

For personal use only

Quarter Highlights from the CEO



In the past quarter we achieved what we set out to achieve by delivering on key commitments and building a foundation for the next stage of growth.

Following a momentous year of expansion, Q3 began by rolling up our sleeves and doing the hard, behind-the-scenes work needed to prepare Vinyl Group for its next act. In January we completed our \$7.2M ANREO, which shored up the balance sheet and provided critical funding for acquisitions announced last year. Chief among these was the acquisition of Concrete Playground, which completed on 28 February and saw the full integration of its team into Vinyl Media by quarter-end.

February marked the official launch of Vinyl Media, consolidating The Brag Media, Mediaweek, Funkified, and our newly acquired Refinery29 Australia licence under one powerful umbrella. In short order, Vinyl Media made its presence felt: we secured a new commercial agreement with Genius to represent their AU/NZ ad inventory, and Mediaweek ranked #1 in Australia for trade media unique readership.

This was also the quarter we formalised our internal structure. Vinyl Group is now a two-division company: Vinyl Media and our technology/e-commerce group. Each division has dedicated leadership and a sharpened focus, allowing us to better manage resources, reduce costs, and enhance accountability. It's a real maturation moment for the business, with several corporate functions retooled to support a headcount that's quadrupled in the past year.

True to our DNA, we also kept innovating. Ship Week returned in January, bringing together our global team to dream, build, and ship. Ten new tools and product ideas emerged, with two already live and five more on the roadmap.

We continued to earn recognition:

- I was named Unmade's CEO of the Year and ranked in Australia's Top 100 Young Entrepreneurs
- Serenade received a Music Week Award nomination
- Concrete Playground was shortlisted for Best Partnership at Festival of Media APAC

On the product front:

- Serenade launched a Mother's Day campaign with Jimmy Barnes and contributed to a UK #1 for The Lottery Winners
- Vinyl.com partnered with Suitcase Records for a Superjesus release that reached #8 on the ARIA Vinyl Chart
- Vampr expanded its Pro analytics offering
- Jaxsta posted its best revenue month of the year in March

In March, our executive team also headed to SXSW in Austin - an incredible opportunity to strengthen global industry connections and share our vision on the world stage. The conference, owned by Penske Media Corporation (PMC), also gave us valuable face time with our long-term partners at PMC following the signing of a new multi-year agreement - securing Vinyl Media's exclusive license to represent Rolling Stone magazine in Australia and New Zealand.

Cash receipts totalled \$3.2M for the quarter, with an additional \$2.7M in receivables. While down from Q2's seasonal high, this figure reflects underlying strength. Moreover, R&D incentives were received during the period and option conversions expected early in Q4 will further bolster our cash position.

Looking Forward: Building the Next Generation of Publishing

The strategic reset we signalled in Q2 is now underway. While we continue optimising our cost base and consolidating teams, our next frontier is AI.

We are developing a suite of AI-driven publishing tools designed to multiply content output while supporting our journalists and editors. This initiative aims to:

- Increase margin across our media portfolio
- Supercharge syndication and international licensing
- Drastically lower the cost of customer acquisition
- Position Vinyl Media as a next-gen publisher

This won't happen overnight, but we are investing heavily in the foundational systems required to scale. The journey to profitability remains our priority, and we remain confident in hitting breakeven during the first half of FY 2026.

Thank you for your continued belief in our mission. The best is yet to come.

Regards,



Josh Simons - Chief Executive Officer and Executive Director

Quarterly Overview

Business Highlights

- Completion of \$7.2M ANREO to fund 2024 acquisitions
- Completion and integration of Concrete Playground into Vinyl Media
- Launch of Vinyl Media division, consolidating all media brands
- Commercial deal with Genius for AU/NZ ad inventory and Refinery29 to produce local edition
- Mediaweek ranked #1 in trade media unique readers
- Ship Week 2025: 10 new ideas, 2 in-market, 5 in development

Product & Market Highlights

- Jaxsta hits highest monthly revenue of FY25 in March
- Vinyl.com debuts live-selling format; ARIA-charting exclusive release
- Vampr launches upgraded analytics Pro product
- Serenade delivers chart impact in UK and domestic campaign success
- SXSW participation and leadership visibility

Financial Snapshot

- \$3.2M in cash receipts
- ~\$2.7M additional receivables over payables
- \$3.3M net cash outflows from operations, primarily tied to:
 - Seasonal timing of media collections
 - One-month contribution from Concrete Playground
 - Costs related to organisational restructure

Outlook

- Option conversions expected to deliver ~\$1.2M in Q4
- Cost efficiencies to take fuller effect in Q4 and into FY26
- Business remains on track to achieve breakeven in H1 FY26

Closing Thoughts

This was a quarter about laying track, not waving flags. And that's exactly what we needed. With our business architecture in place, our brands performing, and a bold AI strategy in motion, the path to sustainable growth is clearer than ever.

Summary of Cash Position and Expenditure

As at 31 March 2025

Cash Position

Cash and cash equivalents totaled **\$2.932 million**.

The changes in the cash position included the retail component of the Entitlements Offer which closed in January (**\$3.3 million** gross proceeds).

Operating Cash Flow

Net operating cash outflow was **\$3.343 million**, a **124% increase** from the prior quarter's burn of **\$1.566 million**.

The increase was primarily driven by:

- **Lower sales** during the March quarter due to:
 - Seasonal slowdown in the Media business
 - Post-holiday decline in e-commerce sales
- **Back ended quarter sales** which left the Company with **receivables exceeding payables** by **\$2.659 million**
- **Cash costs** for some June quarter events were outlaid in Q3

Cash Flow from Customers

Cash inflows from customers declined by **\$2.097 million** to **\$3.236 million (-39% QoQ)**, reflecting:

- March quarter seasonality in the Media segment
- Reduced post-Christmas sales in the e-commerce segment

Operating Expenditures

- **Staff costs** remained stable, offsetting cost reductions with added headcount from acquisitions
- **Product and platform costs** increased **\$0.883 million**, due to:
 - Upfront costs for upcoming events (to be billed in later periods)
 - Reallocation of event-related marketing to product costs
 - Lower revenues in both Media and e-commerce segments
- **R&D costs** fell by **\$62K**, though actual spend was steady due to timing of integration-related billings
- **Office space costs** decreased by **\$18K**, reflecting team integration efficiencies
- **Sales and marketing costs** reduced by **\$211K**, due to lower e-commerce ad spend post-peak season

- **General and administrative expenses** dropped by **\$458K**, driven by reduced admin functions and timing of legal bills

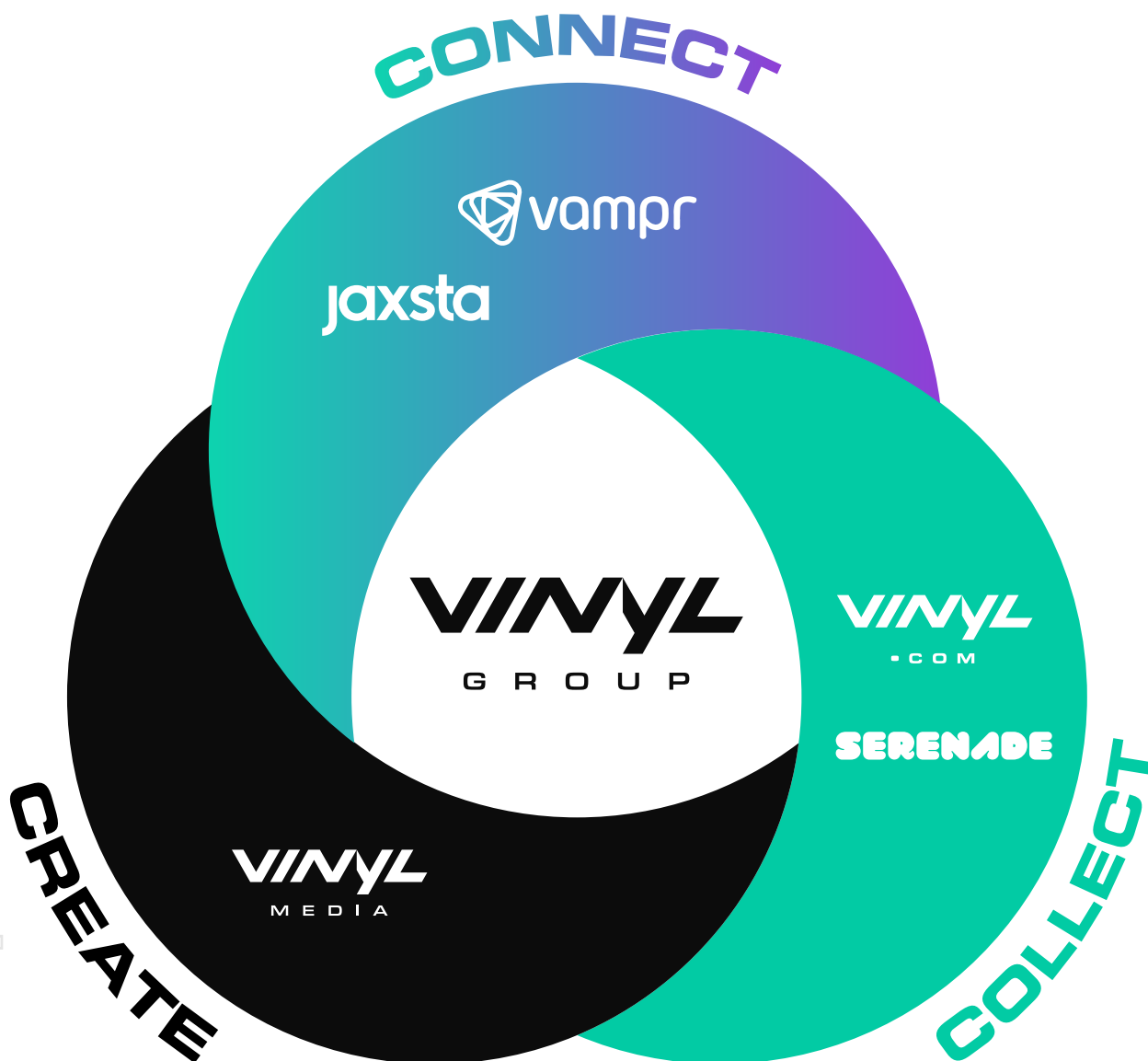
Overall, **total operating costs** were **\$150K lower** than the previous quarter.

Working Capital and Related Party Payments

Operating activities were funded through existing working capital reserves.

Payments to related parties were limited to **\$72,476** in salary to the executive director. No other related party or associate payments were made.

For personal use only



Vinyl Group Ltd (ASX:VNL)

ABN 15 106 513 580 | 11 Wilson St, South Yarra VIC 3141 | E. investors@vinyl.group | W. vinyl.group

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 2025

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	3,236	10,527
1.2	Payments for		
(a)	research and development	(312)	(808)
(b)	product manufacturing and operating costs	(2,627)	(7,788)
(c)	advertising and marketing	(734)	(1,506)
(d)	leased assets	(80)	(219)
(e)	staff costs	(1,705)	(4,819)
(f)	administration and corporate costs	(1,327)	(2,944)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	38	86
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	168	168
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(3,343)	(7,303)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
(a)	entities	-	-
(b)	businesses	(3,728)	(4,663)
(c)	property, plant and equipment	-	-
(d)	investments	-	-
(e)	intellectual property	-	-
(f)	other non-current assets	-	(479)
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	(3,728)	(5,142)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,289	10,211
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	1,788
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(341)	(601)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(59)	(153)
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	2,889	11,245

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,114	4,132
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(3,343)	(7,305)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,728)	(5,142)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,889	11,245
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	2,932	2,932

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	2,860	7,042
5.2	Call deposits	72	72
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)	2,932	7,114

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
76
-

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.

- 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
138	138
-	-
-	-
138	138

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 6.30% and secure the loan against the rights in the policy. Interest and principal are repaid in monthly instalments. At 31 December 2024, the loan facility derived from the insurance policies was \$196,859.

8. Estimated cash available for future operating activities

	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(3,343)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,932
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	2,932
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	0.88

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: No, we have three factors affecting the March quarter that do not apply to the next quarters. First of all, our Media business has a seasonal low in the March quarter, pushing our collections into the June quarter. We are exiting the quarter with an excess working capital of \$2.659M. Second, we acquired Concrete Playground during the quarter and its results only counted for one month, the next quarter will have the impact of a full quarter. Lastly, as part of bringing all companies together, the Company is undergoing some cost reductions from the efficiencies gained which will have a partial impact in the June quarter and more fully in the September quarter.

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: The Company will be receiving approximately \$1.2M via the exercise of options that expire this quarter, bolstering the cash reserves further.

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: Yes, the additional cash reserves from the option exercise, plus the additional \$2.6M in working capital significantly improve our cash for operations, and moving to a better seasonal performance in the June quarter, plus Concrete results will reduce operating cash flows considerably and maintain cash reserves at compliant levels.

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.

23/04/2025

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.