ASX Release

CORRECTION TO QUARTERLY BUSINESS UPDATE

Melbourne, Australia, July 24, 2024: Vinyl Group Ltd (ASX: VNL), Australia's only ASX-listed music Company, today advises that the earlier version of the Quarterly Business Update had an error in page 7, section 7, which has been corrected to reflect the correct amount of financing facilities drawn at quarter end. This updated version reflects this change.

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.

Quarterly Activities Report

Q4 FY24

24 July 2024

Quarter Highlights from the CEO

Dear Shareholders,

Please find highlights from the quarter below:

- Cash receipts grew $873K to $2.564M or 52% QoQ - a record quarter
- Revenues grew $355K to $2.214M or 19% QoQ
- Fully Underwritten Entitlements Issue Raised $5.4M ($2.8M in the June quarter and $2.6M closed in Q1’25) - thank you to all who participated
- The company does not anticipate a further capital raise for working capital
- Integration of The Brag Media to unlock annual savings of approximately $750K to be realised over the coming year
- EGM allowed for conversion of debt into equity by Realwise, with a $6.9M conversion, and Songtradr with a $1.8M conversion, reducing long-term debt
- Planned movements in costs were anticipated and aligned with our strategic focus: laying the foundations for sustainable growth through FY25 and beyond



Josh Simons - Chief Executive Officer and Executive Director

We are looking forward to expanding on our FY25 strategy in our upcoming Annual Report and other progress announcements over the coming months.

All figures unaudited.

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Quarterly Traction

We have grown revenues by

19% QoQ

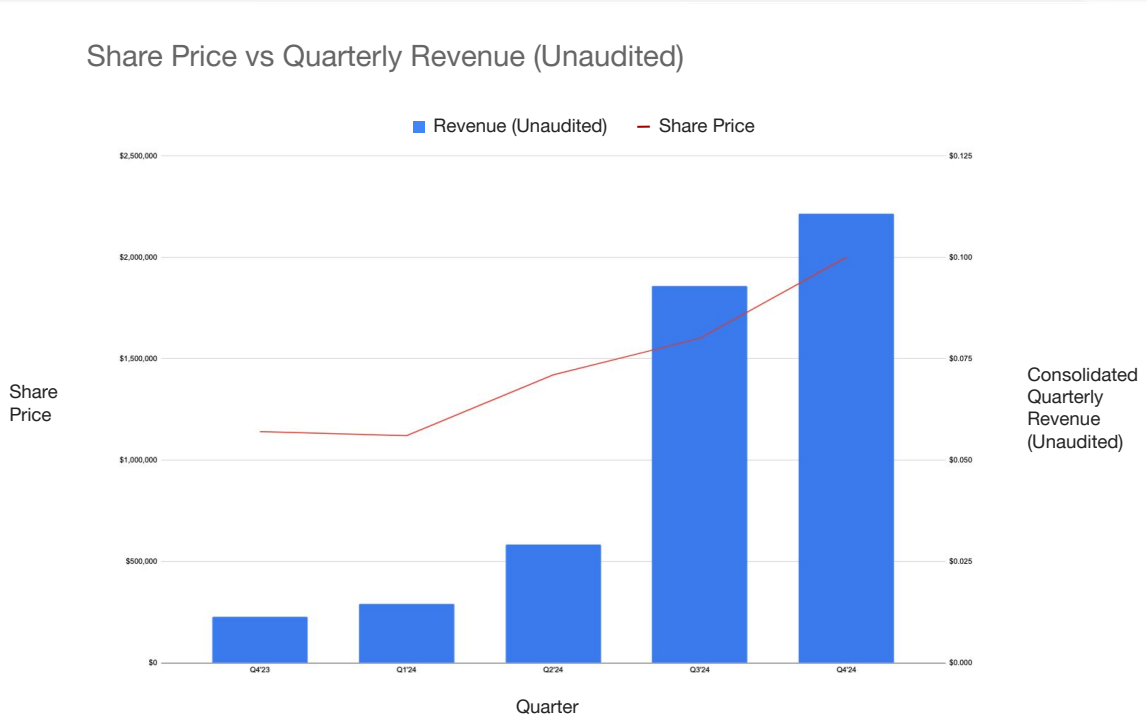
And compared with last year

873%

Q4'24 vs Q4'23

Realwise and Songtradr converted $6.9M and $1.8M of convertible note debt into equity

$5.4M fully underwritten Entitlements Offer



Summary of cash position and expenditure

Financial Position as of 30 June 2024:

- Cash and cash equivalents: $4.132 million
- Entitlements Offer added $2.79 million to the 30 June 2024 balance with a further $2.63 million received in July

Overall Operating Cash Flow Details:

- Operating net cash burn: $1.671 million, a 33% increase from the previous quarter's $1.256 million
- The overall net cash burn quarter-over-quarter increased due to:
    - Higher than normal COGS in the media business from a one-off high COGS deal and a campaign timing shift ($293K impact)
    - $87K in integration and redundancy costs for the media business
    - One-time costs of $54K from the EGM and valuation work

Quarterly Cash Flow Analysis:

- Cash from customers increased by $0.874 million to $2.564 million, an increase of 52% due to a full quarter impact of the media business
- Increase in staff costs by $290K due to the full quarter impact of the media business
- Increase in product and platform operating costs by $415K from the full quarter impact of the media business and unfavorable COGS mix highlighted above
- Increase in research and development costs by $26K for tech platform work, including investments in optimisation and backend infrastructure refactoring for an H1 relaunch of Jaxsta and the restart of Vampr's growth engine
- Office space costs of $56K for the quarter as we consolidated operations with our media business
- Increase in sales and marketing costs by $350K from a full media quarter and other platforms, including direct and indirect digital spend
- Increase in general and administrative costs by $87K due to compliance and The Brag Media transaction costs

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.

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Appendix 4C

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

Name of entity

Vinyl Group Ltd

ABN	**Quarter ended ("current quarter")**
15 106 513 580	30 June 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	2,564	5,040
1.2	Payments for		
	(a) research and development	(220)	(832)
	(b) product manufacturing and operating costs	(1,450)	(3,309)
	(c) advertising and marketing	(465)	(899)
	(d) leased assets	(56)	(56)
	(e) staff costs	(1,535)	(3,600)
	(f) administration and corporate costs	(538)	(1,554)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	9	28
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	19	700
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,672)**	**(4,482)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	186	(7,880)
	(c) property, plant and equipment	-	(1)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	(39)	(39)
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	-	-

2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	147	(7,920)

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,779	6,823
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	44	44
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(6)
3.5	Proceeds from borrowings	-	6,955
3.6	Repayment of borrowings	(68)	(250)
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**	**2,755**	**13,567**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,902	2,967
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,671)	(4,482)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	147	(7,920)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,755	13,567
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,132**	**4,132**

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	2,829	1,198
5.2	Call deposits	72	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	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	18
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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 who is now Executive Director.

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.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	54	54
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	54	54

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 30 June 2024, the loan facility derived from the insurance policies was $54,409.

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(1,672)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	4,132
8.3	Unused finance facilities available at quarter end (Item 7.5)	-
8.4	Total available funding (Item 8.2 + Item 8.3)	4,132
8.5	**Estimated quarters of funding available (Item 8.4 divided by Item 8.1)**	2.47

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.

24/7/2024

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.