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Quarter Highlights from the CEO



- **Cash receipts from customers up 17% quarter-on-quarter to \$3.786M**, due to the addition of sales from Concrete Playground and increased sales from Vampr
- **Significant reduction in operating cash outflow to \$1.758M**, a 47% improvement on the March quarter, driven by a trending mix towards higher margin media deals and improved receivables collections
- **Closing cash balance of \$1.796M** with **\$1.6M of excess working capital** release expected and **\$1.5M credit facility** secured from Songtradr
- **Strong annual growth trajectory**, with annualised cash receipts up 184% to \$14.31M, reflecting both organic and acquisition growth
- **Targeting cash-flow breakeven in Q2 FY26** via consistent revenue growth, operating efficiencies, and a reduction in one-off costs

Delivering on a Multi-Year Strategy

In FY24, we set out to tell a revenue story. In FY25, we focused on growth through acquisitions. As we head into FY26 our narrative attention has switched to one of scalable profitability. Three years, three repeatable stories, one unified strategy.

Across the past two years, our business has changed shape. What began as a fast-scaling music-tech platform has matured into a diversified, multi-division media, music and technology Group. Our operational footprint, revenue base, and customer reach have expanded significantly.

Cash Receipts and Growth Trajectory

Since the current management team got started in June 2023, Vinyl Group's quarterly cash receipts have increased from a starting base of \$58,000 to \$3,786,000, representing a 59% compound *quarterly* growth rate (CQGR) across nine full quarters. Over that time, receipts have grown by a multiple of 65x.

This growth has not followed a straight line. Quarterly performance has fluctuated as expected while scaling and accounting for seasonality, but the broader trend remains clear. For example, the March 2025 quarter recorded \$3.24M in receipts, representing a 39% reduction from the December 2024 holiday peak, however a 91% increase on the prior corresponding period (March 2024: \$1.69M).

When viewed on a trailing 12-month basis, the trajectory of cash receipts is more stable:

- **FY24 (Jul 2023 - Jun 2024): \$5.04M**
- **FY25 (Jul 2024 - Jun 2025): \$14.31M**
- **Year-on-year increase: +184%**

These results reflect execution across multiple business units and a scaling go-to-market capability. We remain focused on sustainable growth, operating leverage, and disciplined capital allocation while progressing toward sustained cash flow positivity.

FY26 Strategic Outlook

Earlier this month we released our **FY26 Vision** presentation, which outlines Vinyl Group's medium-term strategy and unifying ambition across the portfolio.

The presentation articulates a clear three-year arc:

- **FY24:** revenue - proving monetisation across business lines
- **FY25:** growth - consolidating that revenue and acquiring scale
- **FY26:** profitability - optimising margins and establishing sustainable cashflow

We are focused on accelerating operating leverage, consolidating our recent acquisitions, and embedding AI-driven efficiencies across the Group.

Thank you for your continued support.



Josh Simons - Chief Executive Officer and Executive Director

Path to Profitability

With FY26 now underway, we are focused on demonstrating a clear and credible path to breakeven. Our internal modelling shows this is achievable by Q2 of this financial year, with operational break-even expected once revenue consolidates in the \$25M range on an annual basis.

We are taking decisive steps to improve cash generation. Gross margin is modelled at 57% based on current trajectory, and incremental cost reductions already implemented across staffing, service providers, and platform infrastructure will reduce quarterly outflows by over \$365K.

Taken together, these inputs support a Q2 FY26 breakeven scenario.

Our Q1 FY26 target is to generate cash receipts above \$4.5M, demonstrating progress toward that outcome and reaffirming the sustainability of the Group's growth model. This will yield a modest improvement in our operating cash flow in Q1, partially offset by annual costs such as listing and audit fees that occur in Q1, alongside final costs incurred as part of the cost savings program executed throughout the calendar year.

Summary of Cash Position and Expenditure

Financial Position as of 30 June 2025:

- **Cash and cash equivalents: \$1.796 million**
- **\$1.5M line of credit** facility secured from Songtradr
- **Excess working capital of \$1.6M** of receivables over payables

Overall Operating Cash Flow Details:

- Operating net cash burn: **\$1.758 million**, a **47% improvement from the previous quarter's \$3.343 million**
- The overall **net cash burn quarter-over-quarter decreased** due to collections received from sales made in the prior quarter, and the following initiatives to generate strong margin growth:
 - Optimised mix of commercial media deals, including the removal of low margin deals from the pipeline
 - Improved margins across tech platforms from cost saving initiatives, with a particular focus on platform costs
 - Shift in advertising costs from general to customer projects
 - Reduction in general admin costs

Quarterly Cash Flow Analysis:

- **Cash from customers** increased by **\$550K** to **\$3.786M**, an **increase of 17%** due to:
 - The addition of the Concrete Playground sales to the total for Vinyl Media;
 - Increased sales in our Vampr platform from feature release and marketing spend; and
- **Increase in staff costs of \$648K** via the integration of additional staff from Concrete Playground.
- **Decrease in product and platform operating costs of \$680K** from improved media sales mix during the quarter in the media and as well as overall cost reductions in our tech platforms.
- **Increase in research and development costs of \$31K** for platform cost reductions in Jaxsta and Serenade, as well as the Vampr Collabs release.
- **One-off increase in office space costs of \$34K** for the quarter from the Concrete office lease that finished during the quarter
- **Decrease in sales and marketing costs of \$274K** due to the shift in campaigns and more focus customer driven advertising spend during the quarter.
- **Decrease in general and administrative costs by \$971K** mostly due to a reduction in spend.

Working Capital and Related Party Payments

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

The Company had no payment to its related parties comprising salaries, directors' fees, reimbursable expense payment to directors including executives who were directors during the past six months, except salaries to the executive director of \$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")

30 June 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to Date \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3,786	14,313
1.2	Payments for		
	(a) research and development	(343)	(1,151)
	(b) product manufacturing and operating costs	(1,947)	(9,735)
	(c) advertising and marketing	(432)	(1,938)
	(d) leased assets	(114)	(333)
	(e) staff costs	(2,353)	(7,172)
	(f) administration and corporate costs	(356)	(3,300)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	87
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	168
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,758)	(9,061)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	(518)	(5,181)
	(c) property, plant and equipment	(12)	(12)
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(530)	(5,672)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	10,211
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	1,212	3,000
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(601)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(60)	(213)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,152	12,397

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,932	4,132
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,758)	(9,061)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(530)	(5,672)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,152	12,397
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,796	1796

5.	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	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,743	2,860
5.2	Call deposits	53	72
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	1,643	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,439	2,932

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**

73

-

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**

78

78

1,500

-

143

-

1,721

78

7.5 Unused financing facilities available at quarter end

-

- 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 30 June 2025, the loan facility derived from the insurance policies was \$78,025.

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

The Company has credit card facilities in the amount of \$143,000 with Commonwealth Bank and Bank of America at rates from 14.55% to 16.49%.

8. Estimated cash available for future operating activities

\$A'000

- 8.1 Net cash from / (used in) operating activities (Item 1.9) (1,758)
- 8.2 Cash and cash equivalents at quarter end (Item 4.6) 1,663
- 8.3 Unused finance facilities available at quarter end (Item 7.5) 1,643
- 8.4 Total available funding (Item 8.2 + Item 8.3) 3,371
- 8.5 **Estimated quarters of funding available (Item 8.4 divided by Item 8.1)** 1.96

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: No, we acquired Concrete Playground as of 1March 2025, and have completed the integration and combined plans for the entity during the quarter. We had some redundancies throughout the

Group and have reduced certain services which will start reflecting in the results for the September quarter. We are also entering the seasonal peak for most of our businesses in the July to December period, expecting an increase in revenue and associated cash flows.

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: Yes, the Company entered into a Line of Credit arrangement for \$1.5M to provide additional cash as needed between now and December as it increases revenues and decreases costs.

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: Yes, the additional line of credit provides a flexible source of cash flow as the company moves to its breakeven target by December 2025. The Company has an additional \$1.6M in working capital at the end of the quarter as it continues increasing its sales and decreasing its operating costs. The Company has prepared a plan to adjust throughout the first half to stay on track to its goal.

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.

17/07/2025

Date:

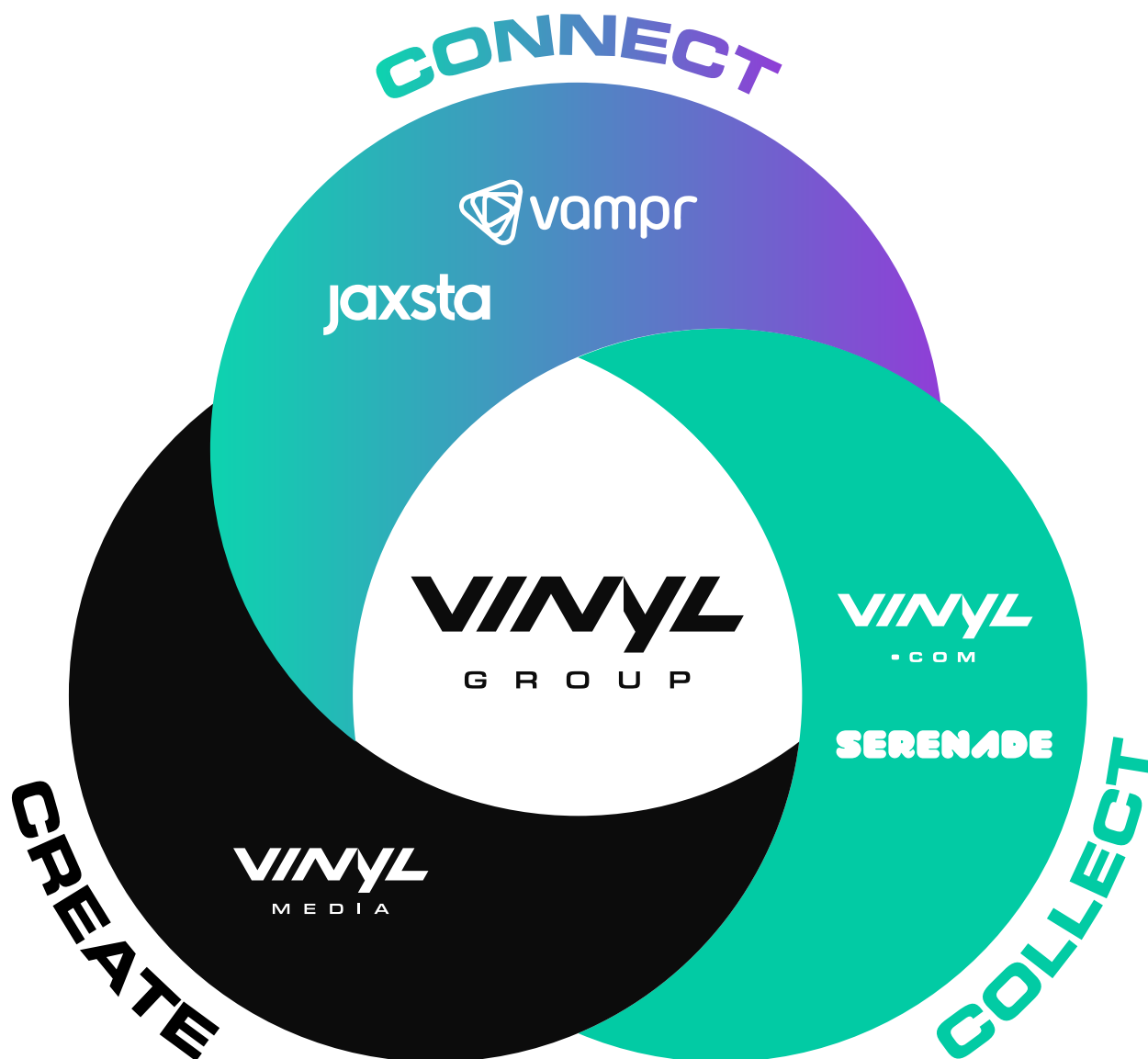
The Board

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.

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Vinyl Group Ltd (ASX:VNL)

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