



ROYALTY FUND LIMITED

Valuation Matrix - First Transaction

Valuation Summary

| | |
|---------------------------------|---------------------------|
| Valuation Agent | Massarsky Consulting Inc. |
| Valuation Date | 30/06/2020 |
| Valuation (\$m) | \$281.9 |
| Discount Rate | 9% |
| % Increase From Prior Valuation | 5.9% |
| LTM NPS (\$m) | \$17.3 |
| Multiple of LTM NPS | 16.3x |
| Prior Valuation Date | 31/12/2019 |
| Valuation (\$m) | \$266.3 |
| Discount Rate | 9% |

| Sensitivity in Discount Rate | Implied Current Period Valuation (\$m) |
|------------------------------|---|
| +50 bps | \$264.2 |
| -50 bps | \$301.9 |

Base Case Growth Rates

| Applied In Valuation | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------------------|------|------|------|------|------|
| Publishing: | | | | | |
| Mechanical | 5.0% | 5.0% | 5.0% | 4.5% | 4.0% |
| Performance | 5.0% | 5.0% | 5.0% | 3.6% | 3.6% |
| Sync | 5.0% | 5.0% | 5.0% | 3.5% | 3.5% |
| Other | 5.0% | 5.0% | 5.0% | 3.0% | 3.0% |
| Masters: | | | | | |
| Masters | 7.3% | 5.8% | 5.0% | 5.0% | 5.0% |
| Soundexchange | 4.5% | 4.2% | 4.0% | 3.8% | 3.5% |

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%+