30 March 2020

This announcement contains inside information as stipulated under the Market Abuse Regulations (EU) no. 596/2014 ("MAR").

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

Final audited results for the year ended 31 December 2019

Audioboom (AIM: BOOM), the leading global podcast company, announces its final audited results for the year ended 31 December 2019.

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2019

Financial highlights[1]

- Revenue increased 91% to US$22.3 million (2018: US$11.7 million for 13 months)
- Adjusted EBITDA[2] loss reduced 38% to US$2.9 million (2018: loss of US$4.7 million)[3]
- Group cash as at 31 December 2019 of US$2.0 million (31 December 2018: US$1.6 million)
- Successfully raised a total of £4.3 million[4] from a placing and subscriptions to secure leading podcasting talent and shows, and to develop co-production and AON opportunities
- New content funding facility with SPV Investments Limited ("SPV"), a special purpose vehicle owned by Michael Tobin, the Company's Chairman and Candy Ventures sarl, the Company's largest shareholder, providing up to US$4 million of minimum guarantees to certain leading content partners of the Company

1) The financial period ended 31 December 2018 was a 13 month period (01 December 2017 – 31 December 2018)
2) Earnings before interest, tax, depreciation, amortisation, share based payments and material one-off items (including corporate restructuring costs)
3) Audioboom has adopted the modified retrospective approach to the implementation of IFRS 16: Leases. There is deemed to be no impact on reserves brought forward. Lease rental costs included within administrative expenditure in the Group's last reported annual financial statements are excluded from the 2018 comparative adjusted EBITDA to ensure consistency of presentation
4) Before expenses

KPIs

- Key performance indicators ('KPIs') all delivered significant growth:
  - Brand advertiser count of 280 as at 31 December 2019, up 75% on 31 December 2018 (160)
  - Global revenue per 1,000 downloads (eCPM) for December 2019 increased 16% to US$29.60 (December 2018: US$25.49)
  - Total available premium advertising impressions for the 12 months to 31 December 2019 up 59% to 1,644 million (2018: 1,035 million for 13 months to 31 December 2018)

Post-year end highlights

- Expansion of the Audioboom Originals Network with the launch of *For All Moms*, *Life's Little Mysteries*, *Here's The Sitch* and *Noise Cancelling*
- Co-production partnership established with Future Publishing Plc, to create and launch three original content podcasts in 2020 focused on technology, science and video games
- Renewed partnership with a Tier 1 podcast partner, utilising the provision by SPV of a financial guarantee on the Company's contractual commitments - this partnership is expected to deliver material revenue for the Company during 2020 and beyond
- Entered into new distribution partnerships with Pandora (81 million active monthly users), Amazon Music (65 million active monthly users) and expanded existing distribution partnership with Saavn
- Moved to the IAB V2 certified measurement standard to provide greater transparency to our advertising sales partners
- Entered into a two-year US$4 million secured loan facility arrangement with SPV, providing sufficient headroom to fund the Company through to forecast sustainable positive cash generation on a monthly basis
- Retained Raine Advisors Limited as financial adviser in relation to examining strategic options for the Company, and subsequently established a formal sale process pursuant to the Takeover Code
- Strong start to 2020, with bookings for the first quarter ahead of management expectations

Stuart Last, CEO of Audioboom, commented: "Audioboom has achieved an outstanding set of results and I am delighted that, in my first year as CEO, the Company has exceeded market expectations for the first time in its history. In 2019, our premium content and premium advertising strategy came sharply into focus, and resulted in revenue almost doubling and our EBITDA loss being significantly reduced.

Quality and creativity have become the key pillars of our business and have driven our growth at more than double the pace of the wider podcast industry. We acquired some of the best new independent shows for our premium sales network in 2019 and expanded our Audioboom Originals Network with some fantastic new programming from our in-house production teams in New York and London.

Momentum has continued into 2020, with bookings ahead of management expectations for the first quarter. While we are working hard to understand the impact of Covid-19 on the industry and our business, we're confident that the support of our shareholders and an improved cash position has put us in a strong position to continue our expansion and further cement Audioboom as the leading independent podcast company."

Michael Tobin, Chairman of Audioboom, added: "The Board appointed Raine Advisors and have subsequently established a formal sale process pursuant to the UK Takeover Code. A number of interested parties are actively engaged in the process, and currently potential buyer interest in Audioboom suggests the process will stay the course, but we will continue to evaluate the impact of Covid-19. We will keep shareholders informed of developments in the coming weeks. Notwithstanding the formal sales process, the Company remains focussed on its core business strategy and the Q1 2020 results to date indicate that these efforts continue to transform into excellent financial performance."

Enquiries

Audioboom Group plc	Tel: +44(0)20 7403 6688
Stuart Last, Chief Executive Officer	
Brad Clarke, Chief Financial Officer	
Allenby Capital Limited (Nominated Adviser and Broker)	Tel: +44(0)20 3328 5656
David Hart /Alex Brearley/Asha Chotai	
Walbrook PR Limited (PR & IR Advisers)	Tel: +44(0)20 7933 8780
Nick Rome/Tom Cooper	or audioboom@walbrookpr.com

About Audioboom

Audioboom Group plc ("Audioboom") is a global leader in podcasting – producing, distributing and monetising premium audio content to millions of listeners around the world. Audioboom operates internationally, with operations and global partnerships across North America, Europe, Asia and Australia.

Audioboom provides technology and advertising services for a premium network of 250 top tier podcasts, with key partners including *'Casefile True Crime'* (US), *'The Morning Toast'* (US), *'And That's Why We Drink'* (US), *'No Such Thing As A Fish'* (UK), *'Starburns Audio'* (US), *'The Cycling Podcast'* (UK) and *'The Totally Football Show'* (UK).

The Audioboom Originals Network is a slate of content produced by Audioboom including *'The 45th', 'Covert', 'It's Happening with Snooki & Joey', 'Mafia', 'Dead Man Talking'* and *'Blank Check'.*

The platform allows content to be distributed via Apple Podcasts, Spotify, BookMyShow, Deezer, Google Podcasts, iHeartRadio, RadioPublic, Saavn, Stitcher, Facebook and Twitter as well as a partner's own websites and mobile apps.

For more information, visit audioboom.com.

CHAIRMAN'S STATEMENT

I am pleased to present this Chairman's Statement in respect of my first full year in the position.

Following a challenging 2018, it is particularly satisfying to reflect upon Audioboom's impressive performance in 2019, with material growth in all KPIs, a near doubling of revenues, substantially reduced EBITDA loss, and market expectations exceeded for the first time in the Company's history. It is testament to the efforts of the management team and all staff that growth in the year outpaced that of the wider podcasting industry (which itself continues to expand materially), leading to increased market share and cementing its position as one of the world's largest independent podcast companies.

In his CEO Review, Stuart Last provides detail around the Company's strategy and focus, component parts of the business, operational and financial performance, the strong start to 2020 and the outlook for the remainder of the year in the light of global events.

The Board was pleased to appoint Stuart as CEO following a brief interim period last year. Stuart's key role in the growth of the US business over recent years made him the obvious choice for the role and the Board has been impressed with his performance, ably supported by Brad Clarke as CFO.

We were pleased to secure £4.3 million in growth funding early last year, and I was pleased, personally, to be able to support the Company, along with Candy Ventures sarl (our largest shareholder) and via SPV Investments Limited, through the provision of a US$4 million guarantee facility last year and a US$4 million loan facility earlier this year. The funding and facilities have enabled, and will continue to allow, the Company to acquire and retain high revenue producing, established podcasts and talent, and to develop the Group's higher margin Audioboom Originals Network, all of which will further drive performance. The loan facility is expected to provide sufficient headroom to fund Audioboom through to sustainable positive cash flow generation on a monthly basis.

As you will be aware, the Board appointed Raine Advisors Limited as its financial adviser to examine strategic options for the Company and subsequently the Board established a formal sale process pursuant to the UK Takeover Code. A number of interested parties are actively engaged in the process, but it is possible that Covid-19 could impact the planned timeline. At this point, potential buyer interest in the Company suggests the process will stay the course, but we will continue to evaluate the impact of Covid-19 over the coming weeks. Notwithstanding the formal sales process, the Company remains focussed on its core business strategy and the Q1 2020 results to date indicate that these efforts continue to transform into excellent financial performance.

More generally on the impact of Covid-19, it is clearly far too early to make any firm predictions as to its impact on the Group, but Stuart provides some early reflections in his report. Given the inevitable challenges ahead as the world continues to react to events, I would like to take this opportunity to thank the entire Audioboom team for their continuing professionalism and commitment and also to thank our shareholders and partners for their loyalty and vision in supporting Audioboom as it continues to grow.

Michael Tobin OBE
Chairman

CHIEF EXECUTIVE OFFICER'S REVIEW

Introduction

I am very pleased to provide my first CEO report since taking on the role in September 2019. In my previous position as Audioboom's Chief Operating Officer, I established our US operations, led our global growth strategy, launched the Audioboom Originals Network, and created our Sonic Influencer Marketing arm. I am proud to now see the results of that work, with the Company exceeding market expectations in 2019 for the first time in its history.

Audioboom is a global leader in podcasting – producing, monetising and distributing premium audio content to millions of listeners around the world. As our growth in 2019 considerably outpaced that of the wider industry, we enhanced our position as one of the biggest independent podcast companies in the world.

2019 was the year we put content at the heart of the business and shifted to a focus on quality and creativity over sheer scale. Audioboom became a fully-fledged media operation, positioned to create maximum value from the fast-growing podcast industry.

During the year we restructured the Company, removed regional teams and managers, and created a structure in which global sales, production and business development units are aligned in strategic focus under the leadership of our highest performing managers.

The outcome was an outstanding set of results that saw revenue almost double and our EBITDA loss significantly reduced.

Momentum has continued into 2020, with our KPIs continuing to show strong growth and bookings exceeding management expectations for the first quarter. However, the Covid-19 virus may impact the business in the coming months. We are still working to understand how much disruption Covid-19 will bring to the podcast industry, but my expectation is for softer sales than expected during the second quarter as advertisers and brands grow more cautious in their approach to the medium, albeit certain sectors may maintain or increase their advertising at this time. It is reasonable to expect that production and consumption of on-demand content, including podcasts, will increase globally during the pandemic, providing increased audience connection and sales inventory as we go further into 2020.

The Chairman has addressed the latest position in respect of the formal sales process in his statement.

Strategy

Audioboom is a media, content and talent company working at the professional end of the podcast industry. We identify three clear areas of growth - each focused on premium content and a premium advertising sales model:

1. **Content Acquisition**. Audioboom develops commercial partnerships with existing independent podcast talent and content networks, where we provide a full slate of professional services, including exclusive advertising representation in our core US and UK markets. Opportunity for accelerated content acquisition comes via the Company's strong working relationships with the major Hollywood talent agencies, including UTA, WME and CAA. Content acquisition of high-quality Tier One podcasts delivers fast revenue growth for the Company, through the sale of high-value, high-engagement host endorsement advertising.

2. **Content Creation**. Through co-production partnerships and original content development from our in-house production teams, the Audioboom Originals Network increases the volume of our premium advertising inventory. Audience consumption and sales-trend data from our wider business informs our show development strategy, with insights into key growth genres and strong sales verticals. Content creation requires up-front investment through content production costs, facilities, and audience acquisition spend, but creates strong revenue growth at a higher gross margin, as well as further revenue potential through IP opportunities, including television adaptation, touring and merchandise sales.

3. **Content Access**. The Sonic Influencer Marketing platform enables brands to connect with audiences across the entire professional-level podcasting landscape. The platform utilises top-tier talent both within the Audioboom network and at all major podcast networks globally, to deliver premium host endorsement advertising campaigns to engaged audiences on behalf of their clients. Sonic Influencer Marketing provides fast revenue growth to the Group, albeit with a lower gross margin than Content Acquisition and Content Creation.

We continue to operate our technology platform which supports Tier Two podcasters and generates revenues through paid podcaster subscriptions and lower-value automated advertising networks. These are considered passive revenue streams by the Company and, as such, we commit a lower level of resource to support their growth.

Overview of the market

2019 was a year of growth and a year of consolidation across the podcast industry, with the US - Audioboom's major market – continuing to lead the charge.

The Interactive Advertising Bureau's Podcast Revenue Study projected the US market size to reach c. US$680 million in 2019 – up 42% on the previous year. It is worth noting that Audioboom's 2018-2019 growth was more than double that of the wider industry, as we increased market share significantly.

Key trends driving the growth of the market are highlighted in the 2020 Edison Infinite Dial survey in which it was reported that 104 million Americans listen to podcasts each month – an increase of 16% on the previous year.

2019 saw an increase in M&A activity within podcasting, as the industry began to consolidate around key pillars of content production, podcast technology and monetisation services. Notable transactions include:

- Spotify's acquisitions of Gimlet Media, Parcast and Anchor
- Entercom's acquisitions of Cadence 13 and Pineapple Street Media
- Rogers Media's acquisition of Pacific Content
- E.W. Scripps' acquisitions of Triton Digital and Omny Media

In 2020 we have already seen further M&A activity, with Spotify acquiring The Ringer network in February.

Operational review

I am pleased to report a strong year of monetisation and operational progress across all areas of the business.

KPIs

Our three Key Performance Indicators are drivers of growth in our most important income stream – premium advertising sales:

- Brand advertiser count of 280 as at 31 December 2019, up 75% on 31 December 2018 (160)
- Global revenue per 1,000 downloads (eCPM) for December 2019 increased 16% to US$29.60 (December 2018: US$25.49)
- Total available premium advertising impressions for the 12 months to 31 December 2019 up 59% to 1,644 million (2018: 1,035 million for 13 months to 31 December 2018)

Content Acquisition - Partnerships

Audioboom saw significant growth in the size of its premium sales network through the acquisition of new content, and the renewal of major content partnerships. Our ability to create competitive financial packages for Tier One podcast partners, followed-up with consistent over-performance against the minimum guarantee obligation from our premium advertising sales unit, enhanced our standing as a leading provider of monetisation services in the space.

Access to the SPV content funding facility (see further under "Financial review" below) enabled certain leading independent podcasters and talent agencies to enter into long-term commercial contracts with Audioboom, by providing assurances that the Company would meet its contractual financial obligations as to minimum guarantees.

In the US, we entered into key new partnerships or renewed contracts with *The Morning Toast, True Crime Obsessed, Astonishing Legends, Morbid, Waveform,* and *Chatty Broads*.

In the UK, we renewed our partnerships with *No Such Thing As A Fish, The Totally Football Show*, and *F1: Beyond The Grid*.

We now have more than 200 shows in our premium sales network, allowing advertisers to connect with audiences at massive scale through high-quality content and podcasting's leading creative talent. The fill rate of available advertising inventory on our top 10 podcasts was greater than 83% across 2019.

Content Creation - Audioboom Originals Network

During 2019, we continued our commitment to original content creation, expanding the Audioboom Originals Network to 19 shows. Revenue from the network increased to US$0.7 million, growing significantly from 2018 (US$0.3 million). The network was listened to more than 25 million times and created more than 100 million available advertising impressions during the year.

New shows launched in 2019 included *What Makes A Killer, A Life Lived,* and *Never Thought I'd Say This* – a co-production with Main Event Media. *Mafia, Covert,* and *Inbox* all returned for new seasons, while *The 45th, It's Happening,* and *Blank Check* continued to deliver weekly episodes.

We received critical acclaim for our original productions in 2019. *Dead Man Talking* received the Silver Award for Best True Crime podcast at the UK Podcast Awards, while *Blank Check* was nominated as one of Time Magazine's top three podcasts of the year.

To support growth in the Audioboom Originals Network, the Company expanded its production facilities in New York City, opening two new studios and a green-room space. Our enhanced facilities will support the creation of more than 40 shows.

We intend for our production arm to grow strongly in 2020, as we invest further in talent, facilities and audience acquisition. The higher gross margin of our original content should contribute significantly to our bottom line, and the impact of our shows will further shift the industry and podcast audience perception of the Company to that of a creative media brand.

Content Access - Sonic Influencer Marketing

2019 was the first full year of operations for Sonic Influencer Marketing, our platform that enables brands to buy advertising inventory within any globally available podcast.

More than 30 brands utilised the service, with the platform generating US$5.2 million in revenue (2018: US$0.8 million) – an outstanding first full year of business. Key clients include Article, Drink Works, Instacart and Hawthorne.

To support the development of Sonic Influencer Marketing we increased headcount in the team to five and opened a dedicated office space in Austin, Texas.

So far in 2020 six new brands have used the platform as we continue to increase our client-base. We expect further strong growth from Sonic Influencer Marketing across the year and for it to contribute significantly to the Group's overall revenues.

SONR News Limited ("SONR")

As previously reported, the majority of SONR staff left the Company in 2018 as Audioboom focussed its efforts on revenue generating initiatives. During 2019 it became clear that the opportunities previously being explored to exploit SONR's NLP and AI technology would not generate a viable, sustainable business. Therefore, the decision was taken to close the business and focus all resources on Audioboom's monetisable core strategy.

Key commercial and strategic partnerships

Voxnest

In September 2019, Audioboom announced a partnership with Voxnest, to provide technology and advertising services.

In the first phase of the partnership, Voxnest provided us with a professional-level advertising toolset that enables dynamic advertising injection on the entire roster of podcasts. For our premium network of shows it gives the option for host endorsements to be delivered at scale, targeted to location, or delivered against a show's archive – creating a second sales window in order to optimise revenue. For our wider group of podcast partners it will connect to ad networks and programmatic exchanges to maximize advertising fill.

Subsequently the partnership has enabled Audioboom to utilise the Interactive Advertising Bureau's V2 Podcast Measurement standard, via Voxnest's certified data platform. Audioboom's premium advertising sales model now utilises IAB V2 certified numbers to provide accurate and transparent pricing to the advertising community.

Nielsen
In September 2019, we also announced a partnership with Nielsen to utilise their Podcast Listener Buying Power Service. The toolset provides insights into audience profiles and consumer buying habits that help Audioboom improve the way we sell advertising. We are able to create stronger connections between brands and audiences, driving more value to both the advertisers and the talent we work with.

Distribution partnerships
Post period end, the Group entered into new distribution partnerships with Pandora (81 million active monthly users), Amazon Music (65 million active monthly users) and expanded its existing distribution partnership with Saavn.

Financial review

In 2019, the Company continued to both recognise record revenue growth quarter on quarter and significantly outperformed the overall podcast advertising market. This was achieved having laid strong operational and financial foundations in 2018, allowing our sales and creative staff to work with our content and advertising partners to continue to drive the business, and wider industry, forward.

Revenue growth accelerated in our core revenue segment; premium host endorsement advertising for our podcast partners. This core segment was assisted by excellent growth in Sonic Influencer Marketing in its first full year of trading, and material growth in a key area of focus for the business, the Audioboom Originals Network.

Revenue increased by 91% to US$22.3 million for 2019 from US$11.7 million (13 months to 31 December 2018). In 2019, 90% of Group revenue was generated in the United States, which is the largest and most developed market for podcasting, up from 83% in 2018 due to the continued growth in that territory as well as the first full year of trading at Sonic Influencer Marketing.

Gross margin decreased to 22% in 2019 (13 months to 31 December 2018: 27%). Audioboom has a mix of revenue streams, contributing different gross margins. Direct revenue, where advertising is placed on third party podcasts via the Audioboom sales teams, yielded 24% gross margin in 2019. Audioboom Originals Network contributed 45% gross margin in 2019, and the higher associated gross margin means this is a key area of focus going forward for the Company. Sonic Influencer Marketing typically contributes between 12% and 15% gross margin and therefore despite the growth of this business, it does impact the overall Group gross margin. The year-on-year decline in gross margin is mainly due to the increasing gross revenue contribution of Sonic Influencer Marketing, which accounted for 23% of total top line revenue in 2019 (13 months to 31 December 2018: 7%).

The Company continued to control overheads and we restructured the business to align staff globally and to ensure that every employee contributes to the growth of the business. We continue to monitor the cost base closely and align it to the Company's operational demands and this will continue into 2020 as we increase focus on the Audioboom Originals Network.

The Company's overall trading for the period, as measured by adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, share based payments and before exceptional items) recorded an improvement to a loss of US$2.9 million from US$4.7 million (13 months to 31 December 2018).

The total comprehensive loss for the year recorded an improvement to a comprehensive loss of US$7.1 million from US$8.5 million (13 months to 31 December 2018). The cash outflow from operating activities fell to US$5.2 million for the 12 month period (13 months to 31 December 2017: US$7.3 million), a 29% reduction.

The improvements in the working capital cycle can now clearly be seen in improvements in debtor collection days and average payable days. The implementation of the bespoke podcast advertising booking system in 2018, continued improved cash collection and sustained revenue growth has led to a 10% reduction in debtor days from 94 days in 2018 to 86 days in 2019. Average payable days also reduced from 98 days in 2018 to 72 days in 2019.

During the period, the Company raised a total of £4.3 million (before expenses) from the issue of ordinary shares in order to attract and retain leading third-party podcast talent and to continue to invest in the growth of the Company. Net cash at the period end was US$2.0 million (31 December 2018: US$1.6 million).

On 17 June 2019, the Company agreed a new content funding facility with SPV pursuant to which SPV provides minimum revenue guarantees to certain leading content partners of the Company. Audioboom pays SPV 8% of the net advertising revenue (after paying the content partner its share) received by Audioboom, in relation to those podcasts. To date, two leading podcasts have been retained via the SPV guarantee facility, in June 2019 and January 2020.

On 21 June 2019, the Company consolidated every 100 existing ordinary shares of no par value into one new ordinary share of no par value.

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 positive cash-flow.

Loan facility

On 7 February 2020, the Company announced that it had entered into a US$4 million secured loan facility arrangement (the "Facility") with SPV. Historically, the growth of Audioboom has been financed by the issue of equity with consequential dilution to the Company's shareholders, and the Board believes that the expectation of potential equity issues has had a negative impact on the Company's share price. The Facility should provide sufficient funding through to forecast sustainable positive cash generation on a monthly basis. To date, no funds have been drawn down.

Outlook

I am pleased with the strong start we have made in 2020, with bookings for the first quarter ahead of management expectations.

We have continued to sign great new podcasts into our premium sales network, renew some of our biggest publisher partnerships, and sign new clients to Sonic Influencer Marketing.

As mentioned above, our Chairman and largest shareholder have recognised our outstanding performance and are supporting the growth of the business with the Facility. This will allow us to execute our growth strategy across 2020 and should provide sufficient funding to take us through to forecast sustainable positive cash generation on a monthly basis.

This year we will continue to position Audioboom as a high-quality programme-maker within the US. We will invest significantly in content production through our Audioboom Originals Network, ensuring that we are developing creative concepts and strong stories, and we are working with high profile talent that can increase our audience engagement.

Already in 2020, we have launched four new AON shows – *For All Moms, Life's Little Mysteries, Noise Cancelling*, and *Here's The Sitch*. Revenue-wise the network is expected to deliver substantial growth versus 2019. As more of our AON shows are fully developed by our growing in-house team, we can implement greater controls on production budgets, leading to improved gross margins.

Our AON development slate is oversubscribed for the year, and I'm really excited about some of the new shows we will launch including; *Dark Air, Huddled Masses*, and *Truth Vs Hollywood*.

All of this comes against an uncertain backdrop of Covid-19, which may disrupt the advertising market and our immediate growth plans. We will provide any update we can in this respect in our Q1 trading update in April. However, with our improved cash position (as supported by the availability of the recently agreed loan facility), focus on content production and market-leading advertising sales operation, we are well placed to continue our expansion as the leading independent podcast company.

Stuart Last
Chief Executive Officer

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	12 months to 31 December 2019 US$'000	13 months to 31 December 2018 US$'000
Continuing operations			
Revenue	2	22,310	11,656
Cost of sales		(17,414)	(8,505)
Gross profit		4,896	3,151
Administrative expenses		(12,339)	(11,381)
Adjusted operating loss		(2,860)	(4,685)
- Amortisation and impairment of intangible assets	5	(2,420)	(578)
- Share based payments	9	(1,429)	(385)
- Depreciation		(60)	(77)
- Corporate transaction costs		-	(1,708)
- Depreciation – leases / Rent - leases	7	(331)	(404)
- Restructuring costs		(343)	(393)
Operating loss		(7,443)	(8,230)
Finance costs		(97)	(130)
Loss before tax		(7,540)	(8,360)
Income tax credit		221	272
Loss for the financial period attributable to equity holders of the parent		(7,319)	(8,088)
Other comprehensive loss			
Foreign currency translation difference		193	(450)
Total comprehensive loss for the period		(7,126)	(8,538)
Loss per share from continuing operations Basic and diluted	4	(55) cents	(77) cents

All results for both periods are derived from continuing operations.

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	As at 31 December 2019 US$'000	US$'000	As at 31 December 2018 US$'000	US$'000
ASSETS					
Non-current assets					
Intangible assets	5	-		2,420	
Property, plant and equipment		140		152	
Right of use asset	7	1,300		-	
			1,440		2,572
Current assets					
Trade and other receivables		7,120		4,169	
Cash and cash equivalents		1,992		1,581	
			9,112		5,750
TOTAL ASSETS			10,552		8,322
Current liabilities					
Trade and other payables			(5,861)		(4,087)
Deferred taxation			-		(203)
NET CURRENT ASSETS			3,251		1,460
Non-current liabilities					
Lease liability	7		(1,029)		-
NET ASSETS			3,662		4,032
EQUITY					
Share capital	6		-		-
Share premium	6		56,210		50,883
Issue cost reserve			(2,048)		(2,048)
Foreign exchange translation reserve			(337)		(530)
Reverse acquisition reserve			(3,380)		(3,380)
Retained earnings			(46,783)		(40,893)
TOTAL EQUITY			3,662		4,032

The accompanying accounting policies and notes form an integral part of these financial statements.

AUDIOBOOM GROUP PLC

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

	12 months to 31 December 2019 US$'000	**13 months to 31 December 2018 US$'000**
Loss from continuing operations	(7,319)	(8,088)
Loss for the period	(7,319)	(8,088)
Adjustments for:		
Taxation credit	(221)	(272)
Amortisation and impairment of intangible assets	2,420	578
Effect of retranslation of intangible assets	-	183
Depreciation of fixed assets	60	77
Effect of retranslation of fixed assets	(11)	25
Share based payments	1,429	385
Increase in trade and other receivables	(2,952)	(856)
Increase in trade and other payables	1,413	1,413
Foreign exchange loss	(17)	(715)
Cash flows from operating activities	(5,198)	(7,270)
Taxation received	106	214
Net cash used in operating activities	(5,092)	(7,056)
Investing activities		
Purchase of property, plant and equipment	(36)	(82)
Net cash used in investing activities	(36)	(82)
Financing activities		
Convertible loan interest and fees	-	(130)
Proceeds from convertible loan notes	-	1,995
Proceeds from issue of ordinary share capital (net of issue costs)	5,539	5,794
Net cash generated from financing activities	5,539	7,659
Net increase in cash and cash equivalents	411	521
Cash and cash equivalents at beginning of period	1,581	968
Effect of foreign exchange rate changes	-	92
Cash and cash equivalents at end of period	1,992	1,581

The Group had no borrowings in either financial period and therefore no reconciliation of net debt has been provided.

AUDIOBOOM GROUP PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Share premium	Issue cost reserve	Reverse acquisition reserve	Foreign exchange translation reserve	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 30 November 2017	-	43,224	(2,048)	(3,380)	(80)	(33,190)	**4,526**
Loss for the period	-	-	-	-	-	(8,088)	**(8,088)**
Issue of shares	-	7,659	-	-	-	-	**7,659**
Equity-settled share-based payments	-	-	-	-	-	385	**385**
Foreign exchange loss on translation of overseas subsidiaries	-	-	-	-	(450)	-	**(450)**
At 31 December 2018	-	50,883	(2,048)	(3,380)	(530)	(40,893)	**4,032**
Loss for the period	-	-	-	-	-	(7,319)	**(7,319)**
Issue of shares	-	5,327	-	-	-	-	**5,327**
Equity-settled share-based payments	-	-	-	-	-	1,429	**1,429**
Foreign exchange gain on translation of overseas subsidiaries	-	-	-	-	193	-	**193**
At 31 December 2019	-	56,210	(2,048)	(3,380)	(337)	(46,783)	**3,662**

Share premium

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

Issue cost reserve

The issue cost reserve arose from expenses incurred on share issues.

Reverse acquisition reserve

The reverse acquisition reserve relates to the reverse acquisition of Audioboom Limited by Audioboom Group plc on 20 May 2014.

Foreign exchange translation reserve

The foreign exchange translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations.

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 AIM, the market of that name, operated by the London Stock Exchange.

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 23 March 2020.

These results are audited, however the financial information set out in this announcement does not constitute the Group's statutory accounts for the period ended 31 December 2019, but is derived from the 2019 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 period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The accounting policies used in completing this financial information have been consistently applied in all periods shown.

Going concern

The financial statements 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 recently announced US$4 million loan facility arrangement with SPV Investments Limited (see note 10), 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 and also changes outside of expected trading performance), indicate that the Group will have sufficient cash available to continue in operational existence for the next 12 months from the date of approval of the financial statements and beyond. No additional funding is considered to be required and, based on the Board's forecasts, the Group considers that it will not require additional funding for the foreseeable future for the purposes of meeting its liabilities as and when they fall due. The Board believes that the Group is well placed to manage its business risks, and longer term strategic objectives, successfully.

In forming this assessment the Directors have considered the possible impact that the global outbreak of COVID-19 may have on the Group. The Directors acknowledge that it is challenging to predict the full impact this may have on the Group. Notwithstanding, management has carried out sensitivity analyses of the Group's cash flow models to quantify the impact of a range of possible outcomes, including lower than anticipated revenues, and the mitigations that the Group has available to it, including a reduction in overhead costs, active working capital management and the availability of finance from SPV Investments Limited. Accordingly, the Directors are satisfied that the Group will continue to be able to meet its ongoing liabilities as and when they fall due in reasonably foreseeable circumstances.

Therefore the Directors consider the going concern basis of preparation of these financial statements appropriate.

2. REVENUE

	12 months to 31 December 2019 US$'000	13 months to 31 December 2018 US$'000
Subscription	327	199
Advertising	21,983	11,457
	22,310	11,656

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:

	12 months to 31 December 2019 US$'000	13 months to 31 December 2018 US$'000
United Kingdom	2,137	1,901
Rest of the World	57	42
USA	20,116	9,713
	22,310	11,656

The Group invoiced 44% of its income to three customers who represented more than 10% of the reported revenues.

The Group currently has three geographic revenue regions, however, as the Group's controlling operations are primarily based in the UK, there is no separation of income, expenditure and sections of the balance sheet for the purposes of segmental reporting.

3. STAFF COSTS

	12 months to 31 December 2019	13 months to 31 December 2018
	Number	Number
Average number of production, editorial and sales staff	32	36
Average number of management and administrative staff	8	11
	40	47
	US$'000	US$'000
Wages and salaries	4,597	4,490
Social security costs	348	556
Pension costs (defined contribution scheme)	221	81
Share based payments	976	175
	6,142	5,302

4. LOSS PER SHARE

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

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share. For a loss-making company with outstanding share options, the 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.

The Company completed a 100:1 share consolidation on 21 June 2019 and the calculations set out below reflect this. Reconciliation of the loss and weighted average number of shares used in the calculation are set out below:

	Loss	Weighted average number of shares	Per share amount
		12 months ended 31 December 2019	
	US$'000	Thousand	Cents
Basic and diluted EPS			
Loss attributable to shareholders: - Continuing and discontinued operations	(7,319)	13,385	(55)
		13 months ended 31 December 2018	
	US$'000	Thousand	Cents
Basic and diluted EPS			
Loss attributable to shareholders: - Continuing and discontinued operations	(8,088)	10,474	(77)

5. INTANGIBLE ASSETS

	Software development	Intellectual property	Goodwill arising on consolidation	Total
	US$'000	US$'000	US$'000	US$'000
Cost				
At 31 December 2018 and 31 December 2019	576	2,164	883	3,623
Amortisation				
At 31 December 2018	123	1,080	-	1,203
Impairment charge	453	1,084	883	2,420
At 31 December 2019	576	2,164	883	3,623
Net book value				
At 31 December 2018	453	1,084	833	2,420
At 31 December 2019	-	-	-	-

The Group has fully impaired the goodwill and intangible assets during the period (2018: US$nil impairment).

The Group purchased SONR News Limited ('SONR'), a natural langauge processing (NLP) and artificial intelligence (AI) development company, in March 2017 for £1.42 million. The intangible asset previously carried by the Group related in its entirety to that acquisition and subsequent development costs capitalised in relation to SONR and its associated intellectual property.

The Group tests goodwill annually for impairment, or more frequently if there are indications that it might be impaired. Other intangibles are subject to tests for impairment where there are considered to be indicators that such tests are required. As at 31 December 2019, all the Group's intangible assets were subject to an impairment review performed by the Directors.

The recoverable value of goodwill arising on consolidation and other intangible assets was measured with reference to expected discounted future cash flows arising and commercial valuations associated with opportunities and partnerships that SONR is in the process of securing. In making this assessment, the Directors have considered the probability of potential opportunities and partnerships being formally agreed and the sensitivity of recoverable values to changes in their associated valuations.

The Directors reassessed the SONR business plan and associated projected cash flows and the assets held are now deemed to be obsolete and so have no value in use nor any fair value (less cost of sale). This has resulted in an overall impairment charge of US$2.4 million.

6. STATED CAPITAL ACCOUNT

On 21 June 2019, the Company consolidated every 100 existing ordinary shares of no par value into one new ordinary share of no par value and the numbers below are adjusted to reflect this.

	No. of shares	Share capital US$'000	Share premium US$'000
At 30 November 2017	**9,306,499**	**-**	**43,224**
Shares issued in the period			
Shares issued at 200p each	760,411	-	2,023
Shares issued at 300p each	1,666,000	-	5,636
At 31 December 2018	**11,732,910**	**-**	**50,883**
Shares issued in the year			
Shares issued at 130p each	1,153,847	-	1,931
Shares issued at 250p each	1,120,000	-	3,396
At 31 December 2019	**14,006,757**	**-**	**56,210**

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.

7. RIGHT OF USE ASSET LEASES

	As at 31 December 2019 US$'000	As at 31 December 2018 US$'000
Amounts recognised on the balance sheet		
Right of use assets		
Buildings	1,300	-
Lease liabilities		-
Current	340	-
Non-current	1,029	-
	1,369	-

The Company has adopted the modified retrospective approach to the implementation of IFRS 16: Leases. As a result, no adjustment has been made to comparative financial information.

Amounts recognised on the consolidated statement of comprehensive income

	As at 31 December 2019 US$'000	As at 31 December 2018 US$'000
Depreciation charge of right of use assets		
Buildings	(331)	-
Interest expense	(97)	-
Total cash outflow for leases	(428)	-

8. RELATED PARTY TRANSACTIONS

The following share subscription, issue of warrants and special purpose vehicle notes are quoted before (and after) the 100:1 share consolidation, which was completed on 21 June 2019.

Share subscriptions

Candy Ventures sarl subscribed for 46,153,850 (461,539) new ordinary shares at 1.3p (£1.30) in February 2019 and a further 42,400,000 (424,000) new ordinary shares at 2.5p (£2.50) in May 2019. Candy Ventures sarl is the Company's largest shareholder and an investment vehicle 90% owned by Nick Candy. Steven Smith, a non-executive Director of the Company, is a 10% shareholder and director of Candy Ventures sarl.

Michael Tobin, non-executive Chairman of the Company, subscribed for 3,846,160 (38,462) ordinary shares at 1.3p (£1.30) in February 2019 and a further 3,600,000 (36,000) ordinary shares at 2.5p (£2.50) in May 2019.

Roger Maddock, a non-executive Director of the Company, subscribed for 3,846,160 (38,462) ordinary shares at 1.5p (£1.50) in February 2019 and a further 2,000,000 (20,000) ordinary shares at 2.5p (£2.50) in May 2019. The Preston Trust (being a trust for the benefit of the family of Roger Maddock) subscribed for 4,000,000 (40,000) ordinary shares at 2.5p (£2.50) in May 2019.

Warrants

In order to allow the subscription shares in February 2019 to be issued on a timely basis and within the Company's existing share allotment authorities and without the need to convene an extraordinary general meeting of the Company, Michael Tobin agreed that the exercise of his 30,000,000 (300,000) warrants (split into three tranches of 10,000,000 (100,000) warrants) over new ordinary shares, awarded to him on 3 September 2018, be made conditional upon the Company obtaining shareholder authorities to allot and issue the new ordinary shares arising on exercise of the warrants free of pre-emption rights. Such authority was granted at a general meeting held on 21 May 2019. In return, and in recognition that such warrants should be an incentive, the Company agreed to (a) lower the exercise prices of the warrants from 2.4p (£2.40), 4.4p (£4.40) and 6.4p (£6.40) to 1.3p (£1.30), 3.3p (£3.30) and 5.3p (£5.30) respectively and (b) lower the share price hurdle for exercise of the second and third tranche of the warrants from 4.4p (£4.40) and 6.4p (£6.40) to 3.3p (£3.30) and 5.3p (£5.30) respectively.

In addition, and in order to obtain a substantial participation in the subscription, the Company agreed with Nick Candy to extend the exercise period of 12,000,000 (120,000) warrants over new ordinary shares held by him, granted pursuant to an agreement dated 2 April 2016, from 2 April 2019 to 31 March 2024. These warrants have an exercise price of 2.5p (£2.50) per ordinary share.

Special Purpose Vehicle

On 17 June 2019, the Company agreed a new content funding facility with SPV Investments Ltd, a special purpose vehicle ('SPV') which has been established and is owned equally by Michael Tobin, the Company's Chairman, and Candy Ventures sarl, the Company's largest shareholder. The SPV will provide minimum revenue guarantees to certain leading new content partners of the Company. Audioboom will pay the SPV 8% of the net advertising revenue (after paying the content partner its share) received by Audioboom, in relation to those podcasts. The underlying providers of the guarantees will be granted 2,500,000 (25,000) warrants to subscribe for ordinary shares in the Company for every US$1 million of guarantee provided, subject to a maximum of 10,000,000 (100,000) warrants. The exercise price of these warrants will be 3.3p (£3.30) per ordinary share each, with such warrants being exercisable for five years from grant. The first guarantee provided by the SPV in June 2019 led to an initial grant of an aggregate of 2,500,000 (25,000) warrants split equally between Michael Tobin and Candy Ventures sarl.

9. SHARE-BASED PAYMENTS

On 21 June 2019, the Company consolidated every 100 existing ordinary shares of no par value into one new ordinary share of no par value and the numbers below are adjusted to reflect this.

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

	2019		2018	
	Number of Share options	**Weighted Average Exercise Price (£)**	**Number of Share options**	**Weighted Average exercise Price (£)**
Outstanding at beginning of period	563,644	1.937	621,745	2.000
Granted during the period	809,600	1.613	75,000	2.400
Forfeited/lapsed during the period	(160,601)	1.610	(133,101)	3.192
Exercised during the period	-	-	-	-
Outstanding at end of period	1,212,643	1.759	563,644	1.937
Exercisable at end of period	631,960	1.837	399,700	2.655

The options outstanding at 31 December 2019 had a weighted average exercise price of £1.76, and a weighted average remaining contractual life of 5 years.

The Group recognised total expenses of US$977,000 related to equity-settled share-based payment transactions for the 12-month period ended 31 December 2019 (13 months to 31 December 2018: US$4,000).

	2019 US$'000	2018 US$'000
Share option charge	976	4
Warrant charge	453	381
	1,429	385

During the period, the Company revised the terms associated with the warrants to subscribe for ordinary shares held by Michael Tobin, the non-executive Chairman of the Company, which were issued in 2018, details of which are disclosed in note 8.

In addition, in December 2019, 45,000 warrants to subscribe for ordinary shares in the Company previously issued to one of its largest US podcast partners were cancelled in line with the terms of the agreement.

At the period end, the Company had in issue outstanding share warrants for a total of 445,000 shares (2018: 705,715 shares) with a weighted average exercise price of £3.08 (2018: £6.00). 245,000 (2018: 275,715) of the warrants were exercisable at the period end, and the balance may become exercisable subject to performance conditions.

10. POST BALANCE SHEET EVENTS

As referenced in note 8, in June 2019 the Company agreed a new content funding facility with SPV Investments Ltd, a special purpose vehicle ('SPV') which has been established and is owned equally by Michael Tobin, the Company's Chairman, and Candy Ventures sarl, the Company's largest shareholder. In January 2020, the second guarantee provided by the SPV led to a grant of an aggregate of 43,750 warrants split equally between Michael Tobin and Candy Ventures sarl.

In February 2020, the Company announced a US$4 million secured loan facility arrangement (the "Facility") with SPV. The Facility will be drawn down in accordance with an agreed cash flow forecast schedule and has a minimum draw down amount of US$200,000. The Facility will attract interest at a rate of 8 per cent. per annum on drawn down funds, together with a US$80,000 arrangement fee payable on the first draw down, equivalent to 2 per cent. of the full US$4 million available under the Facility. The accrued interest is payable at the date of repayment of the principal amount outstanding. The latest date for repayment is 24 months from the commencement of the Facility, however it may be repaid earlier at the Company's election. Any amounts repaid will not be available for subsequent drawdown. The SPV may require early repayment of some or all of the amounts outstanding if the Company undertakes a future equity fundraising (provided that a minimum of US$3 million of any such fundraise must remain available for other uses by the Company) or if there is a change of control of the Company. The Facility will be secured against the assets of Audioboom Limited and will contain events of default which are customary in nature for this type of loan facility. The interest rate payable will increase to 12 per cent. per annum in the case of default on repayment by the Company. To date, no funds have been drawn down.

On 13 March 2020, the Company issued a further 13,325 ordinary shares of no par value to satisfy the exercise of share options under the Company's share option scheme.

The Directors have considered the potential impact of the Covid-19 pandemic on the Group's trading prospects and future cash flows. They have concluded both that the going concern basis of preparation of these financial statements is appropriate (details of this consideration can be found in note 1) and that no adjustment is required to the statement of financial position as at 31 December 2019.