

## Napster Group plc: 2021 AGM Questions

- 1. Are there any thoughts on the strategy of potential partnerships with device manufacturers to achieve a specification that is “Melody VR Ready” or equivalent on certain devices?**

*There is nothing about the Melody or Napster products that requires a technical specification that is not standard on all current generation devices so therefore every device is already compatible with our products.*

- 2. In the Retail Investor Presentation given April 2021, these partnerships would be from a mix of the Hardware Partners and Platform Partners columns – is this correct?**

*That is correct – these are where most of our partnerships will come from but there could be additional names as well that aren't on the list.*

- 3. With the app launch planned later this year and music industry advertising already in motion, when will the wider and more general advertising campaign be ramping up, is it likely to start in September or might we see something sooner?**

*The product really needs to be launched before we start an advertising campaign to drive customers towards it. There is clearly value in doing some marketing pre-launch but the majority of the activity will step up at launch.*

- 4. Does the company intend on increasing/improving communications with investors as have previously been promised?**

*We understand the need to communicate with our shareholders and have started working with Equitory on plans to step up our investor communications. Of course, a lot of what we might want to say is restricted through market regulations about price sensitive information and, as we develop the new platform, we have to be careful not to provide commercially sensitive information ahead of the launch.*

- 5. Some members of the remuneration committee were being awarded bonuses – what process is in place to assure the independence of the committee?**

*The committee is deemed to be independent. Committee members recused themselves from any conversations relating to their own compensation.*

- 6. When will shareholders get to see the new app?**

*We are really excited about the app and look forward to sharing it with all interested stakeholders. For the majority of people, it will be at the time of the product launch. There may be an opportunity for a limited number of shareholders to partake in the beta testing of the product.*

- 7. What are subscriber numbers for the apps?**

*We have around 5 million users of the Napster app and around 1.1 million subscribers with a further 350k users of the MelodyVR platform.*

- 8. Given the need to protect working capital, what was the reason for paying considerable bonuses? Current company performance suggests underperformance rather than over performance that would lead to a bonus of that size.**

*There are number of criteria the Remuneration Committee use to assess performance. The main criteria that influenced the bonus awards was the completion of the Napster acquisition which has transformed the subscriber base, revenue base and future outlook for the company. The acquisition is viewed as a key to unlocking significant value for shareholders.*

- 9. How is the company going to prevent the need to raise further funds via unfavourable means and mitigate against further shareholder dilution?**

*The Board gives consideration to all funding sources in order to meet its working capital needs. In meeting these needs it has secured funds from responsible and supportive investors who have a shared belief in the ambitions of the business.*

- 10. What is happening at the studios in LA, New York and London?**

*We are not currently creating content at scale and anticipate resuming content creation in Q4.*

- 11. Are there any plans to work with John Gore?**

*The majority of theatres have been closed since the beginning of the pandemic. We will continue to explore opportunities to explore theatre projects should they reopen, although this is not core to the Napster product or our goals.*

- 12. Will the Board consider using CLNs again in the future?**

*We would not discount any potential source of funding and will always evaluate options against a list of criteria including the cost of capital.*