

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Letter or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended), if you are in the United Kingdom. If you are in a territory outside of the United Kingdom, you should immediately consult an appropriately authorised independent financial adviser.

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28 October 2024

To the holders of options under the musicMagpie Savings Related Share Option Scheme and the musicMagpie International Savings Related Share Option Scheme (the “SAYE”)

Dear option holder,

Recommended cash acquisition of musicMagpie PLC (“musicMagpie”) by AO Ltd (“AO Bidco”)

On 2 October 2024, the AO Board and the musicMagpie Board announced that they had reached agreement on 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 World PLC (the “**Acquisition**”).

Full details of the Acquisition are contained in the circular to musicMagpie Shareholders dated 28 October 2024 (the “**Scheme Document**”) which is available (subject to certain restrictions), free of charge, on musicMagpie’s website (www.musicmagpieplc.com/investors). You will also find a copy of this Letter on that website.

This Letter tells you about the impact of the Acquisition on any options you hold under the SAYE (the “**SAYE Option**”). Please read everything in this Letter carefully.

Unless otherwise defined in this Letter, all words and expressions defined in the Scheme Document (as defined below) shall have the same respective meanings in this Letter.

The Acquisition and the Scheme

The Acquisition is being implemented through what is known as a 'Scheme of Arrangement' (the “**Scheme**”). Under the terms of the Scheme, which is subject to the conditions and further terms set out in the Scheme Document, musicMagpie Shareholders will receive:

for each musicMagpie Share they own:

9.07 pence in cash

(the “Consideration”)

You should note that the Scheme is subject to the approval of the musicMagpie Shareholders, and is also subject to Court approval. The Court approval is known as “sanction”.

The Scheme Document is available on musicMagpie's website at www.musicmagpieplc.com/investors.

What is my SAYE Option?

A SAYE Option gives you the right to acquire a certain number of musicMagpie Shares at a specified exercise price per musicMagpie Share that was agreed when you originally acquired your SAYE Option, using your accumulated savings under a related savings contract. The exercise price is either 182 pence (for SAYE Options granted in 2021) or 45 pence (for SAYE Options granted in 2022).

Impact of the Acquisition on your SAYE Option

SAYE Options granted in 2021 are currently exercisable and SAYE Options granted in 2022 will become capable of exercise on the date the Court sanctions the Scheme. Your SAYE Option would only be exercisable over the number of musicMagpie Shares that could be purchased with your accumulated savings under your savings contract as at the date of exercise. If not exercised, your SAYE Option will lapse six months after the date the Court sanctions the Scheme.

Although your SAYE Option will be exercisable as outlined above, it would not be to your economic advantage for you to exercise your SAYE Option in connection with the Acquisition. This is because if you were to exercise your SAYE Option and the resulting musicMagpie Shares were acquired by AO Bidco pursuant to the Acquisition, you would receive a lower cash amount than the value of your accumulated savings. This is the case regardless of when you exercise your SAYE Option (i.e. whether you exercise your SAYE Option before the Scheme becomes Effective or afterwards, because any musicMagpie Shares you acquire at the relevant exercise price noted above will always be acquired from you for the Consideration). **For this reason, it has been assumed that you will not want to exercise your SAYE Option and therefore you do not need to take any further action at this stage.**

Proposal by AO Bidco

No proposal is being made to the holders of SAYE Options under Rule 15 of the Takeover Code, given that SAYE Options have no intrinsic value on the basis of the Consideration (because the Consideration of 9.07 pence per musicMagpie Share is less than the SAYE Option exercise price of either 182 pence or 45 pence per musicMagpie Share (as applicable)).

If you do not exercise your SAYE Option, it will lapse six months after the Court sanctions the Scheme. You will however be able to get your accumulated savings back.

What if the Acquisition does not go ahead?

If the Acquisition does not complete, your SAYE Option will continue under the terms of the SAYE unaffected.

Next Steps

If the Scheme becomes Effective, we will contact you again to provide instructions as to how to receive your accumulated savings back. If you were to then take no action, your SAYE Option will lapse on its terms and you will receive your accumulated savings back in any case when your SAYE Option lapses. This will be a maximum of six months after the date the Court sanctions the Scheme, unless it lapses earlier under the terms of the SAYE.

It is your decision as to whether to exercise your SAYE Option, although we would recommend that you take independent financial advice before choosing to do so. If you wish to exercise your SAYE Option in connection with the Acquisition notwithstanding that you would make a financial loss, please contact Rachel Coxon at rachel@musicmagpie.co.uk to obtain an exercise form. Your musicMagpie Shares would then be acquired by AO Bidco for 9.07 pence per musicMagpie Share under the Acquisition and you would not get your accumulated savings back.

You can apply for repayment of your accumulated savings at any time either by using the Equiniti Portal or contacting the helpline on +44 (0) 371-384-2040.

In order to submit your instruction online you will need to:

- Log into the ESP portal (www.esp-portal.com/clients/musicMagpie) using your Last name, Date of birth, Payroll number and your password.
- Once logged in go to 'Manage my Sharesave maturity' under the 'I want to...' section and select 'I want to withdraw my savings' and then go to the 'Receive the total funds' section

Further queries

If you have any queries in relation to this Letter, please contact Rachel Coxon at rachel@musicmagpie.co.uk. However, please note that neither musicMagpie, AO Bidco, AO World plc, nor your musicMagpie Group employer can provide you with any legal, tax, financial or investment advice on the Acquisition or its effect on your SAYE Options. **If you are in any doubt as to the action you should take, you should seek your own independent professional advice.**

Responsibility statement

The musicMagpie Board, whose names are set out in paragraph 2.1 of Part VI of the Scheme Document, accept responsibility for the information contained in this Letter (including any expressions of opinion). To the best of the knowledge and belief of the musicMagpie Board (having taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Yours faithfully

Steve Oliver
Director

For and on behalf of:
musicMagpie PLC