



A music technocrat in making

Vinyl Group (ASX: VNL) is an Australian-based music technology and media company. The company has curated a portfolio of interconnected brands – **Jaxsta**, **Vinyl.com**, **Vampr** and **The Brag Media** – empowering everyone in the music ecosystem, from creators to consumers.

Strategic acquisitions to propel future growth

Vinyl Group has undergone a major transformation in the last 18 months. For some years, Jaxsta was its only brand - the world's largest and only official music credits database. But Vinyl's management is now pursuing an aggressive growth and acquisition strategy to increase its global footprint and utility to the music industry. In March 2023, it launched online record store Vinyl.com. In June, it acquired Social platform Vampr - a move intended to advance the company's networking and advertising capabilities, leveraging Vampr's vast network of 1.3m users. In February 2024, it acquired The Brag Media - another cornerstone deal that will significantly bolster the group's sales, given its impressive audience reach of about 11.5m users per month in Australia.

To benefit from multi-dimensional end-markets

The potential for the Vinyl Group as a company is huge, as it caters to several end-markets. The surge in self-releasing artists, numbering 6.4m in 2022 with a growth rate of 16.8% from the previous year offers significant potential. Additionally, according to MIDiA Research, the music creator tools market reached a valuation of US\$4.1bn in 2022, and the surge in average creator spending on software, sounds, and services is currently the driving force behind the market's growth.

The music streaming industry is propelling growth for niche music revenue management platform providers. According to IFPI, 67.3% of global music revenue (+10.2% YoY to US\$28.6bn) was generated through streaming (ad-sponsored and subscription).

Valuation range of A\$0.23–0.30 per share

We value Vinyl Group at A\$0.23 per share in a base case scenario and A\$0.30 per share in an optimistic (or bull) case, using a Discounted Cashflow (DCF) methodology. Potential catalysts for Vinyl include synergies resulting from the integration of its platforms and growth from enhanced product features through AI to compete in the market. The potential risks to our investment thesis (as outlined on page 29) includes technology risk, capital risk, competitive risk, cost inflation risk and key personnel risk.

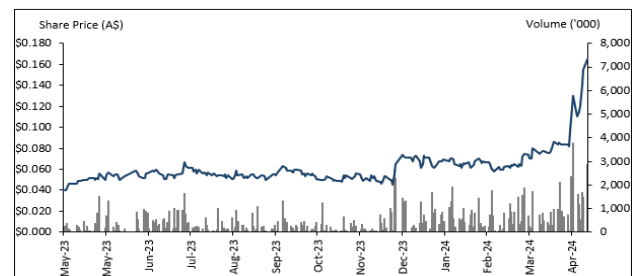
Share Price: A\$0.165

ASX: VNL
Sector: Media
7 May 2024

Market cap. (A\$m)	138.5
# shares outstanding (m) ¹	839.3
# shares fully diluted (m)	919.9
Market cap. ful. dil. (A\$m)	151.8
Free float	48.9%
12-months low/high (A\$)	0.04 / 0.18
Avg. daily volume ('1000)	523.8
Website	https://vinyl.group/

Source: Company, Pitt Street Research

Share price (A\$) and avg. daily volume (k, r.h.s.)



Source: Refinitiv Eikon, Pitt Street Research

Subscribe to our research [HERE](#)

Analysts: Stuart Roberts, Nick Sundich

Tel: +61 (0)4 4724 7909

Stuart.Roberts@pittstreetresearch.com

Nick.Sundich@pittstreetresearch.com

Disclosure: Pitt Street Research directors own shares in VNL.

¹ Accounting for shares to be issued post the company's recent capital raising



Table of Contents

Introducing Vinyl Group (ASX:VNL)	3
Ten reasons to look at Vinyl Group	4
Vinyl Group – A tech-driven game-changing platform for music professionals	6
<i>The Evolution of Vinyl</i>	6
Vinyl's portfolio of brands	7
<i>Jaxsta – Vinyl's legacy business</i>	7
<i>Vinyl.com – An online store for vinyl records</i>	13
<i>Vampr – A 'LinkedIn for Creatives'</i>	15
<i>The Brag Media – Australia's largest youth publisher and a compliment to Vinyl's existing portfolio</i>	17
There's significant market potential for all of Vinyl Group's platforms	19
<i>The Music Revenue Management Industry is niche but compelling</i>	20
Vinyl's financial growth will accelerate from FY25 onwards	21
Comparable companies	23
Our valuation of Vinyl Group	24
<i>Catalysts for a potential re-rating</i>	26
<i>Risks</i>	26
Appendix I: Vinyl's leadership team	27
Appendix II - Analysts' Qualifications	28
General Advice Warning, Disclaimer & Disclosures	29



Introducing Vinyl Group (ASX:VNL)

Founded in 2015, Vinyl Group (ASX: VNL) is an Australia-based music technology and media company. It operates the world's largest and only official music credits database. The company was formerly known as Jaxsta Ltd. and changed its name to Vinyl Group Ltd. in December 2023.

The rebranding was not just a change of name but a part of broader efforts to better represent the portfolio of brands and its broadening business scope – it went from one brand to four. The company acquired Vampr in June, launched Vinyl.com in May, and closed the year by unveiling the deal to buy The Brag Media. The company, through its portfolio of brands, offers technology solutions to empower the participants of the global music ecosystem.

Vinyl Group offers a portfolio of unique technology brands

Vinyl's platforms are:

- **Jaxsta** - The world's largest and only database of official music credits with over 380m verified credits. Jaxsta deep-links the credits and offers detailed insights to the music creators and businesses to ensure music stakeholders correctly map ownership and subsequent revenue distribution.
- **Vinyl.com** - An online record store for vinyl records. Launched in May 2023, it allows users to browse liner notes from more than 50,000 vinyl record titles, recreating the experience of 'crate-digging' cherished by record collectors. The online store is powered by Jaxsta credits, verifying every creative contribution on every recording.
- **Vampr** - A dedicated social-professional networking platform for musicians that has been dubbed a 'LinkedIn for Creatives'. It is the biggest professional network, aiding 1.3m musicians, creatives, and artists to collaborate, create new music, and monetise their work in more than 180 countries.
- **The Brag Media** - Australia's largest creator of youth content and events, acquired by Vinyl in December 2023. The Brag Media publishes outlets such as TheBrag.com, The Music Network and Tone Deaf, and Penske Media Corporation titles, Rolling Stone and Variety in Australia and New Zealand. The brand also exclusively represents local digital audiences for over a dozen other titles, including HypeBeast, Billboard, The Hollywood Reporter, Music Feeds, ComingSoon, Rotten Tomatoes, Game Revolution, and IndieWire. With its network of brands reaching about 11.5m users per month and over 35m monthly page views, The Brag Media has an exceptional audience reach. It is not just a lucrative business as a standalone, but also an easy way for Vinyl to monetise its other businesses, by reaching would-be consumers through publications that it owns.

Bigger is better

The new strategy has begun yielding positive results, evident from Vinyl's impressive 317.9% YoY growth in total sales in H1 FY24. ***We believe that the company is on an exponential growth trajectory and is on a clear path to profitability, a result of the recent expansion initiatives.***

Vinyl has gained a substantial scale by having all of these brands together



Ten reasons to look at Vinyl Group

Vinyl Group stands out in the global music industry with its distinctive proposition leveraging a vast network of 1.3m users on its Vampr platform. It aims to monetise this through Jaxsta's music management platform

1. **Vinyl has a portfolio of industry leading brands** – These include Jaxsta, the world's largest and only database of official music credits with over 380m verified credits, Vampr, the world's largest social-professional network for musicians with 1.3m users, Vinyl.com, an online record store with more than 50,000 vinyl record titles, and the recently acquired, The Brag Media, Australia's largest creator of youth content and events.
2. **Vinyl has significant scale from having all these brands together** – Vinyl Group has created an enviable portfolio of the best-in-class brands. Through e-commerce, social network platforms, and a proprietary database of official credits, these brands offer transformative tech solutions to music creators. With a strategic focus on monetising the network effect of fans and creators, the group is integrating the music credits of Jaxsta with the Vampr experience. We believe the group will have a significant scale by integrating services and having all these platforms together.
3. **The Brag Media acquisition is a key game-changer** – The Brag Media is known for publishing outlets such as TheBrag.com, The Music Network and Tone Deaf, and Penske Media Corporation titles, Rolling Stone and Variety in Australia and New Zealand. The Brag Media has an exceptional audience reach, with its network of brands reaching about 11.5m users per month with over 35m monthly pages. In our view, the consolidated business will have a lot more growth levers. The synergies between the two businesses will result in cost efficiencies and revenue growth. Leveraging The Brag Media's audience reach is likely to bolster Jaxsta, Vinyl.com, and Vampr's growth in the market.
4. **Vinyl is expanding its geographical footprint** – The group's largest market across all business units in terms of revenue is the Americas, from where the company generated 83.4% of the total H1 FY24 revenue, followed by Australia from where it generated 10.3% revenue. Granted, these percentages may be skewed in the short term as revenues from The Brag Media are reflected in the company's results. Nevertheless, North America is a focal point due to its size and influence in the music industry and the group intends to capture a substantial share of this market by offering customised services. Vinyl is not just an Australia-only business.
5. **Vinyl has an impressive shareholder register** – In other words, the group is backed by major investors, including Songtradr (an American song licensing company) and Richard White, the founder and CEO of WiseTech. Songtradr signed a five-year deal with Jaxsta in September 2020 and became an investor in the company. The company invested more money in Jaxsta in June 2022 and again in late April 2024, now owning 19.95%. Richard White, Founder and CEO of WiseTech Global, one of Australia's most successful logistics software technology companies, first invested in the company in June 2023 and again in December 2023 to fund The Brag Media's acquisition by way of an A\$11.5m placement and debt facility – with the debt since converted into equity. These investments reflect investor confidence in the company's growth plans.
6. **AI could enhance the platforms** – Technology is the core of all Vinyl's solutions. Embracing Artificial Intelligence (AI) will not only accelerate



operational efficiencies but also enhance the consumers' experience significantly. The company is on-track to map the AI application into its platforms through carefully crafted R&D roadmaps.

7. **Vinyl is at the forefront of a growing global industry** – With the rise of self-releasing artists, estimated at 6.4m, and an increase in average creator spending, the potential market size for Vinyl Group's musician-focused platforms (Jaxsta and Vampr) is substantial. The widespread music streaming industry is also giving wings to the niche music revenue management platform providers. According to IFPI, 67.3% of global music revenue (+10.2% YoY to US\$28.6bn) was generated through streaming (ad-sponsored and subscription). With multiple stakeholders being involved at every stage of music creation (artists, record holders etc.), the need for a centralised and transparent revenue tracking and management system is inevitable. This enabled Vinyl Group's Jaxsta platform to gain traction. Finally, we note that there has been a notable resurgence in the popularity of vinyl records among both music lovers and contemporary artists, establishing them as a cherished medium for music production.
8. **Vinyl has recorded impressive financial results recently** - The group's H1 FY24 revenue came in at A\$876k, representing growth of 317.9% compared to the same period last year. Granted, the upswing was primarily driven by the integration of all these platforms, although these platforms all individually recorded solid performances. The result does not include The Brag Media because the deal was not completed until after the end of the period. However, the acquisition of The Brag Media catapulted revenue for the March quarter (the 3 months to 31 March 2024) to A\$1.9m, recording a massive 218% QoQ growth. These latest results indicate growth momentum is set to continue from FY25 onwards.
9. **Highly experienced leadership team** – Vinyl Group's leadership team has extensive experience in consulting, accounting, finance, sales management, corporate advisory, and early-stage business development in the music industry. We particularly note current CEO John Simons who was hired in June 2023 when Vinyl acquired Vampr. Mr Simons was co-founder and CEO of Vampr, presiding over its growth into the world's largest social-professional network for musicians, boasting 1.3m users.
10. **One of the best value music media & technology service provider** - We believe that Vinyl's current valuation does not accurately reflect its growth potential. It is one of the least expensive investment opportunities within the high-growth music technology industry. The partnership with related industry players to bundle offering and music revenue management solutions with AI services will provide Vinyl with significant market expansion opportunities. We believe the possibility of revenue expansion owing to recent expansion in product offerings and upcoming integration from recent acquisitions will facilitate a re-rating in the medium-to-long term period.

Growing brand visibility will drive investor interest

Vinyl's current valuation does not reflect the company's full growth potential

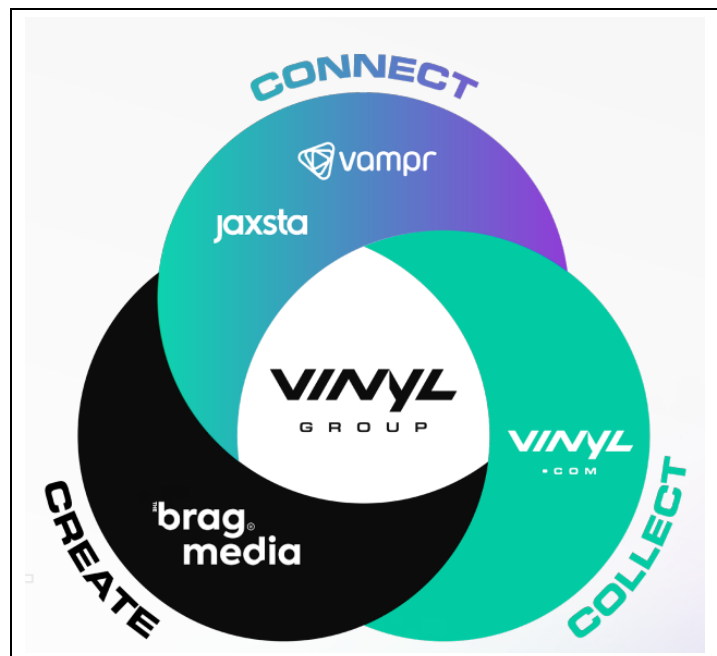


Vinyl Group – A tech-driven game-changing platform for music professionals

Vinyl Group’s purpose is to empower everyone in the music ecosystem from the creators to consumers.

The company operates through a diverse and interconnected portfolio of brands – **Jaxsta**, **Vinyl.com**, **Vampr** and **The Brag Media**. Through e-commerce, social network platforms and a proprietary database of official credits, these brands offer transformative solutions to music creators (Figure 1). With a strategic focus on leveraging the synergies between the brands, the Vinyl Group is integrating the music credits of Jaxsta with the Vampr experience. By integrating these services, the company aims to become a one-stop destination for creators, providing them with the necessary tools and support to streamline their operations efficiently.

Figure 1: The Vinyl Group’s portfolio of brands



Source: Company

The Evolution of Vinyl

Vinyl was founded in 2015 and was listed in September 2018 via a A\$13m reverse IPO (Figure 2). At that time, the company only had the Jaxsta business and was named after that platform. It sought to become the official, centralised database for the music industry. When it listed, the company had signed 23 data-sharing agreements with music-related businesses, including Sony. The aim was to ensure that all digital music creators got the same credit attribution as they would have gotten in the days of records. Since then, the company has signed over 365 data partners.



Figure 2: Timelines depicting the evolution of Vinyl

Timeline	Details
2019	<ul style="list-style-type: none"> The company launched a US\$150 yearly subscription service for music industry professionals. By that time, the company had more than 28 license data agreements covering over 85% of the music industry.
2020	<ul style="list-style-type: none"> In Early 2020, the company signed its first commercial deal with performing rights organisation APRA AMCOS, which bought 270 subscriptions to the database. In September, the company signed a five-year deal with American song licensing company, Songtradr. Through this deal, Songtradr become an investor in the company. By that time, the company had 60,000 registered users.
2021	<ul style="list-style-type: none"> Commercialised the API for B2B customers.
2022	<ul style="list-style-type: none"> In June, Songtradr invested more money into the company as part of an investment and a turnaround plan. In August, it launched its Business and Enterprise memberships for its B2B customers.
2023	<ul style="list-style-type: none"> In May, the company launched Vinyl.com. In June, Songtradr entered into an agreement to convert its loan into stock, resulting in Songtradr to hold 15.99% of the issued ordinary share of Jaxsta. Also in June, the company bought Vampr in a deal that gave access to 1.3m creators to drive subscriptions. The acquisition of Vampr saw Josh Simons, the founder of that company, become the CEO of Vinyl Group. In August, Jaxsta secured a key contract with the Mechanical Licensing Collective (MLC). The company closed the year by unveiling the deal to buy The Brag Media. The transaction is funded with a new investment by WiseTech Global founder and CEO, Richard White, by way of an A\$11.5m placement and debt facility, encompassing A\$8m in cash and a further A\$2m in deferred compensation through cash or stock.

Source: Company, Pitt Street Research

The company has made substantial progress to now operating four brands under the recently rebranded Vinyl Group in December 2023. The company's strategy is to integrate its platforms representing technologies and products that are interconnected to deliver a unified and more enriching user experience across its suite of brands. The rebranding is not just a change of name but a part of broader efforts to better represent the integrated brand portfolio and the broadening business scope.

Vinyl's portfolio of brands

The company has curated a portfolio of brands to enhance the creator value market proposition, leveraging the network effect of fans and creators.

Jaxsta – Vinyl's legacy business

Jaxsta is the world's largest and only database of official music credits with over 380m verified credits. The credits are official as they are received directly from more than 365 data partners, including record labels, publishers, distributors, and industry associations. Jaxsta deep links the credits and offers data-led insights to music creators and businesses to ensure music stakeholders correctly map ownership and subsequent revenue distribution.

Jaxsta is the world's largest and only official music credits database



Creators can curate a comprehensive resume showcasing all their credits, empowering them to promote their work effectively.

How does Jaxsta work?

Jaxsta offers curated membership for creators, businesses, and enterprises. Whenever a credit is received for a music creator, a profile page is automatically generated for them. This page can then be claimed by the creators themselves or by their representatives to add bio, links, contact details, and image. In so doing, they can curate a comprehensive resume showcasing all their credits, empowering them to promote their work effectively.

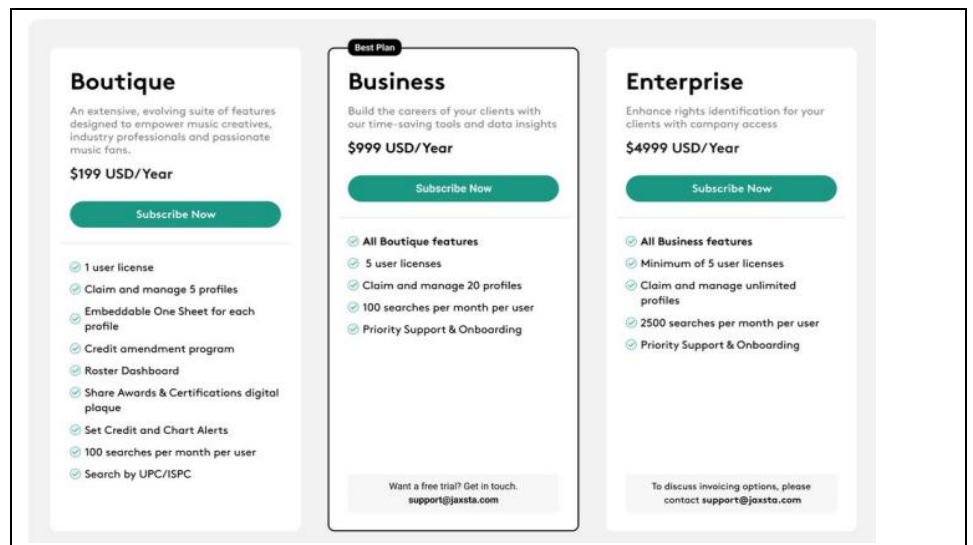
All of Jaxsta’s data is seamlessly 'deep linked'. This means that when a release is explored on Jaxsta, clicking on any contributor's name instantly redirects to their profile page, providing immediate access to their entire body of work.

Jaxsta offers a multitude of features and solutions

Jaxsta offers data-led features and insights, including Credit and Chart Alerts, the Jaxsta One Sheet, International markets information, the ability to claim Neighbouring rights, and many more. The various solutions offered by Jaxsta to the creators, businesses and enterprises are explained in detail below (Figures 3-9):

- 1. Creators** – An evolving set of features are crafted to empower both the music creators and the industry professionals who represent them (Figure 3). These include (but are not limited to) the ability for a creator to claim their own profile, generate a sharable music resume and digital plaques for awards such as GRAMMY wins and nominations and Recording Industry Association of America (RIAA) certifications and to monitor their global chart performance.

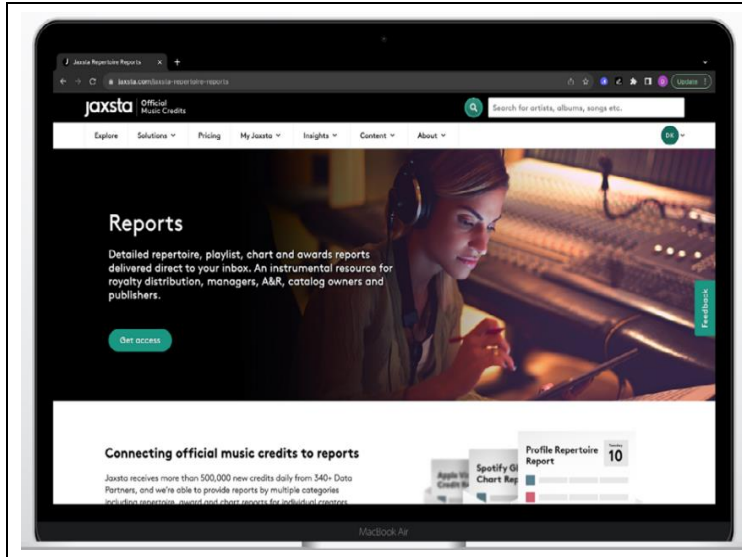
Figure 3: Jaxsta’s membership plans



Source: Company

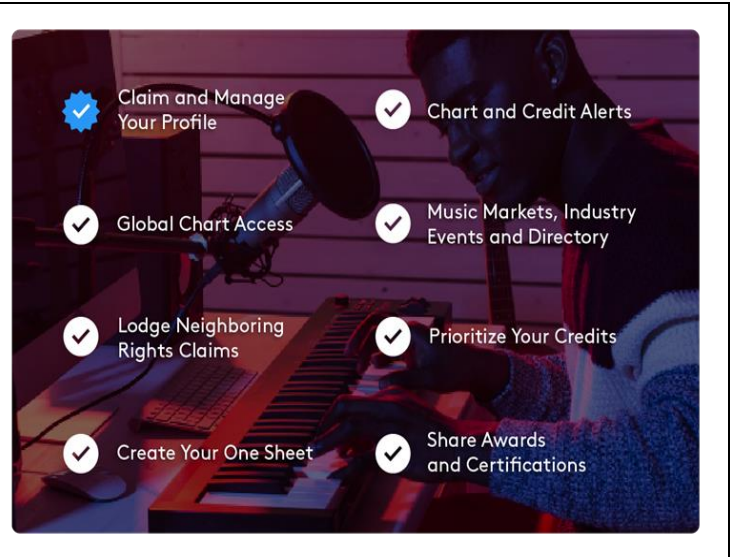


Figure 4: Jaxsta's platform



Source: Company

Figure 5: Full Creator features



Source: Company

- 2. Business** – A comprehensive suite of features has been tailored to save time, deliver data-driven solutions, find revenue streams, and foster growth of entities such as record labels, publishers, managers, and agents – most prominently the database of music credits. None of this is crowd sourced, it is from the official owners. Moreover, every credit in the database is deep-linked, facilitating seamless talent discovery, collaboration initiation, and identification of catalogue and music ownership.

Figure 6: A few of Jaxsta's data partners



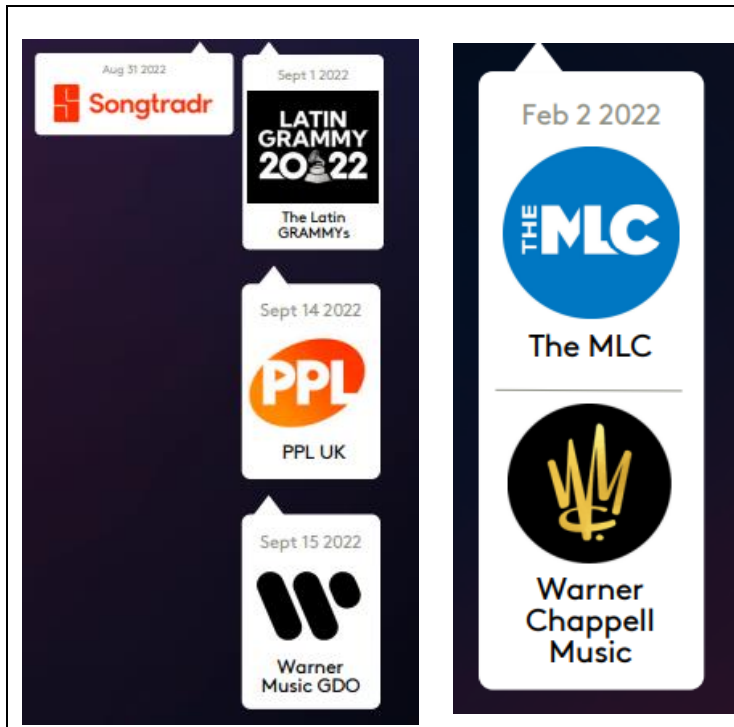
Source: Company



3. **Enterprise** – The enterprise plan delivers a comprehensive metadata solution for organisations that require accurate data to enhance royalty identification and expand opportunities for their rights holder members or clients. Features include data aids to ensure royalties are identified, collected and paid.
4. **API** – The Jaxsta API² offers access to the data within the Jaxsta database, which can be used to augment their existing content, enrich their datasets, or gain insights into the music industry. With data from over 365 partners, the Jaxsta API stands as the most comprehensive source of music metadata in the industry.

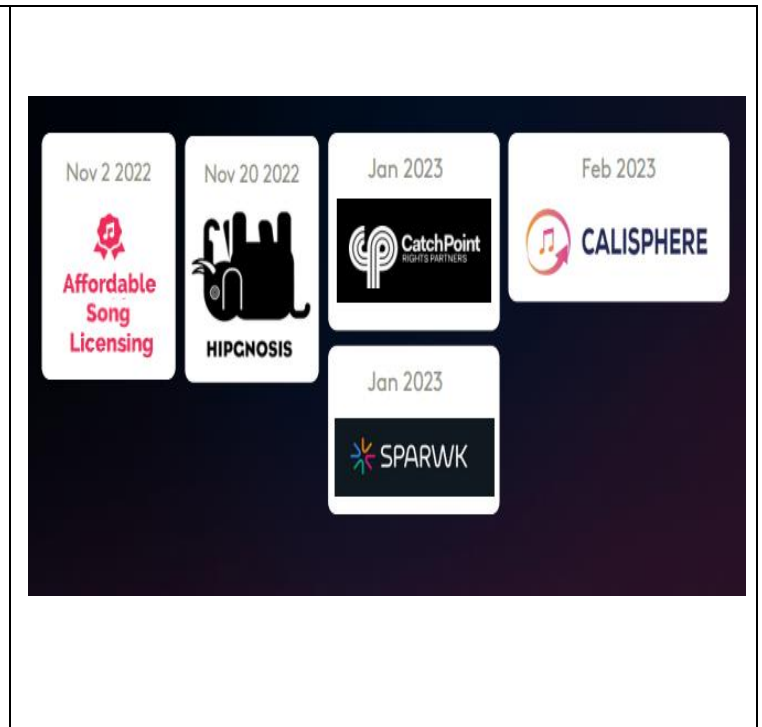
Additionally, Jaxsta also offers a Data Solutions portfolio comprised of customised data extraction, analysis and insights services to organisations and businesses which require music industry data but do not have the technical ability, resources, or time to integrate to the Jaxsta API.

Figure 7: Vinyl’s Enterprise Members



Source: Company

Figure 8: API Customers

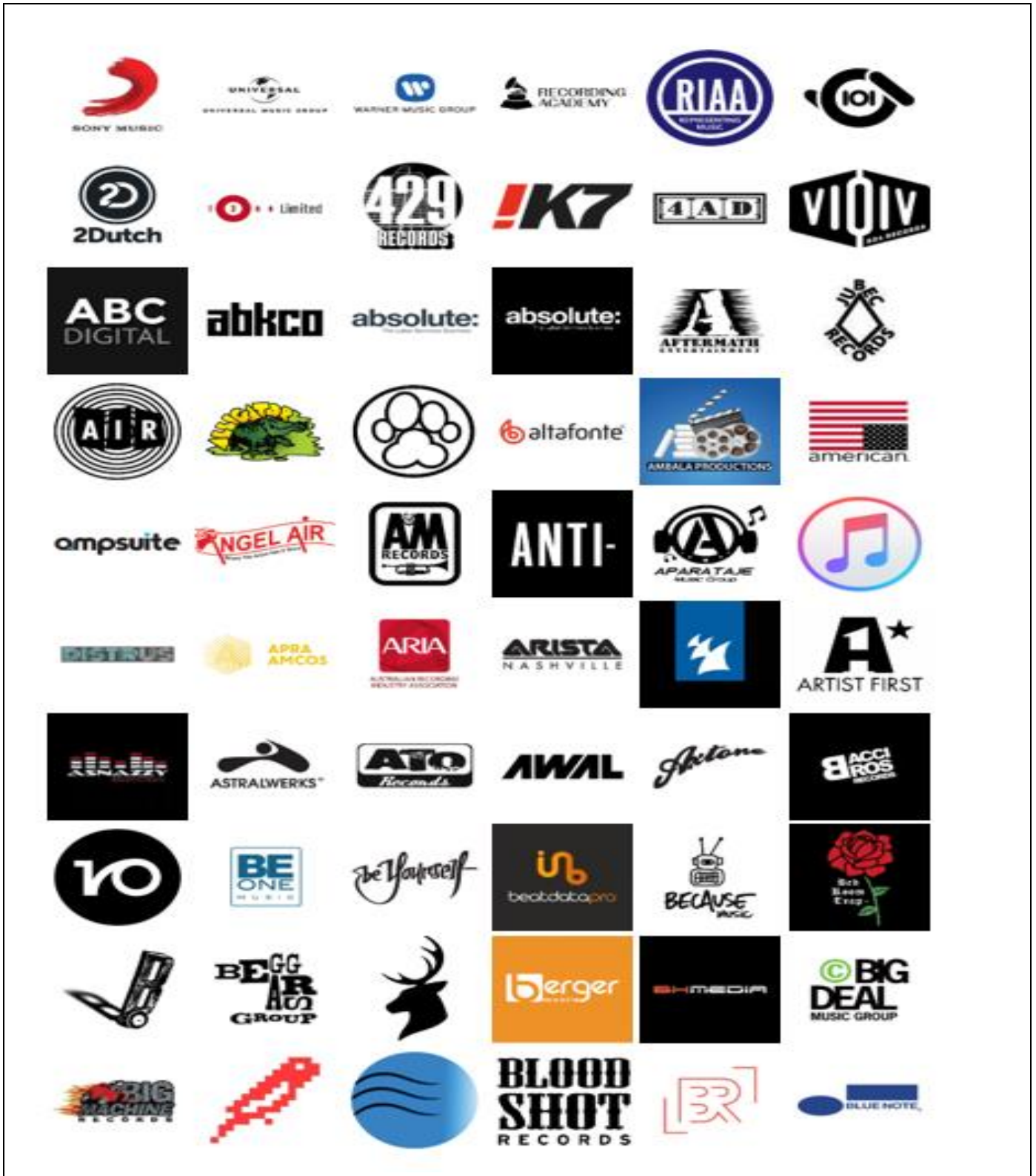


Source: Company

² Application Programming Interface.



Figure 9: A few of Jaxsta's data partners



Source: Company



Where Jaxsta stands compared to its peers

Jaxsta competes in a niche music revenue management software market, that is becoming essential for tracking and managing music royalties. Several players offering distinct features exist in the market (Figure 10).

Figure 10: Jaxsta’s features in comparison to its peers

Metrics	Jaxsta	Reprtoir	Helga	Eddy
Pricing plans	4 plans	5 Plans	3 Plans	3 Plans
Monthly price (US\$)	0-999+	\$0-999	\$65-124	\$35-230
Publish	✗	✓	✗	✓
Manage contract	✗	✓	✗	✓
Data sources	365+	120+	125+	40+
Data enrichment	✓	✓	✓	✗
Track/Audit	✓	✓	✓	✗
Insights	✓	✓	✓	✗

Source: Mopoke Cloud, Pitt Street Research

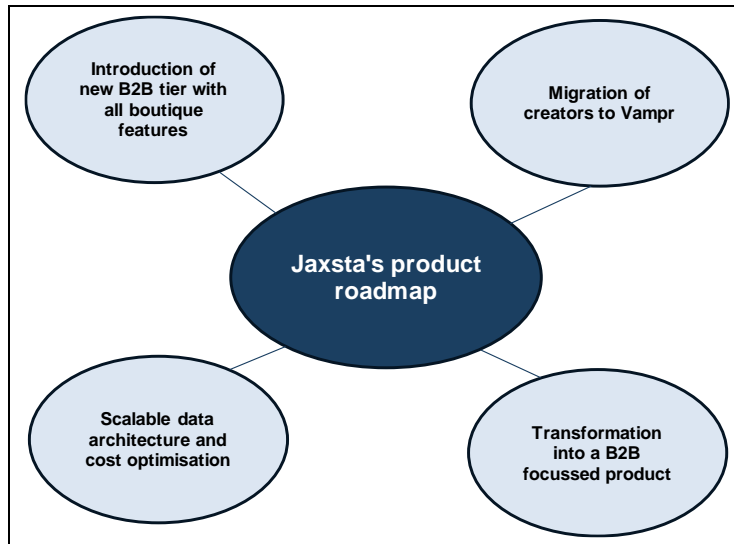
Jaxsta’s key advantage is having more than 365 data partners and has strength in data enrichment and verification. Granted, some competitors have technological advantages with features like automation of the publishing of music, managing the legal contracts, and offering analytically driven industry insights. These features are critical for any platform to become a one-stop-shop for music management, appealing to all stakeholder’s, i.e., artist, managers, agents, record publishers, music right holders etc.

Jaxsta has the potential to revolutionise the industry by filling this existing technological gap among its peers. With its vast dataset, Jaxsta holds a significant advantage. We believe that **by investing in additional technological features, Jaxsta’s proposition to the music community will be greatly strengthened**. This enhancement will not only improve its usability but will also boost its revenue-generating capabilities.

Jaxsta’s has a robust product roadmap in place

Jaxsta intends to further enhance the user experience by introducing additional offerings such a new boutique business tier on Jaxsta, designed to meet the specialised needs of customers, which will enhance the credit product’s adoption (Figure 11).

Figure 11: Jaxsta’s product roadmap



Source: Company, Pitt Street Research

The successful implementation of the product roadmap along with focused sales and marketing efforts (Figure 12) will further drive the demand for Jaxsta’s services, which in turn will propel revenue growth.

Figure 12: Key marketing and sales measures for the Jaxsta brand

Metrics	Details
Works Matching	<ul style="list-style-type: none"> • Prioritise Works Matching service across owned and operated channels.
Outreach	<ul style="list-style-type: none"> • Automate direct outreach to scale at volume. The outreach numbers have been doubled since beginning of FY24. • Target artist managers, music institutions, law firms, and A&R Directors at Publishers/Labels.
API	<ul style="list-style-type: none"> • Focus on API deals for PROs, CMOs, and music technology companies.
Growth	<ul style="list-style-type: none"> • Build upon record Jaxsta revenues through continual data driven audience alignment.

Source: Company, Pitt Street Research

Vinyl.com – An online store for vinyl records

Vinyl.com is an online store for vinyl records.

Vinyl.com is an online store for vinyl records launched by the company in May 2023. It allows the users to browse liner notes from more than 50,000 vinyl record titles, recreating the experience of ‘crate-digging’ cherished by record collectors. The online store is powered by Jaxsta credits, verifying every creative contribution on every recording. It is a chart accredited record store, and currently reports physical album sales to Billboard and the Australian Record Industry Association (ARIA). Its collections include 50 Years of Hip-



Hop, New Artists Making Waves, Just Dropped, Anniversary Reissues, Nu-Country, Club Classics, Essential Early Hip-Hop, Legends Of Classic Rock, Kids Albums, and more.

What are Vinyl records?

A vinyl record, also known as a phonograph record, is an analogue sound storage device comprised of a disc made from polyvinyl chloride plastic. These discs may have a core made of metal, resin, cardboard, or glass, with modulated sound information engraved into the surface in grooves. Each side of the disc features a single concentric spiral groove, along which a sapphire or diamond needle, known as a stylus, runs.

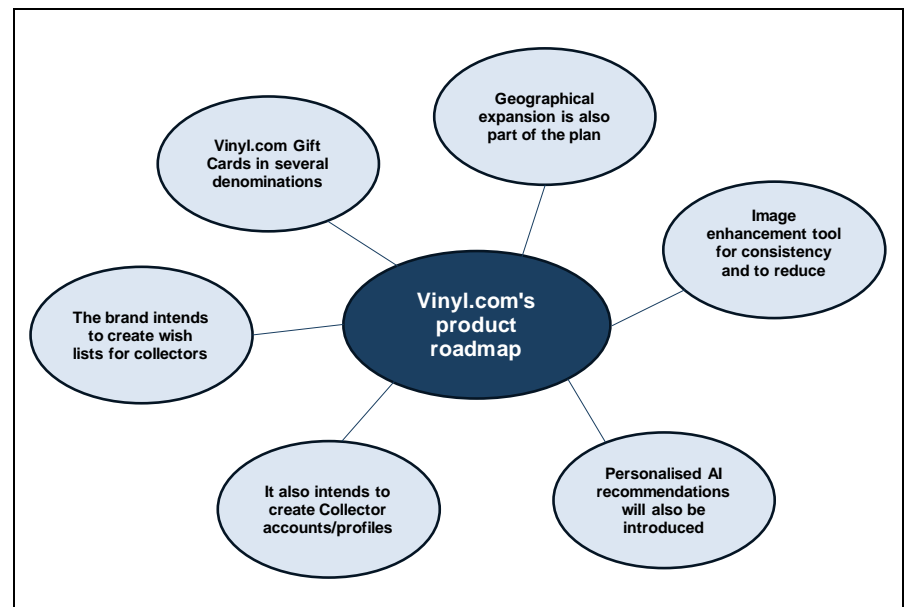
Although the glory days of Vinyl records (i.e. the 1970s when over 300m records were sold globally) are gone, talk of their demise have been greatly exaggerated. Indeed, they are resurging in popularity, growing for 17 straight years in the US and UK³, with new releases among the most popular sellers. Even for those who don't have technology to play the records, they can serve as a kind of collectors' items for fans of particular artists. We will delve further into the market in the next section.

Some of the key highlights of the Vinyl brand include:

- Track previews on every album page.
- Enhanced payment feature including Buy Now Pay Later (BNPL) and free shipping.
- Curated collections with mega menu, advanced search, and pre-order options.

Vinyl has a solid roadmap (Figure 13) and is growing through the vinyl influencers joining the affiliate programme. Six influencers including thegrapevinyl, vinylchucks, and Hip Hop By The Numbers have recently joined.

Figure 13: Vinyl has a robust product roadmap in place



Source: Company, Pitt Street Research

³ RIAA and MusicWeek data



The company intends to expand its offering to include music merchandise, digital collectibles, and experiences that connect fans with creators. It also aims to expand geographically and lean into the Jaxsta metadata that powers the store. The company has a focused marketing and sales strategy in place to achieve this (Figure 14).

Figure 14: Key marketing and sales measures for the Vinyl brand

Metrics	Details
Influencers	<ul style="list-style-type: none"> • Increase the influencers from the current 12 to 30 active vinyl influencers.
KPIs	<ul style="list-style-type: none"> • The brand has a strong focus on improved Search Engine Optimisation (SEO⁴). • Increase average order value to more than US\$75 and ROAS⁵ to more than three.
Visibility	<ul style="list-style-type: none"> • Increase visibility and be active in more store platforms, including TikTok shopping. • Test in additional advertising channels including Reddit.
Partnerships	<ul style="list-style-type: none"> • Build relationships with labels for exclusive pressings and host interactive live shopping experience on the site.

Source: Company, Pitt Street Research

In the first half of FY24, Vinyl.com achieved four straight months of record revenues. In our view, this substantiates the brand’s growing influence in the music e-commerce space.

Vampr – A ‘LinkedIn for Creatives’

Vampr is the world’s largest social-professional network for musicians and is dubbed as the ‘LinkedIn for Creatives’

Vampr is a social-professional networking platform and talent marketplace for musicians and is dubbed as the ‘LinkedIn for Creatives’. Vampr was acquired by the company in June 2023 and the acquisition has led to an advancement in the company’s networking and advertising capabilities. The deal also saw Vampr’s co-founder Josh Simons become CEO of Vinyl Group.

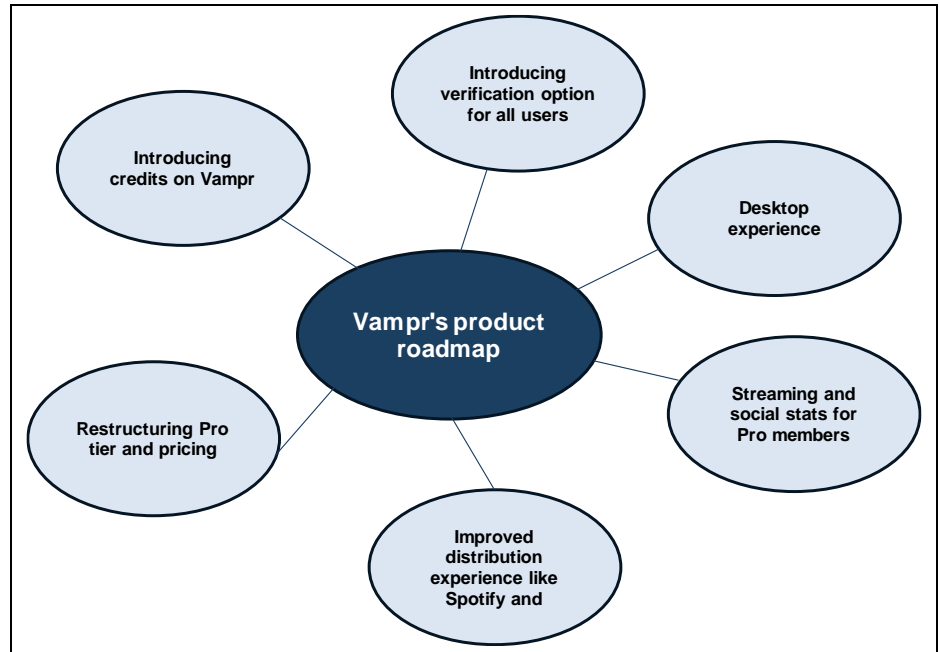
Vampr is the biggest professional network for musicians, creatives and artists, helping 1.3m of them collaborate, create new music, and monetise their work in more than 180 countries. Vampr generates its revenue from premium creator subscriptions and native in-app advertising.

Since the acquisition, Vinyl has worked to capitalise on advantages from owning the other platforms it has besides Vampr. These include introducing credits and verification as the first phase of integrating Jaxsta Creator features into Vampr and the Vampr Pro subscription tier.

⁴ SEO is the practice of orienting your website to rank higher on a search engine results page (SERP) so that you receive more traffic. The aim is typically to rank on the first page of Google results for search terms that mean the most to your target audience.

⁵ Return on ad spend (ROAS) is an important KPI in online and mobile marketing. It refers to the amount of revenue that is earned for every dollar spent on a campaign.

Figure 15: Vampr’s product roadmap



Source: Company, Pitt Street Research

Furthermore, Vampr entered into a partnership with D’Addario, Session Select and Swiss Beat Box, and even fulfilled 100% sales of advertising inventory with the Musicians Institute, Electro-Voice and Kali Audio brands. The brand has a robust product roadmap in place (Figures 15 and 16).

Figure 16: Some key marketing and sales measures for the brand

Metrics	Details
Influence	<ul style="list-style-type: none"> • Increase Vampr User-generated content (UGC⁶) and collaboration content. • Onboard Vampr influencers as affiliates.
KPIs	<ul style="list-style-type: none"> • The brand has a strong focus on improved SEO. • Increase in monthly installs by 30% and in App revenue (Pro) by 35%.
Advertising	<ul style="list-style-type: none"> • Launch Search engine marketing (SEM⁷) pilot programme and accelerate growth engines.
Partnerships	<ul style="list-style-type: none"> • Entered into a partnership with Session Select for Song Drop competition. • Executing partnerships with D’Addario and Swiss Beat Box. • Release an exclusive, limited edition, Vampr artist vinyl compilation on Vinyl.com.

Source: Company, Pitt Street Research

We believe the integration of Vampr and Jaxsta functionalities in one Creator vertical will not only reduce costs and streamline the rollout of new solutions but also offer a single app seamless experience with enhanced music profiles to the creator community.

⁶ UGC is published information that an unpaid contributor provides to a website. The information might be a photo, video, blog or discussion forum post, poll response or comment made through a social media website.

⁷ SEM is a method of promotion and advertising to help companies' content rank higher among search engine traffic.



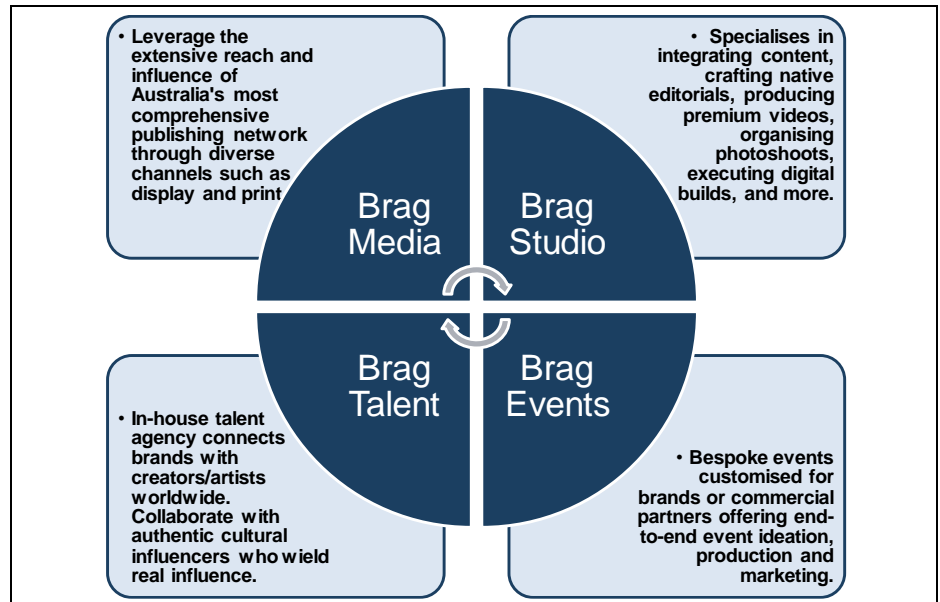
The Brag Media – Australia’s largest youth publisher and a compliment to Vinyl’s existing portfolio

The Brag Media recently joined Vinyl’s existing portfolio of brands after it was acquired in January 2024. The Brag Media’s network of brands reaches about 11.5m users per month with over 35m monthly page views, positioning it as Australia’s largest youth publisher (Figure 17).

The Brag Media is known for publishing outlets such as TheBrag.com, The Music Network, Tone Deaf, and Penske Media Corporation titles, Rolling Stone and Variety in Australia and New Zealand. The brand also exclusively represents local digital audiences for over a dozen other titles, including HypeBeast, Billboard, The Hollywood Reporter, Music Feeds, ComingSoon, Rotten Tomatoes, Game Revolution, and IndieWire.

The Brag Media’s premium publishing business reaches over 30% of the Australian population each month

Figure 17: The Brag media’s offerings



Source: Company, Pitt Street Research

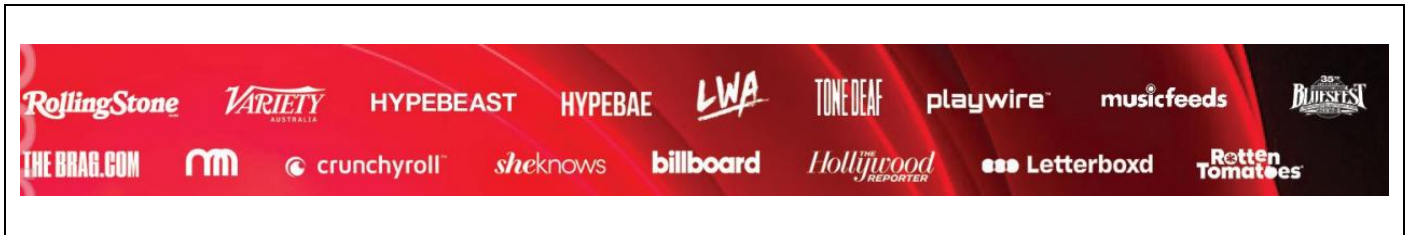
The Brag Media offers access to the most iconic publishers, spanning across brands (Figure 18):

- **Music:** Offers access to internationally recognised titles and award-winning grassroots journalism.
- **Fashion and culture:** The Brag Media has extensive reach and coverage into the world of fashion and culture.
- **Entertainment:** The Brag Media is home to premier and niche entertainment titles covering film, TV, theatre, and streaming.
- **Gaming and Anime:** Gaming and anime are the largest emerging audiences in Australia. The Brag Media offers access to a cross-section of dedicated fans, with potential for in-game advertising.
- **Family and kids:** The Brag Media provides access to the kids and family audience with industry standard safety.

The Brag Media also offers effective advertising solutions, including desktop, mobile and tablet, magazine advertising, and video advertising.



Figure 18: Some of Brag’s iconic titles



Source: Company

The Brag Media acquisition is a key milestone for Vinyl because:

- Brag has seen average revenue growth of 125% over the past two financial years and has delivered \$8.5m in revenue and a \$350k in profit in FY23. A continuation of this will steer Vinyl Group to profitability.
- The deal will significantly expand the reach and sales opportunities in both magnitude and scope. The Brag Media’s impressive audience reach can offer cross-selling options for existing services.
- The Brag Media has worked with some of the worlds most iconic brands (Figure 19).

We believe the synergies between the two businesses will lead in cost efficiencies and revenue growth, leveraging The Brag Media’s audience reach to bolster Jaxsta, Vinyl.com and Vampr’s growth in the market.

Figure 19: The Brag Media has worked with some of the world’s most iconic brands



Source: Company, Pitt Street Research



With 6.4m self-releasing artists, and an increase in average creator spending, the potential market size for Vinyl's platforms is substantial.

There's significant market potential for all of Vinyl Group's platforms

Vinyl Group, through its various platforms, recognises the work of all music creators, from artists and songwriters to producers, composers, engineers, and musicians. Many aspiring musicians and artists embark on their journey in the music industry through Vampr. Vampr and Jaxsta together provide services that facilitate the Music Creator economy, catering to both self-releasing artists and those with label partners.

With the rise of self-releasing artists, estimated at 6.4m, and an increase in average creator spending, which is estimated to exceed \$600 annually on music creation, promotion, distribution, and commercial tools, the potential market size for Vinyl Group's platforms is substantial. Additionally, as we noted earlier in this report, there has been a notable resurgence in the popularity of vinyl records among both music lovers and contemporary artists, once again establishing them as a cherished medium for music production. We will now delve into the vinyl records market and its key drivers in detail.

The rise of self-releasing artists and their spending power

The surge in self-releasing artists, numbering 6.4m in 2022 with a growth rate of 16.8% from the previous year, has sparked significant industry attention. This rise has led to a diversification of services offered by distributors like Stem and TuneCore, and even prompted major record labels to establish or acquire their own label service operations.

Furthermore, the self-releasing artist community is diverse, with varied aspirations, challenges, and needs. Of the 6.4m self-releasing artists, as per MIDiA's estimates, 38% are aspiring for a full-time music career, while 36% are passionate about music, but not expecting to go full time. Nonetheless, the passionate creators have more of an ability to spend than career aspirants and end up spending 8% more annually on music-making tools, like sound content, music production plugins, and hardware/instruments. MIDiA's assessment also reveals that both segments contribute significantly to the addressable market, with passionate enthusiasts potentially generating \$88m annually and career seekers \$96m.

The barrier to entry for music creation and release has significantly lowered, enabling more individuals to pursue music as a passion rather than a career. Consequently, the revenue potential of self-releasing artists lies more in their spending on tools and services rather than their earnings from music streams.

The rising tide of creator spending is fuelling growth in the music industry

The surge in average creator spending on software, sounds, and services is currently the driving force behind the market's growth. On average, creators invest over US\$600 annually in music creation, promotion, distribution, and commercial tools. For novices, this expenditure can translate to three and a half times more than their earnings from music, while for advanced creators, it amounts to slightly over one-tenth of their income.

According to MIDiA Research, a US-based research and analysis service provider with focus on the digital content economy, the music creator tools market reached a valuation of US\$4.1bn in 2022, encompassing various segments such as learning, collaboration, production software, sounds, funding, commerce, distribution, marketing, and commercial services.



Notably, distribution and production software emerged as the two largest segments within this market.

In 2021, the collective number of creators purchasing software, sounds, skill-sharing, and learning resources was below 30m. By 2030, this figure is expected to soar to nearly 100m, with learning and skill-sharing emerging as the largest single group of buyers.

The Music Revenue Management Industry is niche but compelling

For the new age artists, it is very crucial to have a system that standardises the complex process of revenue/royalty management. Consequently, music revenue management software platforms are extremely crucial for musicians, their managers, record label companies, publishers, music rights holders and respective agents. These platforms empower artists' creativity and commercial interests by providing a centralized platform for organising music catalogue, providing data-driven solutions for managers/agents, and keeping record of all the relevant royalty earnings information.

Today music ecosystem is widespread with multiple revenue earning avenues for both artists and music right holders, such as, mechanical royalties, performance royalties, and synchronization royalties, making these platforms indispensable.

Any music revenue management platform has multifaceted advantageous features:

- **Catalogue and Talent Management:** The platform automates everyday processes for music industry professionals. Users can organize their music catalogue, input metadata, and manage ownership information for each track. These platforms can also support in finding talent, creating opportunity, and initiating collaborations. These platforms keep track of contracts/legal compliances, specifying various stakeholders.
- **Payment Tracking:** The software enables users to track royalty earnings from various sources, such as streaming platforms, radio, TV, and live performances. Users can keep track of royalty payment schedules, due dates, and payment history. These platforms perform complex royalty calculations automatically, based on predetermined royalty rates and distribution agreements.
- **Automated reporting using analytics:** The platform manages massive volumes of data (sales and others) in very short time. Users can generate detailed reports and visual analytics on their royalty earnings, allowing them to gain valuable insights into their music business. This is crucial to maintain transparency in an industry where various stakeholders (songwriters, performers, record labels, and publishers) are involved at every stage.

As music becomes a widely covered and investable asset class, an efficient revenue management system is gaining importance. According to the IFPI Global Music report, the global recorded music industry revenue was US\$28.6bn in 2023, a jump of 10.2% YoY. Streaming continues to hold the majority share of this revenue at 67.3%. The total number of paid subscribers were 667m. Record companies invested US\$7.1bn in artists and repertoire (A&R) and marketing alone, catapulting the artists' careers and connecting fans and music communities from all over the world. This would not have been possible without the effective work of music streaming and revenue management platforms, like Spotify, Jaxsta, Repertoire, Curve etc.

Music revenue management system aims to simplify the processes surrounding music creation, distribution, promotion and tracking respective earnings.

According to the IFPI Global Music report, Record companies are investing US\$7.1bn annually in A&R (US\$3.9bn annually) and marketing (US\$3.2bn annually) alone.



According to Spotify's Loud and Clear report, number of artists generating over US\$10k (66,000 musicians) in revenue on its streaming platform has accelerated 3x since 2017. This reflects the growing need for streaming partners and music revenue management platforms among smaller artists, offering immense growth opportunity for industry patrons like Vinyl Group's Jaxsta. These relatively small artists generate 4x revenue from recorded music sources plus additional revenue from concert tickets and merchandise. These potential additional revenue sources also provide Vinyl Group with extended growth opportunity.

The vinyl record market is making a comeback, and is set for further growth

The vinyl record market constitutes a segment of the music industry dedicated to the production and sale of vinyl records. Vinyl sales remain well off all time highs reached in the 1970s, but have seen a rise in popularity. There are several reasons, but most pertinently because Vinyl records are renowned for offering a more authentic and nostalgic listening experience compared to digital formats. They can act as a souvenir for fans of particular artists showing staunch loyalty, even the fans they lack the technology to play them.

This resurgence has spurred an increase in vinyl record production, with numerous record labels and independent artists opting to release their music on vinyl. Supporting the vinyl record market is a network of independent record stores, providing enthusiasts with a platform to acquire physical copies of their favourite music. Furthermore, the availability of vinyl records has expanded through online retailers, such as vinyl.com, and enabled fans to purchase records from anywhere in the world.

As we observed earlier in this report, vinyl records have grown for 17 straight years in the US and UK⁸ and new releases are among the most popular sellers – i.e. 21st century artists like Taylor Swift and Ed Sheeran. Nearly 50 million vinyl albums were bought in the US alone and Swift sold more than any other artist⁹.

Vinyl's financial growth will accelerate from FY25 onwards

The latest half-yearly and Q3 financial results from Vinyl Group indicate growth momentum is set to continue from FY24 onwards. Obviously because the company is now a combined portfolio of brands, rather than just being Jaxsta, but all of the individual brands have been performing well, and this will be reflected in future results.

The group's H1 FY24 revenue came in at A\$876k, representing an impressive growth of 317.9% compared to the same period last year. The just published Q3 results also displayed a staggering 218% QoQ growth clocking A\$1.9m in revenue (from an annual run rate of A\$1.2m in FY23).

These upswings were primarily driven by an increase in retail performance of the Vinyl.com store during the Christmas sales period, the integration of Vampr and Brag Media services, and growth from the B2B services.

In FY23 Jaxsta had reported relatively lower revenue with high customer concentration. There were five customers that accounted for 70.3% of the total revenue (2022: 75.6%). The acquisition of Vampr has paved the way to

⁸ RIAA and MusicWeek data

⁹ Billboard data



significantly boost the group's customer base and will aid in resolving the customer retention concern. In Q3, Jaxsta's B2B signups have accelerated +90% YoY, whereas the average order value on Vinyl.com has jumped +37% QoQ.

Since acquiring The Brag Media, Vinyl has been offering cross-promotional display advertisement across media properties. The benefits of integration will be visible going forward.

Vinyl's strategic acquisitions and partnerships bode well for future growth

After Vampr was acquired in CY23, the company acquired The Brag Media in January 2024. The Brag Media has recorded an average revenue growth of 125% over the past two financial years and has delivered A\$8.5m in revenue and A\$350k in profit in FY23. Consequently, the reach and sales opportunities for Vinyl is expected to accelerate in both magnitude and scope with The Brag Media's impressive audience reach of about 11.5m users per month in Australia.

As the integration gets completed, Vinyl Group's operations will witness new product launches, synergies across our tech platforms and cross-promotion of display advertisements across media properties.



Comparable companies

In order to provide an idea of the broad competitive landscape for Vinyl (Figure 20), we have screened companies using the following criteria:

- 1) Public companies operating in the Application Software, Movies, and Entertainment industries, focussing on the music industry.
- 2) Public companies based in developed markets with market capitalisation lower than US\$500m.
- 3) In addition to public companies, we have also taken into consideration some private peers worth mentioning.

Figure 20: Companies to watch

Company	Location	Ticker	Market cap (US\$m)	Website
Avex Inc.	Japan	TSE: 7860	373.0	avex.com/jp/en
Amuse Inc.	Japan	TSE: 4301	169.9	www.amuse.co.jp
LiveOne Inc.	US	NasdaqCM: LVO	181.0	www.liveone.com
Genie Music Corporation	South Korea	KOSDAQ: A043610	131.6	www.geniemusic.co.kr
Faith Inc.	Japan	TSE: 4295	30.3	www.faith-inc.com
Vinyl Group Ltd	Australia	ASX:VNL	151.8	www.vinyl.group

Source: S&P Capital IQ, Pitt Street Research

Note: Vinyl's market capitalisation in this figure accounts for the new number of shares on issue at the current share price.

Avex Inc. (TSE: 7860) is a diversified company engaged in music, animation, video, digital, and overseas businesses. It produces and sells musical content, manages live events, operates fan clubs, distributes films, produces animated shows and merchandise, and develops digital platforms and e-commerce sites, utilizing blockchain technology.

Amuse Inc. (TSE: 4301) operates in artist management, live entertainment, music, film/TV, and commercial sectors. It handles music distribution, artist management, and merchandise sales and offers ticketing services.

LiveOne Inc. (NasdaqCM: LVO) specialises in live music, podcasts, and streaming services. It operates platforms such as LiveXLive, PodcastOne, and Slacker for live music streaming, podcasts, and music services. They produce original content, stream live music events, offer personalised merchandise, and provide the LiveOne App for accessing various content types.

Genie Music Corporation (KOSDAQ: A043610) engaged in planning, producing, and distributing music and video content. The company also explores internet-based music services, hosts performance events, develops software, and offers subscription services for e-books and paper books. Additionally, it provides database and online information services.

Faith, Inc. (TSE: 4295) specialises in content distribution in Japan, offering services such as live streaming, music distribution, and fan subscriptions. They provide solutions for digital content and online customer service.

In addition to the above listed public peers, there are a lot of private peers including peers in a niche software market for managing music royalties. In this niche there is a mix of players including **Reprtoir, Helga, Eddy, and Curve** offering unique solutions such as automation of the publishing of music, managing the contract and royalties between the revenue source and the artists, tracking and audit royalties, and offering insights.



We value Vinyl at A\$0.23 per share in our base case and A\$0.30 per share in our bull case.

Our valuation of Vinyl Group

Based on a DCF methodology, we have determined the company's valuation to be A\$0.23 per share under our conservative assumptions (base case), while our more optimistic scenario places the valuation at A\$0.30 per share (Figures 21-22). Our key assumptions are as follows:

Revenue growth: We forecasted revenues for Vinyl's product lines – Subscription, API, Others and from Brag Media individually and then added all of them together to derive the company's total revenue.

- We estimated **Vinyl's subscription revenue** based on paid members and revenues per member. We started with 1,450 paid members and calculated revenue per member to be \$267 per member as per the \$388k subscription revenue reported in FY23. In our base case, we estimate subscription revenues to reach A\$4.6m by FY2030, assuming over 2,500 paid members (assuming ~8% growth per annum) and \$1.8k per member. In our bull case, we estimate it to be A\$6.1m by FY2030, with over 3,100 paid members and ~\$1.9k per member.
- **API revenues** are calculated based on total API customers and revenue per customer. We started with 16 customers and assumed \$9.7k per customer, which derives the \$154.6k in API revenues in FY23. We have estimated API revenue to reach A\$2.3m (base case), derived from 80 customers and \$29k per customer, and A\$2.4m (bull case) by FY203, derived from 109 members and \$30k per customer. The latter set of figures were derived from higher projected growth (an average of 11.6% per annum in member growth versus 8.2% in our base case).
- We have forecasted **revenues for The Brag Media** based on a share of the Digital Advertising market in Australia. We estimate FY2030 revenues from the segment to reach A\$52.5m in our base case and A\$58.1m in our bull case. This may seem optimistic but only assumes 6% growth per annum in the market (lower than the average 13% growth in the last 3 years) and only assumes an 0.20% market share in our base case and 0.22% in our bull case.
- **Other revenues** which include revenue from Vinyl records and are estimated based on global Vinyl Records market size. We assume the Vinyl Records market will reach US\$4.1bn by 2030, growing at CAGR of 9.57% from 2023 to 2030. In our base case, we estimate Vinyl Group's other revenues to reach A\$15.9m by FY2030, representing an 0.25% share of the market and ~9% growth on average. In our bull case we estimate other revenues to reach A\$18.8m by FY2030, representing an 0.3% share.
- In our base case the total group revenue is expected to be A\$6.1m for FY2024 and A\$78.6m by FY2030. In our bull case revenue is expected to be \$7.3m, reaching \$96.4m by FY2030. We expect Vinyl Group's revenues to grow due to growth in number of artists and increased spending on music creation, promotion, and distribution.

Profitability growth: We have arrived at EBITDA break-even in FY2025 in both base and bull case. By FY2030, we have estimated EBITDA margin to be 35.4% in our base case and 36.6% in our bull case. For FY24, we assume a significant increase in expenses from previous years accounting for the fact that the company is larger by virtue of acquisitions undertaken in CY23. From FY25, we assume cost inflation growth of 10% for most expenses but for employee benefits where we assume 15% growth. Notwithstanding, we model net profitability to be achieved FY26, across both our base and bull case scenarios.



We expect margins to expand consistently over the years on the back of enhanced customer traction as company continues to scale.

Capital Structure: The company completed a capital raising in April that increased its number of shares on issue from 604.8m to 839.3m (non-diluted). We have used the diluted number of shares accounting for 80.6m options, arriving at 919.87m shares.

Tax: We assume 30% corporate tax rate, equivalent to the local tax rate for companies based in Australia.

Discount rate and terminal value growth rate: We have used a WACC of 11.4%. This is derived from a risk-free rate of 4.3%, a 1.25 beta, and 7% equity premium. Considering that the company has excellent growth prospects in the future, with the growing music industry, we have assumed terminal growth rate of 2%.

Figure 21: Vinyl Group DCF valuation

Vinyl Valuation (A\$m)	Base Case	Bull Case
Enterprise value	217.0	279.5
Net (debt) cash	(5.6)	(5.9)
Equity value	211.4	273.6
Diluted shares (m)	919.9	919.9
Implied price (A\$)	0.230	0.297
Current price (A\$)	0.165	0.165
Upside (%)	39.9%	80.0%
Mid-point Target Price	0.264	
Upside (%)	60.0%	

Estimates: Pitt Street Research

Figure 22: Sensitivity analysis of target price for various WACCs and terminal growth rates

		WACC						
		0.230	9.9%	10.4%	10.9%	11.4%	11.9%	12.4%
Terminal Rate	0.5%	0.254	0.238	0.222	0.209	0.196	0.185	0.175
	1.0%	0.264	0.246	0.230	0.215	0.202	0.190	0.179
	1.5%	0.275	0.255	0.238	0.222	0.208	0.195	0.184
	2.0%	0.287	0.266	0.247	0.230	0.215	0.201	0.189
	2.5%	0.301	0.278	0.257	0.239	0.222	0.208	0.195
	3.0%	0.317	0.291	0.268	0.249	0.231	0.215	0.201
	3.5%	0.335	0.306	0.281	0.259	0.240	0.223	0.208

Estimates: Pitt Street Research



Catalysts for a potential re-rating

Notwithstanding the recent share price rally, Vinyl Group is still trading below our valuation range. We believe the following factors can contribute to the re-rating of the stock in the direction of our valuation range:

- The platform and its experience being improved through AI features, such as powering unique music suggestions through anticipated interconnections between music contributors. The integration of Vampr and Jaxsta was a key product milestone for the creators.
- Vinyl Group is continuously investing in its brands to grow its business and compete in the market by launching new subscription business model for its customers. The company's acquisition of Vampr and The Brag Media and its
- According to Bloomberg, an artist like Taylor Swift generated A\$1.2bn to Australian economy from her Eras Tour. With increasing numbers of artists and creators and increased spending on the music industry gives potential opportunity for the company to expand its business.

Risks

We foresee following key risks to our investment thesis for Vinyl Group:

- **Competitive risk:** Vinyl group is in a highly competitive market. There is risk of major competitors obtaining the market share through development of superior technology in the race to achieve large customer base for its platforms.
- **Cost inflation risk:** There is the risk that the company could be hit by cost inflation that could erode company margins.
- **Technological risk:** There is the risk that the company's technology could become outdated. This would impact the growth of the company if not able to cope up with advance technologies.
- **Capital risk:** There is the risk that the company may need capital and it may not be able to obtain it on favourable terms, or even at all.
- **Key personnel risk:** Vinyl Group's performance is highly dependent on its management team and staff. There is the risk the company could lose these individuals and be unable to replace them and/or their contribution to the business.



Appendix I: Vinyl’s leadership team

Vinyl Group has a highly experienced leadership team with extensive experience in consulting, accounting, finance, sales management, corporate advisory, and early-stage business development in the music industry (Figure 23).

Figure 23: Vinyl’s management and board members

Name and Designation	Profile
<p>Linda Jenkinson Non-Executive Director & Chair</p>	<ul style="list-style-type: none"> Linda Jenkinson has over 26 years of general management and consulting experience. She has founded several companies, including DMSC, the \$250m on-demand courier company. She is currently the Chair of UNICEF New Zealand and sits on the boards of Guild Group, Medadvisor Ltd., PureProfile Ltd., and Harbour Asset Management. She has a Bachelor of Business Studies from Massey University, and a Master of Business Administration in Finance from the Wharton School, University of Pennsylvania.
<p>Josh Simons CEO</p>	<ul style="list-style-type: none"> Josh Simons has significant experience in the music industry as an entrepreneur, songwriter, and producer. He co-founded Vampr in 2015. As the CEO of Vampr, he turned the company into the world’s largest social-professional network for musicians, boasting 1.3m users. He holds a Bachelor of Business Degree from Swinburne University.
<p>Robert Kenneth Gaunt Non-Executive Director</p>	<ul style="list-style-type: none"> With over 31 years of experience, Robert Kenneth Gaunt has worked extensively in the areas of sales management, corporate advisory, and early-stage business development. He co-founded Electronic Banking Solutions and was the CEO of Mobilarm Ltd., for which Jaxsta Ltd. completed a reverse takeover in 2018. He currently sits on several boards, including Sydney Seaplanes, Fintronics Holding Company Ltd., and K2 Energy Ltd.
<p>Ben Katovsky Non-Executive Director</p>	<ul style="list-style-type: none"> Ben Katovsky has significant experience in aiding growing music companies to deliver growth. He is the President and CEO of Hipgnosis Song Management Ltd., a song management company and alternative asset manager investing in music rights. He was previously the COO of BMG, the fourth-largest music business in the world.
<p>Jorge Nigaglioni CFO and Company Secretary</p>	<ul style="list-style-type: none"> Jorge Nigaglioni has over 24 years of experience in accounting and finance roles. He has been the CFO for two public-listed companies in the US and Australia. He has worked as a Controller at Agilent Technologies and worked at PricewaterhouseCoopers, where he was instrumental in launching early ventures to success. He holds a Bachelor of Science degree in Business Administration from Bryant University and a Master of Business Administration from the University of Wisconsin, Madison.

Source: Company, Pitt Street Research



Appendix II - Analysts' Qualifications

Stuart Roberts, lead analyst on this report, has been an equities analyst since 2002.

- Stuart obtained a Master of Applied Finance and Investment from the Securities Institute of Australia in 2002. Previously, from the Securities Institute of Australia, he obtained a Certificate of Financial Markets (1994) and a Graduate Diploma in Finance and Investment (1999).
- Stuart joined Southern Cross Equities as an equities analyst in April 2001. From February 2002 to July 2013, his research speciality at Southern Cross Equities and its acquirer, Bell Potter Securities, was Healthcare and Biotechnology. During this time, he covered a variety of established healthcare companies, such as CSL, Cochlear and Resmed, and numerous other emerging companies. Stuart was a Healthcare and Biotechnology analyst at Baillieu Holst from October 2013 to January 2015.
- After 15 months over 2015–2016 doing Investor Relations for two ASX-listed cancer drug developers, Stuart founded NDF Research in May 2016 to provide issuer-sponsored equity research on ASX-listed Life Sciences companies.
- In July 2016, with Marc Kennis, Stuart co-founded Pitt Street Research Pty Ltd, which provides issuer-sponsored research on ASX-listed companies across the entire market, including Life Sciences companies.
- Since 2018, Stuart has led Pitt Street Research's Resources Sector franchise, spearheading research on both mining and energy companies.

Nick Sundich is an equities research analyst at Pitt Street Research.

- Nick obtained a Bachelor of Commerce/Bachelor of Arts from the University of Sydney in 2018. He has also completed the CFA Investment Foundations program.
- He joined Pitt Street Research in January 2022. Previously he worked for over three years as a financial journalist at Stockhead.
- While at university, he worked for a handful of corporate advisory firms.

General Advice Warning, Disclaimer & Disclosures

Terms & Conditions

The information contained herein ("Content") has been prepared and issued by Pitt Street Research Pty Ltd ACN 626365615 ("Pitt Street Research"), an Authorised Representative (no: 1265112) of BR Securities Australia Pty Ltd. ABN 92 168 734 530, AFSL 456663. All intellectual property relating to the Content vests with Pitt Street Research unless otherwise noted.

Disclaimer

Pitt Street Research provides this financial advice as an honest and reasonable opinion held at a point in time about an investment's risk profile and merit and the information is provided by the Pitt Street Research in good faith. The views of the adviser(s) do not necessarily reflect the views of the AFS Licensee. Pitt Street Research has no obligation to update the opinion unless Pitt Street Research is currently contracted to provide such an updated opinion. Pitt Street Research does not warrant the accuracy of any information it sources from others. All statements as to future matters are not guaranteed to be accurate and any statements as to past performance do not represent future performance.

Assessment of risk can be subjective. Portfolios of equity investments need to be well diversified and the risk appropriate for the investor. Equity investments in a listed or unlisted company yet to achieve a profit or with an equity value less than A\$50m should collectively be a small component of an individual investor's equity portfolio, with smaller individual investment sizes than otherwise. Investors are responsible for their own investment decisions, unless a contract stipulates otherwise.

Pitt Street Research does not stand behind the capital value or performance of any investment. Subject to any terms implied by law and which cannot be excluded, Pitt Street Research shall not be liable for any errors, omissions, defects or misrepresentations in the information (including by reasons of negligence, negligent misstatement or otherwise) or for any loss or damage (whether direct or indirect) suffered by persons who use or rely on the information. If any law prohibits the exclusion of such liability, Pitt Street Research limits its liability to the re-supply of the Information, provided that such limitation is permitted by law and is fair and reasonable.

General Advice Warning

The Content is General Financial Advice, but has been prepared for general information purposes only and is not (and cannot be construed or relied upon as) Personal Financial Advice nor as an offer to buy/sell/subscribe to any of the financial products mentioned herein. No investment objectives, financial circumstances or needs of any individual have been taken into consideration in the preparation of the Content.

Financial products are complex, entail risk of loss, may rise and fall, and are impacted by a range of market and economic factors, and you should always obtain professional advice to ensure trading or investing in such products is suitable for your circumstances; ensure you obtain, read and understand any applicable offer document.

Disclosures

Pitt Street Research has been commissioned to prepare the Content. From time to time, Pitt Street Research representatives or associates may hold interests, transact or hold directorships in, or perform paid services for, companies mentioned herein. Pitt Street Research and its associates, officers, directors and employees, may, from time to time hold securities in the companies referred to herein and may trade in those securities as principal, and in a manner which may be contrary to recommendations mentioned in this document.

The analyst has received assistance from the company in preparing this document. The company has provided the analyst with communication with senior management and information on the company and industry. As part of due diligence, the analyst has independently and critically reviewed the assistance and information provided by the company to form the opinions expressed in the report. Diligent care has been taken by the analyst to maintain an honest and fair objectivity in writing this report and making the recommendation.