



Rule 26 Disclosures

The following information and links are provided for the purposes of AIM Rule 26.

LAST UPDATED: 19th October 2018

7digital Group plc is incorporated in the United Kingdom as company number 3958483. The registered office is 69 Wilson Street, London, EC2A 2BB. The main country of operation is the United Kingdom.

7digital's shares are traded on AIM under ticker '7DIG' (ISIN: GB00BMH46555)

7digital's page on the London Stock Exchange website can be found at: www.londonstockexchange.com and searching for 7DIG.

Share Capital information:

Listing Data:

Primary listing – LSE:	AIM: 7DIG
Company number:	3958483
ISIN:	GB00BMH46555

Share capital information:

Issued ordinary 1p shares:	399,556,701
Ordinary 1p shares held in Treasury:	0
Ordinary 1p Options and Warrants:	16,520,327
Fully diluted Ordinary 1p shares:	416,077,028

The Company's issued share capital consists of Ordinary shares of 1p each, with one voting right per share; and Deferred shares of 9p each that have no voting rights or rights to dividends.

The figure of 399,556,701 may be used by shareholders as the denominator for calculations by which they will determine if they are required under the Disclosure and Transparency Rules to notify their interest in, or a change to their interest in, the Company. All the Company's shares are in public hands, except for those held by the Directors and their related parties and by substantial shareholders (defined in the AIM rules as holding more than 10%), as set out below.

The Company is subject to the UK City Code on Takeovers and Mergers.

Directors and their interests

The names of the directors serving and their interests at 19th October 2018 were as follows:

Director	Number of ordinary shares	% of issued share capital	Ordinary shares under option
S A Cole	3,481,046	0.87%	5,576,722
D Cruickshank	4,718,605	1.18%	1,000,000
E Cohen	1,370,394	0.34%	-
M Foster	532,998	0.13%	-
A de Kerckhove	160,747	0.04%	-
P Downton	53,319	0.01%	3,243,177

Shares have also been issued to the following Non-executive Directors in relation to their remuneration and are included in the table above:

	Accrued gross number of ordinary shares due at 31 Dec 2016	Shares issued during year in lieu of remuneration	Shares forfeited during year in lieu of tax payable	Shares accrued during the year in lieu of remuneration	Accrued gross number of ordinary shares remaining due at 31 Dec 2017
D Cruickshank	1,278,612	1,278,612	-	-	-
A de Kerckhove	162,827	111,124	90,919	86,835	47,619
M Foster	77,736	79,527	37,425	86,835	47,619
E Cohen	564,118	516,933	243,263	434,173	238,095
TOTAL	2,083,293	1,986,196	371,607	607,843	333,333

Substantial Shareholders

At 19th October 2018, notification of beneficial interests in 3% or more of the company's issued share capital received by the company are as follows:

Shareholder	Number of Shares	% of issued share capital	% of voting rights
Miton Asset Management	49,625,832	12.42%	12.42%
24/7 Entertainment GmbH	48,238,955	12.07%	12.07%
City Financial Investment Company Limited	36,000,000	9.01%	9.01%
Killik & Co	27,859,216	6.97%	6.97%

Goodmans Capital Investments	21,977,066	5.50%	5.50%
Hargreaves Lansdown (Nominees)	24,284,834	6.08%	6.08%
Barclays Stockbrokers Limited	16,098,154	4.03%	4.03%
Walker Crips	15,163,543	3.79%	3.79%
Hargreaves Lansdown	14,725,742	3.69%	3.69%
Herald Investment Management	12,500,000	3.13%	3.13%
Edale Capital LLP	12,162,880	3.04%	3.04%

A description of the Company's business:

7digital is a global “b2b” digital music and radio services company. The core of our business is the provision of robust and scalable technical infrastructure and extensive global music rights used to create music streaming and radio services for a diverse range of customers – including consumer brands, mobile carriers, broadcasters, automotive systems, record labels and retailers. We also offer radio production and music curation services, editorial strategy and content management expertise.

Our strategy is to grow revenues, profitability and shareholder returns through:

- Offering end to end music solutions
- Increasing the number of clients we serve
- Improving the financial quality of our business by driving recurring revenues
- Expanding and leveraging our geographic coverage
- Continued investment in market leading technology to meet shifting technology trends and client needs
- Maintaining strict control of our cost base to ensure that revenue growth is quickly reflected in improved overall Group profitability

7digital's core platform provides its customers with access to cloud-based software that allows them to create and develop their own music services. 7digital operates business-to-business technology and music services (Licensing revenue), business-to-consumer music services under the 7digital brand (Content revenue), and content production under the 7digital Creative brand.

Licensing

7digital's core business is to provide an API for third parties that wish to create digital music services, either standalone or bundled within their own device or product offering. 7digital's platform simplifies access to music by offering a combination of a licenced music catalogue alongside the cloud-based technology platform and client-side software, being software hosted by 7digital's clients. These are needed to create on-demand music streaming and download services, radio style services and other services. The 7digital platform is open, with open-source code wrappers to reduce complexity and time to market for its potential customers and can be used for building products on any type of connected device.

Typically, customers pay a set-up fee and monthly licence fees for using the 7digital platform and 7digital will also take a revenue share of any music-based revenue generated by the service, including transaction or subscription revenues.

In addition to providing an open API based platform from which third parties can build their own services, 7digital also provides client-side software applications for the leading OS and device platforms, including Android, iOS, BlackBerry, Windows 8 and Windows Phone, Tizen, Firefox OS, HTML5 and Sonos.

7digital has obtained music licences in 82 countries in North America, Latin America, Europe, Asia-Pacific and Africa. These licences are obtained from hundreds of individual record labels, music publishers and music collecting societies. Music licences vary from country to country and by usage type.

Content

7digital.com is a licensed digital music store available in 18 countries. The 7digital.com music download store offers a catalogue of high quality digital music from the major labels and independent aggregators in Europe, North America and parts of Asia-Pacific. Users have the option to download their purchases as zip files or by using the 7digital download manager to input directly into their media player of choice. 7digital has apps for different devices as well as an HTML5, mobile optimised web store.

Creative

7digital produces approximately 1,200 hours of video and audio content every year. The content companies benefit from regular commissions from BBC's national radio networks as well as one-off commissions from other broadcasters, such as Sky

Television. Key programmes include 'Sounds of the Sixties' and 'Pick of the Pops' on Radio 2 and the 'Radcliffe and Maconie Show' on BBC Radio 6 Music. Our Entertainment News content is distributed to around 150 commercial radio stations.

Names and biographical details of the Company's Directors:

Sir Donald Gordon Cruickshank, Non-Executive Chair

Don has served as a director of Qualcomm Incorporated from June 2005 to June 2016. Don's career has included assignments at McKinsey & Co. Inc., Times Newspapers, Virgin Group plc, Wandsworth Health Authority and the National Health Service in Scotland. He served as Director General of Oftel from 1993 to 1998. He has been chair of the following: Action 2000 (1997-2000), SMG plc (1999-2004), The London Stock Exchange (2000-2003), Clinovia Group Limited (2004-2007), Formscape Group Limited (2003-2006). Don was a member of the Financial Reporting Council (2001-2007). He holds an MA degree in Law and an honorary LL.D degree from the University of Aberdeen and an MBA degree from Manchester Business School.

Simon Andrew Cole, Chief Executive Officer

Simon Cole co-founded The Unique Broadcasting Company Limited in 1989 in partnership with Tim Blackmore, having pioneered the market for national sponsored programmes whilst at Piccadilly Radio, where he was Head of Programmes. Simon has been awarded a fellowship of the Radio Academy.

Pete Downton, Deputy Chief Executive Officer

Pete Downton joined 7digital in June 2014, assuming overall responsibility for its commercial strategy. He brings over 20 years of operational and strategic experience within the heart of the nascent digital music and consumer technology businesses to the role. Prior to 7digital, Pete held key leadership roles at Imagination Technologies, including responsibility for content and consumer experiences across both the Imagination Technologies and PURE businesses. Before joining Imagination, Pete spent over a decade working for Warner Music Group, holding senior management positions in the company's International Marketing and Business Development teams.

Eric Cohen, Non-Executive Director

Eric is currently Chief Development Officer at InterDigital, Inc. Previously, he served as Senior Vice President, Corporate Development at Dolby Laboratories, Inc., where he oversaw corporate development, mergers and acquisitions activities, and corporate strategy. Prior to that, Eric was formerly a Managing Director and senior member of the technology investment banking team at Cowen and Company. Eric held the position of Managing Director at J.P.Morgan and also worked for 11 years at Credit Suisse First Boston. Eric holds a BS degree from Brown University and an MBA degree from Stanford University.

Anne de Kerckhove, Non-Executive Director

Anne de Kerckhove has over 15 years' experience leading some of the fastest growing technology, media and entertainment companies in Europe. Anne is currently the CEO of Freespee, the conversation platform company. Previously, Anne was CEO of Iron Group and Iron Capital, an investment fund and payment enabler in the subscription economy. Before that, Anne was the Managing Director EMEA for Videology, one of the world's largest ad technology platforms, where she drove expansion in over 16 countries in just under 3 years. Prior to joining Videology, she was Global Director of Reed Elsevier, responsible for the B2B Entertainment Division, which included leading events such as MIPCOM. From 2003 to 2009, Anne was COO and International Managing Director at Inspired Gaming Group, overseeing the company from its launch to IPO and expansion into 12 countries. Anne has a Bachelor of Commerce from McGill University and an MBA from INSEAD. Anne is an angel investor in over 20 companies, including Andela and metail. Anne also sits on the board of 888.com.

Mark Foster, Non-Executive Director

Mark Foster has spent much of his career in the music industry, in a succession of senior Marketing and International roles for all three major labels, including time in Paris as Marketing Director for Warner Music France. Returning to London as Vice President of European Marketing, Mark oversaw pan-regional marketing strategy before founding Warner Music International's New Media Division. After leaving Warner, he launched and ran Deezer in the UK and Ireland, then was appointed CEO for Arts Alliance, a leading global player in Event Cinema. Since 2015, he has developed a portfolio of NED and chair roles for a range of businesses, including highly-respected entertainment analysts MIDiA Research, and has led the digital transformation strategy for Moat Homes, a major housing association. In addition, Mark acts as advisor and brand ambassador for a number of startups and scale-ups in the digital entertainment and creative industries.

The Board & Corporate Governance

The Directors support high standards of corporate governance. Accordingly, the Board meets regularly throughout the year and all necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively. Additionally, special meetings will take place or other arrangements will be made when decisions are required in advance of regular meetings.

The Directors have established financial controls and reporting procedures which are considered appropriate given the size and structure of the Group. It is the intention of the Board that these controls will be reviewed regularly in light of the future growth and development of the Group and adjusted accordingly.

Share dealing code

The Directors comply with Rule 21 of the AIM Rules for Companies relating to directors' and applicable employees' dealings in the Company's securities. Accordingly, the Company has adopted a share dealing code for directors and applicable employees and the Company will take all reasonable steps to ensure compliance by its directors and applicable employees with the provisions of the AIM Rules for Companies relating to dealing in securities.

Compliance with the Corporate Governance Code

The Directors and Proposed Directors recognise the importance of, and are committed to, good corporate governance and intend, so far as is practicable and appropriate for a company of its size, stage of development and nature as a company whose securities are traded on AIM to follow the provisions of the UK Corporate Governance Code.

Following a recent change in AIM Rules which requires that all AIM-listed companies adopt and comply with a recognized corporate governance code, 7digital's Board of Directors has chosen to apply the ten principles set out by the Quoted Companies Alliance's Corporate Governance Code (the 'QCA Code'). Full details on how the Board applies the QCA Code can be found at <http://about.7digital.com/aim-rule-26>

The Board comprises six directors consisting of two executive directors and four independent non-executive directors including the Chair. The Corporate Governance Code states that the Board should determine whether a director is independent in character and judgment and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment.

The Board considers that Sir Donald Cruickshank, Mark Foster, Anne de Kerckhove and Eric Cohen are independent within the meaning of the QCA Guidelines.

The Board

- The role of the Chair and that of the Chief Executive are separate with defined responsibilities, and have been so since the Company's formation.
- The Senior Non-Executive Director is E Cohen.
- The Chair is responsible for the leadership of the Board, ensuring its effectiveness in all aspects of its role and setting its agenda. The Chair also ensures that the directors receive accurate, timely and clear information and that there is effective communication with shareholders. The Chair also facilitates the effective contribution of the other Non-Executive Directors and ensures constructive relations between executive and non-executive directors.
- The Chief Executive's responsibilities are concerned with managing the Group's business and implementing Group strategy.
- The Board's role is to provide entrepreneurial leadership of 7digital Group within the framework of prudent and effective controls that enable risk to be assessed and managed. The Board is responsible for setting the Company's strategic aims and for ensuring the financial and human resources are in place for the Company to meet its objectives and to review management performance. The Board is also responsible for setting the Company's values and standards and ensuring that its obligations to its shareholders are understood and met.
- The Non-Executive Directors bring a wide range of experience and expertise to the Company's affairs, which allows them to constructively challenge and help develop proposals and strategy, scrutinise performance and controls, and take decisions objectively in the interests of the Company.

Committees of the Board

The Board has two main committees, the Audit Committee and the Remuneration Committee, each of which operate within defined terms of reference.

Audit Committee

The audit committee will comprise of Sir Donald Cruickshank (chair), Eric Cohen, Mark Foster and Anne de Kerckhove. It will meet at least once a year. The audit committee will receive and review reports from management and from the Company's auditors relating to the interim and annual accounts, and to the internal control procedures that will be in use throughout the Group. It will be responsible for ensuring that the financial performance of the Group is properly reported with particular regard to legal requirements, accounting standards and the AIM Rules for Companies. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports will remain with the main Board.

Remuneration Committee

The remuneration committee will comprise Sir Donald Cruickshank (chair), Eric Cohen, Mark Foster and Anne de Kerckhove. It will meet at least once a year. It will be responsible for determining and reviewing the terms and conditions of service (including remuneration) and termination of executive directors and senior employees and the grant of options under any share option scheme of the Company implemented from time to time.

7digital's Articles of Association:

Please see

<http://about.7digital.com/aim-rule-26>

Most recent Annual Report and Accounts:

Please see

<http://about.7digital.com/reports>

Most recent half-yearly Report and Accounts:

Please see

<http://about.7digital.com/reports>

News releases:

For News releases

<http://about.7digital.com/news>

For RNS releases

<http://about.7digital.com/investors>

AIM Admission document:

Please see

<http://about.7digital.com/aim-rule-26>

AIM Corporate Governance Disclosure & the QCA Code

Please see <http://about.7digital.com/aim-rule-26>

Details of the company's nominated adviser and other key advisers:

Nominated adviser and broker

Arden Partners plc
125 Old Broad St
London
EC2N 1AR

Solicitors

Osborne Clarke
One London Wall
London
EC2Y 5EB

Principal bankers

Barclays Bank plc
United Kingdom House
180 Oxford Street
London
W1D 1EA

Registrars

Link Market Services Limited
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Auditor

BDO London
55 Baker Street
London
W1U 7EU