

29 December 2020

## MelodyVR Group PLC

("MelodyVR Group" or the "Company")

### Issue of Additional Shares, Completion of the Napster Acquisition and CEO statement.

Further to the announcement published on 24 December 2020, under the Merger Agreement an additional 41,403,508 Ordinary Shares (the "**Additional Shares**") are due to the debt holders and shareholders of Rhapsody International Inc., which trades as Napster ("**Napster**").

Following Admission today, all conditions of the Merger Agreement, save for admission of the Additional Shares, have been met and the Acquisition will complete on 29 December 2020.

Application has been made to the London Stock Exchange for the 41,403,508 new Ordinary Shares to be admitted to trading on AIM. It is expected that admission will take place and dealings in the new Ordinary Shares will commence on AIM on or around 8.00 a.m. on 4 January 2020.

### **Total Voting Rights**

Immediately following admission, the Company's issued share capital will be 2,509,265,937 Ordinary Shares of £0.01 each, with each carrying the right to one vote. The Company does not hold any Ordinary Shares in treasury. The total voting rights figure immediately following admission of the new Ordinary Shares, of 2,509,265,937, may be used by shareholders (and others with notification obligations) as the denominator for the calculations by which they will determine whether they are required to notify their interest in, or a change to their interest in, the Company under the DTRs.

### **Anthony Matchett – CEO of MelodyVR Group said:**

"2020 has been an unexpected year for all, and as a company we have faced many challenges, including the closing of music and performance venues around the world. The impact of COVID-19 has significantly impacted the global music industry and those whose livelihoods depend on it. We are pleased that we were one of the first companies to launch COVID-safe initiatives as a direct reaction to the pandemic, enabling artists to continue to perform on both sides of the Atlantic. Our Live in LA series, Wireless Connect Festival, and Brixton Academy shows have not only enabled artists to find a new way to connect with their fans during difficult times, but also demonstrated that digital live-events can provide a viable source of income for artists and have the ability to generate significant revenues for our company. Over the last few weeks, MelodyVR has delivered a series of ticketed live streams with artists such as Frank Carter and The Rattlesnakes, Burna Boy, Kaiser Chiefs and Liam Gallagher – cumulatively selling tens of thousands of tickets to fans spanning 24 countries.

Following admission of the Additional Shares, it will mark the completion of our acquisition of Rhapsody/Napster, the original music industry disruptor and a global music streaming service with over 1.1m paying subscribers and 5m total users (inc. Napster powered third party services, such as SONOS Radio). Over the coming year, we intend to leverage the existing Napster userbase, partners and underlying technologies developed by the Company as part of the foundation to build a next-generation music platform. At present, music content consumption is extremely fragmented for fans, with audio, video and live-events spanning multiple-platforms with a consequent need for multiple subscriptions. Our ambition over the coming

months, with the support of our existing partners, is to build a cross-platform, hybrid music service, delivering audio recordings including the latest albums, video content incorporating music videos and documentaries, as well as renowned live-events, such as our recent performance from Liam Gallagher on the River Thames, all via a single platform.

We believe that by adopting this strategy, and by combining the technologies developed by both Napster and MelodyVR our company can actively target key music-consumers to deliver a cost-effective, combined offering that will provide a new home for all of an artist's content, that is easily accessed and consumed by fans, for a monthly fee. We aim to grow the combined userbase far beyond the \$100m of revenue that is currently being generated. Our ambition is to provide rightsholders and artists with fair compensation for their works in conjunction with a new suite of tools for both artists and rightsholders to deliver better engagement from their content and enable cross-promotion between their multiple content outputs.

We would like to thank our shareholders, team and our industry partners alike for embracing our vision for the future of music, and we look forward to delivering upon our ambitious plans as detailed in the Company's re-admission document, throughout the course of 2021 and beyond."

ENDS

***For further information, please contact:***

**MelodyVR Group PLC**

***Anthony Matchett - CEO***

[www.melodyVR.group](http://www.melodyVR.group)

**Arden Partners plc:** Nominated Adviser and Broker

Tel: +44 (0) 20 7614 5900

***Corporate Finance:*** *Ruari McGirr / Benjamin Cryer / Daniel Gee-Summons*

***Corporate Broking:*** *Simon Johnson*

**Notes to Editors:**

MelodyVR Ltd ("MelodyVR") is a wholly owned subsidiary of MelodyVR Group PLC, a company that is listed on the AIM market of the London Stock Exchange under the ticker MVR.L. MVR, a creator of virtual reality content, joined AIM on 16 May 2016 following a reverse takeover of Armstrong Ventures plc. Further information can be viewed at [www.melodyvr.com](http://www.melodyvr.com).