



ASX Release

VINYL GROUP COMPLETES ACQUISITION OF ROLLING STONE AU/NZ & VARIETY AUSTRALIA PUBLISHER THE BRAG MEDIA WITH RICHARD WHITE FINANCE DEAL

Melbourne, Australia, 1 February, 2024: Vinyl Group Ltd (ASX: VNL), Australia's leading music technology and media company, has successfully completed the acquisition of Australia's largest youth publisher The Brag Media funded with a new investment by WiseTech Global (ASX: WTC) Founder and CEO Richard White by way of an \$11 million placement and debt facility.

As part of the completion, the Company has:

- Paid \$8.051 million cash to the sellers of The Brag Media (the "Initial Consideration"). The Initial Consideration covers value paid for the shares and the paydown of loans by the sellers to The Brag Media and its subsidiaries.
- An agreement to pay The Brag Media sellers up to a further \$2 million in cash or stock at Vinyl Group's discretion (the "Deferred Consideration"). The Deferred Consideration payment will accrue 6% annual interest if paid in cash and is contingent on The Brag Media and its subsidiaries achieving specified revenue and EBIT targets for the Calendar Year 2024. The Deferred Consideration will be based on a sliding scale that commences after The Brag Media achieves both a minimum revenue of \$12.0 million and a minimum EBITDA of \$2.0 million up to a maximum of \$15.5 million in revenue and EBITDA of \$2.8 million.
- Issued 5,000,000 unlisted options to The Brag Media MD and Publisher Luke Girgis vesting in two equal tranches. The first tranche vests upon achieving the calendar year 2024 revenue target of \$12.0 million and EBIT target of \$2.8M and a minimum of one year of employment post-sale.

As previously announced, the Company placed \$4.045M via a share placement and will seek shareholder approval for Mr White's debt facility of \$6.955M to become a convertible note and for the full amount to be convertible into shares that result in a relevant interest at a General Meeting of Shareholders to be completed prior to 31 March 2024. The remaining \$2.95M after settlement of the Initial Consideration will provide working capital for Vinyl Group.

Vinyl Group CEO, Josh Simons, said: "At Vinyl Group, our mission is to empower creators, and The Brag Media's stable of publications including Rolling Stone, Variety, The Music Network, Tone Deaf and more, have a long history of shining a light on the most exciting and emerging aspects of creative culture and entertainment. 2024 will be an important year for the business, as we focus on integrating The Brag Media into Vinyl Group's properties as well as continued strong growth of our technology products. We now have a very clear path to profitability."

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Authorisation and Additional Information:

This announcement was authorised by the Board of Vinyl Group Ltd

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ABOUT VINYL GROUP

Vinyl Group is the heartbeat of an equitable music world, providing tech solutions that connect and give credit to the creator economy. The Company's diverse portfolio has touchpoints across all corners of the global music ecosystem, empowering everyone from creators to consumers. Vinyl.com offers a world-class ecommerce experience including over 50K titles for fans to support their favourite artists. Vampr is the leading dedicated social-professional networking platform and talent marketplace, allowing 1.3M creators to discover collaborators and monetise their work in over 180 countries. Jaxsta is the world's largest and only database of official music credits with over 38M verified credits to streamline revenue opportunities for businesses in the music industry. The Brag Media is Australia's largest creator of premium youth content and events and publishes iconic titles including Rolling Stone AU/NZ, Variety Australia, TheBrag.com, The Music Network, Tone Deaf, and more.

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