

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

15 May 2018

Audioboom Group plc

("Audioboom" or the "Company")

Withdrawal from proposed acquisition

Continuing suspension of trading pending further fundraising

The Board ("Board") of Audioboom (AIM: BOOM), the leading spoken word audio on-demand platform, announces that, further to its announcements on 13 February 2018 and 27 April 2018, the Company's proposed acquisition (the "Proposed Acquisition") of the entire issued share capital of Triton Digital Canada Inc ("Triton") will not be proceeding.

The Proposed Acquisition was to be funded, inter alia, by a placing of new ordinary shares in the Company (the "Placing"). However, in spite of significant demand, it has not been possible to complete the Placing.

Continuing suspension of trading

The Proposed Acquisition would have constituted a reverse takeover under the AIM Rules. As a result, and in accordance with Rule 14 of the AIM Rules, the Company's ordinary shares were suspended from trading on AIM on 13 February 2018.

As a result of the Proposed Acquisition and the Placing not proceeding, the Company requires further financing in the short-term for investment in additional podcasting content and working capital purposes. The Company announced on 27 April 2018 that it had issued convertible loan notes amounting to £1,000,000 to Candy Ventures SARL to assist in this regard. However, given the commercial opportunities that the Company has been working on in recent months, and the additional requirement for working capital, further equity funding will be required as soon as possible. The proceeds from the convertible loan notes will only provide the Company with sufficient working capital for a further period of up to four weeks from today's date, although the Company would take appropriate cash management measures to seek to extend such period if required. As a result, the Company's financial position remains uncertain pending the successful completion of the further equity funding. Therefore, the Company has requested that its ordinary shares remain suspended from trading on AIM pending clarification over the Company's financial position.

If sufficient further equity funding is not available in the required time horizon then, in the absence of alternative funding options, the Board considers that it would likely need to take actions to protect the interest of creditors, which may result in the ultimate winding up of the Company. The Board is confident that further funding will be available and it has commenced immediate action in this respect.

Break Fee

As set out in the Company's announcement on 13 February 2018, 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. ("Vector"), in respect of the Proposed Acquisition. The Offer Letter contains binding provisions in respect of the payment of fees if the parties withdraw from the Proposed Acquisition under certain circumstances. Following its withdrawal from the Proposed Acquisition for the reason set out above, the Company is obliged to pay a break fee (the "Break Fee") to Triton or Vector. The Break Fee is £700,000 and is required to be satisfied by 13 June 2018 as to £90,000 in cash and the balance by the allotment and issue to Triton or its shareholders of 16,600,000 ordinary shares of Audioboom deemed fully paid up. The ordinary shares issued will be subject to a three-month lock-in period on

market standard terms and any sales of ordinary shares must be on an orderly market basis through Audioboom's brokers (provided they provide market competitive terms).

Application will be made for 16,600,000 ordinary shares in Audioboom to be admitted to trading on AIM in due course following the restoration of trading in the Company's ordinary shares.

Other information

In the Company's announcement of 13 February 2018 regarding the Proposed Acquisition, it was highlighted that in conjunction with the Proposed Acquisition, the Company intended to make certain changes to its Board structure, including the appointment of new executive and non-executive directors. These changes will now not occur. Rob Proctor, the current Chief Executive Officer of the Company, will remain in this role.

In addition, the Company announces the appointment of a new Chief Financial Officer, Brad Clarke. Mr Clarke is a Chartered Accountant, having qualified with Grant Thornton in 2009. He has extensive experience of working in finance in the media industry and joins from fellow AIM listed company Brave Bison Group plc, where he was Group Finance Director. Brad previously worked for News UK for over five years progressing through roles in Internal Audit, Group Reporting and latterly being the Financial Controller of the Handpicked Collection. It is proposed that he may join the Board in due course and a further announcement would be made at that time.

Further, the Company will not be performing a consolidation of its ordinary shares at this time and the name of the Company will remain Audioboom Group plc.

Given that the Company will continue to derive the majority of its revenues in US Dollars yet currently reports its results in Sterling, the Board still proposes that the Company move to reporting in US Dollars for the year ending 30 November 2018. The results for the year ended 30 November 2017 will be reported in Sterling.

The Company provided a trading update and its key performance indicators for the first quarter of the year ending 30 November 2018 in its announcement of 27 April 2018.

Audioboom strategy

In line with its previously stated strategy, Audioboom is committed to attracting the best-established podcasts and podcasters to its platform. Top tier podcasts allow Audioboom to maximise revenue returns by exploiting its now proven in-read advertising sales channels. In order to implement such a strategy, Audioboom will likely be required to provide minimum guarantees against annual revenue potential and advances and signing fees, in addition to promotional and development budgets.

Additionally, Audioboom will continue to roll out its Audioboom Original productions, thus enhancing its long-term IP position and improving its overall gross margins.

Geographically Audioboom is fully committed to growing its market share in its key markets of the USA and UK, whilst continuing to develop strong local partnerships in Germany, France, India and Australia.

Rob Proctor, CEO of Audioboom, commented: "Whilst the Board is naturally disappointed that we were unable to raise the necessary funds to complete the Proposed Acquisition, I am pleased to report that our efforts to consolidate our customer base and attract more commercially viable podcasts are progressing well, with a growing proportion of our overall inventory being focussed on the lucrative in-read advertising space. The further reduction in the number of smaller, unsustainable podcasts on our platform will allow us to further reduce our monthly operating costs. Overall Audioboom continues to run a tighter, more compact operation, which will ultimately lead to a stronger more vibrant business. I look forward to updating shareholders in the near future with regards to the Company's proposed further equity fundraising."

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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 for podcasters, advertisers and listeners, visit audioboom.com.