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

**Final Results 2015**

Audioboom (AIM: BOOM), the leading spoken word audio on-demand platform, announces its final audited results for the 12 month period ended 30 November 2015.

**Highlights, KPIs and financials:**

- Business model now firmly focused on advertising revenue share agreements with content partners
- New KPIs reflect shift of focus from consumer app to scalable advertising/distribution model:
  - Total listens in the year exceeded 300 million (2014: 180 million) - up 66%
  - Content channels increased to 6,682 (2014: 4,293) - up 60%
- Major strategic partnership entered into with Cumulus Media
- Quality new content partners signed: Yahoo! Sports, News International (The Sun and The Times), RadioX, Associated Press and NBA Podcasts
- Revenue increased to £192,000 (2014: £51,000)
- Cash at period end of £3.13m
- Board and management teams strengthened to commercialise business and drive monetisation
- Significant partnerships signed, post year end, with Eros and Google Play, increasing reach and distribution

**Rob Proctor, CEO of Audioboom, said:**

"2015 was a year of steady but important progress for Audioboom. We focused the business on our market leading SaaS platform and the monetisation of this asset through advertising revenue share agreements. In short, quality content is the key to driving 'listens'; listens drive advertising and advertising drives revenue. During the year, the Group significantly increased the quantity and quality of its content partners, signed up with Cumulus, the second largest radio group in the US, and achieved a record number of 300 million plus listens in the year.

"2016 has started well with the announcement of our Indian partnership with Eros and our successful selection to be a content provider on the relaunched Google Play in the US. We are confident that all these activities will positively impact our ability to generate advertising revenues.

"Our focus in 2016 remains on expanding our reach and distribution in the USA and India, monetisation, improving our platform functionality and consolidating our position as a leading B2B advertising and digital audio content distribution company - ultimately resulting in revenue growth in 2016 and beyond."

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**About Audioboom** ([www.audioboom.com](http://www.audioboom.com))

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

Audioboom works with 2,400 active broadcasters, content creators and podcasters around the world - including Cumulus, the BBC, the Telegraph, Sky Sports, the Premier League, Associated Press, The Sun, NBC Sports Radio, Undisclosed, Global and Bauer - hosting over 7,400 content channels.

Audioboom's hosting and distribution platform allows partners to embed, share via social channels and re-syndicate their content. Audioboom content receives 40m 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.

## CHIEF EXECUTIVE OFFICER'S REVIEW

### **Our Strategy**

Over the last three years, Audioboom has developed an audio, cloud-based, software as a service (SaaS) platform which enables the creation, broadcast and syndication of digital audio content across multiple devices, networks and geographies.

Using this platform, it is our vision to become the world's leading B2B advertising and digital audio content distribution company.

### **Business model**

Our business model is based, principally, on entering into advertising revenue share agreements with content creators (principally broadcasters and publishers) using the Audioboom platform to embed audio content across their own websites, mobile apps and other distribution channels, such as Facebook and Twitter. Each piece of audio provides an opportunity to place traditional audio or video ads at the beginning, middle and end of the content (pre, mid and post roll advertising).

Working with the content partner, third parties and/or programmatic advertising exchanges (described further below), Audioboom will seek to secure advertising to place on its inventory of audio content on the Audioboom platform. It will share the proceeds of such advertising with the content creator on a pre-agreed revenue share basis. Revenue will be driven by the number of listens to the particular content and the CPM rate at which the advertising is secured. The CPM is the cost per thousand listens that the advertiser is willing to pay. CPMs may differ according to the type and length of content, the target audience and whether the advert is pre, mid or post roll.

In-read advertising, where the presenter promotes a product or brand during the broadcast, also presents a significant medium-term opportunity at typically much higher CPMs.

### **What's behind our strategy?**

To date, only two key traditional media industries, print and television, have been disrupted by the consumer's move to digital and mobile content and consumption with companies like Buzz Feed, Huff Post, Netflix, YouTube and Amazon capitalising on the rapid shift in advertising spend from traditional channels to digital platforms.

Radio/audio, Audioboom's market, is the last of the three traditional advertising media genres to be disrupted.

In the UK and US, around 90% of the adult population still listen to radio and advertisers spend billions each year to reach them. However, like print and television, the consumer's listening experience is rapidly shifting from linear streams (i.e. traditional radio listening) to digital podcasts and on-demand audio consumed via the mobile phone, allowing advertisers to reach more specific audiences and making targeted "listens" a highly valued commodity.

Audioboom has a first mover advantage in the commercialisation of spoken word content; our SaaS platform has been under development for three years, we work with a large volume of the world's most prominent broadcasters and publishers and our ad serving solutions are leading edge, with over £10m having been invested thus far. We believe the Company is, therefore, well positioned to exploit this opportunity and build a highly scalable audio advertising network.

## **KPIs**

Our KPIs have evolved to reflect the strategic shift in the Group's business model from its early focus on the consumer app to a more scalable advertising/distribution model. Content partners and listens are the most accurate indicators of potential revenue - quality content drives listens, which ultimately generates advertising revenue.

The Board's focus is firmly on revenue generation in 2016 and these KPIs will provide a critical measure of the Group's revenue potential.

## **Operational Review**

Audioboom made considerable progress in 2015, as measured by our KPIs and new partnership initiatives.

### ***Content partners***

At the year ended 30 November 2015, the number of content channels was 6,862, an increase of 60% on the prior year (2014: 4,293). This improvement reflected growth not only in the increased number of content partners but also the scale of these partners, with many establishing multiple channels for different genres and geographic regions.

Active content partners (a partner that has posted new content to the platform on one or more channels during the quarter) totalled 2,400 at the end of Q4. A number of major new content providers signed up to the platform during the year, including Cumulus, Yahoo! Sports, News International (The Sun and The Times), EMI, UTV, RadioX, Associated Press, BBC Hindi, NBA Podcasts, US Open Tennis, Cricket Australia, Australian Rugby Union, the All Blacks, the ATP Tour, the Wimbledon Tennis Championships, Baseball America, FIFA Women's World Cup, the Netball World Cup, Newcastle United and West Ham United. These partners complement our existing agreements with the BBC, the Telegraph, Sky Sports, the Premier League, NBC Sports Radio, Global and Bauer.

### ***Listens***

The number of listens (being 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) is a key metric for the business, as it is the sole driver of advertising revenue. Total listens in the year under review exceeded 300 million – an increase of 66% on the prior year (2014: 180 million). Total lifetime listens of Audioboom content since inception exceeded 700 million at the year end.

The geographical split on listens is currently circa 70% USA, 10% UK, 5% Australia and 15% Rest of the World, reflecting the global appeal and the spread of content hosted.

### ***Marketing***

Earlier in the financial year, we focussed resources on building the Audioboom consumer proposition, with an updated website, a consumer marketing campaign headed up with exclusive Russell Brand podcast material and the launch of new iOS and Android apps. Registered users increased 46% over the year from 3.1 million to 4.6 million and new app installations totalled 2.6 million.

This marketing was successful in its key aim of raising the profile of the Audioboom brand. However, as previously highlighted, the consumer platform is not the primary focus for the business and

financial, technical and human resources have been refocused to drive B2B platform adoption by key content partners to ensure that we remain the hosting and distribution platform of choice for the world's leading content creators. The vast majority of listens are generated through our distributed network - Audioboom embedded media players in third party websites and apps and other distribution channels.

### ***New Partners***

#### ***Cumulus***

The most important strategic development of 2015 was the execution of an advertising revenue share agreement with Cumulus Media Holdings, Inc. ("Cumulus"), the second largest radio group in the USA. We believe this deal is key to a step-change in our rate of revenue growth and supports our long-term goal of significant revenue and profit generation. This gives us excellent coverage of the US market, which we see as our core focus for 2016 and an increasingly significant contributor to our growth plans.

Cumulus is using our SaaS platform to provide on-demand creative, hosting, broadcasting and advertising tools for its radio network, encompassing over 450 stations, over 100 nationally syndicated shows and over 240 million unique listeners. Cumulus can then monetise this digital on-demand content through the sale of pre-roll and post-roll video, audio and display advertising, as well as 'in-read' native advertising for high profile podcasts. Audioboom is already benefitting from this deal, through an increase in monthly listens and a share of advertising revenues but we expect to see further significant growth from this key relationship throughout 2016 and beyond.

As part of our deal with Cumulus, we will redeploy members of our UK content acquisition and account management team from the UK to our USA office in NYC. They have previously visited many of the major and mid-size market radio stations, creating dedicated channels for each station and show, integrating their audio output into the stations' Twitter, Facebook and Apple iTunes feeds and running detailed training sessions for programme producers and podcast creators. The physical redeployment on a more permanent basis will see our overall UK headcount reduce and our USA headcount increase, allowing us to better utilise our resources, whilst reducing our overall staffing costs.

As previously reported, our progress with Cumulus was slowed by the appointment of a new Chief Executive in September 2015. However, I am pleased to report that their new CEO, Mary Berner, is totally focused on 'digitising' the Cumulus operations and Audioboom remains their key platform for achieving this transformation, which clearly bodes well for the Company.

#### ***Other partners***

A number of other major deals were agreed during the year which the Company expect to be revenue generating directly or indirectly (via increased listens and advertising opportunities) in the future.

Audioboom became the global provider and delivery platform for audio content for Aupeo (Panasonic Automotive of North America). 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! - an in-car 'infotainment' platform.

During the period we also signed a revenue referral agreement with Audible, a popular 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.

### ***Overseas expansion***

The USA remains the major focus for Audioboom, attested by our partnership with Cumulus. US based users accounted for 70% of listens at the year end, compared with approximately 15% a year earlier. We have expanded the team from one to eight people in New York in the year and we expect this to continue to be our strongest region for revenue growth throughout 2016.

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 and in readiness for our recently announced partnership with Eros International, detailed below.

With around 45 million Spanish speakers in the US alone, this is an important market for Audioboom. We continue to develop a Hispanic version of our app, which we believe will accelerate our penetration of these key South and North American markets.

### ***Direct vs programmatic advertising***

The key to the success of Audioboom is the IT automation of the buying process for ads. Programmatic ad platforms use algorithms to seek and match ad opportunities to users automatically, based on criteria determined by the advertiser, rather than people physically identifying and valuing ad spots on a network. The programmatic model is well understood and mature in the browser, display and video ad markets but it is an emerging market for audio advertising.

To date, the slow pace of progress in programmatically integrating audio inventory applicable to the on-demand audio format, typically a video or dedicated audio ad, has been reflected in the lower than expected revenue ramp at Audioboom. Established media sales networks have found it challenging integrating with on-demand, as the volume of inventory required to create scale for media agencies has not been available. However the latest research in the USA (Edison and NPR) shows that 30% of all radio listening is now on-demand rather than linear broadcast or streamed and, as we have seen with newspapers and TV, when the consumers move to digital platforms then the media agencies and their advertisers follow. This shift is driving investment in programmatic integration technologies.

Audioboom believes that it is now well positioned to take advantage of the shift from broadcast advertising revenues to digital advertising revenues and revenue generation from programmatic ads is expected to ramp significantly in H2 of 2016.

Audioboom currently has two key advertising partnerships:

Audio platform - DAX Global, owners of Heart, Capital, Capital XTRA, Classic FM, Smooth, LBC, Radio X and Gold broadcasting to 24m listeners each week, who have developed an audio advertising platform integrated with demand side platforms and trading desks. Further platform partners are being sought.

Programmatic - Audioboom is working with four programmatic advertising exchanges - Wide Orbit, A2X, LiveRail and United Media.

Additionally, Audioboom is now starting the technical integration with some of the world's biggest media agencies such as Havas, OMD and WPP/Xaxis and the more of these the Company has, the greater the 'fill' capability, geographical reach and the bigger the opportunity to generate consistent and growing revenues.

## **Financial Results**

*The comparative numbers in the results cover an 11 month period to 30 November 2014 whereas the period under review is the 12 month period to 30 November 2015. This is due to changes to the accounting period end date brought about by the reverse acquisition of One Delta plc by Audioboom Limited in May 2014. The comparative numbers comprise those of Audioboom Limited (prior to the reverse acquisition) and Audioboom Group plc (subsequent to the acquisition).*

Revenue increased to £192,000 (2014: £51,000), resulting in an underlying operating loss, adjusted for the non-cash accounting treatment of share based payments, of £5.69m (2014: £2.12m). This reflects the ongoing costs of growing the business, prior to any significant advertising revenue ramp up, and increased marketing costs. It is important to note that revenue in the period was heavily back-ended with Q4 generating more than double the previous three quarters, as the pace of revenue growth picked up.

Net cash used in operating activities increased to £5.72m (2014: £2.38m) as the proceeds of an £8m placing in October 2014 were invested in developing the business. Cash management remains tight and a key focus within the business, particularly given the slower than originally anticipated growth in revenue. Cash-burn was reduced towards the year end as the Company reduced its marketing spend relating to the consumer products, website and apps, and the targeting of registered users, in line with its strategic focus on the B2B platform. This reduced cash burn continues and our net cash position is also being augmented by increasing revenue. Audioboom finished the year with cash reserves of £3.13m.

## **Team**

The expansion of our team has continued as planned. Staff numbers increased from 18 employees at the beginning of the year to 38 at the year end, reflecting our international expansion, increased technical development resources and the growth of our in-house content curation team.

Nick Candy was appointed as a non-executive Director in April 2015, having demonstrated his commitment and support as a significant shareholder in the business.

In May 2015, we appointed David McDonagh as Chief Financial Officer. He joined us from WideOrbit, a leader in premium broadcast technology and the largest sell-side processor of premium advertising in the world. WideOrbit is a key partner of Audioboom and David's background and contacts have accelerated our advertising capabilities from a technical stand point. As we progress into revenue generation, David's skills in strategic and operational financial management will be essential and I am very pleased to have him on the team.

In September 2015, Simon Cole stepped down as a non-executive Director. This followed the sale by 7Digital Group plc (of which Simon is the CEO) of its 10 per cent stake in the Company.

Since the year end, our management team has been strengthened with the appointment of a UK commercial director with significant experience in media and radio advertising sales. Given the importance of the US market, we have recently appointed a US commercial director who will start in April.

### **Post-period end events**

Since the year end, we have announced two significant new partnerships, which we expect to increase the reach and distribution of the content on our platform materially, which, in turn, should positively impact advertising revenue generation in the future:

#### ***Eros***

In January 2016, we announced the signing of a binding Heads of Terms with a subsidiary of Eros International Plc ("Eros"), a leading global company in the Indian film and entertainment industry, ErosNow, Eros' digital OTT platform. Eros will partner with Audioboom for its upcoming launch in India and ErosNow's 30 million registered mobile users will be equipped with access to exclusive Audioboom local and global on-demand content and podcasts in addition to other spoken-word content on the Audioboom platform. Eros will provide Audioboom with access to the very best of Bollywood acting talent for the creation and distribution of exclusive spoken-word audio content for the Indian market and beyond. Audioboom will be responsible for all audio content curation (music and spoken word), ad sales and ad campaign delivery within the audio section of the ErosNow mobile and web applications. Eros and Audioboom will operate an advertising revenue share arrangement.

#### ***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 will be available within the updated Google Play app, which was launched at the end of February 2016. 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.

### **Outlook**

I am pleased to report that the Company has made a promising start to 2016, as set out in the Group's Q1 trading update released today. The Board are confident of revenue growth throughout 2016, accelerating in 2017 and beyond.



Record quarterly listens of 105m announced today show the increase in quantity and quality of our content partners and the expanding reach and distribution of Audioboom's platform. 543 new content channels were added in the first three months of the new financial year, taking the total to over 7,400. Despite being a short month, February set a new monthly record for listens of almost 40m and the Board is very confident that this upward trend will continue and accelerate over time.

Our focus in 2016 is firmly on the USA and India, monetisation, improving our platform functionality and consolidating our position as a leading B2B advertising and digital audio content distribution company.

**Rob Proctor**  
**CEO**  
**7 March 2016**

## GLOSSARY 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.
- **DAX Global** - an audio advertising platform developed by Global and integrated with demand side platforms and trading desks.
- **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

	Notes	12 months to 30 November 2015 £'000	11 months to 30 November 2014 £'000
<b>Continuing operations</b>			
Revenue	2	192	51
Cost of sales		(510)	(7)
<b>Gross (loss)/profit</b>		<b>(318)</b>	<b>44</b>
Administrative expenses		(7,150)	(3,937)
<b>Adjusted operating loss</b>		<b>(5,687)</b>	<b>(2,117)</b>
- Share based payments	5	(1,781)	(413)
- Exceptional items - acquisition premium and costs		-	(1,363)
<b>Operating loss</b>		<b>(7,468)</b>	<b>(3,893)</b>
Finance income		47	19
<b>Loss before tax</b>		<b>(7,421)</b>	<b>(3,874)</b>
Taxation on continuing operations		146	48
<b>Loss for the financial period</b>		<b>(7,275)</b>	<b>(3,826)</b>
Attributable to			
Equity shareholders		(7,274)	(3,825)
Non-controlling interest		(1)	(1)
<b>Loss for the financial period</b>		<b>(7,275)</b>	<b>(3,826)</b>
<b>Other comprehensive income</b>			
Foreign currency translation difference		(23)	(20)
<b>Total comprehensive income for the period</b>		<b>(7,298)</b>	<b>(3,846)</b>
Loss per share			
from continuing operations			
Basic and diluted	4	(1.37) pence	(1.17) pence

**AUDIOBOOM GROUP PLC**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	As at 30 November 2015		As at 30 November 2014	
	£'000	£'000	£'000	£'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	-		1	
Property, plant and equipment	59		36	
		59		37
<b>Current Assets</b>				
Trade and other receivables	755		343	
Cash and cash equivalents	3,125		8,867	
		3,880		9,210
<b>TOTAL ASSETS</b>		<b>3,939</b>		<b>9,247</b>
<b>Current Liabilities</b>				
Trade and other payables		(547)		(379)
<b>NET CURRENT ASSETS</b>		<b>3,333</b>		<b>8,831</b>
<b>NET ASSETS</b>		<b>3,392</b>		<b>8,868</b>
<b>EQUITY</b>				
Share capital		-		-
Share premium		20,206		20,132
Issue cost reserve		(1,309)		(1,309)
Foreign exchange translation reserve		(49)		(26)
Reverse acquisition reserve		(2,159)		(2,159)
Retained earnings		(13,297)		(7,769)
<b>Equity attributable to owners of the Group</b>		<b>3,392</b>		<b>8,869</b>
Non-controlling interest		-		(1)
<b>TOTAL EQUITY</b>		<b>3,392</b>		<b>8,868</b>

**AUDIOBOOM GROUP PLC**

**CONSOLIDATED CASH FLOW STATEMENT**

	<b>12 months to 30 November 2015 £'000</b>	11 months to 30 November 2014 £'000
Loss from continuing operations	<b>(7,275)</b>	(3,826)
<b>Loss for the period</b>	<b>(7,275)</b>	(3,826)
Adjustments for:		
Taxation	<b>(146)</b>	(48)
Interest receivable	<b>(47)</b>	(19)
Amortisation of intangible assets	-	4
Adjustment on acquisition	-	1,291
Depreciation of fixed assets	<b>23</b>	8
Share based payments	<b>1,781</b>	428
Increase in trade and other receivables	<b>(412)</b>	(167)
Increase/(decrease) in trade and other payables	<b>147</b>	(74)
Foreign exchange loss/(gain)	<b>14</b>	(30)
<b>Cash flows from operating activities</b>	<b>(5,915)</b>	(2,433)
Taxation	<b>146</b>	48
Net interest receivable	<b>47</b>	3
<b>Net cash used in operating activities</b>	<b>(5,722)</b>	(2,382)
<b>Investing activities</b>		
Purchase of property, plant and equipment	<b>(45)</b>	(35)
Acquisition costs	-	(4)
Acquisition of subsidiary	-	3,229
<b>Net cash (used in)/generated from investing activities</b>	<b>(45)</b>	3,190
<b>Financing activities</b>		
Loan received	-	150
Proceeds from issue of ordinary share capital	<b>39</b>	7,898
<b>Net cash generated from financing activities</b>	<b>39</b>	8,048
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(5,728)</b>	8,856
Cash and cash equivalents beginning of period	<b>8,867</b>	22
Effect of foreign exchange rate changes	<b>(14)</b>	(11)
<b>Cash and cash equivalents at end of period</b>	<b>3,125</b>	8,867

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital £'000	Share premium £'000	Convertible loan £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
<b>At 1 January 2014</b>		38	2,888	691	18	(3,577)	58	-	58
Loss for the period		-	-	-	-	(3,825)	(3,825)	-	(3,825)
Acquisition of subsidiary		(38)	8,983	(691)	(3,015)	(706)	4,533	-	4,533
Issue of shares		-	8,120	-	(453)	-	7,667	-	7,667
Equity-settled share-based payments		-	141	-	-	339	480	-	480
Other comprehensive income		-	-	-	(44)	-	(44)	-	(44)
Adjustment arising from change in non-controlling interest		-	-	-	-	-	-	(1)	(1)
<b>At 30 November 2014</b>		-	20,132	-	(3,494)	(7,769)	8,869	(1)	8,868
Loss for the period		-	-	-	-	(7,274)	(7,274)	-	(7,274)
Issue of shares	5	-	39	-	-	-	39	-	39
Equity-settled share-based payments	5	-	35	-	-	1,746	1,781	-	1,781
Other comprehensive income		-	-	-	(23)	-	(23)	-	(23)
Adjustment arising from change in non-controlling interest		-	-	-	-	-	-	1	1
<b>At 30 November 2015</b>		-	20,206	-	(3,517)	(13,297)	3,392	-	3,392

## AUDIOBOOM GROUP PLC

### NOTES TO THE FINANCIAL STATEMENTS

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#### 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").

The Group prepares its consolidated financial statements in accordance with International Accounting Standards ("IAS") and International Financial Reporting Standards ("IFRS") as adopted by the EU. The financial statements have been prepared on the historical cost basis, except for the revaluation of financial instruments. The consolidated financial statements have been prepared in accordance with and in compliance with the Companies (Jersey) Law 1991 and were approved by the Board on 7 March 2016.

These results are audited, however the financial information set out in this announcement does not constitute the Group's statutory accounts for the year ended 30 November 2015, but is derived from the 2015 Annual Report. The auditors have reported on those accounts; their report was unqualified, however they included a reference to an emphasis of matter with regard to going concern.

The consolidated financial statements are for the twelve months to 30 November 2015. The comparative period provided in these financial statements is for the 11 months to 30 November 2014. This is due to the 31 December year end that had been used by Audioboom Limited, which was acquired by the Company during 2014. These comparative numbers reflect the financial performance of Audioboom Limited (prior to the acquisition) and Audioboom Group plc (subsequent to the acquisition).

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 statement and the reported amounts of revenue 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 accounting policies used in completing this financial information have been consistently applied in all periods shown.

#### **Going concern**

The financial statements at 30 November 2015 show that the Group generated an adjusted operating loss for the period of £5.69 million (2014: £2.12 million), with cash used in operating activities of £5.72 million (2014: £2.38 million) and a net decrease in cash and cash equivalents of £5.73 million in the year (2014: increase of £8.86 million). The Group balance sheet also showed cash reserves at 30 November 2015 of £3.13 million (2014: £8.87 million).

The Board has concluded that no matters have come to its attention which suggest that the Group will not be able to maintain its current terms of trade with customers and suppliers. The Board's December 2015 – November 2017 forecasts for the combined Group, including due consideration of the continued operating losses, projected increase in revenues and decreasing cash-burn of the Group, and taking account of reasonably possible changes in trading performance, indicate that the Group has sufficient cash available to continue in operational existence throughout the forecast period and beyond. The Board has considered various alternative operating strategies should these be necessary in the light of actual trading performance not matching the Group's forecasts and are satisfied that such revised operating strategies could be adopted, and/or additional financing could be secured, 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. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.



## 2. Revenue

	2015 £'000	2014 £'000
Subscription	26	22
Advertising	166	29
	<u>192</u>	<u>51</u>

### Geographical information

The Group's operations are located in the United Kingdom. The main assets of the Group, cash and cash equivalents, are held in Jersey.

The Group currently has two reportable revenue streams, however, the Directors consider that the Group operates as one segment and as such, there is no separation of income, expenditure and sections of the balance sheet for the purposes of segmental reporting.

The Group's revenue from external customers by geographical location is detailed below:

	2015 £'000	2014 £'000
United Kingdom	117	22
Europe	14	18
USA	61	11
	<u>192</u>	<u>51</u>

## 3. Staff costs

	2015 Number	2014 Number
Number of production, editorial and sales staff	7	4
Number of management and administrative staff	28	14
	<u>35</u>	<u>18</u>
	£'000	£'000
Wages and salaries	1,954	1,041
Social security costs	206	90
Pension	8	-
Share based payments	1,781	334
	<u>3,949</u>	<u>1,465</u>

#### 4. 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.

IAS 33 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 options. Therefore, as per IAS33:36 the antidilutive potential ordinary shares are disregarded in the calculation of diluted EPS.

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

	30 November 2015		
	Loss £'000	Weighted average number of shares Thousand	Per share amount Pence
<b>Basic and diluted EPS</b>			
Loss attributable to shareholders:	(7,274)	533,960	(1.37)
- Continuing and discontinued operations	<u>          </u>	<u>          </u>	<u>          </u>
			30 November 2014
	£'000	Thousand	Pence
<b>Basic and diluted EPS</b>			
Loss attributable to shareholders:	(3,825)	326,118	(1.17)
- Continuing and discontinued operations	<u>          </u>	<u>          </u>	<u>          </u>

#### 5. Share-based payments

	2015 £'000	2014 £'000
Share option charge	1,626	334
Equity-settled shares	35	79
Warrant charge	120	-
	<u>          </u>	<u>          </u>
	<b>1,781</b>	<b>413</b>
	<u>          </u>	<u>          </u>

The Company has share option schemes for employees of the Group. Details of the share options granted during the year are as follows:

	2015	Weighted Average Exercise Price (£)	2014	Weighted Average exercise Price (£)
	Number of Share options		Number of Share options	
Outstanding at beginning of period	32,235,865	0.015	-	-
Granted during the period	20,090,265	0.026	32,235,865	0.015
Forfeited during the period	(3,667,099)	0.015	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
	<u>48,659,031</u>		<u>32,235,865</u>	
Outstanding at end of period				
	<u>28,398,261</u>		<u>-</u>	
Exercisable at end of period				

The options outstanding at 30 November 2015 had a weighted average exercise price of 2.0p, and a weighted average remaining contractual life of 9 years.

Equity-settled shares relate to director fees. The total value of equity issued to directors during the year was £35,000.

The Group currently have outstanding share warrants for a total of 58,804,102 shares with weighted average exercise price of 8.6p. 22,732,602 of the warrants were exercisable at period end, and the balance will become exercisable within 1 year.

Total number of instruments over equity (including both share options and warrants) outstanding at period end was 107,463,133 of which 51,130,863 were exercisable.