

**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 25 June 2018. 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 9 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 25 June 2018 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, Link Asset Services, PXS1 34 Beckenham Road, Kent, BR3 4ZF no later than 10:00 a.m. on 23 June 2018. 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.

---

# AUDIOBOOM GROUP PLC

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

**Proposed placing and subscription to raise £4.5 million**

**Conversion of convertible loan notes**

**and**

**Notice of Extraordinary General Meeting**



*Nominated Adviser and Broker*



*Joint-Broker to the Placing*

---

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 trading in the Company's Ordinary Shares will be restored and dealings in the First Placing Shares on AIM will commence on 14 June 2018 and dealings in the Second Placing Shares and the Loan Note Conversion Shares will commence on 26 June 2018.

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 of information 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.

Novum Securities Limited (**Novum Securities**), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as joint-broker to the Placing for the Company in connection with the Placing only. 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 Novum Securities or for providing advice in relation to the transactions and arrangements detailed in this document. Novum Securities has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by Novum Securities for the accuracy of any information or opinions contained in this document or for the omission of any information. Novum Securities is not making any representation or warranty, express or implied, as to the accuracy, completeness or fairness of information in this document and Novum Securities 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 or Novum Securities 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, Allenby Capital and Novum Securities 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 will be 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	8 June 2018
Admission and commencement of dealings in the First Placing Shares and restoration of trading in the Company's Ordinary Shares on AIM	8:00 a.m. on 14 June 2018
CREST member accounts expected to be credited for the First Placing Shares in uncertificated form (where applicable)	14 June 2018
Dispatch of definitive share certificates for the First Placing Shares in certificated form (where applicable)	by 22 June 2018
Latest time and date for receipt of Form of Proxy	10:00 a.m. on 23 June 2018
Extraordinary General Meeting	10:00 a.m. on 25 June 2018
Admission and commencement of dealings in the Second Placing Shares and Loan Note Conversion Shares to trading on AIM	8:00 a.m. on 26 June 2018
CREST member accounts expected to be credited for the Second Placing Shares in uncertificated form (where applicable)	26 June 2018
Dispatch of definitive share certificates for the Second Placing Shares in certificated form (where applicable)	by 4 July 2018

### Notes:

- (1) Certain of the dates in the above timetable are subject to change at the discretion of Allenby Capital, Novum Securities 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.
- (4) Subject, *inter alia*, to the receipt by the Company of the Tax Clearance from HMRC, it is anticipated that a separate application for admission to trading on AIM in respect of the Deferred Placing Shares will be made in due course and the Company will make a notification regarding this matter at that time.

## PLACING STATISTICS

Issue Price	3 pence
Conversion price for the Convertible Loan Notes	2 pence
Number of Existing Ordinary Shares in issue as at the date of this document	930,649,854
Total number of First Placing Shares	70,500,000
Total number of Break Fee Shares	16,600,000
Total shares in issue at First Admission	1,017,749,854
Total number of Second Placing Shares	66,166,667
Total number of Loan Note Conversion Shares	76,041,095
Total shares in issue at Second Admission	1,159,957,616
Total number of Deferred Placing Shares	13,333,333
Enlarged Share Capital	1,173,290,949
Percentage of the Enlarged Share Capital represented by the Placing Shares	12.8%
Estimated net proceeds of the Placing	£4.25 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>Break Fee Shares</b>	16,600,000 fully paid up Ordinary Shares to be issued to Triton Digital Canada Inc. pursuant to agreements between the Company and Triton Digital Canada Inc.
<b>Candy Ventures</b>	Candy Ventures SARL.
<b>Candy Ventures Placing Participation</b>	the 33,333,333 Placing Shares that Candy Ventures is subscribing for in the Placing.
<b>Circular</b>	this document.
<b>Company or Audioboom</b>	Audioboom Group plc.
<b>Convertible Loan Notes</b>	the convertible loan notes issued by the Company to Candy Ventures SARL on 27 April 2018 and 23 May 2018, details of which are set out in section 6 of this document.
<b>Convertible Loan Note Waiver</b>	the agreement by Candy Ventures to waive the Company's covenant to maintain sufficient shareholder authority to satisfy conversion of the Convertible Loan Notes, in order to allow the Company to utilise the existing share authorities in the Placing.
<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>Deferred Placing</b>	the conditional placing of the Deferred Placing Shares at the Issue Price, as described in this Circular.

<b>Deferred Placing Admission</b>	the admission of the Deferred Placing Shares to trading on AIM becoming effective in accordance with the AIM Rules.
<b>Deferred Placing Shares</b>	the 13,333,333 new Ordinary Shares, which have been placed with institutional investors.
<b>Directors or Board</b>	the directors of the Company.
<b>Enlarged Share Capital</b>	the 1,173,290,949 Ordinary Shares in issue immediately following the admission of the First Placing Shares, the Break Fee Shares, the Second Placing Shares, the Loan Note Conversion Shares and the Deferred Placing Shares.
<b>Euroclear UK &amp; Ireland</b>	Euroclear UK & Ireland Limited, the operator of CREST.
<b>Existing Ordinary Shares</b>	the 930,649,854 existing Ordinary Shares in issue in the capital of the Company as at the date of this Circular.
<b>Extraordinary General Meeting or 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 25 June 2018.
<b>First Admission</b>	the admission of the First Placing Shares and the Break Fee 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, as described in this Circular.
<b>First Placing Shares</b>	the 70,500,000 new Ordinary Shares, which have been placed 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>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>HMRC</b>	HM Revenue & Customs.
<b>Independent Directors</b>	Malcolm Wall and Robert Proctor, being the Directors who are independent of Candy Ventures and are not participating in the Placing.
<b>ISIN</b>	International Securities Identification Number.
<b>Issue Price</b>	3 pence per New Ordinary Share.
<b>Link Asset Services</b>	a trading name of Link Registrars Limited.
<b>Loan Note Conversion Shares</b>	the 76,041,095 new Ordinary Shares to be issued to Candy Ventures SARL pursuant to the conversion of the Convertible Loan Notes including applicable interest.
<b>London Stock Exchange</b>	London Stock Exchange plc.

<b>Maddock Subscription</b>	The subscription by Roger Maddock, a non-executive Director of the Company for 3,333,334 Placing Shares, representing approximately £100,000 at the Issue Price.
<b>New Ordinary Shares</b>	together the First Placing Shares, the Break Fee Shares, the Second Placing Shares, the Loan Note Conversion Shares and the Deferred Placing Shares.
<b>Notice of Extraordinary General Meeting</b>	the notice of Extraordinary General Meeting set out at the end of this Circular.
<b>Novum Securities</b>	Novum Securities Limited, the Company's joint-broker for the purposes of the Placing
<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 8 June 2018 between: (1) the Company; (2) Allenby Capital; and (3) Novum Securities relating to the Placing.
<b>Placing Shares</b>	the First Placing Shares and the Second Placing Shares.
<b>Resolutions</b>	the resolutions 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, as described in this Circular.
<b>Second Placing Shares</b>	the 66,166,667 new Ordinary Shares, which have been placed with institutional and other investors.
<b>Shareholder(s)</b>	holder(s) of Ordinary Shares.
<b>Tax Clearance</b>	confirmation from HMRC that the Company is a Qualifying Company (as defined in Chapter 4, Part 6 of the Income Tax Act 2007) and the shares will be a Qualifying Holding (as defined in Chapter 4, Part 6 of the Income Tax Act 2007).
<b>Triton Digital</b>	Triton Digital Canada Inc., a company registered in Québec, Canada with Québec Enterprise Number 1163163331.
<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>US\$</b>	the lawful currency of the US.
<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*)  
Roger Maddock (*Non-Executive Director*)  
Steven Smith (*Non-Executive Director*)

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

**8 June 2018**

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

Dear Shareholder,

### **Proposed placing and subscription to raise £4.5 million, conversion of Convertible Loan Notes and notice of Extraordinary General Meeting**

#### **1. Introduction**

The Company announced on 8 June 2018 that it had conditionally raised £4.5 million (before expenses) by way of the proposed Placing of a total of 150,000,000 Placing Shares in three tranches. All Placing Shares will be issued at the Issue Price of 3 pence per new Ordinary Share.

Approximately £2.1 million (before expenses) has been raised pursuant to the Company's existing share authorities and a further approximately £2.0 million has been raised subject to, *inter alia*, the approval of Shareholders at the Extraordinary General Meeting. A third Deferred Placing tranche of approximately £400,000 has been raised subject to, *inter alia*, the approval of Shareholders at the Extraordinary General Meeting and the Company having, by 9 September 2018, received confirmation from HM Revenue & Customs that the Company is a Qualifying Company (as defined in Chapter 4, Part 6 of the Income Tax Act 2007) and the shares will be a Qualifying Holding (as defined in Chapter 4, Part 6 of the Income Tax Act 2007), as well as other customary conditions.

The Placing is conditional upon, *inter alia*, the restoration of trading in the Company's Ordinary Shares on AIM. It is expected that trading in the Company's Ordinary Shares will be restored at 8:00 a.m. on 14 June 2018.

In addition, conditional on the approval of Shareholders at the Extraordinary General Meeting, the Company intends to convert in full all amounts that have been drawn down by the Company pursuant to the Convertible Loan Notes issued by the Company to Candy Ventures, as announced on 27 April 2018 and 25 May 2018. The total amount for conversion, including applicable interest, will comprise approximately £1,520,800, such amount to be converted into 76,041,095 Loan Note Conversion Shares.

The Company also announced its results for the financial year ended 30 November 2017 on 8 June 2018. Copies of the Company's Annual Report and Accounts will be posted to Shareholders on 11 June 2018.

The purpose of this letter is to explain to Shareholders the background to and reasons for the Placing and the conversion of the Convertible Loan Notes, and to provide Shareholders with notice of the Extraordinary General Meeting 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 the Deferred 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. If Shareholder approval of the Fundraising Resolutions is not given at the Extraordinary General Meeting, the Second Placing as currently envisaged will not proceed and the conversion of the Convertible Loan Note will not occur. **Accordingly, it is important that Shareholders vote in favour of the Resolutions, in order that the Second Placing and the conversion of the Convertible Loan Notes can 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 First Placing Shares and Break Fee Shares are to be admitted to trading on AIM via First Admission. First Admission is expected to take place at 8:00 a.m. on 14 June 2018. The Second Placing Shares and Loan Note Conversion Shares are to be admitted to trading on AIM via Second Admission. Second Admission is expected to take place at 8:00 a.m. on 26 June 2018, should the Fundraising Resolutions to be proposed at the Extraordinary General Meeting, further details of which can be found below, be passed at the Extraordinary General Meeting. Subject, *inter alia*, to the receipt by the Company of the Tax Clearance from HMRC, it is anticipated that a separate application for Deferred Placing Admission will be made in due course and the Company will make a notification regarding this matter at that time.

Roger Maddock, a non-executive Director of the Company, has subscribed for 3,333,334 Placing Shares (representing approximately £100,000 at the Issue Price), via a subscription directly with the Company. The contents of this Circular assume that the Maddock Subscription proceeds in full.

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

The Audioboom service is a global podcasting platform that consolidates the business of on-demand online audio, by making content accessible, distributable and wide-reaching for podcasters, advertisers and brands. Audioboom's platform is also one of the UK's leading podcast platforms, which brings together a number of what are typically disparate services required for commercial podcasting, creating a broad audience-base, in order to create a user-friendly and economical experience for broadcasters and listeners.

Audioboom's business model is principally based on entering into advertising revenue share agreements with content creators (typically broadcasters and publishers) using the Audioboom platform to embed audio content across their own websites, mobile applications and other distribution channels, such as Apple Podcasts, Facebook and Twitter. 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. Audioboom shares the revenue generated from advertising with the content creator on a pre-agreed revenue share basis. Unlike music streaming, there are no royalties paid to the content creators, making podcasting gross margins higher than a typical music streaming business.

Based on listenership numbers, the number of podcast shows per week and adverts per show, and the cost per thousand listens of audio that an advertiser is willing to pay (CPM), the Board believes that a number of Audioboom's third party shows have an individual annual revenue potential that is materially in excess of US\$1 million. Examples of such podcasts include 'Casefile', 'No Such Thing As A Fish' and 'Harmontown'.

In 2017, Audioboom successfully launched its own schedule of original content under the brand name Audioboom Originals Network (AON). A number of podcasts produced by AON have proved to be particularly popular and a number of AON podcasts have demonstrated good performance and revenue potential, as well as providing Audioboom with an expanding base of original content. AON production "Night Call" was named by TIME as one of 2018's Best Podcasts and the second episode of AON's "Covert" podcast was recently in Apple's UK Top 5 podcasts.

Based on the same set of assumptions as above, the Directors believe that the leading AON podcasts have individual annual revenue potentials of between US\$100,000 and US\$900,000. Importantly, the Board believes that original content represents a higher gross margin business for Audioboom and the Directors view the creation of original content via AON as being central to Audioboom's business model.

On 13 February 2018, the Company announced its intention to acquire Triton Digital, a leading technology provider to the online audio industry, for a consideration of US\$185 million. The Company had intended to fund the acquisition through a placing of new Ordinary Shares, in order to raise approximately £155 million. This acquisition would have constituted a reverse takeover under rule 14 of the AIM Rules, and the Company's Ordinary Shares were therefore suspended from trading on AIM on 13 February 2018.

On 27 April 2018, the Company announced that Candy Ventures had agreed to subscribe for £1 million of Convertible Loan Notes. Further details regarding the terms of these Convertible Loan Notes can be found below.

On 15 May 2018, the Company announced that the acquisition of Triton Digital would no longer proceed and that the Company would therefore be obliged to pay a break fee to Triton Digital of £700,000 to be satisfied as to £90,000 in cash and the balance by the allotment and issue to Triton Digital of the Break Fee Shares. Those shares will be subject to a three-month lock-in period on market standard terms and any sales of the Break Fee Shares must be on an orderly market basis. It is intended that the Break Fee Shares will be admitted to trading on AIM in conjunction with the admission of the First Placing Shares.

On 25 May 2018, the Company announced the issue of £0.5 million of further Convertible Loan Notes to Candy Ventures, on substantially similar terms as the £1 million of Convertible Loan Notes referred to above.

The Company's Ordinary Shares have remained suspended from trading on AIM due to the uncertainty of the Company's financial position and the requirement for further funding. Following the discontinuation of the acquisition of Triton Digital, the Company commenced immediate action to procure further funding, the outcome of which is the Company conditionally raising a total of £4.5 million (before expenses) by way of the Placing.

Conditional on the approval of Shareholders at the Extraordinary General Meeting, the Company intends to convert in full all amounts that have been drawn down by the Company pursuant to the aforementioned Convertible Loan Notes issued by the Company to Candy Ventures. The total amount for conversion, including applicable interest, will comprise £1,520,800, such amount to be converted into 76,041,095 Loan Note Conversion Shares.

#### *Trading Update*

The Company announced its results for the financial year ended 30 November 2017 on 8 June 2018. Total revenue for the twelve months to 30 November 2017 was £4.7 million, representing an increase of 260% (2016: £1.3m). The Company's adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, share based payments and one-off transactional and legal costs) loss for the twelve months to 30 November 2017 was £4.4 million (2016: loss of £4.6m).

In the first quarter of 2018 (November 2017 - February 2018), the Company's key performance indicators (KPIs) have demonstrated significant growth compared to the same period in 2017:

- **Unique file requests ("UFRs"):** Q1 2018 UFRs totalled 181 million, compared to 149 million in Q1 2017, an increase of over 20% despite changes to how Audioboom now measures UFRs which has impacted the latest total. The changes reflect Audioboom continuing to take the lead on transparency and best practice in industry reporting
- **Monthly unique users:** 82.3 million for February 2018, compared to 58.4 million for February 2017, an increase of over 40%
- **Available advertising impressions:** Audioboom created a total of 633 million advertising impressions in the quarter, up from 304 million in the same period last year, an increase of over 100%. The "live read" inventory element of this total continues to show impressive growth with a total of 235 million, up more than 12% quarter on quarter (Q4 2017: 209 million)
- **Content channels:** Audioboom hosted 12,948 content channels as at 28 February 2018, an increase of approximately 30% on the prior year (28 February 2017: 10,005). Continued growth in content channels is particularly encouraging given the Company's implementation

of paid subscriptions for smaller podcasts that are not suitable for monetisation through advertising. By April 2018 the number of monthly subscribers had grown to 1,271.

The rationalisation of non-profitable channels, together with the aforementioned change to how UFRs are measured, has resulted in some reduction in monthly unique users and UFRs in Q1 2018 compared to Q4 2017, against a significant increase in "live read" available advertising inventory. The Directors believe that this demonstrates the Company's determination to reduce costs whilst improving overall efficiency.

Trading for the first quarter remained in line with the Board's expectations in respect of revenue and underlying EBITDA (adjusted for the costs of the aborted acquisition of Triton Digital). The Board expects revenues for 2018 to show significant improvement on 2017.

In addition to securing the net proceeds of the Placing, the Company also intends to control its costs by tightening its operational expenditure whilst funding growth in revenues and margins. The Company has identified significant savings to be made in the second half of 2018 and the first half of 2019, and also intends to redeploy part of the Company's headcount into the commercial areas of the business over this period.

### **3. Market Opportunity**

The Directors are of the view that digital audio on-demand, podcasting and branded content are amongst the fastest growing media sectors today. Whilst traditional broadcast radio listenership is in decline, other forms of digital listenership are growing rapidly, as listeners move to digital devices and new formats.

The Directors believe that the forthcoming launch of Google/Android's podcast and integrated audio strategy, which includes a native podcast application, will be a considerable driver of increased podcast consumption, given that a significant majority of the world's smartphone handsets use an Android operating system. Although mobile devices dominate podcast consumption, the Board also believes that the rapid growth of 'smartspeakers' will allow for podcasts to be listened to in cars and in the home, thereby providing a further substantial opportunity for increased podcast consumption.

The Board further believes that brands, agencies and trade publications are now understanding the advantages and value of producing branded podcasts. This is evidenced by a number of branded podcasts that have recently been produced by Microsoft, GE, Adobe and McAfee, among others.

A number of other influential digital companies are now placing an increased emphasis on podcasting. Audioboom has several commercial relationships with such companies and is a preferred podcast platform partner of Spotify, with direct access into Spotify's application programming interface. Audioboom retains 100% of the revenues from 'in-read' adverts when its podcasts are listened to via the Spotify platform.

Audioboom is a tier one development partner with Apple Podcasts and GooglePlays' global content partner. Audioboom is also working with a further major audio platform in respect of certain machine learning, artificial intelligence and natural language processing elements of a podcasting project. Audioboom is also the exclusive advertising sales partner for CastBox and the exclusive podcast advertising sales and production partner for A+E Networks.

Against this market backdrop, the Directors believe that as an established global digital audio company operating inside the convergence of digital technology, branded content, smart speakers, mobile and search, there are exceptional market opportunities for Audioboom and strong fundamentals for future organic growth, especially in subscription services, content production, branded content and advertising sales.

### **4. Strategy**

Audioboom's revenues are principally driven by the 'rate card fee' for live host read adverts, the number of listens to the particular content and the 'CPM' rate at which the advertising is secured. CPMs differ according to various factors, including the type and length of content, the target audience and type of advert location.

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 AON productions, thus enhancing its long-term IP position and improving its overall gross margins. Geographically, Audioboom is 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.

#### *Proposed Buy-Side Media Agency*

The data available to the Directors indicates that the number of brands looking to buy advertising across multiple podcasts is increasing rapidly and existing brands that advertise on podcasts are increasing their spending. This is now occurring to the extent that these brands are likely to require the services of a buy-side media agency to represent them and buy advertising on their behalf across multiple advertising inventory sources.

The Board therefore believes that Audioboom currently has a compelling opportunity to establish a buy-side media agency. The Board proposes that Audioboom progresses this strategy in conjunction with an established media agency.

The Board is aware that 'performance based' buy-side media agencies often offer brand and sector exclusivity to their clients. As a result, the Board is aware of certain buy-side media agencies turning away multiple client opportunities on a regular basis.

Audioboom already has close working relationships with certain buy-side media agencies, which has led to the proposal for Audioboom to create its own buy-side agency. Audioboom has therefore established a buy-side agency in the USA, which currently has three test campaigns running. Audioboom has recruited a senior manager with buy side media experience to develop and grow this venture.

In order to mitigate against channel conflict, the Board believes that its buy-side media agency must, to a certain extent, be a 'stand alone' business. It is therefore proposed that the third party buy-side media agency that Audioboom partners with will refer clients to Audioboom for a small referral fee on the total client spend in the first 12 months and in exchange for this will receive a discount on adverts on Audioboom's podcast inventory. It is also proposed that the Company will grant warrants over its Ordinary Shares to the third party buy-side media agency that Audioboom partners with, subject to earn out provisions.

The Board believes that the further development of a buy-side agency will allow Audioboom to:

- grow revenues beyond the limitations of the Company's own inventory;
- control podcast advertising budgets 'at source';
- refer brands back to Audioboom's branded content creative division;
- allow the branded content creative division to refer brands to the buy-side agency, in order to drive audience acquisition for branded content podcasts; and
- drive efficiencies for the brands across creative, production, marketing and audience acquisition.

#### **5. Use of proceeds**

The Directors believe that the trends highlighted above in the online podcasting industry present a number of further growth opportunities for the Company. In addition to securing general working capital, the total net proceeds of the Placing, expected to be approximately £4.25 million, will be principally used to fund growth in four main areas:

- expansion of the Company's relationships with Spotify, Apple Podcasts, GooglePlay and CastBox;

- fund growth in revenues and increase margins by expansion of its AON content;
- to increase the acquisition of established, revenue generating podcasts on to the platform; and
- to grow revenues through the further development of the Company's proposed buy-side media agency, in partnership with a large global dedicated podcast buy-side media agency.

## 6. Convertible Loan Notes

On 27 April 2018, the Company announced that it had issued £1,000,000 of Convertible Loan Notes to Candy Ventures (an investment vehicle controlled by Nick Candy) and on 25 May 2018, announced the issue of £0.5 million of further Convertible Loan Notes to Candy Ventures. The Convertible Loan Notes, which have been drawn in full, attract interest at a rate of 10% per annum which is payable on redemption, repayment or conversion of the Convertible Loan Notes and are convertible into the Loan Note Conversion Shares at 2p per Ordinary Share or, if higher, a 65% discount to the price of any future funding round of the Company, or at the placing price of the future funding round if lower than 2p per Ordinary Share. On the basis of the Issue Price, following the approval of Shareholders at the Extraordinary General Meeting, the Convertible Loan Notes will convert into the Loan Note Conversion Shares at 2p per new Ordinary Share.

Pursuant to the terms of the Convertible Loan Notes, the Company covenanted to maintain sufficient shareholder authority to satisfy conversion of the Convertible Loan Notes. Candy Ventures has agreed to waive, until the Extraordinary General Meeting, the covenant given by the Company so that the Company may utilise the existing share authorities for the First Placing.

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 all of the Convertible Loan Notes (including accrued interest). It is therefore anticipated that the amount for conversion as at the Second Admission will comprise £1,500,000 plus interest of approximately £21,000, such amount to be converted into the 76,041,095 Loan Note Conversion Shares. Accordingly, the Company is seeking Shareholder approval of the Fundraising Resolutions which are to be put to the Extraordinary General Meeting of the Company.

**If Shareholder approval of the Fundraising Resolutions is not given at the Extraordinary General Meeting, the conversion of all amounts that have been drawn under the Convertible Loan Notes, as currently envisaged, will not proceed. The Placing will constitute a "Relevant Fundraising" under the terms of the Convertible Loan Notes and so the notes will be automatically convertible. In the absence of shareholder authority to allot and issue the Loan Note Conversion Shares, the Company would be in default thereby triggering the right of Candy Ventures to call for immediate repayment of the Convertible Loan Notes in cash, which the Company would be unlikely to be able to pay (because the Second Placing would not complete if the Fundraising Resolutions are not passed).**

## 7. Details of the Placing and Admission

A total of approximately £2.1 million (before expenses), representing the issue of 70,500,000 new Ordinary Shares at the Issue Price, has been raised by way of the First Placing utilising the Company's existing share authorities put in place at the Company's annual general meeting held on 7 June 2017. The First Placing is conditional, *inter alia*, upon compliance by the Company with its obligations under the Placing Agreement (as described further below), the restoration of trading in the Company's Ordinary Shares on AIM and admission of the First Placing Shares to trading on AIM.

The Company is also proposing to raise approximately £2.0 million (before expenses) by way of the Second Placing at the Issue Price.

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

- the passing of the Fundraising Resolutions without amendment at the Extraordinary General Meeting;
- 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 26 June 2018 (or such later time and/or date (not being later than 3 July 2018) as Allenby Capital, Novum Securities and the Company may agree).

The Company is also proposing to raise approximately £400,000 (before expenses) by way of the Deferred Placing at the Issue Price.

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

- the passing of the Fundraising Resolutions without amendment at the Extraordinary General Meeting;
- the receipt of the Tax Clearance from HMRC;
- the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms; and
- admission of the Deferred Placing Shares to trading on AIM becoming effective by not later than 8.00 a.m. on 10 September 2018.

69,500,000 Ordinary Shares within the First Placing, the Second Placing and the Deferred Placing, have been subscribed for directly by subscribers with the Company.

The Placing will result in the issue of a total of 150,000,000 new Ordinary Shares, representing, in aggregate, approximately 12.8% 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 has been made to the London Stock Exchange for the First Placing Shares and the Break Fee Shares to be admitted to trading on AIM and admission of the First Placing Shares and the Break Fee Shares is expected to occur on 14 June 2018. It is anticipated that the restoration of trading in the Company's Ordinary Shares on AIM will occur simultaneously with First Admission.

It is expected that CREST accounts will be credited on the day of First Admission as regards the First 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 22 June 2018.

Application will also be made to the London Stock Exchange for the Second Placing Shares and the Loan Note Conversion Shares to be admitted to trading on AIM and, conditional *inter alia* on the approval of Shareholders at the Extraordinary General Meeting, admission of the Second Placing Shares and Loan Note Conversion Shares is expected to occur on 26 June 2018.

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 4 July 2018.

Subject, *inter alia*, to the receipt by the Company of the Tax Clearance from HMRC, it is anticipated that a separate application for admission to trading on AIM in respect of the Deferred Placing Shares will be made in due course and the Company will make a notification regarding this matter at that time.

## **8. The Placing Agreement**

Pursuant to the terms of the Placing Agreement, Allenby Capital and Novum Securities, as agents for the Company, have agreed conditionally to use their reasonable endeavours to procure Placees for the Placing Shares at the Issue Price. The Placing is not being underwritten.

The obligations of Allenby Capital and Novum Securities under the Placing Agreement are conditional, among other things, upon: (i) First Admission becoming effective by not later than 8.00 a.m. on 14 June 2018 (or such later time and/or date (not being later than 19 June 2018) as Allenby Capital, Novum Securities and the Company may agree); (ii) the passing of the Fundraising Resolutions without amendment at the Extraordinary General Meeting; (iii) Second Admission becoming effective by not later than 8.00 a.m. on 26 June 2018 (or such later time and/or date (not being later than 3 July 2018) as Allenby Capital, Novum Securities and the Company may agree); and (iv) Deferred Placing Admission becoming effective by not later than 8.00 a.m. on 10 September 2018. Once a tranche of Placing Shares has been issued and admitted to trading, any subsequent failure of the Company to satisfy a condition relating to a later tranche or any termination of the Placing Agreement by Allenby Capital or Novum Securities will not affect the tranche already admitted to trading.

The Placing Agreement contains certain warranties and indemnities given by the Company in favour of Allenby Capital and Novum Securities as to certain matters relating to the Company's group and its business. The obligations of Allenby Capital and Novum Securities 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, Second Admission or Deferred Placing 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 relevant 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 and Novum Securities commissions and certain other costs and expenses incidental to the Placing and Admission.

The Company, Candy Ventures and Allenby Capital have entered into a relationship agreement, to provide certain safeguards to ensure, *inter alia*, that for so long as Candy Ventures and its associates together are entitled to exercise or control the exercise of 20 per cent. or more of the issued ordinary share capital of the Company, Audioboom is capable of carrying on its business independently of Candy Ventures as a substantial shareholder.

## 9. Related Party Transactions

Roger Maddock, a non-executive Director of the Company, has subscribed for 3,333,334 Placing Shares (representing approximately £100,000 at the Issue Price), via a subscription directly with the Company, which constitutes a related party transaction under rule 13 of the AIM Rules.

Candy Ventures, a substantial shareholder of the Company, having an interest in approximately 13.02% of the voting rights of the Company, is subscribing for 33,333,333 Placing Shares via the Candy Ventures Placing Participation. The Candy Ventures Placing Participation constitutes a related party transaction under rule 13 of the AIM Rules. Nick Candy (90% shareholder of Candy Ventures) is also considered to be a related party of Audioboom by reason of his shareholding in Candy Ventures. Steven Smith, a non-executive Director of the Company, is also a director and 10% shareholder of Candy Ventures and accordingly he too is a related party of Audioboom.

Pursuant to the terms of the Convertible Loan Notes, the Company covenanted to maintain sufficient shareholder authority to satisfy conversion of the Convertible Loan Notes. Via the Convertible Loan Note Waiver, Candy Ventures has agreed to waive this covenant, in order to allow the Company to utilise the existing share authorities in the Placing. The Convertible Loan Note Waiver also constitutes a related party transaction under rule 13 of the AIM Rules.

The Independent Directors (being Robert Proctor and Malcolm Wall) consider, having consulted with the Company's nominated adviser Allenby Capital, that the terms of the Candy Ventures Placing Participation, the Maddock Subscription and the Convertible Loan Note Waiver are fair and reasonable insofar as its Shareholders are concerned.

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

	Ordinary Shares held as at today	% of the current issued share capital	Participation in the First Placing	Interest immediately following First Admission	% of issued share capital immediately following First Admission	Loan Note Conversion Shares	Participation in the Second Placing	Total interest immediately following Second Admission	% of issued share capital immediately following Second Admission
Nick Candy*	145,982,000	15.69%	-	145,982,000	14.34%	76,041,095	33,333,333	255,356,428	22.01%

\* As at today, Nick Candy is interested in 24,820,000 Ordinary Shares held in his own name and his wife's name and 121,162,000 Ordinary Shares held via Candy Ventures. Immediately following First Admission, Nick Candy will be interested in 24,820,000 Ordinary Shares held in his own name and his wife's name and 121,162,000 Ordinary Shares held via Candy Ventures. Immediately following Second Admission, Nick Candy will be interested in 24,820,000 Ordinary Shares held in his own name and his wife's name and 230,536,428 Ordinary Shares held via Candy Ventures.

## 10. Extraordinary General Meeting

A notice convening the Extraordinary General Meeting is set out at the end of this Circular. The Extraordinary General Meeting of the Company is to be held at the offices of Fladgate LLP at 16 Great Queen Street, London, WC2B 5DG at 10:00 a.m. on 25 June 2018.

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 79,500,000 Ordinary Shares pursuant to the Second Placing and the Deferred

Placing and up to a maximum of 76,041,095 Ordinary Shares pursuant to the conversion of all amounts drawn down under the Convertible Loan Notes into the Loan Note Conversion Shares;

2. subject to the passing of Resolution 1, 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 79,500,000 Ordinary Shares pursuant to the Second Placing and the Deferred Placing and up to a maximum of 76,041,095 Ordinary Shares pursuant to the conversion of all amounts drawn down under the Convertible Loan Notes into the Loan Note Conversion Shares;
3. an ordinary resolution to grant authority to the Directors to allot Ordinary Shares or rights over Ordinary Shares up to a maximum of 117,329,095 Ordinary Shares, representing approximately 10% of the Company's Enlarged Share Capital, on a pre-emptive basis; and
4. subject to the passing of Resolution 3, 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 117,329,095 Ordinary Shares on a non pre-emptive basis. This authority is being sought to give the Directors flexibility to take advantage of opportunities as and when they arise.

Resolutions 1 and 3 will be proposed as ordinary resolutions and Resolutions 2 and 4 will be proposed 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.

#### **11. 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 Link 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 23 June 2018. 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 Convertible Loan Notes to proceed, Shareholders will need to approve the Fundraising Resolutions set out in the Notice of Extraordinary General Meeting. If the Fundraising Resolutions are not passed at the Extraordinary General Meeting, the Second Placing and the conversion of the Convertible Loan Notes will not proceed in the form currently envisaged, with the result that the anticipated net proceeds of the Second Placing will not become available and the Company's business plans, growth prospects and available working capital will be materially adversely affected as a result. In addition, if the conversion of the Convertible Loan Notes does not proceed because the Fundraising Resolutions are not passed, then the Company will be in default and Candy Ventures could demand immediate repayment of the Convertible Loan Notes in cash. It is unlikely that the Company would be in a position to repay the Convertible Loan Notes in cash at that time.**

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

#### **12. Directors' Recommendation**

**The Directors consider the Placing, the conversion of the Convertible Loan Notes 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, 21,136,112 Ordinary Shares, representing approximately 2.27% of the Existing Ordinary Shares.**

### **13. Total Voting Rights**

Upon First Admission, the Company's issued ordinary share capital will consist of 1,017,749,854 Ordinary Shares with one voting right each. The Company does not hold any ordinary shares in treasury. Therefore, the total number of ordinary shares and voting rights in the Company will be 1,017,749,854. With effect from First Admission, this figure may be used by Shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Upon Second Admission, the Company's issued share capital will consist of 1,159,957,616 Ordinary Shares with one voting right each. The Company does not hold any ordinary shares in treasury. Therefore, the total number of ordinary shares and voting rights in the Company will be 1,159,957,616. With effect from Second Admission, this figure may be used by Shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

Upon Deferred Placing Admission, the Company's issued share capital will consist of 1,173,290,949 Ordinary Shares with one voting right each. The Company does not hold any ordinary shares in treasury. Therefore, the total number of ordinary shares and voting rights in the Company will be 1,173,290,949. With effect from Deferred Placing Admission, this figure may be used by Shareholders in the Company as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the share capital of the Company under the FCA's Disclosure Guidance and Transparency Rules.

### **14. Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, investors should note that: the price of the Placing Shares may decline and investors could lose all or part of their investment; Placing Shares offer no guaranteed income and no capital protection; and an investment in Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, only investors who have met the criteria of professional clients and eligible counterparties have been procured. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to Placing 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 25 June 2018 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: (i) allot and issue up to a maximum of 79,500,000 ordinary shares of no par value in the capital of the Company (**Ordinary Shares**) pursuant to the Second Placing and the Deferred Placing (as defined in the Company's circular to Shareholders dated **8 June 2018**, of which this notice of extraordinary general meeting forms part (**Circular**)); and (ii) allot and issue up to a maximum of 76,041,095 Ordinary Shares in connection with the Convertible Loan Note instrument entered into between the Company and Candy Ventures SARL dated 27 April 2018 as varied by a letter dated 23 May 2018 (**Convertible Loan Note**). 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 or otherwise 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 79,500,000 Ordinary Shares pursuant to the Second Placing and the Deferred Placing (as defined in the Circular) and to the allotment of Ordinary Shares up to a maximum of 76,041,095 Ordinary Shares in connection with the Convertible Loan Note, 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 equity securities (within the meaning of Article 6.6 of the Articles) and to grant rights to subscribe for, or to convert any security into, Ordinary Shares up to a maximum of 117,329,095 Ordinary Shares. The authority conferred on the Directors under this Resolution 3 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 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 of the Articles) for cash or otherwise pursuant to the authority conferred by Resolution 3 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 and issue of equity securities consisting of, or the right to subscribe for, or convert any security into shares in the Company, up to a maximum of 117,329,095 Ordinary Shares. 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 4 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.

#### *Explanatory Notes:*

*Resolution 1 enables the Directors to allot the Second Placing Shares, the Deferred Placing Shares and the Loan Note Conversion Shares (as defined in the Circular) for the purposes of the Second Placing, the Deferred Placing and the conversion of the Convertible Loan Note (as defined in the Circular). As explained in the Circular, the Second Placing Shares and the Deferred Placing Shares to be issued pursuant to the Second Placing and the Deferred Placing will, upon allotment, represent approximately 6.8% of the then Enlarged Share Capital (as defined in the Circular).*

*Resolution 2 entails the waiver by Shareholders of their pre-emption rights in respect of the Ordinary Shares authorised by Resolution 1, namely the Second Placing Shares to be issued for the purposes of the Second Placing and the Loan Note Conversion Shares. 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*

*Resolution 3 grants the Directors general authority to allot and issue or grant options over up to 117,329,095 Ordinary Shares, representing approximately 10% of the Enlarged Share Capital, on a pre-emptive basis.*

*Resolution 4 authorises the Directors to allot and issue the shares authorised by Resolution 3 on a non pre-emptive basis. This authority is being sought to give the Directors flexibility to take advantage of opportunities as and when they arise.*

#### **By order of the Board of Directors**

AST Secretaries Limited Company Secretary 8 June 2018	<i>Registered Office</i> 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 23 June 2018; 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 Link 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;
  - 9.1 sent or delivered to Link Asset Services PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF; and
  - 9.2 received no later than 10:00 a.m. on 23 June 2018 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 23 June 2018.
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 25 June 2018 and any adjournment(s) thereof by using the procedures described in the CREST Manual (available from <https://www.euroclear.com/site/public/EUI>). 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, Link Asset Services (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 930,649,854 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 930,649,854.

#### *Communication*

26. Except as provided above, members who have general queries about the meeting should contact Link 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. Link 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 - [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)
  - 26.3 by post – Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU.