8 June 2018

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

Full Year Results 2017

Audioboom (AIM: BOOM), the leading spoken word audio on-demand platform, announces its final audited results for the 12-month period ended 30 November 2017.

Financial highlights

- Total revenue increased 260% to £4.7m (2016: £1.3m)
- Adjusted EBITDA* loss of £4.4m (2016: loss of £4.6m)
- Net cash at 30 November 2017 was £0.7m (2016: £0.7m)
  - Post-period end issue of £1.5m of convertible loan notes
  - Announced today conditional placing and subscription to raise £4.5m for working capital, further podcast content acquisition and to fund new growth opportunities

*Earnings before interest, tax, depreciation, amortisation, share based payments and one-off transactional and legal costs

Operational highlights and KPIs

- During the year, the Company completed its transformation from a free-to-use product to a subscription and advertising supported platform with the introduction of its subscription service, allowing the Company to focus on high performing content and reduce the number of smaller, uneconomical podcasts
- FY17 Key Performance Indicators ('KPIs') all delivered significant growth:
  - Unique users: 89m for the month of November 2017, compared to 59m for November 2016, an increase of over 50%
  - Total available advertising impressions grew to a total of 2,032m in 2017, up from 242m in 2016, an increase of 740%
  - Total unique file requests ('UFRs') during 2017 were 696m (2016: 430m), an increase of over 60%
  - Hosted 12,426 content channels at 30 November 2017 (2016: 9,527), an increase of over 30%
- The Company's focus on working with the most prominent podcasts was demonstrated with notable new content including *And That's Why We Drink; CLNS Podcast Network; Drink Champs; The True Geordie; Estee Lalonde; Remainiacs – The Brexit Podcast;* and the re-signing of *Undisclosed*
- Successful launch of the AudioBoom Originals Network (AON) - central to the Audioboom business model of creating original content and helping to grow gross margins - Audioboom studios produced 10 AON shows during the year from its New York and London studios, including political talk show *The 45th*; sci-fi comedy *Mission to Zyxx*; and the official *US Open Tennis* podcast
- In February 2017, the Company completed the acquisition of SONR News Limited ('SONR'), a Natural Language Processing ('NLP') and Artificial Intelligence ('AI') development company

Post-period end highlights

- KPIs for Q1 2018 (November 2017 - February 2018) all demonstrated significant growth compared to the same period in 2016/17

- Signed multi-year contract to host “Casefile”, a major true-crime podcast, further demonstrating growing industry recognition of Audioboom as the 'go-to' podcast advertising company for podcasters and advertisers across the globe
- Withdrew from proposed reverse acquisition of Triton Digital Canada Inc, a leading technology provider to the online audio industry, when, in spite of significant demand, it was not possible to complete the associated placing
- 2018 revenue expected to show significant improvement over 2017

Rob Proctor, CEO of Audioboom, said:
“We made significant progress last year, in terms of operational development, KPIs and revenue generation, whilst controlling direct costs and investing in sales personnel across our key markets.

KPIs in Q1 2018 demonstrated significant growth compared to the same period last year and, importantly, the number of brands actively advertising on Audioboom content has more than doubled in the past 12 months. The Company is also increasing its “sell-through” rates and CPMs (the rate-card at which advertising is sold). The Board expects revenues for 2018 to show significant improvement on 2017.

Podcasting's continued growth, our platform, model and relationships with the likes of Spotify, Apple, Google, Sony and Deezer means the future should remain bright for Audioboom and its shareholders.”

Enquiries

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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 operates internationally, with operations across North America, Europe, Asia and Australia, and 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 hosts over 12,000 content channels, with key content partners including A+E Networks (US), Associated Press (US), The BBC (UK), “Casefile True Crime” (AUS), CastBox Originals (US), Edith Bowman (UK), “Felon True Crime Podcast" (AUS), "Moneycontrol Podcast" (India), "News Roast" (UK), "No Such Thing As A Fish" (UK), “Pound for Pound with Jake Wood and Spencer Oliver” (UK), ”Red FM” (India), Starburns Audio (US), "The Totally Football Show" (UK), "The True Geordie Podcast" (UK) and "Undisclosed" (US).

Original content produced by Audioboom includes "The 45th" (US), "Covert" (US), "I Almost Knew That" (India), "The Psychology Behind with Dr Linda Papadopoulos" (UK), "Ctrl Alt Win Podcast" (India), "Deliberations" (US), "It's Happening with Snooki & Joey" (US), "Mafia" (US), "Mission To Zyxx" (US), “Night Call” (US) and "The Russell Brand Podcast" (UK).

The platform receives over 60 million listens per month and allows partners to share their content via Apple Podcasts, BookMyShow, Deezer, Google Play, iHeartRadio, Saavn, Spotify, Stitcher, Facebook and Twitter as well as their own websites and mobile apps.

For more information, visit audioboom.com.

Chairman's Statement

In my statement last year, I reported that the Board and management's efforts in 2017 would remain focused on revenue growth, balanced with cost control. With that in mind I am pleased to be able to introduce this Annual Report which reflects that revenues grew strongly during the year under review and the focus on cost control was maintained. As Rob Proctor expands on further in his CEO Review, all our operational KPIs also recorded significant increases.

By now you will be aware that post-period end we were unable to complete our proposed reverse acquisition of Triton Digital Canada Inc, a leading technology provider to the online audio industry ("Triton"). Despite significant demand from institutional investors in the UK and the US, it was not possible to raise the requisite funds to complete acquisition. This was particularly disappointing as your Board, alongside Triton's management team had already completed an extensive pre-marketing campaign to institutions in December last year and invested considerable time and resource reaching agreement on terms, carrying out detailed due diligence and preparing all the necessary documentation ahead of the final marketing exercise. Despite a number of very substantial orders from UK and US institutional holders, we were unable to raise the necessary funds to complete the acquisition and whilst we worked hard to explore other deal terms and structures with the vendor, we were ultimately unable to conclude the acquisition.

The Board and management are now fully focused on growing the standalone Audioboom business. The continued rapid growth in the podcasting industry and growing recognition by advertisers, particularly in the US, positions Audioboom strongly to take advantage of the opportunities ahead. The successful closing of the conditional placing and subscription to raise £4.5 million announced today provides additional working capital for the Company as well as for the acquisition of top quality podcast content and other growth initiatives. We are very pleased with the continuing support of existing shareholders and also look forward to welcoming new investors.

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, especially with all the additional work required in respect of the proposed Triton acquisition. We could not have made the progress we have without their considerable efforts and dedication.

Malcolm Wall
Chairman
8 June 2018

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.

The profile of podcasts and on-demand audio exploded in 2017. Audiences and digital advertising budgets continue to flock to the medium; a tremendous validation of our business model.

2017 was a pivotal one for Audioboom. We focused on the best performing global podcasts, saw revenues increase more than 250%, created our own original content studio and re-focused and streamlined overheads. This refined business model is now ready to benefit from the substantial increases in audience and content that we anticipate for the balance of 2018 and beyond.

We continue to shape the industry, in particular with the transparency of our data in the form of analytics, which has been recognised by the Internet Advertising Bureau, who recently invited us to join their advisory panel.

Strategy

Audioboom is committed to attracting the best-established podcasts and podcasters to its platform. Top tier podcasts allow Audioboom to maximise revenue returns by exploiting its now proven in-read advertising sales channels. In order to implement such a strategy, Audioboom will likely be required to provide minimum guarantees against annual revenue potential and advances and signing fees, in addition to promotional and development budgets.

Additionally, Audioboom will continue to roll out its Audioboom Original productions, thus enhancing its long-term IP position and improving its overall gross margins.

Geographically Audioboom is fully committed to growing its market share in its key markets of the USA and UK, whilst continuing to develop strong local partnerships in Germany, France, India and Australia.

Overview of the market

According to the Edison Infinite Dial research report for 2018, podcasting is one of the fastest growing digital mediums. The report details the year-on-year growth of both podcast listenership and the overall penetration of podcasting within the US population. Research shows that 112 million Americans listened to a podcast in 2017, which is an increase of 11 per cent. from 2016 and estimated to grow to 124 million in 2018, a further 10 per cent. year-on-year increase. Overall, 40 per cent. of Americans over the age of 12 have listened to a podcast and 67 million Americans listen to podcasts monthly, which is an increase of 14 per cent. in comparison to 2016. The Edison Infinite Dial research report also shows that 42 million Americans listen to podcasts weekly, which equates to approximately 15 per cent. of the total US population.

The report found that 80 per cent. of listeners hear all (or most of) a podcast, demonstrating a strong level of audience engagement. This implies that all or most of the advertising messages carried by a podcast are being heard by the listeners, which has a positive effect on advertising and subscription revenues.

While mobile devices dominate podcast consumption, the rapid growth of smart speakers, such as the offerings from Amazon, Apple and Google, is creating further huge opportunity. In 2017, research shows that 7 per cent. of the US population over the age of 12 owned an Amazon or Google smart speaker – this is forecast to grow to 18 per cent. in 2018.

Total advertising spend on podcasts in the US alone has grown tremendously in recent years from US$43m in 2010, to US$207m last year and forecast to grow to US$395m by 2020 (source: Statista 2018).

Operational Review

I am pleased to report upon another record-breaking year in terms of monetisation, financial results and operational progress across all our Key Performance Indicators ('KPIs'), whilst continuing to successfully focus our commercial efforts on the US, where the podcasting market is more mature and developed.

Unique Users

Unique users for the month of November 2017 totalled 89m, compared to 59m for November 2016, an increase of over 50%.

Ad Impressions

Total available advertising ('ad') impressions grew to a total of 2,032m in 2017, up from 242m in 2016, an increase of 740%.

Unique File Requests ('UFRs')

Total unique file requests ('UFRs') during 2017 were 696m (2016: 430m), an increase of over 60%.

Content Channels

Audioboom hosted 12,426 content channels at 30 November 2017 (2016: 9,527), an increase of over 30%.

The Company's focus on working with the most prominent podcasts was demonstrated with notable new content including *And That's Why We Drink; CLNS Podcast Network; Drink Champs; The True Geordie; Estee Lalonde; Remainiacs – The Brexit Podcast;* and the re-signing of *Undisclosed.* Post-year end, the Company signed a multi-year contract to host "Casefile", a major true-crime podcast, further demonstrating growing industry recognition of Audioboom as the 'go-to' podcast advertising company for podcasters and advertisers across the globe.

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.

Audioboom Originals

During the year, Audioboom successfully launched the AudioBoom Originals Network (AON). This initiative is central to the Audioboom business model, creating original content and helping to grow our gross margins.

Audioboom studios produced 10 AON shows from our New York and London studios, including political talk show *The 45th*; sci-fi comedy *Mission to Zyxx*; and the official *US Open Tennis* podcast. AudioBoom Originals are currently creating more than four million available 'in-read' advertising impressions per month, and the network was responsible for approximately 5% of Audioboom's revenue in 2017, despite only being 'live' for six months of the year.

In 2018, we expect the AudioBoom Originals Network will grow significantly, making a material contribution to the Company's forecast revenue. The roster of productions continues to develop well, with second or third seasons of "The 45th", "Blank Check", "Deliberations". "InBox", "It's Happening with Snooki & Joey", and "Mission to Zyxx" all available in 2018. Additionally, Audioboom's latest shows - "Night Call", "Empty Frames", "Mafia" and “Covert” – have been released this year.

Audioboom will also further develop its creative services arm - AudioBoom Studios - in the US, UK, India and Australia. AudioBoom Studios will develop and produce content for premium platforms, podcast networks and brands, and will work as the production partner of CastBox, the Beijing and San Francisco based podcast platform. In India we are creating productions for Book My Show, India's equivalent of Ticketmaster.

Subscription Service

During the year, Audioboom launched its own premium podcast subscription service, which allows content creators with smaller audiences to publish without pre, mid and post roll advertising built into the podcast audio file. 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 whom do not want advertising linked to their podcasts. By April 2018 the number of monthly subscribers had grown to 1,271.

Strategic Acquisition

In February 2017, 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 to further improve our ability to match ads to listeners across our programmatic ad platforms.

Financial Review

Record sales growth during the period saw revenue increase 260% to £4.7m for the 12 months to 30 November 2017 from £1.3m in the equivalent period in 2016.

The Company continued to take steps to control overheads resulting in below budget operating costs for the period, in particular in respect of staff and marketing costs. As a result, the Company's overall trading for the year, as measured by adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, share based payments and one-off transactional and legal costs) recorded a small improvement to a loss of £4.4m from £4.6m in 2016.

Overall, the cash outflow from operating activities increased marginally to £4.8m for the period (2016: £4.7m).

In April 2017, the Company completed a successful placing and subscription, raising a total of £4.5m (before expenses) for working capital, technical development and creative initiatives.

Net cash at the period end was £0.7m (2016: £0.7m). Post-period end the Company issued a £1.5m convertible loan note to Candy Ventures SARL and the Company has today announced the successful closing of a conditional placing and subscription to raise £4.5m for working capital, top quality podcast content acquisition and other growth initiatives. The convertible loan notes will convert into ordinary shares on the completion of the fundraise.

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.

Given that the Company derives the majority of its revenues in US Dollars yet currently reports its results in Sterling, the Board is considering moving to reporting in US Dollars going forward.

Current Trading and Outlook

We made significant progress last year, both in terms of operational development and revenue generation, whilst controlling direct costs and investing in sales personnel across our key markets. KPIs for the first quarter of this year reflected further year-on-year growth:

- Q1 2018 UFRs totalled 181 million, compared to 149 million in Q1 2017, an increase of over 20% despite changes to how Audioboom now measures UFRs which has impacted the latest total. The changes reflect Audioboom continuing to take the lead on transparency and best practice in industry reporting
- Monthly unique users: 82.3 million for February 2018, compared to 58.4 million for February 2017, an increase of over 40%
- Available advertising impressions: Audioboom created a total of 633 million advertising impressions in the quarter, up from 304 million in the same period last year, an increase of over 100%. The "live read" inventory element of this total continues to show impressive growth with a total of 235 million, up more than 12% quarter on quarter (Q4 2017: 209 million)
- Content channels: Audioboom hosted 12,948 content channels as at 28 February 2018, an increase of approximately 30% on the prior year (28 February 2017: 10,005). Continued growth in content channels is particularly encouraging given the Company's implementation of paid subscriptions for smaller podcasts that are not suitable for monetisation through advertising

The rationalisation of non-profitable channels, together with changes to how UFRs are measured, resulted in some reduction in monthly unique users and UFRs in Q1 2018 compared to Q4 2017, against a significant increase in "live read" available advertising inventory. The Board believes this demonstrates the Company's determination to reduce costs whilst improving overall efficiency.

Importantly, the number of brands actively advertising on Audioboom content has more than doubled in the past 12 months and currently totals more than 130. The Company is also increasing its “sell-through” rates and CPMs (the rate-card at which advertising is sold).

The Board expects revenues for 2018 to show significant improvement on 2017. Podcasting's continued growth, our platform, model and relationships with the likes of Spotify, Apple, Google, Sony and Deezer means the future should remain bright for Audioboom and its shareholders.

Rob Proctor
Chief Executive Officer
8 June 2018

AUDIOBOOM GROUP PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £'000	2016 £'000
Continuing operations			
Revenue	2	4,728	1,312
Cost of sales		(3,278)	(1,046)
Gross profit		1,450	266
Administrative expenses		(6,453)	(5,140)
Adjusted operating loss		(4,437)	(4,598)
- Costs of acquisition		(118)	-
- Amortisation of intangible assets		(327)	-
- Share based payments	8	(121)	(276)
Operating loss		(5,003)	(4,874)
Finance income		1	5
Loss before tax		(5,002)	(4,869)
Taxation on continuing operations		208	97
Loss for the financial period attributable to equity holders of the parent		(4,794)	(4,772)
Other comprehensive income			
Foreign currency translation difference		(69)	45
Total comprehensive income for the year		(4,863)	(4,727)
Loss per share from continuing operations Basic and diluted	4	(0.57) pence	(0.88) pence

AUDIOBOOM GROUP PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2017

	Notes	2017 £'000	2017 £'000	2016 £'000	2016 £'000
ASSETS					
Non-current assets					
Intangible assets		2,356		-	
Property, plant and equipment		91		54	
			2,447		54
Current assets					
Trade and other receivables		2,453		1,532	
Cash and cash equivalents		717		687	
			3,170		2,219
TOTAL ASSETS			5,617		2,273
Current liabilities					
Trade and other payables			(1,981)		(943)
Deferred taxation			(284)		-
NET CURRENT ASSETS			905		1,276
NET ASSETS			3,352		1,330
EQUITY					
Share capital	5		-		-
Share premium	5		29,359		22,595
Issue cost reserve			(1,309)		(1,309)
Foreign exchange translation reserve			(73)		(4)
Reverse acquisition reserve			(2,159)		(2,159)
Retained earnings			(22,466)		(17,793)
TOTAL EQUITY			3,352		1,330

AUDIOBOOM GROUP PLC
CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 NOVEMBER 2017

	2017 £'000	2016 £'000
Loss from continuing operations	(4,794)	(4,772)
Loss for the year	(4,794)	(4,772)
Adjustments for:		
Taxation credit	(208)	(97)
Interest receivable	(1)	(5)
Amortisation of intangible assets	327	-
Depreciation of fixed assets	42	28
Share based payments	121	276
Increase in trade and other receivables	(921)	(818)
Increase in trade and other payables	543	690
Foreign exchange loss	72	-
Cash flows from operating activities	(4,819)	(4,698)
Taxation received	-	98
Net cash used in operating activities	(4,819)	(4,600)
Investing activities		
Purchase of intangible assets	(426)	-
Purchase of property, plant and equipment	(96)	(27)
Loss on disposal of property, plant and equipment	-	4
Cash on acquisition of subsidiary	13	-
Interest receivable	1	3
Net cash used in investing activities	(508)	(20)
Financing activities		
Loans given	-	(239)
Proceeds from issue of ordinary share capital	5,341	2,389
Net cash generated from financing activities	5,341	2,150
Net increase/(decrease) in cash and cash equivalents	14	(2,470)
Cash and cash equivalents beginning of year	687	3,125
Effect of foreign exchange rate changes	16	32
Cash and cash equivalents at end of year	717	687

AUDIOBOOM GROUP PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
At 30 November 2015	-	20,206	(3,517)	(13,297)	**3,392**
Loss for the period	-	-	-	(4,772)	**(4,772)**
Issue of shares	-	2,217	-	-	**2,217**
Equity-settled share-based payments	-	172	-	276	**448**
Other comprehensive income	-	-	45	-	**45**
At 30 November 2016	-	22,595	(3,472)	(17,793)	**1,330**
Loss for the period	-	-	-	(4,794)	**(4,794)**
Issue of shares	-	6,764	-	-	**6,764**
Equity-settled share-based payments	-	-	-	121	**121**
Other comprehensive income	-	-	(69)	-	**(69)**
At 30 November 2017	-	29,359	(3,541)	(22,466)	**3,352**

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 8 June 2018.

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 2017, but is derived from the 2017 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 2017 show that the Group generated an adjusted operating loss for the year of £4.4 million (2016: £4.6 million), with cash used in operating activities of £4.8 million (2016: £4.6 million) and a net decrease in cash and cash equivalents of £14,000 in the year (2016: decrease of £2.5 million). The Group balance sheet showed cash reserves at 30 November 2017 of £0.7 million (2016: £0.7 million).

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. Following the recent successful placing and subscription to raise £4.5 million, the Board's forecasts for the 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 will have sufficient cash available to continue in operational existence for the next 12 months and beyond. Of the £4.5 million fundraise, c. £2.4 million is conditional on the passing of resolutions to be put to the forthcoming EGM. The Directors are highly confident that these resolutions will be passed. Of that c. £2.4 million, £0.4 million is further conditional on the receipt of advance assurance from HMRC that the shares and the investment qualify for Venture Capital Trust (VCT) purposes. The Directors are confident that such advance assurance will be received. The Board has considered various alternative operating strategies should these be necessary in the light of either the resolutions not being passed (which is considered highly unlikely), advance assurance not being received from HMRC and/or 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. Therefore the Directors consider the going concern basis appropriate.

2. REVENUE

	2017 £'000	2016 £'000
Subscription	77	23
Advertising	4,651	1,289
	4,728	1,312

The Directors consider the Group to operate within one operating segment, content related revenue, and consequently expenditure and balance sheet analysis is not presented between subscription and advertising services.

Geographical information

The Group's operations are principally located in the UK and the USA. The main assets of the Group, cash and cash equivalents, are held in Jersey.

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

	2017 £'000	2016 £'000
United Kingdom	297	424
Rest of World	156	-
USA	4,275	888
	4,728	1,312

The Group invoiced 54% of its income to one customer who represented more than 10% of the reported revenues.

3. STAFF COSTS

	2017 Number	2016 Number
Number of production, editorial and sales staff	38	20
Number of management and administrative staff	11	24
	49	44

	£'000	£'000
Wages and salaries	2,946	2,772
Social security costs	283	213
Pension	39	48
Share based payments	121	276
	3,389	3,309

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 2017		
	Loss £'000	Weighted average number of shares Thousand	Per share amount Pence
Basic and diluted EPS			
Loss attributable to shareholders:			
- Continuing and discontinued operations	(4,794)	837,547	(0.57)

	30 November 2016		
	£'000	Thousand	Pence
Basic and diluted EPS			
Loss attributable to shareholders:			
- Continuing and discontinued operations	(4,772)	563,351	(0.88)

5. STATED CAPITAL ACCOUNT

	No. of Shares No.	Share capital £	Share premium £
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 12.5p each	102,200,000	-	2,385,860
At 30 November 2016	**638,021,678**	**-**	**22,595,391**
Shares issued in the year			
Shares issued at 1.5p each	15,076,262	-	226,144
Shares issued at 2.5p each	180,000,000	-	4,307,537
Shares issued at 2p each	40,613,698	-	812,274
Shares issued at 2.5p each as consideration for the acquisition of SONR News Limited	56,938,216	-	1,417,299
At 30 November 2017	**930,649,854**	**-**	**29,358,645**

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.

6. RELATED PARTY TRANSACTIONS

On 1 February 2017, the Group acquired 93.4% of the ordinary shares in SONR News Limited ("SONR"). The Group subsequently acquired the remaining share capital as part of the same transaction and now holds 100% of SONR. The consideration paid on completion was £1,423,205 in shares and prior to completion the Group had provided £419,015 via loans to SONR. SONR specialises in the development of Natural Language Programming and Artificial

Intelligence software. Prior to the acquisition, Candy Ventures SARL held approximately 29.5% of the issued share capital of SONR. Candy Ventures SARL is a substantial shareholder of the Group. Nick Candy (90% shareholder of Candy Ventures SARL) is a previous Director of the Group. Steven Smith, a Director of the Company, is a 10% shareholder of Candy Ventures SARL. Robert Proctor, a Director of the Company, previously held a material shareholding in SONR but this was transferred to Candy Ventures SARL on 3 August 2016 (before the acquisition by the Group) for nominal consideration. The CEO of SONR, Amanda Brown, is an associate of Rob Proctor.

In February 2017, the Group issued a convertible loan note for up to £1,000,000 to Candy Ventures SARL, an investment vehicle owned 90% by Nick Candy, the Group's largest shareholder, and a former non-executive Director. Steven Smith, a Director of the Company, is a 10% shareholder of Candy Ventures SARL. The terms of the loan note provided for interest at a rate of 10% per annum. The Group drew down £800,000 of the loan note before electing to convert the drawn down balance (and accrued interest) into shares, in accordance with its terms, at 2p per share, at the time of the Group's £4.5 million fund raise which concluded in April 2017. Candy Ventures SARL also subscribed for 8,000,000 shares at 2.5p per share in that fund raise.

Roger Maddock, a Director of the Company, subscribed for 1,600,000 shares at 2.5p per share on 23 March 2017 pursuant to a placing and subscription.

During the period Rob Proctor, a Director of the Company, exercised his warrants to subscribe for 1 million shares at an exercise price of 1.5p per share.

Following the departure of the Company's former Chief Financial Officer on 27 July 2017, various financial and accounting services were provided under contract by an individual provided by Candy Capital Limited ("Candy Capital"). Candy Capital is 100 per cent. owned by Nick Candy, who is also a 90 per cent. shareholder of Candy Ventures SARL, which is a substantial shareholder in the Company. The aggregate fees invoiced to the Company by Candy Capital in respect of the above had, as at 30 November 2017, reached £50,031, excluding value added tax. Steven Smith, a director of the Company, is also a director and 10 per cent. shareholder of Candy Ventures SARL.

7. BUSINESS COMBINATIONS

On 1 February 2017, the Group completed the unconditional purchase of the share capital of SONR News Limited ("SONR"). SONR was acquired to allow the Group to use the SONR developed algorithms to accelerate the creation and phased introduction of industry leading, plug-in, intelligent data management platforms that will better inform programmatic ad-serving solutions and audio recommendation engines.

The consideration paid on completion was £1,423,205 in shares and prior to completion the Group had provided £419,015 via loans to 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 acquisition costs of £118,000 have been written off as overheads in the financial period ended 30 November 2017.

The assets and liabilities of SONR were as follows:

	Book value £'000	Fair value adjustment £'000	Fair value to Group £'000
Intangible fixed assets	-	1,603	1,603
Tangible fixed assets	41	(31)	10
Cash at bank	13	-	13
Creditors	(195)	100	(95)
Deferred tax	-	(343)	(343)
Book value of assets acquired	(141)	1,329	1,188
Goodwill on acquisition			654
Fair value of assets acquired			1,842
Discharged by:			
53,165,598 consideration shares issued			1,423
Waiver of loan balance			419
Total consideration			1,842

SONR News Limited contributed a loss of £184,000 to the Group subsequent to acquisition and recorded a loss of £402,000 (including the results of its subsidiary SONR News Inc) for its standalone eleven-month period ended November 2017.

8. SHARE-BASED PAYMENTS

	2017 £'000	2016 £'000
Share option charge	121	276
Warrant charge	-	172
	121	448

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

	2017		2016	
	Number of Share options	Weighted Average Exercise Price (£)	Number of Share options	Weighted Average Exercise Price (£)
Outstanding at beginning of period	66,710,418	0.021	48,659,031	0.020
Granted during the period	7,983,971	0.022	24,036,029	0.031
Forfeited/lapsed during the period	(12,519,878)	0.030	(5,895,806)	0.057
Exercised during the period	-	-	(88,835)	0.015
Outstanding at end of period	62,174,511	0.020	66,710,419	0.021
Exercisable at end of period	40,688,002	0.017	34,479,204	0.016

The options outstanding at 30 November 2017 had a weighted average exercise price of 2.0p, and a weighted average remaining contractual life of 7 years.

At the period end the Company had in issue outstanding share warrants for a total of 42,071,500 shares with a weighted average exercise price of 8.4p. 32,071,500 of the warrants were exercisable at the period end, and the balance may become exercisable subject to performance conditions.

9. POST BALANCE SHEET EVENTS

On 14 December 2017, the Company issued 4.5 million warrants to subscribe for ordinary shares with an exercise price of 3.125p per share.

In February 2018, the Group entered into an invoice factoring agreement with FastPay Roundabout Limited ("FastPay") pursuant to which FastPay will acquire accounts from the Group for which FastPay will make advances of the purchase price for a factoring fee. The agreement provides for a maximum line amount of £1.1 million and an advance rate of 80 per cent. of the gross value of the invoices. The arrangement is secured by a first ranking fixed and floating charge over the Group's assets.

As described in the Chairman's Statement, the Group's proposed acquisition of Triton did not complete post-period end and the Group incurred material transaction costs as part of the process. The Group will also settle a break fee owing to Triton (or its owners) through the payment of £90,000 in cash and the issue of 16,600,000 ordinary shares in the Company.

In April 2018, the Company issued a convertible loan note for up to £1 million to Candy Ventures SARL and an additional £0.5 million in May 2018.. The terms of the loan note provide for interest at a rate of 10% per annum. The Company has drawn down the full amount of the loan note. The principal amount of the loan note (and accrued interest) will convert into ordinary shares at 2p per share in accordance with the terms of the loan notes on the completion of the recently announced fundraise (see below). Candy Ventures SARL is a substantial shareholder of the Company. Nick Candy (90% shareholder of Candy Ventures SARL) is a former director of the Company. Steven Smith, a director of the Company, is a 10% shareholder and director of Candy Ventures SARL.

The Company has today announced a conditional placing and subscription to raise £4.5 million for working capital, top tier podcast content acquisition and other growth initiatives. Candy Ventures SARL have subscribed for 33,333,333 shares at 3p per share, and Roger Maddock, a non-executive Director of the Company has indicated his intention to subscribe for 3,333,334 shares at 3p per share, as part of this fundraise.