



24 July 2015

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

Half Yearly Report

Audioboom (AIM: BOOM), the leading spoken-word audio on-demand mobile platform, announces its unaudited interim financial results for the six months ended 31 May 2015, another period of continued growth in its active userbase and content partners.

Audioboom is a mobile, web and connected device platform which aims to provide the very best spoken-word content in news, current affairs, business, entertainment and sports – see www.audioboom.com. Audioboom is using this platform to create the world's first aggregated audio content syndication and advertising network, with the aim of driving long-term revenue generation.

KPIs & Financial highlights

- Over 4m registered users (Nov 2014: 3.14m)
- Over 3,000 active content partners (Nov 2014: over 2,000)
- 1.5m total mobile app installs since launch
- Revenue of £46k (5 months ended 31 May 2014: £24k)
- Cash at period end of £6.19m (as at 31 May 2014: £3.06m)

Operational highlights

- Successful marketing campaign and content deal with Russell Brand
- In-vehicle deal with AUPEO! & app integration with Apple CarPlay and Android Auto
- Revenue referral agreement with Audible, a subsidiary of Amazon.com
- Nobex Radio partnership agreement
- First mobile network operator to roll-out Audioboom app under Cloud Africa deal
- Appointments of David McDonagh (CFO) and Nick Candy (non-executive director)

Post-period highlights

- Advertising revenue share agreement with Cumulus Media, the US's second largest radio group

Rob Proctor, CEO of Audioboom, commented:

"We are continuing to grow our user base, add high quality content partners and increase the number of customers downloading our iPhone and Android app. We have also advanced our position as a major aggregated audio advertising network whereby we look to build up significant revenues by running advertisements in-stream on any websites, apps, and third party audio platforms that use our platform to provide on-demand content.

"We are confident of our ability to deliver substantial growth in advertising revenues next year and remain focussed on achieving our long-term goals, targeting cash generation and profitability in 2017."

Audioboom Group plc

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About Audioboom (www.audioboom.com)

Audioboom is the leading mobile, web and connected device platform for the very best spoken-word content in news, current affairs, business, entertainment and sports.

It operates a digital, on-demand, streaming audio platform enabling the creation, broadcast and consumption of audio across multiple global media outlets. Audioboom works with some of the biggest names in broadcasting across sport, entertainment and current affairs to bring their content to millions of listeners worldwide via Facebook, Twitter and other media platforms.

The technology allows partners to embed playlists onto their sites and apps, use our mobile apps and functionality as listen again players and re-syndicate their content around the web.

Audioboom also allows the monetisation of audio via the dynamic insertion of pre and post roll advertising into content as a user is listening, allowing contemporary advertising selection, depending on content genre and geographic location of the user.

Audioboom has over 3,000 active content partners, including the *BBC, Telegraph, Guardian, Cumulus Media, Sky Sports, Premier League, Southern Cross Austereo, Reuters, CNBC, Universal* and *Fox*.

Audioboom is using this platform to create the world's first aggregated audio content syndication and advertising network.

CEO Statement

I am delighted to provide an overview of trading for the 6 months ended 31 May 2015 and a summary of our results for that period, during which we marked our first year as a listed company following our admission to AIM in May 2014. We have made tremendous progress since becoming public and I am pleased to report continued growth in our registered user base, active content partners and app installations.

We have stated before that the long-term strategy of the business is to drive revenue growth through the creation of the world's first aggregated audio content syndication and advertising network. Post the period-end we successfully concluded a major advertising revenue share agreement with Cumulus Media Holdings, Inc ("Cumulus"), the US's second largest radio group, which will see them use our platform to roll-out their entire digital strategy. This provides a huge opportunity to generate significant advertising revenues and gives us excellent coverage of the US market which we see as an increasingly significant contributor to our growth plans. Whilst the signing of this agreement has taken longer than we'd hoped it is a big step towards significant revenue generation and we continue to target cash generation and profitability for the business in 2017.

Update on Key Performance Indicators ('KPIs')

As we've previously outlined the near-term focus of the business is to achieve a critical mass of active registered users and increase the partnerships we have with the very best audio content providers. In addition, following the launch of the iOS and Android Audioboom apps, we will provide updates on the number of app downloads.

As announced in our quarterly update in June, active content partners, that is those partners who have posted content during the period, exceeded 3,000 for the first time by the end of May, up from around 2,000 active content partners at the beginning of the period. Our number of registered users also increased over the last six months from 3.14m at the end of November 2014 to over 4m users, adding over 200,000 users in May alone, a new monthly record for Audioboom. In terms of app downloads we now have over 1.5m total app installs since the new iOS and Android apps were launched, with more than 550,000 added in May alone, another monthly record.

Although not currently a reported KPI, the number of "listens" (that is, the number of times users consume Audioboom content through the website, the iOS and Android apps, and via the embeddable content players) will become an important metric in the coming months as it will ultimately drive advertising revenue. Total listens for the most recent quarter (to end May) exceeded 75 million, taking the total lifetime listens for Audioboom content past the 500 million mark.

We intend to provide the next update on these KPIs in September covering the 3 month period up to the end of August.

Financial Results

During the first half, Audioboom continued its focus on growing the number of registered users, number of content partners using its platform and the number of app downloads. Revenues at this stage remain minimal at £46,000 (5 months ended 31 May 2014: £24,000) and the business recorded an adjusted operating loss of £2.90m (5 months ended 31 May 2014: £0.75m). The increase in underlying losses reflects the implementation of the business's growth strategy and increased marketing activities, together with the additional corporate and governance costs of being listed on AIM.

Whilst cash controls remain tight within the business, the Company continues to invest in future growth and as a result net cash used in operating activities increased to £2.66m (5 months ended 31 May 2014: £0.65m). Audioboom continues to be well funded with cash reserves of £6.19m (as at 31 May 2014: £3.06m) and we are targeting a move into cash generation and profitability in 2017.

Operational Review

The advancement across all of our KPIs is very encouraging and we believe we have a strong platform to deliver significant revenue growth next year.

The initial roll-out of the Audioboom app has gone very well since the launch of the iOS app at the back end of last year and the launch of the Android app in February 2015. Our high profile marketing campaign, headed up by a content partnership with Russell Brand to position the mobile app to a younger audience, proved to be successful and the number of app downloads continues to build momentum with record numbers recorded in May as I've already mentioned.

As we announced in April, Audioboom users can now listen to the very best spoken-word content, on demand, whilst in their car following the integration of our iOS and Android apps with Apple CarPlay and Android Auto respectively. This follows on from the deal announced in March this year with Aupeo whereby we became their global provider and delivery platform for audio content. As part of this agreement we will create, curate and seamlessly deliver UK, US, Australian and European news, sport, comedy and entertainment audio content directly into the Personal Radio by AUPEO! in-car infotainment platform.

We also continue to develop a Hispanic version of our app to expand into the South and North American markets and will update shareholders once this is launched, expected to be before the financial year end.

It is worth noting that whilst the number of app downloads is a KPI for the Company, until the app user base has reached considerable critical mass it will continue to be a free to use, advert-free service. Audioboom will generate revenues in the first instance from the various revenue sharing initiatives that have been announced in the last six months, and through the ability to share advertising revenues from content providers that use Audioboom's platform to embed audio content across their own websites and mobile apps, offering listen-again, on-demand and bespoke podcasts which carry pre- and post-roll video, audio and display advertising.

Typically, less than 30 per cent of our total listens come from our owned and operated app/website with more than 70 per cent coming from the distributed network of third party websites and apps. To this end our positioning as the world's only aggregated audio content syndication and advertising network continues apace with the recently concluded deal with Cumulus, which is detailed below. We expect to see the benefits in the coming year.

During the period we also signed a revenue referral agreement with Audible, a subsidiary of Amazon.com, and entered into a partnership agreement with Nobex Radio to make on-demand and listen again functionality available to radio stations utilising the Nobex mobile app platform.

Our expansion into African markets is developing well under our agreement with mobile content aggregator Cloud Africa. Under this deal the first mobile network operator to roll-out branded audio services using Audioboom will be MTN Group, starting with an initial launch in Nigeria before making the service more widely available across Africa. Revenues from this arrangement will be generated via a mixture of shared earnings from data packages purchased by mobile subscribers to use the service and various advertising and branding opportunities.

The expansion of our team and investment in our New York and Australia offices has continued as planned. Total staffing levels have increased from 18 employees at the beginning of the year to 38 at the period end, reflecting our international expansion, increased technical development resource and the growth of our in-house content curation team. As we continue to grow we also expect to recruit a Country Manager and Commercial Director for India, in response to the increasing demand for our services in that region and we hope to provide an update on this soon. The US remains a big focus of our business, attested to by our partnerships with Nobex and Cumulus and US based users now account for more than half of our current listens compared to less than a third a year ago. We now have eight team members in New York compared

to one at the beginning of the year and we expect this to be a strong region for growth. Australia continues to deliver in terms of content partners and listens, with a growing headcount located at our Melbourne office.

Board and Senior Management additions

In April 2015, Nick Candy was appointed as a non-executive Director and I am delighted to have his knowledge and expertise on the Board, as well his backing as a supportive shareholder. Nick understands very well the potential that we have built with this business and having joined the Board increased his stake in the business to over 4.5 per cent.

In addition, we also appointed David McDonagh as Chief Financial Officer in May 2015, who joins us from WideOrbit, a leader in premium broadcast technology and the largest sell-side processor of premium advertising in the world. Before that David was EMEA Finance Director for Palm Inc. (subsequently Hewlett Packard) and Head of Finance for Apple iTunes S.a.r.l. As we progress into significant revenue generation David's skills in the area of strategic and operational financial controls will be essential and I am delighted to welcome him to the team.

We also expect to have a new Group Commercial Director in place in the fourth quarter of our financial year.

Post-period end

Earlier this month we signed an advertising revenue share agreement with Cumulus Media Holdings, Inc. ("Cumulus"), the second largest radio group in the USA; a deal which we believe marks a major step-change in our rate of growth and underpins our long-term goal of significant revenue generation.

Cumulus will use our platform to provide on-demand creative, hosting, broadcasting and advertising tools for its entire radio network, encompassing over 450 stations, over 100 nationally syndicated shows and over 240 million unique listeners. By doing this Cumulus can then monetise this digital content through the sale of pre- and post-roll video, audio and display advertising, as well as the significant growth of 'in-read' native advertising for podcasts. We expect to benefit from this deal by seeing a considerable increase in monthly listens and registered users, but also with the revenue share arrangement we expect to receive a steady flow of advertising revenues.

As part of the deal with Cumulus, we will be deploying members of our content acquisition and account management team from around the globe, to the USA. They will visit each of the major and mid-size market radio stations throughout August and September, creating dedicated channels on Audioboom for each station and show, integrating their audio output into the stations' Twitter, Facebook and Apple iTunes feeds and running detailed training sessions for program producers and podcast creators. Additionally Audioboom will be running a series of webinars and online seminars for all of the smaller territory stations across the USA.

We are now live with four programmatic advertising exchanges (Wide Orbit, A2X, LiveRail and Universal McCann). This allows us to make the slots at the start (pre roll) and end (post roll) of an audio file available to a form of electronic brokerage system that will match our inventory to publishers wanting to place adverts. The more exchanges we have, the larger our geographical reach and the opportunity to fill the inventory.

Outlook

We are continuing to grow our user base, add high quality content partners and increase the number of customers downloading our iPhone and Android app. We have also advanced our position as a major aggregated audio advertising network whereby we look to build up significant revenues by running advertisements in-stream on any websites, apps, and third party audio platforms that use our platform to provide on-demand content.

We are confident of our ability to deliver substantial growth in advertising revenues next year and remain focused on achieving our long-term goals, targeting cash generation and profitability in 2017.

Rob Proctor

Chief Executive Officer

24 July 2015

Audioboom Group plc
Consolidated statement of comprehensive income

	Unaudited six months to 31 May 2015	Unaudited five months to 31 May 2014	Audited 11 months to 30 Nov 2014
Notes	£'000	£'000	£'000
Continuing operations			
Revenue	46	24	51
Cost of sales	<u>(296)</u>	<u>(5)</u>	<u>(7)</u>
Gross profit	(250)	19	44
Administrative expenses	(3,024)	(2,144)	(3,937)
Adjusted operating loss	(2,903)	(745)	(2,117)
- Share based payments	(371)	-	(413)
- Exceptional items	-	(1,380)	(1,363)
Operating loss	(3,274)	(2,125)	(3,893)
Interest	1	(1)	19
Loss before tax	(3,273)	(2,126)	(3,874)
Taxation on continuing operations	-	48	48
Loss for the financial period	(3,273)	(2,078)	(3,826)
Attributable to			
Equity shareholders	(3,273)	(2,078)	(3,825)
Non-controlling interest	-	-	(1)
Loss for the financial period	(3,273)	(2,078)	(3,826)
Other comprehensive income			
Foreign currency translation difference	12	2	(20)
Total comprehensive income for the period	(3,261)	(2,076)	(3,846)
Loss per share (pence)			
From continuing operations			
Basic and diluted	2 (0.61)	(13.40)	(1.17)

Audioboom Group plc
Consolidated statement of financial position

	Notes	Unaudited as at 31 May 2015 £'000	Unaudited as at 31 May 2014 £'000	Audited as at 30 Nov 2014 £'000
Assets				
Non-current assets				
Intangible assets		1	3	1
Property, plant and equipment		45	6	36
		<u>46</u>	<u>9</u>	<u>37</u>
Current assets				
Trade and other receivables		350	110	343
Cash and cash equivalents		6,191	3,064	8,867
		<u>6,541</u>	<u>3,174</u>	<u>9,210</u>
Total assets		<u>6,587</u>	<u>3,183</u>	<u>9,247</u>
Current liabilities				
Trade and other payables		(586)	(599)	(379)
		<u>(586)</u>	<u>(599)</u>	<u>(379)</u>
Net current assets		5,955	2,575	8,831
Net assets		<u>6,001</u>	<u>2,584</u>	<u>8,868</u>
Equity				
Share capital		-	-	-
Share premium	3	20,167	11,931	20,132
Issue cost reserve		(1,309)	(680)	(1,309)
Capital reserve		-	(706)	-
Foreign exchange translation reserve		(37)	23	(26)
Reverse acquisition reserve		(2,159)	(2,334)	(2,159)
Retained earnings		(10,660)	(5,649)	(7,769)
Equity attributable to owners of the Group		<u>6,002</u>	<u>2,585</u>	<u>8,869</u>
Non-controlling interest		(1)	(1)	(1)
Total equity		<u>6,001</u>	<u>2,584</u>	<u>8,868</u>

Audioboom Group plc
Consolidated cash flow statement

	Unaudited six months to 31 May 2015	Unaudited five months to 31 May 2014	Audited 11 months to 30 Nov 2014
Notes	£'000	£'000	£'000
Loss from continuing operations	(3,261)	(2,078)	(3,826)
Loss for the period	(3,261)	(2,078)	(3,826)
Adjustments for:			
Taxation	-	(48)	(48)
Interest	-	1	(19)
Amortisation of intangible assets	1	3	4
Adjustment on acquisition	-	1,380	1,291
Depreciation of fixed assets	9	3	8
Share based and equity settled payments	406	5	428
(Decrease)/Increase in trade and other receivables	(9)	50	(167)
Increase/(Decrease) in trade and other payables	209	(31)	(74)
Foreign exchange (gain)/loss	(12)	12	(30)
Cash flows from operating activities	(2,657)	(702)	(2,433)
Taxation	-	48	48
Net interest	(1)	-	3
Net cash used in operating activities	(2,658)	(654)	(2,382)
Investing activities			
Purchase of property, plant and equipment	(18)	-	(35)
Acquisition costs	-	(60)	(4)
Acquisition of subsidiary	-	3,379	3,229
Net cash generated (used in)/from investing activities	(18)	3,319	3,190
Financing activities			
Loan received	-	150	150
Proceeds from issue of ordinary share capital	-	227	7,898
Net cash generated from financing activities	-	377	8,048
Net (decrease)/increase in cash and cash equivalents	(2,676)	3,042	8,856
Cash and cash equivalents at beginning of period	8,867	21	22
Effect of foreign exchange rate changes	-	-	(11)
Cash and cash equivalents at end of period	6,191	3,063	8,867

Audioboom Group plc
Consolidated statement of changes in equity

	Share capital	Share premium	Other reserves	Retained earnings	Total	Non-controlling interest	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2014	38	2,888	709	(3,579)	56	-	58
Loss for the period	-	-	-	(2,076)	(2,076)	-	(2,076)
Acquisition of subsidiary	(38)	9,043	(4,411)	-	4,594	-	4,594
Equity-settled share-based payments	-	-	-	5	5	-	5
Other comprehensive income	-	-	4	-	4	-	4
Adjustment arising from change in non-controlling interest	-	-	-	-	-	(1)	(1)
At 31 May 2014	-	11,931	(3,697)	(5,650)	2,584	(1)	2,583
Loss for the period	-	-	(691)	(3,825)	(4,516)	-	(4,516)
Acquisition of subsidiary	-	(60)	1,396	1,370	2,706	-	2,706
Issue of shares	-	8,120	(453)	-	7,667	-	7,667
Equity-settled share-based payments	-	141	-	334	475	-	475
Other comprehensive income	-	-	(48)	-	(48)	-	(48)
Adjustment arising from change in non-controlling interest	-	-	-	-	-	(1)	(1)
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)
Equity-settled share-based payments	-	35	(0)	371	405	-	405
Other comprehensive income	-	-	(12)	-	(12)	-	(12)
At 31 May 2015	-	20,167	(3,506)	(10,660)	6,002	(1)	6,001

Audioboom Group plc

Notes to the financial statement

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 23 July 2015. 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 2015, 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 2014.

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.

The comparative periods provided in these financial statements are for the 5 months to 31 May 2014 (unaudited) and 11 months to 30 November 2014 (audited). This is due to the 31 December year end that had been used by Audioboom Limited, which was acquired by the Company during 2014. Further detail on the basis of preparation of those comparative periods is set out in note 1 to the Company's audited financial statements for the period ended 30 November 2014.

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, 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:

		31-May-15	
	Loss	Weighted average number of shares	Per share amount
Basic and Diluted EPS	£'000	Thousand	Pence
Loss attributable to shareholders:			
- Continuing and discontinued operations	(3,273)	532,988	(0.61)
	Loss	31-May-14	Per share amount
	£'000	Weighted average number of shares	Pence
Basic and Diluted EPS		Thousand	
Loss attributable to shareholders:			
- Continuing and discontinued operations	(2,078)	15,507	(13.40)
	Loss	30-Nov-14	Per share amount
	£'000	Weighted average number of shares	Pence
Basic and Diluted EPS		Thousand	
Loss attributable to shareholders:			
- Continuing and discontinued operations	(3,825)	326,118	(1.17)

3. Share Capital

Issued and fully paid – ordinary shares of no par value

At 30 November 2014 532,734,557

At 31 May 2015 533,014,577

On 17 December 2014 the Company issued 280,000 new ordinary shares to Malcolm Wall, a director, pursuant to his terms of appointment and in lieu of his first year's director's fee.

The total number of instruments over equity outstanding at the period end was 91,479,985, comprising 40,219,884 warrants and 51,260,101 share options.