



19 June 2024

Dear Shareholder:

NOTIFICATION TO INELIGIBLE SHAREHOLDERS

On 13 June 2024, Vinyl Group Ltd (“Vinyl Group” or “Company”) announced that the launch of a fully underwritten pro rata accelerated non-renounceable entitlement offer to eligible existing shareholders to raise approximately A\$5.4 million. The offer is 1-for-17 offer of new fully paid ordinary shares (New Shares) at A\$0.098 per New Share (Offer Price) under which eligible existing shareholders will be entitled to subscribe for 1 new share for every 17 shares held at the record date to raise gross proceeds of approximately \$5.4M (Entitlement Offer). This will result in the issue of approximately 55 million shares or 5.56% of the total issue capital of the Company.

The Entitlement Offer' is fully underwritten by Peloton Capital (Peloton Capital, Underwriter, or the Lead Manager) and Red Leaf Securities (Sub-Underwriter). The offer price represents a 11% discount to the last closing price of A\$0.11 and a 10% discount to the 10 day VWAP through 12 June 2024.

The Entitlement Offer will be conducted in two parts, an institutional component (Institutional Entitlement Offer) and a retail component (Retail Entitlement Offer). The Entitlement Offer is non-renounceable, and Entitlements will not be tradable or otherwise transferable.

Eligible shareholders who do not take up their Entitlement under the Entitlement Offer in full or in part, will not receive any value with respect to those Entitlements not taken up.

Institutional Entitlements Offer

The institutional component of the Entitlement Offer (Institutional Entitlement Offer) raised approximately A\$2.77 million from the proposed issue of approximately 33,575,360 New Shares. The Institutional Offer, which opened on Thursday, 13 June 2024 and closed on Friday, 14 June 2024, was made at A\$0.098 per New Share.

Retail Entitlement Offer

Eligible retail shareholders with a registered address in Australia or New Zealand as at 7.00pm (Sydney time) on the Record Date, not being US persons or acting for the account or benefit of persons in the US (Eligible Retail Shareholders) will be invited to participate in the Retail Entitlement Offer at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open at 9.00am (Sydney time) on Wednesday, 19 June 2024 and close at 5.00pm (Sydney time) on Wednesday, 3 July 2024.



Eligible Retail Shareholders can choose to take up all, or part or none of their Entitlement under the Entitlement Offer.

In addition to each Eligible Retail Shareholder's Entitlement under the Retail Entitlement Offer, Eligible Retail Shareholders will be offered the opportunity to apply for additional New Shares under a Shortfall Facility. Eligible Retail Shareholders are not assured of being allocated any New Shares in excess of their Entitlement under the Shortfall Facility. The Company retains absolute discretion regarding allocation under the Shortfall Facility.

If Eligible Retail Shareholders take no action, they will not be allocated New Shares and their Entitlements will lapse. Eligible Retail Shareholders who do not take up their Entitlements in full under the Retail Entitlement Offer will not receive any value or payment for those Entitlements they do not take up. The Retail Entitlement Offer is non-renounceable and cannot be traded on ASX or any other exchange, nor can it be privately transferred.

Existing Shareholders with a registered address outside Australia and New Zealand on the Record Date or who are acting for the account or benefit of persons in the United States will be ineligible to participate in the Retail Entitlement Offer.

This notice is to inform you about the Retail Entitlement Offer and explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer.

Why am I not eligible to participate in the Entitlement Offer?

You are not eligible to participate in the Retail Entitlement Offer because on the Record Date you did not satisfy one or more of the conditions below for an Eligible Retail Shareholder:

- have an address on the Vinyl Group register in Australia or New Zealand;
- are not acting for the account or benefit of a person in the United States;
- was not invited to participate in the Institutional Entitlement Offer and was not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; or
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Shareholders who are not Eligible Retail Shareholders are ineligible retail shareholders (Ineligible Retail Shareholders).

The restrictions upon eligibility under the Entitlement Offer arise because of legal and regulatory requirements in countries other than those listed above and the potential costs to the Company and complexity of complying with these legal and regulatory requirements compared to the relatively small number of shareholders in those countries, the relatively small number of existing



Company shares they hold and the relatively low value of the New Shares to which those shareholders would otherwise be entitled.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A of the Corporations Act as modified by ASIC Instrument, that it would be unreasonable to make or extend the offer to shareholders in certain countries under the Entitlement Offer.

According to our records, you do not satisfy the eligibility criteria above for an Eligible Retail Shareholder and accordingly you are an Ineligible Retail Shareholder and the Company wishes to advise that in accordance with ASX Listing Rule 7.7.1 (b) and section 9A(3) of the Corporations Act, the Entitlement Offer will not be extended to you and you will not be able to subscribe for New Shares under the Entitlement Offer. You will not be sent the offer document relating to the Retail Entitlement Offer.

No action required

This notice is to inform you about the Retail Entitlement Offer and explain why you will not be able to subscribe for New Shares under the Retail Entitlement Offer. This notice is not an offer to issue entitlements or New Shares to you, nor an invitation for you to apply for entitlements or New Shares.

You are not required to do anything in response to this letter.

On behalf of the Board and management of Vinyl Group, we regret that you are not eligible to participate in the Retail Entitlement Offer but thank you for your ongoing support.

If you have further questions in relation to the above, please contact us at investors@vinyl.group.

A handwritten signature in black ink, appearing to read "Jorge Nigaglioni". The signature is stylized and somewhat abstract, with overlapping lines.

Jorge Nigaglioni
Company Secretary
Vinyl Group Ltd.