

**GIBSON DUNN**

**2 October 2024**

**AO LTD  
and  
musicMagpie PLC**

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**CO-OPERATION AGREEMENT**

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**THIS AGREEMENT** is made on 2 October 2024

**BETWEEN:**

1. AO LTD a private limited company incorporated in England and Wales (registered number 06861978) and whose registered office is at Unit 5a The Parklands, Lostock, Bolton, BL6 4SD (the "**Bidder**"); and
2. musicMagpie PLC a public limited company incorporated in England and Wales (registered number 12977343) and whose registered office is at Stockport Exchange, Railway Road, Stockport, England, SK1 3SW (the "**Target**"),

together referred to as the "**Parties**" and each as a "**Party**" to this Agreement.

**RECITALS:**

- (A) Bidder wishes to acquire the entire issued and to be issued share capital of Target on the terms and subject to the conditions referred to in this Agreement and set out in the Announcement (as defined below) (the "**Transaction**").
- (B) The Parties intend the Transaction to be implemented by means of the Scheme (as defined below) provided that, as set out in (and subject to the terms and conditions of) the Announcement and this Agreement, Bidder reserves the right to elect to implement the Transaction by means of an Offer (as defined below).
- (C) The Parties have agreed to take certain steps to effect the implementation and conduct of the Transaction and wish to enter into this Agreement to record their respective rights, commitments and obligations relating to such matters.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

- 1.1 In this Agreement (including the Recitals and the Schedules other than Schedule 1), unless the context otherwise requires, each of the following terms and expressions shall have the following meanings:

**"Acceptance Condition"** means, if applicable, the acceptance condition to the Offer as specified in Clause 5.2;

**"Adverse Recommendation Change"** means:

- (a) if Target makes an announcement prior to the publication of the Scheme Document or (if different) the document convening the General Meeting that: (i) the Target Board no longer intends to make the Target Board Recommendation or intends to adversely qualify or adversely modify such recommendation; (ii) other than where a Switch has occurred, it will not convene the Court Meeting or the General Meeting; or (iii) other than where a Switch has occurred, it intends not to publish the Scheme Document or (if different) the document convening the General Meeting;
- (b) if the Scheme Document or (if different) the document convening the General Meeting does not include, when published, the Target Board Recommendation or (where a Switch has occurred), the Target Board does not consent to the Target Board Recommendation being included in the Offer Document;
- (c) other than where a Switch has occurred, if Target makes an announcement that it will delay the convening of, or will adjourn or postpone, the Court Meeting or the General Meeting to a date which is later than the latest date permitted by Condition

2(A)(ii) or Condition 2(B)(ii) respectively, in each case without the prior written consent of Bidder;

- (d) (i) a third party makes an announcement pursuant to Rule 2.4 or Rule 2.7 of the Code in respect of Target; or (ii) Target makes an announcement pursuant to Rule 2.4 of the Code in respect of a third party, and in either case the Target Board: (x) announces that it intends to support that third party's offer or possible offer; or (y) does not announce that it intends to continue to make the Target Board Recommendation within three Business Days of that third party's announcement pursuant to Rule 2.4 or Rule 2.7 of the Code or Target's announcement pursuant to Rule 2.4 of the Code (as applicable);
- (e) the withdrawal, adverse qualification or adverse modification of the Target Board Recommendation (including an announcement that the Target Board intends to do so), provided that, for the avoidance of doubt, the issue by Target of any holding statement following a change of circumstances shall not constitute a withdrawal, adverse qualification or adverse modification so long as such statement contains an express statement that the Target Board Recommendation is not withdrawn, adversely qualified or adversely modified; and/or;
- (f) if, after the approval of the Scheme at the Court Meeting and/or the Resolutions at the General Meeting, the Target Board announces that it will not implement the Scheme (other than in connection with an announcement of an Offer or revised offer by Bidder (or any other member of the Bidder Group) for Target in relation to which the Target Board has made the Target Board Recommendation);

**"Agreed Switch"** has the meaning given to it in Clause 5.1(a);

**"AIM Rules"** means the AIM Rules for Companies published by London Stock Exchange plc from time to time;

**"Announcement"** means the announcement detailing the terms and conditions of the Transaction to be made pursuant to Rule 2.7 of the Code, in the form set out in Schedule 1;

**"Bidder Directors"** means the directors of Bidder from time to time;

**"Bidder Group"** means Bidder and its subsidiaries subsidiary undertakings from time to time;

**"Business Day"** means a day (not being a Saturday or Sunday or public or bank holiday) on which banks are open for general banking business in the City of London;

**"Change in Control Clearance"** means each Clearance necessary to satisfy the Change in Control Condition;

**"Change in Control Condition"** means the Condition set out in paragraph 3(A) of Part A of Appendix 1 to the Announcement;

**"Clearances"** means all approvals, consents, clearances, determinations, permissions, confirmations, comfort letters and waivers that may need to be obtained, all filings that may need to be made and all waiting periods that may need to have expired, from or under any Laws or practices applied by any Relevant Authority (or under any agreements or arrangements to which any Relevant Authority is a party), in each case that are necessary or advisable to satisfy the Change in Control Condition so as to enable the Effective Date to occur by the Long Stop Date; and any reference to any Clearance having been

"satisfied" shall be construed as meaning that the foregoing has been obtained, or where relevant, made or expired;

**"Code"** means the City Code on Takeovers and Mergers;

**"Companies Act"** means the Companies Act 2006 as amended from time to time;

**"Competing Proposal"** means:

- (a) an offer (including a partial, exchange or tender offer), merger, acquisition, dual-listed structure, scheme of arrangement, reverse takeover and/or business merger (or announcement of a firm intention to do the same), the purpose of which is to acquire, directly or indirectly, 30 per cent. or more of the issued and to be issued ordinary share capital of Target (when aggregated with the shares already held by the acquirer and any person acting or deemed to be acting in concert with the acquirer) or any arrangements or series of arrangements which results in any party acquiring, consolidating or increasing "control" (as defined in the Code) of Target;
- (b) the acquisition or disposal, directly or indirectly, of all or a significant proportion (being 30 per cent. or more) of the business, assets and/or undertakings of the Target Group calculated by reference to any of its revenue, profits or value taken as a whole;
- (c) a demerger, any material reorganisation and/or liquidation involving all or a significant portion (being 30 per cent. or more) of the Target Group calculated by reference to any of its revenue, profits or value taken as a whole; or
- (d) any other transaction undertaken (or the announcement by any member of the Target Group of an intention to undertake a transaction) without Bidder's consent which would be reasonably likely materially to preclude, impede or delay or otherwise prejudice, the implementation of the Transaction (including, for the avoidance of doubt, any transaction or arrangement which would constitute a substantial transaction, reverse takeover or fundamental change of business by Target for the purposes of the AIM Rules or a reverse takeover for the purposes of the Code),

in each case which is not undertaken, implemented or effected by Bidder (or any member of the Bidder Group) or at Bidder's direction or with Bidder's written agreement, whether implemented in a single transaction or a series of transactions and whether conditional or otherwise;

**"Conditions"** means:

- (a) for so long as the Transaction is being implemented by means of the Scheme, the conditions to the implementation of the Transaction (including the Scheme) as set out in Appendix 1 to the Announcement and to be set out in the Scheme Document (and as may be further amended by Bidder with the consent of the Panel and Target); and
- (b) for so long as the Transaction is being implemented by means of an Offer, the conditions referred to in (a) above, as amended by replacing the Scheme Conditions with the acceptance condition to the Offer as specified in, and as may be further amended in accordance with, Clause 5;

**"Confidentiality Agreement"** means the agreement, dated 15 December 2023, between Bidder and Target;

**"Court"** means the High Court of Justice in England and Wales;

**"Court Meeting"** means the meeting of the holders of the Scheme Shares which are in issue as at the Scheme Voting Record Time to be convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering, and if thought fit, approving (with or without modification) the Scheme, including any adjournment thereof;

**"Effective Date"** means the date upon which either:

- (a) the Scheme becomes effective in accordance with its terms; or
- (b) if Bidder elects to implement the Transaction by means of an Offer, the Offer becoming or being declared unconditional in accordance with its terms;

**"FCA"** means the Financial Conduct Authority or any successor regulatory authority;

**"FSMA"** means the Financial Services and Markets Act 2000, as amended from time to time;

**"General Meeting"** means the general meeting of the holders of the Target Shares which are in issue as at the Scheme Voting Record Time (including any adjournment thereof) to be convened and held in connection with the Transaction to consider, and if thought fit, approve the Resolutions;

**"Law"** means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case, of a Relevant Authority;

**"Long Stop Date"** means 2 April 2025 or such later date, if any, (a) as Bidder and Target may agree, or (b) (in a competitive situation) as may be specified by Bidder with the consent of the Panel, and in each case that (if so required) the Court may allow;

**"Meeting"** has the meaning given to it in Clause 3.7(g);

**"Notice"** has the meaning given in Clause 10.2(a);

**"Offer"** means, in the event that Bidder exercises its right, as set out in the Announcement and this Agreement, to elect to implement the Transaction by means of a takeover offer within the meaning of section 974 of the Companies Act, such offer, including any subsequent revision, amendment, variation, extension or renewal;

**"Offer Document"** means, in the event Bidder elects to implement the Transaction by means of the Offer, the document setting out (among other things) details of the Transaction and the full terms and conditions of the Offer to be sent to (among others) the Target Shareholders, including any revised or supplementary offer document;

**"Panel"** means the Panel on Takeovers and Mergers in the UK;

**"Regulatory Information Service"** means any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;

**"Relevant Authority"** means any central bank, ministry, governmental, quasigovernmental, national, supranational (including the European Union), statutory, regulatory, environmental, administrative, supervisory, fiscal or investigative body or authority (including any antitrust, competition or merger control authority, any sectoral ministry or regulator and any foreign investment or national security review body), tribunal, court, trade agency, association, institution, employee representative body or any other

body or person whatsoever in any jurisdiction, including, without limitation, the FCA or any successor regulatory authority, the Competition and Markets Authority and the Panel;

**"Remedies"** means, in respect of any Clearance, any conditions, obligations, measures, commitments, disposals, divestitures, modifications, undertakings, licences of intellectual property, remedies or assurances (financial or otherwise) offered by Bidder (in its absolute discretion) or ordered or required by a Relevant Authority as a condition of any such Clearance;

**"Resolutions"** has the meaning given to it in the Announcement;

**"Sanction Hearing"** means the Court hearing to sanction the Scheme under section 899 of the Companies Act, including any adjournment thereof;

**"Scheme"** means the scheme of arrangement pursuant to Part 26 of the Companies Act by means of which Bidder intends to implement the Transaction including any subsequent revision, modification or amendment either agreed upon between the Parties, or approved or imposed by the Court and agreed to on behalf of Bidder and Target;

**"Scheme Conditions"** means the Conditions set out in paragraph 2 of Part A of Appendix 1 to the Announcement;

**"Scheme Document"** means the circular relating to the Scheme to be dispatched to the shareholders of Target, setting out, among other things, details of the Transaction, the full terms and conditions to the implementation of the Scheme as well as the Scheme itself and incorporating the notices convening the Court Meeting and the General Meeting, including any revised or supplementary circular;

**"Scheme Shareholders"** has the meaning given to it in the Announcement;

**"Scheme Shares"** has the meaning given to it in the Announcement;

**"Scheme Voting Record Time"** means the date and time specified in the Scheme Document as being the voting record time for the Scheme;

**"Switch"** has the meaning given to it in Clause 5.1;

**"Target Board"** means the board of directors of Target from time to time;

**"Target Board Recommendation"** means a unanimous and unconditional recommendation by the Target Board to Target Shareholders:

- (a) to vote in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting; or
- (b) if Bidder elects to implement the Transaction by way of an Offer in accordance with the terms of this Agreement, to accept the Offer;

**"Target Directors"** means the directors of Target from time to time;

**"Target Group"** means Target and its subsidiaries and subsidiary undertakings from time to time;

**"Target Share Plans"** has the meaning given to it in Schedule 2;

**"Target Shareholders"** means the registered holders of Target Shares from time to time;

**"Target Shares"** means the ordinary shares of £0.01 each in the capital of Target from time to time;

**"Transaction"** has the meaning given in Recital (A); and

**"Trust"** has the meaning give to it in Schedule 2.

1.2 The following shall apply to this Agreement:

- (a) the expressions **"subsidiary"** and **"subsidiary undertaking"**, shall, unless the context otherwise requires, have the meanings given in the Companies Act;
- (b) the expressions **"acting in concert"** and **"offer"** shall be construed in accordance with the Code;
- (c) any reference to this Agreement includes the Schedules to it each of which forms part of this Agreement for all purposes;
- (d) a reference to an enactment or statutory provision shall be construed as a reference to any subordinate legislation made under the relevant enactment or statutory provision and shall be construed as a reference to that enactment, statutory provision or subordinate legislation as from time to time amended, consolidated, modified, re-enacted or replaced;
- (e) use of any gender includes other genders and words in the singular shall include the plural and vice versa;
- (f) a reference to a **"person"** shall include a reference to an individual, an individual's executors or administrators, a partnership, a firm, a body corporate, an unincorporated association, government, state or agency of a state, local or municipal authority or government body, a joint venture or association (in any case, whether or not having separate legal personality);
- (g) a reference to a Recital, Clause or Schedule shall be a reference to a recital, clause or schedule (as the case may be) to this Agreement;
- (h) any reference to a **"day"** (including the phrase **"Business Day"**) shall mean a period of 24 hours running from midnight to midnight;
- (i) references to times of day are to London time, unless otherwise stated;
- (j) references to any English legal term shall, in respect of any jurisdiction other than England, be deemed to include what most nearly approximates the English legal term in that jurisdiction;
- (k) references to **"writing"** shall include any modes of reproducing words in any legible form and shall include email except where expressly stated otherwise;
- (l) a reference to **"includes"** or **"including"** shall mean "includes without limitation" or "including without limitation" and general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (m) the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word "other" shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things;



- (n) the headings in this Agreement are for convenience only and shall not affect its interpretation;
- (o) a reference to any other document referred to in this Agreement is a reference to that other document as amended, varied, novated or supplemented at any time;
- (p) references to "£" are to the lawful currency of the United Kingdom; and
- (q) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.

## **2. PUBLICATION OF THE ANNOUNCEMENT AND THE TERMS OF THE TRANSACTION**

- 2.1 The obligations of the Parties under this Agreement, other than this Clause 2.1 and Clauses 1 and 7 to 11 (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement, or such later time and date as Bidder and Target may agree (and, where required by the Code, the Panel may approve). This Clause 2.1 and Clauses 1 and 7 to 11 (inclusive) shall take effect on and from execution of this Agreement.
- 2.2 The terms of the Transaction shall be as set out in the Announcement, together with such other terms as may be agreed by Bidder and Target in writing (save in the case of an improvement to the terms of the Transaction, which shall be at the sole and absolute discretion of Bidder) and, where required by the Code, approved by the Panel. The terms of the Transaction at the date of publication of the Scheme Document shall be set out in the Scheme Document. If Bidder elects to implement the Transaction by way of an Offer in accordance with Clause 5, the terms of the Transaction shall be set out in the announcement of the Switch and in the Offer Document.

## **3. UNDERTAKINGS IN RELATION TO CLEARANCES AND REGULATORY CONDITIONS**

- 3.1 Bidder shall use all reasonable endeavours to obtain, and make any necessary filings in relation to, any Clearances as soon as reasonably practicable, and in any event by the Long Stop Date, and will prepare and submit to the Relevant Authorities (in draft or final form, as the case may be) any filings, notifications or submissions as are necessary in connection with such Clearances or which it has a responsibility to make under applicable Law (or if otherwise required by a Relevant Authority).
- 3.2 Notwithstanding any other provision of this Agreement, for the purposes of Clause 3.1, references to "all reasonable endeavours" in respect of satisfaction of any of the Conditions, shall only require Bidder to accept or offer any Remedies in connection with a Clearance where such Remedies are on terms satisfactory to Bidder (acting reasonably).
- 3.3 Target shall use all reasonable endeavours to assist Bidder to obtain any Clearances as soon as reasonably practicable (and in any event by the Long Stop Date). Subject to Clause 3.5, to the extent required to be submitted by Target by applicable Law or if otherwise required to be submitted by Target by a Relevant Authority, Target shall also prepare and submit to the Relevant Authorities any filings, notifications or submissions as are necessary in connection with such Clearances. If Target is required to prepare and submit any such filings, notifications or submissions to any Relevant Authority, save to the extent prohibited by applicable Law or the Relevant Authority, and to the extent reasonably practicable, Bidder undertakes to Target to:
  - (a) provide as soon as reasonably practicable, and in any event in sufficient time before any applicable deadline or due date:

- (i) all such information and assistance as may be reasonably required by Target to make:
      - I such filing, notification or submission; and
      - II any responses to any requests for further information consequent upon such filing, notification or submission; and
    - (ii) all such other assistance as may reasonably be required for the purposes of making that filing, notification or submission to any Relevant Authority (including assistance in connection with such pre-notification contacts with the Relevant Authority as Target considers desirable or appropriate in the circumstances); and
  - (b) provide as soon as reasonably practicable such information and access to Bidder management as Target or any Relevant Authority may reasonably require for the purposes of making that filing, notification or submission.
- 3.4 Each Party shall bear its own costs in relation to all filings, notifications or submissions, except that Bidder shall be responsible for the payment of all filing fees in connection with any Clearances.
- 3.5 Bidder shall be solely responsible for determining the strategy for obtaining the Clearances and preparing all filings, submissions, correspondence and communications required to be sent or submitted to any Relevant Authority for the purpose of obtaining the Clearances, except to the extent Target is required to do so by applicable Law or any Relevant Authority. Bidder shall consult with Target in relation to such strategy and take reasonable account of Target's comments with respect to the same.
- 3.6 Bidder shall contact and correspond with the Relevant Authorities as promptly and diligently as practicable in relation to any such Clearance.
- 3.7 Save to the extent prohibited by applicable Law or the Relevant Authority, and to the extent reasonably practicable, Target (on its own behalf and on behalf of each member of the Target Group) undertakes to Bidder, and (other than in the case of Clauses 3.7(a) and 3.7(b)) Bidder (on its own behalf and on behalf of each member of Bidder Group) undertakes to Target, to (subject to Clause 3.9):
- (a) provide as soon as reasonably practicable, and in any event in sufficient time before any applicable deadline or due date:
    - (i) all such information and assistance as may reasonably be required by Bidder to determine in which jurisdictions and to which Relevant Authorities any merger control, foreign investment, regulatory or other filing, notification or submission with a Relevant Authority may be necessary for the purposes of obtaining the Clearances;
    - (ii) all such information and assistance as may be reasonably required by Bidder to make:
      - I any filings, notifications or submissions to any Relevant Authority for the purposes of obtaining the Clearances, including to the FCA under or pursuant to FSMA (read in conjunction with the FSMA (Controllers) (Exemptions) Order 2009);
      - II any responses to any requests for further information consequent upon such filings, notifications or submissions; and

- (iii) all such other assistance as may reasonably be required for the purposes of obtaining the Clearances (including assistance in connection with such pre-notification contacts with the Relevant Authorities as Bidder considers desirable or appropriate in the circumstances) and the identifying, structuring and preparation of any Remedies (noting, for the avoidance of doubt, that nothing in this Agreement shall require Bidder to offer or agree to any Remedies that are not satisfactory to Bidder acting reasonably);
- (b) provide as soon as reasonably practicable such information and access to Target management as Bidder or any Relevant Authority may reasonably require for the purposes of making a filing, notification or submission to any Relevant Authority in connection with the Clearances;
- (c) provide, or procure the provision of, to the other Party (and/or its legal advisers) draft copies of all filings, notifications, briefing papers, submissions, material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably drafted summaries of such correspondence or communications) intended to be submitted, sent or communicated to any Relevant Authority in connection with obtaining the Clearances, at such time as will allow the other Party (and/or its legal advisers) reasonable opportunity to review and comment on such filings, notifications, submissions, correspondence and communications before they are submitted, sent or communicated, together with final copies so submitted, sent or communicated, and provide such supporting documentation as the other Party reasonably requires for these purposes;
- (d) take into account in good faith, but not be obliged to accept, reasonable comments made by the other Party (and/or its legal advisers) on draft copies of filings, notifications, briefing papers, submissions, material correspondence and material communications provided pursuant to Clause 3.7(c) to the extent it is reasonably practicable to do so having regard to any applicable deadline or due date;
- (e) provide, or procure the provision of, to the other Party (and/or its legal advisers) copies of all filings, notifications, submissions, briefing papers, material correspondence and material communications in the form finally submitted, sent or communicated to any Relevant Authority in connection with obtaining the Clearances (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications);
- (f) as soon as reasonably practicable notify the other Party (and/or its legal advisers) of, and provide copies of, any material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications) received from any Relevant Authority in connection with obtaining the Clearances;
- (g) where reasonably requested by the other Party or its legal advisers, make available appropriate representatives (including, where reasonably requested, legal advisers) to attend any scheduled meetings, hearings, video calls or telephone calls (together, "**Meetings**") between the Parties and/or their advisers or with any Relevant Authority in connection with obtaining the Clearances;
- (h) give the other Party (and/or its legal advisers) reasonable notice of any scheduled Meetings with any Relevant Authority (unless, without prejudice to any other obligations under this Clause 3.7: (i) the relevant Meeting is administrative in nature; (ii) the relevant Meeting relates to the ongoing supervision of any member

of the Bidder Group or the Target Group (as applicable) by the FCA in the ordinary course; or (iii) where the relevant Meeting relates to the Change in Control Clearance, the first Party reasonably believes that (a) the relevant Meeting will entail the disclosure and/or discussion of information which the first Party reasonably believes to be competitively or commercially sensitive or (b) the other Party's participation in the relevant Meeting would prejudice that first Party's relationship with the Relevant Authority) in connection with obtaining the Clearances and allow the other Party (and/or its legal advisers) to attend and make reasonable oral submissions during any such Meetings (provided such oral submissions have been discussed by the Parties in advance) and, where such attendance and participation is not permitted by applicable Law or the Relevant Authority, to provide, to the extent so permitted, the other Party with a reasonably detailed summary of such Meeting as soon as reasonably practicable following the Meeting;

- (i) keep the other Party (and/or its legal advisers) informed as soon as reasonably practicable of developments which are material or potentially material to obtaining of any of the Clearances; and
- (j) except in relation to the Change in Control Clearance in circumstances where the FCA has imposed conditions, obligations or restrictions on the Bidder Group or the Target Group that are not satisfactory to Bidder (acting reasonably) or where Bidder considers it advisable in its sole discretion to do so in order to obtain any of the other Clearances as soon as reasonably practicable, not withdraw a filing, notification, briefing paper, submission, material correspondence or material communication made to any Relevant Authority for the purpose of obtaining any of the Clearances without the prior consent of the other Party (such approval not to be unreasonably withheld or delayed and provided that the Party whose consent is being sought shall not be entitled to withhold or delay such consent if the Party seeking consent has confirmed in writing to the other Party that it reasonably believes that the withdrawal of the relevant filing, notification, briefing paper, submission, material correspondence or material communication is the appropriate strategy for obtaining the relevant Clearance as soon as reasonably practicable), but the Party whose consent is being sought shall be entitled to withhold or delay such consent if no such confirmation is given to it).

3.8 In respect of any undertaking in which any Party holds a participating interest (as defined in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008/410), the relevant Party shall use reasonable endeavours to provide information, assistance, correspondence, communications, documentation and/or access to the other Party to the extent the same is (i) required in order to make any filings, notifications, submissions or responses referred to in Clause 3.7(a)(ii) or otherwise to obtain the Clearances and (ii) requested by such other Party.

3.9 Subject to Clause 3.10, if a provision of this Agreement obliges Bidder or Target (the **"disclosing party"**) to disclose any information to the other:

- (a) that is personally identifiable information of a director, officer or employee of the disclosing party or any member of its group, unless that information can reasonably be anonymised (in which case the disclosing party shall provide the relevant information on an anonymous basis);
- (b) which the disclosing party reasonably considers to be commercially or competitively sensitive;
- (c) which the disclosing party is prohibited from disclosing by applicable Law or the terms of an existing contract; or

- (d) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal professional privilege),

the disclosing party shall, to the extent permitted by applicable Law, disclose the relevant information:

- (a) to the other Party pursuant to appropriate arrangements as may be agreed between the Parties to ensure compliance with Law (including, as applicable, competition Law and the practices of the FCA);
  - (b) to the other Party's legal counsel and, to the extent reasonably necessary, its other advisers on an "external counsel only" basis (where applicable, in accordance with the requirements of Practice Statement No 30 published by the Panel); or
  - (c) where disclosure to the other Party would reasonably be expected to have a material adverse effect on the disclosing Party's legitimate business interest, and such information may be disclosed directly to the Relevant Authority, directly to the Relevant Authority (and in such circumstances, the disclosing Party shall provide, or procure the provision of, to the other Party a non-confidential version of such information).
- 3.10 Except with the prior written consent of Target, Bidder shall not, and shall procure that no member of the Bidder Group or any person acting in concert or deemed to be acting in concert (as defined in the Code) with Bidder will, take or omit to take or cause to be taken or be omitted to be taken any action or enter into any transaction or other agreement to effect any acquisition, merger, joint venture or other commercial arrangement which would reasonably be expected materially to preclude, impede, delay or prejudice the obtaining of the Clearances by the Long Stop Date.
- 3.11 Notwithstanding any other provision of this Agreement to the contrary, nothing contained in this Agreement shall require a Party (or any person acting in concert or deemed to be acting in concert) to take, or cause to be taken, any action with respect to the divestiture of assets, properties or businesses of the Bidder Group or the Target Group, or any combination thereof or any Remedies, except at the sole discretion of that Party (and with the agreement of Bidder where that Party is Target).
- 3.12 Any information provided by one Party to the other under this Clause 3 shall be prepared and provided with reasonable care and diligence, it being acknowledged that a Party shall not be in breach of this Clause 3 as a consequence of any inaccuracies in any information originating from a third party.
- 3.13 All co-operation pursuant this Clause 3, including all exchanges of information, shall be conducted in a manner reasonably designed to preserve any applicable lawyer/client and lawyer work product privileges and to limit the exchange of any competitively/commercially sensitive information.

#### **4. SCHEME DOCUMENT AND IMPLEMENTATION OF THE SCHEME**

- 4.1 Bidder agrees to (and will procure that each member of the Bidder Group shall):
- (a) as soon as reasonably practicable provide to Target all such information about itself, the Bidder Directors, the Bidder Group or any other person acting in concert with Bidder as may be reasonably requested by Target and which is required, having regard to the Code and other applicable Law, for inclusion in the Scheme Document;

- (b) as soon as reasonably practicable provide all such other assistance and access to information as may be reasonably required for the preparation of the Scheme Document and any other document required by the Code or other applicable Law to be published in connection with the Scheme, including access to, and ensuring that reasonable assistance is provided by, Bidder's relevant professional advisers; and
- (c) procure that the Bidder Directors (and any other person connected with Bidder as required by the Panel) accept responsibility for information in the Scheme Document relating to Bidder, the Bidder Group and its directors, including any statements of opinion, belief or expectation of the Bidder Directors in relation to the Transaction or the Bidder's Group and any other information in the Scheme Document which Bidder is required to accept responsibility by the Panel.

4.2 Where the Transaction is being implemented by way of the Scheme:

- (a) Bidder undertakes that, immediately before the Sanction Hearing, it shall deliver a notice to Target either:
  - (i) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
  - (ii) confirming its intention to invoke one or more Conditions (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which Bidder considers entitles it to invoke the Condition(s) or treat it as unsatisfied or incapable of satisfaction and why (if applicable under the Code) Bidder considers such event or circumstances to be sufficiently material for the Panel to permit it to invoke the relevant Condition(s); and
- (b) Bidder shall instruct counsel to appear on its behalf at the Sanction Hearing and undertake to the Court to be bound by the terms of the Scheme in so far as it relates to Bidder and to the extent that all the Conditions (other than the Scheme Conditions) have been satisfied or waived prior to or on the date of the Sanction Hearing. Bidder shall provide such documentation or information as may reasonably be required by Target's counsel or the Court in relation to such undertaking.

4.3 If Bidder intends to seek the permission of the Panel to invoke a Condition, Bidder (subject to any restriction under applicable Law) shall inform Target as soon as reasonably practicable and provide details as to the ground(s) on which it intends to invoke the relevant Condition.

## 5. REVISIONS TO THE SCHEME OR ELECTION TO MAKE AN OFFER

5.1 The Parties intend as of the date of this Agreement that the Transaction will be implemented by way of the Scheme. However, Bidder shall be entitled, with the consent of the Panel, to elect to implement the Transaction by way of the Offer rather than the Scheme (such election being a "**Switch**"), whether before or after the publication of the Scheme Document, but only if:

- (a) Target provides its prior written consent (such consent not to be unreasonably withheld or delayed) (an "**Agreed Switch**"), in which case Clause 5.2 shall apply; or

- (b) a Competing Proposal occurs, unless, within three Business Days of the announcement of such Competing Proposal, the Target Board publicly reiterates that it unanimously and unconditionally recommends Bidder's offer; or
- (c) an Adverse Recommendation Change occurs; or
- (d) any person (other than Bidder or any person acting in concert with Bidder) acquires an interest in securities which represents the higher of: (i) more than five per cent. of the voting rights (as defined in the Code) in Target; and (ii) more than five per cent. of the voting rights (as defined in the Code) in Target in excess of the percentage of such voting rights attaching to those securities in which the relevant person held interests as at the date of this Agreement.

5.2 In the event of an Agreed Switch, unless otherwise agreed with Target or required by the Panel, the Parties agree that:

- (a) Bidder shall:
  - (i) consult with Target in advance with respect to any joint announcements relating to the Agreed Switch, its implementation and any proposed changes to the timetable in relation to the implementation of the Agreed Switch;
  - (ii) prepare, as soon as reasonably practicable, the Offer Document and related form of acceptance;
  - (iii) consult with Target as to the timing of the publication of the Offer Document and the related form of acceptance; and
  - (iv) where reasonably practicable, consult with Target as to the form and content of the Offer Document and the related form of acceptance;
- (b) Bidder agrees to seek Target's approval of the information for which the Target Directors are taking responsibility, contained in the Offer Document before it is published, and to afford Target a reasonable opportunity to consider such document in order to give its approval of such information (such approval not to be unreasonably withheld or delayed);
- (c) the Acceptance Condition shall be set at 90 per cent. of the Target Shares to which the Offer relates (or such lesser percentage, being more than 50 per cent. of Target Shares to which the Offer relates as Bidder may decide with, if and to the extent necessary, the consent of the Panel);
- (d) Bidder shall not take any action (including publishing, or being treated by the Panel as having published, an acceptance condition invocation notice (as defined in Rule 31.6 of the Code)) which would cause the Offer not to proceed, to lapse or to be withdrawn, in each case for nonfulfillment of the Acceptance Condition, prior to midnight on Day 60 (as defined in the Code) and Bidder shall ensure that the Offer remains open for acceptances until such time;
- (e) Bidder shall ensure that the Offer is made on the same terms as those set out in the Announcement and the only conditions of the Offer shall be the Conditions (subject to such modification or amendments to the terms and Conditions: (i) as are necessary as a result of the Switch, including replacing the Scheme Conditions with the Acceptance Condition; (ii) as agreed by the Parties in writing; or (iii) as may be required by the Panel);

- (f) if:
  - (i) at any time during the period between the publication of the Offer Document and 5.00 p.m. on the second day prior to Day 39 (as defined in the Code), it becomes reasonably expected that any outstanding Clearance is not likely to be obtained (or waived, if applicable) prior to Day 60 (as defined in the Code); or
  - (ii) by 5.00 p.m. on the ninth day prior to Day 39, any such outstanding Clearance has not been obtained (or waived, if applicable),

in each case, Bidder shall promptly consult with Target as to whether a suspension to the offer timetable should be sought pursuant to Rule 31.4(a) of the Code and, if agreed between Bidder and Target, seek, jointly with Target, the consent of the Panel to suspend the offer timetable no later than the date falling on the second day prior to Day 39, provided always that such date shall not be later than the Long Stop Date; and

- (g) Bidder shall keep Target informed, on a confidential basis on the next Business Day following receipt of a written request from Target, of the number of holders of Target Shares that have validly accepted the Offer or withdrawn their acceptance of the Offer, or incorrectly submitted their acceptance or withdrawal, the identity of such shareholders and the number of Target Shares held by such shareholders.

- 5.3 In the event of any Switch, the Parties agree that the provisions of this Agreement shall continue to apply and all provisions of this Agreement relating to the Scheme and the Scheme Document and its implementation shall apply to the Offer, the Offer Document and its implementation *mutatis mutandis*, save as expressly set out in this Clause 5.

## 6. SHARE PLANS AND EMPLOYEE BENEFIT TRUST

The Parties agree that Schedule 2 shall apply in respect of the Target Share Plans and the Trust.

## 7. CODE AND RELEVANT LAW

- 7.1 Nothing in this Agreement shall in any way limit the Parties' obligations under the Code and any other applicable Law, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over the terms of this Agreement.
- 7.2 The Parties agree that, if the Panel determines that any provision of this Agreement that requires Target to take or not take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.
- 7.3 Nothing in this Agreement shall be taken to restrict the directors of Bidder and Target from complying with applicable Law, orders of court or regulations, including the Code, the UK Listing Rules and the rules and regulations of the Panel and the Financial Conduct Authority.

## 8. TERMINATION

- 8.1 Subject to Clause 8.2, this Agreement shall terminate with immediate effect and all rights and obligations of the Parties under this Agreement shall cease as follows:
  - (a) if agreed in writing between the Parties at any time prior to the Effective Date;



- (b) if the Announcement is not released via a Regulatory Information Service at or before 8.00 a.m. on the date of this Agreement (unless, prior to that time, the Parties have agreed another later time and date in accordance with Clause 2.1 in which case such later time and date shall apply for the purposes of this Clause 8.1(b));
- (c) upon service of written notice by Bidder to Target, if one or more of the following occurs:
  - (i) the Target Board recommends a Competing Proposal or the Target Board or any member of the Target Group makes any announcement that the Target Board intends to recommend a Competing Proposal, in each case, in whole or part, or a Competing Proposal (save for any Competing Proposal to which Clause 8.1(d)(i) applies) completes, becomes effective or is declared or becomes unconditional; or
  - (ii) an Adverse Recommendation Change;
- (d) upon service of written notice by either Party to the other Party, if one or more of the following occurs:
  - (i) prior to the Long Stop Date, a third party announces a firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any preconditions) for Target under Rule 2.7 of the Code which completes, becomes effective or is declared or becomes unconditional;
  - (ii) if the Transaction is withdrawn, terminated or lapses in accordance with its terms prior to the Long Stop Date and, where required, with the consent of the Panel (other than where such termination, lapse or withdrawal: (i) is as a result of a Switch; or (ii) is otherwise to be followed within five Business Days (or such other period as Bidder and Target may agree) by an announcement under Rule 2.7 of the Code made by Bidder or any person acting in concert with Bidder (or deemed to be acting in concert with Bidder) to implement the Transaction by a different offer or scheme on substantially the same or improved terms);
  - (iii) prior to the Long Stop Date, any Condition has been invoked by Bidder (where the invocation of the relevant Condition is permitted by the Panel);
  - (iv) other than where a Switch has occurred:
    - I the Scheme is not approved by the requisite majority of Scheme Shareholders at the Court Meeting and/or the Resolutions put to the General Meeting are not passed or the Court definitively refuses to sanction the Scheme; or
    - II the Court Meeting, the General Meeting or the Sanction Hearing is/are not held on or before the 22nd day after the expected date of such meeting or hearing as set out in the Scheme Document (or such later date, if any, (a) as Bidder and Target may agree, or (b) (in a competitive situation) as may be specified by Bidder with the consent of the Panel, and in each case that (if so required) the Court may allow); or
  - (v) unless otherwise agreed by the Parties in writing, or required by the Panel, if the Effective Date has not occurred on or before the Long Stop Date.

- 8.2 Termination of this Agreement shall be without prejudice to the rights of either Party which have or may have arisen at or prior to termination. This Clause 8 and Clauses 1, 7 and 10.1 to 10.10 (inclusive), 10.12 and 11 shall survive termination of this Agreement.

## **9. WARRANTIES**

- 9.1 Each of the Parties warrants to the other on the date of this Agreement that:

- (a) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (b) this Agreement constitutes its legal, valid and binding obligations in accordance with its terms;
- (c) the execution and delivery of, and performance of its obligations under, this Agreement will not:
  - (i) result in a breach of any provision of its constitutional documents;
  - (ii) result in a breach of, or constitute a default under, any instrument which is material in the context of the Transaction to which it is a party or by which it is bound; or
  - (iii) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound and which would adversely impact its ability to implement the transactions contemplated by this Agreement.

- 9.2 Neither Party shall have any claim against the other for breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

## **10. MISCELLANEOUS PROVISIONS**

### **10.1 Time of essence**

Except as otherwise expressly provided, time is of the essence in this Agreement.

### **10.2 Notices**

- (a) A notice, approval, consent or other communication under or in connection with this Agreement (a "**Notice**") shall be:
  - (i) in writing;
  - (ii) in English; and
  - (iii) delivered by hand, email, pre-paid recorded delivery, pre-paid special delivery or courier using an internationally recognised courier company (provided that any notice delivered otherwise than by email to a Party shall in any event also be sent to the email address specified for that Party in Clauses 10.2(b) or 10.2(c) (as applicable), with a copy (which shall not constitute a Notice) by email to that Party's advisers as specified therein).
- (b) A Notice to Bidder shall be sent to the following address, or such other person or address as Bidder may notify to Target from time to time:

Address: Unit 5a The Parklands, Lostock, Bolton, BL6 4SD

Email address: [REDACTED]

For the attention of: [REDACTED]

With a copy (which shall not constitute a Notice) to:

Address: Gibson, Dunn & Crutcher UK LLP  
Telephone House  
2-4 Temple Avenue  
London  
EC4Y 0HB

Email address: [REDACTED]

For the attention of: [REDACTED]

- (c) A Notice to Target shall be sent to the following address, or such other person or address as Target may notify to Bidder from time to time:

Address: Stockport Exchange, Railway Road, Stockport, SK1 3SW

Email address: [REDACTED]

For the attention of: [REDACTED]

With a copy (which shall not constitute a Notice) to:

Address: Addleshaw Goddard LLP  
One St Peter's Square  
Manchester  
M2 3DE

Email address: [REDACTED]

For the attention of: [REDACTED]

- (d) Each Party may change its notice details for the purposes of this Clause 10.2 (Notices) from time to time.
- (e) A Notice shall be effective upon receipt and shall be deemed to have been received:
- (i) at 9.00 a.m. on the second Business Day after posting or at the time recorded by the delivery service;
  - (ii) at the time of delivery, if delivered by hand or courier; or
  - (iii) at the time the email is sent, if sent by email, provided that receipt shall not occur if the sender receives an automated message that the email has not been delivered to the recipient.

### 10.3 Remedies and Waivers

- (a) No delay or omission by either Party to this Agreement in exercising any right, power or remedy provided by Law or under this Agreement shall: (i) affect that right, power or remedy; or (ii) operate as a waiver of it.
- (b) The single or partial exercise of any right, power or remedy provided by Law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.
- (c) The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by Law.
- (d) Without prejudice to any other rights and remedies which either Party may have, each Party acknowledges and agrees that damages alone may not be an adequate remedy for any breach or threatened breach by either Party of the provisions of this Agreement and the other Party shall be entitled to seek the remedies of injunction, specific performance and other equitable remedies, for any threatened or actual breach of any such provision of this Agreement by a Party hereto and no proof of special damages shall be necessary for the enforcement by either Party of the rights under this Agreement.

### 10.4 Variation

No variation to this Agreement shall be effective unless made in writing (which for this purpose, does not include email) and executed by each of the Parties. The expression "variation" includes any variation, supplement, deletion or replacement, however effected.

### 10.5 Invalidity

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the Law of any jurisdiction, that shall not affect or impair:

- (a) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (b) the legality, validity or enforceability under the Law of any other jurisdiction of that or any other provision of this Agreement,

and, if such provision would be legal, valid and enforceable if deleted in whole or in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it legal, valid and enforceable.

### 10.6 Entire Agreement

- (a) The provisions of this Agreement shall be supplemental to and shall not prejudice the terms of the Confidentiality Agreement which shall remain in full force and effect notwithstanding the execution of this Agreement.
- (b) This Agreement, together with the Confidentiality Agreement, represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the Parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at Law or by custom.
- (c) Each Party confirms that, except as provided in this Agreement and the Confidentiality Agreement, neither Party has relied on any draft agreement,

undertaking, representation, warranty, promise, assurance or arrangement, whether or not in writing, which is not contained in this Agreement or the Confidentiality Agreement and, without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement, neither Party shall be under any liability or shall have any remedy in respect of any misrepresentation or untrue statement unless and to the extent that a claim lies under this Agreement or the Confidentiality Agreement.

**10.7 Rights of Third Parties**

No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a Party to this Agreement.

**10.8 No Partnership**

Nothing in this Agreement or in any document referred to in it or any action taken by the Parties under it or any document referred to in it shall create a partnership between the Parties or constitute any of the Parties an agent of the other. A Party has no authority or power to bind, to contract in the name of, or to create a liability for another Party in any way or for any purpose.

**10.9 Assignment**

Neither Party may assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, declare itself a trustee for a third party of, or otherwise dispose of (in any manner whatsoever) the benefit of this Agreement or subcontract or delegate in any manner whatsoever its performance under this Agreement and any such purported dealing in contravention of this Clause 10.9 shall be ineffective.

**10.10 Costs and expenses**

Save as expressly provided otherwise in this Agreement, each Party shall bear all costs and expenses incurred by it in connection with the preparation, negotiation and entry into this Agreement, any matters contemplated by it and the documents to be entered into pursuant to it.

**10.11 Further assurance**

Each Party shall, at its own cost, use reasonable endeavours to do and/or execute and/or perform all such further deeds, documents, assurances, acts and things as the requesting Party may reasonably be required to give effect to this Agreement.

**10.12 Counterparts**

- (a) This Agreement may be executed in any number of counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart. Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.
- (b) Delivery of an executed counterpart of this Agreement by email shall be as effective as delivery of a manually executed counterpart of this Agreement.

**11. GOVERNING LAW AND JURISDICTION**

- 11.1 This Agreement and any dispute or claim arising out of or in connection with it or its subject matter, existence, negotiation, validity, termination or enforceability (including non-

contractual disputes or claims) shall be governed by and construed in accordance with English law.

- 11.2 Each Party irrevocably agrees that the Courts of England shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Agreement or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims). Each Party irrevocably waives any right that it may have to object to an action being brought in those Courts, to claim that the action has been brought in an inconvenient forum, or to claim that those Courts do not have jurisdiction.
- 11.3 Notwithstanding Clause 11.2 above, a Party shall be entitled to seek from any competent court any interim or interlocutory remedy (including those contemplated by Clause 10.3 above). Nothing in this Clause 11 shall deprive any competent court of jurisdiction to grant any such remedy or relief.

**SCHEDULE 1**  
**ANNOUNCEMENT**

## SCHEDULE 2

### SHARE PLAN PROPOSALS

The Target and the Bidder intend that the following arrangements and acknowledgments will, subject to the Scheme being sanctioned by the Court at the Sanction Hearing, apply to the Target Share Plans (defined below).

In the event that the Transaction is effected as an Offer, references to the date of the Sanction Hearing and the Effective Date will be read as if they referred to the date on which the Offer becomes or is declared unconditional in all respects.

#### 1. GENERAL

1.1 The Target confirms that it currently operates the following share plans pursuant to which employees of the Target Group may acquire Target Shares:

1.1.1 the Entertainment Magpie Group Limited Unapproved Scheme (the "**2018 Scheme**") and the Entertainment Magpie Group Limited Unapproved G & H Share Scheme 2021 (the "2021 Scheme" and together with the 2018 Scheme, the "**Unapproved Schemes**");

1.1.2 the musicMagpie Savings Related Share Option Scheme and the musicMagpie International Savings Related Share Option Scheme (together, the "**SAYE**");

1.1.3 the musicMagpie Long Term Incentive Plan ("**LTIP**"); and

1.1.4 the musicMagpie Share Option Plan ("**SOP**"),

(together, the "**Target Share Plans**").

1.2 The Target confirms that as at the date of this Agreement 242,244 Target Shares are subject to outstanding options (all granted in 2021 and 2022) under the SAYE ("**SAYE Options**"). The Target and the Bidder acknowledge that the exercise price of the SAYE Options is significantly in excess of the value of the consideration per Target Share due to Target Shareholders under the Scheme. Therefore, the Parties expect that the SAYE Options will not be exercised, and the Parties agree that the Bidder will not make proposals under Rule 15 of the Code to the holders of the SAYE Options.

1.3 The Target confirms that, as at the date of this Agreement, the maximum number of Target Shares that may be acquired pursuant to outstanding awards and options granted under the Target Share Plans (other than the SAYE Options) ("**Options**") is as follows:

Target Share Plan	Maximum number of Target Shares subject to Options	Exercise price per Target Share
Unapproved Schemes	8,641,176	Between 0.0113p and 0.0167p
LTIP	2,218,000	£0.01
SOP	30,000	£0

The Target confirms that it is expected that options under the Unapproved Schemes will be exercised over a maximum of 8,604,909 Target Shares.



- 1.4 The Bidder acknowledges that, before the Effective Date, subject to the consent of the Panel where required, the Target may continue to operate the Target Share Plans in accordance with the rules of the relevant plan, normal practice and any other applicable terms (including any regulatory requirements). The Target does not intend to issue any further awards under the Target Share Plans or any other plans, and if the Target does intend to issue any such further awards in the future it shall notify the Bidder at least 5 Business Days before doing so.
- 1.5 The Bidder and the Target agree that:
  - 1.5.1 the Scheme Record Time (as defined in the Announcement) shall take place at such a time after the Sanction Hearing, to allow those participants in the Target Share Plans who acquire Target Shares on or before the date of the Sanction Hearing but before the Scheme Record Time to have those Target Shares acquired by the Bidder pursuant to the Scheme;
  - 1.5.2 the Target may amend the rules of the Target Share Plans if the remuneration committee of the Target Board (the "**Target Remuneration Committee**") considers that such amendments are necessary or desirable to implement the Scheme, to facilitate the treatment of Options in connection with the Scheme, to facilitate the administration of the Target Share Plans or to obtain or maintain favourable tax treatment for participants or for the Target and, before making any such amendments, the Target shall notify the Bidder at least 5 Business Days in advance;
  - 1.5.3 letters will be sent to participants in the Target Share Plans ("**Share Plan Letters**") on, or as soon as practicable after, the posting of the Scheme Document to inform them of (i) the impact of the Scheme on their Options and (where known) the extent to which their Options will vest and/or become exercisable as a result of the Scheme, and (ii) any proposals being made to them under Rule 15 of the Code (where relevant); and
  - 1.5.4 the approval of Target Shareholders will be sought for an amendment to the articles of association of the Target (to be set out in the notice of the General Meeting), the effect of which will be that any Target Shares issued or transferred on or after the Scheme Record Time will either be subject to the Scheme or (after the Effective Date) be automatically and immediately transferred to, or to the order of, the Bidder in exchange for the provision by the Bidder of the same consideration per Target Share as is payable under the Scheme.
- 1.6 The Bidder acknowledges that the Target may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 2, having consulted with the Bidder before making such submission and having provided the Bidder with reasonable time to review and comment on any draft submission before making such submission, and the Bidder agrees to co-operate in a timely manner and in good faith in the making of any such submission.

## 2. TREATMENT OF OPTIONS

### Unapproved Schemes

2.1 The Bidder and the Target acknowledge that:

2.1.1 Options granted under the Unapproved Schemes (the "**Unapproved Scheme Options**") are currently exercisable;

2.1.2 it is expected that holders of the Unapproved Scheme Options will be invited, pursuant to the relevant Share Plan Letters and in accordance with the rules of the Unapproved Schemes, to exercise their Unapproved Scheme Options in connection with the Transaction, and will be required to notify the Target of their election to do so at least one week prior to the Sanction Hearing (or, if later, by the date which is 21 days after the date the Share Plan Letters are sent);

2.1.3 to the extent that any Unapproved Scheme Options are not exercised in connection with the Transaction, it is expected that such Unapproved Scheme Options will lapse upon the Scheme becoming effective; and

2.1.4 pursuant to a linking agreement dated 8 February 2021 (as novated pursuant to a deed of novation dated 14 April 2021), the trustee of the musicMaggie Employee Benefit Trust (the "**Trust**") (the "**Trustee**") has agreed to satisfy the exercise of the Unapproved Scheme Options by the transfer of Target Shares held in the Trust, provided the Trust holds sufficient Target Shares to do so.

### LTIP

2.2 The Bidder and the Target acknowledge that:

2.2.1 unvested Options granted under the LTIP (the "**LTIP Options**") will, in consequence of the Transaction and in accordance with participants' contractual rights under the rules of the LTIP, vest upon the Scheme being sanctioned by the Court (to the extent determined by the Target Remuneration Committee in accordance with Rule 12.5 of the LTIP);

2.2.2 the Target Remuneration Committee has determined that the unvested LTIP Options will vest in full in connection with the Transaction in accordance with the rules of the LTIP;

2.2.3 it is expected that holders of LTIP Options will be invited, pursuant to the relevant Share Plan Letters and in accordance with the rules of the LTIP, to exercise their vested LTIP Options in connection with the Transaction, and will be required to notify the Target of their election to do so at least one week prior to the Sanction Hearing (or, if later, by the date which is 21 days after the date the Share Plan Letters are sent);

2.2.4 to the extent that any LTIP Options are not exercised in connection with the Transaction, it is expected that such LTIP Options will lapse upon the Scheme becoming effective; and

2.2.5 it is expected that the LTIP Options that are exercised in connection with the Transaction will be settled in cash in lieu of issuing Target Shares, pursuant to the rules of the LTIP.

### SHARE OPTION PLAN

2.3 The Bidder and the Target acknowledge that:

2.3.1 the Option granted under the SOP is currently exercisable;

2.3.2 to the extent that the Option under the SOP is not exercised in connection with the Transaction it will lapse on the expiry of the period of one month from the date that the holder of the Option under the SOP is notified that the Scheme has been sanctioned by the Court in accordance with the rules of the SOP; and

2.3.3 it is expected that the Option under the SOP will be settled in cash in lieu of issuing Target Shares, pursuant to the rules of the SOP.

### **3. EMPLOYEE BENEFIT TRUST**

3.1 As at the date of this Agreement, the Target confirms that the Trustee holds:

3.1.1 8,604,909 Target Shares as part of the Trust fund (the "**Trust Shares**"); and

3.1.2 36,267 Target Shares as nominee for 7 employees of the Target Group pursuant to nominee agreements with the Trustee and the Target dated 12 November 2021.

3.2 As at the date of this Agreement, the Target understands that the Trust holds £100 in cash as part of the Trust fund, with a further £3 owed by the Target to the Trustee.

3.3 The Bidder and the Target agree that the Trustee will be requested to use the Trust Shares that it holds to satisfy the Options as far as possible in priority to the issue of any new Target Shares.

### **4. PARTICIPANTS WHO CEASE OR WHO HAVE CEASED TO BE TARGET EMPLOYEES**

Participants in the Target Share Plans who have ceased to be employees of the Target or any member of the Target Group from time to time ("**Target Employees**"), as at the date of this Agreement, but who have been permitted to retain their Options in accordance with the rules of the applicable Target Share Plan will be subject to the terms of this Schedule 2 in respect of those Options. Participants in the Target Share Plans who cease (or give or receive notice to cease) to be Target Employees between the date of this Agreement and the Effective Date, shall be treated in accordance with the leaver provisions contained in the applicable Target Share Plans and, subject to the foregoing, if they are permitted to retain all or a proportion of their Options following the cessation of their employment, they shall also

be subject to the terms of this Schedule 2 (unless otherwise agreed between the Bidder and the Target).

5. **TAX AND CASHLESS EXERCISE**

The Target and the Bidder agree that arrangements will be put in place to ensure that any Options may be exercised by participants in the Target Share Plans on a "cashless basis" such that any exercise price and income tax and National Insurance contributions payable by such participants will be funded through a deduction from the consideration payable to them under the Transaction.

**IN WITNESS WHEREOF** this Agreement has been duly executed on the date first set out above.

Executed by  
**AO LTD** acting by Mark Higgins

.....  
  
FDED90D400944A4...  
**(Signature of director)**

Executed by  
**musicMagpie PLC** acting by

.....  
**(Signature of director)**

**IN WITNESS WHEREOF** this Agreement has been duly executed on the date first set out above.

Executed by  
**AO LTD** acting by

.....  
**(Signature of director)**



Executed by  
**musicMagpie PLC** acting by

**(tor)**

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

FOR IMMEDIATE RELEASE

2 October 2024

**RECOMMENDED CASH ACQUISITION  
OF  
MUSICMAGPIE PLC  
BY  
AO LTD**

(a wholly-owned subsidiary of AO World PLC)

(to be implemented by way of a scheme of arrangement under Part 26 of the  
Companies Act 2006)

**Summary and highlights**

- The boards of directors of AO World PLC (“**AO**”) and musicMagpie PLC (“**musicMagpie**”) are pleased to announce that they have agreed the terms of a recommended cash acquisition of the entire issued and to be issued share capital of musicMagpie by AO Ltd (“**AO Bidco**”), a wholly-owned subsidiary of AO.
- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although AO Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).
- Under the terms of the Acquisition, each musicMagpie Shareholder will be entitled to receive:

**for each musicMagpie Share: 9.07 pence in cash (the “Consideration”).**

- The Acquisition values the entire issued and to be issued share capital of musicMagpie at approximately £9,982,105 on a fully diluted basis and represents a premium of approximately:
  - 58 per cent. to the Closing Price of 5.75 pence per musicMagpie Share on 1 October 2024 (being the last Business Day before this announcement) (the “**Latest Practicable Date**”);
  - 58 per cent. to the volume-weighted average Closing Price of 5.75 pence per musicMagpie Share for the one-month period ended on the Latest Practicable Date; and
  - 48 per cent. to the volume-weighted average Closing Price of 6.12 pence per musicMagpie Share for the three-month period ended on the Latest Practicable Date.

- With complementary business models focused online and on customer service, AO believes the Acquisition will augment its capability and value capture in the mobile and consumer technology categories.

### **Recommendation of musicMagpie Directors**

- The musicMagpie Directors, who have been so advised by Shore Capital as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the musicMagpie Directors, Shore Capital has taken into account the commercial assessments of the musicMagpie Directors.
- Accordingly, the musicMagpie Directors intend to recommend unanimously that musicMagpie Shareholders vote (or procure votes) in favour of the Scheme and the Resolutions as the musicMagpie Directors who are interested in musicMagpie Shares have irrevocably undertaken to do (or procure to be done) in respect of their interests (and, in the case of one musicMagpie Director, those of a connected person) in 13,240,760 musicMagpie Shares representing, in aggregate, approximately 12.28 per cent. of musicMagpie's total issued share capital (as at the Latest Practicable Date).

### **Irrevocable undertakings and letters of intent**

- In addition to the irrevocable undertakings from the musicMagpie Directors referred to above, AO Bidco has received from Ian Storey, Walter Gleeson, Stephen Richards, CSC Employee Benefit Trustee (Jersey) Limited in its capacity as trustee of the Employee Benefit Trust, Northern Venture Trust PLC, Northern 2 VCT PLC, Northern 3 VCT PLC, NV2 LP and NVM Nominees Limited irrevocable undertakings to vote in favour of the Scheme and the Resolutions in respect of 32,172,160 musicMagpie Shares in aggregate, representing approximately 29.84 per cent. of musicMagpie's total issued share capital (as at the Latest Practicable Date).
- Accordingly, taken together, AO Bidco has received irrevocable undertakings to vote in favour of the Scheme and the Resolutions in respect of a total of 45,412,920 musicMagpie Shares, representing, in aggregate, approximately 42.12 per cent. of the total issued share capital of musicMagpie (as at the Latest Practicable Date).
- Under the terms of all the irrevocable undertakings received by AO Bidco, if the Acquisition is implemented by way of a Takeover Offer, the relevant shareholders have also committed to accept the Takeover Offer.
- In addition to the irrevocable undertakings given by the persons named above, AO Bidco has also received a letter of intent to vote in favour of the Scheme and the Resolutions from Schroder Investment Management Limited, representing, in aggregate, approximately 11.84 per cent. of the total issued share capital of musicMagpie (as at the Latest Practicable Date).
- **In aggregate therefore, AO Bidco has received irrevocable undertakings and letters of intent to vote in favour of the Scheme and the Resolutions in respect of a total of 58,174,776 musicMagpie Shares representing approximately 54.0 per cent. of the total issued share capital of musicMagpie (as at the Latest Practicable Date).**
- Further details of these irrevocable undertakings and letters of intent, including the terms on which they cease to be binding, are set out in Appendix 3 to this announcement.



## **Timetable and Conditions**

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although AO Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).
- The Acquisition will be subject to the Conditions and terms set out in Appendix 1 to this announcement, including, amongst other things, approvals by the requisite majorities of musicMagpie Shareholders of the Scheme and the Resolutions at the Court Meeting and General Meeting respectively, the receipt of regulatory approvals from the FCA, the sanction of the Scheme by the Court and to the full terms and conditions of the Acquisition which will be set out in the Scheme Document.
- The Scheme Document containing further information about the Acquisition, an expected timetable of principal events, steps to be taken by musicMagpie Shareholders, and the notices of the Meetings, together with the accompanying Forms of Proxy will be published in due course. It is expected that the Scheme Document will be published no later than 30 October 2024.
- It is currently expected that the Acquisition will become Effective during Q1 2025, subject to the satisfaction or (where applicable) waiver of the Conditions and certain further terms set out in Appendix 1 to this announcement.

### **Non-Executive Chair of AO, Geoff Cooper commented:**

*“The proposed acquisition of musicMagpie presents a strategic opportunity to integrate one of the UK’s leading mobile recommerce operators into our portfolio. With highly complementary business models, this acquisition will enable us to broaden our customer offerings while simultaneously advancing our sustainability objectives. This alignment positions us to drive growth and innovation in an increasingly environmentally-conscious market.”*

### **Chief Executive Officer of AO, John Roberts commented:**

*“To achieve our strategic ambition of becoming the destination for electricals, it is crucial for AO to enhance its consumer tech offering. A top-tier trade-in service will be essential, and musicMagpie represents a significant enabler in unlocking value through our reverse supply chain. Moreover, musicMagpie stands to leverage our existing supply channels, which could lower its cost of acquisition and allow us to scale refurbished technology with operational precision. musicMagpie’s commitment to customer satisfaction and its exceptional brand are closely aligned with our values, and our shared cultures create a strong foundation for collaboration. I am excited to welcome Steve and the musicMagpie team into the AO family and to realise the potential that our combined efforts can unlock.”*

### **Non-Executive Chair of musicMagpie, Martin Hellawell commented:**

*“The musicMagpie Board is pleased to recommend AO’s cash offer for musicMagpie. AO’s offer is the result of musicMagpie’s extensive process to seek an acquiror for the business and represents an opportunity for shareholders to realise their holdings in full and in cash at a significant premium to the prevailing share price. The musicMagpie Board believes musicMagpie will benefit from being a part of the AO Group that has the scale and reach to support musicMagpie’s future growth and development.”*

### **Chief Executive Officer and Co-founder of musicMagpie, Steve Oliver commented:**

*“AO is a highly trusted consumer brand that shares our commitment to providing a first-rate service for customers. I am very proud of the musicMagpie business and the trusted brand that we have created, providing consumers with a smart, sustainable and trusted way to buy, rent and sell refurbished consumer technology and physical media products. We welcome the opportunity to join the AO Group and believe it represents a natural custodian for musicMagpie as part of the next stage of the business’ development.”*

**This summary should be read in conjunction with, and is subject to, the full text of this announcement and the Appendices. The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains the bases of calculation and sources of certain information contained in this announcement. Details of the irrevocable undertakings and letters of intent received by AO Bidco in connection with the Acquisition are set out in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.**

**Enquiries:**

**AO**

*Mark Higgins, Chief Financial Officer*

+44 (0)1204 672400

**Jefferies International Limited (Financial Adviser and Corporate Broker to AO)**

+44 (0)20 7029 8000

Philip Noblet

Thomas Bective

Jordan Cameron

**Powerscourt (PR Adviser to AO)**

+44(0) 20 7250 1446

Rob Greening

ao@powerscourt-group.com

**musicMagpie**

+44 (0)870 479 2705

Martin Hellawell, Non-Executive Chair

Steve Oliver, Chief Executive Officer and Co-founder

Matthew Fowler, Chief Financial Officer

**Shore Capital (Financial Adviser, Rule 3 Adviser, Nominated Adviser and Broker to musicMagpie)**

+44 (0)20 7408 4090

Mark Percy (Corporate Advisory)

Malachy McEntyre (Corporate Broking)

Daniel Bush (Corporate Advisory)

Rachel Goldstein (Corporate Advisory)

Gibson, Dunn & Crutcher UK LLP is acting as legal adviser to AO and AO Bidco in connection with the Acquisition.

Addleshaw Goddard LLP is acting as legal adviser to musicMagpie in connection with the Acquisition.

The person responsible for making this announcement on behalf of AO is Julie Finnemore (Company Secretary). The person responsible for making this announcement on behalf of musicMagpie is Matthew Fowler (Company Secretary).

### **Inside information**

*This announcement contains inside information for the purposes of the Market Abuse Regulation.*

### **Further information**

*This announcement is for information purposes only and is not intended to, and does not, constitute, or form any part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of musicMagpie in any jurisdiction in contravention of applicable law. The Acquisition will be made and implemented solely pursuant to the terms of the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).*

*musicMagpie and AO Bidco will prepare the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to musicMagpie Shareholders. musicMagpie and AO Bidco urge musicMagpie Shareholders to read the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.*

*This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

*The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date.*

### **Disclaimers**

*This announcement does not constitute or form part of, and should not be construed as, any public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.*

*Jefferies International Limited ("Jefferies"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for AO and AO Bidco and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to such matters and will not be responsible to anyone other than AO and AO Bidco for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the contents of, or any matter referred to in, this announcement or any transaction or arrangement referred to herein. Neither Jefferies nor any of its subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with this announcement, any statement contained herein, any transaction or arrangement referred to herein, or otherwise.*

*Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (either individually or collectively "Shore Capital"), which are authorised and regulated by the Financial Conduct Authority in the United Kingdom, are acting exclusively for musicMagpie and no one else in connection with the matters set out in this announcement and will not regard any other person as their client in relation to such matters and will not be responsible to anyone other than musicMagpie for providing the protections afforded to clients of Shore Capital nor for providing advice in relation to the contents of, or any matter referred to in, this announcement or any transaction or arrangement referred to herein. Neither Shore Capital and Corporate Limited nor Shore Capital Stockbrokers Limited, nor any of their subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Shore Capital in connection with this announcement, any statement contained herein, any transaction or arrangement referred to herein, or otherwise.*

### **Overseas jurisdictions**

*This announcement has been prepared in accordance with, and for the purposes of complying with, English law, the Takeover Code, the Market Abuse Regulation and the AIM Rules and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.*

*The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements.*

*The availability of the Acquisition to musicMagpie Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their musicMagpie Shares with respect to the Scheme at the Meetings, or to execute and deliver Forms of Proxy (or other proxy instructions) appointing another to vote at the Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim*

*any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by AO Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such announcement or any such document in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*The Acquisition will be subject to English law and the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the FCA, the London Stock Exchange, the AIM Rules and the Registrar of Companies.*

### **Notice to US investors in musicMagpie**

*The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Neither the United States Securities and Exchange Commission, nor any securities commission of any state of the United States, has approved, disapproved or passed judgement on the fairness or the merits of any offer, or passed comment upon the adequacy or completeness of any of the information contained in this announcement. Any representation to the contrary may be a criminal offence in the United States.*

*If, in the future, AO Bidco exercises the right, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including Section 14(e) of the US Securities Exchange Act 1934 and Regulation 14E thereunder. Such a takeover would be made in the United States by AO Bidco and no one else.*

*Financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States, which may differ in certain significant respects from accounting*

*principles and standards applicable in the United Kingdom. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

*The receipt of cash pursuant to the Acquisition by a musicMagpie Shareholder in the US as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each musicMagpie Shareholder is therefore urged to consult with independent legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

*It may be difficult for musicMagpie Shareholders in the US to enforce their rights and any claim arising out of the US federal securities laws in connection with the Acquisition, since AO, AO Bidco and musicMagpie are located in, and organised under the laws of, a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. musicMagpie Shareholders in the US may not be able to make a claim against a non-US company or its officers or directors in a non-US court for violations of the US federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Securities Exchange Act of 1934, AO Bidco, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, musicMagpie Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Securities Exchange Act of 1934, each of Jefferies and Shore Capital will continue to act as an exempt principal trader in musicMagpie Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Securities Exchange Act of 1934. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

### **Cautionary note regarding forward-looking statements**

*This announcement (including any information incorporated by reference into this announcement), statements made regarding the Acquisition, and other information to be published by AO, AO Bidco and/or musicMagpie, contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and projections of the management of AO, AO Bidco and/or musicMagpie about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements with respect to the financial condition, results of operations and business of musicMagpie and certain plans and objectives of AO and AO Bidco with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as "anticipate", "target", "expect", "estimate", "forecast", "intend", "plan", "budget", "scheduled" "goal", "believe", "hope", "aims", "continue", "will", "may", "should", "would", "could", or other words of similar meaning. These statements are based on assumptions and assessments*

*made by musicMagpie, AO Bidco and/or AO in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although AO, AO Bidco and/or musicMagpie believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place reliance on these forward-looking statements which speak only as at the date of this announcement.*

*There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to proceed with or complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions on the proposed terms; changes in the global, political, economic, business and competitive environments and in market and regulatory forces; changes in future inflation, deflation, exchange and interest rates; changes in tax and national insurance rates; future business combinations, capital expenditures, acquisitions or dispositions; changes in general and economic business conditions; changes in the behaviour of other market participants; the anticipated benefits of the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which AO, AO Bidco and musicMagpie operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which AO, AO Bidco and musicMagpie operate; the repercussions of the outbreak of epidemics (including but not limited to the COVID-19 outbreak); changes to the boards of directors of AO, AO Bidco and/or musicMagpie and/ or the composition of their respective workforces; exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities; risks relating to environmental matters such as climate change including AO, AO Bidco and/or musicMagpie's ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; changes to law and/or the policies and practices of the Bank of England, the FCA and/or other regulatory and governmental bodies; changes in the liquidity, capital, funding and/ or asset position and/or credit ratings of AO, AO Bidco and/or musicMagpie; the repercussions of the UK's exit from the EU (including any change to the UK's currency and the terms of any trade agreements (or lack thereof) between the UK and the EU), Eurozone instability, Russia's invasion of Ukraine, conflicts in the Middle East, any referendum on Scottish independence, and any UK or global cost of living crisis or recession. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.*

*Neither AO nor musicMagpie, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in their announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.*

*Other than in accordance with their legal or regulatory obligations, neither AO, nor AO Bidco, nor musicMagpie is under any obligation, and AO, AO Bidco and musicMagpie expressly disclaim any intention or obligation, to update or revise any forward-looking or other statements contained in this announcement, whether as a result of new information, future*

events or otherwise.

### **Dealing and Opening Position Disclosure requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code, will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AO's website at [www.ao-world.com/investor-centre/offer](http://www.ao-world.com/investor-centre/offer) and musicMagpie's*



website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors) by no later than 12 noon (London time) on the first business day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks set out in this announcement are incorporated into or forms part of this announcement.

### **No profit forecasts, profit estimates or quantified benefits statements**

No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for musicMagpie for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for musicMagpie.

### **Requesting hard copy documents**

In accordance with Rule 30.3 of the Takeover Code, musicMagpie Shareholders, persons with information rights and participants in the musicMagpie Share Plans may request a hard copy of this announcement by contacting musicMagpie's registrars, Equiniti Limited. musicMagpie Shareholders can: (i) submit a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom; or (ii) call +44 (0) 121 415 7019. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Phone lines are open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales).

For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

### **Electronic communications**

Please be aware that addresses, electronic addresses and certain other information provided by musicMagpie Shareholders, persons with information rights and other relevant persons for the receipt of communications from musicMagpie may be provided to AO and AO Bidco during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

### **Rule 2.9 disclosure**

In accordance with Rule 2.9 of the Takeover Code, musicMagpie confirms that, as at the Latest Practicable Date, it had in issue 107,808,287 ordinary shares of £0.01 each. The International Securities Identification Number (ISIN) for musicMagpie Shares is GB00BKY4XG48.

### **General**

AO Bidco reserves the right to elect, with the consent of the Panel (where necessary) and subject to the terms and conditions of the Co-operation Agreement, to implement the

*Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of musicMagpie not already held by AO Bidco as an alternative to the Scheme. In such an event, a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.*

*In the event that the Acquisition is to be implemented by way of a Takeover Offer, musicMagpie Shares will be acquired pursuant to the Takeover Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto including the right to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.*

*If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional and sufficient acceptances are received, AO Bidco intends to: (i) request that the London Stock Exchange cancels admission of musicMagpie Shares to trading on AIM; and (ii) exercise its rights (to the extent such rights are available) to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining musicMagpie Shares in respect of which the Takeover Offer has not been accepted.*

*The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains the bases of calculation and sources of certain information contained in this announcement. Details of the irrevocable undertakings and letters of intent received by AO Bidco in connection with the Acquisition are set out in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.*

*If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE**

**2 October 2024**

**RECOMMENDED CASH ACQUISITION  
OF  
MUSICMAGPIE PLC  
BY  
AO LTD**

**(a wholly-owned subsidiary of AO World PLC)**

**to be effected by means of a Scheme of Arrangement under Part 26 of the  
Companies Act 2006**

**1. Introduction**

The AO Board and the musicMagpie Board are pleased to announce that they have agreed the terms of a recommended cash acquisition of the entire issued and to be issued share capital of musicMagpie by AO Bidco, a wholly-owned subsidiary of AO.

**2. The Acquisition**

It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although AO Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement). The purpose of the Scheme is to enable AO Bidco to acquire the whole of the issued and to be issued share capital of musicMagpie.

Under the terms of the Acquisition, which will be subject to the Conditions and other terms set out in Appendix 1 to this announcement and to the full terms and conditions which will be set out in the Scheme Document, musicMagpie Shareholders will be entitled to receive:

**for each musicMagpie Share: 9.07 pence in cash.**

The Acquisition values the entire issued and to be issued share capital of musicMagpie at approximately £9,982,105 on a fully diluted basis and represents a premium of approximately:

- 58 per cent. to the Closing Price of 5.75 pence per musicMagpie Share on the Latest Practicable Date;
- 58 per cent. to the volume-weighted average Closing Price of 5.75 pence per musicMagpie Share for the one-month period ended on the Latest Practicable Date; and
- 48 per cent. to the volume-weighted average Closing Price of 6.12 pence per musicMagpie Share for the three-month period ended on the Latest Practicable Date.

It is currently expected that the Acquisition will become Effective during Q1 2025, subject to

the satisfaction or (where applicable) waiver of the Conditions and certain further terms set out in Appendix 1 to this announcement.

### **3. Background to and reasons for the Acquisition**

AO believes that musicMagpie is a high quality and leading operator in the consumer electronics recommerce market with well-established operational platforms, a well-invested refurbishing facility and a strong technology stack. The musicMagpie brand is held in high regard and offers a trusted customer proposition with a deep and active customer base; characteristics which are highly valued by AO. With complementary business models focused online and on customer service, AO believes the Acquisition will offer highly attractive opportunities to augment its capability and value capture in the mobile and consumer tech categories.

The Acquisition will provide AO with opportunity for further vertical integration of the Wider AO Group's reverse supply chain, giving better control over costs and will enhance the trade-in options for AO's customers. musicMagpie's current sourcing channels include its SMARTDrop kiosks, direct mail and from its US business. The Acquisition will enable musicMagpie to leverage AO's trade-in volumes, which could lower its cost of acquisition.

AO further believes that adding musicMagpie into its portfolio of operations will mitigate the risk of a shift of the consumer tech market to sustainability and repair, with growth in refurbished technology expected to rise, and at the same time will enhance the Combined Group's ESG credentials.

AO holds the musicMagpie management team in high regard and values their operational expertise and experience. AO intends to work with the management team with a view to providing attractive and sustained growth and development opportunities to the Combined Group.

In relation to musicMagpie's Disc Media and Books business, AO recognises that it is in long-term decline but is showing some signs of stabilisation and delivers predictable cashflows, requiring only modest investment to sustain its performance.

### **4. Recommendation of musicMagpie Directors**

The musicMagpie Directors, who have been so advised by Shore Capital as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing advice to the musicMagpie Directors, Shore Capital has taken into account the commercial assessments of the musicMagpie Directors. Shore Capital is providing independent financial advice to the musicMagpie Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the musicMagpie Directors intend to recommend unanimously that musicMagpie Shareholders vote (or procure votes) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, accept such Takeover Offer) as the musicMagpie Directors who are interested in musicMagpie Shares have irrevocably undertaken to do (or procure to be done) in respect of their interests (and, in the case of one musicMagpie Director, those of a connected person) in 13,240,760 musicMagpie Shares, representing, in aggregate, approximately 12.28 per cent. of musicMagpie's total issued share capital (as at the Latest Practicable Date).

## **5. Background to and reasons for the recommendation**

musicMagpie was admitted to trading on the AIM market of the London Stock Exchange in April 2021 (the “IPO”). Since the IPO, musicMagpie has made good progress against its strategy including growing its rental service from 4,400 subscribers at 31 March 2021 to 32,700 at 31 May 2024, as well as partnering with Asda to give customers the option of using its SMARTDrop kiosks for a fast and easy way to recycle phones.

In the last two years the macro-economic environment has been more challenging, impacting consumer spending with higher levels of inflation, energy costs and interest rates all contributing to a cost-of-living crisis for many households. Whilst these challenges have impacted musicMagpie’s trading, the musicMagpie Directors believe that they have also increased consumers’ willingness to seek value and consider buying pre-owned products from trusted resellers across a number of categories which has and will continue to have a positive benefit to the circular economy. In response to these market dynamics, a number of consumer brands, retailers and online platforms have introduced, or enhanced their circular economy capability and offering.

To capitalise on this evolving consumer behaviour, and compete effectively, during 2023 the musicMagpie Board determined that it may be more appropriate for musicMagpie to partner with an organisation who could provide it with greater financial strength and, potentially, operational synergies to enable musicMagpie to continue its progress and drive its growth strategy. A core facet of musicMagpie’s strategy at the time of the IPO was to roll-out its rental service offering to build subscribers and grow its future revenue and cash flow stream from this offering. This service has been capital consumptive to grow, and musicMagpie’s ability to invest in this and other areas of business has been constrained by the availability of capital, reflecting musicMagpie’s current market capitalisation, net debt of approximately £13.8 million as at 31 May 2024, and the increased interest rate environment. To that end the musicMagpie Board commenced a process to seek a potential partner with the capability to support and enhance musicMagpie’s future growth plans by bringing the musicMagpie offering to more consumers, and potentially in a more cost-effective manner. This process has been extensive and has ultimately resulted in the proposed Acquisition.

Whilst the musicMagpie Board has confidence in the business’s market leading circular economy offering, and musicMagpie’s ability to return to growth in the medium to long-term, they are cognisant that those challenges set out above persist and may do for some time. Therefore, after careful consideration, the musicMagpie Board believes that the Acquisition provides musicMagpie Shareholders with an opportunity to realise their investment in musicMagpie in full for cash at a significant premium to recent trading levels without the uncertainty associated with the delivery of future value as an independent public company. It therefore intends to recommend unanimously that musicMagpie Shareholders vote (or procure votes) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, accept such Takeover Offer) as the musicMagpie Directors who are interested in musicMagpie Shares have irrevocably undertaken to do (or procure to be done) in respect of their interests (and, in the case of one musicMagpie Director, those of a connected person).

In evaluating the financial terms of the Acquisition, the musicMagpie Board has considered a number of factors, including:

- the offer price of 9.07 pence per musicMagpie Share represents an opportunity for musicMagpie Shareholders to realise their shareholdings in cash and in full at a significant

premium to recent trading levels, against a backdrop of more limited trading liquidity, which represents:

- a premium of 58 per cent. to the Closing Price of a musicMagpie Share on the Latest Practicable Date;
  - a premium of 58 per cent. to the volume-weighted average Closing Price of a musicMagpie Share for the one-month period ended on the Latest Practicable Date; and
  - a premium of 48 per cent. to the volume-weighted average Closing Price of a musicMagpie Share in the three-month period ended on the Latest Practicable Date;
- the immediacy and certainty of the cash proceeds of and value derived from the Consideration weighed against the inherent uncertainty of the delivery of future value from musicMagpie given the continued challenging macroeconomic backdrop in the UK, a competitive marketplace in which musicMagpie operates and the ability to fund future investment to support the musicMagpie Board's growth ambitions;
- musicMagpie entered an Offer Period on 20 November 2023 and on 27 November 2023 indicated that it continued to seek potential buyers for musicMagpie. Since then, it has completed a comprehensive exercise to engage with a range of parties in connection with a possible acquisition of the business;
- the deliverability of alternative strategic options for the business;
- the potential benefits of a new ownership structure, including the ability to leverage AO's existing supply channels which could lower musicMagpie's cost of acquisition of consumer technology products, AO's trusted positioning with consumers, greater access to capital to pursue strategic growth opportunities and more resilience for a range of stakeholders; and
- musicMagpie Shareholders, representing in aggregate approximately 42.12 per cent. of musicMagpie's issued share capital, have indicated their support for the Acquisition by providing irrevocable undertakings to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, accept such Takeover Offer).

In considering the Acquisition, the musicMagpie Directors have taken into account AO's stated intentions for the business and its employees. In particular, the musicMagpie Directors note that AO Bidco intends to work with the existing management and employees of musicMagpie with a view to optimising musicMagpie's operations and supporting growth and development opportunities for the Combined Group's stakeholders. AO has also confirmed that the existing contractual and statutory employment rights, including pension rights, of all musicMagpie management and employees will be fully safeguarded in accordance with applicable law. As such, the musicMagpie Board believes that the Acquisition represents an opportunity for stakeholders to benefit, including customers, employees and shareholders.

Accordingly, following careful consideration of the above factors, including the intentions of AO, the musicMagpie Directors intend to recommend unanimously that musicMagpie Shareholders vote (or procure votes) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, accept such Takeover Offer) to musicMagpie Shareholders on the terms, and subject to the conditions, set out in this announcement.

## **6. Irrevocable undertakings and letters of intent**

In addition to the irrevocable undertakings from the musicMagpie Directors referred to above, AO Bidco has received from Ian Storey, Walter Gleeson, Stephen Richards, CSC Employee Benefit Trustee (Jersey) Limited in its capacity as trustee of the Employee Benefit Trust, Northern Venture Trust PLC, Northern 2 VCT PLC, Northern 3 VCT PLC, NV2 LP and NVM Nominees Limited irrevocable undertakings to vote in favour of the Scheme and the Resolutions in respect of 32,172,160 musicMagpie Shares in aggregate, representing approximately 29.84 per cent. of musicMagpie's total issued share capital (as at the Latest Practicable Date).

Taken together with the irrevocable undertakings received from the musicMagpie Directors, AO Bidco has therefore received irrevocable undertakings to vote, or procure the voting, in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of a total of 45,412,920 musicMagpie Shares, representing, in aggregate, approximately 42.12 per cent. of the total issued share capital of musicMagpie (as at the Latest Practicable Date).

In addition, AO Bidco has received a letter of intent to vote, or procure the voting, in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) from Schroder Investment Management Limited, representing, in aggregate, approximately 11.84 per cent. of the total issued share capital of musicMagpie (as at the Latest Practicable Date).

Therefore, as at the date of this announcement, AO Bidco has received irrevocable undertakings and letters of intent to vote, or procure the voting, in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of a total of 58,174,776 musicMagpie Shares, representing, in aggregate, approximately 54.0 per cent. of the total issued share capital of musicMagpie (as at the Latest Practicable Date).

Further details of these irrevocable undertakings and letters of intent are set out in Appendix 3 to this announcement.

## **7. AO's intentions for the musicMagpie business and the Combined Group**

### *AO's strategic plans for musicMagpie*

AO believes that musicMagpie is a high quality and leading operator in the consumer technology recommerce market. With complementary business models focused online, and aligned cultures centred on customer service, AO believes the Acquisition will augment its capability and value capture in the mobile and consumer tech categories.

AO holds the musicMagpie management team in high regard and values their expertise and experience. AO intends to work with the existing management and employees of musicMagpie with a view to optimising musicMagpie's operations and supporting growth and development opportunities for the Combined Group's stakeholders.

Prior to this announcement, consistent with market practice, AO has been granted access to musicMagpie's senior management for the purposes of confirmatory due diligence. Following completion of the Acquisition, AO intends to work with musicMagpie's management team to

undertake an evaluation of musicMagpie's operations in order to improve its financial performance. The scope of the evaluation is likely to include a review of: (i) strategic opportunities for musicMagpie's US operation; (ii) musicMagpie's arrangements with overlapping suppliers; (iii) the roles and responsibilities of musicMagpie's management and employees; and (iv) musicMagpie's management incentivisation arrangements (the "**Evaluation**"). It is not expected that the Evaluation will result in any material reduction in headcount.

AO expects that the Evaluation will be completed within a period of approximately six months from the Effective Date.

#### *Employees and management*

AO attaches great importance to the skill and experience of musicMagpie's management and employees and recognises that the employees and management of musicMagpie have been and will continue to be key to the continued success of the Combined Group.

It is intended that, with effect from the Effective Date, each of the non-executive Directors of musicMagpie shall resign from office. Once musicMagpie ceases to be a listed company, some central management, corporate and support functions, including listed company-related functions, will be reduced in scope, which is likely to result in a limited reduction of headcount in these areas. Any such headcount reduction shall be carried out in accordance with applicable law.

AO does not intend to make any material reduction to the headcount (excluding any headcount reduction programmes initiated by musicMagpie prior to the Effective Date), or any material change to the conditions of employment or to the balance of skills and functions, of the musicMagpie Group's employees or management.

musicMagpie is currently in the process of reviewing costs and headcount in its UK head office in consultation with its employees. It is expected that the total head count of the UK head office function will reduce by approximately 30 people. This process is ongoing and is expected to be formally completed by the end of October 2024 with employees leaving in a phased timetable thereafter.

AO does not intend that the Acquisition will reduce its own headcount or change its terms and conditions of employment or the balance of skills and functions of its employees or management.

#### *Existing employment rights*

AO confirms that, following the Acquisition becoming Effective, the existing contractual and statutory employment rights, including pension rights, of all musicMagpie management and employees will be fully safeguarded in accordance with applicable law.

#### *Management incentive arrangements*

Following the Acquisition becoming Effective, AO intends to review the management incentive structure of musicMagpie. AO has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with members of musicMagpie's management, but may enter into such discussions with certain members of the musicMagpie management team following the Effective Date.

#### *Headquarters, locations, fixed assets and research and development*



AO does not intend to change the locations of musicMagpie's places of business (including musicMagpie's headquarters in Stockport, and the operational facilities in Stockport and Macclesfield in the UK and Atlanta in the US), nor the locations of AO's places of business. AO does not intend to make any material disposal of musicMagpie's fixed assets or material change to any of musicMagpie's research and development functions.

#### *Trading facilities*

The musicMagpie Shares are currently admitted to trading on AIM. As described in paragraph 16 below, prior to the Effective Date, it is intended that an application will be made to the London Stock Exchange for admission of the musicMagpie Shares to trading on AIM to be cancelled with effect from or shortly following the Effective Date. It is also intended that musicMagpie will be re-registered as a private limited company and for this to take effect as soon as practicable following the Effective Date.

#### *No post-offer undertakings*

No statements in this paragraph 7 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

### **8. Information on musicMagpie**

musicMagpie is a market leader in the re-commerce of consumer technology, disc media (including CDs, DVDs and games) and books in the UK, with operations in the US, with sustainability running to the very heart of its operations.

Operating through two trusted brands – musicMagpie in the UK and decluttr in the US – with a core strategy of providing consumers with a smart, sustainable and trusted way to buy, rent and sell refurbished consumer technology, physical media products and clothing items. Founded in 2007, the musicMagpie Group has an established presence in the UK, with operations in Stockport, Greater Manchester, and in the US in Atlanta, Georgia.

musicMagpie has a strong environmental and social focus, as demonstrated by its trademarked 'smart for you, smart for the planet' ethos. Nearly 400,000 consumer technology products were resold in the financial year ending 30 November 2023. In addition, the musicMagpie Group re-sells approximately 8.4 million books and disc media each year that could have ended up as waste. The musicMagpie Group has been given the London Stock Exchange's Green Economy Mark in recognition of its contribution to the global green economy.

When selling to musicMagpie, the customer is offered a fixed valuation via the website, provided with free logistics to ship the products and (subject to it being 'as described') receives payment for their product on the day of arrival at the musicMagpie Group's warehouse. The musicMagpie Group has partnered with Asda to give customers the option of using its SMARTDrop Kiosks in store for a fast and easy way to recycle phones for instant payment. As at 31 May 2024, musicMagpie SMARTDrop kiosks are installed across approximately 290 Asda stores in the UK, as well as in a small number of large shopping centres. This innovative buying tool allows musicMagpie to promote the musicMagpie brand, buy additional handsets and give consumers the convenience to get paid within seconds for their smartphones. Customers purchasing from musicMagpie receive branded refurbished product at a much lower price than buying new.

In 2021, musicMagpie launched a rental model for handsets, enabling consumers to choose between an outright purchase of a handset, or renting over 12 months or longer. As at 31 May 2024, musicMagpie had 32,700 active subscribers to musicMagpie's device rental service.

musicMagpie has the highest number of seller reviews on both Amazon and eBay and has consistently achieved extremely positive feedback scores. musicMagpie has a 4.4\* rating on UK Trustpilot with over 300,000 reviews and won Best Refurbished Device Supplier in the Uswitch Telecoms Awards 2024, as well as Best Online Retailer and Best Secondary Market Provider at the Mobile News Awards 2023.

## **9. Information on AO and AO Bidco**

AO, headquartered in Bolton and listed on the London Stock Exchange, is the UK's most trusted online electrical retailer, with a mission to be the destination for electricals. AO's strategy is to create value by offering its customers brilliant customer service and making AO the destination for everything they need, in the simplest and easiest way, when buying electricals. AO offers major and small domestic appliances and a growing range of mobile phones, AV, consumer electricals and laptops. AO also provides ancillary services such as the installation of new and collection of old products and offers product protection plans and customer finance. AO Business serves the B2B market in the UK, providing electricals and installation services at scale. AO also has a Waste Electrical and Electronic Equipment processing facility, ensuring customers' electronic waste is dealt with responsibly.

AO Bidco is a private limited company incorporated in England and Wales, which is directly wholly-owned by AO.

## **10. Financing of the Acquisition**

The Consideration necessary to satisfy the Acquisition in full will be funded from AO's existing cash resources. Jefferies, in its capacity as financial adviser to AO and AO Bidco, is satisfied that sufficient resources are available to AO to satisfy in full the Consideration payable by AO Bidco to musicMagpie Shareholders pursuant to the Acquisition.

## **11. musicMagpie Share Plans**

Participants in the musicMagpie Share Plans will be contacted regarding the effect of the Acquisition on their rights under the musicMagpie Share Plans and provided with further details concerning the proposals which will be made to them in due course. Details of the proposals will be set out in the Scheme Document (or, as the case may be, the Offer Document) and in separate letters to be sent to participants in the musicMagpie Share Plans.

## **12. Offer-related arrangements**

### *Confidentiality Agreement between AO and musicMagpie*

On 15 December 2023, AO and musicMagpie entered into the Confidentiality Agreement in connection with the Acquisition, pursuant to which, amongst other things, the parties gave certain undertakings to: (i) subject to certain exceptions, keep information relating to the Acquisition and each other party's group confidential and not to disclose it to third parties; and (ii) use such confidential information only in connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of: (i) if the Acquisition is implemented by way of a Takeover Offer, AO or any member of the Wider AO Group acquiring 50 per cent. or more of the issued share capital of musicMagpie; (ii) if the Acquisition is implemented by way of a Scheme, the Scheme becoming Effective; or (iii) the date occurring 24 months after the date of the Confidentiality Agreement.

### *Co-operation Agreement between AO Bidco and musicMagpie*

On 2 October 2024, AO Bidco and musicMagpie entered into the Co-operation Agreement in

relation to the Acquisition. Pursuant to the Co-operation Agreement:

- AO Bidco has agreed to use all reasonable endeavours to obtain, and make any necessary filings in relation to, the regulatory clearances and authorisations necessary or advisable to satisfy the Condition set out in paragraph 3(A) of Part A of Appendix 1 as soon as reasonably practicable and in any event by the Long Stop Date, subject to certain customary carve-outs;
- the parties have agreed to (i) implement certain arrangements with respect to the musicMagpie Share Plans and the Employee Benefit Trust; and (ii) certain provisions if the Acquisition should switch to a Takeover Offer; and
- AO Bidco has also agreed to provide musicMagpie with certain information for the purposes of the Scheme Document and to otherwise assist with the preparation of the Scheme Document.

The Co-operation Agreement shall terminate, amongst other things:

- if agreed in writing between AO Bidco and musicMagpie at any time prior to the Effective Date;
- upon service of written notice by AO Bidco to musicMagpie if the musicMagpie Board recommends or announces that it intends to recommend a competing proposal or a competing proposal completes, becomes effective or is declared unconditional;
- if the musicMagpie Board's recommendation in respect of the Acquisition changes in a manner that is adverse in the context of the Acquisition; or
- upon service of written notice by either AO Bidco or musicMagpie to the other party if (i) prior to the Long Stop Date, a competing offer completes, becomes effective or is declared or becomes unconditional; (ii) the Acquisition is withdrawn, terminated or lapses in accordance with its terms prior to the Long Stop Date; (iii) prior to the Long Stop Date, a Condition has been invoked by AO Bidco (where the invocation of the relevant Condition is permitted by the Panel); (iv) unless the Acquisition has switched to a Takeover Offer: (a) the Scheme is not approved at the Court Meeting and/or the Resolutions are not approved at the General Meeting or the Court definitively refuses to sanction the Scheme at the Sanction Hearing; or (b) the Court Meeting, the General Meeting or the Sanction Hearing is/are not held on or before the 22nd day after the expected date of such meeting or hearing as set out in the Scheme Document (or such later date, if any, as AO Bidco and musicMagpie may agree, or (in a competitive situation) as may be specified by AO Bidco with the consent of the Panel, and in each case that (if so required) the Court may allow); or (v) if the Effective Date has not occurred on or before the Long Stop Date (unless otherwise agreed by the parties in writing, or required by the Panel).

### **13. Scheme process and publication of the Scheme Document**

It is intended that the Acquisition will be effected by a Court-sanctioned scheme of arrangement between musicMagpie and the Scheme Shareholders under Part 26 of the Companies Act. AO Bidco reserves the right, however, to effect the Acquisition by way of Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement.

The purpose of the Scheme is to provide for AO Bidco to become the owner of the whole of the issued and to be issued share capital of musicMagpie. Under the Scheme, the Acquisition is to be achieved by the transfer of the Scheme Shares held by Scheme Shareholders to AO Bidco in consideration for which Scheme Shareholders will receive the Consideration on the basis set out in paragraph 2 of this announcement. The process involves, amongst other things, an application by musicMagpie to the Court to sanction the Scheme.

The Acquisition will be subject to the Conditions and further terms and conditions referred to in Appendix 1 to this announcement and to be set out in the Scheme Document. Subject, amongst other things, to the satisfaction (or, where applicable, waiver) of the Conditions, the Scheme will only become Effective if, amongst other things, the following events occur on or before the Long Stop Date:

- the approval by a majority in number of Scheme Shareholders, present and voting (and entitled to vote) at the Court Meeting, whether in person or by proxy, representing 75 per cent. or more in value of the Scheme Shares held by those Scheme Shareholders (or the relevant class or classes thereof) and the passing, at the General Meeting, of the Resolutions by musicMagpie Shareholders representing 75 per cent. or more of the votes validly cast on the Resolutions (the General Meeting will be held immediately after the Court Meeting);
- certain regulatory approvals as described in Appendix 1 (including approvals from the FCA) are obtained (or waived, as applicable);
- following the Meetings, the Scheme is sanctioned by the Court (with or without modification, and, if with modification, on terms agreed by AO Bidco and musicMagpie); and
- following such sanction, a copy of the Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming Effective, it will be binding on all musicMagpie Shareholders, irrespective of whether or not they attended or voted at the Meetings (and if they attended and voted, whether or not they voted in favour) and the Consideration will be despatched by AO Bidco to Scheme Shareholders no later than 14 days after the Effective Date. In addition, share certificates in respect of the musicMagpie Shares will cease to be valid and entitlements to musicMagpie Shares held within the CREST system will be cancelled.

Any musicMagpie Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The Resolutions to be proposed at the General Meeting will, amongst other matters, provide that the Articles be amended to incorporate provisions requiring any musicMagpie Shares issued or transferred on or after the Scheme Record Time (other than to AO Bidco and/or its nominees) will either be subject to the Scheme or (after the Effective Date) be automatically and immediately transferred to, or to the order of, AO Bidco on the same terms as the Acquisition (other than terms as to timings and formalities). These provisions of the Articles (as amended) will avoid any person (other than AO Bidco and/or its nominees) holding musicMagpie Shares after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable for the implementation of the Scheme. It is expected that the Scheme Document and the Forms of Proxy accompanying the Scheme Document for use at the Court Meeting and the General Meeting will be distributed to musicMagpie Shareholders as soon as reasonably practicable and in any event within 28 days of the date of this announcement or such later date as AO Bidco, musicMagpie and the

Panel may agree, and that the Court Meeting and the General Meeting will be held as soon as practicable thereafter.

Subject to, amongst other things, the satisfaction or (where applicable) waiver of the Conditions and certain further terms set out in Appendix 1 to this announcement, it is currently expected that the Acquisition will become Effective during Q1 2025.

The Acquisition will lapse if the Scheme does not become Effective by the Long Stop Date.

The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the FCA, the London Stock Exchange, the AIM Rules and the Registrar of Companies.

#### **14. Dividends**

If, on or after the date of this announcement and before the Effective Date, any dividend, distribution or other return of capital or value is announced, declared, made or paid by musicMagpie or becomes payable by musicMagpie in respect of the musicMagpie Shares, AO Bidco reserves the right to reduce the Consideration that would be payable for each musicMagpie Share pursuant to the Acquisition by an amount up to the amount per musicMagpie Share of such dividend and/or distribution and/or other return of capital or value. In such circumstances, musicMagpie Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value to which they are entitled.

#### **15. Disclosure of interests**

Except for the irrevocable undertakings and letters of intent referred to in paragraph 6 above, as at the date of this announcement neither AO Bidco nor any of its directors, nor, so far as AO Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with AO Bidco:

- has any interest in, or right to subscribe for, any relevant securities of musicMagpie; nor
- has any short position in respect of any relevant securities of musicMagpie, including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of relevant securities of musicMagpie; nor
- has borrowed or lent any relevant securities of musicMagpie or entered into any financial collateral arrangements relating to relevant securities of musicMagpie; nor
- is party to any dealing arrangement of the kind referred to in Note 11 of the definition of acting in concert in the Takeover Code in relation to relevant securities of musicMagpie.

An “interest in” securities for these purposes arises, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an ‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to securities.

In the interests of secrecy prior to this announcement, it has not been practicable for AO Bidco to make enquiries of all of its concert parties in advance of the release of this announcement. Therefore, if AO Bidco becomes aware, following the making of such enquiries, that any of its

concert parties have any interests in relevant securities of musicMagpie, all relevant details in respect of AO Bidco's concert parties will be included in AO's Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code.

## **16. Delisting and re-registration**

Prior to the Scheme becoming Effective, it is intended that an application will be made to the London Stock Exchange to, subject to the Acquisition becoming Effective, cancel admission of musicMagpie Shares to trading on AIM, with effect from or shortly following the Effective Date.

The last day of dealings in, and registration of transfers of, musicMagpie Shares on AIM is expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6:00 p.m. (London time) on that date.

On the Effective Date, musicMagpie will become a wholly-owned subsidiary of AO Bidco and share certificates in respect of musicMagpie Shares will cease to be valid. In addition, entitlements held within the CREST system to the musicMagpie Shares will be cancelled on the Effective Date.

It is also intended that musicMagpie will be re-registered as a private limited company and for this to take effect as soon as practicable following the Effective Date.

Upon the Scheme becoming Effective, AO Bidco will acquire the musicMagpie Shares fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto including the right to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

## **17. Consents**

Jefferies and Shore Capital have each given, and not withdrawn, their written consent to the publication of this announcement with the inclusion herein of the references to their names in the form and content in which they appear.

## **18. Documents available for inspection**

Copies of this announcement and the following documents will, by no later than 12 noon on the Business Day following the date of this announcement, be published on AO's website at [www.ao-world.com/investor-centre/offer](http://www.ao-world.com/investor-centre/offer) and musicMagpie's website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors):

- this announcement;
- the irrevocable undertakings and letters of intent referred to in paragraph 6 above and further described in Appendix 3 to this announcement;
- the Confidentiality Agreement;
- the Co-operation Agreement; and
- the consent letters from each of Jefferies and Shore Capital referred to in paragraph 17 above.

The contents of any website referred to in this announcement are not incorporated into and

do not form part of this announcement.

## **19. General**

AO Bidco reserves the right to elect, with the consent of the Panel (where necessary) and subject to the terms and conditions of the Co-operation Agreement, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued share capital of musicMagpie not already held by AO Bidco as an alternative to the Scheme. In such an event, a Takeover Offer will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme.

In the event that the Acquisition is to be implemented by way of a Takeover Offer, musicMagpie Shares will be acquired pursuant to the Takeover Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto including the right to receive and retain all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

If the Acquisition is effected by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional and sufficient acceptances are received, AO Bidco intends to: (i) request that the London Stock Exchange cancels admission of musicMagpie Shares to trading on AIM; and (ii) exercise its rights (to the extent such rights are available) to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining musicMagpie Shares in respect of which the Takeover Offer has not been accepted.

The Acquisition will be subject to the Conditions and other terms set out in Appendix 1 and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 contains the bases of calculation and sources of certain information contained in this announcement. Details of the irrevocable undertakings and letters of intent received by AO Bidco in connection with the Acquisition are set out in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

### **Enquiries:**

#### **AO**

*Mark Higgins, Chief Financial Officer*

+44 (0)1204 672400

**Jefferies International Limited (Financial Adviser and Corporate Broker to AO)**

+44 (0)20 7029 8000

Philip Noblet

Thomas Bective

Jordan Cameron

**Powerscourt (PR Adviser to AO)**

+44(0) 20 7250 1446

Rob Greening

ao@powerscourt-group.com

**musicMagpie**

+44 (0)870 479 2705

Martin Hellawell, Non-Executive Chair

Steve Oliver, Chief Executive Officer and Co-founder

Matthew Fowler, Chief Financial Officer

**Shore Capital (Financial Adviser, Rule 3 Adviser, Nominated Adviser and Broker to musicMagpie)**

+44 (0)20 7408 4090

Mark Percy (Corporate Advisory)

Malachy McEntyre (Corporate Broking)

Daniel Bush (Corporate Advisory)

Rachel Goldstein (Corporate Advisory)

Gibson, Dunn & Crutcher UK LLP is acting as legal adviser to AO and AO Bidco in connection with the Acquisition.

Addleshaw Goddard LLP is acting as legal adviser to musicMagpie in connection with the Acquisition.

The person responsible for making this announcement on behalf of AO is Julie Finnemore (Company Secretary). The person responsible for making this announcement on behalf of musicMagpie is Matthew Fowler (Company Secretary).

***Inside Information***

*This announcement contains inside information for the purposes of the Market Abuse Regulation.*

***Further information***

*This announcement is for information purposes only and is not intended to and does not constitute, or form any part of any offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of musicMagpie in any jurisdiction in contravention of applicable law. The Acquisition will be made and implemented solely pursuant to the terms of the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any vote in respect*



of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document).

musicMagpie and AO Bidco will prepare the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) to be distributed to musicMagpie Shareholders. musicMagpie and AO Bidco urge musicMagpie Shareholders to read the Scheme Document (or if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) when it becomes available because it will contain important information relating to the Acquisition.

This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.

The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and publication of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date.

### **Disclaimers**

This announcement does not constitute or form part of, and should not be construed as, any public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Jefferies International Limited ("Jefferies"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting exclusively for AO and AO Bidco and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to such matters and will not be responsible to anyone other than AO and AO Bidco for providing the protections afforded to clients of Jefferies nor for providing advice in relation to the contents of, or any matter referred to in, this announcement or any transaction or arrangement referred to herein. Neither Jefferies nor any of its subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with this announcement, any statement contained herein, any transaction or arrangement referred to herein, or otherwise.

Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited (either individually or collectively "Shore Capital"), which are authorised and regulated by the Financial Conduct Authority in the United Kingdom, are acting exclusively for musicMagpie and no one else in connection with the matters set out in this announcement and will not regard any other person as their client in relation to such matters and will not be responsible to anyone other than musicMagpie for providing the protections afforded to clients of Shore Capital nor for providing advice in relation to the contents of, or any matter referred to in, this announcement or any transaction or arrangement referred to herein. Neither Shore Capital and Corporate Limited nor Shore Capital Stockbrokers Limited, nor any of their subsidiaries or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Shore Capital in connection with this announcement, any statement contained herein, any transaction or arrangement referred to herein, or otherwise.

### **Overseas jurisdictions**

This announcement has been prepared in accordance with, and for the purposes of complying

*with, English law, the Takeover Code, the Market Abuse Regulation and the AIM Rules, and information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside of England.*

*The release, publication or distribution of this announcement in, into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe any applicable requirements.*

*The availability of the Acquisition to musicMagpie Shareholders who are not resident in and citizens of the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their musicMagpie Shares with respect to the Scheme at the Meetings, or to execute and deliver Forms of Proxy (or other proxy instructions) appointing another to vote at the Meetings on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by AO Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would constitute a violation of the relevant laws or regulations of such jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send such announcement or any such document in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*The Acquisition will be subject to English law and the jurisdiction of the Court, and the applicable requirements of the Takeover Code, the Panel, the FCA, the London Stock Exchange, the AIM Rules and the Registrar of Companies.*

### **Notice to US investors in musicMagpie**

*The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Securities Exchange Act of 1934. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to*

*schemes of arrangement which differ from the disclosure requirements of United States tender offer and proxy solicitation rules. Neither the United States Securities and Exchange Commission, nor any securities commission of any state of the United States, has approved, disapproved or passed judgement on the fairness or the merits of any offer, or passed comment upon the adequacy or completeness of any of the information contained in this announcement. Any representation to the contrary may be a criminal offence in the United States.*

*If, in the future, AO Bidco exercises the right, with the consent of the Panel (where necessary), to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations, including Section 14(e) of the US Securities Exchange Act 1934 and Regulation 14E thereunder. Such a takeover would be made in the United States by AO Bidco and no one else.*

*Financial information included in this announcement and the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the Offer Document) has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States, which may differ in certain significant respects from accounting principles and standards applicable in the United Kingdom. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

*The receipt of cash pursuant to the Acquisition by a musicMagpie Shareholder in the US as consideration for the transfer of its Scheme Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each musicMagpie Shareholder is therefore urged to consult with independent legal, tax and financial advisers in connection with making a decision regarding the Acquisition.*

*It may be difficult for musicMagpie Shareholders in the US to enforce their rights and any claim arising out of the US federal securities laws in connection with the Acquisition, since AO, AO Bidco and musicMagpie are located in, and organised under the laws of, a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. musicMagpie Shareholders in the US may not be able to make a claim against a non-US company or its officers or directors in a non-US court for violations of the US federal securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's jurisdiction or judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the US Securities Exchange Act of 1934, AO Bidco, certain affiliated companies and their nominees or brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, musicMagpie Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the US Securities Exchange Act of 1934, each of Jefferies and Shore Capital will continue to act as an exempt principal trader in musicMagpie Shares on the London Stock Exchange. If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Securities Exchange Act of 1934. Any information about such purchases will be disclosed as required in the UK, will be reported to the Regulatory News Service of the London Stock Exchange and will be available on the London Stock Exchange website at*

### **Cautionary note regarding forward-looking statements**

*This announcement (including any information incorporated by reference into this announcement), statements made regarding the Acquisition, and other information to be published by AO, AO Bidco and/or musicMagpie, contain statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and not based on historical facts, but rather on current expectations and projections of the management of AO, AO Bidco and/or musicMagpie about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements with respect to the financial condition, results of operations and business of musicMagpie and certain plans and objectives of AO and AO Bidco with respect thereto and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the fact that they do not relate only to historical or current facts and may use words such as “anticipate”, “target”, “expect”, “estimate”, “forecast”, “intend”, “plan”, “budget”, “scheduled” “goal”, “believe”, “hope”, “aims”, “continue”, “will”, “may”, “should”, “would”, “could”, or other words of similar meaning. These statements are based on assumptions and assessments made by musicMagpie, AO and/or AO Bidco in light of their experience and their perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve known and unknown risk and uncertainty and other factors which may cause actual results, performance or developments to differ materially from those expressed in or implied by such, because they relate to events and depend on circumstances that will occur in the future. Although AO, AO Bidco and/or musicMagpie believe that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this announcement.*

*There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied in forward-looking statements. The factors that could cause actual results to differ materially from those described in the forward-looking statements include, but are not limited to: the ability to proceed with or complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other conditions on the proposed terms; changes in the global, political, economic, business and competitive environments and in market and regulatory forces; changes in future inflation, deflation, exchange and interest rates; changes in tax and national insurance rates; future business combinations, capital expenditures, acquisitions or dispositions; changes in general and economic business conditions; changes in the behaviour of other market participants; the anticipated benefits of the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which AO, AO Bidco and musicMagpie operate; weak, volatile or illiquid capital and/or credit markets; changes in the degree of competition in the geographic and business areas in which AO, AO Bidco and musicMagpie operate; the repercussions of the outbreak of epidemics (including but not limited to the COVID-19 outbreak); changes to the boards of directors of AO, AO Bidco and/or musicMagpie and/ or the composition of their respective workforces; exposures to terrorist activity, IT system failures, cyber-crime, fraud and pension scheme liabilities; risks relating to environmental matters such as climate change including AO, AO Bidco and/or musicMagpie’s ability along with the government and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; changes to law and/or the policies and practices of the Bank of England, the FCA and/or other regulatory and governmental bodies; changes in the liquidity, capital, funding and/ or asset position and/or credit ratings of AO, AO*

*Bidco and/or musicMagpie; the repercussions of the UK's exit from the EU (including any change to the UK's currency and the terms of any trade agreements (or lack thereof) between the UK and the EU), Eurozone instability, Russia's invasion of Ukraine, conflicts in the Middle East, any referendum on Scottish independence, and any UK or global cost of living crisis or recession. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors.*

*Neither AO, nor AO Bidco, nor musicMagpie, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in their announcement will actually occur. Given the risks and uncertainties, you are cautioned not to place any reliance on these forward-looking statements.*

*Other than in accordance with their legal or regulatory obligations, neither AO, nor AO Bidco, nor musicMagpie is under any obligation, and AO, AO Bidco and musicMagpie expressly disclaim any intention or obligation, to update or revise any forward-looking or other statements contained in this announcement, whether as a result of new information, future events or otherwise.*

### **Dealing and Opening Position Disclosure requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10<sup>th</sup> business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company*

or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code, will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on AO's website at [www.ao-world.com/investor-centre/offer](http://www.ao-world.com/investor-centre/offer) and musicMagpie's website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors) by no later than 12 noon (London time) on the first business day following the date of this announcement. For the avoidance of doubt, neither the contents of these websites nor the contents of any websites accessible from any hyperlinks set out in this announcement are incorporated into or forms part of this announcement.*

### **No profit forecasts, profit estimates or quantified benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for musicMagpie for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for musicMagpie.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, musicMagpie Shareholders, persons with information rights and participants in the musicMagpie Share Plans may request a hard copy of this announcement by contacting musicMagpie's registrars, Equiniti Limited. musicMagpie Shareholders can: (i) submit a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom; or (ii) call +44 (0) 121 415 7019. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Phone lines are open between 8.30 a.m. and 5.30 p.m. (London time), Monday to Friday (excluding public holidays in England and Wales).*

*For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by musicMagpie Shareholders, persons with information rights and other relevant persons for*

*the receipt of communications from musicMagpie may be provided to AO and AO Bidco during the Offer Period as required under Section 4 of Appendix 4 to the Takeover Code.*

**Rule 2.9 disclosure**

*In accordance with Rule 2.9 of the Takeover Code, musicMagpie confirms that, as at the Latest Practicable Date, it had in issue 107,808,287 ordinary shares of £0.01 each. The International Securities Identification Number (ISIN) for musicMagpie Shares is GB00BKY4XG48.*

**Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

**APPENDIX 1**  
**CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION**

**PART A: CONDITIONS TO THE SCHEME AND THE ACQUISITION**

**Long Stop Date**

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date.

**Scheme approval condition**

2. The Scheme will be conditional upon:
  - (A) (i) its approval by a majority in number representing not less than 75 per cent. in value of the Scheme Shareholders who are on the register of members of musicMagpie (or the relevant class or classes thereof, if applicable) at the Voting Record Time, present and voting (and entitled to vote), whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting; and (ii) such Court Meeting and any such separate class meeting or any adjournment of any such meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date, if any, (a) as AO Bidco and musicMagpie may agree, or (b) (in a competitive situation) as may be specified by AO Bidco with the consent of the Panel, and in each case that (if so required) the Court may allow);
  - (B) (i) the Resolutions being duly passed by the requisite majority or majorities at the General Meeting or at any adjournment of that meeting; and (ii) such General Meeting or any adjournment of such meeting being held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting to be set out in the Scheme Document in due course (or such later date, if any, (a) as AO Bidco and musicMagpie may agree, or (b) (in a competitive situation) as may be specified by AO Bidco with the consent of the Panel, and in each case that (if so required) the Court may allow); and
  - (C) (i) the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to AO Bidco and musicMagpie) and the delivery of a copy of the Court Order to the Registrar of Companies; and (ii) the Sanction Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date, if any, (a) as AO and musicMagpie may agree, or (b) (in a competitive situation) as may be specified by AO Bidco with the consent of the Panel, and in each case that (if so required) the Court may allow).

**General conditions**

3. In addition, subject as stated in Part B of this Appendix 1 and to the requirements of the Panel, AO Bidco and musicMagpie have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied, or, where relevant, waived:



## **Regulatory**

- (A) in respect of AO and each other person (if any) required to give a notice under section 178(1) FSMA in connection with the Acquisition, the appropriate regulator (as defined in section 178(2A) FSMA) of each UK authorised person (as defined in section 191G FSMA) with respect to whom the Acquisition contemplates an acquisition of or increase in control (within the meaning of Part XII FSMA):
  - (i) having given notice for the purposes of section 189(4)(a) or section 189(7) FSMA that it has determined to approve such acquisition of or increase in control on terms (if any) which do not impose any conditions, obligations or restrictions on the Wider AO Group or the Wider musicMagpie Group, other than those which are reasonably satisfactory to AO Bidco; or
  - (ii) being treated, by virtue of section 189(6) FSMA, as having approved such acquisition of or increase in control,

where references to FSMA are read, where applicable, with the Financial Services and Markets Act 2000 (Controllers) (Exemption) Order 2009 (as amended from time to time);

## **General Third Party clearances**

- (B) other than in respect of or in connection with the Condition set out in paragraph 3(A) above, the waiver (or non-exercise within any applicable time limits) by any relevant government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, employee representative body, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction (each a **"Third Party"**) of any termination right, right of pre-emption, first refusal or similar right (which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition) arising as a result of or in connection with the Scheme or the Acquisition;
- (C) other than in respect of or in connection with the Condition set out in paragraph 3(A) above, all notifications, filings or applications which are deemed necessary or appropriate by AO Bidco in any jurisdiction having been made in connection with the Acquisition and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the acquisition by any member of the Wider AO Group of any shares or other securities in, or control of, musicMagpie and all authorisations, orders, recognitions, grants, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals deemed necessary or appropriate by AO Bidco for or in respect of the Acquisition including without limitation, its implementation and financing or the proposed direct or indirect acquisition of any shares or other securities in, or control of, musicMagpie or any member of the Wider musicMagpie Group by any member of the Wider AO Group having been obtained in terms and in a form reasonably satisfactory to AO Bidco from all appropriate Third Parties or persons with whom any member of the Wider musicMagpie Group has entered into contractual arrangements and all such authorisations, orders, grants, recognitions, determinations, confirmations, consents, licences, clearances, permissions, exemptions and approvals

reasonably considered necessary or appropriate to carry on the business of any member of the Wider musicMagpie Group which are material in the context of the Wider AO Group or the Wider musicMagpie Group in each case taken as a whole or in the context of the Acquisition including, without limitation, its implementation or financing remaining in full force and effect and all filings necessary for such purpose having been made and there being no notice or intimation of any intention to revoke or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

- (D) other than in respect of or in connection with the Condition set out in paragraph 3(A) above, and save as Disclosed, no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision or order or change to published practice, and there not continuing to be outstanding any statute, regulation, decision or order, or having taken any other action or step which would or might:
- (i) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider AO Group or any member of the Wider musicMagpie Group of all or any portion of their respective businesses, assets or property or impose any limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof which, in any such case, is material in the context of the Wider AO Group or the Wider musicMagpie Group in each case taken as a whole or in the context of the Acquisition;
  - (ii) require, prevent or delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Wider AO Group of any shares or other securities (or the equivalent) in any member of the Wider musicMagpie Group;
  - (iii) impose any material limitation on, or result in a delay in, the ability of any member of the Wider AO Group directly or indirectly to acquire or to hold or to exercise effectively any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider musicMagpie Group or the Wider AO Group or to exercise voting or management control over any such member;
  - (iv) otherwise adversely affect the business, assets, profits or prospects of any member of the Wider AO Group or of any member of the Wider musicMagpie Group in each case to an extent which is material in the context of the Wider AO Group or the Wider musicMagpie Group in each case taken as a whole or in the context of the Acquisition;
  - (v) make the Scheme or Acquisition or, in each case, its implementation or the acquisition or proposed acquisition by AO Bidco or any member of the Wider AO Group of any shares or other securities (or the equivalent) in, or voting or management control of, any member of the Wider musicMagpie Group void, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict,

prohibit, delay, challenge or otherwise interfere with the same, or impose additional conditions or obligations with respect thereto;

- (vi) require any member of the Wider AO Group or the Wider musicMagpie Group to acquire or offer to acquire any shares or other securities (or the equivalent) in any member of the Wider musicMagpie Group or the Wider AO Group owned by any third party;
- (vii) impose any limitation on the ability of any member of the Wider AO Group or any member of the Wider musicMagpie Group to conduct, integrate or coordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider AO Group and/or the Wider musicMagpie Group in a manner which is adverse to and material in the context of the Wider AO Group and/or the Wider musicMagpie Group, in each case taken as a whole, or in the context of the Acquisition; or
- (viii) result in any member of the Wider AO Group or the Wider musicMagpie Group ceasing to be able to carry on business under any name under which it presently does so,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Scheme or the Acquisition, or the acquisition or proposed acquisition of any musicMagpie Shares having expired, lapsed or been terminated;

***Certain matters arising as a result of any arrangement, agreement etc.***

- (E) save as Disclosed, there being no provision of any agreement, arrangement, licence, permit, lease or other instrument to which any member of the Wider musicMagpie Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject, or any circumstance which in consequence of the Acquisition, or the acquisition or proposed acquisition of any shares or other securities (or equivalent) in musicMagpie or because of a change in the control or management of musicMagpie or otherwise, could or might reasonably be expected to result in any of the following (in each case, to an extent which is material in the context of the Wider musicMagpie Group as a whole) or in the context of the Acquisition:
  - (i) any monies borrowed by or any other indebtedness or liabilities (actual or contingent) of, or grant available to any such member, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) any such agreement, arrangement, licence, permit, lease or instrument or the rights, liabilities, obligations or interests of any such member thereunder being terminated or adversely modified or affected or any obligation or liability arising or any action being taken or arising thereunder;

- (iii) any asset or interest of any such member being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any such member otherwise than in the ordinary course of business;
- (iv) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any such member;
- (v) the rights, liabilities, obligations or interests of any such member, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or affected;
- (vi) the value of any such member or its financial or trading position, profits or prospects being prejudiced or adversely affected;
- (vii) any such member ceasing to be able to carry on business under any name under which it presently does so;
- (viii) the creation or acceleration of any liability, actual or contingent, by any such member (including any material tax liability or any obligation to obtain or acquire any material authorisation, order, grant, recognition, determination, confirmation, consent, licence, clearance, permission, exemption, approval, notice, waiver, concession, agreement or exemption from any Third Party or any person) other than trade creditors or other liabilities incurred in the ordinary course of business or in connection with the Acquisition; or
- (ix) the creation of any liability, actual or contingent, by any such member to make any severance, termination, bonus or other payment to any of its directors or other officers,

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit, lease or other instrument to which any member of the Wider musicMagpie Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or might reasonably be expected to result in any of the events or circumstances as are referred to in sub-paragraphs (i) to (ix) (inclusive) of this paragraph 3(E);

***Certain events occurring since 30 November 2023***

- (F) save as Disclosed, no member of the Wider musicMagpie Group, since 30 November 2023, having:
  - (i) save as between musicMagpie and wholly-owned subsidiaries of musicMagpie or for musicMagpie Shares issued under or pursuant to the exercise of options and vesting of awards granted in the ordinary course under the musicMagpie Share Plans, issued, or agreed to issue, authorised or proposed the issue of additional shares of any class or the sale of musicMagpie Shares out of treasury;
  - (ii) save as between musicMagpie and wholly-owned subsidiaries of musicMagpie or for the grant of options and awards and other rights

granted under the musicMagpie Share Plans, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;

- (iii) other than to another member of the musicMagpie Group, prior to the Acquisition becoming Effective, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution whether payable in cash or otherwise;
- (iv) save for intra-musicMagpie Group transactions, merged with or demerged from any body corporate or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, acquisition or disposal, transfer, mortgage, charge or security interest, in each case, other than in the ordinary course of business and, in each case, to the extent material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (v) save for intra-musicMagpie Group transactions, made or authorised or proposed or announced an intention to propose any change in its loan capital in each case, to the extent material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (vi) save for intra-musicMagpie Group transactions, issued, authorised or proposed the issue of, or made any changes in or to, any debentures or incurred or increased any indebtedness or become subject to any contingent liability;
- (vii) save for intra-musicMagpie Group transactions, purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in sub-paragraphs (i) or (ii) of paragraph 3(F) above, made any other change to any part of its share capital in each case, to the extent material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (viii) save for intra-musicMagpie Group transactions, implemented, or authorised, proposed or announced its intention to implement, any reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement;
- (ix) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which involves or could involve an obligation of such nature or magnitude and is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (x) (other than in respect of a member of the Wider musicMagpie Group which is dormant and was solvent at the relevant time) taken any

corporate action or steps or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, or petition presented or order made for its winding-up, dissolution or reorganisation or for the appointment of a receiver, administrative receiver, administrator, manager, trustee or similar officer of all or any part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;

- (xi) waived, compromised or settled any claim which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (xii) made any material alteration to its memorandum or Articles or other incorporation documents;
- (xiii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business, in each case, to the extent that is material to the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (xiv) entered into any contract, commitment, arrangement or agreement or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced any intention to, or proposed to, effect any of the transactions, matters or events referred to in this paragraph 3(F);
- (xv) terminated or varied the terms of any agreement or arrangement between any member of the Wider musicMagpie Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider musicMagpie Group taken as a whole;
- (xvi) made, agreed, consented or procured any change, to:
  - (a) the terms of any trust deeds, rules, policies or other governing documents, constituting any pension scheme(s) or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider musicMagpie Group or their dependents and established by a member of the Wider musicMagpie Group (a "**Relevant Pension Plan**");
  - (b) the contributions payable to any Relevant Pension Plan or to the benefits which accrue or to the pensions which are payable thereunder;
  - (c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined under any Relevant Pension Plan; or

- (d) the basis upon which the liabilities (including pensions) of any Relevant Pension Plan are funded, valued or made,

in each case, to the extent material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;

- (xvii) entered into or established any new Relevant Pension Plan;
- (xviii) save as agreed by the Panel (if required) and AO Bidco, proposed, agreed to provide or modified the terms of any of the musicMagpie Share Plans or other benefit relating to the employment or termination of employment of a material category of persons employed by the Wider musicMagpie Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider musicMagpie Group;
- (xix) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of musicMagpie Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;
- (xx) entered into any licence or other disposal of intellectual property rights of any member of the Wider musicMagpie Group which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition; or
- (xxi) save as agreed by the Panel (if required) and AO Bidco, entered into or varied (or offered to enter into or vary) the terms of, any contract, commitment, agreement, arrangement or service agreement with any of the directors or senior executives of any member of the Wider musicMagpie Group;

***No adverse change, litigation or regulatory enquiry since 30 November 2023***

- (G) save as Disclosed, since 30 November 2023:
  - (i) no adverse change or deterioration having occurred in the business, assets, value, financial or trading position or profits, operational performance or prospects of any member of the Wider musicMagpie Group which, in any such case, is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition and no circumstances have arisen which would or might reasonably be expected to result in such adverse change or deterioration;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider musicMagpie Group is or may become a party (whether as a claimant, defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party or other investigative body against or in respect of any member of the Wider musicMagpie Group having been instituted announced, implemented or threatened by or against, or remaining outstanding in respect of, any member of the Wider musicMagpie Group which in any such case has or might reasonably be expected to adversely affect any member of the Wider

musicMagpie Group in a way that is material to the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;

- (iii) no contingent or other liability of any member of the Wider musicMagpie Group having arisen or become apparent to AO Bidco or increased which has or might reasonably be expected to adversely affect any member of the Wider musicMagpie Group in a way that is material to the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (iv) no member of the Wider musicMagpie Group having conducted its business in breach of any applicable law or regulation which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition; or
- (v) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider musicMagpie Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which has had, or would reasonably be expected to have, an adverse effect which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;

***No discovery of certain matters***

- (H) save as Disclosed, AO Bidco not having discovered:
  - (i) that any financial, business or other information concerning the Wider musicMagpie Group as contained in the information publicly disclosed at any time by or on behalf of any member of the Wider musicMagpie Group is materially misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading, and which was not subsequently corrected before the date of this announcement by disclosure either publicly or otherwise to AO Bidco or its professional advisers, in each case, to the extent material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
  - (ii) that any member of the Wider musicMagpie Group or partnership, company or other entity in which any member of the Wider musicMagpie Group has a significant economic interest and which is not a subsidiary undertaking of musicMagpie is, otherwise in the ordinary course of business, subject to any liability (contingent or otherwise), in each case, to the extent material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition; or
  - (iii) any information which affects the import of any information Disclosed at any time by or on behalf of any member of the Wider musicMagpie Group and which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;

***Environmental***



- (I) any past or present member of the Wider musicMagpie Group has failed to comply in a material respect with any and/or all applicable legislation or regulation, of any jurisdiction with regard to the use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters or the health and safety of humans, or that there has otherwise been any such use, treatment, handling, storage, carriage, disposal, spillage, release, discharge, leak or emission (whether or not the same constituted a noncompliance by any person with any such legislation or regulations, and wherever the same may have taken place) any of which storage, carriage, disposal, spillage, release, discharge, leak or emission would be likely to give rise to any material liability (actual or contingent) or cost on the part of any member of the Wider musicMagpie Group and which is or would be material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (J) there is, or is reasonably likely to be, for any reason whatsoever, any liability (actual or contingent) of any past or present member of the Wider musicMagpie Group to make good, remediate, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such past or present member of the Wider musicMagpie Group (or on its behalf) or by any person for which a member of the Wider musicMagpie Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, regulation, notice, circular or order of any Third Party and which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (K) circumstances exist (whether as a result of proceeding with the Acquisition or otherwise) which would be reasonably likely to lead to any Third Party instituting, or whereby any member of the Wider AO Group or any past or present member of the Wider musicMagpie Group would be likely to be required to institute, an environmental audit or take any other steps which would in any such case be reasonably likely to result in any liability (whether actual or contingent) to improve, modify existing or install new plant, machinery or equipment or carry out changes in the processes currently carried out or make good, remediate, repair, re-instate or clean up any land or other asset currently or previously owned, occupied or made use of by any past or present member of the Wider musicMagpie Group (or on its behalf) or by any person for which a member of the Wider musicMagpie Group is or has been responsible, or in which any such member may have or previously have had or be deemed to have had an interest which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;
- (L) circumstances exist whereby a person or class of persons would be likely to have any claim or claims in respect of any product or process of manufacture or materials used therein currently or previously manufactured, sold or carried out by any past or present member of the Wider musicMagpie Group which claim or claims would be likely to affect any member of the Wider musicMagpie Group and which is material in the context of the Wider musicMagpie Group taken as a whole or in the context of the Acquisition;

### ***Intellectual Property***

- (M) save as Disclosed, AO Bidco not having discovered that any circumstance has arisen or event has occurred in relation to any intellectual property owned or used by any member of the Wider musicMagpie Group which would be reasonably expected to have a material adverse effect on the Wider musicMagpie Group taken as a whole or is otherwise material in the context of the Acquisition, including:
- (i) any member of the Wider musicMagpie Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider musicMagpie Group and material to its business being revoked, cancelled or declared invalid; or
  - (ii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider musicMagpie Group being terminated or varied;

***Anti-corruption, economic sanctions, criminal property and money laundering***

- (N) save as Disclosed, AO Bidco not having discovered that:
- (i) any:
    - (a) past or present member, director, officer or employee of the Wider musicMagpie Group, in connection with their position in the Wider musicMagpie Group, is or has at any time engaged in any activity, practice or conduct (or omitted action) which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks; or
    - (b) person that performs or has performed services for or on behalf of any member of the Wider musicMagpie Group is or has at any time engaged in any activity, practice or conduct (or omitted action) in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 or any other applicable anti-corruption or anti-bribery law, rule or regulation or any other applicable law, rule, or regulation concerning improper payments or kickbacks; or
  - (ii) any asset of any member of the Wider musicMagpie Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider musicMagpie Group is found to have engaged in activities constituting money laundering under any applicable law, rule, or regulation concerning money laundering;
  - (iii) any past or present member, director, officer or employee of the Wider musicMagpie Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct which would violate applicable economic sanctions or dealt with, made any

investments in, made any funds or assets available to or received any funds or assets from:

- (a) any government, entity or individual in respect of which US, UK or EU persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or EU laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Revenue and Customs;
  - (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US, the UK, the EU or any of its respective member states, save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law;
- (iv) any member of the Wider musicMagpie Group has engaged in a transaction which would cause the Wider AO Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury and Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the US or the EU or any of its respective member states;
- (v) any past or present member, director, officer or employee of the Wider musicMagpie Group, or any other person for whom any such person may be liable or responsible:
  - (a) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations;
  - (b) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls;
  - (c) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
  - (d) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- (vi) any member of the Wider musicMagpie Group is or has been engaged in any transaction which would cause AO Bidco or any member of the Wider AO Group to be in breach of any law or regulation upon its acquisition of musicMagpie, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control, or HM Revenue and Customs, or any other relevant government authority.

## **PART B: FURTHER TERMS OF THE ACQUISITION**

1. Subject to the requirements of the Panel and the Takeover Code, AO Bidco reserves the right in its sole discretion to waive:
  - (A) the deadline set out in paragraph 1 of Part A of this Appendix 1, and any of the deadlines set out in paragraph 2 of Part A of this Appendix 1 for the timing of the Court Meeting, the General Meeting and the Sanction Hearing. If any such deadline is not met, AO Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with musicMagpie (or, as the case may be, the Panel) to extend the deadline in relation to the relevant Condition; and
  - (B) in whole or in part, all or any of the Conditions set out in paragraphs 3(A) to 3(N) (inclusive) of Part A of this Appendix 1. For the avoidance of doubt, AO Bidco may not waive the Conditions set out in paragraphs 2(A)(i), 2(B)(i) and 2(C)(i) of Part A of this Appendix 1.
2. Conditions 2(A) and 2(B) (inclusive) must each be satisfied or (if capable of waiver) be waived by AO Bidco by no later than 11.59 p.m. on the date immediately preceding the date of the Sanction Hearing. AO Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as satisfied any of Conditions set out in paragraphs 3(A) to 3(N) (inclusive) of Part A of this Appendix 1 that it is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any such Conditions may not be capable of fulfilment.
3. Under Rule 13.5(a) of the Takeover Code, AO Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to AO Bidco in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise. Conditions 1, 2(A), 2(B) and 2(C) of Part A of this Appendix 1, and if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code. AO Bidco may only invoke a Condition that is subject to Rule 13.5(a) with the consent of the Panel and any Condition that is subject to Rule 13.5(a) may be waived by AO Bidco.
4. If AO Bidco is required by the Panel to make an offer for musicMagpie Shares under the provisions of Rule 9 of the Takeover Code, AO Bidco may make such alterations to any of the above Conditions and the terms of the Acquisition as are necessary to comply with the provisions of Rule 9.
5. AO Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme, subject to the Panel's consent (where necessary) and the terms of the Co-operation Agreement. In such an event, the Acquisition will be implemented on the same terms and conditions as those that would apply to the Scheme (subject to: (i) appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 90 per cent. of the musicMagpie Shares to which such Takeover Offer relates (or such lesser percentage as AO Bidco and musicMagpie may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide, being in any case more than 50 per cent. of the musicMagpie Shares); (ii) any amendments

required by, or deemed appropriate by, AO Bidco under applicable law; or (iii) any amendments necessary to reflect the Takeover Offer). Further, if the Takeover Offer becomes or is declared unconditional and sufficient acceptances of such Takeover Offer are received and/or sufficient musicMagpie Shares are otherwise acquired, it is the intention of AO Bidco to apply the provisions of the Companies Act to acquire compulsorily any outstanding musicMagpie Shares to which such Takeover Offer relates.

6. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
7. musicMagpie Shares which will be acquired pursuant to the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid or any other return of capital or value (whether by reduction of share capital or share premium account or otherwise) by reference to a record date after the Effective Date.
8. If, on or after the date of this announcement and prior to the Acquisition becoming Effective, any dividend, distribution or other return of capital or value is announced, declared, made or paid by musicMagpie or becomes payable by musicMagpie in respect of the musicMagpie Shares, AO Bidco reserves the right (without prejudice to any right of AO Bidco, with the consent of the Panel, to invoke the Condition set out in paragraph 3(F)(iii) of Part A to this Appendix 1) to reduce the Consideration that would be payable under the terms of the Acquisition for the musicMagpie Shares by an amount up to the aggregate amount of such dividend and/or distribution and/or other return of capital or value, in which case any reference in this announcement to the Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Consideration as so reduced. In such circumstances, musicMagpie Shareholders would be entitled to receive and retain any such dividend and/or other distribution and/or return of capital or value to which they are entitled. Any exercise by AO Bidco of its rights referred to in this paragraph 8 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Scheme or the Acquisition.
9. The Acquisition will be governed by the laws of England and Wales and be subject to the jurisdiction of the English Courts and to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Scheme Document. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the FCA, the London Stock Exchange, the AIM Rules and the Registrar of Companies.
10. The Acquisition will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, internet or e-mail) of interstate or foreign commerce of, or of any facility of, any Restricted Jurisdiction.
11. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements.

## **APPENDIX 2 BASES AND SOURCES**

In this announcement, unless otherwise stated or the context otherwise requires, the following bases and sources have been used.

- musicMagpie's fully diluted equity value has been calculated on the basis of a fully diluted issued ordinary share capital of 110,056,287 musicMagpie Shares, calculated as:
  - 107,808,287 musicMagpie Shares in issue on the Latest Practicable Date; plus
  - 10,852,909 musicMagpie Shares to be issued on the expected exercise of options granted or expected to be granted under the musicMagpie Share Plans being the expected number of musicMagpie Shares which could be issued on or after the date of this Announcement on the exercise of options under the musicMagpie Share Plans; less
  - 8,604,909 musicMagpie Shares as at the Latest Practicable Date, held by the Employee Benefit Trust that can be used to satisfy the exercise of options granted under the musicMagpie Share Plans.
- The premium calculations to the price per musicMagpie Share used in this announcement have been calculated by reference to:
  - the Closing Price on the Latest Practicable Date of 5.75 pence per musicMagpie Share;
  - the one-month volume weighted average Closing Price of 5.75 pence per musicMagpie Share as at the Latest Practicable Date; and
  - the three-month volume weighted average Closing Price of 6.12 pence per musicMagpie Share as at the Latest Practicable Date 2024.
- The volume-weighted average prices for the musicMagpie Shares referred to in this announcement have been derived from Bloomberg.
- Certain figures included in this Announcement have been subject to rounding adjustments.
- The financial information concerning musicMagpie has been extracted from the Annual Report and Accounts of musicMagpie for the year ended 30 November 2023, which were published on 2 April 2024 or extracted from the Interim Results of musicMagpie for the six months ended 31 May 2024, which were published on 28 June 2024.

### APPENDIX 3

#### DETAILS OF IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

*From musicMagpie Directors as shareholders*

The following musicMagpie Directors have each given an irrevocable undertaking to vote (or procure the voting, as applicable) in favour of the Scheme at the Court Meeting and the Resolutions at the General Meeting, or to accept, or procure the acceptance of, the Takeover Offer (if the Acquisition is implemented as a Takeover Offer), in respect of their interests (and, in the case of one musicMagpie Director, those of a connected person) in musicMagpie Shares:

<b>Name</b>	<b>Number of musicMagpie Shares in respect of which undertaking is given</b>	<b>Percentage of musicMagpie's issued share capital</b>
Martin Hellawell	947,738	0.88%
Steve Oliver <sup>1</sup>	12,066,839	11.19%
Matthew Fowler	175,000	0.16%
Dave Wilson	51,183	0.05%
<b>Total</b>	<b>13,240,760</b>	<b>12.28%</b>

<sup>1</sup> This includes the beneficial holding of his spouse.

The irrevocable undertakings given by musicMagpie Directors will continue to be binding in the event that a higher competing offer is made for musicMagpie.

The irrevocable undertakings given by the musicMagpie Directors will lapse and cease to be binding on and from the earlier of the following occurrences:

- the Scheme Document is not published within 28 days (or such longer period as the Panel may agree) of the date of this announcement or the Offer Document (as applicable) not being posted to musicMagpie Shareholders within 28 days of the date of this announcement (or such longer period as the Panel may agree), provided that if the Acquisition was initially being implemented by way of a Scheme, and AO Bidco elects to exercise its right to implement the Acquisition by way of a Takeover Offer (with the consent of the Panel) or vice versa, the time period shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may agree or require);
- the Long Stop Date;
- AO Bidco announces that it does not intend to proceed with the Offer and no new, revised or replacement Scheme or Takeover Offer is announced by AO Bidco in accordance with Rule 2.7 of the Code at the same time;
- the date on which the Offer (whether implemented by way of a Scheme or a Takeover Offer) is withdrawn or lapses in accordance with its terms, and no new,

revised, or replacement Scheme or Offer has been announced by AO Bidco in its place or is announced at the same time; or

- any competing offer for the shares of musicMagpie by a third party not acting in concert with AO Bidco (as defined in the Code) becomes unconditional (if made by way of a takeover offer) or effective (if proceeding by way of a scheme of arrangement).

*From other musicMagpie Shareholders*

In addition to the musicMagpie Directors, Ian Storey, Walter Gleeson, Stephen Richards, CSC Employee Benefit Trustee (Jersey) Limited in its capacity as trustee of the Employee Benefit Trust, Northern Venture Trust PLC, Northern 2 VCT PLC, Northern 3 VCT PLC, NV2 LP and NVM Nominees Limited have each given to AO Bidco an irrevocable undertaking to vote in favour (or procure the voting in favour, as applicable) of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) in respect of their beneficial holdings of musicMagpie Shares:

<b>Name</b>	<b>Number of musicMagpie Shares in respect of which undertaking is given</b>	<b>Percentage of musicMagpie's issued share capital</b>
Ian Storey	2,842,641	2.64%
Walter Gleeson	5,079,000	4.71%
Stephen Richards	1,966,607	1.82%
CSC Employee Benefit Trustee (Jersey) Limited in its capacity as trustee of the Employee Benefit Trust	8,641,176	8.02%
Northern Venture Trust PLC, Northern 2 VCT PLC and Northern 3 VCT PLC	12,345,161	11.45%
NV2 LP and NVM Nominees Limited	1,297,575	1.20%
<b>Total</b>	<b>32,172,160</b>	<b>29.84%</b>

The irrevocable undertakings given by Ian Storey, Walter Gleeson, Stephen Richards, CSC Employee Benefit Trustee (Jersey) Limited in its capacity as trustee of the Employee Benefit Trust, Northern Venture Trust PLC, Northern 2 VCT PLC, Northern 3 VCT PLC, NV2 LP and NVM Nominees Limited will lapse and cease to be binding on and from the earlier of the following occurrences:



- the Scheme Document or the Offer Document (as applicable) has not been sent to musicMagpie Shareholders within 28 days of the date of this announcement (or such longer period as the Panel may agree), provided that if the Acquisition was initially being implemented by way of a Scheme, and AO Bidco elects to exercise its right to implement the Acquisition by way of a Takeover Offer or vice versa, the time period shall be extended to refer to within 28 days of the issue of the press announcement announcing the change in structure (or such other date for the posting of the Offer Document or Scheme Document (as applicable) as the Panel may agree or require);
- the Long Stop Date;
- AO Bidco announces that it does not intend to proceed with the Offer and no new, revised or replacement Scheme or Takeover Offer is announced by AO Bidco in accordance with Rule 2.7 of the Code at the same time;
- the date on which the Offer (whether implemented by way of a Scheme or a Takeover Offer) is withdrawn or lapses in accordance with its terms, and no new, revised, or replacement Scheme or Offer has been announced by AO Bidco in its place or is announced at the same time; or
- any competing offer for the shares of musicMagpie by a third party not acting in concert with AO Bidco (as defined in the Code) becomes or is declared unconditional (if made by way of a takeover offer) or effective (if proceeding by way of a scheme of arrangement).

In addition to the circumstances noted above, the irrevocable undertaking given by Northern Venture Trust PLC, Northern 2 VCT PLC and Northern 3 VCT PLC will also cease to be binding if any person other than AO Bidco or any person acting in concert (as defined in the Takeover Code) with AO Bidco announces prior to 11.59 p.m. (London time) on the Long Stop Date (a “**Relevant Announcement**”) a firm intention (in accordance with Rule 2.7 of the Takeover Code) to make an offer to acquire all the equity share capital of musicMagpie (other than that already owned by the person making such offer), at a price or in exchange for such number of shares (or other securities) that represents an increase in value when compared to the consideration under the Acquisition of at least 10 per cent. more than the Consideration and is not subject to any pre-conditions (a “**Qualifying Competing Offer**”) unless AO Bidco announces a firm intention to make a revised offer for all of the ordinary shares in musicMagpie not already owned by it (or by persons acting in concert with it) which is not subject to any pre-conditions for an equivalent or improved consideration (in the reasonable opinion of AO Bidco’s financial adviser, Jefferies) to that available under such Qualifying Competing Offer by 5.00 p.m. on the tenth Business Day after the date of the Relevant Announcement or unless the Qualifying Competing Offer lapses or is withdrawn by 5.00 p.m. on such date.

AO Bidco has received a letter of intent to vote, or procure the voting, in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting (or in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure the acceptance of such Takeover Offer) from Schroder Investment Management Limited, representing, in aggregate, approximately 11.84 per cent. of the total issued share capital of musicMagpie (as at the Latest Practicable Date).

## **APPENDIX 4 DEFINITIONS**

The following definitions apply throughout this announcement unless the context requires otherwise:

<b>“Acquisition”</b>	the cash acquisition of the entire issued and to be issued share capital of musicMagpie by AO Bidco, a wholly-owned subsidiary of AO, to be implemented by way of the Scheme or, should AO Bidco so elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) by way of the Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
<b>“AIM”</b>	the market of that name operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time;
<b>“AO”</b>	AO World PLC, a public limited company incorporated in England and Wales (registered number 05525751) and whose registered office is at Unit 5a The Parklands, Lostock, Bolton, BL6 4SD;
<b>“AO Bidco”</b>	AO Ltd, a private limited company incorporated in England and Wales (registered number 06861978) and whose registered office is at Unit 5a The Parklands, Lostock, Bolton, BL6 4SD;
<b>“AO Board”</b>	the board of directors of AO;
<b>“AO Group”</b>	AO and its subsidiary undertakings for the time being;
<b>“Articles”</b>	the articles of association of musicMagpie for the time being;
<b>“Blocking Law”</b>	(i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union or the United Kingdom); (ii) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018; or (iii) any similar blocking or anti-boycott law;

<b>“Business Day”</b>	a day (not being a Saturday, Sunday, public or bank holiday) on which banks are open for general banking business in the City of London;
<b>“Closing Price”</b>	the closing middle market quotation for a musicMagpie Share on the day to which such price relates, derived from Bloomberg;
<b>“Combined Group”</b>	the AO Group as enlarged following the Acquisition becoming Effective;
<b>“Companies Act”</b>	the Companies Act 2006;
<b>“Completion”</b>	the Acquisition becoming Effective in accordance with its terms;
<b>“Conditions”</b>	the conditions to which the Acquisition is subject, as set out in Part A of Appendix 1 to this announcement and to be set out in the Scheme Document;
<b>“Confidentiality Agreement”</b>	the confidentiality agreement entered into between AO and musicMagpie on 15 December 2023, a summary of which is set out in paragraph 12 of this announcement;
<b>“Consideration”</b>	9.07 pence in cash per musicMagpie Share;
<b>“Co-operation Agreement”</b>	the co-operation agreement entered into between AO Bidco and musicMagpie on 2 October 2024, a summary of which is set out in paragraph 12 of this announcement;
<b>“Court”</b>	the High Court of Justice in England and Wales;
<b>“Court Meeting”</b>	the meeting of Scheme Shareholders to be convened by order of the Court pursuant to section 899 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment thereof;
<b>“Court Order”</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act;
<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear UK & International Limited is the Operator (as defined in such Regulations));
<b>“Dealing Disclosure”</b>	has the meaning given in Rule 8 of the Takeover Code;

<b>“Disclosed”</b>	<ul style="list-style-type: none"> <li>(a) disclosed in musicMagpie’s annual report and accounts for the year ended 30 November 2023;</li> <li>(b) disclosed in musicMagpie’s announcement of its unaudited interim results for the six months ended 31 May 2024;</li> <li>(c) fairly disclosed in writing prior to the date of this announcement by, or on behalf of, musicMagpie to AO Bidco (or its respective officers, employees, agents or advisers in their capacity as such), including (without limitation) via the virtual data room operated on behalf of musicMagpie in respect of the Acquisition or via email;</li> <li>(d) as otherwise publicly announced prior to the date of this announcement by musicMagpie (by delivery of an announcement to a Regulatory Information Service); or</li> <li>(e) disclosed in this announcement;</li> </ul>
<b>“Effective”</b>	<p>either:</p> <ul style="list-style-type: none"> <li>(a) if the Acquisition is implemented by way of Scheme, the Scheme having become effective pursuant to its terms; or</li> <li>(b) if the Acquisition is implemented by way of Takeover Offer, the Takeover Offer having been declared or having become unconditional in accordance with the requirements of the Takeover Code;</li> </ul>
<b>“Effective Date”</b>	the date on which the Acquisition becomes Effective in accordance with its terms;
<b>“Employee Benefit Trust”</b>	the musicMagpie Employee Benefit Trust;
<b>“EU”</b>	European Union;
<b>“Excluded Shares”</b>	any musicMagpie Shares: (a) registered in the name of, or beneficially owned by, any member of the AO Group (or any person as nominee for any such member of the AO Group); or (b) held by musicMagpie in treasury as at the Scheme Record Time;
<b>“FCA”</b>	the Financial Conduct Authority or any

	successor regulatory authority;
<b>“Forms of Proxy”</b>	the forms of proxy for use by musicMagpie Shareholders in connection with each of the Court Meeting and the General Meeting, which shall accompany the Scheme Document;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000;
<b>“General Meeting”</b>	the general meeting of musicMagpie Shareholders to be convened to consider and, if thought fit, approve the Resolutions (with or without amendment) including any adjournment, postponement or reconvening thereof;
<b>“Jefferies”</b>	Jefferies International Limited;
<b>“Latest Practicable Date”</b>	the last Business Day before the date of this announcement, being 1 October 2024;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Long Stop Date”</b>	2 April 2025 or such later date, if any, (a) as AO Bidco and musicMagpie may agree, or (b) (in a competitive situation) as may be specified by AO Bidco with the consent of the Panel, and in each case that (if so required) the Court may allow;
<b>“Market Abuse Regulation”</b>	Regulation (EU) No 596/2014, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time;
<b>“Meetings”</b>	the Court Meeting and the General Meeting;
<b>“musicMagpie”</b>	musicMagpie PLC, a public limited company incorporated in England and Wales (registered number 12977343) and whose registered office is at Stockport Exchange, Railway Road, Stockport, England, SK1 3SW;
<b>“musicMagpie Board”</b>	the board of directors of musicMagpie;
<b>“musicMagpie Directors”</b>	the directors of musicMagpie as at the date of this announcement;
<b>“musicMagpie Group”</b>	musicMagpie and its subsidiary undertakings for the time being;
<b>“musicMagpie Share Plans”</b>	the Entertainment Magpie Group Limited Unapproved Scheme, the Entertainment Magpie Group Limited Unapproved G & H Share Scheme 2021, the musicMagpie Savings

	Related Share Option Scheme, the musicMagpie International Savings Related Share Option Scheme, the musicMagpie Long Term Incentive Plan and the musicMagpie Share Option Plan, each as amended from time to time;
<b>“musicMagpie Shareholders”</b>	the holders of musicMagpie Shares;
<b>“musicMagpie Shares”</b>	the ordinary shares of £0.01 each in the capital of musicMagpie;
<b>“Offer Document”</b>	should the Acquisition be implemented by means of the Takeover Offer, the document to be sent to musicMagpie Shareholders which will contain, amongst other things, the terms and conditions of the Takeover Offer;
<b>“Offer Period”</b>	the offer period (as defined in the Takeover Code) relating to musicMagpie which commenced on 20 November 2023;
<b>“Opening Position Disclosure”</b>	has the meaning given in Rule 8 of the Takeover Code;
<b>“Overseas Shareholders”</b>	musicMagpie Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom;
<b>“Panel”</b>	the Panel on Takeovers and Mergers in the United Kingdom;
<b>“Registrar of Companies”</b>	the Registrar of Companies in England and Wales;
<b>“Regulatory Information Service”</b>	a primary information provider (as defined in the FCA’s Handbook of Rules and Guidance);
<b>“Relevant Pension Plan”</b>	has the meaning given in paragraph 3(F)(xvi) of Part A of Appendix 1;
<b>“Resolutions”</b>	the resolutions to be proposed at the General Meeting in connection with the implementation of the Acquisition, including, amongst other things, to make certain amendments to the Articles;
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to musicMagpie Shareholders in that jurisdiction;
<b>“Sanction Hearing”</b>	the hearing of the Court to sanction the Scheme

	under section 899 of the Companies Act;
<b>“Scheme”</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between musicMagpie and Scheme Shareholders to implement the Acquisition to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by AO Bidco and musicMagpie;
<b>“Scheme Document”</b>	the document to be dispatched to musicMagpie Shareholders and other persons with information rights setting out, amongst other things, the details of the Acquisition, the full terms and conditions of the Scheme and containing notices convening the Meetings;
<b>“Scheme Record Time”</b>	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. on the day of the Sanction Hearing, or such other time as AO Bidco and musicMagpie may agree;
<b>“Scheme Shareholder”</b>	a holder of Scheme Shares;
<b>“Scheme Shares”</b>	all musicMagpie Shares: <ul style="list-style-type: none"> <li>(a) in issue at the date of the Scheme Document;</li> <li>(b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and</li> <li>(c) (if any) issued at or after the Voting Record Time and prior to the Scheme Record Time in respect of which the original or any subsequent holder thereof is bound by the Scheme, or shall by such time have agreed in writing to be bound by the Scheme,</li> </ul> but excluding any Excluded Shares;
<b>“Shore Capital”</b>	Shore Capital and Corporate Limited or Shore Capital Stockbrokers Limited, as the context requires;
<b>“Takeover Code”</b>	the City Code on Takeovers and Mergers, as amended from time to time;
<b>“Takeover Offer”</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be

	made by or on behalf of AO Bidco to acquire the entire issued and to be issued share capital of musicMagpie and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
<b>“Third Party”</b>	has the meaning given to it in paragraph 3(B) of Part A of Appendix 1;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland;
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
<b>“Voting Record Time”</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined, expected to be 6.00 p.m. on the day falling two Business Days prior to the Court Meeting or any adjournment thereof (as the case may be);
<b>“Wider AO Group”</b>	AO and its subsidiary undertakings, associated undertakings and any other undertaking in which AO and/or such undertakings (aggregating their interests) have a significant interest (in each case, from time to time) but excluding the Wider musicMagpie Group; and
<b>“Wider musicMagpie Group”</b>	musicMagpie and its subsidiary undertakings, associated undertakings and any other undertaking in which musicMagpie and/or such undertakings (aggregating their interests) have a significant interest (in each case, from time to time) but excluding the Wider AO Group.

All references to GBP, pence, Sterling, Pounds, Pounds Sterling, p or £ are to the lawful currency of the United Kingdom.

All references to a statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, amended, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

All times referred to are London time unless otherwise stated.

References to the singular include the plural and vice versa.

The terms **“subsidiary undertaking”** and **“undertaking”** have the meanings given by the Companies Act. The term **“associated undertaking”** has the meaning given by paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose. The term **“significant interest”** means a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share



capital (as defined in section 548 of the Companies Act).