

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** It contains the resolutions to be voted on at the Extraordinary General Meeting of Audioboom Group plc (Audioboom or the Company) to be held on 6 April 2017. If you are in any doubt about the contents of this document or the action you should take you are recommended immediately to seek advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended), the Financial Services (Jersey) Law 1998 or if you are in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.

The Directors of Audioboom, whose names appear on page 8 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all of your ordinary shares of no par value in the capital of the Company (Ordinary Shares), please immediately forward this document, together with the Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be distributed, forwarded or transmitted in or into the United States, Canada, Australia or Japan, New Zealand, Russia, or the Republic of South Africa or any other jurisdiction if to do so would constitute a violation of the relevant laws of such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain these documents, and immediately consult the stockbroker, bank or other agent through whom the sale or transfer of part was effected. **This document should be read in conjunction with the accompanying Form of Proxy and the Notice of Extraordinary General Meeting as set out at the end of this Circular. The whole text of this document should be read. You should be aware that investment in the Company is speculative and involves a high degree of risk.**

Notice of an Extraordinary General Meeting of Audioboom to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 6 April 2017 is set out at the end of this document. Shareholders are urged to complete and return the enclosed Form of Proxy, in accordance with the instructions printed thereon, as soon as possible and, in any event, so as to be received by the Company's registrars, Capita Asset Services, PXS1 34 Beckenham Road, Kent, BR3 4ZF no later than 10.00 a.m. on 4 April 2017. Completion and return of the Form of Proxy will not preclude Shareholders from attending the meeting and voting in person should they subsequently wish to do so.

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# AUDIOBOOM GROUP PLC

*(Incorporated in the Island of Jersey with registered number 85292)*

## Placing and Subscription and Notice of Extraordinary General Meeting



*Nominated Adviser and Broker*

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**Application will be made for the New Ordinary Shares to be admitted to trading on AIM, a market operated by the London Stock Exchange (AIM). The New Ordinary Shares, when issued and fully paid, will on allotment rank *pari passu* in all respects with the Existing Ordinary Shares, including as regards the right to receive all dividends or other distributions declared, made or paid after the relevant date of Admission. No application has been made or is currently intended to be made for the New Ordinary Shares to be admitted to trading or dealt on any other exchange. It is expected that dealings in the First Placing Shares and the Subscription Shares on AIM will commence on 23 March 2017 and dealings in the Second Placing Shares and the Loan Note Conversion Shares will commence on 7 April 2017.**

Allenby Capital Limited (**Allenby Capital**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker to the Company in connection with the Placing only and the proposed admission of the Placing Shares to trading on AIM and the proposals described in this document. It will not regard any other person as its customer and will not be responsible to anyone else for providing the protections afforded to the customers of Allenby Capital or for providing advice in relation to the transactions and arrangements detailed in this document. Allenby Capital has not authorised the contents of, or any part of, this document and no

liability whatsoever is accepted by Allenby Capital for the accuracy of any information or opinions contained in this document or for the omission of any information. Allenby Capital as nominated adviser to the Company solely owes its responsibilities to the London Stock Exchange and not to the Company, the Directors, Shareholders or any other person whether in respect of such person's decision to acquire Ordinary Shares in relation to any part of this Circular or otherwise. Allenby Capital is not making any representation or warranty, express or implied, as to the accuracy, completeness or fairness in this document and Allenby Capital accepts no responsibility or liability for this document and accordingly disclaims all and any liability, whether arising in tort, contract or otherwise, which it might otherwise be found to have in respect of this Circular.

The New Ordinary Shares referred to in this Circular have not been and will not be registered under the United States Securities Act of 1933, as amended (the **US Securities Act**) and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the requirements of the US Securities Act. There will be no public offer of the New Ordinary Shares in the United States, the United Kingdom or elsewhere. The New Ordinary Shares are being offered and sold outside the United States in reliance on Regulation S under the US Securities Act. The New Ordinary Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or other regulatory authority, nor have the foregoing authorities passed upon or endorsed the merits of this offering. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the New Ordinary Shares in the United States or to a US Person may constitute a violation of United States law or regulation.

The distribution of this Circular and the offering or sale of the New Ordinary Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or Allenby Capital that would permit an offering of the New Ordinary Shares or possession or distribution of this Circular or any other offering or publicity material relating to the New Ordinary Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this Circular comes are required by the Company and Allenby Capital to inform themselves about and to observe any such restrictions.

This Circular is directed only at members of the Company falling within the meaning of Article 43(2)(a) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (all such persons together being referred to as **Relevant Persons**). This Circular must not be acted on or relied on by persons who are not Relevant Persons. This document does not constitute an offer to buy, acquire or subscribe for, or the solicitation of an offer to buy, acquire or subscribe for, any securities or an invitation to buy, acquire or subscribe for any securities and accordingly is not a prospectus, neither does it constitute an admission document drawn up in accordance with the AIM Rules for Companies (the **AIM Rules**). This document is provided only for the information of shareholders of the Company in connection with the Extraordinary General Meeting and not for any other purpose.

This Circular has not been, and will not be, reviewed or approved by the Financial Conduct Authority of the United Kingdom, the London Stock Exchange, the Jersey Financial Services Commission, any securities commission or any other authority or regulatory body.

You should make your own investigations in relation to the Resolutions, including the merits and risks involved. Nothing in this document constitutes legal, tax, financial or other advice, and if you are in any doubt about the contents of this document, you should consult your own professional advisers.

## **FORWARD LOOKING STATEMENTS**

This document includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or "similar" expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless it is required to do so by applicable law or the AIM Rules.

Copies of this Circular are available free of charge on the Company's website [www.audioboopl.com](http://www.audioboopl.com)

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Circular posted to Shareholders	21 March 2017
Admission and commencement of dealings in the First Placing Shares and the Subscription Shares	8.00 a.m. 23 March 2017
CREST member accounts expected to be credited for the First Placing Shares and the Subscription Shares in uncertificated form (where applicable)	23 March 2017
Dispatch of definitive share certificates for the First Placing Shares and the Subscription Shares in certificated form (where applicable)	by 30 March 2017
Latest time and date for receipt of Form of Proxy	10.00 a.m. on 4 April 2017
Extraordinary General Meeting	10.00 a.m. on 6 April 2017
Admission and commencement of dealings in the Second Placing Shares and Loan Note Conversion Shares to trading on AIM	8.00 a.m. 7 April 2017
CREST member accounts expected to be credited for the Second Placing Shares in uncertificated form (where applicable)	7 April 2017
Dispatch of definitive share certificates for the Second Placing Shares in certificated form (where applicable)	by 14 April 2017

*Notes:*

- (1) Each of the dates in the above timetable is subject to change at the discretion of Allenby Capital and the Company.
- (2) References to time in this Circular are to London time except when otherwise stated.
- (3) If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by announcement through a Regulatory Information Service.

## PLACING AND SUBSCRIPTION STATISTICS

Issue Price	2.5 pence
Number of Existing Ordinary Shares in issue as at the date of this document	695,937,991
Total number of First Placing Shares	37,760,000
Total number of Subscription Shares	13,600,000
Total number of Second Placing Shares	108,640,000
Total number of Loan Note Conversion Shares	40,613,698
Enlarged Share Capital following the Placing, Subscription and issue of the Loan Note Conversion Shares	896,551,689
Percentage of the Enlarged Share Capital represented by the Placing Shares and the Subscription Shares	17.8 per cent.
Estimated net proceeds of the Placing and Subscription	£3.8 million
ISIN	JE00B5NFKB77
SEDOL	B5NFKB7

## DEFINITIONS

<b>Admission</b>	First Admission and Second Admission.
<b>AIM</b>	AIM, a market operated by the London Stock Exchange.
<b>AIM Rules</b>	the AIM Rules for Companies, as published and amended from time to time by the London Stock Exchange.
<b>Allenby Capital</b>	Allenby Capital Limited, the Company's nominated adviser and broker pursuant to the AIM Rules.
<b>Articles</b>	the existing articles of association of the Company as at the date of this Circular.
<b>Capita Asset Services</b>	a trading name of Capita Registrars Limited.
<b>Circular</b>	this document.
<b>Company</b> or <b>Audioboom</b>	Audioboom Group plc.
<b>CREST</b>	the computerised settlement system (as defined in the CREST Regulations) which facilitates the transfer of title to shares in uncertificated form.
<b>CREST Manual</b>	the manual, as amended from time to time, produced by Euroclear UK & Ireland which facilitates the transfer of shares in uncertificated form.
<b>CREST member</b>	a person who has been admitted by Euroclear UK and Ireland as a system-member (as defined in the CREST Regulations).
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 or the Companies (Uncertificated Securities) (Jersey) Order 1999, including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force.
<b>Directors</b> or <b>Board</b>	the directors of the Company.
<b>Enlarged Share Capital</b>	the 896,551,689 Ordinary Shares in issue immediately following Admission.
<b>Euroclear UK &amp; Ireland</b>	Euroclear UK & Ireland Limited, the operator of CREST.
<b>Existing Ordinary Shares</b>	the 695,937,991 existing Ordinary Shares in issue in the capital of the Company as at the date of this Circular.
<b>Extraordinary General Meeting</b> or <b>EGM</b>	the extraordinary general meeting of Shareholders to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 6 April 2017.
<b>First Admission</b>	the admission of the First Placing Shares and the Subscription Shares to trading on AIM becoming effective in accordance with the AIM Rules.
<b>First Placing</b>	the placing of the First Placing Shares at the Issue Price by Allenby Capital, as described in this Circular.

<b>First Placing Shares</b>	the 37,760,000 new Ordinary Shares, which have been placed by Allenby Capital with institutional and other investors pursuant to the First Placing.
<b>Form of Proxy</b>	the form of proxy for use in connection with the Extraordinary General Meeting accompanying this Circular.
<b>Fundraise</b>	together, the Placing and Subscription.
<b>Fundraising Resolutions</b>	the resolutions numbered 1 and 2 to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting.
<b>Independent Directors</b>	Malcolm Wall, Robert Proctor and David McDonagh, being the Directors not participating in the Placing or Subscription.
<b>ISIN</b>	International Securities Identification Number.
<b>Issue Price</b>	2.5 pence per New Ordinary Share.
<b>Loan Note</b>	the convertible loan note issued by the Company to Candy Ventures SARL, details of which are set out in paragraph 4 of this document.
<b>Loan Note Conversion Shares</b>	the 40,613,698 new Ordinary Shares to be issued to Candy Ventures SARL pursuant to the conversion of the Loan Note.
<b>London Stock Exchange</b>	London Stock Exchange plc.
<b>New Ordinary Shares</b>	together the First Placing Shares, the Second Placing Shares, the Subscription Shares and the Loan Note Conversion Shares.
<b>Notice of Extraordinary General Meeting</b>	the notice of Extraordinary General Meeting set out at the end of this Circular.
<b>Optionholders</b>	the holders of options to acquire Ordinary Shares, offered or granted in accordance with the share option scheme operated by the Company.
<b>Ordinary Shares</b>	the ordinary shares of no par value in the capital of the Company.
<b>Placees</b>	the persons who have conditionally agreed to subscribe for the Placing Shares.
<b>Placing</b>	the First Placing and the Second Placing.
<b>Placing Agreement</b>	the conditional agreement dated 20 March 2017 between the Company (1) and Allenby Capital (2) relating to the Placing.
<b>Placing Shares</b>	the First Placing Shares and the Second Placing Shares.
<b>Resolutions</b>	the resolutions numbered 1 to 4 to be proposed at the Extraordinary General Meeting as set out in the Notice of Extraordinary General Meeting.
<b>Second Admission</b>	the admission of the Second Placing Shares and the Loan Note Conversion Shares to trading on AIM becoming effective in accordance with the AIM Rules.
<b>Second Placing</b>	the conditional placing of the Second Placing Shares at the Issue Price by Allenby Capital, as described in this Circular pursuant to the Second Placing.

<b>Second Placing Shares</b>	the 108,640,000 new Ordinary Shares, which have been placed by Allenby Capital with institutional and other investors.
<b>Shareholder(s)</b>	holder(s) of Existing Ordinary Shares.
<b>Subscribers</b>	the persons who have conditionally agreed to subscribe for the Subscription Shares.
<b>Subscription</b>	the conditional subscription for the Subscription Shares at the Issue Price pursuant to Subscription Letter.
<b>Subscription Letters</b>	conditional subscription letters between the Company and each of the Subscribers each dated around the date of this Circular.
<b>Subscription Shares</b>	the 13,600,000 new Ordinary Shares conditionally subscribed for pursuant to Subscription Letters.
<b>UK</b>	the United Kingdom.
<b>uncertificated or in uncertificated form</b>	recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST.
<b>US</b>	the United States of America.
<b>US Person</b>	a US person as defined in Regulation S promulgated under the US Securities Act.
<b>US Securities Act</b>	the United States Securities Act of 1933 (as amended).
<b>Warrantholders</b>	the holders of warrants to acquire Ordinary Shares.
<b>£ or pence</b>	the lawful currency of the UK.

# AUDIOBOOM GROUP PLC

*(Incorporated and registered in the Island of Jersey under the Companies (Jersey) Law 1991 with registered number 85292)*

Malcolm Wall *(Non-Executive Chairman)*  
Robert Proctor *(Chief Executive Officer)*  
David McDonagh *(Chief Financial Officer)*  
Roger Maddock *(Non-Executive Director)*  
Steven Smith *(Non-Executive Director)*

PO Box 264  
Forum 4  
Grenville Street  
St Helier  
Jersey  
JE4 8TQ

21 March 2017

*To: Shareholders and, for information only, to Optionholders and Warrantholders*

Dear Shareholder,

## **Proposed Placing, Subscription and Notice of Extraordinary General Meeting**

### **1. Introduction**

The Company announced on 21 March 2017 that it has conditionally raised £4 million (before expenses) by way of the Placing of 146,400,000 Placing Shares and the Subscription of 13,600,000 Subscription Shares, each at the Issue Price, with existing and new investors. The purpose of this letter is to explain to Shareholders the background to and reasons for the Placing and Subscription and to provide Shareholders with notice of an Extraordinary General Meeting of the Company to be convened in order to seek approval to grant such new authorities, as well as additional authorities, to enable the Directors to complete the Second Placing and to allot and issue the Loan Note Conversion Shares.

Accordingly, the Company is seeking Shareholder approval of the Resolutions which are to be put to the Extraordinary General Meeting of the Company to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 6 April 2017. If Shareholder approval of the Fundraising Resolutions is not given at the Extraordinary General Meeting, the Second Placing as currently envisaged will not proceed. The Notice of Extraordinary General Meeting is set out at the end of this Circular and a Form of Proxy is also enclosed for you to complete. This letter includes an explanation of the Resolutions.

The New Ordinary Shares to be issued pursuant to the Placing, Subscription and the issue of the Loan Note Conversion Shares are to be admitted to trading on AIM. Admission of the First Placing Shares and the Subscription Shares is expected to take place at 8.00 a.m. on 23 March 2017. Admission of the Second Placing Shares and the Loan Note Conversion Shares is expected to take place at 8.00 a.m. on 7 April 2017, should the Resolutions be passed at the Extraordinary General Meeting.

### **2. Background to and reasons for the Placing and Subscription**

#### *Business model and strategy*

Audioboom is an award-winning, scalable, end-to-end podcasting and audio on-demand platform. The Company has developed a cloud-based, software as a service platform which enables the creation, broadcast and syndication of digital audio content across multiple devices, networks and geographies, and the Company remains the hosting and distribution platform of choice for some of the world's leading content creators.

The Company's business model is based, principally, on entering into advertising revenue share agreements with content creators (principally broadcasters and publishers) using the Audioboom platform to embed audio content across their own websites, mobile apps and other distribution channels, such as iTunes, Facebook and Twitter. Each piece of audio provides an opportunity to place live "host read" adverts during and/or traditional audio or video adverts at the beginning, middle and end of the content (pre, mid and post roll advertising).



Working with content partners, third parties and/or programmatic advertising exchanges, Audioboom seeks to secure advertising to place on its inventory of audio content on the Audioboom platform. It will share the proceeds of such advertising with the content creator on a pre-agreed revenue share basis. Revenue will be driven by the rate card fee for live host read adverts and also the number of listens to the particular content and the CPM rate at which the advertising is secured. The CPM is the cost per thousand listens of audio that the advertiser is willing to pay and dictates the revenue for Audioboom. CPMs may differ according to various factors including the type and length of content, the target audience and type of advert location and delivery.

Live host read advertising, where the presenter promotes a product or brand during the broadcast, also presents a significant medium-term opportunity and which typically attracts higher CPMs. The rate card fee for live host read adverts is based on the CPM rate multiplied by the listens per episode.

### *Market*

Traditional radio listening is falling dramatically while podcasting and other audio on-demand are the digital disruptors in the audio sector, with significant and sustained growth, especially amongst the digital generation. Furthermore, data supports the proposition that podcast audiences are more engaged and loyal, and research indicates that podcasts provide a far more effective advertising medium than traditional radio.

The global spend on radio advertising is around US\$19 billion (source: WPP & IAB research). By the end of 2017, it is estimated that 40 per cent. of audio will be consumed digitally (source: Edison & NPR research).

### *KPIs*

The Company recorded impressive growth in all its KPIs in 2016 – driving significant year-on-year revenue growth – and this strong performance has continued into Q1 2017:

- UFRs: the Company has recently adopted the IAB standard of unique file requests (UFRs) to replace its “listens” metric. Audioboom’s Q1 2017 UFRs were 149 million (a quarterly record).
- Available advertising impressions: Total available ad impressions grew to 304 million in Q1 2017 (another quarterly record).
- Content channels: 478 new content channels were added during Q1 2017, giving a total of 10,005 content channels as at 28 February 2017. Major new content, distribution and/or monetisation partnerships have been established recently with Spotify, GooglePlay, Univision, Pandora, Saavn, NBC Sports and iHeart media.

2016 revenues are expected to have exceeded £1.3 million, an increase of more than six fold compared to 2015. Q1 2017 revenues exceeded those of Q4 2016 (£630,000), providing another quarterly record, and this impressive rate of revenue growth continues, with over £2 million already booked for advertising campaigns in 2017, inclusive of the Q1 revenues.

This continued revenue growth, coupled with focus on cost management, results in the Board targeting the Company being cash-flow positive on a monthly basis during the final quarter of 2018.

### *SONR acquisition*

Audioboom recently completed its acquisition of SONR News Limited, the neuro-linguistic programming (‘NLP’) and artificial intelligence (‘AI’) development company.

SONR is developing algorithms which will allow Audioboom to accelerate the creation and phased introduction of industry leading, plug-in, intelligent data management platforms that will better inform programmatic ad-serving solutions and audio recommendation engines over the next 12 months. Currently, access to the nascent, fast growing digital audio advertising market is being hampered by a lack of technology that is fit for purpose; advertising agencies are suffering from a lack of real time data to inform their programmatic buying platforms.

SONR’s algorithms are capable of generating vast numbers of audience specific data-points and future development plans will see these algorithms being developed specifically for brand advertising targeting.

The Board believes that this, combined with the further development and integration of audio to text transcription technologies, will allow Audioboom to build ad-server solutions and, ultimately, a proprietary ad-server that will facilitate programmatic ad placement in the digital audio space through targeted advertising in scale.

#### *Focus on monetisation and growth*

Audioboom is focused on maximising ad revenues in the US, UK, India and Australia through technical development, ad platform integrations and direct sales.

The Company believes the time is right to capitalise on the growth opportunities offered in its key markets – particularly the US (which currently accounts for more than 65 per cent. of inventory and listens) and India – however it is currently constrained from doing so by the cash position of the Company. Accordingly, the Company wishes to complete the Placing and Subscription and in doing so provide the funding to accelerate the growth and future success of the Company.

### **3. Use of proceeds**

The net proceeds of the Placing and Subscription will be approximately £3.8 million and are expected to be applied in the following areas:

- Working capital to accelerate growth

The Company has recognised the need to focus its head count and business development activity to capitalise on the countries the Board has identified as those that afford the greatest opportunity for monetisation, particularly the US where revenue is growing and the Company is actively moving headcount to match its revenue opportunities.

- Technical development

The Company's ad-serving costs have and will continue to increase substantially through listen and advertising inventory growth. Audioboom has identified that building its own audio ad-server, utilising NLP, AI and audio to text transcription is a strategic way to reduce ad-serving costs, whilst creating its own IP, removing reliance on third parties and creating higher value targeted advertising solutions.

- Content acquisition and creative initiatives

Over the last 12 months, Audioboom has focused on attracting established podcast content with audiences and creating its own bespoke podcast content, producing 5 of iTunes' top 10 podcasts of 2016. Audioboom intends to accelerate this strategy to rapidly scale revenues from 'live host read' (also referred to as 'in-read') advertising sales, whilst capturing a higher percentage of addressable market revenue.

### **4. Convertible Loan Note**

On 25 January 2017, the Company announced that it had entered into a £1,000,000 Loan Note to Candy Ventures SARL (an investment vehicle controlled by Nick Candy). The Loan Note can be drawn down before 30 June 2017, attracts interest at a rate of 10 per cent. per annum which is payable on redemption, repayment or conversion of the Loan Note and is convertible into the Loan Note Conversion Shares at 2.5p per Ordinary Share or, if lower, a 20 per cent. discount to the price of any future funding round of the Company greater than £2 million (subject to a minimum price of 1.75p per Ordinary Share).

Pursuant to the terms of the Loan Note, the Company covenanted to maintain sufficient shareholder authority to satisfy conversion of the Loan Notes. Candy Ventures SARL has agreed to waive the covenant given by the Company so that the Company may utilise the existing share authorities put in place at the Company's annual general held on 4 May 2016 and at the Company's extraordinary general meeting on 22 August 2016 in connection with the Fundraise.

Contemporaneously with the Second Admission, the Company intends to convert in full all amounts that have at that time been drawn down by the Company pursuant to the Loan Note (including accrued interest). The Company no longer intends to draw down the final instalment available to it under the terms of the Loan Note and it is therefore anticipated that the amount for conversion as at the Second Admission will comprise

£812,274, including interest of £12,274, such amount to be converted into the 40,613,698 Loan Note Conversion Shares. Accordingly, the Company is seeking Shareholder approval of Resolutions 3 and 4 which are to be put to the Extraordinary General Meeting of the Company.

If Shareholder approval of Resolutions 3 and 4 is not given at the Extraordinary General Meeting, the conversion of all amounts that have been drawn down pursuant to the terms of the Loan Note as currently envisaged will not proceed.

## **5. Details of the Placing, Subscription and Admission**

A total of approximately £1.28 million (before expenses), representing the issue of 51,360,000 new Ordinary Shares, has been raised by way of the First Placing and the Subscription utilising the Company's existing share authorities put in place at the Company's annual general held on 4 May 2016 and at the Company's extraordinary general meeting on 22 August 2016. The First Placing and the Subscription are conditional, *inter alia*, upon compliance by the Company with its obligations under the Placing Agreement (as described further below) and admission of the First Placing Shares and the Subscription Shares to trading on AIM.

The Company is also proposing to raise approximately £2.72 million (before expenses) for the Company by way of the Second Placing at the Issue Price with new and existing investors.

The Second Placing is conditional, *inter alia*, upon:

- the passing of the Fundraising Resolutions without amendment at the EGM;
- the Placing Agreement (as described in more detail below) becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- admission of the Second Placing Shares to trading on AIM becoming effective by not later than 8.00 a.m. on 7 April 2017 (or such later time and/or date (not being later than 8 May 2017) as Allenby Capital and the Company may agree).

The Placing and Subscription will result in the issue of a total of 160,000,000 new Ordinary Shares, representing, in aggregate, approximately 17.8 per cent. of the Enlarged Share Capital. Such new Ordinary Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares and therefore will rank equally for all dividends or other distributions declared, made or paid after the relevant date of Admission.

Application will be made to London Stock Exchange for the First Placing Shares and the Subscription Shares to be admitted to trading on AIM and admission of the First Placing Shares and the Subscription Shares is expected to occur on 23 March 2017.

It is expected that CREST accounts will be credited on the day of First Admission as regards the First Placing Shares and Subscription Shares in uncertificated form and that certificates for those shares to be issued in certificated form will be dispatched by first class post by 30 March 2017.

Application will also be made to London Stock Exchange for the Second Placing Shares and the Loan Note Conversion Shares to be admitted to trading on AIM and admission of the Second Placing Shares and Loan Note Conversion Shares is expected to occur on 7 April 2017.

It is expected that CREST accounts will be credited on the day of Second Admission as regards the Second Placing Shares in uncertificated form and that certificates for those shares to be issued in certificated form will be dispatched by first class post by 14 April 2017.

## **6. The Placing Agreement**

Pursuant to the terms of the Placing Agreement, Allenby Capital, as agent for the Company, has agreed conditionally to use its reasonable endeavours to procure Placees for the Placing Shares at the Issue Price. The Placing is not being underwritten.

The obligations of Allenby Capital under the Placing Agreement are conditional, among other things, upon: (i) the passing of the Fundraising Resolutions without amendment at the EGM; (ii) First Admission becoming

effective by not later than 8.00 a.m. on 23 March 2017 (or such later time and/or date (not being later than 24 April 2017) as Allenby Capital and the Company may agree); and (iii) Second Admission becoming effective by not later than 8.00 a.m. on 7 April 2017 (or such later time and/or date (not being later than 8 May 2017) as Allenby Capital and the Company may agree).

The Placing Agreement contains certain warranties and indemnities given by the Company in favour of Allenby Capital as to certain matters relating to the Company's group and its business. The obligations of Allenby Capital under the Placing Agreement may be terminated in certain circumstances if there occurs either a breach of any of the warranties or if a materially adverse event occurs at any time prior to either First Admission or Second Admission. Such rights exist in the event that such circumstances arise prior to First Admission or Second Admission. If the conditions in the Placing Agreement are not fulfilled on or before the relevant date in the Placing Agreement or, if applicable, waived then the placing monies will be returned to Placees without interest at their own risk.

The Placing Agreement also provides for the Company to pay Allenby Capital commissions and certain other costs and expenses incidental to the Placing and Admission.

## 7. Related Party Transactions

Roger Maddock, a Director of the Company, is subscribing for 1,600,000 Subscription Shares. The participation of Roger Maddock in the Subscription constitutes a related party transaction under rule 13 of the AIM Rules.

In addition, Candy Ventures SARL, a substantial shareholder of the Company, having an interest in approximately 10.42 per cent. of the voting rights of the Company, is subscribing for 8,000,000 Subscription Shares. The participation of Candy Ventures SARL in the Subscription constitutes a related party transaction under rule 13 of the AIM Rules. Nick Candy (90 per cent. shareholder of Candy Ventures SARL) is also considered to be a related party of Audioboom by reason of his shareholding in Candy Ventures SARL, his having been a director of Audioboom within the twelve month period preceding the Fundraise and because of the issue of the Loan Note Conversion Shares. Steven Smith, a director of the Company, is also a director and 10 per cent. shareholder of Candy Ventures SARL and accordingly he too is a related party of Audioboom.

The Independent Directors consider, having consulted with Allenby Capital, that the terms of the related party transactions are fair and reasonable insofar as its Shareholders are concerned.

The following table set out Roger Maddock's and Nick Candy's interest in Ordinary Shares as at today and immediately following First Admission and Second Admission.

Shareholder	Ordinary Shares held as at today	% of the current issue share capital	Participation in the Subscription	Interest immediately following First Admission	% of issued share capital immediately following First Admission	Loan Note Conversion Shares	Interest immediately following Second Admission	% of issued share capital immediately following Second Admission
Nick Candy*	97,368,302	13.99	8,000,000	105,368,302	14.10	40,613,698	145,982,000	16.28
Roger Maddock	15,513,556	2.23	1,600,000	17,113,556	2.29	-	17,113,556	1.91

\* As at today, Nick Candy is interested in 24,820,000 Ordinary Shares held in his own name (or his wife's) and 72,548,302 Ordinary Shares held via Candy Ventures SARL. Immediately following First Admission, Nick Candy will be interested in 24,820,000 Ordinary Shares held in his own name (or his wife's) and 80,548,302 Ordinary Shares held via Candy Ventures SARL. Immediately following Second Admission, Nick Candy will be interested in 24,820,000 Ordinary Shares held in his own name (or his wife's) and 121,162,000 Ordinary Shares held via Candy Ventures SARL.

## 8. Extraordinary General Meeting

A notice convening the Extraordinary General Meeting of the Company, to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 6 April 2017 is set out at the end of this Circular. At the Extraordinary General Meeting, the following Resolutions will be proposed:

1. an ordinary resolution to grant authority to the Directors to allot Ordinary Shares up to a maximum of 153,467,585 Ordinary Shares pursuant to the Second Placing and otherwise;

2. a special resolution to dis-apply pre-emption rights contained in the Articles in respect of the allotment for cash of up to a maximum of 153,467,585 Ordinary Shares pursuant to the Second Placing and otherwise;
3. an ordinary resolution to grant authority to the Directors to allot Ordinary Shares up to a maximum of 40,613,698 Ordinary Shares in connection with the conversion of all amounts drawn down under the Loan note into Loan Note Conversion Shares; and
4. a special resolution to dis-apply pre-emption rights contained in the Articles in respect of the allotment of the Ordinary Shares referred to in Resolution 3.

Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolutions 2 and 4 as special resolutions. Under Jersey law a special resolution requires a two-thirds majority of those voting at the meeting in person or by proxy to vote in favour of the resolution.

## **9. Action to be taken by Shareholders**

Shareholders will find accompanying this Circular, a Form of Proxy for use at the Extraordinary General Meeting. Whether or not Shareholders intend to be present at the Extraordinary General Meeting, they are requested to complete, sign and return the Form of Proxy in accordance with the instructions printed on it to Capita Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF as soon as possible and, in any event, so as to arrive no later than 10.00 a.m. on 4 April 2017. Completion and return of the Form of Proxy will not affect Shareholders' right to attend and vote in person at the Extraordinary General Meeting if they so wish. Further information regarding the appointment of proxies can be found in the notes to the Notice of Extraordinary General Meeting.

In the case of non-registered Shareholders who receive these materials through their broker or other intermediary, the Shareholder should complete and send a letter of direction in accordance with the instructions provided by their broker or other intermediary.

**In order for the Second Placing and the conversion of the Loan Note to proceed, Shareholders will need to approve the Resolutions set out in the Notice of Extraordinary General Meeting. If the Resolutions are not passed at the Extraordinary General Meeting, the Second Placing and the conversion of the Loan Note will not proceed in the form currently envisaged, with the result that the anticipated net proceeds of the Second Placing will not become available to fund proposed upcoming expenditure and achieve the objectives set by the Board and the Company's business plans, growth prospects and available working capital may be materially adversely affected as a result. In addition, the conversion of the Loan Note will not be able to proceed.**

**Accordingly, it is important that Shareholders vote in favour of the Resolutions, in order that the Second Placing and the conversion of the Loan Note can proceed.**

## **10. Directors' Recommendation**

The Directors consider the Placing, Subscription, conversion of the Loan Note and the Resolutions to be in the best interests of the Company and its Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting as they intend to do in respect of their own beneficial holdings which amount to, in aggregate, 18,059,709 Ordinary Shares, representing approximately 2.60 per cent. of the Existing Ordinary Shares.

Yours faithfully

**Malcolm Wall**  
*Chairman*

# AUDIOBOOM GROUP PLC

*(Incorporated and registered in Jersey under the Companies (Jersey) Law 1991 with registered no. 85292)*

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS GIVEN** that an Extraordinary General Meeting of Audioboom Group plc (**Audioboom** or the **Company**) will be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10.00 a.m. on 6 April 2017 for the purpose of considering and, if thought fit, passing the following resolutions at the Extraordinary General Meeting or any adjournment thereof, of which Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolutions 2 and 4 will be proposed as special resolutions.

### Resolution 1

That the Directors be and they are hereby generally and unconditionally authorised in accordance with Article 6.2 of the Articles of Association of the Company (**Articles**) to exercise all the powers of the Company to allot and issue up to a maximum of 153,467,585 ordinary shares of no par value in the capital of the Company (**Ordinary Shares**) pursuant to the Second Placing (as defined in the Company's circular to shareholders dated 21 March 2017, of which this notice of extraordinary general meeting forms part (**Circular**)) and otherwise, provided that this authority shall be in addition to and not in substitution for all previous authorities granted pursuant to Article 6.2 of the Articles. The authority conferred on the Directors under this Resolution 1 shall expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted or rights to subscribe for, or to convert any security into, Ordinary Shares to be granted after such expiry and the Directors may allot Ordinary Shares or grant rights to subscribe for, or to convert any security into, Ordinary Shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### Resolution 2

That, subject to the passing of Resolution 1, the Directors be and they are hereby empowered pursuant to Article 6.7 of the Articles to allot and issue equity securities (within the meaning of Article 6.6 of the Articles) for cash pursuant to the authority conferred by Resolution 1 above, as if Article 6.3 of the Articles did not apply to any such allotment and issue, provided that this power shall be limited to the allotment of Ordinary Shares up to a maximum of 153,467,585 Ordinary Shares pursuant to the Second Placing (as defined in the Circular) and otherwise, and this authority shall expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the passing of this Resolution 2 save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted or rights to subscribe for, or to convert any security into, Ordinary Shares to be granted after such expiry and the Directors may allot Ordinary Shares or grant rights to subscribe for, or to convert any security into, Ordinary Shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

### Resolution 3

That the Directors be and they are hereby generally and unconditionally authorised in accordance with Article 6.2 of the Articles to exercise all the powers of the Company to allot and issue, and to grant rights to subscribe for, or to convert any security into, up to a maximum of 40,613,698 Ordinary Shares in connection with the loan note instrument entered into between the Company and Candy Ventures SARL dated 24 January 2017 (**Loan Note**), provided that this authority shall be in addition to and not in substitution for all previous authorities granted pursuant to Article 6.2 of the Articles. The authority conferred on the Directors under this Resolution 3 shall expire on the date falling five years after the passing of this Resolution save that the Company may before such expiry make an offer or agreement (including, but not limited to, the Loan Note) which would or might require Ordinary Shares to be allotted or rights to subscribe for, or to convert any security into, Ordinary Shares to be granted after such expiry and the Directors may allot Ordinary

Shares or grant rights to subscribe for, or to convert any security into, Ordinary Shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

#### **Resolution 4**

That, subject to the passing of Resolution 3, the Directors be and they are hereby empowered pursuant to Article 6.7 of the Articles to allot and issue equity securities (within the meaning of Article 6.6) pursuant to the authority conferred by Resolution 3, as if Article 6.3 did not apply to any such allotment, provided that this power, shall be limited to the allotment of equity securities consisting of, or the right to subscribe for, or convert any security into Ordinary Shares in the Company, up to a maximum of 40,613,698 Ordinary Shares.

#### *Explanatory Notes:*

*Resolution 1:* enables the Directors to allot the Second Placing Shares (as defined in the Circular) for the purposes of the Second Placing and otherwise. As explained in the Circular, the Second Placing Shares to be issued pursuant to the Second Placing will, upon allotment, represent approximately 12.3 per cent. of the Enlarged Share Capital (as defined in the Circular). After the issue and allotment of the Second Placing Shares, this authority will permit the issue and allotment of a further 44,827,585 Ordinary Shares.

*Resolution 2:* entails the waiver by Shareholders of their pre-emption rights in respect of the Ordinary Shares authorised by Resolution 1, including the Second Placing Shares to be issued for the purposes of the Second Placing, and enables the Directors to allot those shares for cash other than on a pre-emptive basis.

*Resolution 3:* enables the Directors to allot up to 40,613,698 new Ordinary Shares for the purposes of satisfying the allotment and issue of the Loan Note Conversion Shares (as defined in the Circular).

*Resolution 4:* entails the waiver by Shareholders of their pre-emption rights in respect of the Loan Note Conversion Shares that may be issued pursuant to Resolution 3 and enables the Directors to allot the Loan Note Conversion Shares other than on a pre-emptive basis.

Under Jersey law a special resolution requires a two-thirds majority of those voting at the meeting in person or by proxy to vote in favour of the resolution.

By order of the Board of Directors  
AST Secretaries Limited  
Company Secretary  
21 March 2017

*Registered Office*  
PO Box 264  
Forum 4  
Grenville Street  
St Helier  
Jersey  
JE4 8TQ

## Notes to the notice of Extraordinary General Meeting

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend and (on a poll) vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
2. Under Jersey law a special resolution requires a two-thirds majority of those voting at the meeting in person or by proxy to vote in favour of the resolution.
3. Pursuant to Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has specified that only those members registered on the register of members of the Company at the times specified below shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time:
  - 3.1 close of business on 4 April 2017; or
  - 3.2 if the meeting is adjourned, 48 hours prior to the adjourned meeting.Changes to the register of members after the above times will be disregarded in determining the rights of any person to attend and vote at the meeting.
4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you must appoint your own choice of proxy (not the chairman) and give your instructions directly to the relevant person.
5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact Capita Asset Services. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.
6. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.
7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution.
8. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.
9. To appoint a proxy using the proxy form, it must be:
  - 9.1 completed and signed;
  - 9.2 sent or delivered to Capita Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF; and
  - 9.3 received no later than 10.00 a.m. on 4 April 2017 or, in the case where the meeting is adjourned, no later than 48 hours before the time fixed for the adjourned meeting.
10. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
11. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### *Appointment of proxy by joint members*

12. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

### *Corporate representatives*

13. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

### *Changing proxy instructions*

14. To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.
15. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company.
16. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### *Termination of proxy appointments*

17. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company. In the case of a member which is a company, the revocation



notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

18. The revocation notice must be received by the Company no later than 10.00 a.m. on 4 April 2017.
19. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 20 below, your proxy appointment will remain valid.
20. Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

#### *CREST*

21. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting to be held at 10.00 a.m. on 6 April 2017 and any adjournment(s) thereof by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EU/>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.
22. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
23. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
24. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 or Article 34 of the Companies (Uncertificated Securities)(Jersey) Order 1999.

#### *Total voting rights*

25. As at the date of posting of this notice, the Company's issued share capital comprised 695,937,991 ordinary shares of no par value. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at the date of posting of this notice is 695,937,991.

#### *Communication*

26. Except as provided above, members who have general queries about the meeting should contact Capita Asset Services:
  - 26.1 by phone – UK – 0871 664 0300 calls cost 12p per minute plus your phone company's access charge. From overseas – +44 371 664 0300 calls outside the United Kingdom will be charged at the applicable international rate. Capita Asset Services is open between 9.00 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales.
  - 26.2 by email – [shareholderenquiries@capita.co.uk](mailto:shareholderenquiries@capita.co.uk)
  - 26.3 by post – Capita Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.

