



ASX Release

PRELIMINARY FINAL REPORT 2024

Melbourne, Australia, 31 August 2024: Vinyl Group Ltd (ASX: VNL), Australia's only ASX-listed music Company, is today pleased to release its preliminary final report and appendix 4E for the year ending 30 June 2024.

The financial year ended 30 June 2024 was focused on accelerating revenue growth and establishing a presence in new markets. These commercial efforts, which, for the purpose of this preliminary report, are summarised as follows:

- Revenue growth of 754% to \$4.971M in FY24
- Acquisition and integration of The Brag Media, increasing the breadth of services provided
- Reduction of principal amount of convertible debt from \$4.817M to \$1.371M

The Company spent considerable time and resources integrating The Brag Media, with an eye on the future, including a renewed focus on content development, which has already seen a positive impact on our audience numbers. The synergies unlocked through the integration of our systems and people, will provide a robust infrastructure for a seamless integration of Mediaweek post completion of that acquisition. This groundwork also lays the foundation for positive cash flows from The Brag Media FY25.

The recent Entitlements Offer was focused on growth investment aimed at accelerating the other business lines, like Vinyl.com and Vampr. We are seeing early dividends in this investment as we look to considerably grow these parts of the business heading into the holiday season and beyond. We also have an R&D project, well underway, to modernise and reduce the operating costs of the Jaxsta platform whilst bringing a new customer experience.

Our cost structure will start to realise cost savings in the first half of the year as we also focus on increased revenues to bring us close to our profitable state target.

Results

We have record revenues with, but our overall operating results were lower compared to FY23 as part of the growth strategy transition outlined above and mostly due to the following:

- fair value loss on the conversion of convertible notes, stemming from our increased share price during FY24 at the time of conversion;
- costs for acquiring and integrating The Brag Media, including cost review and cleanup of accrued costs;
- increased marketing and consultant costs;
- amortisation of intangibles assets from acquisitions;
- increase in employee costs from a larger team and redundancy costs paid during the year.

A large portion of the loss came from non-cash expenses, approximately \$11.0M of the total, with the balance being cash based losses of \$6.0M.

The Company finished the financial year with \$4.1M in cash reserves, but also a significant \$1.9M in trade and other receivables.

The Company will be providing a comprehensive investor update on the annual results and state of business following the upcoming release of the Annual Report to the market. Registration details to be made available on the Vinyl Group investor portal prior.

Authorisation and Additional Information:

This announcement was authorised by the Board of Vinyl Group Ltd

Vinyl Group Investor Relations:

E: investors@vinyl.group

-Ends-

ABOUT VINYL GROUP

Vinyl Group is the heartbeat of an equitable music world, providing tech solutions that connect and give credit to the creator economy. The Company's diverse portfolio has touchpoints across all corners of the global music ecosystem, empowering everyone from creators to consumers. Vinyl.com offers a world-class ecommerce experience including over 50K titles for fans to support their favourite artists. Vampr is a leading dedicated social-professional networking platform and talent marketplace, allowing 1.4M creators to discover collaborators and monetise their work in over 180 countries. Jaxsta is the world's largest and only database of official music credits with over 380M verified credits to streamline revenue opportunities for businesses in the music industry. The Brag Media is Australia's largest creator of premium youth content and events and publishes iconic titles including Rolling Stone AU/NZ, Variety Australia, TheBrag.com, The Music Network, Tone Deaf, and more.

1. Company details

Name of entity:	Vinyl Group Ltd
ABN:	15 106 513 580
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

				\$
Revenues from ordinary activities	up	753.7%	to	4,970,575
Other income and interest revenue	down	57.0%	to	332,684
Loss from ordinary activities after tax attributable to the owners of Vinyl Group Ltd	up	58.1%	to	(17,058,244)
Loss for the year attributable to the owners of Vinyl Group Ltd	up	58.1%	to	(17,058,244)

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 \$17,058,244 (30 June 2023: \$10,792,141).

Refer to Market announcement, which precedes the Appendix 4E, for further commentary on the results for the year ended 30 June 2024.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.47)	(1.38)

4. Control gained over entities

Name of entities (or group of entities)	Seventh Street Entertainment Pty Ltd, Seventh Street Media Pty Ltd and The Brag Publishing Pty Ltd collectively ('The Brag Media')
Date control gained	1 February 2024

Refer to note 10 'Business combinations' for details.

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.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

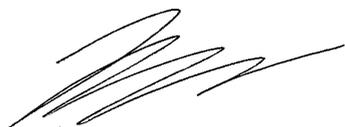
The financial statements are in the process of being audited and an unqualified opinion is expected to be issued. The auditor's report will contain a paragraph addressing material uncertainty related to going concern.

11. Attachments

Details of attachments (if any):

The Unaudited Preliminary Financial Report of Vinyl Group Ltd for the year ended 30 June 2024 is attached.

12. Signed



Signed _____

Date: 30 August 2024

Linda Jenkinson
Non-Executive Director and Chair
Melbourne

Vinyl Group Ltd

(Formerly known as Jaxsta Limited)

ABN 15 106 513 580

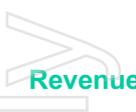
Unaudited Preliminary Financial Report - 30 June 2024

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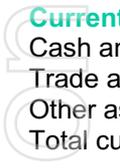
Vinyl Group Ltd
(Formerly known as Jaxsta Limited)
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2024



	Note	Consolidated 2024 \$	2023 \$
Revenue	2	4,970,575	582,209
Other income	3	302,276	762,024
Interest income calculated using the effective interest method		30,408	12,561
Expenses			
Raw materials and consumables used	4	(3,246,567)	(40,580)
Employee benefits expense	4	(3,742,389)	(3,081,318)
Product development expense	4	(1,111,881)	(844,370)
Depreciation and amortisation expense	4	(499,214)	(72,107)
Impairment of receivables		(11,438)	-
Write-off of assets	4	-	(68,016)
Professional fees		(1,688,360)	(544,997)
Marketing expense		(724,848)	(177,502)
Occupancy expense		(144,377)	(7,761)
Fair value loss on financial liabilities	8	(9,917,397)	(5,824,515)
Other expenses	4	(1,012,773)	(393,456)
Finance costs	4	(262,259)	(1,094,313)
Loss before income tax expense		(17,058,244)	(10,792,141)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Vinyl Group Ltd		(17,058,244)	(10,792,141)
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		37,893	(3,660)
Other comprehensive income for the year, net of tax		37,893	(3,660)
Total comprehensive income for the year attributable to the owners of Vinyl Group Ltd		<u>(17,020,351)</u>	<u>(10,795,801)</u>
		Cents	Cents
Basic earnings per share	11	(2.54)	(3.02)
Diluted earnings per share	11	(1.91)	(3.02)

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

Vinyl Group Ltd
(Formerly known as Jaxsta Limited)
Statement of financial position
As at 30 June 2024



	Note	Consolidated 2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents		4,132,383	2,966,748
Trade and other receivables	5	1,923,938	919,551
Other assets		136,643	29,205
Total current assets		<u>6,192,964</u>	<u>3,915,504</u>
Non-current assets			
Property, plant and equipment		1,271	18,329
Intangibles	6	12,972,699	5,761,390
Total non-current assets		<u>12,973,970</u>	<u>5,779,719</u>
Total assets		<u>19,166,934</u>	<u>9,695,223</u>
Liabilities			
Current liabilities			
Trade and other payables	7	2,883,109	868,357
Contract liabilities		91,486	40,332
Borrowings and derivative financial instruments	8	7,159,743	4,547,882
Employee benefits		198,572	120,515
Total current liabilities		<u>10,332,910</u>	<u>5,577,086</u>
Non-current liabilities			
Contract liabilities		357,643	431,239
Borrowings and derivative financial instruments	8	-	5,055,960
Employee benefits		53,794	29,107
Total non-current liabilities		<u>411,437</u>	<u>5,516,306</u>
Total liabilities		<u>10,744,347</u>	<u>11,093,392</u>
Net (liabilities)/assets		<u>8,422,587</u>	<u>(1,398,169)</u>
Equity			
Issued capital	9	73,368,750	46,873,583
Reserves		5,737,012	5,353,179
Accumulated losses		(70,683,175)	(53,624,931)
Total (deficiency)/equity		<u>8,422,587</u>	<u>(1,398,169)</u>

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

Vinyl Group Ltd
(Formerly known as Jaxsta Limited)
Statement of changes in equity
For the year ended 30 June 2024



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 July 2022	38,620,271	4,806,801	(42,832,790)	594,282
Loss after income tax expense for the year	-	-	(10,792,141)	(10,792,141)
Other comprehensive income for the year, net of tax	-	(3,660)	-	(3,660)
Total comprehensive income for the year	-	(3,660)	(10,792,141)	(10,795,801)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	8,253,312	-	-	8,253,312
Share-based payments	-	550,038	-	550,038
Balance at 30 June 2023	<u>46,873,583</u>	<u>5,353,179</u>	<u>(53,624,931)</u>	<u>(1,398,169)</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	46,873,583	5,353,179	(53,624,931)	(1,398,169)
Loss after income tax expense for the year	-	-	(17,058,244)	(17,058,244)
Other comprehensive income for the year, net of tax	-	37,893	-	37,893
Total comprehensive income for the year	-	37,893	(17,058,244)	(17,020,351)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	26,495,167	-	-	26,495,167
Share-based payments	-	345,940	-	345,940
Balance at 30 June 2024	<u>73,368,750</u>	<u>5,737,012</u>	<u>(70,683,175)</u>	<u>8,422,587</u>

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

	Note	Consolidated 2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,039,900	298,914
Payments to suppliers and employees (inclusive of GST)		(10,288,313)	(4,559,336)
Receipts from grants - research and development (inclusive of GST)		700,109	1,040,906
Receipts from grants - export development (inclusive of GST)		-	32,574
		(4,548,304)	(3,186,942)
Interest received		27,465	11,464
Interest and other finance costs paid		-	-
Net cash used in operating activities		(4,520,839)	(3,175,478)
Cash flows from investing activities			
Cash acquired/(utilised) on purchase of business	10	(7,879,790)	31,657
Payments for equipment		(945)	-
Payments for intangibles	6	-	(1,028)
Net cash from investing activities		(7,880,735)	30,629
Cash flows from financing activities			
Proceeds from issue of shares	9	13,822,495	3,372,950
Share issue transaction costs		(5,500)	(187,965)
Repayment of borrowings		(249,786)	(113,887)
Repayment of lease liabilities		-	(83,436)
Net cash from financing activities		13,567,209	2,987,662
Net decrease in cash and cash equivalents		1,165,635	(157,187)
Cash and cash equivalents at the beginning of the financial year		2,966,748	3,123,935
Cash and cash equivalents at the end of the financial year		<u>4,132,383</u>	<u>2,966,748</u>

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

Note 1. 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 5 major customers (2023: 5) that account for more than 5% of the Group's revenues for a total of 42.35% (2023: 70.3%) of the Group's revenue. The total amount of revenues from these customers was \$734,250, \$358,760, \$352,006, \$333,078 and \$326,702 (2023: \$174,248, \$84,174, \$68,730, \$44,736 and \$37,709).

Geographical information

	Sales to external customers		Geographical non-current assets	
	2024	2023	2024	2023
	\$	\$	\$	\$
Australia	3,367,664	13,336	12,973,970	5,779,719
Americas	1,505,067	422,795	-	-
Europe, Middle East and Africa	74,493	144,997	-	-
Asia Pacific	22,497	1,081	-	-
	<u>4,969,721</u>	<u>582,209</u>	<u>12,973,970</u>	<u>5,779,719</u>

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

Note 2. Revenue

	Consolidated	
	2024	2023
	\$	\$
Revenue from contracts with customers		
Sales	4,969,721	582,209
Other revenue		
Other revenue	854	-
Revenue	<u>4,970,575</u>	<u>582,209</u>

Note 2. Revenue (continued)

Disaggregation of revenue

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

	Consolidated	Consolidated
	2024	2023
	\$	\$
<i>Major product lines</i>		
Media & events	3,132,036	-
Subscription revenue *	611,344	388,068
Data solutions revenue	195,219	154,560
Retail	1,031,122	39,581
	<u>4,969,721</u>	<u>582,209</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	1,031,122	39,581
Services transferred over time	3,938,599	542,628
	<u>4,969,721</u>	<u>582,209</u>

The disaggregation of revenue by geographical regions is presented in note 1 'Operating segments'.

Note 3. Other income

	Consolidated	Consolidated
	2024	2023
	\$	\$
Export market development grant	36,600	36,600
Research and development tax incentive *	265,676	721,386
Sundry income	-	4,038
	<u>302,276</u>	<u>762,024</u>

* For the research and development incentive receivable as at reporting date refer to note 5.

Note 4. Expenses

	Consolidated	Consolidated
	2024	2023
	\$	\$
Loss before income tax includes the following specific expenses:		
Cost of sales	3,246,567	40,580
<i>Depreciation</i>		
Computer equipment	9,589	5,698
Office equipment	2,853	7,239
Buildings right-of-use assets	-	49,075
	<u>12,442</u>	<u>62,012</u>

Note 4. Expenses (continued)

	Consolidated 2024 \$	2023 \$
<i>Amortisation</i>		
Platform development	400,003	-
Trademarks	8,769	10,095
Customer relationships	78,000	-
Total amortisation	486,772	10,095
Total depreciation and amortisation	499,214	72,107
<i>Write-off of assets</i>		
Right-of-use assets - buildings	-	(11,897)
Trademarks (note 6)	-	(56,119)
Total write-off	-	(68,016)
<i>Employee benefits expense</i>		
Salary and wages	3,127,054	2,313,126
Share-based payments expense	345,940	550,038
Defined contribution superannuation expense	269,395	218,154
Total employee benefits expense	3,742,389	3,081,318
<i>Product development expense</i>		
Product development cash expenses	1,078,619	843,788
Product development equity-based payments	33,262	582
Total product development expense	1,111,881	844,370
<i>Other expenses including the following material expenses:</i>		
Insurance	132,487	103,485
Accounting and audit fees	397,103	140,756
Filing fees	211,851	94,139
Subscriptions	90,978	2,745
Other	180,354	52,331
Other expenses	1,012,773	393,456
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	262,259	1,094,313
<i>Net foreign exchange loss</i>		
Net foreign exchange loss	36,791	7,222
<i>Net loss on disposal</i>		
Net loss on disposal of property, plant and equipment	4,616	5,847

Note 5. Trade and other receivables

	Consolidated 2024 \$	2023 \$
<i>Current assets</i>		
Trade receivables	1,575,630	167,963
Research and development incentive receivable	165,587	651,764
Other receivables	71,582	52,525
GST receivable	111,139	47,299
	1,923,938	919,551
	1,923,938	919,551

Note 6. Intangibles

	Consolidated 2024 \$	2023 \$
<i>Non-current assets</i>		
Goodwill - at cost	10,404,499	5,639,418
Platform development - at cost	1,778,963	178,963
Less: Accumulated amortisation	(578,966)	(178,963)
	1,199,997	-
Trademarks - at cost	256,538	256,538
Less: Accumulated amortisation	(70,965)	(62,196)
Less: Impairment	(72,370)	(72,370)
	113,203	121,972
Brand - at cost	1,189,000	-
Customer relationships - at cost	144,000	-
Less: Accumulated amortisation	(78,000)	-
	66,000	-
	12,972,699	5,761,390

Note 6. 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:

	Goodwill \$	Platform developmen t \$	Trademarks \$	Customer relationships \$	Brand \$	Total \$
Consolidated						
Balance at 1 July 2022	-	-	187,158	-	-	187,158
Additions	-	-	1,028	-	-	1,028
Additions through business combinations (note 10)	5,639,418	-	-	-	-	5,639,418
Write-off of assets (note 4)	-	-	(56,119)	-	-	(56,119)
Amortisation expense	-	-	(10,095)	-	-	(10,095)
Balance at 30 June 2023	5,639,418	-	121,972	-	-	5,761,390
Additions	-	-	-	-	-	-
Additions through business combinations (note 10)	7,698,081	-	-	-	-	7,698,081
Reallocation of intangibles on finalisation of business acquisition	(2,933,000)	1,600,000	-	144,000	1,189,000	-
Exchange differences	-	-	-	-	-	-
Amortisation expense	-	(400,003)	(8,769)	(78,000)	-	(486,772)
Balance at 30 June 2024	<u>10,404,499</u>	<u>1,199,997</u>	<u>113,203</u>	<u>66,000</u>	<u>1,189,000</u>	<u>12,972,699</u>

Note 7. Trade and other payables

	Consolidated	
	2024 \$	2023 \$
<i>Current liabilities</i>		
Trade payables	1,113,218	297,857
Sales tax payable	58,203	1,800
Other payables	1,711,688	568,700
	<u>2,883,109</u>	<u>868,357</u>

Note 8. Borrowings and derivative financial instruments

	Consolidated	
	2024	2023
	\$	\$
<i>Current liabilities</i>		
Insurance financing	52,304	134,542
Convertible notes payable - tranche 1 (i), (iii)	59,017	1,967,237
Derivative financial liability (i)	7,048,422	2,446,103
	<u>7,159,743</u>	<u>4,547,882</u>
<i>Non-current liabilities</i>		
Convertible notes payable - tranche 2 (ii)	-	3,349
Derivative financial liabilities - tranche 2 (ii)	-	5,052,611
	<u>-</u>	<u>5,055,960</u>

Insurance financing

Insurance funding is a ten months short term loan with a fixed interest rate of 6.75% (2023: 6.98%).

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 (tranche 1). Conversion would result in the issue of 40,571,429 fully paid ordinary Vinyl Group 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 Vinyl Group 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.

On 13 September 2023, the Group converted tranche 1 of the Songtradr convertible note into ordinary shares, reducing \$1,774,597 in principal and interest at the conversion price of \$0.021, resulting in the issue of 84,504,631 ordinary shares. The Group recognised the issue of ordinary shares at the value of \$3,828,882 being the carrying value of the convertible note as of the date of conversion.

The noteholder at their option can convert or seek repayment of the note at the expiration of the term of the note. The note has an anti-dilution clause that adjusts the conversion price if certain circumstances occur before the final redemption date. The 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 3 years and can only be exercised if Tranche 2 is partially or fully converted and up to the amount of Tranche 2 converted into shares.

Note 8. Borrowings and derivative financial instruments (continued)

(i) **Tranche 1** - Under the requirements of AASB 9 *Financial Instruments* the change in terms of the notes require 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. Tranche 1 was converted to ordinary shares on 13 September 2023.

(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 2024, the tranche 2 host liability is recorded at \$59,017 (2023: \$3,349) and the derivative liability has been measured at \$7,048,422 (2023: \$5,052,611), after recording a fair value loss of \$9,917,398 and an interest expense of \$231,596.

(iii) On 1 June 2023, the Company entered into a one year convertible note agreement with one of the vendors of Vampr, as part of the transaction for a principal amount of US\$258,000. The noteholder has the right to convert the note at a conversion price of A\$0.05. The note carries a 10% interest rate. The note is considered a single combined instrument at FVTPL. The noteholder elected to convert the note on 29 December 2023 into ordinary shares, resulting in the carrying value of the liability, \$413,459 being converted to equity and resulting in the issue of 8,269,185 ordinary shares.

The total fair value loss on re-measurement of the derivative liability components as at 30 June 2024 was \$1,916,537 (2023: loss of \$5,824,515).

Note 9. Issued capital

	2024 Shares	Consolidated 2023 Shares	2024 \$	2023 \$
Ordinary shares - fully paid	<u>968,658,522</u>	<u>517,644,429</u>	<u>66,848,966</u>	<u>46,873,583</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2022	342,578,199		38,620,271
Shares issued on capital raising	3 January 2023	12,431,754	\$0.030	372,950
Exercise of share options	15 July 2022	150,000	\$0.000	-
Issue of shares - Vampr acquisition (note 10)	1 June 2023	88,734,476	\$0.057	5,057,865
Shares issued on capital raising	27 June 2023	73,750,000	\$0.040	2,950,000
Shares to be issued on capital raising	27 June 2023	-	\$0.000	50,000
Transaction costs		-	\$0.000	(177,503)
Balance	30 June 2023	517,644,429		46,873,583
Shares issued on conversion of Songtradr tranche 1 convertible note	13 September 2023	84,504,631	\$0.021	3,870,789
Issue of shares *	29 November 2023	1,250,000	\$0.040	-
Shares issued on conversion of Rickert convertible note	28 December 2023	8,269,185	\$0.050	413,459
Issue of shares	31 January 2024	90,240,674	\$0.044	4,044,587
Exercise of share options	1 March 2024	2,500,000		-
Shares issued on conversion of RealWise Holdings convertible note	26 April 2024	155,185,475	\$0.044	6,955,413
Issue of shares	26 April 2024	1,752,647		116,400
Issue for services	26 April 2024	-		97,500
Shares issued on conversion of Songtradr tranche 2 convertible note	1 May 2024	77,588,162	\$0.021	8,271,693
Exercise of share options	31 May 2024	500,000	\$0.035	17,500
Issue of shares	20 June 2024	28,473,319	\$0.098	2,790,385
Exercise of share options	27 June 2024	750,000	\$0.035	26,250
Transaction costs				(108,809)
Balance	30 June 2024	<u>968,658,522</u>		<u>73,368,750</u>

* The funds were received in June 2023, but the shares were not issued until 29 November 2023 after approval by shareholders was obtained at the Annual General Meeting (AGM) of shareholders.

Ordinary shares

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

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

Note 10. Business combinations

Acquisition of Seventh Street Entertainment Pty Ltd, Seventh Street Media Pty Ltd and The Brag Publishing Pty Ltd collectively ('The Brag Media')

On 1 February 2024, the Company acquired 100% of the ordinary shares of The Brag Media and its subsidiaries for the total consideration transferred of \$7,865,085. The Brag Media is the Australia's largest youth publisher [leading music industry social network connecting musicians, creatives and artists so they can collaborate, create new music and monetise their work]. This acquisition immediately increased Vinyl Group's footprint in the creator community. The goodwill of \$4,765,081 represents revenues synergies from cross selling opportunities in the respective customer based as well as revenue growth and margin expansion]. The acquired business contributed revenues of \$3,367,664 and a loss after tax of \$1,445,558 to the Group for the period from 1 February 2024 to 30 June 2024. If the acquisition occurred on 1 July 2023, the full year contributions would have been revenues of \$7,809,227 and profit/loss after tax of \$3,761,684. The values identified in relation to the acquisition of The Brag Media are provisional as at 30 June 2024 until all intangibles asset values are individually assigned.

Details of the acquisition are as follows:

	Fair value
	\$
Cash and cash equivalents	28,931
Trade and other receivables	1,500,293
Other current assets	64,255
Trade and other payables	(1,426,475)
Deferred tax liability	-
Other provisions	-
Net assets acquired	167,004
Goodwill	7,698,081
Acquisition-date fair value of the total consideration transferred	<u>7,865,085</u>
Representing:	
Cash paid or payable to vendor	7,865,085
Contingent consideration	-
Convertible notes	-
	<u>7,865,085</u>
Acquisition costs expensed to profit or loss	<u>-</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	7,865,085
Less: cash and cash equivalents	(28,931)
Less: contingent consideration	-
Net cash used	<u>7,836,154</u>

As part of the completion, the Company has:

Note 10. Business combinations (continued)

- Paid \$7.865 million cash to the sellers of The Brag Media (the “Initial Consideration”). The Initial Consideration covers value paid for the shares and the paydown of loans by the sellers to The Brag Media and its subsidiaries.
- An agreement to pay The Brag Media sellers up to a further \$2 million in cash or stock at Vinyl Group's discretion (the “contingent consideration”). The contingent consideration payment will accrue 6% annual interest if paid in cash and is contingent on The Brag Media and its subsidiaries achieving specified revenue and EBIT targets for the Calendar Year 2024. The contingent consideration will be based on a sliding scale that commences after The Brag Media achieves both a minimum revenue of \$12.0 million and a minimum EBITDA of \$2.0 million up to a maximum of \$15.5 million in revenue and EBITDA of \$2.8 million.
- Issued 5,000,000 unlisted options to The Brag Media MD and Publisher Luke Girgis vesting in two equal tranches. The first tranche vests upon achieving the calendar year 2024 revenue target of \$12.0 million and EBIT target of \$2.8 million and a minimum of one year of employment post-sale. These options were cancelled in June 2024 as Mr Girgis is no longer employed with the Group.

Note 11. Earnings per share

	Consolidated	
	2024	2023
	\$	\$
Loss after income tax attributable to the owners of Vinyl Group Ltd	(17,058,244)	(10,792,141)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	670,448,401	356,920,578
Weighted average number of ordinary shares used in calculating diluted earnings per share	891,647,767	356,920,578
	Cents	Cents
Basic earnings per share	(2.49)	(3.02)
Diluted earnings per share	(1.88)	(3.02)

98,413,981 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.