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Audioboom Group plc
(“Audioboom”, the “Group” or the “Company”)

Interim Results 2016

Audioboom (AIM: BOOM), the leading spoken word audio on-demand platform, announces its unaudited interim results for the six months ended 31 May 2016.

H1 Highlights and Financials:

- Tangible progress in growing revenue, securing significant new content partners and further broadening geographic distribution
- New US commercial team fully integrated and driving monetisation
- Revenue for H1 increased to £329,000 (FY 2015: £192,000)
- Major new ad network and distribution partners
- Positive outlook for H2 with booked revenue already exceeding total H1 revenue
- Cash reserves of £0.9m at period end - the Company is currently exploring equity funding options
- Group on track to meet market expectations for FY 2016

Key Performance Indicators:

- Total H1 listens of 222 million, up 80% (H1 2015: 123 million)
- One billionth lifetime listen recorded in July
- Content partner channels increased to 8,115 (FY 2015: 6,682)
- New quality content providers signed, including NBC Sports, Univision, Athletico Mince and Bet on Brazil

Rob Proctor, CEO of Audioboom, said:

“I am pleased to report that Audioboom has made further tangible progress in H1 2016, growing revenue, securing significant new content partners and further broadening its geographic distribution.

The momentum from H1 has continued into H2, which has started well, with the Group securing significant advanced bookings for advertising revenue. Fill rates and CPMs (cost per thousand listens that advertisers pay) are expected to improve further in all our major territories and content verticals over the next few months and beyond. We also have multiple technological upgrades to the Audioboom platform scheduled for H2 2016, which we believe will create increasingly large volumes of monetisable ad impressions.

This progress gives the Board confidence that the Group is on track to meet market expectations for FY 2016, improve revenues and move towards its target of a breakeven position by the end of 2017.”

The information communicated in this announcement contains inside information

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About Audioboom (www.audioboomplc.com)

Audioboom is the leading spoken-word audio platform for hosting, distributing and monetising content.

Audioboom works with more than 2,500 active broadcasters, content creators and podcasters around the world - including Cumulus, the BBC, the Telegraph, the Premier League, Associated Press, The Sun, NBC Sports Radio, Undisclosed, Global and Bauer - hosting over 8,500 content channels.

Audioboom's hosting and distribution platform allows partners to embed, share via social channels and re-syndicate their content. Audioboom content receives approximately 50m listens per month, and growing. Additionally, Audioboom works with its partners to monetise their audio via live in-reads, the dynamic insertion of pre and post roll audio adverts, and video ads.

CEO REPORT

I am pleased to report that Audioboom has made further tangible progress in H1 2016, growing revenue, securing significant new content partners and further broadening its geographic distribution.

The momentum from H1 has continued into H2, which has started well, with the Group securing significant advanced bookings for advertising revenue. Fill rates and CPMs (cost per thousand listens that advertisers pay) are expected to improve further in all our major territories and content verticals over the next few months and beyond. We also have multiple technological upgrades to the Audioboom platform scheduled for H2 2016, which we believe will create increasingly large volumes of monetisable ad impressions.

This progress gives the Board confidence that the Group is on track to meet market expectations for FY 2016, improve revenues and move towards its target of a breakeven position by the end of 2017.

Financial Results

Revenue increased to £329,000 (H1 2015: £46,000). The Company produced an improved underlying operating loss, adjusted for the non-cash accounting treatment of share based payments, of £2.2m (H1 2015: £2.9m).

Net cash used in operating activities decreased to £2.2m (H1 2015: £2.7m), with cash management remaining a key focus within the business. Audioboom finished the period with cash reserves of £0.9m.

Operational Review

Audioboom made tangible progress in H1 2016, as measured by our KPIs and significant new partnership initiatives.

Content partners

At 31 May 2016, the number of content channels was 8,115, an increase of over 55% on 12 months earlier (2015: 5,237). This improvement reflected not only the addition of new content partners but also the scale of those partners, with many establishing multiple channels for different genres and geographic regions.

A number of major new content providers signed up to the platform during the period, including NBC Sports, and Bet on Brazil. These partners complement our agreements with existing partners, including Cumulus, the BBC, the Telegraph, Sky News, the Premier League, Global and Bauer.

Listens

Listens are the number of times users consume Audioboom hosted content via embeddable content players on third party websites or apps, on Audioboom's own website or apps, or via other distribution channels. The number of listens is a key metric for the business, as it is the sole driver of advertising revenue. Total listens in the period under review totalled 222 million - an increase of 80% on the same period last year (H1 2015: 123 million). Total lifetime listens of Audioboom content achieved since inception have now exceeded one billion.

The geographical split on listens is currently circa 70% USA, 11% UK, 5% Australia and 14% Rest of the World, reflecting the global appeal and the spread of content hosted.

New Commercial Partners

Google Play

In February 2015, we announced that Audioboom has been selected as one of 11 podcast/spoken word content partners for the new look Google Play application in the US. Audioboom is the only non-US based content partner to be selected by Google Play and its content is available within the updated Google Play app. Content provided for Google Play under this arrangement will initially only be available to Google Play users in the USA, who access the service via a dedicated app burnt onto Android devices. The increased reach that Google Play provides will make Audioboom a more attractive host to existing and prospective content partners.

We are pleased to report that we continue to work closely with Google Play regarding its future UK, Canada, Australia and India launches.

Other distribution partners

We are further developing a number of other key distribution relationships, including Spotify and as a preferred partner of Apple iTunes.

Advertising partnerships

In addition to working with our partners at Cumulus Media and Westwood One, we have recently signed an agreement with the US's largest digital radio company, which will allow us to accelerate the speed of our growth in the US region.

Ad networks

Our relationships with our ad network partners continue to grow in importance. We have recently signed an agreement with the largest ad network in the US, and are working closely with a number of other networks including audio.ad (the US's largest Hispanic ad network), Big Mobile (Australia's largest ad network) and Adforce in respect of Europe (ex UK).

Key Markets

Audioboom is building real momentum in the US, the world's largest media market. New agreements with major content partners, distribution channels and ad networks referred to above will give us further geographical reach and increased profile in this lucrative market. US based users accounted for 70% of listens in the period, compared with approximately 30% a year earlier. We expect this territory to continue to be our strongest for revenue growth throughout 2016 and beyond and, given its importance, we appointed Thomas Mancusi (formerly of CBS Radio) as US commercial director in April 2016. He has already made a considerable impact on revenue bookings since his arrival.

India represents a huge opportunity for Audioboom, with 684m mobile phone users, some 236m of these owning smart phones. We have recruited a country manager and commercial director for this key territory, in response to the increasing demand for our services in this region. In addition to the relationship with Eros International Plc ("Eros"), a leading global company in the Indian film and entertainment industry, announced in January and currently in a process of integration, the Group has signed a distribution agreement with SAAVN, India's largest music streaming company, and RedFM, India's largest radio group, are already live on the Audioboom platform.

We have made solid progress in Central and South America, where we have signed a number of influential podcasters and are developing important relationships with the key regional radio stations as they look to move into the digital space. We are also now selling Spanish language adverts through audio.ad in the region. We have also recently signed an advertising and content agreement with Univision, North America's largest Hispanic broadcaster.

In the UK we were delighted to have signed Bet on Brazil, an online betting company, and deepened our relationship with News International. We have also recently been granted a full PPL license which will allow Audioboom to work with the UK's largest commercial TV broadcasters, bringing their most popular shows (such as Coronation Street and Downton Abbey) to podcasting.

Finally, Grant Broadcasters, one of Australia's fastest growing media companies, has recently signed up with Audioboom.

Outlook

H2 2016 has started well. We have already secured advanced bookings of advertising revenue that exceed total revenues in H1 and the Board is confident that the Group is on track to meet expectations for the year ending 30 November 2016.

Post-period end, July set yet another monthly record for listens of 48.6m and the Group recorded its one billionth listen. The Board is confident that this upward trend will continue and accelerate over time.

Our focus remains firmly on the US and India, monetisation, further improving our platform functionality and consolidating our position as a leading B2B advertising and digital audio content distribution company.

Rob Proctor
CEO

GLOSSARY OF TERMS

- **Content channels** - a feed of audio content uploaded by partners, podcasters and broadcasters.
- **Content curation** - the process of sorting through considerable amounts of audio to select the best quality pieces.
- **Content partners** - third party brands, broadcasters, publishers and producers etc who post content to the platform.
- **CPM** - cost per thousand listens that the advertiser is willing to pay.
- **Demand side platform** - a system that allows buyers of digital advertising inventory to manage multiple ad exchanges through one interface.
- **Display advertising** - advertising on the internet, utilising web, text or video.
- **Direct advertising** - the process by which people physically identify and value appropriate ad spots on a network.
- **Distributed network** - embedded media players in third party websites, apps and other distribution channels.
- **Distribution platform** - a system in which content is delivered to various mediums.
- **Dynamic insertion** - the ability to provide targeted advertising that can be changed based on various criteria upon delivery to the end user.
- **Embeddable content** – media which can be seeded onto a third party website.
- **Embedded media player/ embedded content player** – a website player which pulls in audio or video from another site where the content was originally hosted. For example, a radio station or newspaper website may host an Audioboom embedded media player, which plays audio sourced from the Audioboom website.
- **Fill capability** - the ability to advertise against all inventory.
- **KPIs** - key performance indicators.
- **Linear broadcast** - traditional scheduled, programming. With linear broadcasting, the listener or viewer has no autonomy (beyond changing stations or channels) over the content they listen to or watch.
- **Listens** - the number of times users consume Audioboom hosted content via embeddable content players on third party websites or apps, on Audioboom’s own website or apps, or via other distribution channels (such as iTunes).
- **Live in-reads/ in-read advertising** - an advertisement that is read ‘live’ within the content by the host.
- **Mid-roll advertising** - an advertising format that features during a break within the content.
- **Native advertising** - paid advertising which mirrors the style and function of the platform on which it is hosted.
- **On-demand** - making content available to an audience, so that they can listen or watch at a time of their choosing.
- **OTT** - over-the-top; the delivery of content via an internet connection without the need for a multiple-system operator, such as a cable television provider or a digital radio broadcaster, to distribute.

- **Podcast** – an audio programme or show, available in a digital file format, which can be downloaded from the internet and listened to on a computer, phone or audio player.
- **Pre-roll advertising** - an advertising format that features before the content has begun.
- **Post-roll advertising** - an advertising format that features after the content has ended.
- **Programmatic advertising** - the ability to automatically purchase advertising.
- **Programmatic ad platforms** - platforms which use algorithms to seek and match ad opportunities to users automatically, based on criteria determined by the advertiser.
- **SaaS** - software as a service is a software distribution model in which applications are hosted by a vendor or service provider and made available to customers over a network, typically the Internet.
- **Streaming** - watching or listening to content, over an internet connection and as it happens.

Audioboom Group plc
Consolidated statement of comprehensive income

	Unaudited 6 months to 31 May 2016	Unaudited 6 months to 31 May 2015	Audited 12 months to 30 Nov 2015
Notes	£'000	£'000	£'000
Continuing operations			
Revenue	329	46	192
Cost of sales	<u>(328)</u>	<u>(296)</u>	<u>(510)</u>
Gross profit	1	(250)	(318)
Administrative expenses	(2,557)	(3,024)	(7,150)
Adjusted operating loss	(2,187)	(2,903)	(5,687)
- Share based payments	(369)	(371)	(1,781)
Operating loss	(2,556)	(3,274)	(7,468)
Interest	<u>4</u>	<u>1</u>	<u>47</u>
Loss before tax	(2,552)	(3,273)	(7,421)
Taxation on continuing operations	-	-	146
Loss for the financial period	(2,552)	(3,273)	(7,275)
Attributable to			
Equity shareholders	(2,552)	(3,273)	(7,274)
Non-controlling interest	<u>-</u>	<u>-</u>	<u>(1)</u>
Loss for the financial period	(2,552)	(3,273)	(7,275)
Other comprehensive income			
Foreign currency translation difference	(59)	12	(23)
Total comprehensive income for the period	(2,611)	(3,261)	(7,298)
Loss per share (pence)			
From continuing operations			
Basic and diluted	2 (0.48)	(0.61)	(1.37)

Audioboom Group plc
Consolidated statement of financial position

	Unaudited as at 31 May 2016 £'000	Unaudited as at 31 May 2015 £'000	Audited as at 30 Nov 2015 £'000
Notes			
Assets			
Non-current assets			
Intangible assets	-	1	-
Property, plant and equipment	52	45	59
	52	46	59
Current assets			
Trade and other receivables	831	350	755
Cash and cash equivalents	931	6,191	3,125
	1,762	6,541	3,880
Total assets	1,814	6,587	3,939
Current liabilities			
Trade and other payables	(662)	(586)	(547)
	(662)	(586)	(547)
Net current assets	1,100	5,955	3,333
Net assets	1,152	6,001	3,392
Equity			
Share capital	-	-	-
Share premium	3 20,208	20,167	20,206
Issue cost reserve	(1,309)	(1,309)	(1,309)
Foreign exchange translation reserve	(108)	(37)	(49)
Reverse acquisition reserve	(2,159)	(2,159)	(2,159)
Retained earnings	(15,480)	(10,660)	(13,297)
Equity attributable to owners of the Group	1,152	6,002	3,392
Non-controlling interest	-	(1)	-
Total equity	1,152	6,001	3,392

Audioboom Group plc
Consolidated cash flow statement

	Unaudited six months to 31 May 2016	Unaudited six months to 31 May 2015	Audited 12 months to 30 Nov 2015
Notes	£'000	£'000	£'000
Loss from continuing operations	(2,552)	(3,261)	(7,275)
Loss for the period	(2,552)	(3,261)	(7,275)
Adjustments for:			
Taxation	-	-	(146)
Interest	(4)	-	(47)
Amortisation of intangible assets	1	1	-
Depreciation of fixed assets	13	9	23
Share based payments	369	406	1,781
Decrease in trade and other receivables	(142)	(9)	(412)
Increase in trade and other receivables	181	209	147
Foreign exchange (gain)/loss	(61)	(12)	14
Cash flows from operating activities	(2,195)	(2,657)	(5,915)
Taxation	-	-	146
Net interest	4	(1)	47
Net cash used in operating activities	(2,191)	(2,658)	(5,722)
Investing activities			
Purchase of property, plant and equipment	(6)	(18)	(45)
Net cash used in investing activities	(6)	(18)	(45)
Financing activities			
Proceeds from issue of ordinary share capital	2	-	39
Net cash generated from financing activities	2	-	39
Net decrease in cash and cash equivalents	(2,195)	(2,676)	(5,728)
Cash and cash equivalents at beginning of period	3,125	8,867	8,867
Effect of foreign exchange rate changes	1	-	(14)
Cash and cash equivalents at end of period	931	6,191	3,125

Audioboom Group plc
Consolidated statement of changes in equity

	Share premium	Other reserves	Retained earnings	Total	Non- controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 30 November 2014	20,132	(3,493)	(7,769)	8,870	(1)	8,869
Loss for the period	-	-	(3,261)	(3,261)	-	(3,261)
Issue of shares	-	-	-	-	-	-
Equity-settled share-based payments	35	-	371	405	-	405
Other comprehensive income	-	(12)	-	(12)	-	(12)
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-
At 31 May 2015	20,167	(3,505)	(10,660)	6,002	(1)	6,001
Loss for the period	-	-	(4,013)	(4,013)	-	(4,013)
Issue of shares	39	-	-	39	-	39
Equity-settled share-based payments	-	-	1,376	1,376	-	1,376
Other comprehensive income	-	(12)	-	(12)	-	(12)
Adjustment arising from change in non-controlling interest	-	-	-	-	1	1
At 30 November 2015	20,206	(3,517)	(13,297)	3,392	-	3,392
Loss for the period	-	-	(2,552)	(2,552)	-	(2,552)
Issue of shares	2	-	-	2	-	2
Equity-settled share-based payments	-	-	369	369	-	369
Other comprehensive income	-	(59)	-	(59)	-	(59)
Adjustment arising from change in non-controlling interest	-	-	-	-	-	-
At 31 May 2016	20,208	(3,576)	(15,480)	1,152	-	1,152

Audioboom Group plc
Notes to the financial statements

1. General information and basis of preparation

Audioboom Group plc is incorporated in Jersey under the Companies (Jersey) Law 1991. The Company's shares are traded on the Alternative Investment Market of the London Stock Exchange ("AIM").

These consolidated interim financial statements, which are unaudited, have been approved by the Board of Directors on 4 August 2016. They have been drawn up using accounting policies and presentation expected to be adopted in the Group's full financial statements for the year ending 30 November 2016, which are not expected to be significantly different to those set out in note 1 to the Company's audited financial statements for the period ended 30 November 2015.

The consolidated interim financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards ("IFRS") and with IAS 34 "Interim financial reporting", as adopted by the EU.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Going concern

These interim financial statements have been prepared on the going concern basis, which assumes that the Company will have sufficient funds to continue in operational existence for the foreseeable future. The Company's forecasts for the combined group, including due consideration of the continued operating losses of the group, and projections, taking account of reasonably possible changes in trading performance and available sources of funding, indicate that the group has sufficient cash available to continue in operational existence for at least the next 12 months. The Board has considered various alternative operating strategies should these be necessary and are satisfied that revised operating strategies could be adopted if and when necessary. As a consequence, the Board believes that the Group is well placed to manage its business risks, and longer term strategic objectives, successfully. Therefore the Directors consider the going concern basis appropriate.

2. Loss per share

Basic earnings per share is calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

IAS33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share. For a loss-making company with outstanding share options, net loss per share would be decreased by the exercise of share options. Therefore, as per IAS33:36, the antidilutive potential ordinary shares are disregarded on the calculation of diluted EPS.

Reconciliation of the loss and weighted average number of shares used in the calculation are set out below:

	Loss	31-May-16 Weighted average number of shares Thousand	Per share amount Pence
Basic and Diluted EPS	£'000		
Loss attributable to shareholders:			
- Continuing and discontinued operations	(2,552)	533,971	(0.48)

	Loss	31-May-15 Weighted average number of shares Thousand	Per share amount Pence
Basic and Diluted EPS	£'000		
Loss attributable to shareholders:			
- Continuing and discontinued operations	(3,273)	532,988	(0.61)

	Loss	30-Nov-15 Weighted average number of shares Thousand	Per share amount Pence
Basic and Diluted EPS	£'000		
Loss attributable to shareholders:			
- Continuing and discontinued operations	(7,274)	533,960	(1.37)

3. Share Capital

Issued and fully paid – ordinary shares of no par value

At 30 November 2015	535,630,339
At 31 May 2016	535,732,843

On 20 April 2016, the Company issued 102,504 new ordinary shares at 1.5p per share as a result of the exercise of warrants.

The total number of instruments over equity (including both share options and warrants) outstanding at the period end was 128,170,852.