1. Company details

Name of entity:	Vinyl Group Ltd
ABN:	15 106 513 580
Reporting period:	For the half-year ended 31 December 2024
Previous period:	For the half-year ended 31 December 2023

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	770.2%	to	7,625,137
Other income and interest revenue	down	79.8%	to	47,920
Loss from ordinary activities after tax attributable to the owners of Vinyl Group Ltd	up	44.6%	to	(6,885,773)
Loss for the half-year attributable to the owners of Vinyl Group Ltd	up	44.6%	to	(6,885,773)

Dividends
There were no dividends paid, recommended or declared during the current or previous financial half-year.

Comments
The loss for the Group after providing for income tax amounted to $6,885,773 (31 December 2023: $4,762,293).

Refer to Market announcement, which precedes the Appendix 4D, for further commentary on the results for the half-year ended 31 December 2024.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.01	(1.29)

4. Control gained over entities

Name of entities (or group of entities)	Mediaweek (Assets only)
Date control gained	4 September 2024
Name of entities (or group of entities)	Funkified Entertainment Pty Ltd
Date control gained	6 December 2024
Name of entities (or group of entities)	Serenade Sound Limited
Date control gained	30 September 2024

Refer to note 15 'Business combinations' for further details.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report. The review report is expected to contain a paragraph addressing material uncertainty related to going concern.

11. Attachments

Details of attachments (if any):

The Interim Report of Vinyl Group Ltd for the half-year ended 31 December 2024 is attached.

12. Signed

Signed ____________________________ Date: 28 February 2025

Linda Jenkinson
Non-Executive Director and Chair
Melbourne

VINYL GROUP

Interim Report 2025

Inside this report

CEO's Letter

Dear Shareholders,

I am pleased to share Vinyl Group Ltd's significant progress over the first half of FY25. This period has been nothing short of transformational, marked by rapid expansion, strategic acquisitions, and significant financial milestones that reinforce our vision of becoming a dominant force in the music and media industries.

Strategic Growth & Restructuring

In just the first half of FY25, we completed three acquisitions and announced a fourth. Since then, and at the start of this second half, we have successfully integrated these businesses, streamlining operations and unifying our media companies under the newly formed Vinyl Media umbrella. This strategic consolidation has enabled us to maximise efficiencies, solidify our market position, and enhance our ability to serve our growing customer base. Additionally, our various tech platforms will realise a further $500,000 in cost savings through this process, demonstrating our commitment to operational excellence.

Financial Performance: Unprecedented Growth

Our revenue trajectory continues to break company records. One year ago, Vinyl Group was operating with a $2M annual revenue run rate, and at this half-year mark, we are tracking at a $20M annual revenue run rate (excluding Concrete Playground). This 10x revenue increase is a testament to our ability to execute our strategic plan with precision and speed. Our market capitalisation has also experienced a meteoric rise, from approximately $40M at the beginning of the last financial year to recent highs consistently exceeding $150M—further validation of our strategy and execution.

In 2024, we also successfully launched two underwritten rights offerings in the same year, which, in addition to other placements and the exercise of options, raised over $25M from existing shareholders. This demonstrates not only the confidence our investors have in our vision but also our ability to efficiently raise capital while minimising dilution. This financial backing has been instrumental in funding our acquisitions and accelerating our growth initiatives.

Expansion of Vinyl Media & Digital Assets

Our acquisition strategy has positioned Vinyl Group as a leader in music technology and media. With the integration of our latest acquisitions, Vinyl Media now houses some of the most influential music brands and digital publications in Australia, significantly amplifying our audience reach and engagement. By leveraging our media assets, we are driving substantial cross-promotional opportunities that directly benefit our e-commerce and technology platforms.

In parallel, our global tech platforms—Vampr, Vinyl.com, Serenade, and Jaxsta—continue to evolve. Vampr and Jaxsta's ongoing integration, and the latter's subsequent relaunch, were important product milestones for the team, providing music creators with enhanced recognition and career opportunities. The announcement and behind-the-scenes work on building out the Vampr Ad Network also remains a priority for FY25 and beyond and forms part of our vision of building the world's biggest music ad network—this is our global vision.

Meanwhile, Vinyl.com has delivered four consecutive months of record-breaking revenues, continuing to establish itself as a premier music e-commerce destination, and of course, we also recently celebrated its UK launch.

The Path Forward: Optimisation & Expansion

While 2024 was defined by rapid change and expansion, 2025 is about optimisation. We are focused on refining our portfolio, unlocking new opportunities for our sales team, and challenging every component of our business to operate as efficiently as possible. Our next phase will be centred on scaling profitably, improving margins, and continuing to execute strategic partnerships that enhance our competitive edge.

There is a second stage of the integration process that goes beyond the initial cost savings and small wins: a deeper dive into the real opportunities and synergies that can be unlocked within our suite of brands and services that comes from the experience of operating the various units together. We expect this to be an ongoing process well into the remainder of the financial year and beyond.

With the foundation now firmly in place, we have all the tools needed to turn Vinyl Group into a true industry leader. We have the brands, the products, the customers, and—most importantly—the people to make this vision a reality. As we move into the second half of the financial year, our priority will be to further streamline our operations, enhance revenue streams, and continue delivering outstanding value to our shareholders.

Tying It All Together: The Vision for Technology & Media

In December, revenues from our technology assets exceeded those from our media division for the first time, validating our strategy that acquiring profitable media businesses can both fuel our growth and serve as amplification for our platforms. This milestone underscores the synergy between both sides of our business—media and tech growing in parallel, reinforcing one another. Rather than choosing between being a media or a tech company, we are proving that a 21st-century media-tech hybrid can unlock entirely new market opportunities–we've started in Australia, but our ambitions are global.

For this strategy to be continually realised, we must remain focused on company culture and innovation. A recent example of this is our annual Ship Week. We recently wrapped up one of my favourite company traditions—bringing our entire team together from across four continents for an intense week of ideation, building, and shipping new products or internal efficiency tools in just five days. Events like Ship Week showcase how we successfully integrate acquisitions, build a strong culture of collaboration, identify cross-product line opportunities, and reinforce our commitment to being a technology-first music and media company.

As we enter the second half of FY25 and beyond, our attention will move towards building AI-driven publishing products developed by our in-house tech team. These innovations will significantly enhance our content output, making our Vinyl Media operation more efficient while reducing the cost of user acquisition. This will not only reinforce our standing as a pioneering media-tech company but also unlock new opportunities for expansion and profitability.

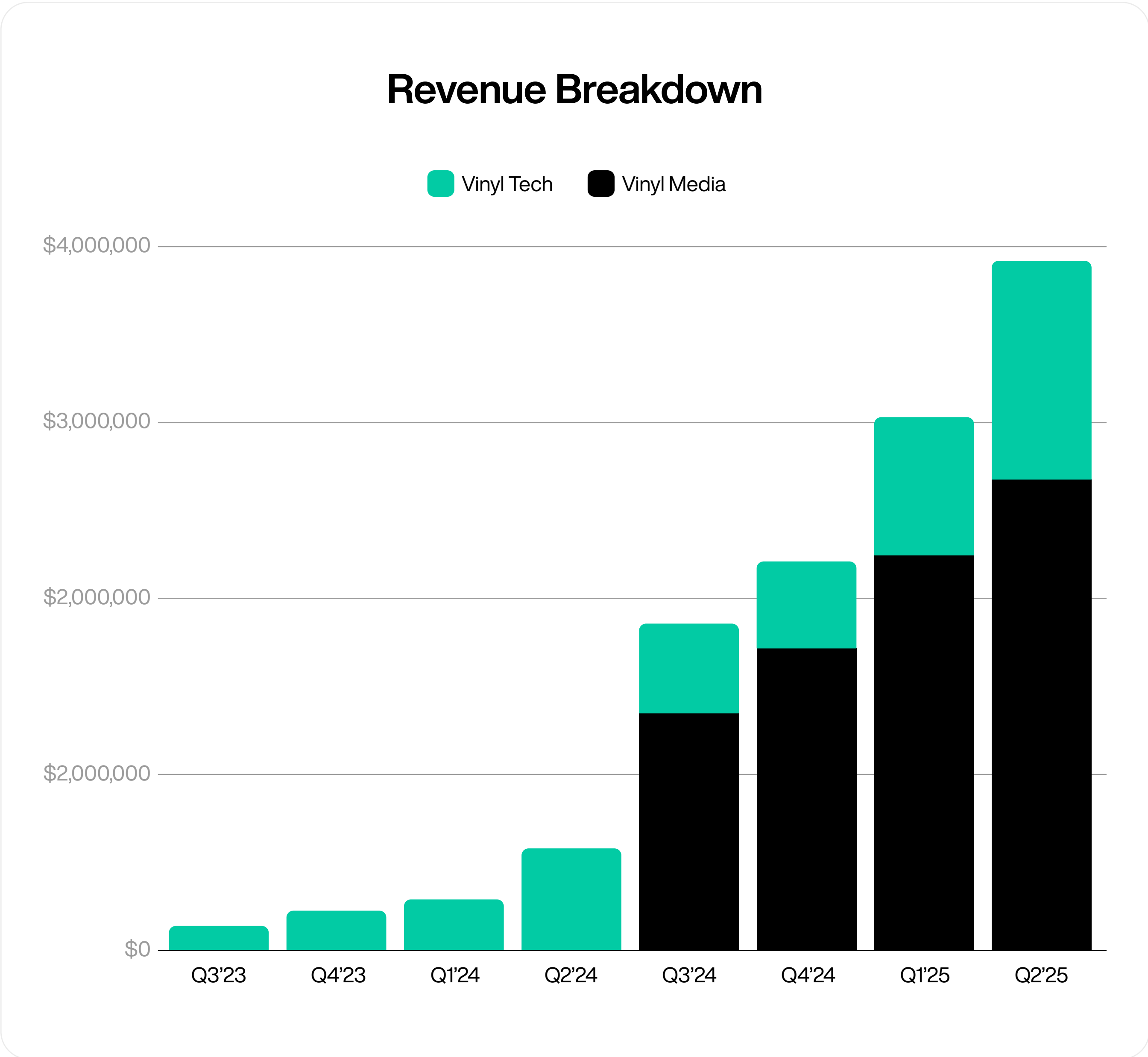
Meanwhile, organic revenue growth across all product lines continues to strengthen our financial position. With our current trajectory, we expect to highlight a significant decrease in cash burn by the end of the financial year and reach profitability by the end of the calendar year. This is the culmination of years of strategic planning, disciplined execution, and an unwavering commitment to building a sustainable, high-growth business.

Thank you for your continued support and belief in our vision. The momentum we have built is just the beginning, and I look forward to sharing more exciting developments in the months ahead.

Sincerely,

Joshua Simons

Josh Simons


Revenue Breakdown
Vinyl Tech
Vinyl Media
$4,000,000
$3,000,000
$2,000,000
$2,000,000
$0
Q3'23
Q4'23
Q1'24
Q2'24
Q3'24
Q4'24
Q1'25
Q2'25

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Vinyl Group Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2024.

Directors
The following persons were directors of Vinyl Group Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Joshua Simons	Executive Director and CEO
Linda Jenkinson	Non-Executive Director and Chair
Robert Kenneth ('Ken') Gaunt	Non-Executive Director
Ben Katovsky	Non-Executive Director
Steve Gledden	Non-Executive Director

Principal activities
During the financial half-year the principal continuing activities of the Group continued providing tech and media solutions that connect music creators, fans and brands. The Group's diverse portfolio has touchpoints across all corners of the global music ecosystem, empowering everyone from creators to consumers. These include: Vinyl.com, a premier e-commerce platform with over 50,000 titles; Vampr, a social-professional network and talent marketplace with 1.4 million creators across 180+ countries; Jaxsta, the world's largest database of official music credits with over 380 million verified records; and Serenade, a Web3 pioneer in physical and digital collectibles, serving 200+ global artists. Meanwhile, the company's publishing arm, Vinyl Media, is home to a powerhouse of culture, premium content, and live experiences, operates Mediaweek, Tone Deaf, and licenses the Rolling Stone, Refinery29, and Variety mastheads in Australia.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations
The loss for the Group after providing for income tax amounted to $6,885,773 (31 December 2023: $4,762,293).

For the financial half-year ended 30 December 2024, the Group focused on broadening its products and services to grow its operations by utilising a combination of development and acquisition in order to achieve these results faster than in previous years. This strategy will bridge both the product market gap and the cost gap as it can accelerate revenues faster and look to leverage its cost structure more effectively in the future periods. This was evidenced as outlined below:

- The acquisitions of Mediaweek and Funkified have added trade media and events talent to provide customers a broader Scope of capabilities for their advertising and events requirements.
- The acquisition of Serenade Sound provides an additional opportunity to provide artists a broader scope of sales
- The Company changed the model for advertising in the United States for Vampr and expand to offer other customers these services in a similar model to the model employed by The Brag Media in Australia.
- The Company continues to streamline its operations where it has realised synergies in the acquisitions or identified areas to improve efficiency from its historical requirements.
- This culminated in record-breaking revenue of $7,625,137 for the Company, a significant increase from $876,211 achieved in the previous year. The impact this half year was more diversified than the previous six months, as our Media and Events businesses contributed revenues of $5,864,795 during the six month period, and our E-commerce and tech properties contributed revenues of $1,760,342 during the same period.

The strategy for the Company continues on the tenets laid out above whilst prioritising the optimisation of both its growth and operational efficiency as it targets reaching profitability in FY26. The Company does have the acquisition of Concrete Playground to complete in February which will add further growth and efficiency to its Media operations.

The business strategy for the year ahead comprise five key elements:
(1) Expand the reach and scale of our Media business, through the growth from our Mediaweek, Funkified and upcoming Concrete Playground Acquisition;
(2) Take Vinyl.com further through the addition of new markets and products. We added the United Kingdom in the half year and have now added CDs. We have a few more products and enhancements to come into play in the periods ahead.
(3) Invest in the growth of both the Vampr subscription base and the Vampr Ad Network;
(4) Continue the modernisation of our platforms enhancing customer value and operational efficiency; and
(5) Monitor and adjust our cost base to add the required support systems whilst delivering savings to the bottom line.

The Group's focus encompasses revenue growth, ongoing enhancements to net operating cash flows, and the expansion of its user base.

Key financial matters

- Raw Material and Consumable expenses totalled $5,044,489 which represents an increase compared to $458,800 in the six month period to December 2023. This increase is directly attributable to the increase in Vinyl.com turnover and the costs of Vinyl Group Media sales during the six month period to December 2024. The Vinyl Group Media sales were not part of the half year in the prior year.
- Employee benefits expense of $4,622,984 (31 December 2023: $973,423) includes a non-cash component of $911,797 (31 December 2023: $165,908) to record share-based compensation expenses. The increase year on year was a result of increased expenditure in our team in the first half of the year from the increased team post the acquisition of the Mediaweek, The Brag Media, Funkified and Serenade teams, as well as the increased in shared based expense for the continued compensation of board and portion of executive pay in share options instead of cash, including tlent brough in via the acquisitions over the year.
- Product development expenses totalled $820,140 which represents an increase compared to $525,564 in the prior year. This increase was due to an increase in resources to accommodate the entire portfolio of assets to include Serenade, and items for the Media businesses.
- Marketing expenditure increased to $605,413 which represents an increase compared to $307,776 in the six month period to December 2023, from increased investment in digital spend for Vampr and Vinyl.com, as well as our Media businesses.
- Professional expenses totalled $202,733 which represents a decrease compared to $651,443 in the six month period to December 2023. This decrease was due to the reduction in certain external professionals utilised in the prior periods.
- Occupancy costs rose to $148,212 which represents an increase compared to $6,992 in the six month period to December 2023. This increase stemmed from the added teams and consolidation of facilities to accommodate our current team that is six times larger than at this time last year.
- Cash and cash equivalents at 31 December 2024 of $7,126,398 (30 June 2024: $4,132,383).

The Company's loss of $6,856,404 includes $1,849,240 of Fair value loss on financial liabilities and finance costs of $183,788 which are mostly from the Songtradr Tranche 2 convertible notes. The fair value loss relates to the increase in the Company's share price at the time of settlement compared to the price of the note exercise price of $0.021. Songtradr converted $309,052 from Tranche #2 on 15 July 2024 when the share price was $0.10. Songtradr then sold the note to Realwise Group Holdings Pty Ltd (Realwise) on 28 October 2024, who in turn converted $1,564,749 of the note at a time when the Company's share price was $0.125. The conversion left only a balance of $10 in the convertible note so the Company will not be having significant changes due to the fair value of these instruments as they are in essence removed from the balance sheet with only a carrying value of $10 at 31 December 2024.

The Company also had share-based compensation expenses of $911,797 compared to $165,909 in the six month period to December 2023. The increase stems from the higher share price and issue of share based incentives to the Board, management and incoming talent from acquisitions.

The Company also had depreciation and amortisation expenses of $484,120 compared to $186,530 in the six month period to December 2023. The increase stems from the amortisation of intengibles from the acquisitions by the Company subsequent to December 2023.

The remaining operating loss after removing the fair value measurement, finance costs, share based expense and depreciation and amortisation described above is $3,456,828 (31 December 2023: ($1,965,552), an increase of 76%, which reflects the increased costs of bringing in The Brag Media, Mediaweek, Serenade and Funkified in 2024, and the integration costs whilst we optimise the businesses.

Additional capital raising activities were undertaken during the period resulting in the receipt of cash of $8,710,309, comprising of the retail portion of the June/July 2024 Accelerated Entitlements Offer, the institutional portion of the December 2024/January 2025 Accelerated Entitlements Offer, and the exercise of options associated with the convertible notes. The conversions mean the Company is carrying very small levels of debt and cash position and the acquisitions have allowed it to grow its revenues to continue on its path to profitability.

As a result of the net loss for the half year, net operating cash outflows, and the deficiency in working capital as at 31 December 2024, there is a material uncertainty as to whether the Group can continue as a going concern. The Directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Development update
Vinyl Group continued enhancing its technology properties during the half year. Key initiatives included the back end refactoring of Jaxsta, including the build out of artificial intelligence functionality, continued enhancements to Vinyl.com and the planning phases of Vampr marketplace functionalities. There was additional work integrating the Serenade line.
On the Vinyl Group Media front, the focus is on automation and refresh of our platforms, as well as deepening our synergies with our Tech properties.

Business strategies and prospects for future years
- The launch of Vinyl Group Media and the delivery of a comprehensive customer solution across all of our brands.
- The continued growth and evolution of Vinyl.com brand with more products, including the integration of Serenade products
- The successful launch of the Vampr Ad network with the footprint from our Vinyl Group Media
- Continued focus on cost management and revenue growth.

Significant changes in the state of affairs
Acquisitions
On 4 September 2024 the Group completed the acquisition of the assets Mediaweek which is a leading media trade publication. The Group paid $479,140 in cash and an additional $500,000 in the form of 5,178,624 ordinary shares of the Company. Mediaweek will grow the Group's trade media offering alongside The Music Network and Variety Australia.

On 26 September 2024 the Group announced it had entered into a binding Heads of Agreement to purchase Funkified Pty Ltd for $1,800,000 in cash, $200,000 in the form of equity to be priced at completion and a further $500,000 in equity upon successful delivery of $500,000 in EBITDA in the first year since completion. The Group completed the transaction on 6 December 2024. The cash portion will be paid in two equal tranches of $650,000, the first at the Completion Date and the second no later than six months after the Completion Date, with a further $500,000 deposited into an escrow account as security for 12 months from the Completion Date.

On 30 September 2024 the Group announced the completion of the acquisition of the assets of Serenade Sound in exchange for $800,000 in the form of 8,214,274 ordinary shares of the Company and a further $1,500,000 in shares will be paid to the shareholders of Serenade, contingent on the combined business of Vinyl.com and Serenade achieving a minimum revenue target of $4,000,000 and Earnings Before Interest and Taxes (EBIT) of $500,000 in the 12 months following the Completion Date.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year
On 21 January 2024 the company successfully completed the Entitlements Offer of $7.65 million and issued the balance of 65,908,880 ordinary shares. The company will utilise these funds to complete the acquisition of Concrete Playground Pty Ltd and replenish its cash reserves for previous acquisitions and additional working capital.

The Company entered into a binding term sheet subject to approvals to complete the acquisition of Concrete Playground Pty Ltd ("Concrete") by 28 February 2025. The purchase price is $4,783,938 with a $4,066,549 cash component and a $1,500,000 scrip component at a price of $0.1186 per share or 12,647,554 shares. The target cash in Concrete is $782,611, making the net cash outlay $3,283,938. Completion is expected by 28 February 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Linda Jenkinson
Chair

28 February 2025

UHY Haines Norton
Chartered Accountants
Level 9, 1 York Street
Sydney NSW 2000

GPO Box 4137
Sydney NSW 2001

T + 61 2 9256 6600
E sydney@uhyhnsyd.com.au

uhyhnsydney.com.au

Auditor's Independence Declaration

Under Section 307C of the *Corporations Act 2001*

To the Directors of Vinyl Group Ltd

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2024, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Vinyl Group Ltd and the entities it controlled during the financial period.

UHY Haines Norton

Matthew Pope

Partner

Sydney

28 February 2025

UHY Haines Norton

Chartered Accountants

Condensed Consolidated Financial Statements

Statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024

	Note	Consolidated 31 Dec 2024 $	31 Dec 2023 $
Revenue	4	7,625,137	876,211
Other income	5	-	221,822
Interest revenue calculated using the effective interest method		47,920	15,489
Expenses			
Raw materials and consumables used		(5,044,489)	(458,800)
Employee benefits expense	6	(4,622,984)	(973,423)
Product development expense		(820,124)	(525,564)
Depreciation and amortisation expense	6	(484,120)	(186,530)
Professional fees		(202,733)	(651,443)
Marketing expense		(605,413)	(307,776)
Occupancy expense		(148,212)	(6,992)
Fair value loss on financial liabilities	14	(1,849,240)	(2,241,451)
Other expenses		(568,358)	(320,985)
Finance costs	6	(183,788)	(202,851)
Loss before income tax expense		(6,856,404)	(4,762,293)
Income tax expense		(29,369)	-
Loss after income tax expense for the half-year attributable to the owners of Vinyl Group Ltd		(6,885,773)	(4,762,293)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		152,969	(34,233)
Other comprehensive income for the half-year, net of tax		152,969	(34,233)
Total comprehensive income for the half-year attributable to the owners of Vinyl Group Ltd		(7,038,742)	(4,796,526)
		Cents	Cents
Basic earnings per share	16	(0.65)	(0.84)
Diluted earnings per share	16	(0.65)	(0.84)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Statement of financial position as at 31 December 2024

	Note	Consolidated 31 Dec 2024 $	Consolidated 30 Jun 2024 $
Assets			
Current assets			
Cash and cash equivalents		7,126,398	4,132,383
Trade and other receivables	7	2,146,930	1,872,356
Other assets		381,964	136,643
Total current assets		9,655,292	6,141,382
Non-current assets			
Property, plant and equipment		17,630	1,271
Intangibles	8	15,012,081	11,337,926
Total non-current assets		15,029,711	11,339,197
Total assets		24,685,003	17,480,579
Liabilities			
Current liabilities			
Trade and other payables	9	2,773,188	2,760,550
Contract liabilities		432,402	91,486
Borrowings and derivative financial instruments	10	183,815	8,345,622
Deferred payment liability	15	1,025,000	-
Employee benefits		379,466	198,573
Total current liabilities		4,793,871	11,396,231
Non-current liabilities			
Contract liabilities		-	357,643
Employee benefits		49,646	53,794
Total non-current liabilities		49,646	411,437
Total liabilities		4,843,517	11,807,668
Net assets		19,841,486	5,672,911
Equity			
Issued capital	11	94,468,788	74,173,268
Reserves	12	4,807,525	4,086,590
Accumulated losses		(79,434,827)	(72,586,947)
Total equity		19,841,486	5,672,911

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of changes in equity for the half-year ended 31 December 2024

Consolidated	Issued capital $	Reserves $	Accumulated Losses $	Total deficiency in equity $
Balance at 1 July 2023 (Restated)	46,873,583	3,418,826	(55,701,381)	(5,408,972)
Loss after income tax expense for the half-year	-	-	(4,762,293)	(4,762,293)
Other comprehensive income for the half-year, net of tax	-	(34,233)	-	(34,233)
Total comprehensive income for the half-year	-	(34,233)	(4,762,293)	(4,796,526)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	4,297,998	-	-	4,297,998
Share-based payments (note 17)	-	165,908	-	165,908
Balance at 31 December 2023	51,171,581	3,550,501	(60,463,674)	(5,741,592)

[

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2024	74,173,268	4,086,590	(72,586,947)	5,672,911
Loss after income tax expense for the half-year	-	-	(6,885,773)	(6,885,773)
Other comprehensive income for the half-year, net of tax	-	(190,862)	37,893	(152,969)
Total comprehensive income for the half-year	-	(190,862)	(6,847,880)	(7,038,742)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 11)	6,922,409	-	-	6,922,409
Conversion of convertible notes	10,319,609	-	-	10,319,609
Exercise of share options	1,553,502	-	-	1,553,502
Share issue from business or asset acquisition	1,500,000	-	-	1,500,000
Share-based payments (note 17)	-	911,797	-	911,797
Balance at 31 December 2024	94,468,788	4,807,525	(79,434,827)	19,841,486

The above statement of changes in equity should be read in conjunction with the accompanying notes

Statement of cash flows for the half-year ended 31 December 2024

	Consolidated	
	31 Dec 2024 $	31 Dec 2023 $
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	7,291,475	785,251
Payments to suppliers and employees (inclusive of GST)	(11,302,626)	(3,126,664)
Receipts from grants - research and development (inclusive of GST)	-	751,656
Receipts from grants - export development (inclusive of GST)	-	21,688
	(4,011,151)	(1,568,069)
Interest received	47,860	12,546
Net cash used in operating activities	(3,963,291)	(1,555,523)
Payments for the acquisitions of businesses	(1,398,654)	-
Net cash from investing activities	(1,398,654)	-
Cash flows from financing activities		
Proceeds from share issue	6,922,409	-
Share issue transaction costs	(260,408)	(5,500)
Proceeds from the exercise of share options	1,787,900	-
Repayment of borrowings	(93,941)	(157,613)
Net cash used in financing activities	8,355,960	(163,113)
Net decrease in cash and cash equivalents	2,994,015	(1,718,636)
Cash and cash equivalents at the beginning of the financial half-year	4,132,383	2,966,748
Cash and cash equivalents at the end of the financial half-year	7,126,398	1,248,112

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the Financial Statements

Note 1. General information

The financial statements cover Vinyl Group Ltd as a Group consisting of Vinyl Group Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Vinyl Group Ltd's functional and presentation currency.

Vinyl Group Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

11 Wilson Street
South Yarra VIC 3141

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 February 2025. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2024 and are not expected to have a significant impact for the full financial year ending 30 June 2025.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2024. Early adoption is permitted where AASB 2020-1 is also early adopted.

Note 2. Material accounting policy information (continued)

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

Going concern

The Group incurred a loss after tax of $6,885,773 (31 December 2023: $4,762,293) and had a net cash outflow from operations of $3,963,291 (31 December 2023: $1,555,523) for the half-year ended 31 December 2024. As at 31 December 2024, the Group had net current assets of $4,861,422 (30 June 2024: net current liabilities of $5,254,849). As at the signing date of the Financial Statements, the Group had cash assets of $7,919,912.

The Group is currently executing on the next phase of its strategy, accelerating the growth of its existing platforms and adding complementary products and services organically and inorganically. The organic growth is led by its Vinyl.com e-commerce platform that was launched in 2023 and went through its first Christmas sales period. B2B customer growth also provided a further boost to the revenues in the period. The acquisition of Vampr in 2023 is one of the inorganic additions to the portfolio that had an impact to the total revenue growth. As such, total revenues grew 770% in the half year compared to the prior year half year to $7,625,137.

Management has prepared cash flow forecasts for the Group which assumes continuity of business on the basis of the following events occurring:

- The Group completes the acquisition of Concrete Playground Pty Ltd on or around 28 February 2025, and although not reflected in the financials at 31 December 2024, their forward impact on operations will be part of the ongoing growth strategy as they had unaudited revenues of $4.078 million and net profit of $112K in the calendar year ended 31 December 2024. The integration of the Concrete Playground business is incorporated into our forecasts for the period starting 1 March 2025 onwards;
- the full integration of all our Media Assets into Vinyl Media which will take the various acquisitions and leverage their synergies and provide a comprehensive solution for customers across a myriad of solutions. This will also allow the full results of Funkified Entertainment to take effect into our operations;
- the continued evolution of the Vinyl.com platform to expand its product offering, geographical reach and additional innovation to become a recognised destination for music consumers;
- the continued integration of our different platforms to expand the product offering whilst reducing the running cost of our tech infrastructure; and
- If needed, a capital or debt raising to meet cash liquidity requirements and fund the working capital requirements of the Group as it continues its path to profitability.

The Directors believe that the Group is a going concern and that the above events will eventuate in the short term and accordingly the financial statements have been prepared on a going concern basis.

In the event that the above assumptions do not eventuate, there are material uncertainties that cast significant doubt over the ability of the Group to continue as a going concern. As a result, the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should the Company and Group not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Management identifies one operating segment based on the Group's service lines, therefore the operating segment information is as disclosed throughout these financial statements.

The Group's segment operating loss reconciles to the Group's loss before tax as presented in its financial statements.

The information reported to the CODM is on a monthly basis.

Geographical information

	Sales to external customers		Geographical non-current assets	
	31 Dec 2024 $	31 Dec 2023 $	31 Dec 2024 $	30 Jun 2024 $
Australia	5,834,311	89,899	15,306,011	11,339,197
Americas	1,531,381	730,708	-	-
Europe, Middle East and Africa	255,344	54,021	-	-
Asia Pacific	2,059	1,583	-	-
	7,625,137	876,211	15,306,011	11,339,197

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 4. Revenue

	Consolidated	
	31 Dec 2024 $	31 Dec 2023 $
Revenue from contracts with customers		
Sales	7,624,095	876,211
Other revenue		
Other revenue	1,042	-
Revenue	7,625,137	876,211

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2024 $	31 Dec 2023 $
Major product lines		
Vinyl Group Media	5,864,795	-
Vinyl Group Tech	1,760,342	876,211
	7,625,137	876,211
Timing of revenue recognition		
Goods transferred at a point in time	7,625,137	876,211

* The Vinyl Group Tech product line include barter revenues realised in exchange for data information feeds. These amounted to $50,360 for the half-year ended 31 December 2024 (31 December 2023: $114,190).

The disaggregation of revenue by geographical regions is presented in note 3 'Operating segments'.

Note 5. Other income

	Consolidated	
	31 Dec 2024 $	31 Dec 2023 $
Export market development grant	-	36,600
Research and development tax incentive	-	184,857
Other income	-	365
Other income	-	221,822

Note 6. Expenses

	Consolidated	
	31 Dec 2024 $	31 Dec 2023 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Computer equipment	4,135	5,314
Office equipment	-	1,474
Total depreciation	4,135	6,788
Amortisation		
Platform development	133,729	133,333
Trademarks	4,408	4,409
Agency relationships	299,750	-
Customer relationships	42,098	42,000
Total amortisation	479,985	179,742
Total depreciation and amortisation	484,120	186,530
Employee benefits expense		
Salary and wages	3,434,962	742,214
Share-based payments expense	911,797	165,908
Defined contribution superannuation expense	276,225	65,301
	4,622,984	973,423
Finance costs		
Interest and finance charges paid/payable on borrowings	183,788	202,851
Interest and finance charges paid/payable on lease liabilities	-	-
Finance costs expensed	183,788	202,851
Net foreign exchange loss		
Net foreign exchange loss	-	4,229

Note 7. Trade and other receivables

	Consolidated	
	31 Dec 2024 $	30 Jun 2024 $
Current assets		
Net trade receivables	1,981,343	1,575,630
Research and development incentive receivable	165,587	165,587
Other receivables	-	20,000
GST receivable	-	111,139
	2,146,930	1,872,356

Note 8. Intangibles

	Consolidated 31 Dec 2024 $	Consolidated 30 Jun 2024 $
Non-current assets		
Goodwill - at cost	8,660,434	10,404,499
Less: Impairment	-	(1,812,205)
	8,660,434	8,592,294
Platform development - at cost	1,780,533	1,780,533
Less: Accumulated amortisation	(542,833)	(409,104)
	1,237,700	1,371,429
Trademarks - at cost	108,795	256,538
Less: Accumulated amortisation	-	(70,965)
Less: Impairment	-	(72,370)
	108,795	113,203
Agency relationships - at cost	3,270,000	-
Less: Accumulated amortisation	(299,750)	-
	2,970,250	-
Customer relationships - at cost	144,000	144,000
Less: Accumulated amortisation	(114,098)	(72,000)
	29,902	72,000
Licenses - at cost	408,000	-
Publication mastheads - at cost	408,000	-
Brand - at cost	1,189,000	1,189,000
	15,012,081	11,337,926

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Balance at 1 July 2024	Additions	Additions through business combinations (note 15)	Final allocation of provisional accounting intangibles	Amortisation expense	Balance at 31 December 2024
Goodwill	8,592,294	-	4,154,140	(4,086,000)	-	8,660,434
Platform development	1,371,429		-	-	(133,729)	1,237,700
Trademarks	113,203	-	-	-	(4,408)	108,795
Agency relationships	-	-	-	3,270,000	(299,750)	2,970,250
Customer relationships	72,000	-	-	-	(42,098)	29,902
Licenses	-	-	-	408,000	-	408,000
Publication mastheads	-	-	-	408,000	-	408,000
Brand	1,189,000	-	-	-	-	1,189,000
Balance at 31 December 2024	11,337,926	-	4,154,140	-	(479,985)	15,012,081

Note 9. Trade and other payables

	Consolidated	
	31 Dec 2024 $	30 Jun 2024 $
Current liabilities		
Trade payables	1,386,178	1,113,218
Sales tax payable	-	58,203
Other payables	1,387,010	1,589,129
	2,773,188	2,760,550

Note 10. Borrowings and derivative financial instruments

	Consolidated	
	31 Dec 2024 $	30 Jun 2024 $
Current liabilities		
Insurance financing	183,805	52,304
Convertible notes payable - tranche 1 (i), (iii)	10	1,236,927
Derivative financial liability (i)	-	7,056,391
	183,815	8,345,622

Insurance financing
Insurance funding is a ten months short term loan with a fixed interest rate of 6.30% (30 June 2024: 6.75%). The insurance policies renew on 30 November of each year.

Convertible notes payable
On 10 September 2020, the Company entered into a convertible note agreement with Songtradr Inc. for a principal value of $1,420,000 (tranche 1). Conversion would result in the issue of 40,571,429 fully paid ordinary Vinyl Group shares at a price of $0.035 per share for the principal value of the note. The conversion is at the right of the noteholder, except if:

- the Company registers a full year net profit of $5,000,000 at which time 100% of the note is converted automatically; or
- the Company registers a full year net profit of $2,500,000 at which time 50% of the note is converted automatically.

On 24 June 2022, the shareholders authorised the Company to enter into an additional tranche of the prior convertible note agreement with Songtradr Inc. for a principal value of $3,000,000. Conversion would result in the issue of 142,857,143 fully paid ordinary Vinyl Group shares at a price of $0.021 per share for the principal value of the note. All the conditions of the original convertible note remain and in addition the Company agreed to appoint two directors proposed by Songtradr and enter into a cost reduction and growth plan agreed to by Songtradr. The Company completed those requirements by the completion of the shareholder approval. Additionally, as a consequence of the variation of the note, the original note of $1,420,000 would change the conversion price from $0.035 to $0.021, resulting in the potential issue of a further 27,047,619 ordinary shares.

On 13 September 2023, the Group converted tranche 1 of the Songtradr convertible note into ordinary shares, reducing $1,774,597 in principal and interest at the conversion price of $0.021, resulting in the issue of 84,504,631 ordinary shares. The Group recognised the issue of ordinary shares at the value of $3,828,882 being the carrying value of the convertible note as of the date of conversion.

On 1 May 2024, Songtradr converted $1,629,351 of principal in the note in exchange for 77,588,162 ordinary shares.
On 15 July 2025 Songtradr converted $309,052 of principal in the note in exchange for 14,716,754 ordinary shares. The value at date of conversion was $1,383,556.

On 28 October 2024, Songtradr sold the remaining note balance of $1,564,749 to Realwise Group Holdings Pty Ltd (Realwise). Songtradr kept the 92,304,916 options earned through the conversion of the convertible note up to that date. Realwise converted $1,564,739 of the principal and interest balance in exchange for 74,511,370 ordinary shares. The principal balance on the note after the conversion is $10. The value at date of conversion was $8,936,053. Realwise also exercised 36,740,345 options for 36,740,345 ordinary shares.

Note 10. Borrowings and derivative financial instruments (continued)

On 29 October 2024, Songtradr exercised 31,141,700 options for 31,141,700 ordinary shares.

On 30 October 2024, Realwise exercised 17,256,035 options for 17,256,035 ordinary shares.

The noteholder at their option can convert or seek repayment of the note at the expiration of the term of the note. The note has an anti-dilution clause that adjust the conversion price if certain circumstances occur before the final redemption date. The note has a term of up to 3 years and carries a coupon rate of 7.5% which will be accrued and paid at the end of the term or capitalised and converted at the time of conversion or repayment. The note is secured by a first ranking security over the assets of the Company and its subsidiaries.

The second tranche also includes a separate option to invest a further $3,000,000 under an option agreement with an exercise price of $0.021 per share. The option has a life of three years and can only be exercised if Tranche 2 is partially or fully converted and up to the amount of Tranche 2 converted into shares.

(i) **Tranche 1** - Under the requirements of AASB 9 *Financial Instruments* the change in terms of the notes require derecognition of the original note and recognition of the new note, with the difference recognised in the profit or loss. The note is considered a hybrid financial instrument that contains a financial liability host and an embedded derivative based on the fair value of the conversion option that are not closely related. The financial liability host and the embedded derivative components have therefore been bifurcated and valued separately. Tranche 1 was converted to ordinary shares on 13 September 2023.

(ii) **Tranche 2** - The note is considered a hybrid financial instrument that contains a financial liability host and an embedded derivative based on the fair value of the conversion option that are not closely related. The financial liability host and the embedded derivative components have therefore been bifurcated and valued separately.

As of 31 December 2024, the tranche 2 host liability is recorded at $10 and the derivative liability has been measured at $nil, after the conversions during the half year and after recording a fair value loss of $1,849,240 and an interest expense of $183,788.

(iii) On 1 June 2023, the Company entered into a one year convertible note agreement with one of the vendors of Vampr, as part of the transaction for a principal amount of US$258,000. The noteholder has the right to convert the note at a conversion price of A$0.05. The note carries a 10% interest rate. The note is considered a single combined instrument at FVTPL. The noteholder elected to convert the note on 29 December 2023 into ordinary shares, resulting in the carrying value of the liability, $413,459 being converted to equity and resulting in the issue of 8,269,185 ordinary shares.

The total fair value loss on re-measurement of the derivative liability components as at 31 December 2024 is 1,849,240.

Note 11. Issued capital

	Consolidated			
	31 Dec 2024 Shares	30 Jun 2024 Shares	31 Dec 2024 $	30 Jun 2024 $
Ordinary shares - fully paid	1,195,322,628	968,658,522	94,468,788	74,173,268
	1,195,322,628	968,658,522	94,468,788	74,173,268

Note 11. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2024	968,658,522		74,173,268
Issue of shares	10 July 2024	26,787,540	$0.0980	2,625,183
Transaction costs	10 July 2024	-	-	(260,095)
Issue of shares – conversion of convertible note	15 July 2024	14,716,754	$0.0210	1,471,675
Issue of shares – Mediaweek Acquisition	4 September 2024	5,178,624	$0.0966	500,000
Issue of shares – Serenade Acquisition	30 September 2024	8,214,396	$0.0974	800,000
Issue of shares – conversion of convertible note	28 October 2024	74,511,370	$0.0210	8,847,934
Issue of shares – exercise of share options	28 October 2024	36,740,345	$0.0210	771,547
Issue of shares – exercise of share options	30 October 2024	31,141,710	$0.0210	653,976
Issue of shares – exercise of share options	30 October 2024	17,256,035	$0.0210	362,377
Issue of shares – Funkified Acquisition	6 December 2024	1,692,102	$0.1182	200,000
Issue of shares	27 December 2024	10,425,230	$0.1000	4,322,923**
Balance	31 December 2024	1,195,322,628		94,468,788

* Includes funds received for shares issued in January 2025.

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Note 12. Reserves

	Consolidated 31 Dec 2024 $	Consolidated 30 Jun 2024 $
Foreign currency reserve	(156,629)	34,233
Share-based payments reserve	4,964,154	4,052,357
	4,807,525	4,086,590

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Foreign currency $	Share-based payment $	Total $
Balance at 1 July 2024	34,233	4,052,357	4,086,590
Foreign currency translation	(190,862)	-	(190,862)
Share-based payment expense	-	911,797	911,797
Balance at 31 December 2024	(156,629)	4,964,154	4,807,525

Note 13. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 14. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Current liabilities				
Derivative financial instruments	-	-	-	-
Total liabilities	-	-	-	-

Consolidated - 30 Jun 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Current liabilities				
Derivative financial instruments	-	-	7,056,391	7,056,391
Total liabilities	-	-	7,056,391	7,056,391

There were no transfers between levels during the financial half-year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Derivative financial instruments have been valued using observable market data where it is available and relies as little as possible on entity specific estimates.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current financial half-year are set out below:

Consolidated	Derivative financial liabilities $
Balance at 1 July 2024	(7,056,391)
Losses recognised in profit or loss	(1,849,240)
Conversion of instrument into equity	8,905,631
Balance at 31 December 2024	-

Note 15. Business combinations

Mediaweek
On 4 September 2024 the Group completed the acquisition of the assets Mediaweek which is a leading media trade publication. The Group paid $479,140 in cash and an additional $500,000 in the form of 5,178,624 ordinary shares of the Company. Mediaweek will grow the Group's trade media offering alongside The Music Network and Variety Australia.

The goodwill of $979,140 represents the provisional value of the Mediaweek brand and customer relationships. The acquired assets contributed revenues of $494,413 and loss after tax of $134,886 to the Group for the period from 4 September 2024 to 31 December 2024.

Funkified Entertainment
On 26 September 2024 the Group announced it had entered into a binding Heads of Agreement to purchase Funkified Pty Ltd for $1,800,000 in cash, $200,000 in the form of equity to be priced at completion and a further $500,000 in equity upon successful delivery of $500,000 in EBITDA in the first year since completion. The Group completed the transaction on 6 December 2024. The cash portion will be paid in two equal tranches of $650,000, the first at the Completion Date and the second no later than six months after the Completion Date, with a further $500,000 deposited into an escrow account as security for 12 months from the Completion Date. The additional contingent payment of $500,000 based on achieving the EBITDA target has been recognised as a deferred payment liability for $375,000, along with the second tranche of $650,000.

It was acquired to add the events capabilities to the media business in order to streamline costs and expand our sales footprint. The goodwill of $2,301,194 represents the provisional value of the intangibles acquired, such as the brand and customer relationships and know how. The acquired business contributed revenues of $8,059 and a loss after tax of $70,930 to the Group for the period from 6 December 2024 to 31 December 2024.

Serenade Sound
On 30 September 2024 the Group announced the completion of the acquisition of the assets of Serenade Sound in exchange for $800,000 in the form of 8,214,274 ordinary shares of the Company and a further $1,500,000 in shares will be paid to the shareholders of Serenade, contingent on the combined business of Vinyl.com and Serenade achieving a minimum revenue target of $4,000,000 and Earnings Before Interest and Taxes (EBIT) of $500,000 in the 12 months following the Completion Date. Management does not believe there is a realistic possibility of achieving the performance targets and as such has not recognised the deferred compensation element.

It was acquired to provide another offering for our creators and fans on Vinyl.com, to add the blockchain technology developed to our portfolio and diversify our offering and presence to the Untied Kingdon. The goodwill of $800,000 represents the provisional value of the platform development to date and the customer relationships. The acquired assets contributed revenues of $148,504 and loss after tax of $83,566 to the Group for the period from 1 October 2024 to 31 December 2024.

Note 15. Business combinations (continued)

Details of the acquisitions are as follows:

	Mediaweek Fair value $	Serenade Sounds Fair value $	Funkified Entertainment Fair value $	Total $
Cash and cash equivalents	-	13,303	217,183	230,486
Trade receivables	-	18,648	239,486	258,134
Other intangible assets	-	-	594	594
Trade payables	-	(997)	(305,812)	(306,689)
Accrued expenses	-	(30,954)	(77,645)	(108,599)
Net assets acquired	-	-	-	-
Goodwill	979,140	800,000	2,426,194	4,205,334
Acquisition-date fair value of the total consideration transferred	979,140	800,000	2,500,000	4,279,140
Representing:				
Cash paid or payable to vendor	479,140	-	1,800,000	2,279,140
Vinyl Group Ltd shares issued to vendor	500,000	800,000	200,000	1,500,000
Contingent consideration	-	-	375,000	375,000
	979,140	800,000	2,375,000	4,154,140
Acquisition costs expensed to profit or loss	-	-	-	-
Cash used to acquire business, net of cash acquired:				
Acquisition-date fair value of the total consideration transferred	979,140	800,000	2,375,000	4,154,140
Less: cash and cash equivalents	-	13,303	217,183	230,486
Less: contingent consideration	-	-	375,000	375,000
Less: cash deferred	-	-	650,000	650,000
Less: shares issued by Company as part of consideration	500,000	800,000	200,000	1,500,000
Net cash used	479,140	(13,303)	932,817	1,398,654

Acquisition of Seventh Street Entertainment Pty Ltd, Seventh Street Media Pty Ltd and The Brag Publishing Pty Ltd collectively ('The Brag Media')
On 1 February 2024, the Company acquired 100% of the ordinary shares of The Brag Media and its subsidiaries for the total consideration transferred of $7,865,085. The Brag Media is the Australia's largest youth publisher [leading music industry social network connecting musicians, creatives and artists so they can collaborate, create new music and monetise their work]. This acquisition immediately increased Vinyl Group's footprint in the creator community. The goodwill of $7,698,081 represents revenues synergies from cross selling opportunities in the respective customer based as well as revenue growth and margin expansion]. The acquired business contributed revenues of $8,729,170 and a loss after tax of $1,289,873 to the Group for the period from 1 February 2024 to 31 December 2024. If the acquisition occurred on 1 July 2023, the full year contributions would have been revenues of $7,809,227 and profit/loss after tax of $3,761,684. The values identified in relation to the acquisition of The Brag Media are final as at 31 December 2024 (see note 8).

Note 15. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	28,931
Trade and other receivables	1,500,293
Other current assets	64,255
Trade and other payables	(1,426,475)
Net assets acquired	167,004
Agency Relationships	3,270,000
Licenses	408,000
Publication mastheads	408,000
Debt forgiven	3,612,081
Acquisition-date fair value of the total consideration transferred	7,865,085
Representing:	
Cash paid or payable to vendor	7,865,085
Acquisition costs expensed to profit or loss	43,636
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	7,865,085
Less: cash and cash equivalents	(28,931)
Add: acquisition costs expensed to profit or loss	43,636
Net cash used	7,879,790

Trade receivables acquired have a fair value of 1,500,293. These are all on normal trade terms and the total contractual amount equals the fair value due to the short-term nature. At the time of the acquisition, these balances were all expected to be collected as part of the review of the status of the invoices.

Note 16. Earnings per share

	Consolidated	
	31 Dec 2024 $	31 Dec 2023 $
Loss after income tax attributable to the owners of Vinyl Group Ltd	(6,885,773)	(4,762,293)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	1,063,887,941	586,286,741
Weighted average number of ordinary shares used in calculating diluted earnings per share	1,063,887,941	586,286,741
	Cents	**Cents**
Basic earnings per share	(1.65)	(0.84)
Diluted earnings per share	(1.65)	(0.84)

Note 16. Earnings per share (continued)

204,961,286 options over ordinary shares and 20,000,000 contingently issuable ordinary shares relating to business acquisitions are not included in the calculation of diluted earnings per share because they are anti-dilutive. These options could potentially dilute basic earnings per share in the future.

Note 17. Share-based payments

An Employee Share Incentive Scheme ('ESIS') was established by the Group and approved by shareholders at a general meeting in August 2018, whereby the Group may, at the discretion of the Remuneration and Nomination Committee, grant options over ordinary shares in the Company to employees and Directors of the Group. The options are issued for consideration to be paid at time of exercise and are granted in accordance with performance guidelines established by the Board of Directors or its Remuneration and Nomination Committee. The ESIS was renewed and approved by shareholders at a general meeting in November 2024 and extends the plan for a further three years.

During the half-year, the Company issued 16,900,000 options under the ESIS to the Management and staff as part of aligning compensation with the scope of the role and the strategic objectives of the Group.

Set out below are summaries of options granted:

	Number of options 31 Dec 2024	Weighted average exercise price 31 Dec 2024	Number of options 31 Dec 2023	Weighted average exercise price 31 Dec 2023
Outstanding at the beginning of the financial half-year	221,199,366	$0.115	245,569,366	$0.125
Granted	71,900,000	$0.015	7,000,000	$0.082
Cancelled/forfeited	-	$0.000	(7,075,000)	$0.071
Exercised	(85,138,080)	$0.021	-	$0.000
Expired	(3,000,000)	$0.207	(21,000,000)	$0.205
Outstanding at the end of the financial half-year	204,961,286	$0.035	224,494,366	$0.125
Exercisable at the end of the financial half-year	104,760,807	$0.071	23,920,556	$0.069

The weighted average share price during the financial half-year was $0.108 (31 December 2023: $0.057).

The weighted average remaining contractual life of options outstanding at the end of the financial half-year was 3.83 years (31 December 2023: 3.10 years).

Note 17. Share-based payments (continued)

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
24/09/24	29/11/27	$ 0.093	$0.000	118%	-	4.35%	$ 0.0831
24/09/24	29/11/27	$ 0.093	$0.000	118%	-	4.35%	$ 0.0978
24/09/24	29/11/27	$ 0.093	$0.000	93%	-	4.35%	$ 0.0904
24/09/24	29/11/27	$ 0.093	$0.000	93%	-	4.35%	$ 0.0944
24/09/24	29/11/29	$ 0.093	$0.000	139%	-	4.35%	$ 0.1061
24/09/24	29/11/29	$ 0.093	$0.000	139%	-	4.35%	$ 0.1232
24/09/24	29/11/29	$ 0.093	$0.000	139%	-	4.35%	$ 0.1569
30/09/24	30/09/27	$ 0.105	$0.175	93%		4.35%	$ 0.0922
30/09/24	30/09/27	$ 0.105	$0.175	93%		4.35%	$ 0.0922
29/11/24	29/11/29	$ 0.093	$0.155	93%	-	4.35%	$ 0.0904
29/11/24	29/11/29	$ 0.093	$0.000	139%	-	4.35%	$ 0.1061
29/11/24	29/11/29	$ 0.093	$0.000	139%	-	4.35%	$ 0.1232
29/11/24	29/11/29	$ 0.093	$0.000	139%	-	4.35%	$ 0.1569
06/12/24	06/12/31	$ 0.119	$ 0.199	106%	-	4.35%	$ 0.1112
06/12/24	06/12/31	$ 0.119	$ 0.199	106%	-	4.35%	$ 0.1112
06/12/24	06/12/31	$ 0.119	$ 0.199	106%	-	4.35%	$ 0.1112
06/12/24	06/12/31	$ 0.119	$ 0.199	106%	-	4.35%	$ 0.1112

Note 18. Contingent Liabilities

As at 31 December 2024, the Company is involved in legal proceedings related to the performance payment for the acquisition of The Brag Media group of entities. The proceedings are at an early stage, and the outcome remains uncertain. The potential liability is based on the claim is $2,000,000. However, no provision has been recognized as it is not probable that an outflow of economic benefits will be required.

The Directors are of the opinion that no material losses will arise in respect of these contingent liabilities.

Note 19. Events after the reporting period

On 21 January 2024 the company successfully completed its Entitlements Offer and raised additional capital of $3.38 million and issued the balance of 65,908,880 ordinary shares. The company will utilise these funds to complete the acquisition of Concrete Playground Pty Ltd and replenish its cash reserves for previous acquisitions and additional working capital.

The Company entered into a binding term sheet subject to approvals to complete the acquisition of Concrete Playground Pty Ltd ("Concrete") by 28 February 2025. The purchase price is $4,783,938 with a $4,066,549 cash component and a $1,500,000 scrip component at a price of $0.1186 per share or 12,647,554 shares. The target cash in Concrete is $782,611, making the net cash outlay $3,283,938. Completion is expected by 28 February 2025.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Linda Jenkinson
Chair

28 February 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Vinyl Group Ltd

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Vinyl Group Ltd ("the Company"), and the entities it controlled during the half-year (together "the Group"), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a statement of significant accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Vinyl Group Ltd is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Emphasis of Matter - Material Uncertainty Related to Going Concern

We draw attention to Note 2 of the half-year financial report, which discloses that the Group incurred a loss after income tax expense of $6,885,773 and had operating cash outflows of $3,963,291 for the half-year ended 31 December 2024. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

UHY Haines Norton

Matthew Pope

Partner

Sydney

28 February 2025

UHY Haines Norton

Chartered Accountants

The shareholder information set out below was applicable as at 26 February 2025.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

			Ordinary shares		Options over ordinary shares	
	Number of holders	% of holders	Number of shares issued	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	604	14.59%	440,226	0.03%	-	-
1,001 to 5,000	1,686	40.73%	4,280,483	0.34%	-	-
5,001 to 10,000	612	14.79%	4,522,910	0.36%	-	-
10,001 to 100,000	849	20.51%	28,968,295	2.30%	-	-
100,001 and over	388	9.37%	1,223,269,597	96.97%	25	204,961,286
	4,139	100.00%	1,261,481,511	100.00%	25	204,961,286
Holding less than a marketable parcel	1,991	48.10%	3,441,250	0.27%	-	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
REALWISE GROUP HOLDINGS PTY	469,783,644	37.24%
SONGTRADR INC	221,367,467	17.55%
BNP PARIBAS NOMINEES PTY LTD	61,842,760	4.90%
UBS NOMINEES PTY LTD	25,894,315	2.05%
WILTSHIRE MEDIA PTY LTD	25,122,000	1.99%
GUILDFORD HOLDINGS (AUST) PL	24,502,514	1.94%
GE EQUITY INVESTMENTS PTY LTD	23,000,000	1.82%
BLAZZED PTY LTD	15,887,847	1.26%
RUSCOL PTY LTD	26,117,172	2.07%
CITICORP NOMINEES PTY LIMITED	10,564,770	0.84%
DAVID RICKERT	9,826,821	0.78%
SERENADE SOUND PTY LTD	8,214,396	0.65%
J S MILLNER HOLDINGS PTY LTD	9,177,828	0.73%
RZN8 CAPITAL LLC	7,692,283	0.61%
CRAWNEL PTY LTD	6,726,793	0.53%
SASSEY PTY LTD	6,608,162	0.52%
MR JOHN PIERRE ABI-YOUNES	5,970,001	0.47%
MR EDWARD REECE LEIGH JONES	5,683,333	0.45%
TRENT THOMAS	5,178,624	0.41%
WELLS ESTATES PTY LTD	4,800,000	0.38%
	973,960,730	77.21%
	1,261,481,511	100.00%

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	204,961,286	25
Convertible notes	1	1

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares Number held	% of total shares issued
Realwise Group Holdings Pl	469,783,644	37.24%
Songtradr Inc	221,367,467	17.55%

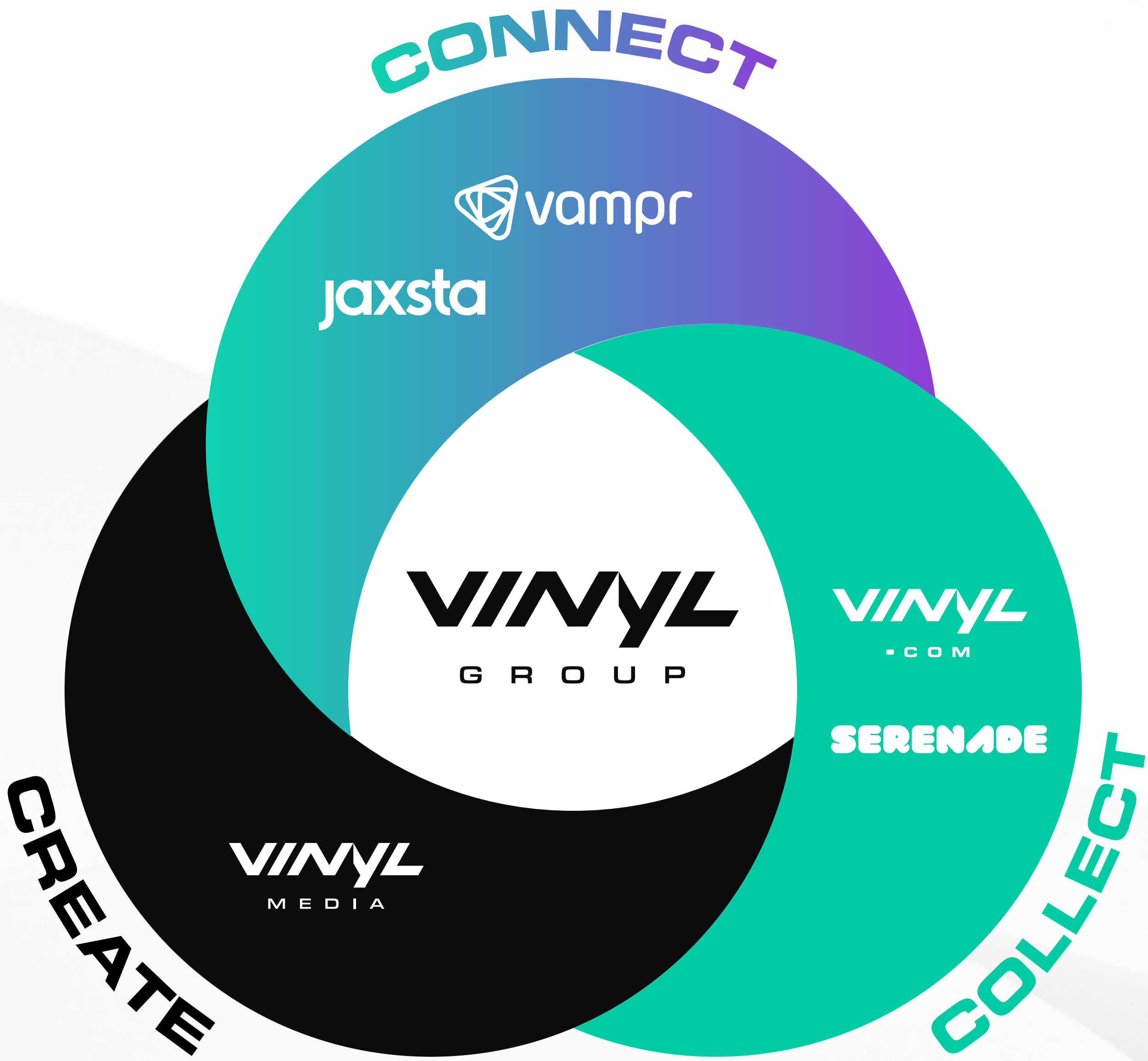
Substantial holder (unquoted securities)

	Number held	Instrument
Realwise Group Holdings Pl	52,360,763	Unquoted options
Songtradr Inc	5,380,300	Unquoted options
Realwise Group Holdings Pl	1	Convertible notes

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.



Vinyl Group Ltd

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