



## Quarterly Activities Report

Q2 FY25

29 January 2025

# Quarter Highlights from the CEO

Dear Shareholders,

We are pleased to provide you with highlights from the quarter:

- **Record Cash Receipts:** Cash received reached \$5.333M, representing a 172% QoQ increase (\$3.374M growth from the previous quarter).
- **Strategic Acquisitions:**
  - **Funkified Entertainment:** Acquisition completed, expected to contribute \$500K in profit to cash flows annually.
  - **Concrete Playground:** Acquisition announced and set for completion in the current quarter, projected to add \$1.5M to EBITDA over the next 12 months from completion.
- **International Expansion:** Successfully launched **Vinyl.com** into the UK, marking a significant milestone in our global growth strategy.
- **Key Partnership:** Signed a two-year agreement to represent Songtradr's digital advertising assets, expanding our reach across its portfolio of brands.
- **Debt Reduction & Fundraising Success:**
  - Convertible note conversion reduced debt by nearly \$1.6M.
  - Accelerated exercise of options raised \$1.8M, supporting upfront acquisition costs.
  - ANREO completed in January, securing \$7.6M in gross new funds for acquisitions and working capital during integration.

Looking ahead, our focus this quarter is on completing the Concrete Playground acquisition and streamlining our media business operations. By optimising the organisational structure, we aim to maximise the performance of all our properties as a unified entity.

*All figures unaudited.*



A handwritten signature in black ink that reads "Joshua Simons". The signature is fluid and cursive, with the first name "Joshua" and last name "Simons" clearly distinguishable.

**Josh Simons** - Chief Executive Officer  
and Executive Director

# Quarterly Revenue Traction

We have grown revenues by

**55%**<sub>QoQ</sub>

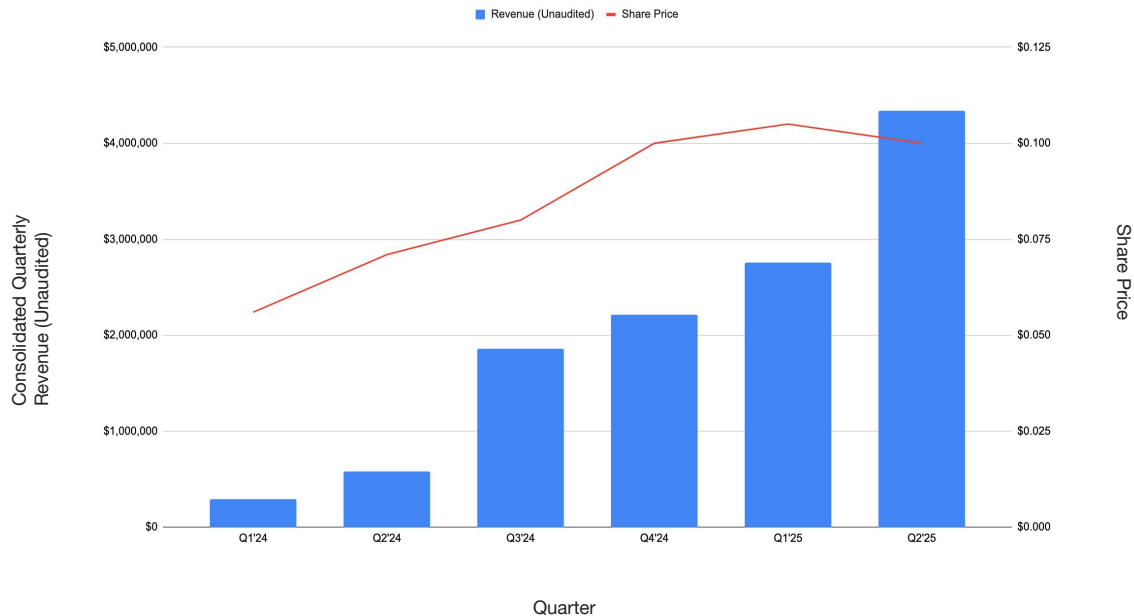
And compared with last year

**639%**

**Q2'25 vs Q2'24**

Quarter includes initial revenues from Funkified for partial December. Next quarter will reflect full quarter performance, along with partial Concrete Playground results, following completion.

Revenue (Unaudited) and Share Price



# Cash Position

Our cash reserves increased by \$3.571M. The increases were primarily driven by:

- improved collections from customers,
- increased sales during the holiday period,
- the conversion of convertible notes, and;
- the institutional component of the Entitlements Offer.

There were additional cash outlays during the quarter for:

- the acquisition of Funkified Entertainment,
- increased product costs for higher holiday season sales, and;
- increased staff costs for the new teams added from Mediaweek, Serenade and Funkified.

The Entitlements Offer has secured the funds for the upcoming acquisition of Concrete Playground which has a cash component of \$3.5M to be paid in the March quarter, the same quarter we will also receive gross proceeds of the retail portion of the Entitlements Offer of \$3.3M.

*All figures unaudited.*

	Q2'25	Q1'25	Difference
Cash	\$7.114M	\$3.544M	\$3.571M
Trade & Other Receivables	\$1.982M	\$3.452M	(\$1.470M)
Trade Payables	(\$1.386M)	(\$2.160M)	\$775K
<b>Working Capital</b>	<b>\$7.710M</b>	<b>\$4.835M</b>	<b>\$2.875M</b>

# Summary of cash position and expenditure

## Financial Position as of 31 December 2024:

- Cash and cash equivalents: \$7.114 million
- \$4.3 Institutional portion of Entitlements Offer received in December. Final balance of retail component of Entitlements Offer of \$3.3 million in gross proceeds in January.

## Overall Operating Cash Flow Details:

- Operating net cash burn: \$1.566 million, a 35% improvement from the previous quarter's \$2.373 million
- The overall net cash burn quarter-over-quarter decreased due to:
  - Increased collections from prior quarter and increased sales in our e-commerce business during the holiday season

## Quarterly Cash Flow Analysis:

- Cash from customers increased by \$3.374M to \$5.333M, an increase of 172% due to:
  - Increased collections from prior quarter;
  - increased sales in our e-commerce business during the holiday season; and
  - Sales from Mediaweek and Serenade for the quarter.
- Increase in staff costs of \$296K from the additional staff from Serenade, Mediaweek and Funkified.
- Increase in product and platform operating costs by \$1.859M from increased volumes during the quarter in the media and e-commerce businesses
- Increase in research and development costs by \$3K for tech platform work, from the continued optimisation and backend infrastructure refactoring Jaxsta
- Decrease in office space costs of \$15K for the quarter from temporary changes during the quarter
- Increase in sales and marketing costs of \$274K due to the increase in digital marketing spend for the e-commerce holiday season
- Increase in general and administrative costs by \$125K due to legal work on acquisitions and integrations activities.

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

## Payments to related parties and their associates:

- The Company had no payment to its related parties comprising salaries, directors fees, reimbursable expense payment to directors including executives who were directors during the past six months, except salaries to the executive director of \$72,476. No payments were made to associates of any related parties.

## 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 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to Date \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	5,333	7,291
1.2	Payments for		
	(a) research and development	(250)	(496)
	(b) product manufacturing and operating costs	(3,510)	(5,161)
	(c) advertising and marketing	(523)	(772)
	(d) leased assets	(62)	(139)
	(e) staff costs	(1,705)	(3,114)
	(f) administration and corporate costs	(871)	(1,617)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	22	48
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,566)</b>	<b>(3,960)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(935)	(935)
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(935)</b>	<b>(1,414)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,323	6,922
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,788	1,788
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(260)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(40)	(94)
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>6,071</b>	<b>8,356</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	3,544	4,132
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,566)	(3,960)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(935)	(1,414)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,071	8,356
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>7,114</b>	<b>7,114</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	7,042	3,472
5.2	Call deposits	72	72
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>7,114</b>	<b>3,544</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

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
197	197
-	-
-	-
197	197

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

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- 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)	(1,566)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	7,114
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	7,114
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	4.54

*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.

29/01/2025

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.