	(2,811)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(1)
	(d) investments	(8,065)	(8,065)
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(8,066)	(8,066)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,045	4,045
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(5)
3.5	Proceeds from borrowings	6,955	6,955
3.6	Repayment of borrowings	(25)	(183)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	10,975	10,812

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,248	2,966
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,256)	(2,811)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(8,066)	(8,066)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	10,975	10,812
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,901	2,901

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,851	1,198
5.2	Call deposits	50	50
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,901	1,248

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

-

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

This includes the salaries, directors fees, reimbursable expense payment and travel allowances payable to directors, including the Chief Executive Officer and Chief Financial Officer.

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

7,055

7,005

-

-

-

-

7,055

7,005

7.5 Unused financing facilities available at quarter end

-

- 7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Vinyl Group funds its insurance policies through Principle Finance Pty Ltd, who charges a flat rate of 6.75% and secure the loan against the rights in the policy. Interest and principal are repaid in monthly instalments. At 31 March 2024, the loan facility derived from the insurance policies was \$49,946.

8. Estimated cash available for future operating activities

\$A'000

- 8.1 Net cash from / (used in) operating activities (Item 1.9) (1,256)
- 8.2 Cash and cash equivalents at quarter end (Item 4.6) 2,901
- 8.3 Unused finance facilities available at quarter end (Item 7.5) -
- 8.4 Total available funding (Item 8.2 + Item 8.3) 2,901
- 8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)** 2.31

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

- 8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

24/4/2024

Date:

The Board

Authorised by:
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.