

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

**PART II (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE ADMISSION OF THE MUSICMAGPIE PLC SHARES TO TRADING ON AIM, THE MARKET OF THAT NAME OPERATED BY THE LONDON STOCK EXCHANGE.**

The release, publication or distribution of this document and/or any accompanying documents (in whole or in part) in or into jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, musicMagpie PLC, AO World PLC and AO Ltd disclaim any responsibility or liability for the violation of such restrictions by such persons.

If you are in any doubt about the contents of this document 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 duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom. If you are in a territory outside of the United Kingdom, you should immediately consult another appropriately authorised independent financial adviser.

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## **RECOMMENDED CASH ACQUISITION**

of

### **MUSICMAGPIE PLC**

by

### **AO LTD**

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

**to be implemented by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006**

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**This document and the information incorporated by reference into this document, together with the accompanying Forms of Proxy, should be read as a whole. Your attention is drawn to the letter from the Non-Executive Chair of musicMagpie in Part I (*Letter from the Non-Executive Chair of musicMagpie*) of this document, which contains the unanimous recommendation of the musicMagpie Directors that you vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting. A letter from Shore Capital (as independent financial adviser to musicMagpie) explaining the Scheme appears in Part II (*Explanatory Statement*) of this document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.**

If you have sold or otherwise transferred all of your musicMagpie Shares, please send this document (but not the accompanying personalised Forms of Proxy) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted, directly or indirectly, in, into or from any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

Neither this document nor any of the accompanying documents do, or are intended to, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval pursuant to the Scheme or otherwise, in any jurisdiction in which such offer, invitation or solicitation is unlawful. This document is not a prospectus or a prospectus equivalent document.

**The action to be taken by musicMagpie Shareholders is set out in the section headed “ACTION TO BE TAKEN” beginning on page 9 of this document. It is very important that musicMagpie Shareholders use their votes so that the Court can be satisfied that there is a fair and reasonable representation of their views.**

### **Shareholder helpline**

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service or otherwise, please contact the Company's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays) on +44 (0) 371 384 2050. For deaf and speech impaired shareholders, Equiniti welcomes calls via Relay UK. Please see [www.relayuk.bt.com](http://www.relayuk.bt.com) for more information. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the

applicable international rate and different charges may apply to calls from mobile telephones. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### **Voting Record Time**

Entitlement to attend and vote at the Meetings, or any adjournment of them and the number of votes which may be cast at the relevant Meeting shall be determined by reference to the register of members of the Company at 6.30 p.m. on the day which is two Business Days prior to the date of either the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned meeting.

### **Joint holders of Scheme Shares**

In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person, or by proxy, however the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s). Where more than one of the joint holders purport to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. For this purpose, seniority will be determined by the order in which the names stand in the register of members of musicMagpie in respect of the relevant joint holding.

### **Corporate representatives**

Any Scheme Shareholder, which is a corporation, may authorise a person or persons to act as its representative(s) at the Court Meeting and/or General Meeting. In accordance with the provisions of the Companies Act (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of musicMagpie, provided that two or more representatives do not do so in relation to the same Scheme Shares. If two or more representatives purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and, in other cases, the power is treated as not exercised.

**Certain terms used in this document are defined in Part VII (*Definitions*). References to times in this document are to London, United Kingdom time unless otherwise stated.**

## IMPORTANT NOTICES

### Disclaimers

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 document 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 document 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 document, 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 document 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 document 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 document, any statement contained herein, any transaction or arrangement referred to herein, or otherwise.

No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by musicMagpie or any member of the Wider musicMagpie Group, the musicMagpie Directors, AO Bidco, or any member of the Wider AO Group, the AO Bidco Directors, the AO Directors, Shore Capital, Jefferies or any other person involved in the Acquisition. Neither the delivery of this document nor the holding of the Meetings, the Court Sanction Hearing, or the filing of the Court Order with the Registrar of Companies shall, under any circumstances, create any implication that there has been no change in the affairs of the Wider musicMagpie Group or the Wider AO Group since the date of this document or that the information in, or incorporated into, this document is correct as at any time subsequent to its date.

### Overseas jurisdictions

This document 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 document had been prepared in accordance with the laws of jurisdictions outside of England.

The release, publication or distribution of this document 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 attend, speak and 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 are contained in this document at paragraph 15 of Part II (*Explanatory Statement*).

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 in that jurisdiction. Copies of this document 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 any such documents 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, email 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. An offer effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. 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 document. 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 Exchange Act 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 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 document 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 Exchange Act, 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 Exchange Act, 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 Exchange Act. 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 document (including any information incorporated by reference into this document), 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 document 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 document.

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, 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, 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 document, whether as a result of new information, future events or otherwise.

### **Dealing disclosure and opening position 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 10th business day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th 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 document 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 document. 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 document are incorporated into or forms part of this document.

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

No statement in this document is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this document should be interpreted to mean that earnings or earnings per share for AO or musicMagpie for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for AO or 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 document by contacting the Company's Registrar, Equiniti by: (i) submitting a request in writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom; or (ii) calling +44 (0) 371 384 2050. For deaf and speech impaired shareholders, Equiniti welcomes calls via Relay UK. Please see [www.relayuk.bt.com](http://www.relayuk.bt.com) for more information. Calls are charged at the standard geographical rate and will vary by provider. 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). Calls outside the United Kingdom will be charged at the applicable international rate.

For persons who receive a copy of this document via a website notification, a hard copy of this document 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.

Hard copies of the information incorporated into this document by reference will not be sent to recipients of this document unless specifically requested.

### **Scheme process**

In accordance with Rule 5 of Appendix 7 to the Takeover Code, AO Bidco and/or musicMagpie (as applicable) will announce, through a Regulatory Information Service, key events in the Scheme process including the outcomes of the Meetings and the Court Sanction Hearing and that the Scheme has become Effective.

Unless otherwise consented to by the Court and the Panel, any modification or revision to the Scheme will be made no later than the date which is 14 days prior to the Meetings (or any later date to which such Meetings are adjourned).

### **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 document 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 with effect from shortly following the Effective Date; 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 is subject to the terms and conditions set out in Part III (*Conditions to the implementation of the Scheme and to the Acquisition*) of this document.

If you are in any doubt about the contents of this document 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.

This document is dated 28 October 2024.



## ACTION TO BE TAKEN

**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 THEIR 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 UNDER RULE 3 OF THE TAKEOVER CODE.**

**ACCORDINGLY, IN ORDER TO IMPLEMENT THE ACQUISITION, THE MUSICMAGPIE DIRECTORS RECOMMEND UNANIMOUSLY THAT YOU VOTE, OR PROCURE THE VOTE, IN FAVOUR OF THE SCHEME AT THE COURT MEETING AND IN FAVOUR OF THE RESOLUTIONS TO BE PROPOSED AT THE GENERAL MEETING AS THE MUSICMAGPIE DIRECTORS WHO ARE INTERESTED IN MUSICMAGPIE SHARES HAVE IRREVOCABLY UNDERTAKEN TO DO, OR PROCURE TO BE DONE, IN RESPECT OF THEIR OWN INTERESTS (AND IN THE CASE OF ONE MUSICMAGPIE DIRECTOR, THOSE OF A CONNECTED PERSON) IN MUSICMAGPIE SHARES, AND THAT YOU TAKE THE ACTION DESCRIBED BELOW.**

This section should be read in conjunction with the rest of this document and, in particular, the section headed **“Action to be taken by musicMagpie Shareholders”** set out in paragraph 16 of Part II (*Explanatory Statement*) of this document and the notices of the Court Meeting and the General Meeting at the end of this document set out in Part VIII (*Notice of Court Meeting*) and Part IX (*Notice of General Meeting*) respectively.

The Court Meeting and the General Meeting will be held at First Floor, One Stockport Exchange, Railway Road, Stockport, SK1 3SW on 20 November 2024 at 9.15 a.m. and 9.30 a.m. respectively (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned). In order to approve the terms of the Acquisition, Scheme Shareholders will need to approve the Scheme at the Court Meeting and musicMagpie Shareholders will need to pass the Resolutions to be proposed at the General Meeting.

### 1. The documents

Scheme Shareholders and musicMagpie Shareholders are asked to complete and submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the methods described below.

The BLUE Form of Proxy is to be used in connection with the Court Meeting and the WHITE Form of Proxy is to be used in connection with the General Meeting. A space has been included in the BLUE and WHITE Forms of Proxy to allow Scheme Shareholders and musicMagpie Shareholders to specify the number of shares in respect of which that proxy is appointed. Scheme Shareholders or musicMagpie Shareholders who return the BLUE or WHITE Forms of Proxy duly executed but leave this space blank shall be deemed to have appointed the proxy in respect of all their Scheme Shares or musicMagpie Shares (respectively). It is requested that BLUE Forms of Proxy (together with any power of attorney or other authority, if any, under which a Form of Proxy is signed, or a duly certified copy thereof) be lodged by the deadlines provided below, but if not so lodged or submitted then the BLUE Forms of Proxy may be: (i) scanned and emailed to Equiniti at the following email address: [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) prior to the start of the Court Meeting (or any adjournment thereof); or (ii) handed to the chairperson of the Court Meeting or Equiniti on behalf of the chairperson of the Court Meeting, at the start of the Court Meeting (or any adjournment thereof). However, if the WHITE Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 20 November 2024;
- a WHITE Form of Proxy for use in respect of the General Meeting on 20 November 2024; and
- a pre-paid envelope (for use in the UK only) for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you are a musicMagpie Shareholder and you have not received all of these documents, please contact the Company's Registrar, Equiniti, on the shareholder helpline on the number indicated in paragraph 5 of this section below.

## 2. Voting at the Court Meeting and the General Meeting

**IT IS IMPORTANT THAT, FOR THE COURT MEETING IN PARTICULAR, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SCHEME SHAREHOLDERS' OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY OR APPOINT A PROXY ONLINE, THROUGH THE CREST ELECTRONIC PROXY APPOINTMENT SERVICE OR THROUGH THE PROXYMITY PLATFORM (AS APPROPRIATE) AS SOON AS POSSIBLE.**

The Scheme will require approval at a meeting of the Scheme Shareholders convened pursuant to an order of the Court (the “**Court Meeting**”) to be held at First Floor, One Stockport Exchange, Railway Road, Stockport, SK1 3SW at 9.15 a.m. on 20 November 2024. Implementation of the Scheme will also require, amongst other things, the passing of the Resolutions to be proposed at the General Meeting by musicMagpie Shareholders at the General Meeting to be held at the same venue at 9.30 a.m. on the same date (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned). Notices of the Court Meeting and the General Meeting are set out in Part VIII (*Notice of Court Meeting*) and Part IX (*Notice of General Meeting*) of this document, respectively.

Scheme Shareholders entitled to attend, speak and vote at the Court Meeting are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, speak and vote at the Court Meeting. A proxy need not be a Scheme Shareholder.

musicMagpie Shareholders entitled to attend, speak and vote at the General Meeting are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, speak and vote at the General Meeting. A proxy need not be a musicMagpie Shareholder.

Scheme Shareholders and musicMagpie Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting and the General Meeting as soon as possible, using any of the applicable methods (by post, by hand, online, or through CREST or Proxymity) set out below. Scheme Shareholders and musicMagpie Shareholders are also strongly encouraged to appoint the chairperson of the relevant Meeting as their proxy for each Meeting. Any other person appointed as proxy will be able to attend, speak and vote at the Court Meeting and the General Meeting (as applicable). The chairperson of the relevant Meeting may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security of the relevant Meeting.

### 2.1 ***Sending Forms of Proxy by post or by hand***

You should:

- A. complete, sign and return the BLUE Form of Proxy for use at the Court Meeting so as to be **received no later than 9.15 a.m. on 18 November 2024**; and
- B. complete, sign and return the WHITE Form of Proxy for use at the General Meeting so as to be **received no later than 9.30 a.m. on 18 November 2024**,

or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for such adjourned meeting.

It is requested that the BLUE and WHITE Forms of Proxy (together with any power of attorney or other authority, if any, under which a Form of Proxy is signed, or a duly certified copy thereof) be returned to the Company's Registrar, Equiniti, either by post or by hand (during normal business hours only) to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible but, in any event, so as to be received by Equiniti, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time fixed for the relevant Meeting or any adjournment thereof. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy. If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be:

- (i) scanned and emailed to Equiniti at the following email address: [proxylvotes@equiniti.com](mailto:proxylvotes@equiniti.com) prior to the start of the Court Meeting (or any adjournment thereof); or
- (ii) handed to the chairperson of the Court Meeting or Equiniti on behalf of the chairperson of the Court Meeting, at the start of the Court Meeting (or any adjournment thereof).

However, if the WHITE Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

## 2.2 **Online appointment of proxies**

As an alternative to completing and returning the printed Forms of Proxy, a proxy may be appointed electronically by creating an online portfolio using your Shareholder Reference Number on your Forms of Proxy on the following website: [www.shareview.co.uk](http://www.shareview.co.uk) and following the instructions therein. If you are a Scheme Shareholder that has already registered with Shareview, the online portfolio service of the Company's Registrar, Equiniti, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password.

For an electronic proxy appointment to be valid, the appointment must be received by the Company's Registrar, Equiniti, not later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time fixed for the relevant Meeting or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy electronically are given on the website.

Please note that any electronic communication sent to the Company or Equiniti that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the Acquisition is governed by Equiniti's conditions of use set out on [www.shareview.co.uk](http://www.shareview.co.uk) and may be read by logging on to that site.

## 2.3 **Electronic appointment of proxies through CREST**

If you are a Scheme Shareholder that holds Scheme Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or General Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)) (please also refer to the accompanying notes to the notices of the Meetings set out in Part VIII (*Notice of Court Meeting*) and Part IX (*Notice of General Meeting*) of this document, respectively). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by not later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. musicMagpie may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

## 2.4 **Electronic appointments of proxies through Proximity**

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by musicMagpie and approved by the Registrar. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). In order to be considered valid, your proxy must be lodged by 9.15 a.m. on 18 November 2024 in the case of the Court Meeting or by 9.30 a.m. on 18 November 2024 in the case of the General Meeting, or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for such adjourned meeting. Before you can appoint a proxy via this process, you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.

## 3. **Results of the Meetings**

The results of the Court Meeting and the General Meeting will be announced through a Regulatory Information Service and also published on musicMagpie's website at <https://www.musicmagpieplc.com/investors> once the votes have been counted and verified.

## 4. **musicMagpie Share Plans**

musicMagpie Share Plan Participants will be contacted separately regarding the effect of the Scheme on their rights under the musicMagpie Share Plans. musicMagpie Share Plan Participants should refer to paragraph 6 of Part II (*Explanatory Statement*) of this document to understand the effect of the Scheme on their rights under the musicMagpie Share Plans.

## 5. **Shareholder helpline**

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service or otherwise, please contact the Company's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays) on +44 (0) 371 384 2050. For deaf and speech impaired shareholders, Equiniti welcomes calls via Relay UK. Please see [www.relayuk.bt.com](http://www.relayuk.bt.com) for more information. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate and different charges may apply to calls from mobile telephones. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable sets out expected dates for the implementation of the Scheme.

| <i>Event</i>                 | <i>Time and/or date<sup>(1)</sup></i> |
|------------------------------|---------------------------------------|
| Publication of this document | 28 October 2024                       |

### **Latest time for lodging Forms of Proxy for the:**

|  |  |
|--|--|
| Court Meeting (BLUE Form of Proxy)                               | 9.15 a.m. on 18 November 2024 <sup>(2)</sup> |
| General Meeting (WHITE Form of Proxy)                            | 9.30 a.m. on 18 November 2024 <sup>(3)</sup> |
| Voting Record Time for the Court Meeting and the General Meeting | 6.30 p.m. on 18 November 2024 <sup>(4)</sup> |

|                      |                               |
|----------------------|-------------------------------|
| <b>Court Meeting</b> | 9.15 a.m. on 20 November 2024 |
|----------------------|-------------------------------|

|                        |  |
|------------------------|--|
| <b>General Meeting</b> | 9.30 a.m. on 20 November 2024 <sup>(5)</sup> |
|------------------------|--|

### **The following dates and times are indicative only and are subject to change.**

|                        |   |
|------------------------|---|
| Court Sanction Hearing | a date expected to be in Q4 2024 or Q1 2025,<br>subject to satisfaction (or, if applicable,<br>waiver) of the relevant Conditions (“D”) |
|------------------------|---|

|   |                    |
|---|--------------------|
| Last day for dealings in, and for registration of<br>transfers of, musicMagpie Shares | D + 1 Business Day |
|---|--------------------|

|                    |                                 |
|--------------------|---------------------------------|
| Scheme Record Time | 6.00 p.m. on D + 1 Business Day |
|--------------------|---------------------------------|

|  |                                 |
|--|---------------------------------|
| Disablement in CREST of musicMagpie Shares | 6.00 p.m. on D + 1 Business Day |
|--|---------------------------------|

|   |  |
|---|--|
| Dealings in musicMagpie Shares on AIM suspended | at or around 7.30 a.m.<br>on D + 2 Business Day <sup>(6)</sup> |
|---|--|

|                                     |                                   |
|-------------------------------------|-----------------------------------|
| <b>Effective Date of the Scheme</b> | D + 2 Business Day <sup>(7)</sup> |
|-------------------------------------|-----------------------------------|

|  |  |
|--|--|
| Cancellation of admission of musicMagpie<br>Shares to trading on AIM | 7.00 a.m. on the next Business<br>Day after the Effective Date |
|--|--|

|  |   |
|--|---|
| Latest date for despatch of cheques and<br>crediting of CREST accounts for Consideration<br>due under the Scheme | Within 14 days after the Effective Date |
|--|---|

|                |                            |
|----------------|----------------------------|
| Long Stop Date | 11.59 p.m. on 2 April 2025 |
|----------------|----------------------------|

Notes:

- (1) These dates and times are indicative only and will depend on, amongst other things, the date upon which: (i) the Conditions are satisfied or (if capable of waiver) waived; (ii) the Court sanctions the Scheme; and (iii) a copy of the Court Order is delivered to the Registrar of Companies for registration. If any of the expected times and/or dates above change: (a) the revised times and/or dates will be notified to musicMagpie Shareholders by announcement through a Regulatory Information Service, with such announcement being made available on musicMagpie's website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors) and on AO's website at [www.ao-world.com/investor-centre/offer](http://www.ao-world.com/investor-centre/offer); and (b) if required by the Panel, musicMagpie will send notice of the change(s) to musicMagpie Shareholders and, for information only, to musicMagpie Share Plan Participants. All references in this document to times are to London time unless otherwise stated.
- (2) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the Court Meeting. A copy of a completed and signed BLUE Form of Proxy not so lodged may be: (i) scanned and emailed to Equiniti at the following email address: [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) prior to the start of the Court Meeting; or (ii) handed to the chairperson of the Court Meeting or Equiniti on behalf of the chairperson of the Court Meeting, at the start of the Court Meeting.
- (3) WHITE Forms of Proxy for the General Meeting must be lodged no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the General Meeting. WHITE Forms of Proxy for the General Meeting not lodged by this time will be invalid.
- (4) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.30 p.m. on the date falling two Business Days before the date of the adjourned Meeting.
- (5) To commence at 9.30 a.m. or as soon thereafter as the Court Meeting shall have concluded or been adjourned.
- (6) Following sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies for registration. This is presently expected to occur on the Business Day following the date of the Court Sanction Hearing, subject to satisfaction or (where capable of waiver), waiver of the Conditions. The events which are stated as occurring on subsequent dates are conditional on the Effective Date and operate by reference to this date.
- (7) This is the latest date by which the Scheme may become Effective unless AO Bidco and musicMagpie agree (and the Panel and, if required, the Court permit) a later date or if the Panel requires an extension to the Long Stop Date pending final determination of an issue under section 3(g) of Appendix 7 to the Takeover Code.



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## PART I

### LETTER FROM THE NON-EXECUTIVE CHAIR OF MUSICMAGPIE

*Directors:*

Martin Hellawell (*Non-Executive Chair*)  
Steve Oliver (*Chief Executive Officer and Co-Founder*)  
Matthew Fowler (*Chief Financial Officer*)  
Dave Wilson (*Non-Executive Director*)

*Registered Office:*

musicMagpie PLC  
Stockport Exchange  
Railway Road  
Stockport  
SK1 3SW

28 October 2024

*To musicMagpie Shareholders and, for information only, to musicMagpie Share Plan Participants*

Dear Shareholder,

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

#### 1. Introduction

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.

I am writing to you today to explain the background to the Acquisition and the reasons why the musicMagpie Directors consider the terms of the Acquisition to be fair and reasonable and are unanimously recommending that Scheme Shareholders vote, or procure votes, in favour of the Scheme at the Court Meeting and that musicMagpie Shareholders vote in favour of the Resolutions to be proposed at the General Meeting. In addition, paragraphs 5 and 8 of this letter set out, respectively, AO's reasons for making the Acquisition and its intentions with regard to, amongst other things, the management, employees, research and development and locations of business of musicMagpie. I also draw your attention to the letter from Shore Capital set out in Part II (*Explanatory Statement*) of this document which gives details about the Acquisition and the Scheme and to the additional information set out in Part VI (*Additional Information*) of this document.

In order to approve the terms of the Acquisition, Scheme Shareholders will need to approve the Scheme at the Court Meeting to be held on 20 November 2024 at 9.15 a.m. and musicMagpie Shareholders will need to pass the Resolutions to be proposed at the General Meeting (which is also to be held on 20 November 2024 at 9.30 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned), in each case by the requisite majority. Details of the actions you are asked to take are set out on pages 9 to 12 (inclusive) and in paragraph 16 of Part II (*Explanatory Statement*) of this document. The recommendation of the musicMagpie Directors is set out in paragraph 16 of this letter.

**It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy or appoint a proxy online or through the CREST electronic proxy appointment service (as appropriate) as soon as possible.**

**Further details of the Scheme and the Meetings are set out in paragraphs 7 and 8 of Part II (*Explanatory Statement*) of this document and the terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document.**

## 2. Summary of the terms of the Acquisition

The Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between musicMagpie and Scheme Shareholders under Part 26 of the Companies Act.

Under the terms of the Acquisition, which is subject to the Conditions and other terms set out in Part III (*Conditions to the implementation of the Scheme and to the Acquisition*) of this document, musicMagpie Shareholders will be entitled to receive:

### 9.07 pence in cash for each musicMagpie Share

The Acquisition values the entire issued and to be issued share capital of musicMagpie at £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 the Announcement Date);
- a premium of approximately 58 per cent. to the volume-weighted average Closing Price of 5.75 pence per musicMagpie Share for the one-month period ended on 1 October 2024 (being the last Business Day before the Announcement Date);
- a premium of approximately 48 per cent. to the volume-weighted average Closing Price of 6.12 pence per musicMagpie Share for the three-month period ended on 1 October 2024 (being the last Business Day before the Announcement Date); and
- a discount of approximately 51.6 per cent. to the Closing Price of 18.75 pence per musicMagpie Share on 17 November 2023 (being the last Business Day before the commencement of the Offer Period).

Upon the Scheme becoming Effective, the musicMagpie Shares will be acquired by AO Bidco (and/or its nominee(s)) fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights existing at the Announcement Date or thereafter attaching thereto, including the right to receive and retain (subject to clause 2.2 of the Scheme) all dividends and distributions declared, made or paid by reference to a record date after the Effective Date.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attend and/or vote at the Court Meeting and/or the General Meeting. Further details of the Scheme, including the arrangements for settlement of the Consideration, are set out in the Explanatory Statement contained in Part II (*Explanatory Statement*) of this document.

## 3. 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 ended 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 were 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.

#### **4. 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.

#### **5. 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.

## 6. Background to and reasons for the musicMagpie Directors' 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 recommends 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 last Business Day before the Announcement 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 last Business Day before the Announcement 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 last Business Day before the Announcement 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 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 document.

## **7. Irrevocable undertakings and letter of intent**

AO Bidco has received from each of the musicMagpie Directors 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 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).

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 (or procure the voting) in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the General Meeting 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, AO Bidco has received irrevocable undertakings and 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) in respect of a total of 58,174,776 musicMagpie Shares,



representing, in aggregate, approximately 54.00 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 paragraph 10 of Part VI (*Additional Information*) to this document.

## **8. 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 the Announcement Date, consistent with market practice, AO was 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.

At the Announcement Date musicMagpie was in the process of reviewing costs and headcount in its UK head office in consultation with its employees. This process is expected to reduce the total head count of the UK head office function by approximately 30 people. The consultation process has substantially completed and identified employees have started leaving the business in line with a phased timetable.

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 12 of Part II (*Explanatory Statement*) of this document, 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 8 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## **9. 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.

## **10. musicMagpie Share Plans**

The Acquisition will affect participants in the musicMagpie Share Plans. musicMagpie Share Plan Participants should refer to paragraph 6 of Part II (*Explanatory Statement*) of this document to understand the effect of the Scheme on their rights under the musicMagpie Share Plans.

## **11. Dividends**

If, on or after the Announcement Date 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 of Part III (*Conditions to the Scheme and the Acquisition*)) to reduce the Consideration that would be payable by AO Bidco 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 document 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 paragraph 5 of Part D of Part III (*Certain further terms of the Acquisition*) 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.

## 12. Overseas Shareholders

Overseas Shareholders should refer to paragraph 15 of Part II (*Explanatory Statement*) of this document, which contains important information relevant to such shareholders.

## 13. United Kingdom taxation

Your attention is drawn to paragraph 14 of Part II (*Explanatory Statement*) of this document headed “United Kingdom taxation”. Although this document contains certain tax-related information, it is intended only as a general guide and does not constitute tax advice. Accordingly, if you are in any doubt about your own tax position or you are subject to taxation in any jurisdiction other than the United Kingdom, you should consult an appropriately qualified independent professional adviser immediately.

## 14. Action to be taken by musicMagpie Shareholders

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by musicMagpie Shareholders in respect of the Scheme are set out on pages 9 to 12 (inclusive) and in paragraphs 8 and 16 of Part II (*Explanatory Statement*) of this document.

## 15. Further information

**You are advised to read the whole of this document and not just rely on the summary information contained in this letter or the Explanatory Statement.**

Your attention is drawn in particular to the further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the implementation of the Scheme and to the Acquisition*), Part IV (*The Scheme of Arrangement*) and Part VI (*Additional Information*) and the notices of the Meetings set out in Part VIII (*Notice of Court Meeting*) and Part IX (*Notice of General Meeting*) of this document.

A copy of this document (and all information incorporated into this document by reference to another source), as well as all the documents required to be published by Rule 26 of the Takeover Code are and will be available, subject to certain restrictions relating to Restricted Jurisdictions, for inspection 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).

## 16. Recommendation

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 its 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 recommend unanimously that Scheme Shareholders vote in favour (or procure votes in favour) of the Scheme at the Court Meeting and that musicMagpie Shareholders vote in favour (or procure votes in favour) of the Resolutions to be proposed at the General Meeting, as the musicMagpie Directors 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 the total issued share capital of musicMagpie (as at the Latest Practicable Date), as more fully described in paragraph 10 of Part VI (*Additional information*) of this document.**

Yours faithfully,

Martin Hellawell  
Non-Executive Chair  
musicMagpie PLC

## PART II

### EXPLANATORY STATEMENT

*(In compliance with section 897 of the Companies Act 2006)*

Shore Capital and Corporate Limited  
Cassini House  
57 St James's Street  
London  
England  
SW1A 1LD

28 October 2024

*To musicMagpie Shareholders and, for information only, to musicMagpie Share Plan Participants*

Dear Shareholder,

### RECOMMENDED CASH ACQUISITION FOR MUSICMAGPIE PLC BY AO LTD

#### 1. Introduction

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 Ltd, a wholly-owned subsidiary of AO. The Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act. The Scheme requires, amongst other things, the approval of the Scheme Shareholders and the sanction of the Court.

**Your attention is drawn to the letter from the Non-Executive Chair of musicMagpie set out in Part I (*Letter from the Non-Executive Chair of musicMagpie*) of this document, which forms part of this Explanatory Statement. The letter contains, amongst other things: (a) information on the background to and reasons for the Acquisition; (b) AO's intentions for the musicMagpie business and the Combined Group; and (c) the unanimous recommendation by the musicMagpie Directors to Scheme Shareholders to vote in favour (or procure votes in favour) of the Scheme at the Court Meeting and to musicMagpie Shareholders to vote in favour (or procure votes in favour) of the Resolutions to be proposed at the General Meeting.**

**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 their 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 recommend unanimously that the Scheme Shareholders vote in favour (or procure votes in favour) of the Scheme at the Court Meeting and that musicMagpie Shareholders vote in favour (or procure votes in favour) of the Resolutions to be proposed at the General Meeting, as the musicMagpie Directors 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 musicMagpie Shares.**

We have been authorised by the musicMagpie Directors to write to you to explain the terms of the Acquisition and the Scheme and to provide you with other relevant information.

This Explanatory Statement contains a summary of the provisions of the Scheme. The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Your attention is also drawn to the other parts of this document, which are deemed to form part of this Explanatory Statement, including Part I (*Letter from the Non-Executive Chair of musicMagpie*), the Conditions and certain further terms set out in Part III (*Conditions to the implementation of the Scheme and to the Acquisition*) and the additional information set out in Part VI (*Additional Information*) of this document.

## 2. Summary of the terms of the Acquisition

Under the terms of the Acquisition, which is subject to the Conditions and certain further terms set out in Part III (*Conditions to the implementation of the Scheme and to the Acquisition*) of this document, musicMagpie Shareholders will be entitled to receive:

### 9.07 pence in cash for each musicMagpie Share

The Consideration values the entire issued and to be issued share capital of musicMagpie at £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 the Announcement Date);
- a premium of approximately 58 per cent. to the volume-weighted average Closing Price of 5.75 pence per musicMagpie Share for the one-month period ended on 1 October 2024 (being the last Business Day before the Announcement Date);
- a premium of approximately 48 per cent. to the volume-weighted average Closing Price of 6.12 pence per musicMagpie Share for the three-month period ended on 1 October 2024 (being the last Business Day before the Announcement Date); and
- a discount of approximately 51.6 per cent. to the Closing Price of 18.75 pence per musicMagpie Share on 17 November 2023 (being the last Business Date before the commencement of the Offer Period).

Upon the Scheme becoming Effective, the musicMagpie Shares will be acquired by AO Bidco 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 at the Announcement Date or thereafter 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 Scheme becomes Effective, it will be binding on all Scheme Shareholders irrespective of whether or not they attend and/or vote at the Court Meeting and/or the General Meeting.

## 3. 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 ended 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.

#### **4. 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.

#### **5. 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.

#### **6. musicMagpie Share Plans**

musicMagpie Share Plan Participants will be contacted separately on or around the date of this document regarding the effect of the Acquisition on their rights under the musicMagpie Share Plans and, where applicable, will be provided with details of the appropriate proposals being made by AO Bidco in accordance with Rule 15 of the Takeover Code or the proposals being made by musicMagpie (the "**Share Plan Letters**").

A summary of the effect of the Acquisition on the rights of musicMagpie Share Plan Participants and the proposals being made by AO Bidco is set out below. In the event of any conflict between the summary set out below and the rules of the relevant musicMagpie Share Plan and/or the Share Plan Letters and/or the proposed amendments to the musicMagpie Articles, the rules of the relevant musicMagpie Share Plan or the Share Plan Letters or the amendments to the musicMagpie Articles, if approved at the General Meeting (as the case may be) will prevail.

Subject to the proposed amendments to the musicMagpie Articles being approved at the General Meeting, the Scheme will apply to any musicMagpie Shares which are unconditionally allotted, issued or transferred to satisfy the exercise of options under the musicMagpie Share Plans on or after the passing of the Resolutions to be proposed at the General Meeting and before the Scheme Record Time.

Additionally, the proposed amendments to the musicMagpie Articles will mean that any musicMagpie Shares issued or transferred on or after the Scheme Record Time to satisfy the exercise of options under the musicMagpie Share Plans will either be subject to the Scheme or (subject to the Acquisition becoming Effective), automatically and immediately following their issuance, be transferred to AO Bidco (and/or such other nominee(s) of AO Bidco as it may determine) in exchange for the same consideration per musicMagpie Share as Scheme Shareholders were entitled to receive under the Acquisition. Further information in respect of the proposed amendments to the musicMagpie Articles is contained in the Notice of General Meeting in Part IX (*Notice of General Meeting*) of this document.



## ***Impact of the Acquisition on options under the musicMagpie Share Plans***

### *Unapproved Schemes*

Options granted under the Unapproved Schemes (the “**Unapproved Scheme Options**”) are currently exercisable.

Pursuant to the Share Plan Letters, holders of the Unapproved Scheme Options will be invited to exercise their Unapproved Scheme Options in connection with the Acquisition, and will be required to notify musicMagpie of their election to do so at least one week prior to the Court Sanction Hearing (or, if later, by the date which is 21 days after the date the Share Plan Letters are sent), with such exercise to take effect upon the Scheme being sanctioned by the Court.

To the extent that any Unapproved Scheme Options are not exercised in connection with the Acquisition, such Unapproved Scheme Options will lapse upon the Scheme becoming Effective.

The trustee of the EBT has agreed to satisfy the exercise of the Unapproved Scheme Options by the transfer of musicMagpie Shares held in the EBT, to the extent that it holds sufficient musicMagpie Shares. On the basis that the number of musicMagpie Shares held by the EBT is equal to the number of musicMagpie Shares in respect of which Unapproved Scheme Options are expected to be exercised, it is not expected that any musicMagpie Shares will be issued in order to satisfy the exercise of Unapproved Scheme Options.

A cashless exercise facility will be made available to the holders of Unapproved Scheme Options pursuant to which the applicable exercise price and income tax and National Insurance contributions arising on the exercise of the Unapproved Scheme Options will be deducted from the Consideration due to the holders for the sale of their musicMagpie Shares to AO Bidco under the Scheme.

### *LTIP*

Unvested Options granted under the LTIP (the “**LTIP Options**”) will vest upon the Scheme being sanctioned by the Court, to the extent determined by the musicMagpie Remuneration Committee in accordance with the LTIP. The musicMagpie Remuneration Committee has determined that the unvested LTIP Options will vest in full in connection with the Acquisition.

Pursuant to the Share Plan Letters, holders of LTIP Options will be invited to exercise their LTIP Options in connection with the Acquisition, and will be required to notify musicMagpie of their election to do so at least one week prior to the Court Sanction Hearing (or, if later, by the date which is 21 days after the date the Share Plan Letters are sent), with such exercise to take effect upon the Scheme being sanctioned by the Court. To the extent that any LTIP Options are not exercised in connection with the Acquisition, such LTIP Options will lapse upon the Scheme becoming Effective. LTIP Options that are exercised in connection with the Acquisition will be settled by musicMagpie making a cash payment in lieu of issuing musicMagpie Shares, such payment being equal to the value (at the Offer Price) of the musicMagpie Shares in respect of which the LTIP Option is exercised less the exercise price payable (and subject to deductions of income tax and employee National Insurance contributions).

### *SOP*

The one option award outstanding under the SOP (“**SOP Option**”) is currently exercisable, and the holder of such SOP Option will be invited to exercise that SOP Option in connection with the Acquisition, with such exercise to take effect upon the Scheme being sanctioned by the Court. To the extent that the SOP Option is not exercised in connection with the Acquisition, it will lapse on the expiry of the period of one month from the date that the holder is notified that the Scheme has been sanctioned by the Court. The exercise of the SOP Option in connection with the Acquisition will be settled by musicMagpie making a cash payment in lieu of issuing musicMagpie Shares, such payment being equal to the value (at the Offer Price) of the musicMagpie Shares in respect of which the SOP Option is exercised (subject to deductions of income tax and National Insurance contributions).

### *SAYE*

Options under the SAYE (“**SAYE Options**”) will become exercisable upon the Court sanctioning the Scheme and, if not exercised, will lapse on the expiry of the six month period commencing on that date. The exercise

price payable on the exercise of any of the SAYE Options may only be paid using the accumulated savings under the related savings contract.

The exercise price of the SAYE Options is significantly in excess of the Offer Price. Therefore, it is not expected that the SAYE Options will be exercised in connection with the Acquisition, and it has been agreed by musicMagpie and AO Bidco that AO Bidco will not make proposals under Rule 15 of the Takeover Code to the holders of the SAYE Options.

## **7. Description of the Scheme**

The Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement between musicMagpie and the Scheme Shareholders who are on the register of members of musicMagpie at the Scheme Record Time, under Part 26 of the Companies Act. The procedure requires approval by Scheme Shareholders at the Court Meeting and approval of the Resolutions to be proposed at the General Meeting by the musicMagpie Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this document.

The purpose of the Scheme is to provide for AO Bidco to become the owner of the entire issued and to be issued share capital of musicMagpie. This is to be achieved by the transfer of the Scheme Shares held by the Scheme Shareholders to AO Bidco in consideration for which the Scheme Shareholders will receive the Consideration on the basis described in this Part II (*Explanatory Statement*).

The implementation of the Scheme is subject to the Conditions and certain further terms set out in Part III (*Conditions to the implementation of the Scheme and to the Acquisition*) of this document, and will only become Effective if, amongst other things, the following events occur on or before 11.59 p.m. on 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 to be proposed at the General Meeting by musicMagpie Shareholders representing 75 per cent. or more of the votes validly cast on the Resolutions to be proposed at the General Meeting;
- certain regulatory 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.

Once the necessary approvals from the Scheme Shareholders and the musicMagpie Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been approved by the Court, the Scheme will become Effective upon delivery of the Court Order to the Registrar of Companies for registration.

Upon the Scheme becoming Effective: (i) it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting, and if they attended and voted, whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or the Resolutions to be proposed at the General Meeting; (ii) share certificates in respect of musicMagpie Shares will cease to be valid; and (iii) entitlements to musicMagpie Shares held within the CREST system will be cancelled. The Consideration payable under the Scheme will be despatched to Scheme Shareholders by Equiniti on behalf of AO Bidco by no later than 14 days after the Effective Date.

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, amongst other matters, provide that the musicMagpie 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). The provisions of the musicMagpie Articles (as amended) will avoid any person (other than AO Bidco and/or its nominees) holding musicMagpie Shares after the Effective Date.

If the Scheme does not become Effective on or before 11.59 p.m. on the Long Stop Date, it will lapse and the Acquisition will not proceed.

## 8. The Meetings

Before the Court's sanction can be sought for the Scheme, for the Scheme to become Effective it will require the approval of Scheme Shareholders at the Court Meeting. The Scheme must be approved by a majority in number of the Scheme Shareholders entitled to vote and present and voting, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders. In addition, the Resolutions must be passed at the General Meeting to (a) authorise the musicMagpie Directors to implement the Scheme and (b) amend the musicMagpie Articles (as described in paragraph 9 of this Part II (*Explanatory Statement*) below). To be passed, the Resolutions require the approval of musicMagpie Shareholders present and voting (either in person or by proxy) representing at least 75 per cent. of the votes cast at the General Meeting.

The Court Meeting will be held on 20 November 2024 at 9.15 a.m., with the General Meeting held on the same day at 9.30 a.m. (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned). Notices of the Court Meeting and the General Meeting are set out in Part VIII (*Notice of Court Meeting*) and Part IX (*Notice of General Meeting*) of this document. Entitlement to attend and vote at these Meetings and the number of votes which may be cast thereat will be determined by reference to the register of members of musicMagpie at the Voting Record Time.

**If the Scheme becomes Effective, it will be binding on all musicMagpie Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or the Resolutions to be proposed at the General Meeting).**

Any musicMagpie Shares which AO Bidco (or its respective nominees) may acquire before the Court Meeting are not Scheme Shares and therefore neither AO Bidco nor its nominee(s) are entitled to vote at the Court Meeting in respect of any musicMagpie Shares held or acquired by it or them.

### **Court Meeting**

The Court Meeting has been convened at the direction of the Court for 9.15 a.m. on 20 November 2024 to enable Scheme Shareholders to consider and, if thought fit, approve the Scheme. At the Court Meeting, voting will be by poll and each Scheme Shareholder present, either in person or by proxy, will be entitled to one vote for each Scheme Share held at the Voting Record Time. The approval required at the Court Meeting is a majority in number of Scheme Shareholders entitled to vote and present and voting, either in person or by proxy, at the Court Meeting representing at least 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders.

**It is important that, for the Court Meeting, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of Scheme Shareholders' opinion. You are therefore strongly urged to complete, sign and return your Forms of Proxy, in particular your BLUE Form of Proxy for use in respect of the Court Meeting, or appoint a proxy online or through the CREST electronic proxy appointment service (as appropriate) as soon as possible, in each case appointing the chairperson of the Court Meeting as your proxy. Doing so will not prevent you from attending, voting and speaking in person at either the Court Meeting or the General Meeting, or any adjournment thereof.**

Due to the length of time anticipated to be required to calculate the results of the poll, the result of the vote at the Court Meeting will be announced by musicMagpie via a Regulatory Information Service as soon as practicable after the Court Meeting.

You will find the notice of Court Meeting in Part VIII (*Notice of Court Meeting*) of this document.

## **General Meeting**

In addition, the General Meeting has been convened for 9.30 a.m. on 20 November 2024 (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned) to consider and, if thought fit, pass the Resolutions to be proposed at the General Meeting to approve:

- the authorisation of the musicMagpie Directors to take all such actions as they may consider necessary or appropriate to give effect to the Scheme; and
- the amendment of the musicMagpie Articles in the manner described in paragraph 9 of this Part II (*Explanatory Statement*) below.

The Resolutions to be proposed at the General Meeting will require votes in favour from musicMagpie Shareholders representing at least 75 per cent. of the votes cast at the General Meeting either in person or by proxy. The vote of musicMagpie Shareholders at the General Meeting will be held by way of a poll. Each musicMagpie Shareholder who is entered on the register of members of musicMagpie at the Voting Record Time and is present in person or by proxy will be entitled to one vote for each musicMagpie Share so held.

Due to the length of time anticipated to be required to calculate the results of the poll, the result of the vote at the General Meeting will be announced by musicMagpie via a Regulatory Information Service as soon as practicable after the General Meeting.

You will find the Notice of the General Meeting in Part IX (*Notice of General Meeting*) of this document.

## **Court Sanction Hearing**

Under the Companies Act, the Scheme requires the sanction of the Court.

The Court Sanction Hearing is expected to be held on a date in Q4 2024 or Q1 2025, subject to the satisfaction (or, if applicable, waiver) of the relevant Conditions and will be held at The Royal Courts of Justice, The Rolls Buildings, Fetter Lane, London, EC4A 1NL. However, the Court Sanction Hearing may be held remotely. Scheme Shareholders are entitled to attend and be heard at the Court Sanction Hearing to support or oppose the sanction of the Scheme, should they wish to do so, in person or represented by counsel.

Following the sanction of the Scheme by the Court, the Scheme will become Effective in accordance with its terms upon a copy of the Court Order being delivered to the Registrar of Companies for registration. This is expected to occur on the Business Day following the date of the Court Sanction Hearing, subject to satisfaction (or, where applicable, waiver) of the Conditions.

**Upon the Scheme becoming Effective, it will be binding on all musicMagpie Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting and irrespective of whether or not they voted in favour of, or against, or abstained from voting on the Scheme at the Court Meeting or on the Resolutions to be proposed at the General Meeting.**

## **Entitlement to vote at the Meetings**

Each Scheme Shareholder or musicMagpie Shareholder who is entered in musicMagpie's register of members at 6.30 p.m. on 18 November 2024 will be entitled to attend, speak and vote on the resolution to approve the Scheme to be proposed at the Court Meeting and all Resolutions to be proposed at the General Meeting.

If either Meeting is adjourned, only those Scheme Shareholders or musicMagpie Shareholders on the register of members of musicMagpie at 6.30 p.m. on the day which is two Business Days before the date of the adjourned meeting will be entitled to attend, speak and vote at the Court Meeting and the General Meeting. Each eligible Scheme Shareholder or musicMagpie Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of them. A proxy need not be a musicMagpie Shareholder. However, Scheme Shareholders and musicMagpie Shareholders are strongly encouraged to appoint the chairperson of the relevant Meeting as their proxy for each Meeting. Any other person appointed as proxy will be able to attend, speak and vote at the Court Meeting and the General Meeting (as applicable). The chairperson of the relevant Meeting may make any arrangement and impose any requirement or restriction they consider appropriate to ensure the security of the relevant Meeting.

The completion and return of a Form of Proxy, by post or by hand (or the appointment of a proxy appointment or voting instruction online, through CREST or Proxymity or by any other procedure described in this document) will not prevent you from attending, voting and speaking at either the Court Meeting or the General Meeting, or any adjournment thereof.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings (including by appointing a proxy), please contact the Company's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays) on +44 (0) 371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. For deaf and speech impaired shareholders, Equiniti welcomes calls via Relay UK. Please see [www.relayuk.bt.com](http://www.relayuk.bt.com) for more information. Calls outside the United Kingdom will be charged at the applicable international rate and different charges may apply to calls from mobile telephones. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### **Modifications to the Scheme**

The Scheme contains a provision for musicMagpie and AO Bidco jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be adverse to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances.

## **9. Amendments to the musicMagpie Articles**

It is proposed, as part of the Resolutions to be proposed at the General Meeting, to amend the musicMagpie Articles to ensure that any musicMagpie Shares issued or transferred on or after the passing of the Resolutions to be proposed at the General Meeting and before the Scheme Record Time, other than to AO Bidco (and/or its nominee(s)) will be subject to and bound by the Scheme. It is also proposed to amend the musicMagpie Articles so that any musicMagpie Shares issued or transferred to any person other than AO Bidco (and/or its nominee(s)) at or after the Scheme Record Time will be automatically and immediately acquired by AO Bidco (and/or its nominee(s)) on the same terms as Scheme Shares under the Scheme (other than terms as to timing and formalities). This will avoid any person (other than AO Bidco (and/or its nominee(s)) holding musicMagpie Shares after dealings in such shares have ceased (the final day of dealings in the musicMagpie Shares is expected to be the first Business Day after the Court Sanction Hearing). The Resolutions to be proposed at the General Meeting set out in the notice of General Meeting in Part IX (*Notice of General Meeting*) of this document, amongst other things, seek the approval of musicMagpie Shareholders for such amendment at the General Meeting.

## **10. Acquisition-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 Part III (*Conditions to the implementation of the Scheme and to the Acquisition*) of this document 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, and to otherwise assist with, the preparation of this 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 (i) 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; or (ii) 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 to be proposed at the General Meeting are not approved at the General Meeting or the Court definitively refuses to sanction the Scheme at the Court Sanction Hearing; or (b) the Court Meeting, the General Meeting or the Court 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).

### **11. The effect of the Scheme on the musicMagpie Directors' interests**

The names of the musicMagpie Directors and details of their interests in relevant musicMagpie securities are set out in Part VI (Additional Information) of this document. Scheme Shares held by the musicMagpie Directors at the Scheme Record Time will be subject to the Scheme.

Details of the irrevocable undertakings provided by the musicMagpie Directors are set out in paragraph 10 of Part VI (Additional Information) of this document.

Particulars of the service contracts (including termination provisions) and letters of appointment of the musicMagpie Directors are set out in paragraph 7 of Part VI (Additional Information) of this document.

The effect of the Scheme on the interests of musicMagpie Directors does not differ from its effect on the like interests of any other Scheme Shareholder.

### **12. Cancellation of admission to trading on AIM of musicMagpie Shares and re-registration of musicMagpie**

Prior to the Scheme becoming Effective, an application will be made to the London Stock Exchange for the admission of the musicMagpie Shares to trading on AIM to be cancelled with effect from or shortly after the Effective Date. The last day of dealings in, and for registration of transfers of, musicMagpie Shares is



expected to be the Business Day immediately prior to the Effective Date and no transfers will be registered after 6.00 p.m. on that day other than to AO Bidco (or as AO Bidco may direct) pursuant to the musicMagpie Articles, as proposed to be amended by the Resolutions to be proposed at the General Meeting.

On the Effective Date, share certificates in respect of musicMagpie Shares will cease to be valid and entitlements to musicMagpie Shares held with the CREST system will be cancelled.

It is also proposed that, following the Effective Date and after the admission to trading of musicMagpie Shares on AIM has been cancelled, musicMagpie will be re-registered as a private limited company under the relevant provisions of the Companies Act.

### **13. Settlement of Consideration**

Subject to the Scheme becoming Effective, settlement of the Consideration to which any musicMagpie Shareholder is entitled under the Scheme will be effected in the following manner:

#### **13.1 *musicMagpie Shares in uncertificated form (that is, in CREST)***

Where, at the Scheme Record Time, a Scheme Shareholder holds musicMagpie Shares in uncertificated form, the Consideration to which such Scheme Shareholder is entitled will be transferred to such person through CREST by AO Bidco procuring that Euroclear is instructed to create an assured payment obligation in favour of the appropriate CREST account through which the Scheme Shareholder holds such uncertificated musicMagpie Shares in respect of the Consideration due to them.

The CREST payment obligations will be created within 14 days after the Effective Date. As from the Scheme Record Time, each holding of musicMagpie Shares credited to any stock account in CREST will be disabled and all musicMagpie Shares will be removed from CREST in due course.

AO Bidco reserves the right to pay all, or any part of, the Consideration referred to above to all or any Scheme Shareholder(s) who hold musicMagpie Shares in uncertificated form in the manner referred to in sub-paragraph 13.2 below if, for any reason, it wishes to do so or if, for any reason, it is not able to effect settlement in accordance with this sub-paragraph 13.1.

#### **13.2 *musicMagpie Shares in certificated form (that is, not in CREST)***

Where, at the Scheme Record Time, a Scheme Shareholder holds musicMagpie Shares in certificated form, settlement of the Consideration due under the Scheme in respect of the Scheme Shares will be despatched:

- (i) by first class post (or international standard post, if overseas), by cheque drawn on a branch of a UK clearing bank; or
- (ii) by such other method as may be approved by the Panel and the Court.

All such cash payments will be made in Pounds sterling. All deliveries of cheques pursuant to the Scheme shall be effected by sending the same by first class post (or international standard post or airmail, if overseas) in prepaid envelopes addressed to the persons entitled to them at their respective addresses as appearing in the register of members of musicMagpie at the Scheme Record Time or, in the case of joint holders, at the address of that one of the joint holders whose name stands first in such register in respect of such joint holding at the Scheme Record Time, and none of musicMagpie, AO Bidco or their respective agents shall be responsible for any loss or delay in the transmission or delivery of any cheques sent in accordance with this sub-paragraph 13.2 which shall be sent at the risk of the persons entitled thereto. Cheques shall be despatched as soon as practicable after the Effective Date and, in any event, not later than 14 days after the Effective Date.

The encashment of any cheque shall be a complete discharge for the monies represented by it.

#### **13.3 *musicMagpie Shares acquired by musicMagpie Share Plan Participants***

In the case of musicMagpie Shares acquired by musicMagpie Share Plan Participants, after the Court Sanction Hearing and prior to Scheme Record Time pursuant to the exercise of options under the

musicMagpie Share Plans, settlement of the Consideration shall be processed by musicMagpie (including, but not limited to, procuring that payments are made through payroll (net of any exercise price, income tax and any applicable National Insurance contributions) which musicMagpie or any member of the musicMagpie Group is required to account to the relevant tax authority, on the next practicable musicMagpie payroll date following receipt of the proceeds by musicMagpie, in accordance with the Share Plan Letters and the rules of the relevant musicMagpie Share Plan). For the avoidance of doubt, the payment of any Consideration by musicMagpie through payroll shall be effected on the next practicable payroll date following receipt of the proceeds by musicMagpie (but is not required to be effected within 14 days following the Effective Date).

#### 13.4 **General**

All documents and remittances sent to musicMagpie Shareholders will be sent at their own risk.

On and from the Effective Date, each certificate representing a holding of Scheme Shares will have ceased to be a valid document of title and should be destroyed or, at the request of musicMagpie, delivered up to musicMagpie, or to any person appointed by musicMagpie to receive the same for cancellation. On and from the Effective Date, entitlements to Scheme Shares held within CREST will be cancelled.

Except with the consent of the Panel and subject to the provisions of sub-paragraph 13.5 below, settlement of the Consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme free of any lien, right of set-off, counterclaim or other analogous right to which AO Bidco might otherwise be, or claim to be, entitled against such Scheme Shareholder.

#### 13.5 **Dividends**

If, on or after the Announcement Date 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 of Part III (*Conditions to the Scheme and the Acquisition*)) of this document to reduce the Consideration that would be payable by AO Bidco 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 document 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 paragraph 5 of Part D of Part III (*Certain further terms of the Acquisition*) of this document 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.

### 14. **United Kingdom taxation**

The statements set out below are intended only as a general guide and summarise certain limited aspects of current UK tax law and the published practice of HM Revenue & Customs ("**HMRC**") as at the date of this document, both of which may change (possibly with retroactive effect). HMRC's published practice may not be binding on it. The statements set out below do not purport to be a complete analysis or description of all the potential UK tax consequences of the Scheme. They are not, and should not be taken as being, advice.

The statements below apply only to Scheme Shareholders who are resident (and, in the case of individuals, domiciled) for tax purposes solely in the United Kingdom and to whom (in the case of individuals) split year treatment does not apply. They do not apply to Scheme Shareholders who are not the absolute beneficial owners of both their Scheme Shares and any dividends paid on them. They apply only to Scheme Shareholders who hold their Scheme Shares as an investment (other than where a tax exemption applies, for example, in an individual savings account (ISA) or a self-invested personal pension scheme (SIPP)) and

not to persons holding Scheme Shares in connection with a trade, profession or vocation. They do not apply to Scheme Shareholders who are subject to special tax rules, including dealers in securities, brokers, intermediaries, insurance companies, trustees, investment companies and collective investment schemes, tax exempt institutions, persons who acquired (or are treated as having acquired) Scheme Shares in connection with an employment or office (including pursuant to the musicMagpie Share Plans), or persons holding Scheme Shares as part of hedging acquisitions, or persons who hold their Scheme Shares as carried interest.

**IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION, AND IN PARTICULAR IF YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.**

### ***UK taxation of chargeable gains***

The transfer of Scheme Shares under the Scheme in return for cash should be treated as a disposal of the Scheme Shareholder's Scheme Shares for the purposes of United Kingdom tax on chargeable gains. As a result, the transfer may, depending on the particular circumstances of that Scheme Shareholder (including the availability of any exemptions, reliefs and/or allowable losses), give rise to a liability to UK tax on chargeable gains or, alternatively, an allowable capital loss.

### ***Individual Scheme Shareholders***

Subject to available exemptions, reliefs or allowances, a chargeable gain arising on a disposal of Scheme Shares by an individual Scheme Shareholder will be subject to capital gains tax ("**CGT**") at the rate of (for the 2024/2025 tax year) 10 per cent. or 20 per cent. depending on the individual's personal circumstances, including other taxable income and gains in the relevant tax year. Personal representatives and trustees will pay CGT at a flat rate of 20 per cent.

No indexation allowance will be available to an individual Scheme Shareholder in respect of any disposal of Scheme Shares. The CGT annual exempt amount (£3,000 for the 2024/2025 tax year or £1,500 for trustees and personal representatives (other than trustees and personal representatives for disabled people)) may, however, be available to individual Scheme Shareholders to offset against chargeable gains realised on the disposal of their Scheme Shares.

### ***Corporate Scheme Shareholders***

Subject to available exemptions, reliefs or allowances, chargeable gains arising on a disposal of Scheme Shares by a Scheme Shareholder within the charge to UK corporation tax will be taxed at the rate of corporation tax applicable to that Scheme Shareholder.

For Scheme Shareholders within the charge to UK corporation tax (but which do not qualify for the substantial shareholding exemption in respect of their Scheme Shares), indexation allowance may be available where their Scheme Shares were acquired before 31 December 2017 in respect of part of the period of ownership of the Scheme Shares to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the disposal of their Scheme Shares up to and including 31 December 2017 under the Scheme in return for cash.

The main rate of UK corporation tax is 25 per cent. for the 2024/2025 tax year for companies whose profits are in excess of £250,000. Companies whose profits fall between £50,000 and £250,000 can claim marginal relief which gives them an effective rate between 19 per cent. and 25 per cent. for companies whose profits are under £50,000. For companies whose profits are under £50,000, the applicable rate is the small profits rate of 19 per cent.

### ***UK stamp duty and stamp duty reserve tax ("**SDRT**")***

No UK stamp duty or SDRT should be payable by Scheme Shareholders on the transfer of their Scheme Shares under the Scheme.

## 15. Overseas Shareholders

The availability of the Scheme and the Acquisition to musicMagpie Shareholders who are not resident in the United Kingdom (“**Overseas Shareholders**”) may be affected by the laws and/or regulations of the relevant jurisdiction in which they are located. Overseas Shareholders should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdiction. If you are in any doubt regarding such matters, you should consult an appropriate independent professional adviser in the relevant jurisdiction without delay.

It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection with the Scheme and the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The release, publication or distribution of this document and/or any accompanying documents in or into or from jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves about, and observe, any applicable legal or regulatory requirements. In particular, the ability of persons who are not resident in the UK to vote their musicMagpie Shares with respect to the Scheme at the Court Meeting or the General Meeting, or to appoint another person as proxy 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. This document and any accompanying documents have been prepared for the purposes of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws of jurisdictions outside of England and Wales.

Unless otherwise determined by AO Bidco and musicMagpie or required by the Takeover Code, and permitted by applicable law and regulation, no person may vote in favour of the Acquisition by any use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws in that jurisdiction. Accordingly, copies of this document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving this document and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.

**OVERSEAS SHAREHOLDERS SHOULD CONSULT THEIR OWN LEGAL AND TAX ADVISERS WITH RESPECT TO THE LEGAL AND TAX CONSEQUENCES OF THE SCHEME.**

## 16. Actions to be taken by musicMagpie Shareholders

### ***The documents***

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting on 20 November 2024;
- a WHITE Form of Proxy for use in respect of the General Meeting on 20 November 2024; and
- a pre-paid envelope (for use in the UK only) for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you are a musicMagpie Shareholder and you have not received all of these documents, please contact the Company's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m. Monday to Friday (excluding English and Welsh public holidays) on +44 (0) 371 384 2050. For deaf and speech impaired shareholders, Equiniti welcomes calls via Relay UK. Please see [www.relayuk.bt.com](http://www.relayuk.bt.com) for more information. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate and different charges may apply to calls from mobile telephones. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

### ***Voting at the Court Meeting and the General Meeting***

In order for the Acquisition to become Effective, amongst other things, the Scheme will require approval by Scheme Shareholders at the Court Meeting to be held at First Floor, One Stockport Exchange, Railway Road, Stockport, SK1 3SW at 9.15 a.m. on 20 November 2024. Implementation of the Scheme will also require, amongst other things, the passing of the Resolutions to be proposed at the General Meeting by musicMagpie Shareholders at the General Meeting to be held at the same venue at 9.30 a.m. on the same date (or as soon as reasonably practicable thereafter as the Court Meeting shall have been concluded or adjourned). Notices of the Court Meeting and the General Meeting are set out in Part VIII (*Notice of Court Meeting*) and Part IX (*Notice of General Meeting*) of this document, respectively.

musicMagpie Shareholders and Scheme Shareholders (as applicable) entitled to attend, speak and vote at the Court Meeting and the General Meeting, are entitled to appoint a proxy (or proxies) to exercise all or any of their rights to attend, speak and vote at the Meetings (as applicable). A proxy need not be a musicMagpie Shareholder. However, musicMagpie Shareholders are strongly encouraged to appoint the chairperson of the relevant Meeting as their proxy for each Meeting. Any other person appointed as proxy will be able to attend, speak and vote at the Court Meeting and the General Meeting (as applicable).

You should:

- A. complete, sign and return the BLUE Form of Proxy for use at the Court Meeting so as to be **received no later than 9.15 a.m. on 18 November 2024**; and
- B. complete, sign and return the WHITE Form of Proxy for use at the General Meeting so as to be **received no later than 9.30 a.m. on 18 November 2024**,

or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for such adjourned meeting.

It is requested that the BLUE and WHITE Forms of Proxy (together with any power of attorney or other authority, if any, under which a Form of Proxy is signed, or a duly certified copy thereof) be returned to the Company's Registrar, Equiniti, either by post or by hand (during normal business hours only) to Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, so as to be received as soon as possible but, in any event, so as to be received by Equiniti, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the relevant Meeting (or in the case of an adjournment, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting). For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the Forms of Proxy. If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be:

- (i) scanned and emailed to Equiniti at the following email address: [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) prior to the start of the Court Meeting (or any adjournment thereof); or
- (ii) handed to the chairperson of the Court Meeting or Equiniti on behalf of the chairperson of the Court Meeting, at the start of the Court Meeting (or any adjournment thereof).

However, if the WHITE Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

### ***Online appointment of proxies***

As an alternative to completing and returning the printed Forms of Proxy, a proxy may be appointed electronically by creating an online portfolio using your Shareholder Reference Number on your Forms of Proxy on the following website: [www.shareview.co.uk](http://www.shareview.co.uk) and following the instructions therein. If you are a Scheme Shareholder that has already registered with Shareview, the online portfolio service of the Company's Registrar, Equiniti, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password.

For an electronic proxy appointment to be valid, the appointment must be received by the Company's Registrar, Equiniti, not later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time fixed for the relevant Meeting or any adjournment thereof. Full details of the procedure to be followed to appoint a proxy electronically are given on the website.



Please note that any electronic communication sent to the Company or Equiniti that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the Acquisition is governed by Equiniti's conditions of use set out on [www.shareview.co.uk](http://www.shareview.co.uk) and may be read by logging on to that site.

### ***Electronic appointment of proxies through CREST***

If you are a Scheme Shareholder that holds Scheme Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or General Meeting (or any adjournment thereof) by using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)) (please also refer to the accompanying notes to the notices of the Meetings set out in Part VIII (*Notice of Court Meeting*) and Part IX (*Notice of General Meeting*) of this document, respectively). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & International Limited's (“**Euroclear**”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by not later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. musicMagpie may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### ***Electronic appointments of proxies through Proxymity***

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by musicMagpie and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). In order to be considered valid, your proxy must be lodged by 9.15 a.m. on 18 November 2024 in the case of the Court Meeting or by 9.30 a.m. on 18 November in the case of the General Meeting, or, in the case of an adjourned meeting, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for such adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.

### ***Results of the Meetings***

The results of the Court Meeting and the General Meeting will be announced through a Regulatory Information Service and also published on musicMagpie's website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors).

### ***Shareholder helpline***

If you have any questions about this document, the Court Meeting or the General Meeting or how to complete the Forms of Proxy or to appoint a proxy through the CREST electronic proxy appointment service or otherwise, please contact the Company's Registrar, Equiniti, between 8.30 a.m. and 5.30 p.m.



Monday to Friday (excluding English and Welsh public holidays) on +44 (0) 371 384 2050. Calls are charged at the standard geographic rate and will vary by provider. For deaf and speech impaired shareholders, Equiniti welcomes calls via Relay UK. Please see [www.relayuk.bt.com](http://www.relayuk.bt.com) for more information. Calls outside the United Kingdom will be charged at the applicable international rate and different charges may apply to calls from mobile telephones. Please note that Equiniti cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

## **17. Further information**

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this document. Further information regarding musicMagpie, AO and AO Bidco is set out in Part VI (*Additional Information*) of this document. Documents made available on musicMagpie's website are listed in paragraph 16 of Part VI (*Additional Information*) of this document.

Yours faithfully,

Mark Percy  
Duly authorised, for and on behalf of  
Shore Capital

**PART III**  
**CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME**  
**AND TO THE ACQUISITION**

**Part A**

**Conditions to the Scheme and the Acquisition**

**Long Stop Date**

1. The Acquisition is conditional upon the Scheme becoming unconditional and 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 is 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 22nd day after the expected date of the Court Meeting as set out in the *Expected Timetable of Principal Events* in this document (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 to be proposed at the General Meeting 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 22nd day after the expected date of the General Meeting as set out in the *Expected Timetable of Principal Events* in this document (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 Court Sanction Hearing being held on or before the 22nd day after the expected date of the Court Sanction Hearing as set out in the *Expected Timetable of Principal Events* in this document (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).

**General conditions**

3. In addition, subject as stated in Part B below 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:
  - (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 the 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**

### **Waiver and Invocation of the Conditions**

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 (*Conditions to the Scheme and the Acquisition*), and any of the deadlines set out in paragraph 2 of Part A (*Conditions to the Scheme and the Acquisition*) for the timing of the Court Meeting, the General Meeting and the Court 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 (*Conditions to the Scheme and the Acquisition*). 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 (*Conditions to the Scheme and the Acquisition*).
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 Court 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 (*Conditions to the Scheme and the Acquisition*) 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 (*Conditions to the Scheme and the Acquisition*), 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.

## **Part C**

### **Implementation by way of a Takeover Offer**

1. 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.
2. 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.

## **Part D**

### **Certain further terms of the Acquisition**

1. 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.
2. This document and any rights or liabilities arising hereunder, the Acquisition, the Scheme and the Forms of Proxy is governed by English law and subject to the jurisdiction of the English courts and to the Conditions and certain further terms set out herein. The Acquisition is subject to the applicable rules and regulations of the Takeover Code, the Panel, the FCA, the London Stock Exchange, the AIM Rules and the Registrar of Companies.

3. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
4. Upon the Scheme becoming Effective, the musicMagpie Shares will be acquired by AO Bidco 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 at the Announcement Date or thereafter 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.
5. If, on or after the Announcement Date 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 (*Conditions to the Scheme and the Acquisition*)) to reduce the Consideration that would be payable by AO Bidco 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 document 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 5 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.
6. 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.
7. 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 email) of interstate or foreign commerce of, or of any facility of, any Restricted Jurisdiction.



## PART IV

### THE SCHEME OF ARRANGEMENT

IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)

CR-2024-005749

IN THE MATTER OF MUSICMAGPIE PLC  
AND IN THE MATTER OF THE COMPANIES ACT 2006  
SCHEME OF ARRANGEMENT

*(under Part 26 of the Companies Act 2006)*

Between

**MUSICMAGPIE PLC**

and

**THE HOLDERS OF THE SCHEME SHARES**

*(as defined below)*

#### PRELIMINARY

A. In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

|  |  |
|--|--|
| <b>“Acquisition”</b>                                 | the cash acquisition of the entire issued and to be issued share capital of musicMagpie by AO Bidco, to be implemented by way of this Scheme, and, where the context admits, any subsequent revision, variation, extension or renewal thereof; |
| <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>“Announcement Date”</b>                           | 2 October 2024;  |
| <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>“certificated form” or “in certificated form”</b> | a share or other security which is not in uncertificated form (that is, not in CREST);   |
| <b>“Companies Act”</b>                               | the Companies Act 2006, as amended from time to time;  |
| <b>“Conditions”</b>                                  | the conditions to which the Acquisition is subject, as set out in Part A of Part III ( <i>Conditions to the implementation of the Scheme and to the Acquisition</i> ) of the Document;   |
| <b>“Consideration”</b>                               | 9.07 pence payable by AO Bidco in cash for each musicMagpie Share to Scheme Shareholders (as appearing on the register of members of musicMagpie at the Scheme Record Time) pursuant to the Acquisition;                                       |
| <b>“Court”</b>                                       | the High Court of Justice in England and Wales;  |

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| <b>“Court Meeting”</b>           | the meeting or meetings of the Scheme Shareholders (or the relevant class or classes thereof) to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification approved or imposed by the Court and agreed to by AO Bidco and musicMagpie), including any adjournment, postponement or reconvention thereof, notice of which is contained in Part VIII ( <i>Notice of Court Meeting</i> ) of the Document; |
| <b>“Court Order”</b>             | the order of the Court sanctioning this Scheme under section 899 of the Companies Act;  |
| <b>“Court Sanction Hearing”</b>  | the hearing of the Court to sanction the Scheme under section 899 of the Companies Act;   |
| <b>“CREST”</b>                   | the relevant system (as defined in the CREST Regulations in respect of which Euroclear is the Operator (as defined in the CREST Regulations));  |
| <b>“CREST Manual”</b>            | the CREST Manual published by Euroclear, as amended from time to time;  |
| <b>“CREST Regulations”</b>       | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;  |
| <b>“Document”</b>                | the circular dated 28 October 2024 addressed to musicMagpie shareholders of which this Scheme forms part;   |
| <b>“Effective”</b>               | this Scheme having become effective pursuant to its terms, upon delivery of the Court Order to the Registrar of Companies for registration;   |
| <b>“Effective Date”</b>          | the date on which this Scheme becomes Effective;  |
| <b>“Euroclear”</b>               | Euroclear UK & International Limited, incorporated in England and Wales with registered number 02878738;  |
| <b>“Excluded Shares”</b>         | any musicMagpie Shares: (a) registered in the name of, or beneficially owned by, any member of the Wider AO Group (or any person as nominee for any such member of the Wider AO Group); or (b) held by musicMagpie in treasury as at the Scheme Record Time;  |
| <b>“holder”</b>                  | a registered holder and includes any person(s) entitled by transmission;  |
| <b>“Latest Practicable Date”</b> | 25 October 2024, being the latest practicable date prior to publication of the Document;  |
| <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>“LTIP”</b>                    | the musicMagpie Long Term Incentive Plan;   |
| <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, SK1 3SW;  |

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| <b>“musicMagpie Share Plan Participants”</b>        | participants in the musicMagpie Share Plans;  |
| <b>“musicMagpie Share Plans”</b>                    | the Unapproved Schemes, the musicMagpie Savings Related Share Option Scheme, the musicMagpie International Savings Related Share Option Scheme, the LTIP and the SOP, each as amended from time to time;  |
| <b>“musicMagpie Shares”</b>                         | the ordinary shares of £0.01 each in the capital of musicMagpie;  |
| <b>“Offer Price”</b>                                | 9.07 pence per musicMagpie Share;   |
| <b>“Panel”</b>                                      | the Panel on Takeovers and Mergers in the United Kingdom;   |
| <b>“Pounds sterling”, “pence”, “p” or “£”</b>       | the lawful currency of the United Kingdom from time to time;  |
| <b>“Registrar” or “Equiniti”</b>                    | Equiniti Limited, as registrar to musicMagpie;  |
| <b>“Registrar of Companies”</b>                     | the registrar of companies in England and Wales;  |
| <b>“Scheme”</b>                                     | this proposed scheme of arrangement made under Part 26 of the Companies Act between musicMagpie and the Scheme Shareholders with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by AO Bidco and musicMagpie;  |
| <b>“Scheme Record Time”</b>                         | 6.00 p.m. on the Business Day immediately prior to the Effective Date or such other date and/or time as AO Bidco and musicMagpie may agree;   |
| <b>“Scheme Shareholders”</b>                        | the holders of Scheme Shares from time to time;   |
| <b>“Scheme Shares”</b>                              | <p>the musicMagpie Shares:</p> <ul style="list-style-type: none"> <li>(a) in issue on the date of the Document;</li> <li>(b) (if any) issued after the date of the 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> <p>in each case, remaining in issue at the Scheme Record Time but excluding any Excluded Shares at any relevant date or time;</p> |
| <b>“significant interest”</b>                       | in relation to an undertaking, 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) of such undertaking;   |
| <b>“SOP”</b>  | the musicMagpie Share Option Plan;  |
| <b>“subsidiary undertaking”</b>                     | has the meaning given in section 1162 of the Companies Act;   |
| <b>“Takeover Code”</b>                              | the City Code on Takeovers and Mergers;   |
| <b>“uncertificated” or “in uncertificated form”</b> | a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the crest regulations, may be transferred by means of CREST;   |

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| <b>“Unapproved Schemes”</b>      | the Entertainment Magpie Group Limited Unapproved Scheme and the Entertainment Magpie Group Limited Unapproved G & H Share Scheme 2021;   |
| <b>“Voting Record Time”</b>      | 6.30 p.m. on 18 November 2024 or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned meeting;   |
| <b>“Wider AO Group”</b>          | AO World PLC and its subsidiary undertakings, associated undertakings and any other undertaking in which AO World PLC 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).   |

and where the context so admits or requires, all references in this Scheme to the singular include the plural and *vice versa*.

- B. References to clauses and paragraphs are to clauses and paragraphs of this Scheme.
- C. Any phrase introduced by the term ‘including’ or any similar expression is to be construed as illustrative only and does not limit the sense of the words preceding those terms.
- D. The issued share capital of musicMagpie as at the Latest Practicable Date was £1,078,082.87 divided into 107,808,287 ordinary shares of £0.01 each all of which were credited as fully paid, none of which were held by musicMagpie in treasury.
- E. Outstanding options in respect of musicMagpie Shares granted under the Unapproved Schemes may be exercised in connection with the Acquisition, to the extent permitted in accordance with the rules of the Unapproved Schemes and any other terms on which they were granted. The trustee of the musicMagpie Employee Benefit Trust has agreed to satisfy the exercise of options under the Unapproved Schemes to the extent that it holds sufficient musicMagpie Shares. On the basis that the number of musicMagpie Shares held by the musicMagpie Employee Benefit Trust is equal to the number of musicMagpie Shares in respect of which options under the Unapproved Schemes are expected to be exercised, it is not expected that any musicMagpie Shares will be issued pursuant to options granted under the Unapproved Schemes.
- F. Outstanding options in respect of musicMagpie Shares granted under the LTIP and the SOP may be exercised in connection with the Acquisition, to the extent permitted in accordance with the rules of the LTIP and the SOP and any other terms on which they were granted. musicMagpie has determined that the exercise of options under the LTIP and the SOP will be settled by the making of a cash payment rather than the delivery of musicMagpie Shares, and therefore it is not expected that any musicMagpie Shares will be issued pursuant to options granted under the LTIP and the SOP.
- G. All of the options granted under or pursuant to the SAYE have an exercise price in excess of the Offer Price and as such no offer or proposal will be made to participants in the SAYE in accordance with Rule 15 of the Takeover Code. On this basis, it is not anticipated that any options under the SAYE will be exercised prior to the Effective Date.
- H. As at the Latest Practicable Date, no member of the Wider AO Group is the registered holder of, or beneficially owns, any musicMagpie Shares.
- I. AO Bidco has, subject to the satisfaction or, where capable, waiver of the Conditions, agreed to appear by Counsel at the Court Sanction Hearing to sanction this Scheme and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to AO Bidco and to execute and do,

or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.

J. References to times are to London time.

## **1. Transfer of Scheme Shares**

- 1.1 Upon the Scheme becoming Effective, AO Bidco will acquire all 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 at the Announcement Date or thereafter attached to 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.
- 1.2 For the purposes of such Acquisition, the Scheme Shares shall be transferred from the Scheme Shareholders to AO Bidco (and/or its nominee(s)) by means of a form or forms of transfer or other instrument or instruction of transfer or by means of CREST and, to give effect to such transfers, any person may be appointed by AO Bidco as attorney and/or agent and/or otherwise on behalf of each Scheme Shareholder concerned, and is authorised as such attorney and/or agent and/or otherwise on behalf of each Scheme Shareholder concerned, to execute and deliver as transferor a form of transfer or other instrument (by deed or otherwise) or instruction of transfer of, or to procure the transfer by means of CREST or otherwise give any instructions to transfer, all of the Scheme Shares and every form, instrument or instruction of transfer so executed or instruction so given or transfer procured shall be as effective as if it had been executed or given or procured by the Scheme Shareholders of the Scheme Shares thereby transferred. Such form, instrument or instruction of transfer shall be deemed to be the principal instrument of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to AO Bidco (and/or its nominee(s)), together with the legal interest in such Scheme Shares, pursuant to such form, instrument or instruction of transfer, or by means of CREST.
- 1.3 With effect from the Effective Date and pending the registration of AO Bidco (and/or its nominee(s)) as the holder of the Scheme Shares to be transferred pursuant to this Scheme in the register of members of musicMagpie to reflect such transfer, each Scheme Shareholder irrevocably:
  - (a) appoints AO Bidco (and/or its nominee(s)) and AO Bidco (and/or its nominee(s)) shall be empowered to act, as attorney or, failing that, as agent and/or otherwise on behalf of each Scheme Shareholder to exercise on behalf of each Scheme Shareholder (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares (including in relation to any proposal to convert musicMagpie to a private limited company) and any and all rights and privileges (including the right to requisition the convening of a general meeting of musicMagpie or of any class of its shareholders) attaching to its Scheme Shares and to receive any distribution or other benefit accruing or payable in respect thereof;
  - (b) severally appoints AO Bidco (and/or its nominee(s)) and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any documents, and do all such things, as may in the opinion of AO Bidco (and/or its nominee(s)) and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or other rights or privileges attaching to its Scheme Shares, including, without limitation, an authority to sign any consent to short notice of a general or separate class meeting of musicMagpie (including in relation to any proposal to convert musicMagpie to a private limited company) and/or to execute, on behalf of such Scheme Shareholder, a form of proxy in respect of its Scheme Shares appointing any person nominated by AO Bidco (and/or its nominee(s)) and/or any one or more of its directors or agents to attend any general and separate class meetings of musicMagpie (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the relevant Scheme Shares on such Scheme Shareholder's behalf; and
  - (c) severally authorises AO Bidco (and/or its nominee(s)) and any one or more of its directors or agents to take such action as it sees fit in relation to any dealings with or disposal of such Scheme Shares (or any interest in such Scheme Shares) and authorises musicMagpie and/or its agents to send to AO Bidco (and/or its nominee(s)) at AO Bidco's registered office any notice, circular, warrant or other document or communication which may be required to be sent to such Scheme

Shareholder (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that from the Effective Date, no Scheme Shareholder shall be entitled to exercise (and irrevocably undertakes not to exercise) any voting rights attached to the Scheme Shares or (subject to clause 2.2) any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of AO Bidco (and/or its nominee(s)) and/or any one or more of its directors or agents, and shall not appoint a proxy or representative for or to attend any general meeting, separate class meeting or other meeting of musicMagpie.

- 1.4 The authorities granted pursuant to clauses 1.2 and 1.3 shall be treated for all purposes as having been granted by deed.

## **2. Consideration for the transfer of Scheme Shares**

- 2.1 In consideration for the transfer of the Scheme Shares to AO Bidco (and/or its nominee(s)) as provided in clause 1, AO Bidco shall, subject to the remaining provisions of this Scheme, pay, or procure to be paid, to or for the account of each Scheme Shareholder (as appearing in the register of members of musicMagpie at the Scheme Record Time), in accordance with the provisions of clause 4:

### **9.07 pence in cash for each Scheme Share.**

- 2.2 Subject to clause 2.4, if any dividend and/or other distribution and/or return of capital or value is authorised, declared, made, paid or becomes payable by musicMagpie in respect of the musicMagpie Shares on or after the Announcement Date and on or before the Effective Date, AO Bidco shall have the right (without prejudice to any of its other rights) to reduce the consideration payable under the Scheme per Scheme Share (as set out in clause 2.1 above) by an amount up to the aggregate amount of such dividend and/or distribution and/or return of capital or value (as the case may be and calculated, for the avoidance of doubt, on a per Scheme Share basis), except where the Scheme Share is, or will be, acquired pursuant to the Scheme on a basis which entitles AO Bidco to receive such dividend, distribution or other return of capital or value (as the case may be) and to retain it.
- 2.3 If AO exercises its right referred to in clause 2.2 to reduce the consideration payable per Scheme Share by all or part of an amount up to the aggregate amount of a dividend and/or distribution and/or return of capital or value (as the case may be), then: (a) holders of musicMagpie Shares appearing on the register of members of musicMagpie at the relevant record time as determined by the directors of musicMagpie shall be entitled to receive and retain the amount of that dividend, other distribution or return of capital or value in respect of the musicMagpie Shares they hold at such record time; (b) any reference in this Scheme and the Document to the consideration payable under the Scheme shall be deemed to be a reference to the consideration as so reduced; and (c) the exercise of such rights shall not be regarded as constituting any revision or variation of the terms of this Scheme.
- 2.4 If and to the extent that any such dividend, distribution or other return of capital or value is authorised, declared, made or is payable and it is cancelled in full prior to the Effective Date, the consideration payable under the Scheme shall not be subject to change under clause 2.2.

## **3. Share certificates and cancellation of CREST entitlements**

With effect from the Effective Date:

- 3.1 all certificates representing Scheme Shares shall cease to be valid as documents of title to the Scheme Shares comprised in the certificates and every holder of Scheme Shares shall be bound to destroy such certificates or, at the request of musicMagpie, to deliver up the same to musicMagpie;
- 3.2 musicMagpie shall procure that entitlements to Scheme Shares held within CREST are disabled and Euroclear shall be instructed to cancel the entitlements of Scheme Shareholders to Scheme Shares in uncertificated form;



- 3.3 following the cancellation of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, the Registrar shall (if necessary) be authorised to re-materialise entitlements to such Scheme Shares; and
- 3.4 subject to completion, delivery and, if applicable, stamping of any form of transfer or other instrument or instruction of transfer as may be required in accordance with clause 1 above, musicMagpie will make, or procure to be made, appropriate entries in its register of members to reflect the transfer of the Scheme Shares to AO (and/or its nominee(s)) in accordance with clause 1.

#### **4. Settlement of Consideration**

- 4.1 Settlement of any Consideration to which a Scheme Shareholder is entitled shall be effected as follows:
- (a) in the case of Scheme Shares which at the Scheme Record Time are in certificated form, AO Bidco shall despatch, or procure to be despatched, to the persons entitled to such Scheme Shares (or as they may direct) in accordance with the provisions of clauses 4.2, 4.5 and 4.6, (i) cheques; or (ii) payment by any other method that the Court, and the Panel, may allow, in each case for the sums payable to them respectively in accordance with clause 2; and
  - (b) in the case of Scheme Shares which at the Scheme Record Time are in uncertificated form, AO Bidco shall procure that Euroclear is instructed to create an assured payment obligation in favour of the appropriate payment bank of the persons entitled to the sums payable in accordance with clause 2 and in accordance with the CREST assured payment arrangements (as set out in the CREST Manual), provided that AO Bidco shall be entitled to make payment of the Consideration by cheque as aforesaid in clause 4.1(a) if, for any reason, it wishes to do so or if, for any reason, it is not able to effect settlement in accordance with this clause 4.1(b).
- 4.2 Payments shall be made, and (where relevant) cheques shall be despatched, as soon as practicable on or after the Effective Date, and in any event not more than 14 days after the Effective Date (or such other period as may be agreed between musicMagpie and AO Bidco and approved by the Panel). The payment of any Consideration by musicMagpie through payroll shall be effected on the next practicable payroll date following receipt of the proceeds by musicMagpie (but is not required to be effected within 14 days following the Effective Date).
- 4.3 With effect from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- 4.4 In the case of any musicMagpie Shares acquired following the sanction of the Scheme pursuant to the exercise of options granted under the musicMagpie Share Plans, settlement of the Consideration payable to musicMagpie Share Plan Participants under the Scheme or the Articles shall be made in accordance with the letters sent to the musicMagpie Share Plan Participants or by such other method as shall be determined by musicMagpie and AO.
- 4.5 All deliveries of notices, documents of title, cheques or certificates required to be made pursuant to this Scheme shall be effected by sending the same by first class post (or by international standard post, if overseas) in pre-paid envelopes addressed to the persons entitled to them at their respective registered addresses as appearing in the register of members of musicMagpie at the Scheme Record Time (or in the case of any joint holders, at the address of the joint holder whose name stands first in the register of members of musicMagpie in respect of such joint holding at the Scheme Record Time) and none of musicMagpie, AO Bidco, any member of the Wider AO Group, or their respective agents or nominees or musicMagpie's Registrar and receiving agent, Equiniti, shall be responsible for any loss or delay in the transmission of any notices, documents of title, cheques or certificates sent in accordance with this clause 4.5 which shall be sent at the risk of the person or persons entitled to them.
- 4.6 All cheques shall be in Pounds sterling drawn on a UK clearing bank and shall be made payable to the Scheme Shareholder concerned. The encashment of any such cheque shall be a complete discharge of AO Bidco's obligations (and those of AO Bidco's respective agents or nominees) under this Scheme to pay or procure payment of the monies represented thereby.

- 4.7 In respect of payments made through CREST, AO Bidco shall procure that Euroclear is instructed to create an assured payment obligation in accordance with the CREST assured payment arrangements. The creation of such an appropriate assured payment obligation as set out in clause 4.1(b) shall be a complete discharge of AO Bidco's obligations (and those of AO Bidco's respective agents or nominees) under this Scheme with reference to payments made through CREST.
- 4.8 If any Scheme Shareholders have not encashed their cheques within six months of the Effective Date, AO Bidco and musicMagpie shall procure that the Consideration due to such Scheme Shareholders under this Scheme shall be held by musicMagpie's receiving agent, Equiniti, for such Scheme Shareholders in a designated UK bank account for a period of 12 years from the Effective Date solely for the purpose of satisfying AO Bidco's payment obligations under the Scheme, and such Scheme Shareholders may claim the Consideration due to them (net of any expenses and taxes) by written notice to musicMagpie or Equiniti in a form which musicMagpie determines evidences their entitlement to such Consideration at any time during the period of 12 years from the Effective Date, and AO Bidco undertakes that neither it nor its nominee(s) will seek, require or accept repayment of the monies so held for the purposes detailed above prior to the first Business Day after the 12th anniversary of the Effective Date or otherwise with the permission of the Court.
- 4.9 The preceding paragraphs of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

## **5. Mandates**

Each mandate (including, without limitation, relating to the payment of dividends on any Scheme Shares) and other instructions (including communication preferences) given to musicMagpie or the Registrar by a Scheme Shareholder in force at the Scheme Record Time relating to Scheme Shares shall, as from the Effective Date, cease to be valid.

## **6. Operation of this Scheme**

- 6.1 This Scheme shall become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration.
- 6.2 Unless this Scheme has become Effective as provided in clause 6.1 of this Scheme on or before 11.59 p.m. on the Long Stop Date this Scheme shall never become Effective.

## **7. Modification**

musicMagpie and AO Bidco may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition which the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Takeover Code. For the avoidance of doubt, no modification may be made pursuant to this clause once the Scheme has become Effective.

## **8. Governing law**

This Scheme and all rights and obligations arising from or in connection with it are governed by English law. Any dispute of any kind whatsoever arising directly or indirectly as a result of or in connection with this Scheme, irrespective of the causes of action, including whether based on contract or tort, shall be exclusively submitted to the courts of England and Wales. The rules of the Takeover Code will apply to this Scheme on the basis provided in the Takeover Code.

Dated: 28 October 2024

## **PART V**

### **FINANCIAL INFORMATION**

#### **1. musicMagpie financial information incorporated by reference**

The following sets out financial information in respect of musicMagpie as required by Rule 24.3 of the Takeover Code. The following documents (or parts thereof), the contents of which have previously been announced through a Regulatory Information Service, are incorporated by reference into this document pursuant to Rule 24.15 of the Takeover Code and are available from musicMagpie's website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors):

- the unaudited Interim Results of musicMagpie for the six months ended 31 May 2024, which were published on 28 June 2024; and
- the Annual Report and Accounts of musicMagpie for the financial year ended 30 November 2023, which were published on 2 April 2024; and
- the Annual Report and Accounts of musicMagpie for the financial year ended 30 November 2022, which were published on 6 April 2023.

#### **2. AO financial information incorporated by reference**

The following sets out financial information in respect of AO Bidco and the Wider AO Group as required by Rule 24.3 of the Takeover Code and Note 1 on Rule 24.3 of the Takeover Code. The following documents (or parts thereof), the contents of which have been previously announced through a Regulatory Information Service, are incorporated into this document by reference pursuant to Rule 24.15 of the Takeover Code and are available from AO's website at [www.ao-world.com/investor-centre/offer](http://www.ao-world.com/investor-centre/offer):

- the Annual Report and Financial Statements of AO for the financial year ended 31 March 2023; and
- the Annual Report and Financial Statements of AO for the financial year ended 31 March 2024.

#### **3. Effect of Scheme becoming Effective on AO Bidco**

Following the Scheme becoming Effective, the earnings, assets and liabilities of AO Bidco will include the consolidated earnings, assets and liabilities of the musicMagpie Group.

#### **4. No incorporation of website information**

Save as expressly stated in this document, the contents of the websites referred to in this document are not incorporated into and do not form part of this document.

## PART VI

### ADDITIONAL INFORMATION

#### 1. Responsibility

- 1.1 The musicMagpie Board, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document (including any expressions of opinion) other than the information for which responsibility is taken by others pursuant to paragraph 1.2 below. 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 document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The AO Bidco Board and the AO Responsible Persons, whose names are set out in paragraphs 2.2 and 2.3 below, accept responsibility for the information contained in this document (including any expressions of opinion) relating to AO, the Wider AO Group, themselves, their close relatives and related trusts. To the best of the knowledge and belief of the AO Bidco Board and the AO Responsible Persons (having taken all reasonable care to ensure that such is the case), the information contained in this document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

#### 2. Directors and AO Responsible Persons

- 2.1 The musicMagpie Board and their positions in musicMagpie are as follows:

| <i>Name</i>      | <i>Position</i>                               |
|------------------|---|
| Martin Hellawell | <i>Non-Executive Chair</i>                    |
| Steve Oliver     | <i>Chief Executive Officer and Co-founder</i> |
| Matthew Fowler   | <i>Chief Financial Officer</i>                |
| Dave Wilson      | <i>Non-Executive Director</i>                 |

The registered office of musicMagpie and the business address of each of the musicMagpie Directors is Stockport Exchange, Railway Road, Stockport, SK1 3SW. The company secretary of musicMagpie is Matthew Fowler.

- 2.2 The AO Bidco Board and their positions in AO Bidco are as follows:

| <i>Name</i>  | <i>Position</i> |
|--------------|-----------------|
| John Roberts | <i>Director</i> |
| Mark Higgins | <i>Director</i> |

AO Bidco is a private limited company incorporated in England and Wales. The registered office of AO Bidco and the business address of the AO Bidco Board is Unit 5a, The Parklands, Lostock, Bolton, BL6 4SD. The company secretary of AO Bidco is Julie Finnemore.

- 2.3 The AO Responsible Persons, being the directors of the AO Board, and their respective positions in AO are as follows:

| <i>Name</i>     | <i>Position</i>                |
|-----------------|--------------------------------|
| Geoff Cooper    | <i>Non-Executive Chair</i>     |
| John Roberts    | <i>Chief Executive Officer</i> |
| Mark Higgins    | <i>Chief Financial Officer</i> |
| Chris Hopkinson | <i>Non-Executive Director</i>  |
| Shaun McCabe    | <i>Non-Executive Director</i>  |
| Peter Pritchard | <i>Non-Executive Director</i>  |
| Sarah Venning   | <i>Non-Executive Director</i>  |

AO is a public limited company incorporated in England and Wales. The registered office of AO and the business address of the AO Board is Unit 5a, The Parklands, Lostock, Bolton, BL6 4SD. The company secretary of AO is Julie Finnemore.

### 3. Market quotations

The following table lists the Closing Prices for musicMagpie Shares on: (a) the first Business Day in each of the six months prior to the date of this document, (b) 17 November 2023 (being the last Business Day prior to the commencement of the Offer Period) and (c) the Latest Practicable Date:

| <i>Date</i>      | <i>musicMagpie Share price (pence)</i> |
|------------------|--|
| 25 October 2024  | 8.75                                   |
| 1 October 2024   | 5.75                                   |
| 2 September 2024 | 6.00                                   |
| 1 August 2024    | 5.90                                   |
| 1 July 2024      | 6.50                                   |
| 3 June 2024      | 6.50                                   |
| 1 May 2024       | 6.50                                   |
| 17 November 2023 | 18.75                                  |

### 4. Interests and dealings in relevant securities

4.1 For the purposes of this paragraph 4:

- (a) **“acting in concert”** has the meaning given to it in the Takeover Code;
- (b) **“close relative”** has the meaning given to it in the Takeover Code;
- (c) **“Connected Adviser”** has the meaning given to it in the Takeover Code.
- (d) **“control”** means an interest, or interests, in shares carrying in aggregate 30 per cent. or more of the voting rights (as defined in the Takeover Code) of a company, irrespective of whether such interests give *de facto* control;
- (e) **“dealing”** has the meaning given to it in the Takeover Code and **“dealt”** has the corresponding meaning;
- (f) **“derivative”** has the meaning given to it in the Takeover Code;
- (g) **“disclosure period”** means the period beginning on 20 November 2022 (being the date that is 12 months before the commencement of the Offer Period) and ending on the Latest Practicable Date;
- (h) **“financial collateral arrangements”** are arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code;
- (i) **“interest”** or **“interests”** in relevant securities shall have the meaning given to it in the Takeover Code and references to interests of the AO Bidco Board, the AO Board or the musicMagpie Board in relevant securities shall include all interests of any other person whose interests in such securities the AO Bidco Board, the AO Board, or, as the case may be, the musicMagpie Board, are taken to be interested in pursuant to Part 22 of the Companies Act;
- (j) **“Note 11 arrangement”** means any indemnity or option arrangement, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing (other than irrevocable commitments to vote in favour of the Scheme, details of which are set out in paragraph 10 of this Part VI);
- (k) **“relevant securities”** means relevant AO Bidco securities and relevant musicMagpie securities;
- (l) **“relevant AO Bidco securities”** means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of AO Bidco including equity share capital of AO Bidco (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;

- (m) “relevant AO securities” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of AO including equity share capital of AO (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (n) “**relevant musicMagpie securities**” means relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of musicMagpie including equity share capital of musicMagpie (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (o) “**short position**” means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

### ***Persons acting in concert***

- 4.2 In addition to the musicMagpie Board (together with their close relatives and related trusts) and members of the musicMagpie Group, the persons who, for the purposes of the Takeover Code, are acting in concert with musicMagpie in respect of the Acquisition and who are required to be disclosed are:

| <i>Name</i>  | <i>Registered Office</i>                                       | <i>Relationship with musicMagpie</i>   |
|--|--|--|
| Shore Capital and Corporate Limited and Shore Capital Stockbrokers Limited | Cassini House, 57 St James's Street, London, England, SW1A 1LD | Connected Adviser – Financial adviser, Rule 3 adviser, nominated adviser and sole broker |

- 4.3 In addition to the AO Bidco Board and the AO Board (together with their respective close relatives and related trusts) and members of the Wider AO Group, the persons who, for the purposes of the Takeover Code, are acting in concert with AO Bidco in respect of the Acquisition and who are required to be disclosed are:

| <i>Name</i>                     | <i>Registered Office</i>                     | <i>Relationship with AO</i>   |
|---------------------------------|--|---|
| Jefferies International Limited | 100 Bishopsgate, London, England, EC2N 4JL   | Connected Adviser – financial adviser to AO and AO Bidco and joint corporate broker to AO |
| Numis Securities Limited        | 45 Gresham Street, London, England, EC2V 7BF | Connected Adviser – joint corporate broker to AO  |

### ***Interests and dealings in relevant securities of musicMagpie***

- 4.4 As at the Latest Practicable Date, and in addition to those interests disclosed at paragraph 4.5 below, the musicMagpie Board (and their close relatives and related trusts) held the following interests in, or rights to subscribe in respect of, relevant musicMagpie securities:

| <i>musicMagpie Director</i> | <i>Number of musicMagpie Shares</i> |
|-----------------------------|-------------------------------------|
| Martin Hellawell            | 947,738                             |
| Steve Oliver*               | 12,066,839                          |
| Matthew Fowler              | 175,000                             |
| Dave Wilson                 | 51,183                              |
| Total                       | 13,240,760                          |

\* This includes the beneficial holding of his spouse.



- 4.5 As at the Latest Practicable Date, the musicMagpie Board held the following outstanding options over relevant musicMagpie securities:

| <i>Name</i>    | <i>musicMagpie Share Plan</i> | <i>Date of grant of option</i>  | <i>Shares under outstanding options</i> | <i>Vesting date</i> | <i>Exercise price (pence)</i> |
|----------------|-------------------------------|---|---|---------------------|-------------------------------|
| Steve Oliver   | Unapproved Schemes            | 8 February 2021 (initial grant),<br>14 April 2021 (subsequent re-grant) | 2,690,120 <sup>1</sup>                  | Fully vested        | 1                             |
|                | LTIP                          | 2 August 2022   | 700,000                                 | 1 August 2025       | Nil                           |
| Matthew Fowler | LTIP                          | 2 August 2022   | 400,000                                 | 1 August 2025       | Nil                           |

- <sup>1</sup> In relation to the options held by Steve Oliver under the Unapproved Schemes over 2,690,120 Shares listed in the table above, Steve Oliver has irrevocably undertaken that the maximum number of shares in respect of which he will exercise such options will be 2,653,853 Shares.

- 4.6 As at the Latest Practicable Date, no persons acting in concert with musicMagpie (excluding the musicMagpie Board and their close relatives) held any other interests, rights to subscribe and/or short positions in relevant musicMagpie securities.
- 4.7 During the Offer Period, no dealings in relevant musicMagpie securities by the musicMagpie Board (and their close relatives and related trusts) have taken place.
- 4.8 As at the Latest Practicable Date, none of the AO Bidco Board, AO Bidco, or persons acting in concert with AO Bidco held any interests, rights to subscribe and/or short positions in relevant musicMagpie securities.
- 4.9 During the disclosure period, none of AO Bidco, the AO Bidco Board, or persons acting in concert with AO Bidco dealt in relevant musicMagpie securities.

### **General**

- 4.10 Save as disclosed in this document, as at the Latest Practicable Date:

- none of musicMagpie, any member of the musicMagpie Board, any close relatives or related trusts of such directors, nor any other person acting in concert with musicMagpie, nor any person with whom musicMagpie or any person acting in concert with musicMagpie has an arrangement, was interested, had any rights to subscribe or had any short positions in respect of any relevant musicMagpie securities, relevant AO Bidco securities, or relevant AO securities nor has any such person dealt in any such relevant securities during the Offer Period;
- none of AO Bidco, any member of the AO Bidco Board, any close relatives or related trusts of such directors, nor any other person acting in concert with AO Bidco nor any person with whom AO Bidco or any person acting in concert with AO Bidco has an arrangement, was interested, had any rights to subscribe or had any short positions in respect of any relevant musicMagpie securities nor has any such person dealt in any relevant musicMagpie securities during the disclosure period;
- neither musicMagpie nor any person acting in concert with musicMagpie has borrowed or lent any relevant musicMagpie securities (including any financial collateral arrangements) during the Offer Period, save for any borrowed shares which have either been on-lent or sold;
- neither AO Bidco nor any person acting in concert with AO Bidco has borrowed or lent any relevant musicMagpie securities (including any financial collateral arrangements) during the Offer Period, save for any borrowed shares which have either been on-lent or sold;
- none of musicMagpie, or any person acting in concert with musicMagpie has any Note 11 arrangement with any person in respect of relevant musicMagpie securities, relevant AO Bidco securities, or relevant AO securities and

- (f) none of AO Bidco or any or any person acting in concert with AO Bidco has any Note 11 arrangement with any person in respect of relevant musicMagpie securities, relevant AO Bidco securities, or relevant AO securities.

## **5. Bases of calculation and sources of information**

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

- 5.1 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:
- (a) 107,808,287 musicMagpie Shares in issue on the Latest Practicable Date; plus
  - (b) 10,852,909 musicMagpie Shares which may 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 document on the exercise of options under the musicMagpie Share Plans; less
  - (c) 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.
- 5.2 The premia calculations to the price per musicMagpie Share used in this document have been calculated by reference to:
- the Closing Price of 5.75 pence per musicMagpie Share on 1 October 2024 (being the last Business Day before the Announcement Date);
  - the one-month volume-weighted average Closing Price of 5.75 pence per musicMagpie Share as at 1 October 2024 (being the last Business Day before the Announcement Date);
  - the three-month volume-weighted average Closing Price of 6.12 pence per musicMagpie Share as at 1 October 2024 (being the last Business Day before the Announcement Date); and
  - the Closing Price of 18.75 pence per musicMagpie Share on 17 November 2023 (being the last Business Day before the commencement of the Offer Period).
- 5.3 The volume-weighted average prices for the musicMagpie Shares referred to in this document have been derived from Bloomberg.
- 5.4 Unless otherwise stated, the financial information of musicMagpie is extracted (without material adjustment) from the annual report and accounts of musicMagpie for the financial year ended 30 November 2023 and the interim accounts of musicMagpie for the six months ended 31 May 2024.
- 5.5 Certain figures included in this document have been subject to rounding adjustments.

## **6. Financing and cash confirmation**

- 6.1 The Acquisition values the entire issued and to be issued share capital of musicMagpie at £9,982,105, on a fully diluted basis.
- 6.2 The Consideration necessary to satisfy the Acquisition in full will be funded from AO's existing cash resources.
- 6.3 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.

## 7. musicMagpie Directors' service contracts, letters of appointment and termination arrangements

### 7.1 **Executive musicMagpie Directors**

The Executive musicMagpie Directors have entered into service contracts with musicMagpie, as summarised below:

(a) *Steve Oliver (Chief Executive Officer and Co-founder)*

Steve Oliver is engaged under a service agreement with musicMagpie and his appointment is for an indefinite term which commenced on 15 April 2021. Mr Oliver's appointment can be terminated by either party giving not less than twelve months' notice in writing. musicMagpie reserves the right to end Mr Oliver's employment lawfully without any notice by making a payment in lieu of notice equal to the amount of his salary. Mr Oliver can be placed on garden leave by musicMagpie. musicMagpie is also entitled to dismiss Mr Oliver by serving written notice in certain circumstances such as gross misconduct or following a serious or repeated breach of his service agreement. Upon termination of his employment by whatever means, Mr Oliver shall resign from his office as a director of musicMagpie and any other associated company. Mr Oliver is contractually entitled to a base salary of £350,000 per annum. On 1 December 2022, Mr Oliver made a discretionary election, in consultation with the musicMagpie Remuneration Committee, to forgo £70,000 per annum of his base salary of £350,000 per annum, followed by a temporary reduction of his base salary of a further £28,000 per annum, effective from 1 March 2024 to 30 November 2024. musicMagpie also agrees to reimburse Mr Oliver for reasonable expenses incurred through proper performance of his duties.

(b) *Matthew Fowler (Chief Financial Officer)*

Matthew Fowler is engaged under a service agreement with musicMagpie and his appointment is for an indefinite term which commenced on 8 November 2021. Mr Fowler's appointment can be terminated by either party giving not less than six months' notice in writing. musicMagpie reserves the right to end Mr Fowler's employment without any notice by making a payment in lieu of notice equal to the amount of his salary. Mr Fowler can be placed on garden leave by musicMagpie. musicMagpie is also entitled to dismiss Mr Fowler by serving written notice in certain circumstances such as gross misconduct or following a serious or repeated breach of his service agreement. Upon termination of his employment by whatever means, Mr Fowler shall resign from his office as a director of musicMagpie and any other associated company. Mr Fowler is contractually entitled to an annual base salary of £200,000 per annum. From 1 March 2024, Mr Fowler agreed with musicMagpie to a temporary reduction of his base salary of £200,000 by £20,000 per annum, effective from 1 March 2024 to 30 November 2024. musicMagpie agrees to reimburse Mr Fowler for reasonable expenses incurred through proper performance of his duties.

### 7.2 **Non-Executive musicMagpie Directors**

The Non-Executive musicMagpie Directors have entered into letters of appointment with musicMagpie, as follows:

| <i>Name</i>  | <i>Date of appointment</i> | <i>Notice period</i> | <i>Gross annual fee</i>   |
|--|----------------------------|----------------------|---|
| Martin Hellawell<br>(Non-Executive Chair)              | 1 February 2021            | 3 months             | £100,000  |
| Dave Wilson<br>(Independent<br>Non-Executive Director) | 8 February 2021            | 3 months             | £65,000 (inclusive of<br>£5,000 in his capacity<br>as chair of the<br>musicMagpie Audit<br>Committee) |

#### **General**

- 7.3 The Executive musicMagpie Directors are eligible to receive an additional discretionary bonus of such amount as determined by the Board. The Executive musicMagpie Directors are also entitled to a pension and to participate in a medical expenses insurance scheme maintained by musicMagpie from time to time.

- 7.4 The Non-Executive musicMagpie Directors are entitled to reimbursement for all reasonable and properly documented expenses incurred in the performance of their duties.
- 7.5 The fees payable to the musicMagpie Directors are subject to annual review by the musicMagpie Board or the Remuneration Committee of the musicMagpie Board, as applicable.
- 7.6 It is expected that the Non-Executive Directors, being Martin Hellawell and Dave Wilson, will enter into resignation letters with the Company with effect from the Scheme becoming Effective.
- 7.7 Save as disclosed above:
- (a) there are no service contracts or letters of appointment between any musicMagpie Director or any person who has been proposed as a director of musicMagpie and any member of the musicMagpie Group; and
  - (b) no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this document.
- 7.8 Save as set out in this document, the effect of the Scheme on the interests of musicMagpie Directors does not differ from its effect on the like interests of any other Scheme Shareholder or musicMagpie Share Plan Participant.

## **8. Material Contracts**

### **8.1 *musicMagpie material contract***

The following contract, not being a contract entered into in the ordinary course of business, has been entered into by musicMagpie and/or its subsidiaries since 20 November 2021 (being the date two years before the commencement of the Offer Period) and ending on the Latest Practicable Date and is or may be considered material:

#### *Facility Agreement*

On 26 July 2022, musicMagpie (as parent) and its subsidiary, Entertainment Magpie Group Limited (as original borrower) ("**EMG**"), entered into a facility agreement ("**Facility Agreement**"), which was later amended by an amendment letter on 18 April 2024, with, amongst others, HSBC UK Bank PLC and National Westminster Bank PLC (as original lenders) pursuant to which the original lenders agreed to make available to EMG and any additional borrowers a revolving credit facility in the amount of £30,000,000.

The interest rate on the revolving credit facility, subject to the application of the margin ratchet rules, is 1.95 per cent. per annum plus an applicable rate. Interest in relation to a loan is payable on the last day of each interest period which can be either every 1, 3 or 6 months, as selected by EMG in the utilisation request for a loan. Each loan is repayable on the last day of its interest period.

The Facility Agreement terminates on the third anniversary of the date of the Facility Agreement, being 26 July 2025, unless extended pursuant to its terms.

On 26 July 2022, musicMagpie and certain members of the musicMagpie Group granted a debenture in favour of HSBC Corporate Trustee Company (UK) Limited (as security agent) in order to secure their obligations under the Facility Agreement.

AO intends to procure the repayment of amounts outstanding under the Facility Agreement following the Effective Date.

### **8.2 *AO and AO Bidco material contracts***

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by AO and/or its subsidiaries since 20 November 2021 (being the date two years before the commencement of the Offer Period) and ending on the Latest Practicable Date and which are or may be considered material:

(a) *Placing Agreement*

On 6 July 2022, AO entered into a placing agreement (the “**Placing Agreement**”) with Jefferies, Jefferies GMBH and Numis Securities Limited (together, the “**Banks**”), pursuant to which the Banks, as agents for AO agreed to use their respective reasonable endeavours to procure placees for up to 95,856,552 shares at 43 pence per share (the “**Placing**”). The Placing Agreement contained customary representations, warranties and undertakings from AO in favour of the Banks in relation to, among other things, the accuracy of information in the documents relating thereto and certain other matters relating to AO and its business, and a customary indemnity from AO in favour of the Banks. The Placing Agreement provided for AO to pay all costs, charges, fees and expenses properly incurred in connection with the Placing. AO paid to the Banks a percentage of the amount raised as commission. The Placing Agreement is governed by the laws of England and Wales.

(b) *Revolving Credit Facility*

On 5 April 2023, AO and AO Bidco entered into a revolving facility agreement with, among others, Barclays Bank PLC, HSBC Bank PLC and National Westminster Bank PLC (together, the “**Original Lenders**”) pursuant to which the Original Lenders agreed to grant AO a revolving credit facility of up to £80,000,000 with an initial three year term to April 2026 (such term subsequently being extended to April 2027 in February 2024) (the “**Revolving Credit Facility**”).

On 8 October 2024, AO and AO Bidco entered into an amendment and restatement deed relating to the Revolving Credit Facility with, among others, the Original Lenders and Santander UK PLC (together, the “**Lenders**”) pursuant to which the Lenders agreed to grant AO a revolving credit facility of up to £120,000,000 with a four year term to October 2028 and an option to extend for a further year.

## 9. Acquisition related arrangements

### 9.1 **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.

### 9.2 **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 Part III (*Conditions to the implementation of the Scheme and to the Acquisition*) of this document 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, and to otherwise assist with, the preparation of this 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 to be proposed at the General Meeting are not approved at the General Meeting or the Court definitively refuses to sanction the Scheme at the Court Sanction Hearing; or (b) the Court Meeting, the General Meeting or the Court 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).

## 10. Irrevocable undertakings and letter of intent

### 10.1 *musicMagpie Directors*

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 in favour of the Resolutions 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 interests (and, in the case of one musicMagpie Director, those of a connected person) in the following musicMagpie Shares:

| <i>Name</i>      | <i>Number of<br/>musicMagpie<br/>Shares</i> | <i>Percentage of<br/>musicMagpie<br/>Shares in issue</i> |
|------------------|---|--|
| Martin Hellawell | 947,738                                     | 0.88%  |
| Steve Oliver*    | 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>  |

\* This includes the beneficial holding of his spouse.

These irrevocable undertakings given by the 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 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 Takeover 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)



## 10.2 **musicMagpie Shareholders**

In addition to the musicMagpie Board, 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:

| <i>Name</i>  | <i>Number of<br/>musicMagpie<br/>Shares</i> | <i>Percentage of<br/>musicMagpie<br/>Shares in issue</i> |
|--|---|--|
| 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<br>(Jersey) Limited in its capacity as<br>trustee of the Employee Benefit Trust | 8,641,176                                   | 8.02%  |
| Northern Venture Trust PLC,<br>Northern 2 VCT PLC and<br>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 outlined above will lapse and cease to be binding on and from the earlier of the following occurrences:

- (a) the Long Stop Date;
- (b) 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;
- (c) 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 Takeover Offer has been announced by AO Bidco in its place or is announced at the same time; or
- (d) 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).

## 11. Fees and expenses

### 11.1 *musicMagpie's fees and expenses*

musicMagpie estimates that the aggregate fees and expenses expected to be incurred by musicMagpie in connection with the Acquisition will be £945,000 to £1,200,000 (excluding applicable VAT and disbursements). Set out below are the estimate of fees and expenses (excluding applicable VAT and disbursements) expected to be incurred in relation to:

| <i>Category</i>             | <i>Amount (£)<br/>(excluding applicable VAT<br/>and other taxes<br/>and disbursements)</i> |
|-----------------------------|--|
| Financial advice            | £300,000 to £350,000 <sup>(1)(2)</sup>   |
| Legal advice                | £500,000 to £700,000 <sup>(1)</sup>  |
| Other professional services | £81,000 to £86,000 <sup>(3)</sup>  |
| Other costs and expenses    | £64,000 <sup>(4)</sup>   |
| <b>Total</b>                | <b>£945,000 to £1,200,000</b>  |

*Notes:*

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective. The total does not include disbursements.
- (2) The total amount makes provision for the payment of a discretionary fee.
- (3) Other professional services include the costs of proxy support, registrar and printing. The total amount payable for these services depends on whether the Acquisition becomes Effective.
- (4) Other costs and expenses include the costs of court counsel and the trustee fees.

### 11.2 *AO Bidco's fees and expenses*

AO Bidco estimates that the aggregate fees and expenses expected to be incurred by AO Bidco in connection with the Acquisition will be £2,768,751 to £3,768,751 (excluding applicable VAT and other taxes and disbursements). Set out below are the estimate of fees and expenses (excluding applicable VAT and other taxes and disbursements) expected to be incurred in relation to:

| <i>Category</i>                        | <i>Amount (£)<br/>(excluding applicable VAT<br/>and other taxes<br/>and disbursements)</i> |
|--|--|
| Financial and corporate broking advice | £1,500,000 to £2,000,000 <sup>(1)(2)</sup>   |
| Legal advice                           | £1,018,000 to £1,518,000 <sup>(1)(3)</sup>   |
| Accounting advice                      | £222,500   |
| Other professional services            | £20,751  |
| Other costs and expenses               | £7,500 <sup>(4)</sup>  |
| <b>Total</b>                           | <b>£2,768,751 to £3,768,751</b>  |

*Notes:*

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.
- (2) The figure makes provision for the payment of a discretionary fee.
- (3) Certain of these services are provided by reference to hourly rates. Amounts included in the table above reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required.
- (4) Includes Takeover Panel fees.

## **12. Ratings**

- 12.1 No ratings agency has publicly accorded to musicMagpie any current credit rating or outlook.
- 12.2 No ratings agency has publicly accorded to AO Bidco or any member of the Wider AO Group any current credit rating or outlook.

## **13. No significant change**

There has been no significant change in the financial or trading position of musicMagpie since 31 May 2024, being the date to which the unaudited interim results of musicMagpie for the six months ended 31 May 2024 were prepared.

## **14. Consents**

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

## **15. Other information**

- 15.1 Save as disclosed in this document, there is no agreement, arrangement or understanding (including any compensation arrangement) between AO Bidco or (as far as AO Bidco is aware) any person acting in concert with it and any of the directors, recent directors, shareholders or recent shareholders of musicMagpie, or any person interested or recently interested in musicMagpie Shares, having any connection with or dependence on or which is conditional upon the outcome of the Acquisition.
- 15.2 There is no agreement, arrangement or understanding pursuant to which the beneficial ownership of any of the musicMagpie Shares to be acquired by AO Bidco will be transferred to any other person, save that AO Bidco reserves the right to transfer any such shares to any other member of the AO Group.
- 15.3 Save with the consent of the Panel and as disclosed in this document, settlement of the Consideration to which each Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms of the Scheme without regard to any lien or right of set-off, counterclaim or other analogous right to which AO Bidco may otherwise be, or claim to be, entitled against any such Scheme Shareholder.
- 15.4 Save as disclosed in this document, there is no agreement or arrangement to which AO Bidco or any other member of the AO Group is a party which relates to the circumstances in which it may or may not invoke a Condition to the Scheme.

## **16. Documents on display**

- 16.1 Until and including the Effective Date (or the date on which the Scheme lapses or is withdrawn, if earlier), copies of the following documents will be available on musicMagpie's website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors) and AO's website at [www.ao-world.com/investor-centre/offer](http://www.ao-world.com/investor-centre/offer) (subject to, in each case, any applicable restrictions relating to persons resident in Restricted Jurisdictions):
- (a) the Rule 2.7 Announcement;
  - (b) this document;
  - (c) the Forms of Proxy;
  - (d) the musicMagpie Articles;
  - (e) the musicMagpie Articles as proposed to be amended pursuant to the Resolutions to be proposed at the General Meeting;
  - (f) the articles of association of AO Bidco;
  - (g) the Confidentiality Agreement;

- (h) the Co-operation Agreement;
- (i) the irrevocable undertakings and letter of intent referred to in paragraph 10 above;
- (j) the consent letters referred to in paragraph 14 above;
- (k) the financial information relating to musicMagpie referred to in paragraph 1 of Part V (*Financial Information*) of this document; and
- (l) the financial information relating to AO referred to in paragraph 2 of Part V (*Financial Information*) of this document.

16.2 The content of the websites (including the content of any other website accessible from hyperlinks on such websites) referred to in this document is not incorporated into and does not form part of this document save as specified in paragraphs 1 and 2 of Part V (*Financial Information*) of this document.

## PART VII

### DEFINITIONS

|   |   |
|---|---|
| <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>“Announcement” or “Rule 2.7 Announcement”</b>              | the announcement by AO Bidco of a firm intention to make an offer for the entire issued and to be issued share capital of musicMagpie pursuant to Rule 2.7 of the Takeover Code on the Announcement Date;   |
| <b>“Announcement Date”</b>                                    | 2 October 2024;   |
| <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 Bidco Board” or “AO Bidco Directors”</b>               | the persons whose names are set out in paragraph 2.2 of Part VI ( <i>Additional Information</i> ) of this document;   |
| <b>“AO Board”, “AO Directors” or “AO Responsible Persons”</b> | the persons whose names are set out in paragraph 2.3 of Part VI ( <i>Additional Information</i> ) of this document;   |
| <b>“AO Group”</b>   | AO and its subsidiary undertakings for the time being;  |
| <b>“associated undertaking”</b>                               | shall be construed in accordance with paragraph 19 of Schedule 6 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410), other than paragraph 19(1)(b) of Schedule 6 to those regulations which shall be excluded for this purpose;   |
| <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>“certificated” or<br/>“in certificated form”</b> | a share or other security which is not in uncertificated form (that is, not in CREST);   |
| <b>“Closing Price”</b>                              | the closing middle market quotation for a musicMagpie Share on the day to which such price relates, as 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, as amended from time to time;  |
| <b>“Conditions”</b>                                 | the conditions to which the Acquisition is subject, as set out in Part III ( <i>Conditions to the implementation of the Scheme and to the Acquisition</i> ) of this document or, if applicable, in the Offer Document and <b>“Condition”</b> means any of them;  |
| <b>“Confidentiality Agreement”</b>                  | the confidentiality agreement entered into between AO and musicMagpie dated 15 December 2023, a summary of which is set out in paragraph 9.1 of Part VI ( <i>Additional Information</i> ) of this document;  |
| <b>“Consideration”</b>                              | 9.07 pence payable by AO Bidco in cash for each 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 9.2 of Part VI ( <i>Additional Information</i> ) of this document;  |
| <b>“Court”</b>                                      | the High Court of Justice of England and Wales;  |
| <b>“Court Meeting”</b>                              | the meeting or meetings of the Scheme Shareholders (or the relevant class or classes thereof) to be convened by order of the Court pursuant to Part 26 of the Companies Act to consider and, if thought fit, approve the Scheme (with or without modification approved or imposed by the Court and agreed to by AO Bidco and musicMagpie), including any adjournment, postponement or reconvention thereof, notice of which is contained in Part VIII ( <i>Notice of Court Meeting</i> ) of this document; |
| <b>“Court Order”</b>                                | the order of the Court sanctioning the Scheme under section 899 of the Companies Act;  |
| <b>“Court Sanction Hearing”</b>                     | the hearing of the Court to sanction the Scheme under section 899 of the Companies Act;  |
| <b>“CREST”</b>                                      | the relevant system (as defined in the CREST Regulations in respect of which Euroclear is the Operator (as defined in the CREST Regulations));   |
| <b>“CREST Applications Host”</b>                    | the communication hosting system operated by Euroclear;  |
| <b>“CREST Manual”</b>                               | the CREST Manual published by Euroclear, as amended from time to time;   |
| <b>“CREST Proxy Instruction”</b>                    | has the meaning given to it on page 11 of this document;   |
| <b>“CREST Regulations”</b>                          | the Uncertificated Securities Regulations 2001 (SI 2001/3755), as amended from time to time;   |
| <b>“Dealing Disclosure”</b>                         | has the meaning given in Rule 8 of the Takeover Code;  |



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| <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 Announcement Date 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 Announcement Date by musicMagpie (by delivery of an announcement to a Regulatory Information Service); or</li> <li>(e) disclosed in the Announcement;</li> </ul> |
| <b>“EBT” or “Employee Benefit Trust”</b>      | the musicMagpie Employee Benefit Trust;   |
| <b>“Effective”</b>                            | <p>either:</p> <ul style="list-style-type: none"> <li>(a) if the Acquisition is implemented by way of a Scheme, the Scheme having become effective pursuant to its terms, upon the delivery of the Court Order to the Registrar of Companies for registration; or</li> <li>(b) if the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer having been declared or 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>“EMG”</b>                                  | Entertainment Magpie Group Limited, a private limited company incorporated and registered in England and Wales with registered number 09775280;   |
| <b>“Equiniti” or “Registrar”</b>              | Equiniti Limited of Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;  |
| <b>“Euroclear”</b>                            | Euroclear UK & International Limited, a private limited company incorporated in England and Wales with registered number 02878738;  |
| <b>“Excluded Shares”</b>                      | any musicMagpie Shares: (a) registered in the name of, or beneficially owned by, any member of the Wider AO Group (or any person as nominee for any such member of the Wider AO Group); or (b) held by musicMagpie in treasury as at the Scheme Record Time;  |
| <b>“Executive musicMagpie Directors”</b>      | Steve Oliver and Matthew Fowler;  |
| <b>“FCA” or “Financial Conduct Authority”</b> | the UK Financial Conduct Authority or any successor regulatory authority from time to time;   |
| <b>“Facility Agreement”</b>                   | has the meaning given to it on page 66 of this document;  |

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| <b>"Forms of Proxy"</b>                                  | either or both (as the context demands) of the BLUE form of proxy for use in connection with the Court Meeting and/or the WHITE form of proxy for use by musicMagpie Shareholders in connection with the General Meeting, which accompany this 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, notice of which is contained in Part IX ( <i>Notice of General Meeting</i> ) of this document; |
| <b>"holder"</b>  | a registered holder and includes any person entitled by transmission;   |
| <b>"Jefferies"</b>                                       | Jefferies International Limited;  |
| <b>"Latest Practicable Date"</b>                         | 25 October 2024, being the last Business Day prior to publication of this document;   |
| <b>"London Stock Exchange"</b>                           | London Stock Exchange plc, a public limited company incorporated and registered in England and Wales with registered number 02075721;   |
| <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>"LTIP"</b>  | the musicMagpie Long Term Incentive Plan;   |
| <b>"Market Abuse Regulation"</b>                         | Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended);  |
| <b>"Meetings"</b>  | the Court Meeting and the General Meeting, and <b>"Meeting"</b> means either of them as the context may require;  |
| <b>"musicMagpie" or the "Company"</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, SK1 3SW;  |
| <b>"musicMagpie Articles"</b>                            | the articles of association of musicMagpie, as amended from time to time;   |
| <b>"musicMagpie Board" or<br/>musicMagpie Directors"</b> | the directors of musicMagpie for the time being;  |
| <b>"musicMagpie Group"</b>                               | musicMagpie and its subsidiary undertakings for the time being;   |
| <b>"musicMagpie Remuneration<br/>Committee"</b>          | the remuneration committee of the musicMagpie Board;  |
| <b>"musicMagpie Shareholders"</b>                        | the holders of musicMagpie Shares;  |
| <b>"musicMagpie Share Plan<br/>Participants"</b>         | participants in the musicMagpie Share Plans;  |

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| <b>“musicMagpie Share Plans”</b>             | the Unapproved Schemes, the LTIP, the SOP and the SAYE;   |
| <b>“musicMagpie Shares”</b>                  | the ordinary shares of £0.01 each in the capital of musicMagpie;  |
| <b>“Non-Executive musicMagpie Directors”</b> | Martin Hellawell and Dave Wilson;   |
| <b>“Offer Document”</b>                      | should the Acquisition be implemented by means of a Takeover Offer, the document to be sent or made available 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>“Offer Price”</b>                         | 9.07 pence per Scheme Share;  |
| <b>“Opening Position Disclosure”</b>         | has the meaning given in Rule 8 of the Takeover Code;   |
| <b>“Overseas Shareholders”</b>               | musicMagpie Shareholders (or nominees of, or custodians or trustees for musicMagpie Shareholders) who are resident in, ordinarily resident in, or citizens of, jurisdictions outside of 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>“Regulations”</b>                         | the Uncertificated Securities Regulations 2001 (SI 2001/3755);  |
| <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 Part III ( <i>Conditions to the implementation of the Scheme and to the Acquisition</i> ) of this document;   |
| <b>“relevant securities”</b>                 | shall be construed in accordance with the Takeover Code;  |
| <b>“Resolutions”</b>                         | the special resolutions to be proposed at the General Meeting in connection with the approval of the Scheme and the amendment of the musicMagpie Articles and such other matters as may be necessary to implement the Scheme;   |
| <b>“Restricted Jurisdiction(s)”</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>“SAYE”</b>                                | the musicMagpie Savings Related Share Option Scheme and the musicMagpie International Savings Related Share Option Scheme;  |
| <b>“Scheme”</b>                              | the proposed scheme of arrangement to be made under Part 26 of the Companies Act between musicMagpie and the Scheme Shareholders with or subject to any modification, addition or condition approved or imposed by the Court (where relevant) and agreed to by musicMagpie and AO Bidco, as set out in Part IV ( <i>The Scheme of Arrangement</i> ) of this document; |
| <b>“Scheme Record Time”</b>                  | 6.00 p.m. on the Business Day immediately prior to the Effective Date, expected to be 6.00 p.m. on the day of the Court Sanction  |

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|   | Hearing, or such other date and/or time as AO Bidco and musicMagpie may agree;  |
| <b>"Scheme Shareholder(s)"</b>                      | the holder(s) of Scheme Shares from time to time;   |
| <b>"Scheme Shares"</b>                              | <p>the musicMagpie Shares:</p> <ul style="list-style-type: none"> <li>(a) in issue at the date of this document;</li> <li>(b) (if any) issued after the date of this 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> <p>in each case remaining in issue at the Scheme Record Time, but excluding any Excluded Shares at any relevant date or time;</p> |
| <b>"significant interest"</b>                       | 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);  |
| <b>"Share Plan Letters"</b>                         | has the meaning given in paragraph 6 of Part II ( <i>Explanatory Statement</i> ) of this document;  |
| <b>"Shore Capital"</b>                              | Shore Capital and Corporate Limited and/or Shore Capital Stockbrokers Limited, as the context requires;   |
| <b>"SOP"</b>  | the musicMagpie Share Option Plan;  |
| <b>"subsidiary"</b>                                 | has the meaning given in section 1159 of the Companies Act;   |
| <b>"subsidiary undertaking"</b>                     | has the meaning given in section 1162 of the Companies Act;   |
| <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 that term is defined in section 974 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 Part III ( <i>Conditions to the implementation of the Scheme and to the Acquisition</i> ) of this document;  |
| <b>"Unapproved Schemes"</b>                         | the Entertainment Magpie Group Limited Unapproved Scheme and the Entertainment Magpie Group Limited Unapproved G & H Share Scheme 2021;   |
| <b>"uncertificated" or "in uncertificated form"</b> | a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;   |
| <b>"UK" or "United Kingdom"</b>                     | the United Kingdom of Great Britain and Northern Ireland;   |

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| <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>“US Exchange Act”</b>         | the US Securities Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder;  |
| <b>“Voting Record Time”</b>      | 6.30 p.m. on 18 November 2024 or, if the Court Meeting and/or the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Meeting;   |
| <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 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 the times referred to in this document are London times unless otherwise stated.

References to the singular include the plural and vice versa.

## PART VIII

### NOTICE OF COURT MEETING

**IN THE HIGH COURT OF JUSTICE  
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES  
COMPANIES COURT (ChD)**

**CR-2024-005749**

**JUDGE BURTON**

**IN THE MATTER OF MUSICMAGPIE PLC**

and

**IN THE MATTER OF THE COMPANIES ACT 2006**

NOTICE IS HEREBY GIVEN that, by an order dated 25 October 2024 made in the above matters, the Court has given permission for musicMagpie PLC (the “**Company**” or “**musicMagpie**”) to convene a meeting (the “**Court Meeting**”) of the holders of Scheme Shares as at the Voting Record Time (each as defined in the Scheme of Arrangement referred to below) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Companies Act**”) between musicMagpie and the holders of Scheme Shares (the “**Scheme of Arrangement**”) and that such meeting will be held at 9.15 a.m. on 20 November 2024 at First Floor, One Stockport Exchange, Railway Road, Stockport, SK1 3SW.

A copy of the Scheme of Arrangement and a copy of the explanatory statement required to be published pursuant to section 897 of the Companies Act are incorporated in the document of which this notice forms part.

Unless the context requires otherwise, any capitalised term used but not defined in this notice of Court Meeting shall have the meaning given to such term in the document of which this notice forms part.

Voting on the resolution to approve the Scheme of Arrangement will be by poll, which shall be conducted as the chairperson of the Court Meeting may determine.

#### **Right to appoint a proxy and procedure for appointment**

Scheme Shareholders are strongly encouraged to submit proxy appointments and instructions for the Court Meeting as soon as possible, using any of the methods (by post, by hand, online or through CREST or Proxymity) set out below. Scheme Shareholders are also strongly encouraged to appoint “the chairperson of the Court Meeting” as their proxy. Any other person appointed as proxy will be able to attend, speak and vote at the Court Meeting.

Scheme Shareholders are entitled to appoint a proxy in respect of some or all of their Scheme Shares and may also appoint more than one proxy by using multiple paper Forms of Proxy or appointing multiple proxies through CREST or Proxymity as described below, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. Scheme Shareholders who wish to appoint more than one proxy in respect of their holding of Scheme Shares should contact Equiniti for further BLUE Forms of Proxy. Alternatively, you may photocopy the BLUE Form of Proxy enclosed with this notice.

The completion and return of the BLUE Form of Proxy (by post or by hand), or transmission of a proxy appointment or voting instruction through CREST or Proxymity or online or by any other procedure described in this document, will not prevent you from attending, speaking and voting at the Court Meeting, or any adjournment thereof, if you are entitled to and wish to do so.



### **Sending BLUE Forms of Proxy by post or by hand**

You should complete, sign and return the BLUE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) enclosed with this notice for use at the Court Meeting so as to be **received no later than 9.15 a.m. on 18 November 2024**. In the event of adjournment(s) of the Court Meeting, the BLUE Form of Proxy (together with any power of attorney or other authority as above) should be received no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting(s).

The BLUE Form of Proxy may be returned by post to, or, during normal business hours only, by hand to the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the BLUE Form of Proxy.

If the BLUE Form of Proxy for the Court Meeting is not returned by the above time, a copy of the completed and signed BLUE Form of Proxy may be (i) scanned and emailed to Equiniti at the following email address: [proxyvotes@equiniti.com](mailto:proxyvotes@equiniti.com) prior to the start of the Court Meeting (or any adjournment thereof) or (ii) handed to the chairperson of the Court Meeting, or Equiniti on behalf of the chairperson of the Court Meeting, at any time before the time that the Court Meeting is due to commence and it will still be valid.

### **Online appointment of proxies**

As an alternative to completing and returning the BLUE Form of Proxy, a proxy may be appointed electronically by creating an online portfolio using your Shareholder Reference Number on your Form of Proxy on the following website: [www.shareview.co.uk](http://www.shareview.co.uk) and following the instructions therein. If you are a Scheme Shareholder that has already registered with Shareview, the online portfolio service of the Registrar, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password.

For an electronic proxy appointment for the Court Meeting to be valid, the appointment must be received by Equiniti **no later than 9.15 a.m. on 18 November 2024** (or in the case of adjournment(s), no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting(s)). Full details of the procedure to be followed to appoint a proxy online are given on the website above.

### **Electronic appointment of proxies through CREST**

CREST members who wish to appoint a proxy or proxies for the Court Meeting (or any adjournment(s) thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "**CREST Proxy Instruction**") must be properly authenticated in accordance with Euroclear UK & International Limited's ("**Euroclear**") specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) **no later than 9.15 a.m. on 18 November 2024** (or in the case of adjourned meeting, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting(s)). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal

member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

musicMagpie may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### **Electronic appointments of proxies through Proximity**

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by musicMagpie and approved by the Registrar. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). In order to be considered valid, your proxy must be lodged **by 9.15 a.m. on 18 November 2024** or in the case of adjourned meeting, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.

### **Voting Record Time**

Entitlement to attend, speak and vote (including by proxy) at the Court Meeting and the number of votes which may be cast at the Court Meeting will be determined by reference to the register of members of musicMagpie at 6.30 p.m. on 18 November 2024 or, if the Court Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned Court Meeting. Changes to the register of members after the Voting Record Time will be disregarded in determining the rights of any person to attend, speak and vote (including by proxy) at the Court Meeting or any adjournment thereof.

### **Joint holders**

In the case of joint holders of Scheme Shares, any one such joint holder may tender a vote, whether in person, or by proxy. However, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s). Where more than one of the joint holders purport to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. For this purpose, seniority will be determined by the order in which the names stand in the register of members of musicMagpie in respect of the relevant joint holding.

### **Corporate representatives**

Any Scheme Shareholder which is a corporation may authorise a person or persons to act as its representative(s) at the Court Meeting. In accordance with the provisions of the Companies Act (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of musicMagpie, provided that two or more representatives do not do so in relation to the same Scheme Shares. If two or more representatives purport to exercise the power in the same way as each other, the power is treated as exercised in that way, and in other cases the power is treated as not exercised.

By the said order, the Court has appointed Steve Oliver or, failing him, any other director of musicMagpie who is present at the Court Meeting, to act as chairperson of the Court Meeting and has directed the chairperson of the Court Meeting to report the result of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated: 28 October 2024

**Addleshaw Goddard LLP**  
Solicitors for musicMagpie PLC  
1 St Peter's Square, Manchester, M2 3DE

**PART IX**  
**NOTICE OF GENERAL MEETING**  
**MUSICMAGPIE PLC**

*(Incorporated in England and Wales under company number 12977343)*

NOTICE IS HEREBY GIVEN that a general meeting of musicMagpie PLC (the “**Company**” or “**musicMagpie**”) will be held at First Floor, One Stockport Exchange, Railway Road, Stockport, SK1 3SW at 9.30 a.m. on 20 November 2024 (or as soon thereafter as the Court Meeting (as defined in Part VII (*Definitions*) of the document of which this notice forms part) shall have concluded or been adjourned) for the purpose of considering and, if thought fit, passing the following resolutions, which will be proposed as special resolutions.

Unless the context otherwise requires, any capitalised term used but not defined in this notice shall have the meaning given to such term in the document of which this notice forms part.

**SPECIAL RESOLUTIONS**

THAT:

1. For the purpose of giving effect to the scheme of arrangement dated 28 October 2024 between the Company and the holders of Scheme Shares (as defined in such scheme of arrangement), a print of which has been produced to this meeting and for the purposes of identification signed by the chairperson of this meeting, in its original form or subject to such modification, addition or condition as may be approved or imposed by the Court (where relevant) and agreed by the Company and AO Ltd (the “**Scheme**”), the directors of the Company (or a duly authorised committee of the directors) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
2. For the purpose of giving effect to the Scheme (as defined in resolution 1 in the notice convening this meeting), with effect from the passing of this resolution, the articles of association of the Company be and are amended by the adoption and inclusion of the following new Article 89 after Article 88:

**“89. Scheme of Arrangement**

89.1 In this Article 89, the “**Scheme**” means the scheme of arrangement dated 28 October 2024 between the Company and the holders of the Scheme Shares (as defined in the Scheme) under Part 26 of the Companies Act 2006 and as approved by the holders of the Scheme Shares at the meeting convened by the Court (as defined in the Scheme) and as may be modified or amended in accordance with its terms, and (save as otherwise defined in this Article), expressions defined in the Scheme shall have the same meanings in this Article.

89.2 Notwithstanding any other provision of these Articles or the terms of any resolutions whether ordinary or special passed by the Company in general meeting, if the Company issues any musicMagpie Shares or transfers any musicMagpie Shares from treasury (other than to AO Bidco, any subsidiary of AO Bidco, any parent undertaking of AO Bidco or any subsidiary of such parent undertaking or any nominee(s) of AO Bidco (each an “**AO Company**”)) on or after the adoption of this Article and before the Scheme Record Time, such musicMagpie Shares shall be issued or transferred from treasury subject to the terms of the Scheme and shall be Scheme Shares for the purposes of the Scheme and the original or any subsequent holder of such musicMagpie Shares shall be bound by the Scheme accordingly.

89.3 Notwithstanding any other provision of these Articles, if any shares in the Company are issued, transferred from treasury or otherwise transferred to any person (other than an AO Company or its nominee(s)) (a “**New Member**”) at or after the Scheme Record Time (as defined in the Scheme) (the “**Post-Scheme Shares**”), such Post-Scheme Shares shall, subject to the Scheme becoming Effective, be immediately transferred to AO Bidco (or such person as AO Bidco may direct) (the “**Purchaser**”) by the New Member (or any nominee of such New Member) in consideration of the payment to the New Member of an amount in cash for each Post-Scheme Share equal to the cash consideration which such New Member would have been entitled to receive had each Post-

Scheme Share been a Scheme Share (as applicable, after deduction of any tax and national insurance or social security contributions which an employer or any other company is required to withhold or account for in respect of either that consideration or the issue or transfer of such shares (the “**Relevant Deductions**”)).

- 89.4 On any reorganisation of, or material alteration to, the share capital of the Company (including, without limitation, any subdivision and/or consolidation) effected after the Effective Date (as defined in the Scheme), the value of the consideration per Post-Scheme Share to be paid under Article 89.3 above shall be adjusted by the Board in such manner as the auditors of the Company or an independent investment bank selected by the Company may determine to be fair and reasonable to reflect such reorganisation or alteration. Any references in this Article to shares in the Company shall, following such adjustment, be construed accordingly.
- 89.5 To give effect to any transfer of Post-Scheme Shares required by this Article, the Company may appoint any person as attorney and/or agent for the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member to transfer the Post-Scheme Shares to the Purchaser or its nominee(s) and do all such other things and execute and deliver all such documents or deeds as may in the opinion of such attorney or agent be necessary or desirable to vest the Post-Scheme Shares in the Purchaser or its nominee(s) and pending such vesting to exercise all such rights attaching to the Post-Scheme Shares as the Purchaser may direct. If an attorney or agent is so appointed, the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) shall not thereafter (except to the extent that such attorney or agent fails to act in accordance with the directions of the Purchaser) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed in writing by the Purchaser. The attorney or agent shall be empowered to execute and deliver as transferor a form or forms of transfer or other instrument(s) or instruction(s) of transfer on behalf of the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) in favour of the Purchaser or its nominee(s) and the Company may give a good receipt for the purchase price of the Post-Scheme Shares and may register the Purchaser or its nominee(s) as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member (or any subsequent holder or any nominee of such New Member or any such subsequent holder) for the Post-Scheme Shares. The Purchaser shall settle the consideration due to the New Member pursuant to Article 89.3 above by sending a cheque drawn on a UK clearing bank (or shall procure that such a cheque is sent) in favour of the New Member (or the relevant transferee or nominee) for the purchase price of each Post-Scheme Share, or by an alternative method communicated by the Purchaser to the New Member, and in each case, as soon as practicable and in any event, subject to Article 89.6 below, no later than 14 days after the date on which such Post-Scheme Shares are acquired by the Purchaser.
- 89.6 Where the payment of any consideration for Post-Scheme Shares to a New Member requires Relevant Deductions to be made and the Company determines that such payment is to be made through payroll to the relevant New Member, such payment shall be effected as soon as reasonably practicable after the date on which such Post-Scheme Shares are issued to the New Member (but is not required to be effected within 14 days after the date on which such Post-Scheme Shares are issued to the New Member).
- 89.7 If the Scheme shall not have become Effective by the applicable date referred to in (or otherwise set in accordance with) clause 6.2 of the Scheme (or such later date, if any, as AO Bidco and the Company may agree and the Court and the Panel on Takeovers and Mergers may allow, if such consent is required), this Article 89 shall be of no effect.

89.8 Notwithstanding any other provision of these Articles, neither the Company nor the Board shall register the transfer of any Scheme Shares effected between the Scheme Record Time and the Effective Date of the Scheme other than to the Purchaser or its nominee(s) pursuant to the Scheme.”

By order of the Board

*Registered office:*  
Stockport Exchange  
Railway Road  
Stockport  
SK1 3SW

**Matthew Fowler**  
*Company Secretary*

Dated: 28 October 2024

## Notes:

The following notes explain your general rights as a shareholder to attend and vote at the General Meeting or to appoint someone else to vote on your behalf.

### 1. Entitlement to attend and vote

Only holders of ordinary shares of £0.01 each in the capital of musicMagpie entered on the register of members of musicMagpie as at 6.30 p.m. on 18 November 2024 (each, a “musicMagpie Shareholder”) are entitled to attend, speak and vote (in person or by proxy) at the General Meeting in respect of the number of shares in the capital of musicMagpie registered in their names at that time and may appoint a proxy to attend, speak and vote instead of them. Changes to entries on the register of members of musicMagpie after 6.30 p.m. on 18 November 2024 (or if the General Meeting is adjourned, 6.30 p.m. on the day which is two Business Days before the date of such adjourned General Meeting) (the “Voting Record Time”) shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

### 2. Appointment of proxies

musicMagpie Shareholders are strongly encouraged to submit proxy appointments and instructions for the General Meeting as soon as possible, using any of the methods (by post, by hand, online or through CREST or Proxymity) set out below. musicMagpie Shareholders are also strongly encouraged to appoint “the chairperson of the General Meeting” as their proxy. Any other person appointed as proxy will be able to attend, speak and vote at the General Meeting.

musicMagpie Shareholders are entitled to appoint a proxy in respect of some or all of their musicMagpie Shares and may also appoint more than one proxy by using multiple paper WHITE Forms of Proxy or appointing multiple proxies through CREST or Proxymity as described below, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such holder. musicMagpie Shareholders who wish to appoint more than one proxy in respect of their holding of musicMagpie Shares should contact Equiniti for further WHITE Forms of Proxy. Alternatively, you may photocopy the enclosed WHITE Form of Proxy.

Each musicMagpie Shareholder present by proxy will be entitled to one vote for each ordinary share which they represent. A musicMagpie Shareholder may appoint more than one proxy in relation to this meeting provided that each proxy is entitled to exercise the rights attaching to a different share or shares held by that member. A proxy need not be a member of musicMagpie but must attend the meeting in person for the musicMagpie Shareholder's vote to be counted. Appointing a proxy does not prevent a member from attending the General Meeting in person and voting in person under the arrangements set out in these notes if they are entitled to do so and so wish. Unless otherwise indicated on the WHITE Form of Proxy, CREST or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

### ***Sending WHITE Forms of Proxy by post or by hand***

You should complete, sign and return the WHITE Form of Proxy (together with any power of attorney or other authority, if any, under which it is signed, or a duly certified copy thereof) enclosed with this notice so as to be received no later than 9.30 a.m. on 18 November 2024. In the event of adjournment(s) of the General Meeting, the WHITE Form of Proxy (together with any power of attorney or other authority as above) should be received no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting(s).

The WHITE Form of Proxy may be returned by post to, or, during normal business hours only, by hand to the Company's Registrar, Equiniti Limited (“Equiniti”) at Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA. For your convenience, a pre-paid envelope (for use in the UK only) has been provided with respect to the WHITE Form of Proxy.

### ***Online appointment of proxies***

As an alternative to completing and returning the printed WHITE Form of Proxy, a proxy for the General Meeting may be appointed electronically by creating an online portfolio using your Shareholder Reference Number on your Forms of Proxy on the following website: [www.shareview.co.uk](http://www.shareview.co.uk) and following the instructions therein. If you are a musicMagpie Shareholder that has already registered with Shareview, the online portfolio service of the Company's Registrar, Equiniti, you can submit your proxy by logging on to your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) using your usual user ID and password. For an electronic proxy appointment to be valid, the appointment must be received by Equiniti no later than 9.30 a.m. on 18 November 2024 (or in the case of adjournment(s), no later than 48 hours excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting(s). Full details of the procedure to be followed to appoint a proxy online are given on the website above. If the WHITE Form of Proxy is not lodged by the relevant time, it will be invalid.

### ***Electronic appointment of proxies through CREST***

CREST members who wish to appoint a proxy or proxies for the General Meeting (or any adjournment(s) thereof) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & International Limited's (“Euroclear”) specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) no later than 9.30 a.m. on 18 November 2024 (or in the



case of adjournment(s), no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting(s)). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Equiniti is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

musicMagpie may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

### ***Electronic appointments of proxies through Proximity***

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by musicMagpie and approved by the Registrar. For further information regarding Proximity, please go to [www.proximity.io](http://www.proximity.io). In order to be considered valid, your proxy must be lodged by 9.30 a.m. on 18 November 2024 or in the case of adjourned meeting, no later than 48 hours (excluding any part of such 48-hour period that is not a Business Day) before the time and date set for the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proximity's associated terms and conditions. It is important that you read these carefully as you will be bound by them, and they will govern the electronic appointment of your proxy.

### **3. Joint holders**

In the case of joint holders of ordinary shares, any one such joint holder may tender a vote, whether in person or by proxy, however the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s). Where more than one of the joint holders purport to appoint one or more proxies, only the purported appointment submitted by the most senior holder will be accepted. For this purpose seniority will be determined by the order in which the names stand in the register of members of musicMagpie in respect of the relevant joint holding (the first named being the most senior).

### **4. Corporate representatives**

A member of musicMagpie which is a corporation may authorise a person or persons to act as its representative(s) at the General Meeting. In accordance with the provisions of the Companies Act (as amended by the Companies (Shareholders' Rights) Regulations 2009), each such representative may exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of musicMagpie, provided that they do not do so in relation to the same shares. If two or more representatives purport to vote in respect of the same shares, then if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way. In other cases, the power is treated as not exercised.

### **5. Voting on a poll and announcement of results**

Voting on the Resolutions to be proposed at the General Meeting will be conducted by way of a poll rather than a show of hands. As soon as practicable following the General Meeting, the results of the voting at the General Meeting and the numbers of all votes cast for and against and the number of votes actively withheld in respect of the Resolutions to be proposed at the General Meeting will be announced via a Regulatory Information Service and also placed on musicMagpie's website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors).

### **6. Issued share capital and voting rights**

As at 25 October 2024 (being the Latest Practicable Date prior to the date of publication of this notice), musicMagpie's issued share capital consisted of 107,808,287 ordinary shares of £0.01 each, carrying one vote each, of which no ordinary shares were held in treasury. Therefore, the total voting rights in musicMagpie as at such date was 107,808,287 ordinary shares, carrying one vote each.

### **7. Communications**

You may not use any electronic address provided either in this notice or in any related documents (including the enclosed WHITE Form of Proxy) to communicate with musicMagpie for any purposes other than those expressly stated.

