

# MelodyVR Group PLC

("MVR" or the "Company")

## Napster B2B Contract Renewals and Platform Metrics

MelodyVR Group PLC (AIM:MVR), a leading music company and operator of the MelodyVR and Napster platforms, is pleased to announce key contract renewals with Napster's business to business partners and release metrics for the Napster platform for the year ending 31 December 2020;

- Amendment to the platform services agreement with SONOS, one of the world's leading sound experience brands, covering the expansion of ad-supported SONOS Radio in 14 new territories (UK, Ireland, France, Germany, Italy, The Netherlands, Sweden, Switzerland, Austria, Belgium, Denmark, Norway, Australia, New Zealand). The SONOS Radio service, which is one of more than 100 streaming services available on the SONOS platform, is now the 3rd most streamed service on SONOS since its launch in April 2020;
- Renewal of the technology and platform services agreement with Panasonic Corporation (Japan) to March 2022, providing application development and integration of Napster services with Panasonic's HomeX smart home music services;
- Renewal of the digital media services agreement with Telefonica Germany to December 2022, including a 2-year extension of the Napster music service for O2 subscribers and Aldi Talk service subscribers in Germany.

These contract renewals are expected to secure revenues of c.\$16 million in aggregate over the course of the next 2 years.

We are also pleased to report the following engagement metrics for the Napster platform for the year ended 31 December 2020. These metrics demonstrate user engagement with the platform and a basis on which to attract new revenue generating users and B2B contracts.

- 126% increase in total platform users at December 2020, including subscribers from PaaS services, to 5.7 million (December 2019: 2.5 million)
- 15% increase in platform average monthly active users, including subscribers from PaaS services, to 1.2 million (FY19: 1.0 million)
- 10.5 billion total plays (FY19: 10.8 billion) and 306.5 million listening hours (FY19: 328.2 million)

In addition, we are pleased to report further expansion in the catalogue of tracks available on the platform thus strengthening the proposition and the depth of content available to Napster's user base.

- 25% increase in available tracks on the Napster D2C and B2B platform at the year end to 105 million (FY19: 84 million)
- 30% increase in total unique artists available on the platform at the year end to 4.6 million (FY19: 3.5 million)

Anthony Matchett, Group CEO said:

"The continued adoption of music streaming is creating meaningful B2B growth opportunities for Napster's platform-as-a-service business. These latest contract updates follow a very successful 2020 with 130% growth in PaaS revenues from partners like Sonos, Huawei, BMW, Sony, Rakuten and others.

We are pleased by the encouraging growth statistics that the Napster service demonstrated throughout 2020, including a broadening of the Napster music library, that now contains over 105 million tracks. Following MelodyVR's successful acquisition of the Napster/Rhapsody business, we will leverage the existing technologies of both Napster and MelodyVR, alongside the best content and functionality from each business, to create a new music platform during the course of 2021. Napster has seen increases in active users and in-app engagement during the last twelve months, and we believe this strong consumer appetite will continue into 2022 and that the launch of our new product will benefit from consumer's increased appetite for digital entertainment.”

***ENDS***

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[www.melodyvr.com](http://www.melodyvr.com)

[www.napster.com](http://www.napster.com)