20 July 2017

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

Half Yearly Report

AudioBoom (AIM: BOOM), the leading spoken word audio on-demand platform, announces its unaudited half yearly results for the six months ended 31 May 2017.

H1 2017 Highlights and Financials

- Revenue increased by 460% to £1,843,000 (H1 2016: £329,000), ahead of the previous trading update in respect of H1 announced on 7 June 2017
- Completed the acquisition of SONR News Limited ("SONR"), a natural language processing and artificial intelligence development company for approximately £1.43 million in February 2017
- Integrated programmatic advertising back-end systems with media and advertising agencies, ad networks and demand side platforms ("DSPs"), such as:
    - Starcom; Blue 449; Zenith; Adswizz; BlogTalkRadio; TargetSpot; AdWave; Comcast; TradeDesk; AppNexus and MediaMath
- Programmatic advertising accounted for c.5% of total revenue during the period
    - This is expected to rise significantly going forward given the completed technical integrations
- 'In-read', or 'host-read', advertising accounted for majority of balance of revenue and continues to deliver impressive growth
- AudioBoom successfully launched its own schedule of higher gross margin, original content under the brand name Audioboom Originals Network ('AON')
    - The Company now has an extensive and valuable slate of original content in production and planning for the remainder of 2017 and planning for 2018 is well underway
    - Notable AON podcasts include; *Hip Hop Saved My Life*, *The 45th* and the newly launched *It's Happening with Snooki & Joey* which debuted at number 2 in the iTunes podcast charts
- Re-signed one of the world's largest podcasts: *Undisclosed*, created by the lawyers for Adnan Syed, from Serial. Significantly, *Undisclosed* is to be re-branded as a AON production
- Raised approximately £5.3 million (before expenses) to support technology investment, content acquisition and working capital for the Group during a period of significant growth
- Net cash, as at 31 May 2017, of £3.25 million
- Continued growth post period end and trading in line with market expectations for the year – currently over £4m in bookings and billings for 2017 as a whole (inclusive of H1 revenues already booked)

Key Performance Indicators ("KPIs")

- Total H1 2017 unique file requests of 325 million (H2 2016: 247 million*)
- Monthly unique users in May 2017 of 81 million, compared to 34 million for May 2016
- Total H1 2017 available ad impressions of 789 million (H2 2016: 188 million*)
- Content partner channels increased to 11,843 (H1 2016: 8,115)
- Audioboom's 'Brand Advertiser' count has now grown to 106, significantly ahead of our last trading update in June 2017

*H1 2016 comparable data not available as new KPI metric for H2 2016

Post period highlights

- Monthly subscription service costing US$9.99 launched for smaller podcast creators and/or those whose content does not carry advertising
- Independently commissioned research published by Edison highlights the growing size and profitability of the global podcasting market

- A survey of more than 8,000 listeners by AudioBoom revealed that the average listener aged between 25 and 44 is listening to podcasts for an average of two hours a day

Rob Proctor, CEO of AudioBoom, said: "I am delighted to report that H1 has been a period of rapidly improving financial results and KPIs and that the Group has continued its accelerated growth post period end. We are now delivering on our potential and are well positioned to lead our emerging industry on the international stage with a strong balance sheet to fund the business through to profitability."

"Audioboom has focused on its original content production during this period, which is vitally important as we look to create our own IP and increase our overall gross margins. Additionally, we have placed emphasis on our ability to deliver programmatic advertising campaigns which, given PWC's latest industry report showing a sharp rise in programmatic audio revenues, means that we are once again ahead of the curve and well positioned for future growth."

"I believe that our overall strategy of content acquisition, content creation and media sales is being further validated by the rapid rise in voice activated, hands free, screen free, internet search requests via digital home assistants, such as Amazon Echo and Microsoft's Cortana. ComScore estimates that 50% of all internet search requests are going to be voice activated by 2020 and logically, if the search request doesn't have a screen or a keyboard, then the results and associated content must be delivered back to the user in audio. Given AudioBoom's ever expanding list of content partners and content library, combined with our natural language processing insights, we are ideally placed to be a leading player in this next evolution of the internet".

Audioboom Group plc	
Rob Proctor, Chief Executive Officer	**Tel: +44(0)20 7403 6688**
Allenby Capital Limited (Nominated adviser and broker)	**Tel: +44(0)20 3328 5656**
David Hart / James Thomas / Asha Chotai	
Walbrook PR Limited (PR & IR Advisers)	**Tel: +44(0)20 7933 8780**
Paul Cornelius / Sam Allen	**or audioboom@walbrookpr.com**

About AudioBoom

AudioBoom is a global podcasting platform that consolidates the business of on-demand audio, making content accessible, wide-reaching and profitable for podcasters, advertisers and brands. AudioBoom addresses the issue of disparate podcast services by putting all of the pieces of the puzzle together under one umbrella, creating a user-friendly, economical experience. AudioBoom helps content creators share their content via iTunes, iHeartRadio, Google Play, Saavn, Spotify, Stitcher, Facebook and Twitter, as well as their own websites and mobile apps.

AudioBoom hosts almost 12,000 channels, with key ones including the Associated Press, Trinity Mirror Group, BBC, celebrities such as Russell Brand, and more.

Top podcasts include *Athletico Mince, News Roast, No Such Thing As A Fish,* and *Untold: The Murder of Daniel Morgan*. AudioBoom receives over 60 million unique file requests per month and is the only end-to-end podcasting platform that also operates internationally, with operations across the US, Europe, Asia, Australia and Latin America.

For more information for podcasters, advertisers and listeners, visit audioboom.com.

Chief Executive's Report

During the period under review, AudioBoom has been busy broadening and acquiring its audience, making original audio content and selling advertising.

This has resulted in the Company delivering on expectations both in terms of KPIs and revenue growth quarter on quarter. 'In-read', or 'host-read', advertising sales remain strong and an important indicator for future profitable growth as the Company earns significantly more revenue per in-read advert than from programmatic advertising.

While the Company's focus has been on revenue generation, the senior management team is aware of the need to have the technology and resources to both lead and react to industry dynamics, especially around advertising formats and delivery mechanisms. The Company has therefore invested in research and development to make sure the Company is well positioned going forward, illustrated by the acquisition of SONR.

Financial Results

The Company's strong performance for the first quarter of the year continued in the second quarter resulting in revenue for the six months ended 31 May 2017 of £1,843,000, ahead of the previous trading update and representing an increase of 460% over the comparable period in 2016 (H1 2016: £329,000).

The Company produced an adjusted EBITDA* loss of £2.6m (H1 2016: £2.2m), and net cash used in operating activities also increased to £2.6m (H1 2016: £2.2m), reflecting the additional investment in technology and content acquisition which was enabled by the successful fundraising in March 2017. Cash management remains a key focus within the business. AudioBoom finished the period with cash reserves of £3.25m. The monthly cash-burn is expected to decrease through the remainder of 2017 as the growth in revenue continues.

*earnings before interest, tax, depreciation and amortisation, adjusted for the costs of acquisition of SONR and non-cash accounting treatment of share based payments

Operational Review

Programmatic advertising integrations

Programmatic advertising generally refers to a number of technologies that automate the planning, selling, buying and optimisation of advertising inventory using audience data, thus making ad spend more targeted and effective. Programmatic buying and selling refers to any ad buy processed via a computerised interaction, as opposed to manual or partially automated processes.

The programmatic landscape is moving fast, and a key question for marketers today is how exactly their brands keep abreast of new platforms for programmatic advertising placement, evolving technology to purchase and place adverts, and the changing roles of agencies. Large quantities of data on brand attributes, audience, ratings and other metrics could potentially be incorporated into sophisticated formulas for ad placement on both the buy and sell side.

During the period, to help facilitate this automated advertising process, AudioBoom acquired SONR, which has not only provided key natural language processing algorithms, but has also enhanced our overall advertising development capabilities. This acquisition has allowed AudioBoom to accelerate its programmatic advertising integrations with media and advertising agencies, ad networks and DSPs, such as; Starcom, Blue 449, Zenith, Adswizz, BlogTalkRadio, TargetSpot, AdWave, Comcast, TradeDesk, AppNexus and MediaMath. DSPs collaborate with AudioBoom's back end systems and take real-world signals like voice and audio that have been digitised and then mathematically manipulate them so that ad campaigns can be measured, monetised, targeted and optimised.

The proportion of ad revenue generated in this way currently accounts for approximately 5% of total revenue, although this is expected to increase with the integration of the DSPs.

The AudioBoom Originals Network – the Netflix model for audio

AudioBoom successfully launched its own schedule of original content under the brand name Audioboom Originals Network ("AON"). Notable AON podcasts include; *Hip Hop Saved My Life*, a comedy podcast about hip hop presented by award winning comedian Romesh Ranganathan, and *The 45th*, a weekly dissection of policy and spectacle under the Trump Administration with guests and perspectives from across the political spectrum.

AudioBoom has also re-signed one of the world's largest podcasts: *Undisclosed*, a programme that investigates wrongful convictions within the U.S. criminal justice system, which will significantly be re-branded as an AON production.

The Company now has an extensive and valuable slate of original content in production for the remainder of 2017 and expects to announce positive newsflow from these programmes throughout the remainder of the financial year with a specific mention of this season's *It's Happening with Snooki and Joey*, which we anticipate will be a 'blockbuster' podcast.

AudioBoom continued its audience and content acquisition strategy during the period, which included adding the *Drinks Champs* podcast to its inventory. This podcast is currently achieving more than 500,000 listens per episode and the new true crime podcast, *Unconcluded*, a podcast about true crime investigations, which already reaches 100,000 listens per episode.

Independently commissioned research into listening trends in the UK and USA

As previously announced in June 2017, podcasts are fast becoming the spoken-word choice for younger people, enabling big brands and advertisers to target a thriving audience.

A survey of more than 8,000 listeners by AudioBoom revealed in June 2017 that the average listener aged between 25 and 44 is listening to podcasts for an average of two hours a day.

Independent research by Edison also revealed that podcasts were drawing audiences away from traditional radio with 68% admitting they were listening to radio less as a result of listening to podcasts, and 81% listening to podcasts via their smartphone.

These figures provide the Company with 'real world' insight into how listeners are increasingly turning away from radio and towards podcasting to get their audio content. This is a group who have grown up tied to their smartphones and podcasting caters to the on-demand and on-the-move generation of listeners. Importantly for advertisers, an overwhelming 93% of responders said that when they downloaded a podcast, they listened to it all the way through.

Monthly subscription service for podcast creators

During the period, AudioBoom launched its own premium podcast subscription service, which allows content creators to publish without pre, mid and post roll advertising built into the audio file. While in the very early stages of the rollout process, the subscription service is already achieving over a 50% conversion rate from the free trial to those end users who become fully paid up subscribers. The remaining six months of 2017 will see the completion of the subscription service implementation and the Company looks forward to reporting on its progress in its full year results announcement.

The subscription service costs US$9.99 per month and will apply to all existing podcast creators on the AudioBoom platform achieving fewer than 10,000 listens per month. The US$9.99 subscription service was also introduced for existing podcast creators on the AudioBoom platform achieving in excess of 10,000 listens per month but which do not want advertising linked to their podcasts.

New podcast creators joining the platform are now given the option to go 'ad-supported' if they already have more than the 10,000 listeners on their RSS feeds or they can choose the US$9.99 per month package if they are new to podcasting and are looking to grow an audience. Once the podcaster is achieving more than 10,000 listens per month, they will automatically be sent an invitation to move on to AudioBoom's 'ad-supported' plan and start generating revenues for themselves.

Outlook

Overall, I am delighted to report a period of rapidly improving KPIs and financial results and can confirm accelerated growth post the period end. We are now well positioned within our industry to grow on the international stage with a strong balance sheet to fund the Group through to profitability. I look forward to updating the market with further announcements in due course.

Rob Proctor
Chief Executive Officer

Audioboom Group plc
Consolidated statement of comprehensive income

	Notes	Unaudited 6 months to 31 May 2017	Unaudited 6 months to 31 May 2016	Audited 12 months to 30 Nov 2016
		£'000	£'000	£'000
Continuing operations				
Revenue		**1,843**	329	1,312
Cost of sales		**(1,346)**	(328)	(1,046)
Gross profit		**497**	1	266
Administrative expenses		**(3,431)**	(2,557)	(5,140)
Adjusted operating loss		**(2,634)**	(2,187)	(4,598)
- Costs of acquisition		**(118)**	-	-
- Amortisation of intangible assets		**(134)**	-	-
- Share based payments		**(48)**	(339)	(276)
Operating loss		**(2,934)**	(2,556)	(4,874)
Interest		**1**	4	5
Loss before tax		**(2,933)**	(2,552)	(4,869)
Taxation on continuing operations		**22**	-	79
Loss for the financial period		**(2,911)**	(2,552)	(4,772)
Other comprehensive income				
Foreign currency translation difference		**(165)**	(59)	45
Total comprehensive income for the period		**(3,076)**	(2,611)	(4,727)
Loss per share (pence)				
From continuing operations				
Basic and diluted	2	**(0.39)**	**(0.48)**	**(0.88)**

Audioboom Group plc
Consolidated statement of financial position

	Notes	**Unaudited as at 31 May 2017**	Unaudited as at 31 May 2016	Audited as at 30 Nov 2016
		£'000	£'000	£'000
Assets				
Non-current assets				
Intangible assets	5	**2,123**	-	-
Property, plant and equipment		**126**	52	54
		2,249	52	54
Current assets				
Trade and other receivables	6	**1,682**	831	1,532
Cash and cash equivalents		**3,245**	931	687
		4,927	1,762	2,219
Total assets		**7,176**	1,814	2,273
Current liabilities				
Trade and other payables	7	**(1,866)**	(662)	(943)
Deferred taxation		**(317)**	-	-
		(2,183)	(662)	(943)
Net current assets		**2,744**	1,100	1,276
Net assets		**4,993**	1,152	1,330
Equity				
Share capital		**-**	**-**	-
Share premium	3	**29,278**	20,208	22,595
Issue cost reserve		**(1,309)**	(1,309)	(1,309)
Foreign exchange translation reserve		**(170)**	(108)	(4)
Reverse acquisition reserve		**(2,159)**	(2,159)	(2,159)
Retained earnings		**(20,647)**	(15,480)	(17,793)
Total equity		**4,993**	1,152	1,330

Audioboom Group plc
Consolidated cash flow statement

	Unaudited six months to 31 May 2017 £'000	Unaudited six months to 31 May 2016 £'000	Audited 12 months to 30 Nov 2016 £'000
Loss from continuing operations	(2,911)	(2,552)	(4,772)
Loss for the period	**(2,911)**	(2,552)	(4,772)
Adjustments for:			
Taxation	(22)	-	(97)
Interest	(1)	(4)	(5)
(Gain)/Loss on sale of fixed assets	(1)	-	4
Depreciation of fixed assets	9	13	28
Amortisation of intangible assets	134	-	-
Share based payments	48	369	276
Increase in trade and other receivables	(191)	(142)	(818)
Increase in trade and other payables	309	181	690
Foreign exchange gain	(1)	(61)	-
Cash flows from operating activities	**(2,627)**	(2,195)	(4,694)
Taxation	**-**	-	96
Net interest	-	4	5
Net cash used in operating activities	**(2,627)**	(2,191)	(4,593)
Investing activities			
Purchase of property, plant and equipment	(71)	(6)	(27)
Net cash used in investing activities	**(71)**	(6)	(27)
Financing activities			
Loans given	-	-	(239)
Proceeds from issue of convertible loan instrument	800	-	-
Proceeds from issue of ordinary share capital	4,458	2	2,389
Net cash generated from financing activities	**5,258**	2	2,150
Net increase/(decrease) in cash and cash equivalents	**2,560**	(2,195)	(2,470)
Cash and cash equivalents at beginning of period	**687**	3,125	3,125
Effect of foreign exchange rate changes	(2)	1	32
Cash and cash equivalents at end of period	**3,245**	931	687

Audioboom Group plc
Consolidated statement of changes in equity

	Share premium	Other reserves	Retained earnings	**Total equity**
	£'000	£'000	£'000	**£'000**
At 30 November 2015	20,206	(3,517)	(13,297)	**3,392**
Loss for the period	-	-	(2,552)	**(2,552)**
Issue of shares	2	-	-	**2**
Equity-settled share-based payments	-	-	369	**369**
Other comprehensive income	-	59	-	**59**
At 31 May 2016	20,208	(3,576)	(15,480)	**1,152**
Loss for the period	-	-	(2,220)	**(2,220)**
Issue of shares	2,215	-	-	**2,215**
Equity-settled share-based payments	172	-	(93)	**79**
Other comprehensive income	-	104	-	**104**
At 30 November 2016	22,595	(3,472)	(17,793)	**1,330**
Loss for the period	-	-	(2,911)	**(2,911)**
Issue of shares	6,683	-	-	**6,683**
Equity-settled share-based payments	-	-	48	**48**
Other comprehensive income	-	(166)	-	**(166)**
Other movements			9	**9**
At 31 May 2017	29,278	(3,638)	(20,647)	**4,993**

Audioboom Group plc
Notes to the financial statements

1. General information and basis of preparation

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

These consolidated interim financial statements, which are unaudited, have been approved by the Board of Directors on 19 July 2017. 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 2017, 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 2016.

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

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

Going concern

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

2. Loss per share

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

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

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

		31-May-17	
	Loss	Weighted average number of shares	Per share amount
Basic and Diluted EPS	£'000	Thousand	Pence
Loss attributable to shareholders:			
- Continuing and discontinued operations	(2,911)	744,445	(0.39)

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

		30-Nov-16	
	Loss	Weighted average number of shares	Per share amount
Basic and Diluted EPS	£'000	Thousand	Pence
Loss attributable to shareholders:			
- Continuing and discontinued operations	(4,772)	563,351	(0.88)

3. Share Capital

Issued and fully paid – ordinary shares of no par value

At 30 November 2016	638,021,678
At 31 May 2017	930,649,854

During the period a total of 15,076,262 new ordinary shares were issued at 1.5p per share as a result of the exercise of warrants.

On 23 March, 7 April and 12 April 2017, 51,360,000, 108,640,000 and 20,000,000 new ordinary shares (respectively) were issued at 2.5p per share pursuant to a placing and subscription.

On 7 April 2017, 40,613,698 new ordinary shares were issued at 2p per share as a result of the conversion of a convertible loan instrument.

On 6 February, 2 March and 13 April 2017, 53,165,598, 1,828,913 and 1,943,705 new ordinary shares (respectively) were issued as consideration for the acquisition of SONR News Limited ("SONR") at 2.5 p per share.

The total number of instruments over equity (including both share options and warrants) outstanding at the period end was 107,821,233.

4. Acquisition during the period

On 1 February 2017, the Group acquired 93.4% of the ordinary shares in SONR. The consideration paid on completion was £1,329,140 in shares and prior to completion the Group had provided £367,795 via loans to SONR, which were subsequently written off. The Group subsequently acquired the remaining share capital for £94,315 and now holds 100% of SONR. This investment has been included in the Group's balance sheet at its fair value at the date of acquisition. SONR specialises in the development of natural language programming and artificial intelligence software.

The assets and liabilities of SONR were as follows:

	£'000s
Tangible fixed assets	10
Stock	-
Debtors	-
Cash at bank	13
Creditors	(131)
Book value of assets acquired	(108)
Intangible assets identified	2,016
Fair value of assets acquired	1,908

The acquisition costs of £118,000 have been written off as overheads in the financial period ended 31 May 2017.

5. Intangible assets

Cost	Intellectual property (£'000s)	Goodwill (£'000s)	Total (£'000s)
Arising on acquisition	2,016	241	2,257
Carried forward at 31 May 2017	2,016	241	2,257
Amortisation charged in the period	134	-	134
Carried forward at 31 May 2017	134	-	134
Net book value 31 May 2017	**1,882**	**241**	**2,123**

6. Trade and other receivables

The trade and other receivables at the end of the period comprised £1,194,000 relating to trade debtors and accrued sales income, £178,000 relating to office rental deposits and £310,000 relating to prepaid expenses including content and marketing actions.

7. Trade and other payables

The trade and other payables at the end of the period comprised £1,384,000 relating to trade payables and accrued content partner costs. The Company currently accrues all costs based on contract terms. Due to a minimum payable value, some partners have not attained the threshold level to receive a payment. Other payables of £482,000 relate to accrued costs for hosting, salary costs and professional services.