

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

musicMagpie PLC  
Stockport Exchange  
Railway Road  
Stockport  
England  
SK1 3SW

28 October 2024

*To the holders of options under the musicMagpie Share Option Plan (the “SOP”)*

Dear option holder

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

*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 World PLC (the “**Acquisition**”).

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

This Letter tells you about the impact of the Acquisition on the option you hold under the SOP (the “**Option**”) and the decisions you are able to make.

Please read everything in this Letter, its appendices and the Form of Instruction carefully. **Their contents are very important.**

You will find a list of definitions in the **Appendix** which explain the key defined terms used in this Letter (any capitalised terms not included in the Appendix have the meaning given to them in the Scheme Document).

***The Acquisition and the Scheme***

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

**for each musicMagpie Share they own:**

**9.07 pence in cash**

**(the “Consideration”)**

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

***Your Option***

You are receiving this Letter because you hold an Option. This Letter sets out how you can exercise your Option in connection with the Acquisition and receive cash.

In broad terms, if you exercise your Option using the enclosed Form of Instruction, and the Scheme is sanctioned by the Court, you will receive a cash payment (the “**Cash Payment**”) equal to the number of musicMagpie Shares in respect of which you have exercised your Option multiplied by the Consideration. The Cash Payment will be paid to you by musicMagpie through payroll subject to any required or authorised deductions on account of income tax and employee and employer National Insurance contributions.

***Action to take***

**If you wish to exercise your Option on the Court sanctioning the Scheme and receive the Cash Payment, please return a copy of the Form of Instruction duly signed, dated and completed to Rachel Coxon at [rachel@musicmagpie.co.uk](mailto:rachel@musicmagpie.co.uk) AS SOON AS POSSIBLE AND IN ANY EVENT SO AS TO BE RECEIVED BY NO LATER THAN 5PM ON 18 NOVEMBER 2024.**

If you want to remind yourself of any details regarding the Option you hold, please contact Rachel Coxon at [rachel@musicmagpie.co.uk](mailto:rachel@musicmagpie.co.uk).

**You will need to take action to realise value from your Option as this will not happen automatically. If you do not take any action, your Option will lapse one month after the date you are notified that the Court has sanctioned the Scheme, unless it lapses earlier under the rules of the SOP, and you would not then receive any value for your Option.**

***Questions***

If you have any questions on the contents of this Letter or how to complete the enclosed Form of Instruction, please contact Rachel Coxon at [rachel@musicmagpie.co.uk](mailto:rachel@musicmagpie.co.uk). However, please be aware that no legal, tax, financial or investment advice on the Acquisition or its effect on your Option can be provided by musicMagpie or AO Bidco. **If you are in any doubt as to the action you should take, you should seek your own independent, professional advice.**

Yours faithfully

**Steve Oliver  
Director**

**For and on behalf of:  
musicMagpie PLC**

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|---|
| <b>IMPACT OF THE ACQUISITION ON YOUR OPTION</b> |
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### **1. When can I exercise my Option?**

Your Option is currently exercisable. To the extent that your Option is not exercised in connection with the Acquisition, it will lapse one month after the date you are notified that the Court has sanctioned the Scheme.

### **2. How do I exercise my Option?**

If you wish to exercise your Option to the maximum extent possible, conditional on the Scheme being sanctioned by the Court at the Court Sanction Hearing, **you should complete, sign and date the enclosed Form of Instruction and return a copy by e-mail to Rachel Coxon at [rachel@musicmagpie.co.uk](mailto:rachel@musicmagpie.co.uk) as soon as possible and in any event so as to be received by no later than 5pm on 18 November 2024.**

### **3. What will I receive for exercising my Option?**

If you exercise your Option through the Form of Instruction, musicMagpie will pay you the Cash Payment, which will be paid through payroll subject to any required or authorised deductions on account of income tax and employee and employer National Insurance contributions.

### **4. When will the Cash Payment be paid to me?**

The Cash Payment will be made to you by musicMagpie in the next practicable payroll following the Effective Date.

### **5. What tax will I have to pay if I exercise my Option?**

Income tax and employee and employer National Insurance contributions will arise on the amount of the Cash Payment and this will be deducted from the Cash Payment when it is paid through payroll. You are liable to pay employer NICs pursuant to the SOP rules and the terms of your option agreement. The amount on which you will pay income tax will be reduced by the amount of employer NICs you are liable to pay.

Before you decide what action you would like to take, you should consider your personal tax position. If you are in any doubt as to your tax position, you should seek your own independent, professional tax advice immediately.

### **6. What happens if I leave employment with the musicMagpie Group?**

As your Option is already vested, you will still be able to exercise your Option if you cease employment with the musicMagpie Group (except where you cease employment due to gross misconduct) until such time as it lapses. If you cease employment with the musicMagpie Group prior to the date on which the exercise of your Option takes effect, you will be provided with further details on the impact of your Option.

### **7. Other courses of action**

You may also exercise your Option during the one month period following the date you are notified that the Court has sanctioned the Scheme. However, you should note that if you exercise your Option during that period, you would receive the same cash amount as you would have received had you exercised

using the enclosed Form of Instruction. In addition, such cash payment would be paid to you later than if you had exercised your Option using the enclosed Form of Instruction.

#### **8. Can I give my Option to someone else?**

No, under the rules of the SOP, you cannot transfer your Option.

#### **9. What happens if I do nothing?**

If you do not submit the Form of Instruction or otherwise exercise your Option, your Option will lapse one month after the date you are notified that the Court has sanctioned the Scheme, or earlier under the rules of the SOP.

#### **10. What if I hold options under other musicMagpie share plans?**

This Letter only relates to the Option. If you hold options under the SAYE, Unapproved Schemes or LTIP you will receive a separate communication. Please also read any such other communication carefully as the treatment of those options is different from the treatment of the Option.

#### **11. How do I exercise my Option and receive the Cash Payment?**

If you wish to exercise your Option in connection with the Acquisition and receive the Cash Payment, you should **complete, sign and date the enclosed Form of Instruction and return a copy by e-mail to Rachel Coxon at [rachel@musicmagpie.co.uk](mailto:rachel@musicmagpie.co.uk) as soon as possible and in any event so as to be received by no later than 5pm on 18 November 2024.**

**If you take no action your Option will lapse one month after the date you are notified that the Court has sanctioned the Scheme, unless it lapses earlier under the SOP rules.**

#### **12. Important notes**

Nothing in this Letter, its appendices or the Form of Instruction constitutes financial advice to any holder of musicMagpie Shares, share awards or share options (including the Option) over musicMagpie Shares. None of musicMagpie, AO Bidco, AO World plc, nor any of their employees, directors or advisers can provide legal, tax, financial or investment advice on the Acquisition.

If you have received this Letter electronically, you may request a hard copy of this Letter, free of charge, by emailing Rachel Coxon at [rachel@musicmagpie.co.uk](mailto:rachel@musicmagpie.co.uk). You may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.

If there are any differences between the information in this Letter, the Form of Instruction, and the SOP rules or any relevant legislation, then the SOP rules and the legislation (as applicable) will prevail.

## ACQUISITION SUMMARY

### 1. How does the Acquisition work?

The Acquisition will result in musicMagpie and its subsidiaries becoming wholly-owned subsidiaries of AO Bidco.

The Acquisition will be carried out through what is called a "Scheme of Arrangement". This is a procedure that has to be first approved by musicMagpie Shareholders at a shareholder meeting, with certain resolutions requiring approval at a separate shareholder meeting, which meetings are currently scheduled to be held on 20 November 2024, and then requires final approval by the Court on a date referred to in this Letter as the "Sanction Date" (see paragraph 3 below). This is not the date on which the Acquisition will be completed. The Acquisition is currently due to complete two business day after the Court Sanction Hearing when the Scheme becomes effective. If you want to read more about this, please go to the musicMagpie website at [www.musicmagpieplc.com/investors](http://www.musicmagpieplc.com/investors) where you will find the Scheme Document that was sent to you and musicMagpie Shareholders around the date of this Letter as well as a copy of this Letter.

### 2. What can musicMagpie Shareholders receive under the Scheme?

The terms of the Scheme are set out in full in the Scheme Document. However, in summary (and subject to the terms of the Acquisition), for each musicMagpie Share sold to AO Bidco through the Scheme, a musicMagpie Shareholder will receive 9.07 pence in cash.

### 3. When will the Acquisition take place?

The date of the Court Sanction Hearing is still to be confirmed but it is expected to be in Q4 2024 or Q1 2025. The Effective Date is expected to be two business days after the Court Sanction Hearing, subject to musicMagpie Shareholder approval and receipt of the relevant regulatory approvals. An expected timeline of key events relating to the Acquisition is available in the Scheme Document.

Once the date of the Court Sanction Hearing is known, musicMagpie will announce this via a Regulatory Information Service (with such announcement being made available on musicMagpie's website at <https://www.musicmagpieplc.com/investors/regulatory-news>).

### 4. Will the Acquisition definitely go ahead?

The Acquisition is conditional on various approvals and consents including: (i) approval by musicMagpie Shareholders at meetings currently scheduled to be held on 20 November 2024; (ii) the satisfaction of certain other conditions to the Scheme; and (iii) the sanction of the Court. You should note that there is no certainty that musicMagpie Shareholders will approve the Acquisition nor that the Court will sanction the Scheme.

### 5. What if the Acquisition does not go ahead?

If the Scheme is not sanctioned by the Court, your Option will continue as normal under the rules of the SOP.

## Notes

- 1 Your Option is governed by the SOP rules and the option agreement relating to your Option and in the event there are any differences between this Letter and the rules of the SOP, the option agreement or any relevant legislation, the rules of the SOP, the option agreement or the legislation (as applicable) will prevail.
- 2 The statements contained in this Letter are not to be construed as legal, investment, financial or tax advice. If you are in any doubt as to the action you should take, you should seek your own independent professional advice.
- 3 The musicMagpie Board, whose names are set out in paragraph 2.1 of Part VI of the Scheme Document, accept responsibility for the information contained in this Letter (including any expressions of opinion). To the best of the knowledge and belief of the musicMagpie Board (having taken all reasonable care to ensure that such is the case) the information contained in this Letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

## Appendix

### Defined Terms

|                                 |  |
|---------------------------------|--|
| <b>AO Bidco</b>                 | AO Ltd, a private limited company incorporated in England and Wales with registered number 06861978;   |
| <b>Cash Payment</b>             | a cash payment equal to the value of the number of musicMagpie Shares in respect of which an Option has been exercised (calculated by reference to the value of the Consideration) |
| <b>Consideration</b>            | 9.07 pence payable by AO Bidco in cash for each musicMagpie Share  |
| <b>Court</b>                    | the High Court of Justice in England and Wales   |
| <b>Court Sanction Hearing</b>   | the hearing of the Court to sanction the Scheme under section 899 of the Companies Act 2006  |
| <b>Effective</b>                | the Scheme having become effective pursuant to its terms, upon delivery of the order of the Court to the Registrar of Companies in England and Wales for registration              |
| <b>Effective Date</b>           | the date upon which the Scheme becomes Effective   |
| <b>Form of Instruction</b>      | the form of instruction provided with this Letter  |
| <b>Letter</b>                   | this letter from musicMagpie explaining the impact of the Acquisition on the Option  |
| <b>LTIP</b>                     | the musicMagpie Long Term Incentive Plan   |
| <b>musicMagpie</b>              | musicMagpie PLC, a public limited company incorporated in England and Wales with registered number 12977343  |
| <b>musicMagpie Board</b>        | the directors of musicMagpie for the time being, including, where applicable   |
| <b>musicMagpie Group</b>        | musicMagpie and its subsidiary undertakings for the time being   |
| <b>musicMagpie Shareholders</b> | the holders of musicMagpie Shares  |
| <b>musicMagpie Shares</b>       | the ordinary shares of £0.01 each in the capital of musicMagpie  |

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| <b>Option</b>              | an option to acquire musicMagpie Shares granted by musicMagpie under the SOP  |
| <b>SAYE</b>                | the musicMagpie Savings Related Share Option Scheme and the musicMagpie International Savings Related Share Option Scheme   |
| <b>Sanction Date</b>       | the date the Court sanctions the Scheme under section 899 of the Companies Act 2006   |
| <b>Scheme</b>              | the proposed scheme of arrangement to be made under Part 26 of the Companies Act 2006 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 (The Scheme of Arrangement) of the Scheme Document |
| <b>Scheme Document</b>     | the document dated on or around the date hereof sent by musicMagpie to the musicMagpie Shareholders, of which the Scheme forms part   |
| <b>Scheme Shareholders</b> | the holders of Scheme Shares from time to time  |
| <b>Scheme Shares</b>       | has the meaning given to it in the Scheme Document  |
| <b>Unapproved Scheme</b>   | the Entertainment Magpie Group Limited Unapproved Scheme and the Entertainment Magpie Group Limited Unapproved G & H Share Scheme 2021  |