

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

17 June 2019

Audioboom Group plc
("Audioboom", the "Group" or the "Company")

Podcast content funding guarantee arrangement

Up to US\$4m of payment guarantees for new and existing leading podcasts

Issue of warrants at 3.3p per share

Related party transactions

Audioboom (AIM: BOOM), the leading global podcast company, has agreed a new content funding facility with SPV Investments Ltd, a special purpose vehicle ('SPV'), which has been established and is owned equally by Michael Tobin, the Company's Chairman, and Candy Ventures sarl, the Company's largest shareholder.

The SPV will provide minimum revenue guarantees to certain leading new content partners of the Company. In addition, the SPV will provide minimum revenue guarantees to certain leading existing Audioboom content partners when these contracts are being renewed. The SPV will provide guarantees of up to US\$4 million in aggregate, to secure the minimum guaranteed advertising revenue share payable to the content partners pursuant to their commercial agreements with Audioboom. The provision of guarantees remains very much an exception when negotiating terms with content partners and the guarantees from the SPV will be used only to secure leading, high profile, high revenue producing podcasts.

The use of third-party guarantees will allow Audioboom to sign and renew certain leading podcast talent without tying up working capital. In return, Audioboom will pay the SPV 8% of the net advertising revenue (after paying the content partner its share) received by Audioboom from podcasts for which the guarantee has been provided. In addition, the underlying providers of the guarantees will be granted 2.5 million warrants to subscribe for ordinary shares in the Company for every US\$1 million of guarantee provided, subject to a maximum of 10 million warrants. The exercise price of these warrants will be 3.3p per share each, with such warrants being exercisable for five years from grant.

Initial use of the facility

The first use of the SPV will be for a guarantee of US\$1 million in relation to the renewal of one of Audioboom's most popular entertainment podcasts. Audioboom has renewed an exclusive sales and distribution contract with this show for 18 months with the opportunity to work with the content partner on further podcast projects together. Since launching with Audioboom this podcast has been downloaded more than 20 million times. In Q1 2019, Audioboom sold 100% of its available advertising inventory against this podcast and the Directors believe that the new deal will more than double the inventory that the Group can sell on this content.

This first guarantee provided by the SPV leads to an initial grant of an aggregate of 2.5 million warrants split equally between Michael Tobin and Candy Ventures sarl.

Audioboom is currently in negotiations in respect of the acquisition of further new top tier content and it is anticipated that more renewals and new podcasts with established, leading podcast talent will be secured using the guarantee facility and announced in the future.

Rob Proctor, CEO of Audioboom, commented: *“Notwithstanding the considerable revenue growth that Audioboom is currently enjoying and – most importantly – improved cash flow position, we are delighted that this guarantee facility has been put in place, reflecting a huge vote of confidence from our Chairman and our largest shareholder, Candy Ventures.*

I am delighted that the first use of the guarantee from the SPV is for the renewal of one of our most popular podcasts. I anticipate that the SPV’s guarantees will further allow us to acquire new top tier content, much of which is currently being negotiated. I look forward to the Company making further announcements when these deals have completed.

The warrants issued to the guarantors are currently significantly ‘out of the money’, which further demonstrates our Chairman and largest shareholder’s faith in Audioboom’s future. This structure means minimal dilution to shareholders compared to an equity raise at current share price levels, yet provides Audioboom with US\$4 million of firepower to access new content that will appeal to our ever growing roster of advertisers.

PWC recently forecast that podcast advertising in the US alone will reach US\$1 billion in 2021. Given the continued investment in the sector and consolidation of key players by multi-national media companies, I am very excited about the future for Audioboom, and its shareholders.”

Related party transactions

The SPV is owned 50/50 by Tobin Ventures Limited (a company controlled by Michael Tobin, Audioboom’s Chairman) and Candy Ventures sarl (a substantial shareholder in the Company which currently holds 24.08% of the Company’s voting rights, and of which Steven Smith, a non-executive Director of Audioboom, is a director and 10% shareholder). Consequently, the entry into the revenue share agreement with the SPV and the granting of warrants as contemplated by the revenue share agreement, constitute related party transactions under rule 13 of the AIM Rules.

The independent Directors (being Roger Maddock, Rob Proctor and Brad Clarke) consider, having consulted with the Company's nominated adviser Allenby Capital, that the terms of the revenue sharing agreement (including the granting of warrants as contemplated by the revenue share agreement) are fair and reasonable insofar as the Company’s shareholders are concerned.

The FCA notifications in respect of the Warrants, made in accordance with the requirements of the EU Market Abuse Regulation, are appended below.

Enquiries

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About Audioboom

Audioboom is the leading global podcast company, consolidating the business of on-demand audio, making content accessible, wide-reaching and profitable for podcasters, advertisers and brands. Audioboom operates internationally, with operations and global partnerships 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 13,000 content channels, with key partners including A+E Networks (US), Associated Press (US), 'Astonishing Legends' (US), 'Casefile True Crime' (Aus), Edith Bowman (UK), 'Felon True Crime Podcast' (Aus), Jonathan Ross (UK), 'Moneycontrol Podcast' (India), 'No Such Thing As A Fish' (UK), Red FM (India), Starburns Audio (US), 'The Cycling Podcast' (UK), 'The Totally Football Show' (UK), 'The True Geordie Podcast' (UK) and 'Undisclosed' (US).

Original content produced by Audioboom includes 'Formula 1®: Beyond the Grid' (UK), 'And That's Why We Drink' (US), 'Dead Man Talking' (UK), 'Blank Check' (US), 'The 45th' (US), 'Covert' (US), 'Deliberations' (US), 'It's Happening with Snooki & Joey' (US), 'Mafia' (US) and 'Night Call' (US).

The platform receives over 90 million listens per month and allows partners to share their content via Apple Podcasts, BookMyShow, Deezer, Google Podcasts, iHeartRadio, RadioPublic, Saavn, Spotify, Stitcher, Facebook and Twitter as well as their own websites and mobile apps.

For more information, visit audioboom.com.

Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them:

1	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	Candy Ventures SARL	
2	Reason for the notification		
a)	Position/status	Candy Ventures SARL is a person closely associated with Audioboom Group plc's Non-Executive Director, Steven Smith who is a person discharging managerial responsibilities	
b)	Initial notification /Amendment	Initial notification	
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Audioboom Group plc	
b)	LEI	213800QO681575J97813	
4	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the financial instrument, type of instrument	Warrants over ordinary shares of no par value	
	Identification code	ISIN: JE00B5NFKB77	
b)	Nature of the transaction	Grant of Warrants	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		Exercise price of 3.3p per share	1,250,000
d)	Aggregated information		
	- Aggregated volume	1,250,000	
	- Average Price	Exercise price of 3.3p per share	
e)	Date of the transaction	14 June 2019	
f)	Place of the transaction	Outside of trading venue - grant of Warrants	

1	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	Michael Tobin	
2	Reason for the notification		
a)	Position/status	Non-Executive Chairman	
b)	Initial notification /Amendment	Initial notification	
3	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Audioboom Group plc	
b)	LEI	213800QO681575J97813	
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d)	Aggregated information		
	- Aggregated volume	1,250,000	
	- Average Price	Exercise price of 3.3p per share	
e)	Date of the transaction	14 June 2019	
f)	Place of the transaction	Outside of trading venue - grant of Warrants	

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