



## ASX Release

### **CASH RECEIPTS UP 80% QOQ AND FIRST OPERATING CASH FLOW POSITIVE QUARTER**

**Melbourne, Australia**, January 20, 2026: Vinyl Group Ltd (ASX: VNL), Australia's only ASX-listed music Company, is pleased to report its December 2025 quarterly activity report and Appendix 4C ("Q2 FY26").

#### **Key Highlights**

- **Record cash receipts of \$7.2M**, up 80% quarter-on-quarter.
- **First operating cash flow positive quarter**, with net operating cash inflows of \$305K.
- **Significant improvement in operating cash flow**, with net cash used in operations in 1H FY26 of \$1.11M, compared to \$3.96M cash used in operations in 1H FY25.
- **Structurally lower fixed cost base in Q2**, with higher variable COGS related to Vinyl.com and the events business.
- **Validation of vertical acquisition strategy**, with Funkified earn-out target achieved.
- **Accretive acquisition opportunities** to accelerate growth and consolidate the Company's leading position in the music and youth culture segments continue to be assessed.
- **Updated guidance of FY26 revenue in the range of \$22m - \$25m.**

Josh Simons, CEO and Executive Director, commented: "Over the past year, we have successfully executed on our growth strategy and Q2 represents clear evidence of the profitability of our unique business model given sufficient scale. We delivered record cash receipts and our first operating cash flow positive in our seasonally strongest quarter.

This result was achieved organically and reflects the structural changes we have made across the Group to structurally lower the fixed cost base whilst continuing to grow the top line. While Q3 is seasonally our weakest quarter, we remain focused on disciplined execution, working capital efficiency, and selectively pursuing opportunities that can accelerate our profitability trajectory through FY26."

## Q2 FY26 Overview

Vinyl generated record cash receipts of \$7.2M during Q2 FY26, up 80% quarter-on-quarter, and up 36% year-on-year, reflecting the seasonally strongest quarter for sales through Vinyl.com and increased activity around marketing events for brands and advertising agencies in November and December.

Vinyl had a structurally lower fixed cost base in Q2 QoQ, however there was an increase in COGS for both Vinyl.com and the events business in Q2, due to an associated increase in product manufacturing expenses and the increased use of contract labour.

Staff costs in Q2 of \$2.1M were down 3% QoQ, due to timing differences on payroll and the temporary increase in contract labour. However, the fixed staff costs decreased Q2 QoQ and reported staff costs are expected to be lower in Q3.

Importantly, the quarter marked the Group's first operating cash flow positive period, with net operating cash inflows of \$305K. Over the past year, there has been a significant improvement in operating cash flow, with net cash used in operations in 1H FY26 of \$1.11M, compared to \$3.96M cash used in operation in 1H FY25.



### **New AI publishing tools incorporated into workflows**

Over the past year, Vinyl has focused on increasing the quality and volume of music and culture content, whilst lowering the marginal cost of content creation, through the ongoing development of a proprietary, AI-driven publishing tech stack. Vinyl aims to scale coverage across all owned mastheads and personalise content to deepen engagement.

In Q2, Vinyl incorporated some new AI publishing tools directly into workflows, and the Company is on track to 10x content output by the end of FY26.

### **Validation of vertical acquisition strategy**

Vinyl is positioned in the middle of a unique ecosystem of diversified revenues in the music and culture segments, with extensive publishing capabilities and comprehensive platform technologies. Vinyl combines media influence with proprietary tech infrastructure in an integrated ecosystem, which offers advertisers more views at a lower price point across extensive media assets in a lucrative niche.

Funkified Entertainment (Funkified), a media events subsidiary, achieved its CY25 earn-out target following the strong execution across end-to-end events and brand activations, including the successful delivery of large-scale experiential and automotive client programs completed during November and December 2025.

The result further validates Vinyl Group's vertical acquisition strategy of acquiring profitable, complementary businesses and integrating them to enhance group margins, capability and scalability across the company's operations.

In November 2025, Vinyl Group was recognised as the second fastest-growing technology company in Australia in Deloitte's Tech Fast 50 Awards. This achievement places Vinyl Group among the country's highest-performing innovators, and validates the company's mission to build a creator-first infrastructure that uses music, media and technology to connect culture with commerce.

Vinyl Group also made the decision to place its Jaxsta product into hibernation as part of ongoing efforts to focus resources on the company's highest-growth business units and broader profitability target.

### **Summary of cash position and expenditure as at 31 December 2025**

- Cash and cash equivalents of \$2.050M
- Line of credit with Songtradr for \$1.5M, which has been fully drawn down
- Cash receipts from customers up 80% QoQ to \$7.2M
- R&D expenses up 8% QoQ to \$288K
- Product manufacturing and operating costs up 94% QoQ to \$3.503M
- Advertising and marketing expenses up 51% QoQ to \$504K
- Staff costs down 3% at \$2.072M
- Administrative and corporate costs down 40% QoQ to \$528K
- Net cash from operations up \$1.719M to \$305K

Cash receipts grew QoQ in a seasonally strong quarter for vinyl sales and the events business. Although the fixed cost base was structurally lower in Q2, variable COGS increased with higher product

manufacturing and operating costs as well as higher advertising and marketing expenses in the lead up to the higher Christmas season sales. R&D expenses increased slightly on completion of key projects. G&A costs were both structurally lower and seasonally lower. Overall, all higher cash receipts, combined with improved operational efficiency, led to a positive cash flow quarter.

#### **Working Capital and Related Party Payments**

During the quarter, the business funded its operating activities from its working capital reserves.

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, except salaries to the executive director of \$80,080. No payments were made to associates of any related parties.

#### **Outlook**

While Q3 is traditionally the Group's weakest seasonal quarter, Vinyl remains focused on maintaining operating discipline and progressing toward sustained profitability across FY26. Vinyl is expecting FY26 revenue to be in the range of \$22m - \$25m.

Management continues to evaluate selective acquisition opportunities that align with the Group's capital allocation framework and have the potential to accelerate earnings and cash flow generation.

#### **Authorisation and Additional Information:**

This announcement was authorised by the Board of Vinyl Group Ltd

Vinyl Group Investor Relations:

E: [investors@vinyl.group](mailto:investors@vinyl.group)

**-Ends-**

#### **ABOUT VINYL GROUP**

Vinyl Group is a diversified music company powered by technology that connects culture with commerce. Its portfolio spans two divisions, publishing and platforms, with tools and services that empower fans, brands and creators. The platforms division includes Vinyl.com, a leading e-commerce destination with more than 60,000 titles; Vampr, a social-professional network and talent marketplace with 1.6 million creators in over 190 countries; and Serenade, a pioneer in physical and digital collectibles supporting more than 200 global artists. The publishing division, Vinyl Media, is a powerhouse of culture, premium content and live experiences, operating Concrete Playground, Mediaweek and Tone Deaf, and licensing the Rolling Stone, Refinery29 and Variety mastheads in Australia.

## 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 December 2025

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b> \$A'000	<b>Year to Date</b> \$A'000
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		7,246	11,271
1.2 Payments for			
(a) research and development		(288)	(554)
(b) product manufacturing and operating costs		(3,503)	(5,308)
(c) advertising and marketing		(504)	(839)
(d) leased assets		(72)	(129)
(e) staff costs		(2,072)	(4,210)
(f) administration and corporate costs		(528)	(1,404)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		27	79
1.5 Interest and other costs of finance paid		(1)	(15)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
<b>1.9 Net cash from / (used in) operating activities</b>		<b>305</b>	<b>(1,109)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(15)	(21)
(d) investments		-	-
(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(15)</b>	<b>(21)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	750	1,500
3.6	Repayment of borrowings	(55)	(116)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>695</b>	<b>1,384</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	1,065	1,796
4.2	Net cash from / (used in) operating activities (item 1.9 above)	305	(1,109)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(21)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	695	1,384
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>2,050</b>	<b>2,050</b>

<b>5.</b>	<b>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</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,050	1,060
5.2	Call deposits	-	5
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,050</b>	<b>1,065</b>

**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

<b>Current quarter \$A'000</b>
80
-

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**

<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
175	175
1,612	1,500
-	-
1,787	1,675

**7.5 Unused financing facilities available at quarter end**

112

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 5.99% and secures the loan against the rights in the policy. Interest and principal are repaid in monthly instalments. At 31 December 2025, the loan facility derived from the insurance policies was \$174,649.

The Company entered into a Line of Credit arrangement with Songtradr Inc. for \$1,500,000. The unsecured facility carries an interest rate of RBA+5%, and the facility has a two year term through July 2027. It is interest only with the principal due at the end of the term unless it is repaid earlier at the Company's discretion. The Company has drawn down the full \$1,500,000.

The Company has credit card facilities in the amount of \$112,000 with Bank of America at rates up to 16.49%.

**8. Estimated cash available for future operating activities**

**\$A'000**

8.1 Net cash from / (used in) operating activities (Item 1.9)	305
8.2 Cash and cash equivalents at quarter end (Item 4.6)	2,050
8.3 Unused finance facilities available at quarter end (Item 7.5)	112
8.4 Total available funding (Item 8.2 + Item 8.3)	2,467
<b>8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>8.09</b>

*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.

20/01/2026

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.