



CROWN TALENT & MEDIA GROUP LIMITED

Enterprise Investment Scheme ("EIS") Overview August 2017



Important Note: This overview document is not an offer or invitation to apply for Investment into Ober Private Clients Crown Talent & Media Group Limited EIS Investment Opportunity. Any application for investment should be made solely on the basis of the relevant Information Memorandum ("IM"); the Terms and Conditions; and the Application Form relating to the Investment Opportunity.

INTRODUCTION

- Crown Talent & Media Group Limited ("Crown" and the "Group") offers investors the opportunity to invest in a long-established and fast-growing international talent management and media production group.
- Crown was initially created by Mark Hargreaves in 2000 with the formation of Crown Music Management; a music management company with the principle activity of developing and monetising the careers of music artists.
- Over the past 16 years Crown has successfully signed, developed and managed some of the UK's most well-known music artists including the Sugababes, Jessie J, Ellie Goulding, Rita Ora, Conor Maynard, Union J, Becky Hill, Ella Henderson and more than 50 others.
- In 2011, Crown Talent & Media Group Limited ("Crown", "CTMG", or "the Group") was formed to take over the already established and successful Crown Music Management Services Limited. Since then, Crown has grown markedly within the music industry, as well as adapting its proven management model and successfully applying it to other genres of talent, including television, radio, media, sports and art.
- During 2012/2013, the Group raised circa £3million under the Enterprise Investment Scheme to fund the first stage of its growth plans, which it executed impressively.
- Crown is now poised to undertake the next stage of its growth strategy and is raising a further £5million to fund this. This second stage is expected to reflect a further acceleration in the Group's expansion, involving the recruitment of more managers and their existing client rosters, as well as entering into strategic joint ventures and partnerships, leveraging on the strength of the Crown brand, and the acquisition of other complementary businesses.
- In addition to the value of its trading businesses and brands, Crown is also developing and acquiring a valuable assets base, including the ownership of a material equity stake in a music festival business, an equity stake in a music-technology business and a library of publishing and content rights.

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- The Directors and Management of Crown have extensive expertise, experience and a strong track record in the music, entertainment and sports industries. The Directors include Mark Hargreaves (Founder and CEO) and Marc Marot (Chairman - previously CEO of Island Records, director of Universal Music Group and Chairman of SEG). All of the key management have equity stakes within the Group and are heavily incentivised to generate shareholder value.
- The Directors consider that Crown has excellent growth potential as the global entertainment industry continues to report strong growth and also looks to consolidate.
- The recent deal involving Crown Events as the lead production company to Amazon Prime's new live music venture has created a valuable recurring revenue stream for the Group, as well as significant capital value. Amazon have planned 40 live events over the next 12 months.
- Crown Event's own 'live' brand, Fusion Festival, has grown to become one of the leading music festivals in Europe. Following the successful relocation of the UK festival to Liverpool in 2016, the format is being expanded in 2017 from two days to three, with the addition of a 'Fusion Legends day'. Fusion has recently signed Little Mix, the UK's biggest current pop-music group, as one of the headline acts and a number of other major artists are in negotiation to headline the other two days. Fusion has also secured options to produce events in Dubai, Spain and a Southern England location.

OVERVIEW

Key Achievements

- Crown's artist Ella Henderson's self written debut single "Ghost" went straight to number one in the UK and became the biggest selling debut single of the year. Her debut album, Chapter One, also charted at No.1. in its first week. As a result of Ella's success, she was made the international priority for her label, Sony Music, and went on to achieve impressive results throughout the world. Ella's recent publishing deal is recognised as the biggest in recent years for a UK artist and her hotly anticipated second album is scheduled for release during the first half of 2017.
- Crown's artist, Becky Hill, has had three number one singles to date and already established herself as a leading writer. Becky's debut album is scheduled for release later this year.
- Following Crown's signing of Jessie J in 2012, her profile and status increased markedly, firmly establishing her as an international top-tier artist.
- The already flourishing Crown Media Talent division of the Group accelerated its expansion in 2016 via the acquisition of the Broadcast Media Division of Wasserman Group.
- Crown Arts was formed in 2016 and achieved impressive growth during its first year, signing and monetising its first three artists/clients. The prospects for further growth in 2017 and beyond also look strong.
- Crown Football has become well established as a reputable agency in the sport and represents more than 40 young players, with its clients now breaking into the U19 and senior teams at clubs such as Liverpool, Manchester United, Everton and Arsenal.
- Crown Motorsport has grown quickly to represent six young drivers, including Max Chilton in Indy Cars, as well as drivers in World Endurance Championship, the World Touring Car Championship, Formula 3 and British GT Championships.

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Investment Terms

- Crown Talent & Media Group Limited is seeking equity investment of up to £5 million from private individuals under the EIS scheme for the purpose of funding further business expansion and in particular (i) to recruit a number of other music service businesses, managers and artist rosters, (ii) to further strengthen its own pipeline of music artists, and (iii) to expand the non-music divisions within the Group.
- The equity investment is comprised of the issue of up to 5,000 ordinary £1.00 Shares at an issue price of £1,000 per share, representing circa 50% of the enlarged share capital of the Company.

INVESTMENT CASE

- Crown has traded successfully for the past 16 years and achieved a significant acceleration in its growth within the past five years, proving the strength of its business model and strategy.
- Over the past five years the Group has been successfully transformed from a UK-only music management company, to become a multi-national talent management and production group with established divisions in music management, music production, publishing, tour production, events & festivals, media-talent management, art management and sports management.
- By achieving the horizontal integration of owning many different music services companies, Crown can maximise the monetisation of its music artists and other talent. This also allows the Group to provide a holistic service to its artists, which is not only in their best interests, but also those of the artist's record label.
- Crown has repeatedly and consistently identified and successfully developed chart-topping music acts and artists. Two of Crown's artists, Ella Henderson and Becky Hill,

are set to have a lucrative year in 2017, with each scheduled to release albums within the coming months.

- The Group has already established itself successfully in several other areas of talent management, through both organic growth and acquisition. Crown recently acquired the media broadcast division of the Wasserman Group and is currently evaluating the takeover of several third-party music management businesses.
- Crown Arts has quickly gained a strong position within its market, and secured a strong USP, with its specialism in augmented reality installations. The artist contracts that it has signed to date enable the Company to earn commission on every painting and print sold.
- As well as successfully developing strong revenue streams, Crown is building a valuable asset base of Intellectual Property rights (including publishing rights and rights over content) as well as lucrative equity stakes in other businesses and JV partnerships. These assets are expected to contribute significantly to the valuation of the Group at exit.
- The wide variety of industries serviced by the Group, together with its international reach, provides a high level of diversification and resilience to changing trends and fashions in the music and entertainment industries. The combination of the various complimentary industries also assists to optimise the generation of profits.
- The Directors and other Management within the Crown Group have strong track records and unrivalled reputations within the music entertainment and sports industries. Marc Marot (Chairman) is regarded as one of the world's leading industry experts and Mark Hargreaves (CEO) is regarded as one of the most influential managers in music.
- The Directors are confident they will achieve a lucrative exit for investors. Notably, the Group has already received interest from several large organisations.

KEY RISKS

An investment in EIS qualifying shares involves a high degree of risk and may not be suitable for all investors. Please note that the following risk factors should be considered before deciding to invest:

- This type of investment places your capital at risk. Investing in company shares is speculative and involves a high degree of risk and you may not get back the amount you originally invested. The value of investment may go down as well as up. There is no guarantee of any return on this investment.
- Past performance is not necessarily a guide to future performance and may not be necessarily repeated. You should be aware that share values and the income from them may go down as well as up.
- This investment will be in unquoted/unlisted company shares which are highly likely to have higher volatility and liquidity risks than other types of shares quoted on the main market of the London Stock Exchange.
- As this type of investment will be in an unquoted trading company you should be aware that there may be difficulty in selling your shares at a reasonable price, and in some circumstances it may be difficult to sell your shares at any price.
- Investing in unquoted/unlisted companies is, by its nature, high risk. Information regarding the value or the risks that unquoted companies face may not always be available. In addition, there is no guarantee that the valuation of shares will fully reflect the underlying net asset value, or that the shares can be sold at that valuation.
- Investment into the Company should not be viewed as a short-term investment. Potential investors should be prepared to invest for at least three years. Any withdrawal within three years of the investment into the Company will result in the loss of EIS Relief.
- Potential investors should be aware that the various tax reliefs currently available might change in the future. This overview is based on the understanding of current tax legislation and HMRC practice. Future changes to tax legislation may adversely affect the performance of the Investee Company and the return to the investor. It is the responsibility of prospective investors to ensure that the information is up to date.

- The amount of relief potential investors may gain from an investment into the Company depends on their individual circumstances. Potential investors are strongly advised to seek professional advice regarding their personal tax position and the consequences of an EIS investment. Income tax relief available is subject to making the proper filing of returns with HMRC within the required timeframe and reliefs.

IMPORTANT INFORMATION

Prior to making an investment decision, prospective investors should carefully consider all the information set out in the detailed Information Memorandum which will be sent upon request, and should consider whether an investment into the Investee Company constitutes a suitable investment in the light of their personal circumstances, tax position and the financial resources available to them.

The contents of this overview are not to be taken as constituting advice relating to legal, taxation or investment matters.

This overview is only available to persons falling within the following categories of investor:

1. Persons who meet the criteria for being a professional client in accordance with COBS rule 3.5;
2. Persons who qualify as certified high net worth investors in accordance with COBS rule 4.7.7(a);
3. Persons who qualify as certified sophisticated investors in accordance with COBS 4.7.7(b);
4. Persons who qualify as self-certified sophisticated investors in accordance with COBS 4.7.7(c);
5. Persons who confirm they that they will only invest 10% of their net assets in non-readily realisable securities by signing the Restricted Investor Statement set out in COBS 4.7.10; and
6. Existing clients of a financial adviser regulated by the Financial Conduct Authority, which has advised that the potential investment is a suitable investment for them in accordance with COBS 9 Suitability Rules.

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