

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

25 May 2018

Audioboom Group plc

("Audioboom" or the "Company")

Issue of further £0.5m convertible loan note

Update on proposed fundraising

Related party transaction with Candy Ventures SARL

The Board ("Board") of Audioboom (AIM: BOOM), the leading spoken word audio on-demand platform, is pleased to announce that, further to its announcements on 27 April and 15 May 2018, Candy Ventures SARL ("Noteholder") has agreed to subscribe for a further £500,000 of convertible loan notes ("Convertible Loan Notes") which have been created pursuant to a loan note instrument ("Instrument").

These Convertible Loan Notes are in addition to, and issued on substantially similar terms as, the £1,000,000 of convertible loan notes detailed in the Company's announcement of 27 April 2018. The terms of the Convertible Loan Notes are restated below. The resulting funds from the Convertible Loan Notes provide additional bridging finance, pending the completion of the Company's current equity fundraise, which is being undertaken to provide additional working capital, investment in additional podcasting content and other growth initiatives, as announced on 15 May 2018 (the "Fundraise").

Candy Ventures SARL has indicated that it will support the Fundraise to ensure its successful conclusion at a quantum and price in line with the Board's intent. As such, the Board remains highly confident that the Fundraise will be achieved and it expects to update shareholders further within the next two weeks.

Related Party Transaction

Candy Ventures SARL will be the Noteholder. Candy Ventures SARL is a substantial shareholder of Audioboom, having an interest in approximately 13% of the voting rights of Audioboom, and is therefore a related party of Audioboom as defined by the AIM Rules. Nick Candy (90% shareholder of Candy Ventures SARL) is also considered to be a related party of Audioboom by reason of his shareholding in Candy Ventures SARL. Steven Smith, a director of the Company, is also a director and 10% shareholder of Candy Ventures SARL and accordingly he too is a related party of Audioboom.

As such, the Instrument constitutes a related party transaction pursuant to AIM Rule 13. The directors of Audioboom (with the exception of Steven Smith) consider, having consulted with Audioboom's nominated adviser, Allenby Capital Limited, that the terms of the Instrument are fair and reasonable insofar as Audioboom's shareholders are concerned.

Terms of the Convertible Loan Notes

As detailed in the Company's announcement on 27 April 2018, the Convertible Loan Notes, including the total amount of accrued but unpaid interest, are convertible at the conversion prices (as detailed below) in whole (but not part) into fully paid ordinary shares of no par value in the capital of the Company ("Ordinary Shares"):

- automatically on the completion of the next fundraising following the date of the Instrument (and on or prior to 30 June 2018), pursuant to which Audioboom raises over £3,000,000 in one

transaction from the issue of new Ordinary Shares to any person(s) (excluding the conversion of any Convertible Loan Notes into Ordinary Shares) (a "Relevant Fundraising"); or

- at the election of the Noteholder at any time after 30 June 2018, if the Relevant Fundraising has not completed by that date.

If Relevant Fundraising is completed by 30 June 2018, the conversion price will be the higher of:

- 2p; and
- a price equivalent to 65% of the price at which new Ordinary Shares are issued to investors pursuant to the Relevant Fundraising

provided that, if the Relevant Fundraising is at a price less than 2p per share, the conversion price will equal the Relevant Fundraising price. If a Relevant Fundraising is not completed on or before 30 June 2018, the Convertible Loan Notes will only be convertible at the election of the Noteholder and at a conversion price of 2p.

The obligation of the Noteholder to subscribe for the Convertible Loan Notes is subject to there being no event of default having occurred, and which is continuing, on the due date for payment of any subscription for Convertible Loan Notes. The Noteholder's conversion rights are limited to the extent that the Company has adequate shareholder authority to convert.

Unless the Noteholder has given prior notice to convert, the Convertible Loan Notes will be repaid immediately prior to the completion of an offer or agreement pursuant to which any person or those acting in concert acquires the whole of the ordinary share capital of Audioboom or a controlling interest in the share capital of Audioboom. For these purposes a controlling interest means shares conferring in the aggregate 50% or more of the total voting rights conferred by all the shares in the capital of Audioboom in issue and conferring the right to vote at all general meetings of Audioboom.

To the extent they have not been previously converted or redeemed, the Convertible Loan Notes, and all applicable interest, are immediately due and repayable at par on certain customary events of default occurring. Unless previously repaid or converted, the Convertible Loan Notes will be redeemed at par by Audioboom on the date falling six months after the date of the Instrument. In addition, Audioboom has the right to prepay any of the Notes on five business days' prior notice in writing to the Noteholder.

An arrangement fee of £25,000 is due and payable by the Company to the Noteholder on the signing of the Instrument and this will be deducted from the amount available for drawdown.

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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 over 12,000 content channels, with key content partners including A+E Networks (US); Associated Press (US), "Casefile" (AUS), Castbox Originals (US), Edith Bowman (UK), "Felon True Crime Podcast" (AUS), "The Heart of It with Estée Lalonde" (UK), India Today (India), "News Roast" (UK), "No Such Thing As A Fish" (UK), "Pound for Pound with Jake Wood and Spencer Oliver" (UK), "Red FM" (India), "The Totally Football Show" (UK), "Undisclosed" (US).

Original content produced by Audioboom includes "The 45th" (US), "Black Ops" (US), "I Almost Knew That" (India), "The Psychology Behind with Dr Linda Papadopoulos" (UK), "Ctrl Alt Win Podcast" (India), "Deliberations" (US), "It's Happening with Snooki & Joey" (US), "Mafia" (US), "Mission To Zyxx" (US), "Night Call" (US) and "The Russell Brand Podcast" (UK).

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.