



2019 AGM Presentation
20th June 2019



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Headlines for the 13 months to 31 December 2018

- ✓ **Revenue** increased by 92% to US\$11.7m (2017: US\$6.1m)
- ✓ **Adjusted EBITDA** loss reduced to US\$5.1m (2017: US\$5.6m loss)
- ✓ Group **cash** as at 31 December US\$1.6m (30 November 2017: US\$1.0 million)
- ✓ KPIs all delivered significant growth:
 - **eCPM** (revenue per 1,000 listens) increased to US\$25.87 in December 2018, up 74% from US\$14.87 in November 2017
 - **Brand advertiser count** of 160 in December 2018, up 65% from 97 in November 2017
 - **Total available premium advertising impressions** grew to a total of 1,015m in the 2018 financial period, up from 671m in 2017, an increase of 51%
- ✓
 - We represent some of the most prominent **podcast talent**, including ‘Casefile’, ‘And That’s Why We Drink’, ‘No Such Thing as a Fish’ and ‘The Totally Football Show’
 - We have broadened our **co-production portfolio**, including ‘Beyond the Grid’ with Formula One
 - The **Audioboom Originals Network** has grown to 11 shows
 - **Sonic Influencer Marketing was launched**, a platform enabling brands to secure advertising within any globally available podcast
 - **Spotify** integration has been completed

Financial Overview

US\$m unless specified	By six month period						Full Year			% Variances		
	H2 2018**	H1 2018	H2 2017	H1 2017	H2 2016	H1 2016	2018***	2017	2016	18 vs 17	17 vs 16	2016
Revenue	8.1	3.5	3.7	2.4	1.4	0.5	11.7	6.1	1.8	92%	235%	
Gross Profit	2.3	0.9	1.2	0.6	0.4	0.0	3.2	1.9	0.4	70%	407%	
Gross Margin %	28%	24%	33%	27%	27%	0.3%	27%	31%	20%			
Administration Costs as a % of Revenue*	55%	107%	105%	186%	263%	777%	71%	125%	371%			
Total Administrative costs*							8.2	7.5	6.7	9%	13%	
Adjusted EBITDA*	(2.2)	(2.9)	(2.3)	(3.4)	(3.3)	(3.0)	(5.1)	(5.6)	(6.3)	-9%	-11%	
Cash Balance	1.6	0.4	1.0	4.2	0.9	1.4	1.6	1.0	0.9	63%	13%	
Headcount	42	51	49		44		42	49	44	-14%	11%	

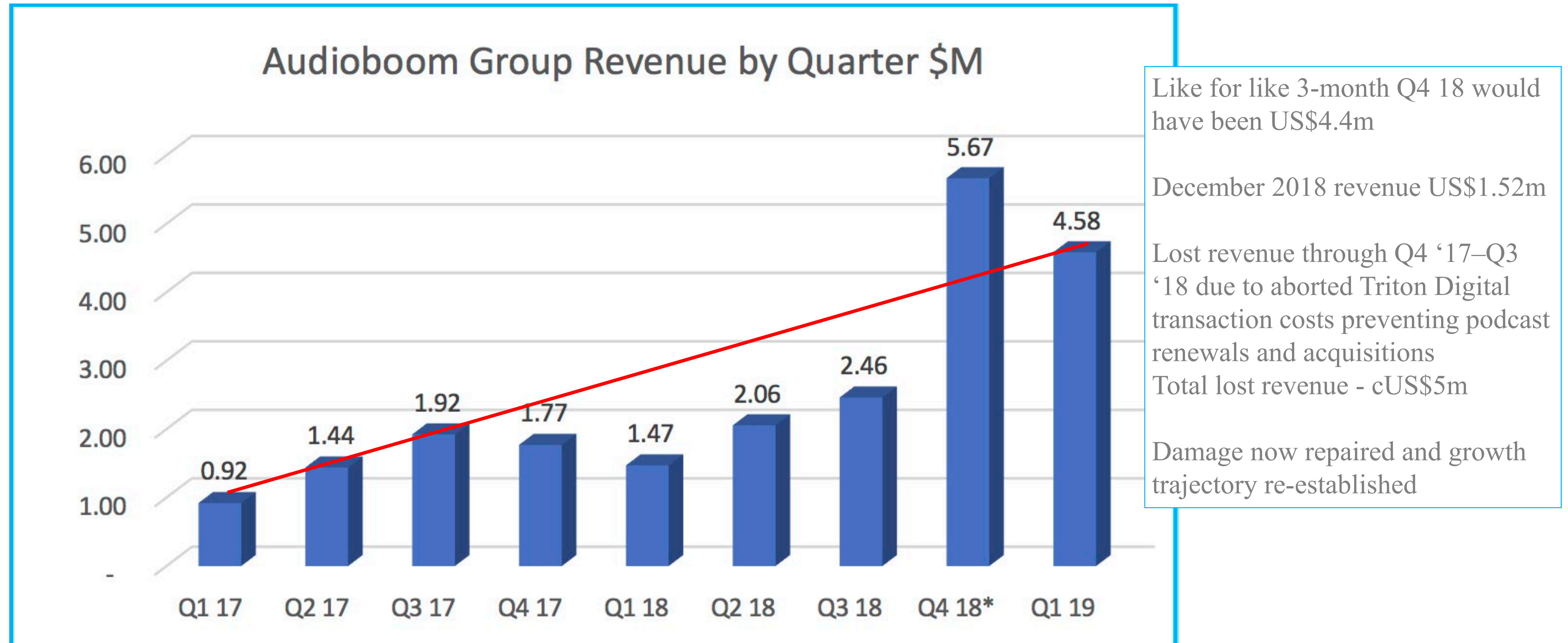
*excludes interest, tax, depreciation, amortisation, share based payments and before material one-off items (including the costs of the aborted Triton Digital transaction and corporate restructuring)

**represents seven month period

***represents 13 month period

- **92% revenue growth** in 2018, significantly in H2 2018 which was 131% higher than H1 2018
- **Gross margin** fluctuated in 2018. H1 2018 margin of 24% artificially lower following implementation of improved financial control environment and booking partner payments on an ‘actuals’, rather than ‘assumed’ basis
- **Opex** as a % of revenue is decreasing as the business grows. Opex not expected to increase materially going forwards following the 2018 staff restructure, detailed cost review and renegotiation of hosting and bandwidth cost contracts. Material increases going forwards will be on sales commissions directly attributable to revenue growth, and staff hires in content production and sales
- **Operating cashflow** was break-even in the final three months of 2018 due to higher revenues, continued cost control and improved financial processes

Audioboom 2018 revenue summary



- Growth has increased in H2 2018, significantly in Q4 2018. (*) Note, Q4 2018 was a four-month quarter due to extending the accounting reference date to 31 December (from 30 November)

Audioboom - Effective cost control

Cash flow stabilised in Q4 2018 due to the following factors:

- Company is now focussing completely on: Making content and selling advertising, leading to reduction in head count across technology and back office services department
- Rationalising of Australian office and moving to 3rd party media sales in the region
- Impact of core company cost savings, i.e. reduction in hosting and bandwidth costs, sublet unused UK office space, moved to outsourced HR support
- Increased revenue and implementation of self billing invoicing process following launch of new Salesforce CRM iteration, leading to quicker payment and significantly reduced billing queries from customers
- Improved debtor collection process resulting in improvement in debtor days: 2018: 94, 2017: 139

Audioboom – What do we do?

End to End Digital Audio Technology Platform

- Create – Store – Distribute - Monetize
- Over 13,500 content channels
- Global partners, including: AP, iHeart, & Time

Distribution Network

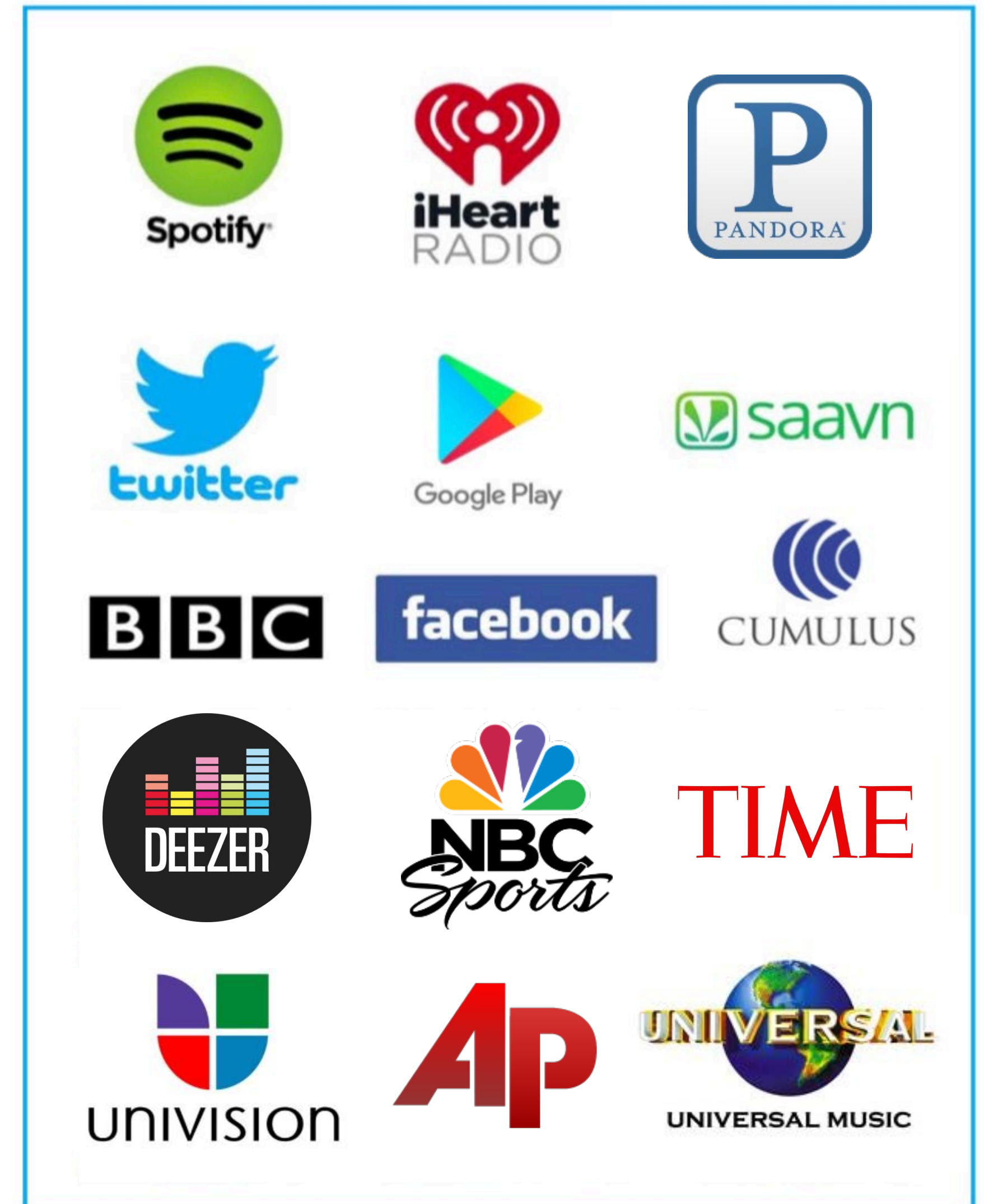
- Direct integration with leading platforms, such as:
 - iTunes, Spotify, GooglePlay, TuneIn & Deezer
 - Preferred partner status with: Spotify, iTunes, GooglePlay & Deezer
 - 90m monthly active unique users in our network

Specialist Podcast Advertising Sales

- Direct Sales teams in NYC, London and Mumbai
- Selling high value, high engagement ‘host endorsed’ advertising
- Multiple network & programmatic integrations - ‘pre recorded spot’ advertising

Podcast Creation – Audioboom Studios

- Studios in NYC, London & Mumbai
- Creation of original IP with high quality ‘evergreen’ content
- Creator of numerous iTunes top 10 podcasts



What do we sell?



Host Endorsement

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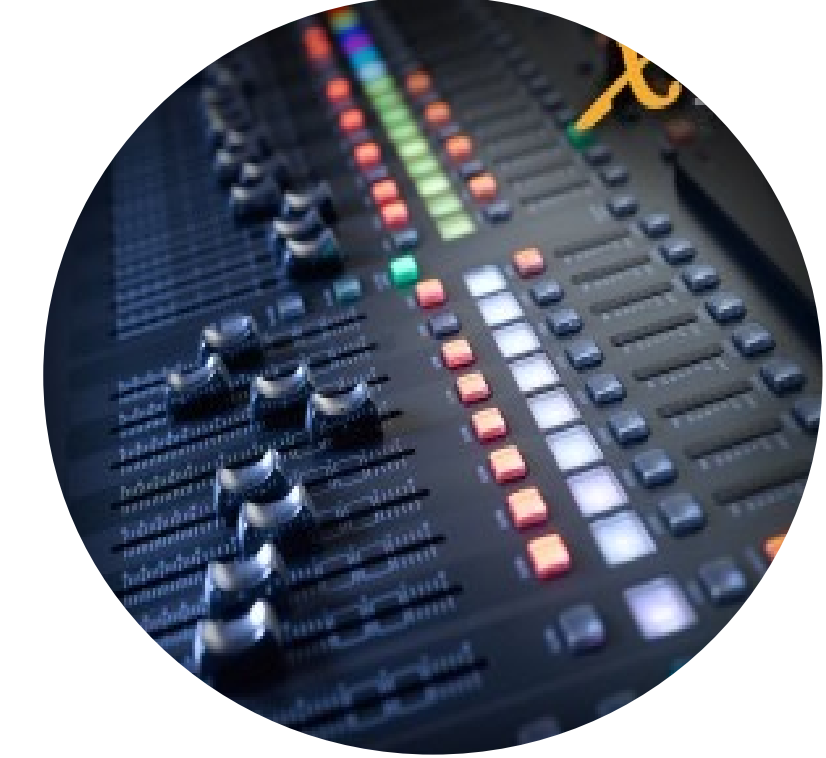
- High value
- High engagement
- Endorsed and delivered by podcast host
- CPM range \$15-\$45



Sponsorships

\$\$

- High value
- Medium engagement
- Sold for entire series
- Delivered as top & tail
- Allows for additional live reads



Pre Recorded Spot

\$

- High volume
- Low engagement
- Low value
- Delivered via ad-server
- CPM range \$2-\$10



2019 Strategic Focus

Following an excellent Q1 19, recording record quarterly revenue of US\$4.6m, and placing and subscriptions totalling £4.3m in 2019, Audioboom will execute the three key strategic areas in the remainder of 2019 and into 2020



Tier 1 Podcast Acquisition

- Audioboom has sold the majority of the available inventory for its top 10 podcasts for 2019
- The number of brands advertising on Audioboom inventory is increasing
- Audioboom therefore needs to continue to sign leading Tier 1 podcast talent in order to continue revenue growth recognized to date
- The majority of podcast talent is signed without the need to use incentives, such as advances or minimum guarantees
- However, leading Tier 1 podcast talent do require such incentives, and Audioboom will sign such talent, should they demonstrate repetitive and predictable revenues



Co-Production

- New co-productions will continue to be launched in 2019
- Co-productions represent the potential for higher gross margins as brands and broadcasters to utilize Audioboom's production and distribution expertise
- Successful launches in 2018 include Formula 1: Beyond the Grid, headline sponsored by Bose. The Formula 1 partnership has been extended to February 2021



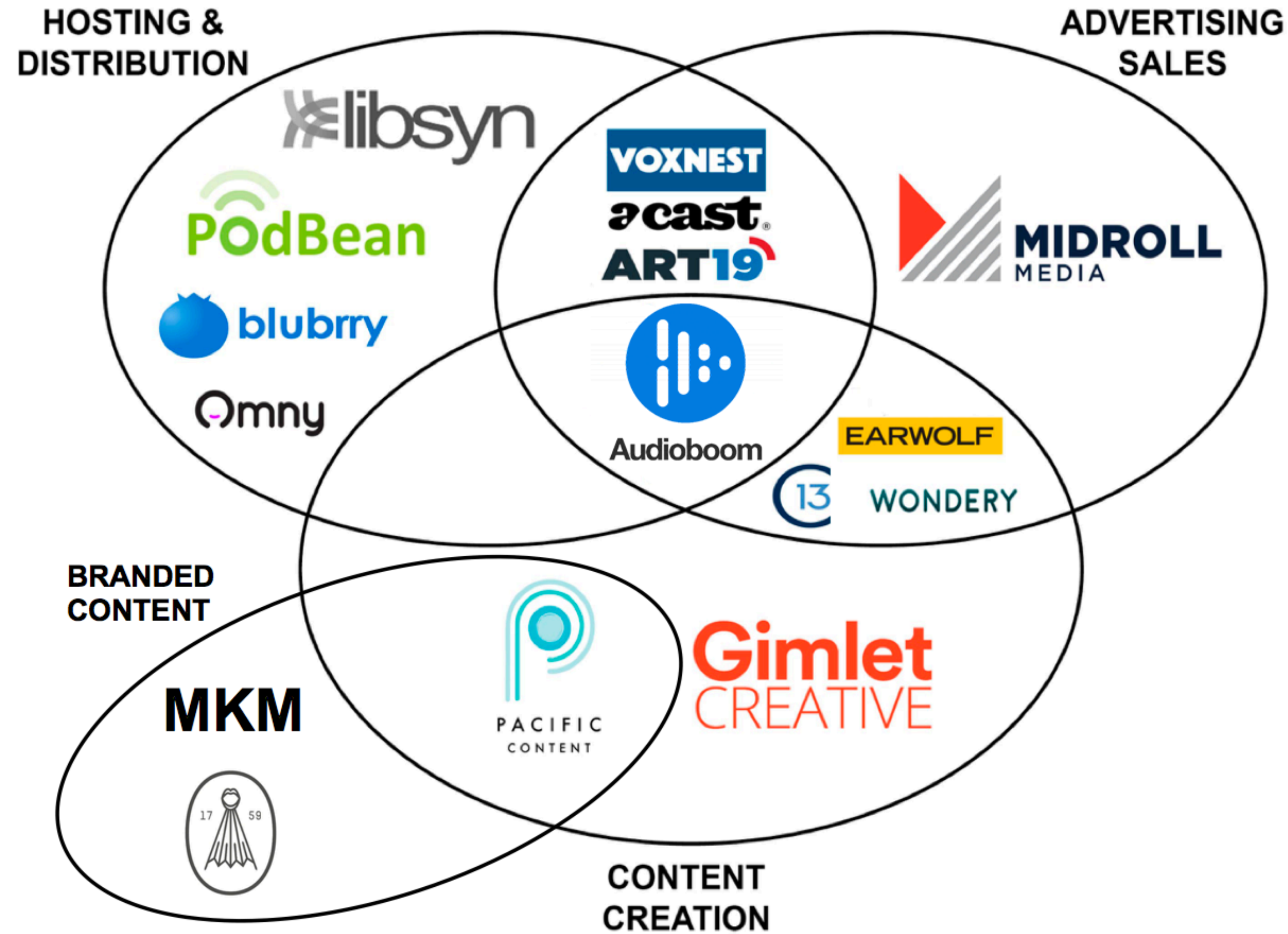
Audioboom Originals Network

- Audioboom currently produces 11 owned and operated shows, including Blank Check, Night Call, The 45th and Deliberations
- In 2019, the Audioboom Originals Network will continue to grow significantly, helping to grow the gross margin and contributing materially to the revenue mix
- Second or later seasons will be launched for Mafia, Covert and Dead Man Talking
- New podcasts launching in 2019 include A Life Lived, Truly and Teachers

SPV – Guarantee Facility

- A new content funding facility was announced on June 17th 2019
- SPV Investments Limited is owned equally by Michael Tobin (Chairman) and Candy Ventures sarl (largest shareholder)
- SPV will provide minimum revenue guarantees to certain leading third-party podcasters
- Guarantee facility up to US\$4 million
- Audioboom will pay SPV 8% of net revenue for which the guarantee has been provided
- Reduces reliance on up front advance payments in certain third-party podcast negotiations
- 2.5 million warrants granted for every US\$1 million of guarantees provided, exercisable at 3.3p per share, five years from grant, up to a maximum of 10 million warrants
- First use of the SPV was for a US\$1 million guarantee, renewing one of Audioboom's most popular entertainment podcasts on an 18-month contract

Competitive landscape





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