



Rule 26 Disclosures

The following information and links are provided for the purposes of AIM Rule 26.

LAST UPDATED: 20 July 2021

7digital Group plc is incorporated in the United Kingdom as company number 3958483. The registered office is Labs Lower Lock, Water Lane, London, England, NW1 8JZ. The main country of operation is the United Kingdom.

7digital's shares are traded on AIM under ticker '7DIG' (ISIN: GB00BMH46555)

7digital's page on the London Stock Exchange website can be found at: www.londonstockexchange.com and searching for 7DIG.

Share Capital Information:

Listing Data: Primary listing – LSE:	AIM: 7DIG
Company number:	3958483
ISIN:	GB00BMH46555

Share capital information:	
Issued ordinary 0.01p shares:	2,722,085,961
Ordinary 0.01p shares held in Treasury:	0
Percentage of shares not in public hands	56.41%

The Company's issued share capital consists of Ordinary shares of 0.01p each, with one voting right per share; and Deferred shares of 9p each and Deferred A shares of 0.99p each that, in each case, have no voting rights or rights to dividends.

The figure of 2,722,085,961 may be used by shareholders as the denominator for calculations by which they will determine if they are required under the Disclosure and Transparency Rules to notify their interest in, or a change to their interest in, the Company.

The Company is subject to the UK City Code on Takeovers and Mergers.

Directors and their Interests

The names of the directors serving and their interests at 20 July 2021 were as follows:

Director	Number of ordinary shares	% of issued share capital
D Lazarus*	742,436,219	27.27%
T Koch**	446,512,126	16.40%
M Juskiewicz	1,000,000	0.04%
M Foster	587,943	0.02%
P Langworthy	25,572	0.00%
H Gilder	-	-

* Mr David Lazarus, Non-executive Director of 7digital, is a director of Magic Investments S.A. Limited and has an indirect interest in its shares

** Mr Tamir Koch, Non-executive Chair of 7digital, is a director of Shmuel Koch Holdings and has an indirect interest in its shares

Significant Shareholders

At 20 July 2021, notification of beneficial interests in 3% or more of the Company's issued share capital received by the Company are as follows:

Shareholder	Number of Shares	% of issued share capital	% of voting rights
Magic Investments S.A. Limited	742,436,219	27.27%	27.27%
Shmuel Koch Holdings	445,012,126	16.35%	16.35%
Mr Joseph D Samberg	345,000,000	12.67%	12.67%
The Joe and Sandy Samberg Foundation, Inc.	100,000,000	3.67%	3.67%
Mr Noam Band	89,000,000	3.29%	3.29%
LAS Investments	89,000,000	3.29%	3.29%

A Description of the Company's Business:

7digital provides end-to-end digital music solutions for its business customers. The core of our business is the provision of robust and scalable technical infrastructure combined with extensive global music rights used to create music streaming and radio services. We cater for a diverse range of B2B customers – including consumer and social media brands, online fitness companies, mobile carriers, broadcasters, automotive systems, record labels and retailers. Our core platform provides customers with access to cloud-based software. We also offer radio production and music curation services.

Our strategy is to grow revenues, profitability and shareholder returns through:

- Offering flexible, productised, end-to-end music solutions;
- Increasing the number of clients we serve in strategic, well-funded market verticals;
- Improving the financial quality of our business by driving recurring SaaS and PaaS revenues;
- Expanding and leveraging our geographic coverage;
- Continued investment in market leading technology to meet shifting technology trends, user consumption, and

- client needs;
- Applying strict control of our cost base to ensure that revenue growth is quickly reflected in improved overall Group profitability; and
- Establishing and maintaining a partner channel programme for scaling sales into the identified target market verticals

7digital operates:

- business-to-business technology and music services (Licensing revenue), which is our primary focus;
- business-to-consumer music services under the 7digital brand (Content revenue); and
- content production under the 7digital Creative brand.

7digital is also seeking to utilise its platform to leverage the growing trend in artist monetisation whereby artists' managers and labels are looking for new ways to monetise music consumption, such as through sponsorships, music sales and merchandise.

Licensing

7digital's core business is to provide an API for third parties that wish to create digital music services, either standalone or bundled within their own device or product offering. 7digital's platform simplifies access to music by offering a combination of a licensed music catalogue alongside the cloud-based technology platform and client-side software, being software hosted by 7digital's clients. These are needed to create on-demand music streaming and download services, radio style services and other services. The 7digital platform is open, with open-source code to reduce complexity and time to market for its potential customers and can be used for building products on any type of connected device.

Platform revenue comprises the following fee structures:

- Set-up fee for granting access to the 7digital platform and use of a given catalogue across required territories, plus any associated initial configuration work
- Monthly access fee, which is a fixed fee based on catalogue size and number of territories
- Usage, which covers certain variable costs like bandwidth
- Reporting – variable charges to generate royalty and usage reports to rights holders

Content

7digital.com is a licensed digital music store available in almost 20 countries. The 7digital.com music download store offers a catalogue of high-quality digital music from the major labels and independent aggregators in Europe, North America and parts of Asia-Pacific. Users have the option to download their purchases as zip files or by using the 7digital download manager to input directly into their media player of choice. 7digital has apps for different devices as well as an HTML5, mobile optimised web store. Content (download) revenues are recognised by 7digital on the delivery of content.

Creative

7digital produces approximately 1,200 hours of video and audio content every year. It benefits from regular commissions from the BBC's national radio networks as well as one-off commissions from other broadcasters, such as Sky Television. Key programmes include 'Sounds of the Sixties' and 'Pick of the Pops' on Radio 2, 'Radcliffe and Maconie Show' on Radio 6 and 'Folk Show' on Radio 2. Our Entertainment News content is distributed to around 150 commercial radio stations.

Artist monetisation

In August 2020, 7digital partnered with eMusic to launch eMusic Live, a first-of-its-kind virtual concert platform for artists and the wider music industry to monetise online performances. In light of the physical restrictions on live gigs during the pandemic, eMusic Live creates a new way for artists to engage with fans and recoup lost income. However, it also paves the way for new means of engagement and income stream in a post-pandemic world, such as providing ticket bundles, music sales, VIP experiences, merchandise and collectibles in a single web-based platform. It will be powered using 7digital's advanced technology platform and, as the platform expands, it is expected to also utilise 7digital's trusted expertise in B2B music solutions and flexible services, combined with eMusic's pioneering B2C technology and functionality, to introduce new solutions for the live music industry.

Names and Biographical Details of the Company's Directors:

Tamir Koch, Non-Executive Chair

Tamir Koch is President of eMusic.com, Inc., an online music and audiobook store and brand which started trading in 1998 and focused on discovery and sales of independent music and artists. Most recently Tamir has led the eMusic Blockchain Project, seeking to provide a decentralised approach to music distribution and rights management to facilitate the utilisation of blockchain within the music industry. Tamir has previously founded several successful startups including Orca Interactive and Dotomi. Orca was sold to Emblaze Systems in 2000, which then floated Orca on AIM. It was subsequently acquired by France Telecom in 2008. Dotomi was acquired by ValueClick in 2011.

Paul Langworthy, Chief Executive Officer

With over fifteen years' experience in digital and content operations, Paul has worked across all aspects of the digital supply chain including metadata, rights, scheduling, asset management and distribution. Prior to 7digital, Paul was the Head of Content Operations at YouView, the UK-based connected TV service. At YouView, he was responsible for building the service's content operation and overseeing the ingestion of 30,000 films, TV and radio programmes from broadcasters including the BBC, ITV, Channel 4, 5, BT, TTG, and Sky's new Now TV service. Before YouView, Paul spent over nine years with Universal Music Group. At Universal, he held various roles in the label's International Digital Supply Chain Management division, helping to transform the company's operations from a traditional physical business into a leading digital outfit. This included developing digital standards, digital distribution platforms and enabling direct-to-consumer digital distribution.

Michael Juskiewicz, Chief Financial Officer

Michael is an experienced Technology, Media and Finance executive now acting as both CFO of 7digital Group PLC and CFO & Head of Corporate Development of eMusic. Formerly, Michael spent over 10 years on Wall Street with a focus on investment banking, mergers & acquisitions and capital markets. He worked in the Technology, Media, and Telecom groups at Bank of America Merrill Lynch, Nomura, and Cyndx, a boutique led by alumni of the aforementioned firms. Michael has also acted as an interim CFO of Export Now, a cross border focused e-commerce company. Prior to his career on Wall Street, he worked for the international accounting firm BDO. Michael earned an MBA from the University of Chicago Booth School of Business and a Bachelor of Science with a double major in both Accounting and Economics from Tel Aviv University.

Mark Foster, Senior Independent Director

Mark Foster has spent much of his career in the music industry, in a succession of senior Marketing and International roles for all three major labels, including time in Paris as Marketing Director for Warner Music France. Returning to London as Vice President of European Marketing, Mark oversaw pan-regional marketing strategy before founding Warner Music International's New Media Division. After leaving Warner, he launched and ran Deezer in the UK and Ireland, then was appointed CEO for Arts Alliance, a leading global player in Event Cinema. Since 2015, he has developed a portfolio of NED and chair roles for a range of businesses, including highly-respected entertainment analysts MIDiA Research, and has led the digital transformation strategy for Moat Homes, a major housing association. In addition, Mark acts as advisor and brand ambassador for a number of startups and scale-ups in the digital entertainment and creative industries.

David Lazarus, Non-Executive Director

David is an industrialist and international entrepreneur. David spent six years at Lloyds of London as an accredited Lloyds Broker attending to Insurance and Re-Insurance. David is currently an Executive Director of the RAM Hand-to-Hand Couriers Group, a leader in the Courier, Logistics and Express Parcel Industry in Southern Africa. The RAM Group operates from approximately 40 hubs, with approximately 1,700 vehicles and over 2,800 staff. A highly entrepreneurial spirit has led David to play an instrumental role in several international businesses, including:

- Clariter, a cutting-edge technology project in Europe that transforms plastic waste into high value solvents, oils & waxes
- Buy2 / Spring Ventures, a Tel Aviv Stock Exchange Listed e-commerce venture
- buzzr, an innovative home delivery courier service currently operating in Israel with worldwide expansion potential
- Beyond Verbal Communications, a technology company which analyses voice as an effective tool with many applications such as the Medical Industry and Call Centre Industry
- Inception XR, a virtual reality software technology company
- DEEP-IT, another high-tech company transforming big data into visual knowledge

Helen Gilder, Independent Non-Executive Director

Helen is a finance expert with an outstanding track record in leading fast-growth digital technology companies as well as extensive non-executive experience in the technology and retail sectors. Helen joined ZOO Digital Group plc in 2000 and was CFO from 2006 to 2018, guiding the business through both its initial AIM IPO and subsequent reverse takeover and re-

admission, as well as several secondary fundraisings. Under her executive leadership, the business grew from a market capitalisation of £3m to an international operation of over £100m with 200 people. ZOO Digital Group plc was named Company of the Year at the 2018 Small Cap Awards. In a non-executive capacity, Helen advises a number of growth businesses, including Slingshot Simulations Ltd, GI UK Medical Ltd, and Via Moto Ltd. Helen also chairs Asperger's Children and Carers Together, and sits as a member of the Regional Advisory Group of the London Stock Exchange. Helen qualified as a chartered accountant under ICAEW with PKF in 1991.

The Board & Corporate Governance:

For the purposes of AIM Rule 26, the recognised corporate governance code that the Board has decided to apply is the Quoted Companies Alliance Corporate Governance Code 2018 ('QCA Code'). The Board believes the QCA Code provides the most appropriate framework of governance arrangements for the Company, considering the size and stage of development of the Company's business. The Board supports the principles and aims of the Code and intends to ensure that the Group observes the provisions of the Code as it grows, as far as is practical. The following information is provided to explain how the Company complies with the QCA Code.

Board Composition

The Company is controlled through a Board of Directors, which at 31 December 2020 comprised six directors: two executive directors, two non-executive directors and two independent non-executive directors. The role of the Chair and that of the Chief Executive are separate.

Tamir Koch, the Chair, is not considered by the Board to be independent by virtue of the fact that he is Executive Chair of TriPlay Inc., a customer of one of the subsidiaries, and his related party relationship with Shmuel Koch Holdings which is a substantial shareholder. David Lazarus is not considered by the Board to be independent by virtue of the fact that he is Executive Chair of Magic Investments SA which is a substantial shareholder. Mark Foster and Helen Gilder are considered independent by the Board.

Board Role

The Chair is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and setting its agenda. The Chair also ensures that the directors receive accurate, timely and clear information and that there is effective communication with shareholders. The Chair also facilitates the effective contribution of the other non-executive directors and ensures constructive relations between executive and non-executive directors. The Chief Executive's responsibilities are concerned with managing the Group's business and implementing Group strategy.

The Board's role is to provide entrepreneurial leadership of 7digital within the framework of prudent and effective controls that enable risk to be assessed and managed. The Board is responsible for setting the Company's strategic aims and for ensuring the financial and human resources are in place for the Company to meet its objectives and to review management performance. The Board is also responsible for setting the Company's values and standards and ensuring that its obligations to its shareholders are understood and met. The Board dispatches its role by holding regular meetings, at which:

- the monthly management accounts, including budgets and prior year comparatives, are reviewed;
- strategy is set and policy is debated;
- all significant investment and acquisition opportunities are reviewed and, if appropriate, approval is given; and
- any proposed changes to internal control and operating policies are debated.

Skills and Expertise

The non-executive directors bring a wide range of experience and expertise to the Group's affairs, which allow them to constructively challenge and help develop proposals and strategy, scrutinise performance and controls and take decisions objectively in the interests of the Group.

Committees of the Board

The Board has two standing committees, being the Audit Committee and the Remuneration Committee, each of which operates within defined terms of reference.

Audit Committee

The Audit Committee comprises Helen Gilder as Chair and Mark Foster. The Audit Committee has primary responsibility for monitoring the integrity of the financial statements of the Group; reviewing the Group's internal financial controls; ensuring that the financial performance of the Group is properly measured and reported on; and for reviewing reports from the Group's auditor relating to the Group's accounting and internal financial controls. The Chief Financial Officer

and other senior management also attend committee meetings by invitation. The Committee has unrestricted access to the Company's auditor.

Remuneration Committee

The Remuneration Committee consists of Tamir Koch, as chairman, Mark Foster, and Helen Gilder. It meets at least once a year. The Remuneration Committee has responsibility for determining executive directors' terms and conditions of service, including remuneration and grant of options under the Share Option Schemes.

7digital's Articles of Association:

Please see

<http://about.7digital.com/aim-rule-26>

Most recent Annual Report and

Accounts: Please see

<http://about.7digital.com/reports>

Most recent half-yearly Report and Accounts:

Please see

<http://about.7digital.com/reports>

News releases:

For News releases

<http://about.7digital.com/news>

For RNS releases

<http://about.7digital.com/investors>

AIM Admission document:

Please see

<http://about.7digital.com/aim-rule-26>

AIM Corporate Governance Disclosure & the QCA Code

Please see <http://about.7digital.com/aim-rule-26>

Details of the Company's Nominated Adviser and Other Key Advisers:

Nominated adviser and broker

Arden Partners plc
125 Old Broad St
London
EC2N 1AR

Solicitors

Charles Russell Speechlys
5 Fleet Place
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EC4M 7RD

Principal bankers

Barclays Bank plc
United Kingdom House
180 Oxford Street
London
W1D 1EA

Registrars

Link Group
10th Floor
Central Square
29 Wellington Street Leeds
LS1 4DL

Auditor

Haysmacintyre LLP
10 Queen Street Place London
EC4R 1AG

Financial PR

Luther Pendragon
48 Gracechurch Street
London
EC3V 0EJ