



ROYALTY FUND LIMITED

Valuation Matrix - First Transaction

Valuation Summary

Valuation Agent	Massarsky Consulting Inc.
Valuation Date	31/12/2020
Valuation (\$m)	\$303.7
Discount Rate	8.5%
% Increase From Prior Valuation	7.7%
LTM NPS (\$m)	\$18.2
Multiple of LTM NPS	16.7x
2019 NPS (\$m)	\$15.7
Y-O-Y % Increase	15.7%
Prior Valuation Date	30/06/2020
Valuation (\$m)	\$281.9
Discount Rate	9.0%

Sensitivity in Discount Rate	Implied Current Period Valuation (\$m)
+50 bps	\$282.5
-50 bps	\$328.2

Base Case Growth Rates

Applied In Valuation	2021	2022	2023	2024	2025
Publishing:					
Mechanical	5.0%	5.0%	4.5%	4.0%	4.0%
Performance	5.0%	5.0%	5.0%	4.0%	4.0%
Sync	5.0%	5.0%	5.0%	2.5%	2.5%
Other	5.0%	5.0%	5.0%	2.0%	2.0%
Masters:					
Masters	5.0%	5.0%	4.5%	4.0%	4.0%
Soundexchange	4.5%	4.5%	4.5%	2.5%	2.5%

Portfolio Mix

Genre:

Rock	30%
Country	30%
Pop	19%
Classic R&B	8%
Various	13%

Income Type:

Mechanical	12%
Performance	37%
Sync	19%
Other	3%
Masters	28%

Songs Older Than 10 Years 85%+