THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATION EU 596/2014 ("MAR"). IN ADDITION, MARKET SOUNDINGS (AS DEFINED IN MAR) WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION AS PERMITTED BY MAR. THAT INSIDE INFORMATION IS SET OUT IN THIS ANNOUNCEMENT AND HAS BEEN DISCLOSED AS SOON AS POSSIBLE IN ACCORDANCE WITH PARAGRAPH 7 OF ARTICLE 17 OF MAR. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THE INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION IN RELATION TO THE COMPANY AND ITS SECURITIES.

8 June 2018

Audioboom Group plc

(“Audioboom” or the “Company”)

Proposed placing and subscription to raise £4.5 million

Proposed restoration of trading on AIM

Conversion of convertible loan notes

Related party transactions with Candy Ventures SARL

Notice of Extraordinary General Meeting

Audioboom Group plc (AIM:BOOM), the leading spoken word audio on-demand platform, is pleased to announce that it has conditionally raised a total of £4.5 million (before expenses) via a proposed placing and subscription (the "Placing") of a total of 150,000,000 new ordinary shares ("Ordinary Shares") of no par value (the "Placing Shares").

The Placing will be implemented in three tranches. 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 an extraordinary general meeting of the Company. 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 of the Company 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. All Placing Shares will be issued at a price of 3 pence per new Ordinary Share.

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.

Additionally, conditional on the approval of shareholders at the extraordinary general meeting, the Company intends to convert in full all amounts (including interest) that have been drawn down by the Company pursuant to the £1.5 million principal value of convertible loan notes issued by the Company to Candy Ventures SARL.

The Company will also announce today its results for the financial year ended 30 November 2017. Copies of the Company’s Annual Report and Accounts will be posted to shareholders on 11 June 2018.

Highlights

Use of Proceeds

- general working capital;
- to expand the Company's relationships with Spotify, Apple Podcasts, GooglePlay and CastBox;
- to fund growth in revenues and increase margins by expansion of its Audioboom Originals Network ('AON') content;
- to increase the acquisition of established, revenue generating podcasts on to the platform; and
- to grow revenues through the development of the Company's proposed buy-side media agency, in partnership with an established media agency.

Current Trading

- The Company's key performance indicators (KPIs) for Q1 demonstrated significant growth compared to the same period in 2017.
- The Board expects revenues for 2018 to show significant improvement on 2017.
- AON production "Night Call" named by TIME as one of 2018's Best Podcasts, the second episode of AON's "Covert" podcast was recently in Apple's UK Top 5 podcasts.

Rob Proctor, Chief Executive Officer of Audioboom, said:

"I am delighted by the continued support received from our existing and new shareholders. I'm particularly excited that the placing funds will enable us to continue building the quality of our own output and evolve the offering of our own Audioboom Originals Network ('AON').

We also plan to increase scale by continuing to drive revenue through the acquisition of top-tier podcast content and the development of our proposed buy-side media agency, that we intend to progress in partnership with an established media agency."

Further details of the Placing and other matters are set out below.

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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 and Australia, 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), The BBC (UK), "Casefile True Crime" (AUS), CastBox Originals (US), Edith Bowman (UK), "Felon True Crime Podcast" (AUS), "Moneycontrol Podcast" (India), "News Roast" (UK), "No Such Thing As A Fish" (UK), "Pound for Pound with Jake Wood and Spencer Oliver"

(UK), ”Red FM (India), Starburns Audio (US), "The Totally Football Show" (UK), "The True Geordie Podcast" (UK) and "Undisclosed" (US).

Original content produced by Audioboom includes "The 45th" (US), "Covert" (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.

Further details of the Placing

The Placing will be implemented in three tranches. 70,500,000 Placing Shares (the "First Placing Shares") will be issued and allotted pursuant to the Company's existing share authorities, raising approximately £2.1 million (before expenses) (the "First Placing"). The issue of a further 66,166,667 Placing Shares (the "Second Placing Shares") raising approximately £2.0 million (before expenses) will occur subject to, *inter alia*, the approval of Shareholders at an extraordinary general meeting of the Company (the "Extraordinary General Meeting") to be held on 25 June 2018 (the "Second Placing"). The issue of a further 13,333,333 Placing Shares (the "Deferred Placing Shares") raising approximately £400,000 (before expenses) will occur subject to, *inter alia*, the approval of Shareholders at the extraordinary general meeting of the Company and the Company having, by 9 September 2018, received confirmation from HM Revenue & Customs ("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), (the "Tax Clearance") as well as other customary conditions (the "Deferred Placing"). All Placing Shares will be issued at a price of 3 pence per new Ordinary Share (the "Issue Price").

The Placing is also conditional upon, *inter alia*, the restoration of trading in the Company's Ordinary Shares on AIM and, in the case of the First Placing, admission of the First Placing Shares to trading on AIM (both of which are expected to occur at 8:00 a.m. on 14 June 2018) and in the case of the Second Placing, admission of the Second Placing Shares to trading on AIM (which is expected to occur on 26 June 2018). The Company will make a notification in respect of the prospective admission of the Deferred Placing Shares to trading on AIM at the appropriate time.

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 £1.5 million principal value of convertible loan notes ("Convertible Loan Notes") issued by the Company to Candy Ventures SARL ("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 new Ordinary Shares ("Loan Note Conversion Shares").

The Placing Shares, Break Fee Shares (as further described below) and Loan Note Conversion Shares are to be admitted to trading on AIM. Admission of the First Placing Shares and the Break Fee Shares is expected to take place at 8:00 a.m. on 14 June 2018 ("First Admission"). Admission of the Second Placing Shares and the Loan Note Conversion Shares is expected to take place at 8:00 a.m. on 26 June 2018, should resolutions 1 and 2 to be proposed at the Extraordinary General Meeting (the "Fundraising Resolutions"), further details of which can be found below, be passed at the Extraordinary General Meeting ("Second Admission"). 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 ("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, intends to subscribe for 3,333,334 Placing Shares (representing approximately £100,000 at the Issue Price), via a subscription directly with the Company. This intention is not legally binding and any subscriptions by Roger Maddock will be announced through a Regulatory Information Service. The contents of this announcement assume that the subscription by Roger Maddock proceeds in full.

1. 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. 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 Canada Inc. ("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 16,600,000 Ordinary Shares (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 new Ordinary Shares ("Loan Note Conversion Shares").

Trading Update

The Company will announce today its results for the financial year ended 30 November 2017. 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.

2. 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.

3. 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.

4. 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.

5. 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).

6. 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.

7. 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.

8. Related Party Transactions

Roger Maddock, a non-executive Director of the Company, intends to subscribe for 3,333,334 Placing Shares (representing approximately £100,000 at the Issue Price), via a subscription directly with the Company (the “Proposed Maddock Subscription”), which would constitute 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 (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. 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"). 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 Proposed 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.*

9. Extraordinary General Meeting

A circular containing a notice convening the Extraordinary General Meeting and full details of the Placing and Subscription (the "Circular") is expected to be posted to shareholders shortly. 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 (the "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 following Deferred Placing Admission (the "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.

10. Action to be taken by Shareholders

Shareholders will find accompanying the 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 to be 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.

11. 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 will 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.

12. 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.

13. 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.

14. Placing Statistics

Issue Price	3 pence
Number of Existing Ordinary Shares currently in issue	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 at Deferred Placing Admission	1,173,290,949
Percentage of the Enlarged Share Capital comprised by the Placing Shares	12.8%

Defined terms used in this announcement will have the meaning (unless the context otherwise requires) as set out in the Circular.

ENDS