3 May 2017

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

Full Year Results 2016

A period of record revenue growth and increased commercial focus in the US

Audioboom (AIM:BOOM), the leading spoken word audio on-demand platform, announces its final audited results for the 12 month period ended 30 November 2016.

Financial highlights

- Total revenue increased by £1.1m to £1.3m (2015: £0.2m)
- Adjusted EBITDA* improved by £1.1m to a loss of £4.6m (2015: loss of £5.7m)
- Net cash at 30 November 2016 was £0.7m (2015: £3.1m)
    - Subsequent placing and subscriptions in 2017 raised £4.5m (gross)

*Earnings Before Interest, Tax, Depreciation, Amortisation and share based payments

Operational highlights and KPIs

- FY16 Key Performance Indicators (‘KPIs’):
    - Unique users: 58.6m for the month of November 2016, compared to 29.1m for November 2015, an increase of over 100%
    - Total available advertising (‘ad’) impressions grew to a total of 242m in 2016, up from 44m in 2015, an increase of 450%
    - Total unique file requests (‘UFRs’) during 2016 were 430m (2015: 174m), an increase of 145%
    - Notable new content channel partners included NBC Universal, Spotify and Deezer
- Increased investment in the US and sales functions to accelerate growth:
    - Increased investment in sales staff in the US and UK
    - Reduced headcount in the UK by c. 35%
    - Restructured Australia and India
- Selected as a provider for Google Play in February 2016
- Won the Radio Academy Award for Best Digital Audio Service in October 2016

Post-period end highlights

- Q1 2017 revenues exceeded Q4 2016 revenue of £630,000, another quarterly record
    - Over £3 million of advertising campaigns now booked to occur during the 2017 financial year (inclusive of Q1 2017 revenues already generated)
- Q1 2017 available advertising impressions increased to 304m from 129m in Q4 2016
- Q1 2017 UFRs increased to 149m, another quarterly record
- Q1 2017 - content channels exceeded 10,000, including iHeartMedia, the largest radio and television outlet in the US, Up and Vanished, one of America's top podcasts, and Caixin, a large Chinese publisher
- In February 2017, the Company completed the acquisition of SONR News Limited ('SONR'), a Natural Language Processing ('NLP') and Artificial Intelligence ('AI') development company for approximately £1.42m, which will further improve the ability to match ads to users listening patterns
- By the end of April 2017, the Company had raised a further £4.5m (before expenses) for working capital, technical development and creative initiatives

Rob Proctor, CEO of Audioboom, said:

"Over 75 million people listened to a "Boom" last month, showing that we are building a digital media platform that continues to grow at a tremendous rate. We now have a global user base to generate revenue from the fastest growing sector of digital media – dedicated to the spoken word.

The podcasting industry is growing rapidly and Audioboom is well positioned to take advantage of this development, matching targeted advertising to audiences and creating engagement metrics far superior to traditional methods. These engagement metrics have already caught the attention of media agencies and brands which will drive our future growth.

Revenue generation has exceeded expectations for the year and we have invested in extra headcount to accelerate financial growth in 2017 with a strengthened balance sheet from the recent fundraising. The KPIs during the period broke all year-on-year records and I look forward to announcing Q2 2017 KPI's in early June, which we expect to reflect the continued, accelerated progress we are making in this exciting market."

Enquiries

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

Audioboom works with more than 4,400 broadcasters, content creators and podcasters around the world - including Cumulus, the BBC, NewsCorp, Associated Press, NBC Sports Radio, Undisclosed and Global - hosting more than 10,000 content channels.

Audioboom's hosting and distribution platform allows partners to embed, share via social channels and re-syndicate their content. Audioboom content receives over 50m unique file requests per month, and growing. Additionally, Audioboom works with its partners to monetise their audio via live in-reads, the dynamic insertion of pre, mid and post roll audio adverts, and video ads, which unlike most other forms of digital advertising cannot be prevented from being broadcast by ad blockers as it is part of the audio recording.

Chairman's Statement

In my statement last year, I reported that the Board and management's efforts in 2016 would be concentrated solely on revenue generation and that I was confident that our strategy and business model would deliver in the year, with revenues accelerating in 2017 and beyond. With that in mind, I am pleased to be able to report that revenues grew very strongly during the year. As Rob Proctor expands on further in his Chief Executive Officer's Review, all of our operational KPIs also recorded significant increases and, importantly, have continued to do so in the current year to date.

The focus for 2017 will remain on revenue growth, balanced with cost control, as the Company continues to target the milestone of becoming cash-flow positive on a monthly basis during the final quarter of 2018. The continued rapid growth in the podcasting industry and growing recognition by advertisers, particularly in the US, coupled with the Company's recent successful fundraise and strategic acquisition of SONR, positions Audioboom strongly to take advantage of the opportunities ahead.

During the year and subsequently, there were a number of changes to the Board. We welcomed Steven Smith as a new non-executive Director. Steven had attended a number of meetings as Nick Candy's alternate, and then joined the Board formally when Nick stepped down. David McDonagh also joined the Board having already served as CFO since 2015. Mike Cooper and Jason Mackay have also resigned and I would like to thank them, and Nick, for all their contributions and support while serving your Company.

We have also recently appointed a new NOMAD and broker and also changed our PR representation, and the Board looks forward to improved communication with shareholders as a result.

Following the recent successful placing and subscription, I would like to welcome new shareholders to the Company, as well as thanking existing holders for their continuing support.

Finally, as ever, I would like to thank the management team and all the staff at Audioboom for their commitment and hard work during the year. We could not have made the progress we have without their considerable efforts.

The Board and I look forward to updating shareholders on the Group's progress throughout the year and look forward to 2017 and beyond with renewed optimism.

Malcolm Wall
Chairman
2 May 2017

Chief Executive Officer's Review

Audioboom is one of the world's largest spoken word platforms and a digital online market place that matches advertisers and brands with targeted audiences that listen to digital spoken word content across different audio genres including, but not limited to, news, sport, current affairs, true crime and entertainment.

Each piece of audio provides an opportunity for the Company to place traditional audio or video advertisements ('ads') at the beginning, middle and end of the content ('pre, mid and post roll advertising'), as well as opportunities for "live host read" or "in read" advertising, and it is our vision to become the world's leading B2B advertising and digital audio content distribution company for both content creators and publishers.

Operational Review

In my last full year review, I highlighted that our strategy in 2016 would firmly be on monetisation of our platform in the US, improving the functionality of our technology and consolidating our position as a leading B2B advertising and digital spoken word content distribution company. I am delighted to report that 12 months on, the Company had a record-breaking year in terms of monetisation, financial results and operational progress across all our Key Performance Indicators ('KPIs'), whilst successfully refocussing our commercial efforts to the US, where the podcasting market is more mature and developed.

Unique Users

Unique users for the month of November 2016 totalled 58.6m, compared to 29.1m for November 2015, an increase of over 100%. This had increased to over 75m for April 2017. In terms of the breakdown by region, for April 2017 the US accounted for most traffic with 63% of unique users, with the UK accounting for 13% and the rest of the world with 24%.

Ad Impressions

Total available ad impressions grew to a total of 242m in 2016, up from 44m in 2015, an increase of 450%. In the first quarter of 2017, this upward trend continued with a total of 304m ad impressions available compared to 129m in Q4 2016, an increase in inventory of 136%.

Unique File Requests ('UFRs')

Total unique file requests during 2016 were 430m, compared to 174m in 2015, an increase of 145%. This trend has continued in Q1 2017 where the figure was 149m, a quarterly record, compared to 145m in Q4 2016***.***

Content Channels

The Company had a total of 9,527 content channels as at 30 November 2016, an increase of over 38% in the year (2015: 6,862). During the period, new partners included NBC Universal, Spotify, Univision, Saavn and Deezer. In Q1 2017, the Company reported it had passed the 10,000 content channels milestone, with notable new partners including iHeartMedia, the largest radio and television outlet in the US, Up and Vanished, one of America's top podcasts, and Caixin, a large Chinese publisher.

In aggregate, these content channels now represent one of the most complete distribution channels in our industry and we look forward to adding more this year.

Strategic Acquisition
Post period end, the Company completed the acquisition of SONR News Limited ("SONR") for approximately £1.42m, the consideration being satisfied by the issue of shares at 2.5p per share. The acquisition was primarily focussed on acquiring and integrating SONR's engineering and Natural Language Processing teams and its Artificial Intelligence algorithms, which will further improve our ability to match ads to listeners across our programmatic ad platforms.

The Board is pleased that early integration is in-line with expectations and remains convinced that the acquisition of SONR has the potential to accelerate the Company's speed to market for an industry leading ad-serving platform.

Financial Review
Record sales growth during the period saw revenue increase 585% to £1.3m for the 12 months to 30 November 2016 from £0.2m in the equivalent period in 2015. The growth in revenues has continued with Q1 2017 revenues exceeding Q4 2016 revenue of £630,000, and currently over £3m of advertising campaigns are booked to occur during the 2017 financial year (inclusive of Q1 2017 revenues already generated).

Adjusted EBITDA ('Earnings before Interest, Tax, Depreciation, Amortisation and share based payments') recorded an improvement of £1.1m to a loss of £4.6m from £5.7m in the equivalent period in 2015, despite a 105% increase in direct costs driven by the strategic decision to increase investment in the US to accelerate overall revenue growth.

Overheads for the period were carefully managed with the costs of additional sales personnel and the relocation into new specialist premises with a dedicated studio in the US being largely offset by a 35% reduction in headcount in the UK.

Hosting costs continue to reduce per byte for the Company as our volumes continue to increase. These economies of scale will also be amplified through integration with Wide Orbit, BTR and Amazon Web Services.

Marketing costs reduced by 59% during the period, which reflected the decreasing spend on promoting the Audioboom mobile app on Android and iOS as demand for our content shifted from the app to third-party websites.

It has become apparent to the Company that end users are now beginning to discover content for themselves across various social media platforms such as Twitter and Facebook and proactively seek audio content from other online destinations of interest.

Audioboom has therefore become platform agnostic, as it is irrelevant to the Company where the content is distributed (the Audioboom technology can be embedded into any third-party website or app), or how it is consumed (on a mobile device, PC, in the car, or on a tablet or smart television) as the Company generates revenue as the listener consumes spoken word content with pre, mid and post roll advertising.

Overall, the cash outflow from operating activities reduced to £4.7m for the period (2015: £5.9m) and net cash at the period end was £0.7m. Post period end, the Company completed a successful placing and subscription, raising a total of £4.5m (before expenses) for working capital, technical development and creative initiatives. The Board was very pleased to receive the continued support of a number of existing shareholders and also to welcome material investment from new institutional and VCT fund investors.

In addition, a convertible loan note was issued post period end to Candy Ventures SARL. The drawndown sum of £800,000, plus associated interest, was converted into ordinary shares in the Company in conjunction with the placing and subscription.

The financial results shown above illustrate that the drive to increase revenues whilst maintaining strong cost management is working and should deliver significant shareholder value as the Company continues its journey towards being cash-flow positive, with the Board targeting the Company achieving this milestone on a monthly basis during the final quarter of 2018. This strategy was further validated by the support for the equity raise highlighted above.

Outlook

We have made significant progress during the year, both in terms of operational development and revenue generation, whilst controlling direct costs and investing in sales personnel across our key markets.

KPIs during the first quarter of 2017 show significant further progress, recording year-on-year records with increased content partners, UFR's and greater buy-in from media agencies in the USA, UK and Australia.

During the rest of 2017, we expect to see the investments made in 2016, particularly in the US where the podcast industry is more mature and developed, begin to gain further traction and accelerate revenues further.

I look forward to announcing Q2 2017 KPI's in early June, which we expect to reflect the continued, accelerated progress we are making in this exciting market

Rob Proctor
2 May 2017

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	2016 £'000	2015 £'000
Continuing operations			
Revenue	2	1,312	192
Cost of sales		(1,046)	(510)
Gross profit/(loss)		266	(318)
Administrative expenses		(5,140)	(7,150)
Adjusted operating loss		(4,598)	(5,687)
- Share based payments	6	(276)	(1,781)
Operating loss		(4,874)	(7,468)
Finance income		5	47
Loss before tax		(4,869)	(7,421)
Taxation on continuing operations		97	146
Loss for the financial year		(4,772)	(7,275)
Attributable to			
Equity shareholders		(4,772)	(7,274)
Non-controlling interest		-	(1)
Loss for the financial year		(4,772)	(7,275)
Other comprehensive income			
Foreign currency translation difference		45	(23)
Total comprehensive income for the year		(4,727)	(7,298)
Loss per share from continuing operations Basic and diluted	4	(0.88) pence	(1.37) pence

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2016

	Notes	2016 £'000	2016 £'000	2015 £'000	2015 £'000
ASSETS					
Non-current assets					
Intangible assets		-		-	
Property, plant and equipment		54		59	
			54		59
Current Assets					
Trade and other receivables		1,532		755	
Cash and cash equivalents		687		3,125	
			2,219		3,880
TOTAL ASSETS			2,273		3,939
Current Liabilities					
Trade and other payables			(943)		(547)
NET CURRENT ASSETS			1,276		3,333
NET ASSETS			1,330		3,392
EQUITY					
Share capital	5		-		-
Share premium	5		22,595		20,206
Issue cost reserve			(1,309)		(1,309)
Foreign exchange translation reserve			(4)		(49)
Reverse acquisition reserve			(2,159)		(2,159)
Retained earnings			(17,793)		(13,297)
TOTAL EQUITY			1,330		3,392

AUDIOBOOM GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2016

	2016	**2015**
	£'000	**£'000**
Loss from continuing operations	(4,772)	(7,275)
Loss for the year	(4,772)	(7,275)
Adjustments for:		
Taxation	(97)	(146)
Interest receivable	(5)	(47)
Depreciation of fixed assets	28	23
Share based payments	276	1,781
Increase in trade and other receivables	(818)	(412)
Increase in trade and other payables	690	147
Foreign exchange loss	2	14
Cash flows from operating activities	(4,698)	(5,915)
Taxation	98	146
Net interest receivable	3	47
Net cash used in operating activities	(4,597)	(5,722)
Investing activities		
Purchase of property, plant and equipment	(27)	(45)
Loss on disposal of property, plant and equipment	4	-
Net cash generated from/(used in) investing activities	(23)	(45)
Financing activities		
Loans given	(239)	-
Proceeds from issue of ordinary share capital	2,389	39
Net cash generated from financing activities	2,150	39
Net increase/(decrease) in cash and cash equivalents	(2,470)	(5,728)
Cash and cash equivalents beginning of year	3,125	8,867
Effect of foreign exchange rate changes	32	(14)
Cash and cash equivalents at end of year	687	3,125

AUDIOBOOM GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2016

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total £'000	Non-controlling interest £'000	Total equity £'000
At 30 November 2014	-	20,132	(3,494)	(7,769)	8,869	(1)	8,868
Loss for the year	-	-	-	(7,274)	(7,274)	-	(7,274)
Issue of shares	-	39	-	-	39	-	39
Equity-settled share-based payments	-	35	-	1,746	1,781	-	1,781
Other comprehensive income	-	-	(23)	-	(23)	-	(23)
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 year	-	-	-	(4,772)	(4,772)	-	(4,772)
Issue of shares	-	2,217	-	-	2,217	-	2,217
Equity-settled share-based payments	-	172	-	276	448	-	448
Other	-	-	-	-	-	-	-
comprehensive income	-	-	45	--	45	-	45
At 30 November 2016	-	22,595	(3,472)	(17,793)	1,330	-	1,330

Share premium represents the consideration paid for shares in excess of par value, less directly attributable costs.

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 2 May 2017.

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 2016, but is derived from the 2016 Annual Report. The auditors have reported on those accounts; their report was unqualified.

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 year. 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 2016 show that the Group generated an adjusted operating loss for the year of £4.60 million (2015: £5.69 million), with cash used in operating activities of £4.60 million (2015: £5.72 million) and a net decrease in cash and cash equivalents of £2.47 million in the year (2015: decrease of £5.73 million). The Group balance sheet also showed cash reserves at 30 November 2016 of £0.69 million (2015: £3.13 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 2016 – November 2019 forecasts for the combined Group, including due consideration of the proceeds of the £4.5m fund raise undertaken in April 2017, the continued operating losses, the 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 next 12 months 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, when necessary. Therefore, the Board believes that the Group is well placed to manage its business risks, and longer term strategic objectives, and conclude they can continue to adopt the going concern basis in preparing the annual report and accounts.

2. REVENUE

	2016 £'000	2015 £'000
Subscription	23	26
Advertising	1,289	166
	1,312	192

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:

	2016 £'000	2015 £'000
United Kingdom	424	117
Rest of World	-	14
USA	888	61
	1,312	192

The Group invoiced 52% of its income to 4 customers each of whom represented more than 10% of the reported revenues.

The Group currently has four geographic locations, however, the Directors consider that the Group recognises revenues and costs for the other regions in the UK. As such, there is no separation of income, expenditure and sections of the balance sheet for the purposes of segmental reporting.

3. STAFF COSTS

	2016 Number	2015 Number
Number of production, editorial and sales staff	20	7
Number of management and administrative staff	24	28
	44	35
	£'000	**£'000**
Wages and salaries	2,772	1,954
Social security costs	213	206
Pension	48	8
Share based payments	276	1,781
	3,309	3,949

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 year.

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 anti-dilutive 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 2016		
	Loss	**Weighted average number of shares**	**Per share amount**
	£'000	**Thousand**	**Pence**
Basic and diluted EPS			
Loss attributable to shareholders:	(4,772)	563,351	(0.88)
- Continuing and discontinued operations			

	30 November 2015		
	£'000	**Thousand**	**Pence**
Basic and diluted EPS			
Loss attributable to shareholders:			
- Continuing and discontinued operations	(7,274)	533,960	(1.37)

5. STATED CAPITAL ACCOUNT

	No. of Shares No.	Share Capital £	Share premium £
At 30 November 2014	532,734,557	-	20,132,424
Shares issued in the year			
Shares issued at 1.5p each	2,615,782	-	39,237
Shares issued at 12.5p each	280,000	-	35,000
At 30 November 2015	**535,630,339**	**-**	**20,206,661**
Shares issued in the year			
Shares issued at 1.5p each	191,339	-	2,870
Shares issued at 2.5p each	102,200,000	-	2,385,860
At 30 November 2016	**638,021,678**	**-**	**22,595,391**

There is no authorised share capital and all shares rank *pari passu*. All issued share capital is fully paid up. All ordinary shares have nil par value.

During the year, a total of 102,504 warrants and 88,835 options to subscribe for ordinary shares were exercised with an exercise price of 1.5p per share. 102,200,000 shares were issued at 2.5p pursuant to a placing and subscription in August 2016. The gross funds were £2,555,000. Net funds were £2,385,860, which represents the consideration paid for shares in excess of par value, less directly attributable costs of £169,140.

6. SHARE-BASED PAYMENTS

	2016 £'000	2015 £'000
Share option charge	276	1,626
Equity-settled shares	-	35
Warrant charge	172	120
	448	1,781

Share based payments of £172,000 (2015: £35,000) were recognised in the share premium account.

Equity-settled shares relate to director fees. The total value of equity issued to directors during the year was £nil (2015: £35,000).

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

	2016		2015	
	Number of Share options	Weighted Average Exercise Price (£)	Number of Share options	Weighted Average exercise Price (£)
Outstanding at beginning of year	48,659,031	0.020	32,235,865	0.015
Granted during the year	24,036,029	0.031	20,090,265	0.026
Forfeited/lapsed during the year	(5,895,806)	0.057	(3,667,099)	0.015
Exercised during the year	(88,835)	0.015	-	-
Outstanding at end of year	66,710,419	0.021	48,659,031	0.020
Exercisable at end of year	34,479,204		28,398,261	

The options outstanding at 30 November 2016 had a weighted average exercise price of 2.1p, and a weighted average remaining contractual life of 9 years.

At the year end, the Group had in issue outstanding share warrants for a total of 58,702,048 shares with a weighted average exercise price of 6.5p. 48,702,048 of the warrants were exercisable at year end, and the balance will become exercisable subject to performance conditions.

The value ascribed to warrants is based on the Directors' assessment of the fair value of the consideration of services provided to the Group by those to whom warrants have been granted. This valuation has been made by reference to similar services by other suppliers.

Total number of instruments over equity (including both share options and warrants) outstanding at year end was 125,501,300 of which 83,181,252 were exercisable.