



**ACCELERATED ENTITLEMENTS OFFERING TO
FUND GROWTH & IMPROVE MARGINS**

June 13 2024

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The Offer is not being extended, and New Shares will not be issued, to Shareholders with a registered address which is outside Australia or New Zealand.

It is not practicable for the Company to comply with the securities laws of all overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, no action has been taken to permit the offer of New Shares to existing Shareholders in any jurisdiction other than Australia and New Zealand.

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Mission

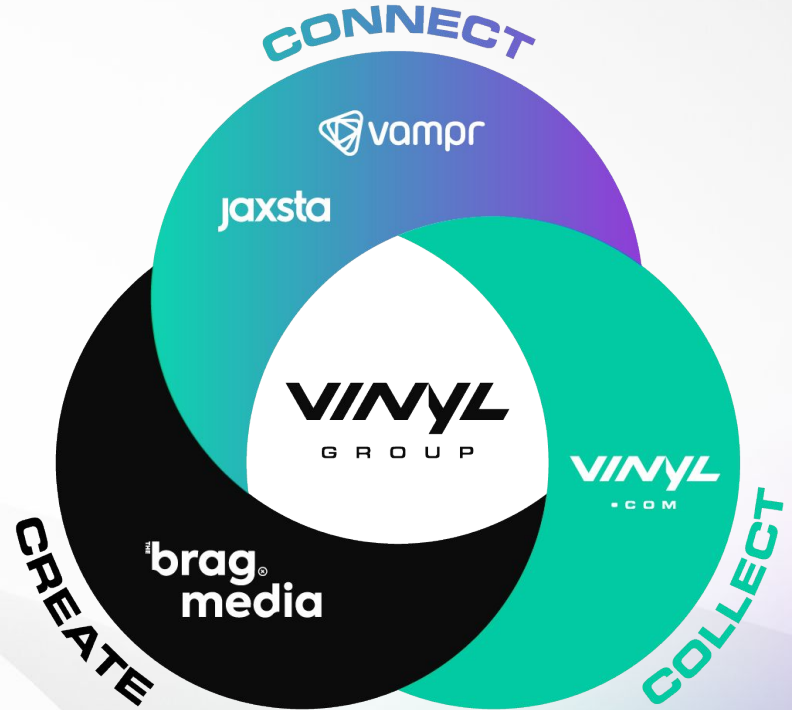
Vinyl Group (ASX: VNL) provides world class tools to power and empower all participants of the music ecosystem: creators, rights-holders and fans.

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 expansion through strategic acquisition.



Traction and History

Revenue Run Rate

\$10.5M

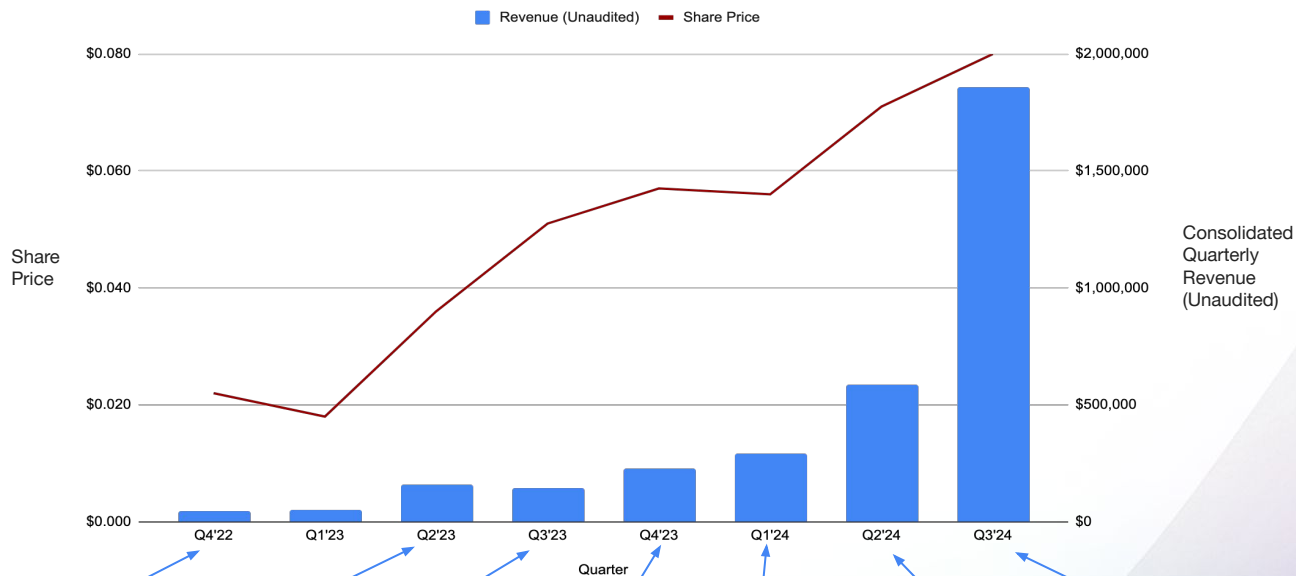
We have grown revenues by

218%_{QoQ}

Share price at date of publication

\$0.11

Share Price vs Quarterly Revenue (Unaudited)



Songtradr
Investment & Turnaround plan

VINYL
- C O M
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

Accelerated Entitlements Offer

\$5.416M Fully Underwritten by Peloton Capital and Red Leaf Securities - see terms in Appendix A

Entitlement of 1 for every 17 shares owned

Price of \$0.098 per share, a 10% discount to 10 Day VWAP

Participation confirmed by Realwise Group Holdings (Richard White) and J S Millner Holdings (Robert Millner)

Participation by CEO/Executive Director Josh Simons, NED Ken Gaunt

See timeline in Appendix B

Capital structure

	On Issue as at the date of this Offer Document	To be issued under the Offer	Total following the Offer
Ordinary shares	939,435,203	55,260,894	994,696,097
Options	219,302,143	0	219,302,143
Warrants	8,147,223	0	8,147,223
Convertible Notes	87,081,779	0	87,081,779
Total	1,253,966,348	55,260,894	1,309,227,242

Use of funds

	Amount
Growth Capital and Development	2,750,000
Working Capital	2,400,567
Costs of the offer	265,000
Total	\$5,415,567

Our Brands: The Brag Media

The Brag Media is Australia's largest youth publisher. Our premium publishing business reaches over 30% of all Australians each month¹, while our events business produces the Rolling Stone Awards and offers commercial partners end-to-end event ideation, production and marketing.

THE **brag.**
media

A **VINYL** Group Company

Objectives & Activities



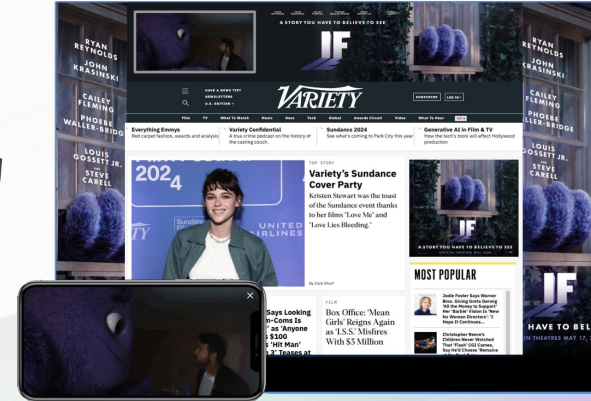
Build upon \$750,000 cost optimisations to unlock EBITDA path



Target revenue growth of 20% in the Jul-Dec half year



Potential minor acquisition to enhance events business, reduce COGS, and accelerate profitability



¹ total audience of 9.1M per IPSOS report compared to population of 27.0M per Australian Bureau of Statistics

VINYL
GROUP

RollingStone

VARIETY
AUSTRALIA

HYPEBEAST

HYPEBAE

LWA

TONE DEAF

playwire™

musicfeeds

BLUESYST

THE BRAG.COM

mm

crunchyroll™

sheknows

billboard

Hollywood
REPORTER

Letterboxd

Rotten Tomatoes

Our Brands: Vinyl.com

Vinyl.com is the premier online record store that allows music fans to easily buy their favourite records while browsing through liner notes as though they are digging through crates, exploring who did what on each album and more. We offer music fans an extensive growing catalog of over 50,000 records across all genres.



A **VINYL** Group Company

Objectives & Activities



Identify and qualify future acquisitions across the supply chain to improve GP margin



Increase brand awareness, with revenues and target user acquisition growth >150%

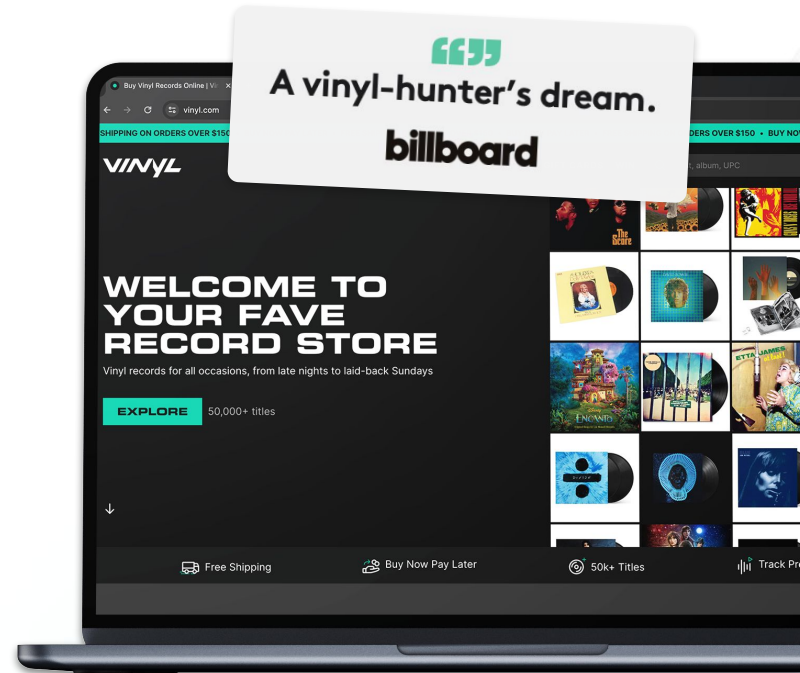


Launch in other markets



Increase product line offering

+ Roadmap includes **exclusives, subscriptions** and **marketplace**



Our Brands: Vampr

Vampr is a leading social-professional network and talent marketplace, with 1.4M accounts, helping creatives in 180+ countries, find people to collaborate with to create new music and monetize their work.



A **VINYL** Group Company

Objectives & Activities



Increase user acquisition spend by 3x



Consistent UX between app and web

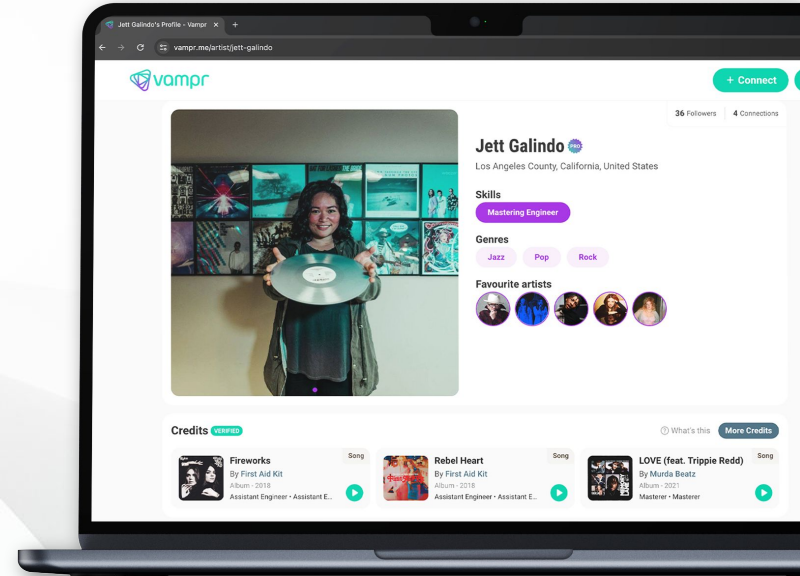


Build marketplace for transactions between users



Google Play
#WeArePlay

FAST COMPANY
MOST INNOVATIVE COMPANIES



Our Brands: Jaxsta

Jaxsta is the world's only official music credits database with 380+ official data partners.

jaxsta

A **VINYL** Group Company

Objectives & Activities



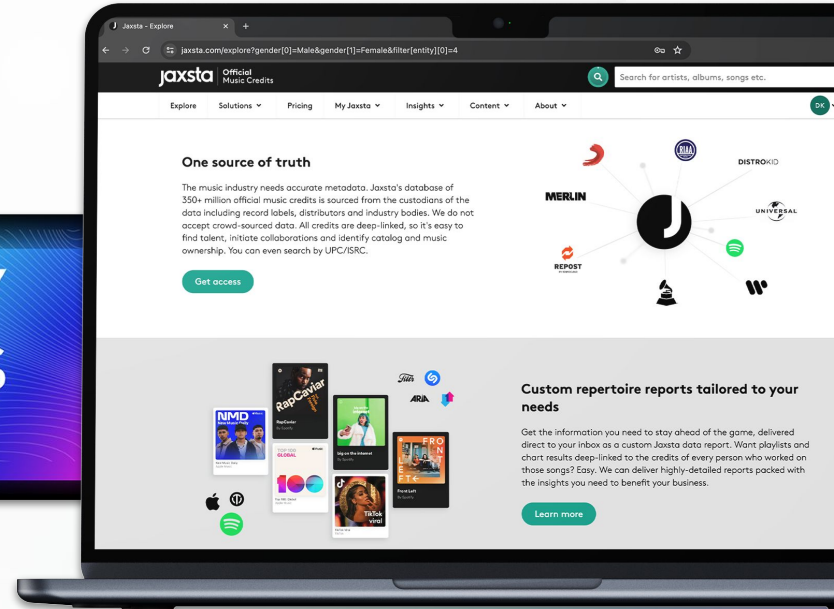
Reduce technology costs
by >55%



Building recurring
B2B revenue



Artificial intelligence R&D to
deliver a superior customer
experience, improved quality
and faster results



Leadership Team



Josh Simons

CEO



Jorge Nigaglioni

CFO



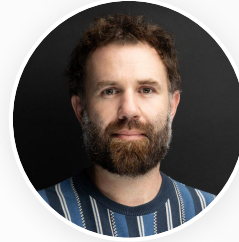
Alli Galloway

CMO



Jessica Hunter

Head of The Brag Media



Joel King

Brag COO



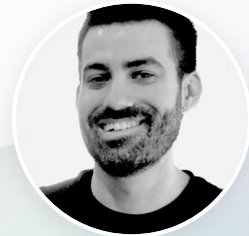
Jessy Trengove

CPO



Chris Lowe

Tech Director



Craig Sternberg

Head of Biz Dev



Aligned, focused and driven

The Board



Linda Jenkinson

Non-Exec Chair
First woman to list
company on
NASDAQ



Ken Gaunt

NED
Serial entrepreneur
and Top 10
shareholder



Ben Katovsky

NED
CEO Hipgnosis
Song
Management



Steve Gledden

NED
Managing Partner
of Straight Bat
Private Equity



Josh Simons

Exec Director
CEO Vinyl Group
and Founder of
Vampr



Jorge Nigaglioni

Company Secretary
CFO Vinyl Group
30+ year
experience



Top 10 Shareholders as of June 12 2024

Holder Name	Holding	% IC
REALWISE GROUP HOLDINGS PL	295,426,149	31.45%
SONGTRADR INC	162,092,793	17.25%
BNP PARIBAS NOMINEES PTY LTD	35,432,451	3.77%
RUSCOL PTY LTD	25,354,306	2.70%
WILTSHIRE MEDIA PTY LTD	25,122,000	2.67%
GE EQUITY INVESTMENTS PTY LTD	23,085,000	2.46%
GUILDFORD HOLDINGS (AUST) PL	22,905,104	2.44%
BLAZZED PTY LTD	14,513,671	1.54%
CITICORP NOMINEES PTY LIMITED	9,830,962	1.05%
DAVID RICKERT	9,826,821	1.05%

Tightly held, with T10 holding ~66%

SHARE REGISTRY:

Automatic Registry Services

Level 5, 126 Phillip Street, Sydney, NSW, 2000

Thank you

For more information please
contact investors@vinyl.group

ASX: VNL

11 Wilson St, South Yarra, VIC, 3141

<https://vinyl.group>

“We forecast music revenue to more than
double to about \$131 billion by 2030.”

[Goldman Sachs](#), May 2024

Award nominations this calendar year:



Appendix A - Summary of Underwriting Agreement Terms

Lead Manager Fee	2% of Funds Placed
Underwriting Fee	4% of the Funds Placed except precommitments
Options	Peloton will be issued with 2 million options exercisable at the rights issue price on the 6 month anniversary of the successful raising and an additional 2 million options at the same pricing on the 12 month anniversary of the successful raising subject to remaining engaged under this agreement.
Termination	<p>The Underwriting Agreement can be terminated by the Underwriter without cost or liability to itself, by written notice to the Company, if any of the events in the following pages occurs at any time from the date of this Agreement until on or before 5.00 p.m. on the Settlement Date or at any other time as specified in the conditions.</p> <p>Any event marked with an asterisk (*) occurs, the Underwriter may not Terminate unless it has reasonable grounds to believe that the event:</p> <ul style="list-style-type: none">(a) has or is likely to have a Materially Adverse Effect on:<ul style="list-style-type: none">(i) the success, settlement or marketing of the Offer (or any aspect of it), the price at which the Offer Shares are likely to trade on the ASX or on the ability of the Underwriter to market or promote or settle the Offer (or any aspect of it); or(ii) the willingness of investors to subscribe for the Offer Shares;(b) will, or is likely to, give rise to a liability of the Underwriter or its Affiliates under, or give rise to, or result in, a contravention by the Underwriter or its Affiliates or the Underwriter or its Affiliates being involved in a contravention of, any applicable law; or(c) has resulted in or may result in a material change in the financial position, performance or prospects of the Group from that which existed as at the date of this Agreement, other than as disclosed to ASX prior to the date of this Agreement.

Appendix A - Summary of Underwriting Agreement Terms, continued

1. **Material Financing Arrangements:**

a. any Material Financing Arrangement is:

- i. terminated (or becomes capable of being terminated by a party), rescinded or repudiated or rendered void, illegal or otherwise unenforceable;
- ii. breached in a manner which has a Material Adverse Effect;
- iii. amended, modified or varied in a manner which has a Material Adverse Effect; or
- iv. subject to delay (including the receipt of funds into a trust or similar account by the Company) in a manner which has a Material Adverse Effect on the success, marketing or settlement of the Offer,

in any case, without the prior written consent of the Underwriter; or

b. a condition precedent in any Material Financing Arrangement (in the reasonable opinion of the Underwriter) becomes or is likely to become incapable of being satisfied and as a result of which it becomes capable of being terminated by a party;

2. **Offer Materials:** a statement contained in the Offer Materials is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain (having regard to section 708A of the Corporations Act and any other applicable requirements), or the issue or distribution of any of the Offer Materials, or the conduct of the Offer, is misleading or deceptive or likely to mislead to deceive;

3. **Corrective Statement:** in the reasonable opinion of the Underwriter, the Cleansing Notice is Defective or an obligation arises on the Company to give ASX notice in accordance with sections 708AA(10) or 708AA(12) (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84);

4. **Amendments:** the Company amends any of the Offer Materials without the prior written consent of the Underwriter;

5. **Regulatory Action:** any Government Agency commences, or gives notice of an intention to commence, any action, investigation, enquiry, proceedings or hearing in relation to the Company, the Offer or the Offer Materials or prosecutes or commences proceedings against, or gives notice of an intention to prosecute or commence proceedings against, the Company, including under Part 9.5 of the Corporations Act and Part 3 of the Australian Securities and Investments Commission Act 2001 (Cth);

Appendix A - Summary of Underwriting Agreement Terms, continued

6. **Delisting:** ASX announces that the Company will be removed from the official list or that the Shares will be:
 - a. removed from official quotation; or
 - b. suspended from quotation by ASX for two or more than two Trading Days for any reason other than a trading halt in connection with the Offer;
7. **Quotation:** approval (subject only to customary conditions) is refused or not granted to the official quotation of all the Offer Shares on ASX, or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
8. **Delay:** any event specified in the Timetable which is scheduled to occur:
 - a. on or prior to the Institutional Allotment Date, is delayed for one or more Business Day without the prior written approval of the Underwriter; or
 - b. after the Institutional Allotment Date, is delayed for two or more Business Days without the prior written approval of the Underwriter;
9. **Withdrawal:** the Company withdraws the Offer, or indicates in writing to the Underwriter that it does not intend to, or is unable to proceed with, the Offer;
10. **Unable to Issue Offer Shares:** the Company is prevented from allotting and issuing the Offer Shares within the times required by the Timetable (as amended or varied pursuant to clause 4.1(b)), the ASX Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;
11. **No Certificate:** any Certificate which is required to be furnished by the Company under this Agreement is not furnished when required;
12. **Condition:** a condition precedent in clause 3 is not satisfied or waived by the Underwriter by the time required in that clause;
13. ***Certificate Incorrect:** a statement in any Certificate is false, misleading, deceptive, untrue or incorrect;
14. ***Representations and Warranties:** a representation, warranty or undertaking or obligation contained in this Agreement on the part of the Company is breached or is or becomes misleading or deceptive or not true or correct;
15. ***Breach:** the Company fails to perform or observe any of its obligations under this Agreement;

Appendix A - Summary of Underwriting Agreement Terms, continued

16. ***Information:** any information supplied (including any information supplied prior to the date of this Agreement) by or on behalf of the Company to the Underwriter for the purposes of the Due Diligence Investigations, the Offer Materials or the Offer, is or becomes false, misleading or deceptive or is likely to mislead or deceive (including by omission);
17. **Insolvency:**
 - a. the Company is Insolvent, or there is an act or omission, or circumstance that arises, which is likely to result in the Company becoming Insolvent; or
 - b. *a Group Member (other than the Company) is Insolvent, or there is an act or omission, or circumstance that arises, which is likely to result in a Group Member (other than the Company) becoming Insolvent;
18. ***Adverse Change:** any adverse change, or an event that is likely to result in an adverse change, occurs in the assets, liabilities, financial position or performance, profits, losses or prospects of the Company and the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Company) from those respectively disclosed in any Offer Materials, or as most recently disclosed to ASX by the Company prior to the date of this Agreement;
19. ***New Circumstance:** a new circumstance arises which is a matter adverse to investors in Offer Shares and which would have been required by the Corporations Act to be included in the Offer Materials had the new circumstance arisen before the Offer Materials were given to ASX;
20. **ASIC Determination:** ASIC makes a determination, exemption or order which would prevent the Company from making the Offer under sections 708A or 708AA of the Corporations Act, including a determination under section 708A(2) or 708AA(3) of the Corporations Act;
21. **Contravention of Law:** either:
 - a. *the Company contravenes any provision of the Corporations Act, its Constitution, any of the ASX Listing Rules or any other applicable law;
 - b. any of the Offer Materials or any aspect of the Offer does not comply with the Corporations Act or the ASX Listing Rules, the ASX Waivers or ASIC Modifications (if any) or any other applicable law; or
 - c. approval for any ASX Waivers or ASIC Modifications is withdrawn or is varied in a way that, in the reasonable opinion of the Underwriter, would have a material adverse effect on the success of the Offer;

Appendix A - Summary of Underwriting Agreement Terms, continued

22. **Fraud:** the Company, any of its Directors or the Chief Executive Officer or Chief Financial Officer of the Company is charged in relation to any fraudulent conduct or activity whether or not in connection with the Offer;
23. Prosecution or Investigations: any of the following occur:
 - a. a Director or Senior Executive is charged with an indictable offence;
 - b. any Government Agency charges or commences any court proceedings or public action against the Company or any of its Directors in their capacity as a Director of the Company, or announces that it intends to take action, or commences or gives notice of an intention to commence a hearing or investigation into the Company; or
 - c. any Director is disqualified from managing a corporation under Part 2D.6 of the Corporations Act;
24. **Change in Management or Board:** resignation or termination of a Senior Executive occurs or there is a change in the membership of the board of Directors of the Company;
25. ***Change in Law:** there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State or Territory of Australia a new law or regulation, or the Reserve Bank of Australia, or any Commonwealth or State authority (including ASIC), adopts or announces a proposal to adopt a new policy (other than a law, regulation, or policy which has been announced prior to the date of this Agreement);

Appendix A - Summary of Underwriting Agreement Terms, continued

26. **Market Disruption:**

- a. trading of all securities quoted on ASX, the London Stock Exchange, the Hong Kong Stock Exchange, the New York Stock Exchange, the NASDAQ or the Toronto Stock Exchange is suspended or limited in a material respect for at least one day;
- b. *a general moratorium on commercial banking activities in Australia, the United States, the United Kingdom, a member state of the European Union (excluding 2004 onwards), Hong Kong or Singapore is declared by the relevant central banking authority in any of those countries or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
- c. *any of the following occurs:
 - i. hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, the United States, United Kingdom, any member state of the European Union (excluding 2004 onwards), Singapore, Hong Kong, the People's Republic of China, Canada, Iraq, North Korea, South Korea, Taiwan or Syria, or there is a major terrorist act perpetrated on any of those countries or any diplomatic establishment of any of those countries, or a state of emergency is declared, or a material escalation of a state of emergency occurs in, or in a manner effecting, any of those countries; or
 - ii. the escalation of existing hostilities in relation to the conflict:
 1. between Russia and Ukraine by way of the use of nuclear weapons, or the military of any member state of the North Atlantic Treaty Organization becomes directly involved in that conflict; or
 2. involving Israel and the Gaza region of Palestine, by way of the use of nuclear weapons, or the military of any member state of the North Atlantic Treaty Organization, Iran, Lebanon, Syria or Egypt, become directly involved in that conflict; or
- d. *any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, the United States of America, United Kingdom, any member state of the European Union (excluding 2004 onwards), Singapore, Hong Kong, or the international financial markets or any development or change involving a prospective adverse change in national or international political, financial or economic conditions;

Appendix A - Summary of Underwriting Agreement Terms, continued

27. **Illegality:** there is an event, occurrence or non-occurrence after the execution of this Agreement which, in each case, is outside the Underwriter's reasonable control or which it is otherwise reasonably unable to anticipate or foresee, which makes it illegal or commercially impracticable for the Underwriter to satisfy a material obligation under this Agreement, or to market, promote or settle the offer of Offer Shares, or that causes the Underwriter to delay satisfying a material obligation under this Agreement, including:
- a. any act, statute, order, rule, regulation, directive or request of any government agency, orders of any courts, lockdowns, lock-outs, forced closures, restrictions on mobility, or interruptions or restrictions in transportation which has this impact; or
 - b. any acts of God or other natural forces, civil unrest or other civil disturbance, currency restriction, embargo, action or inaction by a government agency, or any other event similar to those mentioned in this clause 11.1(aa);
28. **Market Fall:** the ASX All Ordinaries Index and/or the ASX Small Ordinaries Index and/or the Standard and Poors/ASX Emerging Companies Index as published by ASX is at any time after the date of this Agreement at a level that is 10% or more below its respective level as at market close on the Trading Day immediately prior to the date of this Agreement; and
29. **Share Price:** the Shares which trade on ASX under the ASX code of "VNL" close lower than the Offer Price for three consecutive Trading Days after the Institutional Opening Date.

Appendix B - Timeline

Request for trading halt, Announcement of the Entitlement Offer (prior to market opening), Lodgement of s708AA Offer Booklet, Appendix 3B and s708AA(2)(f) Cleansing Notice to ASX (prior to market opening)	13 June 2024
Institutional Offer Opens	Prior to noon AEST on 13 June 2024
Announcement of results of Institutional Offer	Before resumption of trading on 17 June 2024
Trading halt lifted, Notice to option holders (prior to market opening), Notice to shareholders with timetable, Notice to ineligible shareholders, Shares trade on 'ex' entitlement basis	17 June 2024
Record Date for determining Entitlements	5:00 pm on 17 June 2024
Settlement of institutional offer, Lodgement of Appendix 2A with ASX for institutional offer shares	19 June 2024
Offer Booklet sent out to Eligible Shareholders, Entitlement Offer opens (Open Date)	19 June 2024
Allotment of shares under institutional offer	20 June 2024
Entitlement Offer closes* (Close Date) 5.00 pm (AWST)	5:00 pm on 3 July 2024
Announcement of results of retail offer, Lodgement of Appendix 2A with ASX for retail offer shares	10 July 2024
Issue of New Shares (and dispatch of refund payments in respect of unsuccessful applications under the Shortfall Offer)**	10 July 2024

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice.

Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Shares.

Appendix C - Risks

The New Shares are considered highly speculative and carry no guarantee with respect to the payment of dividends or returns of capital. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks described below, together with information contained elsewhere in this Offer Document, before deciding whether to apply for New Shares.

General risks

- A. Price of shares
- B. Shareholder dilution
- C. Tax law and application
- D. Force majeure events
- E. Accounting standards
- F. Trading in Shares may not be liquid
- G. General economic and financial market conditions

Risks specific to Vinyl Group's business

- A. Software risks
- B. Development risks
- C. Future funding needs
- D. Convertible Note risk
- E. Commercial Data Access Agreements
- F. Distribution Agreements
- G. Vinyl.com License Agreement
- H. Rolling Stone, Variety and Other Licensing Agreements
- I. Computer system risk
- J. Data loss, theft or corruption
- K. Reputation risk
- L. Contract risk
- M. Integration risk
- N. Technology risk
- O. Events risk
- P. Compliance risk

For full description see the following pages

Appendix C - Risks, continued

Risks specific to Vinyl Group's business

(a) Software risks

Vinyl Group is reliant on the availability and quality of its software. It is possible that an event could occur (for example, a software, hardware or connectivity outage, a software error or malfunction) that renders critical functionality that Vinyl Group relies on for business to become unavailable affecting Vinyl Group's ability to service its customers. Vinyl Group has built backup, redundancy and disaster recovery plans into its systems architecture to mitigate this risk.

(b) Development risks

Vinyl Group's various platforms are in continuous development in cooperation with the industry and consumers, but our platforms include first of its kind features. The Company has built its business model to succeed at management's view of reasonable take up levels based on management's belief on what is a realistic base of assumptions. As with all software businesses, development time is crucial. Vinyl Group requires continuous development in order to grow the business by providing more features, new revenue streams and competitive barriers. Vinyl Group mitigates these risks by implementing agile software development practises to ensure its platforms can pivot and evolve based on changing requirements.

We utilise outside parties with the experience in building these types of platforms. There is a risk of delays by having multiple parties in a reduced timeline. Vinyl Group is mitigating this risk by limiting the scope of the initial release and build enhancements through incremental development which may be developed in house.

Vinyl Group has acquired platforms which has been developed by other parties with the experience in building these types of platforms. There is a risk of integrating these platforms and our own platforms may not occur as originally envisioned and may potentially delay affecting the timelines of the affected platforms.

All our platforms have dependencies, there is a risk of delay as we streamline the platforms to operate under one team and plan.

Appendix C - Risks, continued

(c) Future funding needs

The cash reserves as at the date of this Offer Document, together with the funds to be received in connection with the Entitlements Offer, are considered sufficient to meet the immediate objectives of the Company. Further funding may be required by the Company to support its ongoing operations and implement its strategies [in the short to medium term]. Accordingly, we may need to engage in future equity and debt financings, including other methods if applicable to secure additional funds. If we raise additional funds through future issuances of equity or convertible debt securities, our existing shareholders could suffer additional significant dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our ordinary shares. We may not be able to obtain additional financing on terms favourable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to support our business growth, acquire or retain Users, and to respond to business challenges could be significantly impaired. This may result in the delay or cancellation of certain activities or projects which would likely adversely affect the potential growth of the Company which in turn could harm our business.

Attracting and retaining customers to the Jaxsta, Vinyl and Vampr Platforms: The Company's revenue can be affected by its ability to attract and retain customers on the Jaxsta Platform. Various factors, such as marketing and promotions, brand damage or interruptions to service provisions, can affect the level of these customers using the Jaxsta Platform.

(d) Convertible Note Risk

The Company has a convertible note with Songtradr, Inc, that if not converted would require a repayment of approximately \$1,978,000 by the expiry date of 29 June 2025. The convertible note has a conversion price of \$0.021 per share, which is substantially lower than the current price of \$0.11 making it unlikely that Songtradr would not convert the note in favour for a cash repayment, as well as an attaching option for the exercise price of \$0.021 per share. Should the price drop near or below the conversion price would require the Company to obtain funding to repay the note, further diluting shareholders.

(e) Commercial Data Access Agreements

Vinyl Group has entered and will continue to enter into various Commercial Data Access Agreements (CDAAs) with third party Data Partners for the supply and license of content and metadata which is used by the Jaxsta Platform. Vinyl Group is dependent on these third party Data Partners to supply data for the Jaxsta Platform and there are inherent contractual risks associated with these various CDAAs. Risks include, amongst other things, the risk of termination or non-renewal of these CDAAs by Data Partners and disputes with Data Partners.

Appendix C - Risks, continued

(f) Distribution Agreements

Vinyl Group has entered and will continue to enter into various Distribution Agreements with third party suppliers for the supply and distribution of vinyl products which are used by the Vinyl Platform. Vinyl Group is dependent on these third party suppliers to supply data for the Vinyl Platform and provide the supply and logistics of vinyl products for order fulfillment. There are inherent contractual risks associated with these various Distribution Agreements. Risks include, amongst other things, the risk of termination or non-renewal of these Distribution Agreements by these third parties, as well as disputes with the third parties.

(g) Vinyl.com Licensing Agreement

Vinyl Group has entered into a licensing agreement (IP license) with Songtradr Inc for the use of the Vinyl.com URL. The agreement has a licensing cost and a purchase option to acquire the full rights within a three year time frame. Vinyl Group is dependent on this IP license to commercialise its direct to consumer merchandising opportunity. There are inherent contractual risks associated with the IP license. Risks include, amongst other things, the risk of termination or non-renewal of the IP license by Songtradr, as well as disputes with Songtradr. There is also a risk of not realising the value of this agreement early in its cycle, increasing the cost of the outright acquisition of the intellectual property.

(h) Rolling Stone, Variety and Other Licensing Agreements

Vinyl Group has entered into a licensing agreements to use the Title, Trademark and Licensor Editorial Materials in connection with the publication and distribution of print and digital editions in the territory of Australia and New Zealand, as well as the operation of Licensed Events and operation of its website in the Territory. Vinyl Group is dependent on this IP license to commercialise its Media and Events business. There are inherent contractual risks associated with the licenses. Risks include, amongst other things, the risk of termination or non-renewal of the license by Licensors, as well as disputes with any Licensor. There is also a risk of not realising the value of this agreement in its cycle, requiring a payment to meet the minimum requirements.

Appendix C - Risks, continued

(i) **Computer system risk**

Our growth depends on the ability of our potential customers to access the Jaxsta Platform and the Vinyl Platform at any time and within an acceptable amount of time. In addition, our intention is to rely almost exclusively on our website for the payment of product and service sales. We may in the future experience disruptions, data loss, outages and other performance problems with our infrastructure and website due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints, denial of service attacks or other security-related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times as our products and website become more complex and our user traffic increases. If our products and websites are unavailable or if our users are unable to access our products within a reasonable amount of time, or at all, our business would be harmed. Moreover, we depend on services from various third parties, such as Amazon Web Services, to maintain our infrastructure and distribute our products via the Internet. Any disruptions in these services, outside of our control, would significantly impact the continued performance of our products. In the future, these services may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of these services could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated into our infrastructure. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, results of operations and financial condition could be harmed. To mitigate these risks to the business we utilise cloud based infrastructure to back up across multiple regions covering our global market and endeavour to ensure architecture is scalable and systems are constantly evolving to take advantage of more performative technologies.

Appendix C - Risks, continued

(j) Data loss, theft or corruption

Techniques used to gain unauthorised access to data and software are constantly evolving, and we may be unable to prevent unauthorised access to data pertaining to our users, including credit card and debit card information and other personal data about our Users, business partners and employees. Like all internet services, our Service, which is supported by our own systems and those of third parties we work with, is vulnerable to software bugs, computer viruses, internet worms, break-ins, phishing attacks, attempts to overload servers with denial-of-service, data scraping or other attacks and similar disruptions from unauthorised use of our third-party computer system. Any of these could lead to system interruptions, delays or shutdowns, causing loss of critical data or the unauthorised access to personal data. We may incur significant costs in protecting against or remediating cyber-attacks.

Any failure or perceived failure, by us to maintain the security of data relating to our users, to comply with our privacy policy, laws and regulations, industry standards, and contractual provisions to which we may be bound, could create a loss of confidence in us. This could also result in actions against us by governmental entities or others, all of which could result in litigation and financial losses, and could potentially cause us to lose Users, data partners and revenue generating opportunities.

Vinyl Group has risks on both the data ingestion and data maintenance portion of the business. On the data ingestion side, Vinyl Group has developed and driven new standardised tools to ensure data that is ingested is translated into a Vinyl Group proprietary format before being made available to the public. This will ensure that no proprietary partner data is available in its original format. The ingestion process has also worked with industry groups and data partners to utilise standards to ensure the highest level of compatibility. Regarding data maintenance, Vinyl Group utilises various systems to manage their structures and assets to prevent unauthorised access and corruption of data. Vinyl Group will provide its services online through the Jaxsta Platform and Vinyl Platform.

Vinyl Group has strategies and protections in place to mitigate security breaches and to protect data.

Appendix C - Risks, continued

(k) Reputation Risk

Vinyl Group operates in an online environment therefore unfavourable publicity regarding: terms of Service, Service changes, Service quality, the actions of our developers whose services are integrated with our Service, the use of our Service for illicit, objectionable, or illegal ends, the actions of our Users, the quality and integrity of content shared on our Service, or the actions of other companies that provide similar services to us, could materially affect our reputation. Such negative publicity could have an adverse effect on the size, engagement, and loyalty of our User base and result in decreased revenue, which could materially adversely affect our business, operating results, and financial condition.

Negative publicity can spread quickly, whether true or false. Disgruntled customers posting negative comments about Vinyl Group, in public forums may also have a damaging effect on Vinyl Group's reputation and its ability to earn revenues and profits.

Our brand may be impaired by a number of other factors, including failure to keep pace with technological advances on the Jaxsta Platform, Vinyl Platform or with our Service, slower load times for our Service, a decline in the quality or quantity of the content available on our Service, a failure to protect our intellectual property rights, or any alleged violations of law, regulations, or public policy.

To mitigate these risks, Vinyl Group:

- (l) is working with publicists locally and internationally who will alert us to any bad press and help mitigate the fallout;
- (m) has an alerts system that notifies us of press for monitoring;
- (n) has a digital media agency that manages our social media and necessary responses working with the wider Vinyl Group team and our team of publicists;
- (o) has a communications flow policy for all media releases involving our company secretary, our local fin/tech PR firm, our local music industry PR firm, international PR team and digital media agency;
- (p) has its social media team and PR team which have a communication plan in place for responding to social media questions and comments. Appropriate responses have been prepared, then reviewed and approved by senior management to ensure we can respond to questions and comments on social media in a timely manner with the best possible response;
- (q) has created clear escalation pathways to respond to comments that fall outside the scope of our prepared responses; and
- (r) created info@vinyl.group and investors@vinyl.group - both email addresses have multiple people receiving these emails so there is always someone to review, respond or escalate if required.

Appendix C - Risks, continued

(s) Contract Risk

We are party to many license agreements which are complex and impose numerous obligations upon us which may make it difficult to operate our business. A breach of such agreements could adversely affect our business, operating results, and financial condition.

(t) Integration Risk

The Company has acquired two entities in the last year and there is a risk that the integration of the business will not be successful in growing the acquired entities revenues or integrating the business platforms successfully.

(u) Technology Risk

Current advancements in artificial intelligence efforts may not deliver immediate benefits to the Jaxsta, Vampr and Vinyl platforms on their base functionality or without significant investment.

(v) Events Risk

The Company manages events which carry the risk unforeseen occurrences that affect both the success of the event, the safety of those attending the events and the reputational risk to both sponsoring companies and the Company.

(w) Compliance Risk

The Company operates globally for some of its products and compliance with local registrations, taxes and additional requirements is key in launching and maintaining products in those jurisdictions.

Appendix C - Risks, continued

General risks

(a) Price of Shares

The Shares are subject to general market risks applicable to all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the performance of the Company.

The price at which Shares are quoted on the ASX may increase or decrease due to a number of factors, some of which may not relate directly or indirectly to the Company's performance or prospects.

There is no assurance that the price of the Shares will increase in the future, even if the Company's earnings increase.

Some of the factors which may affect the price of the Shares include:

- fluctuations in the domestic and international markets for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, commodity and oil prices or changes to government;
- fiscal, monetary or regulatory policies, legislation or regulation;
- inclusion in or removal from market indices;
- the nature of the markets in which the Company operates;
- general operational and business risks;
- variations in sector performance, which can lead to investors exiting one sector to prefer another; and
- initiatives by other sector participants which may lead to investors switching from one stock to another.

Deterioration of general economic conditions may also affect the Company's business operations, and the consequent returns from an investment in Shares.

In the future, the sale of large parcels of Shares may cause a decline in the price at which the Shares trade on ASX.

Appendix C - Risks, continued

(b) Shareholder dilution

In the future, the Company may elect to issue further Shares in connection with fundraisings, including to raise proceeds for acquisitions or investments. While the Company will be subject to the constraints of the Listing Rules regarding the percentage of its capital it is able to issue within a 12 month period (other than where exceptions apply), Shareholders may be diluted as a result of such fundraisings.

(c) Tax law and application

The application of and change in relevant tax laws (including income tax, goods and services tax (or equivalent), rules relating to deductible liabilities and stamp duty), or changes in the way those tax laws are interpreted, will or may impact the tax liabilities of the Company or the tax treatment of a Shareholder's investment. An interpretation or application of tax laws or regulations by a relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax paid or payable by the Company.

Both the level and basis of tax may change. Any changes to the current rate of company income tax (in Australia or other countries in which the Company operates) and / or any changes in tax rules and tax arrangements (again in Australia or other countries in which the Company operates) may increase the amount of tax paid or payable by the Company, may also impact Shareholder returns and could also have an adverse impact on the level of dividend franking / conduit foreign income and Shareholder returns. In addition, an investment in Shares involves tax considerations which may differ for each Shareholder. Each Shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

(d) Force majeure events

Events may occur within or outside Australia that could impact upon global, Australian or other local economies relevant to the Company's financial performance, the operations of the Company and the price of the Shares. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services and its ability to conduct business. The Company has only a limited ability to insure against some of these risks.

Appendix C - Risks, continued

(e) Accounting standards

Australian Accounting Standards (AAS) are adopted by the AASB and are not within the control of the Company and its Directors. The AASB may, from time to time, introduce new or refined AAS, which may affect the future measurement and recognition of key statement of profit or loss and statement of financial position items. There is also a risk that interpretation of existing AAS, including those relating to the measurement and recognition of key statement of profit or loss or statement of financial position items may differ. Any changes to the AAS or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of the Company.

(f) Trading in Shares may not be liquid

There is no guarantee that there will be an ongoing liquid market for the Shares. Accordingly, there is a risk that, should the market or the Shares become illiquid, the Shareholders will be unable to realise their investment in the Company.

(g) General economic and financial market conditions

The operating and financial performance of the Company is influenced by a variety of general domestic and global economic and business conditions that are outside the control of the Company. There is a risk that prolonged deterioration in general economic conditions may impact the Company's financial performance, financial position, cash flows, dividends, growth prospects and Share price.

Appendix D - Proforma Balance Sheet 31 December 2023

The effect of the offer is to increase cash reserves by a net \$5.150M.

Balance Sheet	Reviewed 31/12/24	Offer	Proforma 31/12/24	U
Assets				
Current assets				
Cash and cash equivalents	1,248,112	5,150,567	6,398,679	
Trade and other receivables	394,797		394,797	
Other assets	111,425		111,425	
Total current assets	1,754,334	5,150,567	6,904,901	
Non-current assets				
Property, plant and equipment	11,541		11,541	
Intangibles	5,592,056		5,592,056	
Total non-current assets	5,603,597	0	5,603,597	
Total assets	7,357,931	5,150,567	12,508,498	
Liabilities				
Current liabilities				
Trade and other payables	848,977		848,977	
Contract liabilities	63,150		63,150	
Borrowings and derivative financial instruments	77,975		77,975	
Employee benefits	52,587		52,587	
Total current liabilities	1,042,689	0	1,042,689	
Non-current liabilities				
Contract liabilities	412,315		412,315	
Derivative financial instruments	7,620,156		7,620,156	
Employee benefits	13,560		13,560	
Total non-current liabilities	8,046,031	0	8,046,031	
Total liabilities	9,088,720	0	9,088,720	
Net liabilities	-1,730,789	5,150,567	3,419,778	
Equity				
Issued capital	51,171,581	5,150,567	56,322,148	
Reserves	5,484,854		5,484,854	
Accumulated losses	-58,387,224		-58,387,224	
Total deficiency in equity	-1,730,789	5,150,567	3,419,778	