

8 February 2021

MelodyVR Group PLC
("MVR" or the "Company")

Issue of Convertible Loan Notes

MelodyVR Group PLC (AIM:MVR), a leading music company and operator of the MelodyVR and Napster platforms, who recently announced its intention to change its name to Napster Group PLC is pleased to announce additional investment of £6.48 million by way of issue and subscription of Convertible Loan Notes ("Loan Notes").

Under the terms of an Investment Agreement, Nice & Green S.A (the "Investor"), a Swiss Investment firm has agreed to subscribe for unsecured Loan Notes totalling £6.48 million to be issued over a 12 month period commencing February 2021 ("Commitment Period").

The proceeds of the Loan Notes, will support the development and launch of the new integrated mobile app which will combine the best content and functionality from both the Napster and MelodyVR businesses to create a new music platform during the course of 2021.

Principal key terms of the Loan Notes

The investment will comprise the subscription of 648 Loan Notes, each having a nominal value of £10,000 and £6.48 million in aggregate. The Loan Notes will be subscribed for by the Investor in 12 tranches of £540,000 at the Company's request, each tranche not to be more than 21 days apart, during the course of the Commitment Period.

The Loan Notes will be convertible into Ordinary Shares at the Investors request and will have a conversion price calculated with reference to 93 per cent. of the lowest daily VWAP during the 6 trading days immediately preceding the date of notice of conversion. The Company has the option to redeem the Loan Notes at its absolute discretion in cash at a 3 per cent. premium to their nominal value. In addition, the Investor will receive a commitment fee equal to 5 per cent. of the principal amount of each tranche of Loan Notes subscribed for by the Investor. No interest will be payable on the Loan Notes. In addition, the agreement contains customary representations and warranties for a financing arrangement of this nature.

In the event the Company's share price decreases between the date following a conversion notice being issued by the Investor and admission of the shares to trading on AIM (the "Pre-admission Period"), the Company shall pay an amount to the Investor equal to the difference multiplied by 20 per cent. of the total volume of ordinary shares traded on AIM over the Pre-admission Period, such amount to be satisfied at the option of the Company in cash or in equity. The difference in share price during the Pre-admission Period would be calculated using the average share price over the Pre-admission Period.

Anthony Matchett, Group CEO said

"We are delighted to announce this convertible funding which will support the development of our new Napster music service throughout the course of 2021, whilst remaining in the best interest of shareholders due to the principal terms of the agreement. We are pleased to welcome Nice & Green as strategic investors into our company and look forward to working together more closely."

Benoit Villers, Managing Partner of Nice & Green said

"Following its recent acquisition of Napster, MelodyVR will pioneer the next-generation of music service and offer the first ever music entertainment platform combining immersive visual content and music streaming. Nice & Green is proud to finance and invest in such an ambitious, disruptive and ground-breaking project supported by a fantastic team."

For further information please contact;

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<p>Notes to Editors:</p> <p>www.melodyvr.com</p> <p>www.napster.com</p>	