

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR")

13 February 2018

Audioboom Group plc

("Audioboom" or the "Company")

Proposed acquisition, suspension of trading and trading update

Related party transaction with Candy Capital Limited

The Board ("Board") of Audioboom (AIM: BOOM), the leading spoken word audio on-demand platform, announces the Company's intention to acquire the entire issued share capital of Triton Digital Canada Inc ("Triton"), the parent company of Triton Digital, Inc., for a cash consideration of US\$185 million, (approximately £134 million), subject to adjustment for normalised working capital (the "Proposed Acquisition"). Triton is a leading technology provider to the online audio industry that is headquartered in the USA with offices in six locations. Further information on Triton can be found below.

In order to fund the Proposed Acquisition and to provide working capital for the Company and its subsidiaries following the Proposed Acquisition (the "Enlarged Group"), the Company is proposing to raise approximately £155 million, before expenses, through a proposed placing of new ordinary shares (the "Proposed Placing"). Cenkos Securities plc and Zeus Capital Limited have been appointed to act alongside Allenby Capital Limited as joint brokers to the Proposed Placing (the "Brokers").

The Proposed Acquisition would constitute a reverse takeover under rule 14 of the AIM Rules for Companies (the "AIM Rules"). The Proposed Acquisition will be subject, *inter alia*, to shareholder approval, the entering into and completion of a share purchase agreement and raising the funds necessary to finance the Proposed Acquisition via the Proposed Placing. As such, there is no certainty that the Proposed Acquisition will proceed nor any certainty regarding the terms on which it would proceed.

In conjunction with admission of the enlarged share capital to trading on AIM ("Admission"), the Company intends to perform a consolidation of its ordinary shares and change the name of the Company to Triton Digital Group plc.

Suspension of trading

As the Proposed Acquisition would constitute a reverse takeover under the AIM Rules, then should the Proposed Acquisition proceed the approval of shareholders of the Company in a general meeting will be required. As such, a further announcement with full details of the Proposed Acquisition would be issued at the appropriate time once binding contracts are entered into and an admission document published and sent to shareholders with a notice of general meeting.

In accordance with rule 14 of the AIM Rules, the Company's ordinary shares will be suspended from trading on AIM with effect from 7:30 a.m. today. The Company's ordinary shares will remain suspended until such time as either an admission document is published or an announcement is released confirming that the Proposed Acquisition is not proceeding. The Company will update shareholders as and when appropriate.

Information on Triton

Launched in 2006 and providing services in over 40 countries, the Directors believe Triton to be one of the largest technology and service providers to the online audio industry. Triton's offering represents a broad suite of audio technology services and tools that support over-the-air, online and on-demand audio publishers.

Triton's software as a service based offering includes three main product lines:

- audience measurement;
- streaming platform and services; and
- audience engagement.

Triton has a strong penetration of the US radio broadcaster market that, according to a report published by the Radio Advertising Bureau on 3 March 2016, represents an approximately US\$17.5 billion market based on annual advertising.

The Directors believe that the Proposed Acquisition presents an opportunity to combine leading audio infrastructure, metrics and ad-serving companies that service the expanding global live and on-demand publisher base. The Directors are of the view that there are natural synergies between the businesses within the proposed Enlarged Group, with complementary functionality, cumulative client bases and global enterprise and consumer footprints. The Directors also believe that the proposed Enlarged Group has the potential to be a leading global digital audio services provider to both live and on-demand publishers, with the scale and reach to capture a significant share of the revenues available within the global online audio industry as a whole.

For the year ended 31 December 2016, Triton recorded audited US GAAP turnover of approximately US\$40.9 million and audited US GAAP EBITDA of approximately US\$9.0 million (excluding non-recurring items). The audited US GAAP net assets of Triton as at 31 December 2016 were approximately US\$21.2 million. For the nine months ended 30 September 2017, Triton recorded audited US GAAP turnover of approximately US\$29.8 million and audited US GAAP EBITDA of approximately US\$10.5 (excluding non-recurring items). As at 30 September 2017, the audited US GAAP net assets of Triton were approximately US\$20.7 million.

The Brokers will today publish hard copy numbered research notes on the Enlarged Group.

Proposed Board changes

Upon Admission, it is proposed that Neal Schore and Mark Rosenbaum, who are, respectively, the current President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of Triton, will join the Board as; (i) President and Chief Executive Officer; and (ii) Executive Vice President and Chief Financial Officer, respectively. It is proposed that Robert Proctor (current Chief Executive Officer of the Company) will remain as an Executive Director upon Admission. It is further proposed that a number of additional Non-Executive Directors, who have significant experience in the media and digital audio industries, will also join the Company's Board. Further relevant information regarding the proposed directors and the board structure of the Enlarged Group will be announced following the execution of a definitive share purchase agreement.

Additional information

The Company is party to an offer letter (the "Offer Letter") with Triton and Triton's controlling shareholder, Vector Triton Holdings (Cayman) 2, L.P. (the "Vendor"), in respect of the Proposed Acquisition. The Offer Letter does not contain exclusivity provisions, although it does contain binding provisions in respect of the payment of fees if the parties withdraw from the Proposed Acquisition under certain circumstances.

In the event that the Proposed Acquisition does not proceed, the Company may be obliged to pay certain fees to the Vendor or Triton and the Board believes that the Company would need to undertake a fundraising in the short-term for working capital purposes, including any abort costs associated with the Proposed Acquisition.

A further announcement will be made in due course.

Trading update

Audioboom's current financial year commenced on 1 December 2017. During the first two months of the first quarter the Company's revenues and trading performance have been ahead of management's expectations.

The total available ad impressions for the first two months of Q1 were 422 million (full Q1 2017: 304 million). Importantly, "live read" or "host read" available ad inventory for the two months totalled 150 million, representing an improving run-rate that is well ahead of the Q4 2017 total of 208.5 million. Total content channels were also up at 12,495 (12,426 at end of November 2017).

The roster of Audioboom Original Network productions continues to develop well, with second seasons of "The 45th", "Blank Check", "Deliberations". "InBox", "It's Happening with Snooki & Joey", and "Mission to Zyxx" all now available. Additionally, Audioboom's latest shows – "Night Call", "Empty Frames" and "Mafia" – were released on 5, 6 and 7 February 2018 respectively.

Given that the Company derives the majority of its revenues in US Dollars yet currently reports its results in Sterling, the recent strengthening of the Pound against the US Dollar will potentially impact the results of the existing business versus Sterling based market expectations. The Board proposes to move to reporting in US Dollars going forward.

Related party transaction

Since the departure of the Company's former chief financial officer on 27 July 2017, various financial and accounting services have been provided under contract by an individual provided by Candy Capital Limited ("Candy Capital"). Candy Capital is 100 per cent. owned by Nick Candy, who is also a 90 per cent. shareholder of Candy Ventures SARL, which currently holds more than 10 per cent. of the Company's ordinary shares. Accordingly, Candy Capital is classified as a related party under the AIM Rules. The aggregate fees invoiced to the Company by Candy Capital in respect of the above has, as at 12 February 2018, reached £67,500, excluding value added tax, which constitutes a related party transaction under rule 13 of the AIM Rules (the "Related Party Transaction"). 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 classified as a related party of Audioboom. The Company's directors (excluding Steven Smith) consider, having consulted with the Company's nominated adviser, Allenby Capital Limited, that the terms of the Related Party Transaction are fair and reasonable insofar as the Company's shareholders are concerned.

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Enquiries:

Audioboom Group plc

Rob Proctor, Chief Executive Officer

Tel: +44(0)20 7403 6688

Allenby Capital Limited (Nominated adviser and joint broker)

David Hart / Nick Athanas / Alex Brearley / Asha Chotai

Tel: +44(0)20 3328 5656

Cenkos Securities plc (joint broker to the Proposed Placing)

Stephen Keys / Mark Connelly / Callum Davidson / Nick Searle

Tel: +44(0)20 7397 8900

Zeus Capital Limited (joint broker to the Proposed Placing)

Nicholas How / Ben Robertson / Richard Short / John Goad

Tel: +44(0)20 3829 5000

Walbrook PR Limited (PR & IR Advisers)

Paul Cornelius / Sam Allen

**Tel: +44(0)20 7933 8780
or audioboom@walbrookpr.com**

About Audioboom

Audioboom is a global podcasting platform that consolidates the business of on-demand audio, making content accessible, wide-reaching and profitable for podcasters, advertisers and brands. Audioboom operates internationally, with operations across North America, Europe, Asia, Australia and Latin

America, and addresses the issue of disparate podcast services by putting all of the pieces of the puzzle together under one umbrella, creating a user-friendly, economical experience.

Audioboom hosts more than 12,000 content channels, with key content partners including Associated Press (US), "Athletico Mince" (UK), The BBC (UK), Cumulus Media (US), Edith Bowman (UK), "The Heart of It with Estée Lalonde" (UK), India Today (India), "News Roast" (UK), "No Such Thing As A Fish" (UK), Red FM (India), "The Totally Football Show" (UK), "Untold: The Daniel Morgan Murder" (UK), "Undisclosed" (US) and Westwood One (US).

Original content produced by Audioboom includes "The 45th" (US), "I Almost Knew That" (India), "Corinne Bailey Rae: The Heart Speaks in Whispers" (UK), "Ctrl Alt Win Podcast" (India), "Deliberations" (US), "InBox (US), "It's Happening with Snooki & Joey" (US), "Mission To Zyxx" (US), "The Russell Brand Podcast" (UK) and "Very Bad Words" (US).

The platform receives over 60 million listens per month and allows partners to share their content via Apple Podcasts, BookMyShow, Deezer, Google Play, iHeartRadio, Saavn, Spotify, Stitcher, Facebook and Twitter as well as their own websites and mobile apps.

For more information on Audioboom visit audioboom.com.