**21 July 2020**

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

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

**Half-Year Report**

Audioboom (AIM: BOOM), the leading global podcast company, announces its unaudited half-year results for the six months ended 30 June 2020.

**Financial Highlights**

- Revenue increased 20% to US$11.8 million (H1 2019: US$9.8 million), outperforming US podcast industry* and highlighting strong resilience to Covid-19
- Adjusted EBITDA** loss improved to US$1.2 million (H1 2019 loss: US$1.4 million)
- Group loss for the period significantly improved to US$2.0 million (H1 2019 loss: US$2.8 million)
- US$4.3 million of cash reserves as at 30 June 2020, representing Group cash of US$0.8 million and US$3.5 million of the SPV loan facility remaining undrawn
- Entered into a two-year US$4 million secured loan facility arrangement with SPV Investments Limited, a special purpose vehicle owned by both Michael Tobin, the Company's Chairman, and Candy Ventures sarl, the Company's largest shareholder. The loan has enabled the Company to access funding without equity dilution of the Company's shareholders

**Operational Highlights and KPIs**

- Key performance indicators ('KPIs'):
    - Revenue per 1,000 listens (eCPM) was US$25.32 in June 2020, marginally decreasing by 4% from US$26.38 in June 2019 due to lower advertiser demand during the Covid-19 pandemic – it had grown to US$38.40 in Q1 2020, and is expected to improve again in H2 2020
    - Brand advertiser count of 234 as at 30 June 2020, up 10% on 30 June 2019 (212)
    - Total H1 2020 available premium advertising impressions of 854 million, up 24% on H1 2019 (691 million)
- Expansion of the Audioboom Originals Network with the launch of For All Moms, Life's Little Mysteries, Here's The Sitch, Noise Cancelling and Truth Vs Hollywood
- Co-production partnership established with Future Publishing, to create and launch three original content podcasts in 2020 focused on technology, science and video games
- Renewed partnerships with major publisher partners including Casefile, Morbid and No Such Thing As A Fish
- Entered into new distribution partnerships to position the Company to emerge from the Covid-19 pandemic in a position of strength. These new partnerships include Pandora (81 million active monthly users) and Amazon Music (65 million active monthly users) and the expansion of an existing distribution partnership with Saavn
- Moved to the IAB V2 certified measurement standard to provide greater transparency to our advertising sales partners
- Joined the Triton Digital® Podcast Report, ranked as sixth out of the top 15 US podcast networks in June 2020, based on average weekly downloads and average weekly users
- Entered into a new sales partnership with Australian Radio Network to monetise inventory in Australia. Additionally, Audioboom ranked as the biggest international podcast publisher in Australia on Triton Digital's Podcast Reports
- Retained Raine Advisors Limited ("Raine") as financial adviser in relation to examining strategic options for the Company, and subsequently established a formal sale process pursuant to the Takeover Code. This process is ongoing and the Board, management and Raine remain engaged with a number of interested parties

* Interactive Advertising Bureau July 2020 Podcast Advertising Revenue Report states that US podcast advertising revenue is expected to grow by 14.7% in FY 2020 relative to FY 2019
** Earnings before interest, tax, depreciation, amortisation, share based payments and material one-off items

**Stuart Last, CEO of Audioboom, commented:**

"I am delighted to report that Audioboom's growth story continues in 2020, despite the immense challenges the sector has seen from the Covid-19 pandemic. Revenue growth for the period of 20% highlights a business model that continues to prove itself. Once again Audioboom is outpacing the industry, with revenue for the period growing 36% faster than is expected for US podcast industry over the 2020 full year per the Interactive Advertising Bureau's ('IAB') 2020 Podcast Revenue Report.

Alongside the revenue growth, cost control measures implemented in the face of the pandemic delivered a reduced EBITDA loss and a reduced overall loss for the period. Our reduced cash burn and the US$4 million loan facility provided in February 2020 by our Chairman and largest shareholder is expected to provide sufficient headroom to fund the Company through to sustainable positive cash flow generation on a monthly basis.

The most severe impact of Covid-19 was felt in May and June, however, July and August bookings are displaying signs of rebounding with advertiser demand increasing from previous lows. I am confident that Audioboom's expansion will continue in the second half of 2020 and I look forward to updating shareholders regarding future developments."

**Enquiries**

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**About Audioboom**

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), 'No Such Thing As A Fish' (UK), '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, Pandora, Amazon Music, 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.

**Chief Executive's Report**

**Operational Review**

Audioboom's core revenue strategy is focused on the monetisation of premium podcasts through advertising. Expanding the business is linked to three key strategic pillars:

1. content acquisition (partnerships with independent podcasts and networks)
2. content creation (development of owned and operated podcasts through the Audioboom Originals Network)
3. content access (monetising shows at external podcast networks through our in-house agency, Sonic Influencer Marketing)

**Covid-19**

The Covid-19 ('Covid') pandemic impacted many aspects of the Company's operations during the first half of 2020, with the first changes being seen in content consumption trends across Audioboom's network. An initial 10-12% drop in downloads during the last two weeks of March can be attributed to changes in audience schedules as general travel for work purposes and commuting decreased almost entirely overnight. Listening levels recovered during April, returning to pre-Covid levels by the end of that month. Audioboom has since grown downloads and available advertising inventory across May and June, which can be attributed to the signing of new publishers to the network during this period. The creation of strong supply can be seen in our premium advertising impressions KPI, with the total for H1 2020 reaching 854 million - a 24% increase on the same period in 2019.

Advertiser demand was quickly and deeply impacted by Covid. A number of brands and agencies swiftly enacted their 30-day cancellation policies in mid-March, leading to the removal of certain pre-booked campaigns from mid-April through to the end of June. At the same time, many advertisers paused placing new business and the combined result is lower than expected revenue across Q2 2020.

A more detailed analysis of advertiser demand shows that top tier podcasts, which average more than 100 thousand downloads per episode, have been more resilient to market declines than smaller shows. The majority of brands operating in podcasting are direct response advertisers, who are able to track campaign performance at individual podcast level through promotional codes and vanity URLs and in the main they have remained committed to shows with larger audience reach that have proven sales conversions. Tier 2 shows, which average less than 100 thousand downloads per episode, have been impacted to a greater extent. Advertisers have also been significantly more risk averse, which has reduced their testing of spend on new shows, making it an extremely difficult environment in which to launch new, unproven podcasts. The Audioboom Originals Network ('AON') has been impacted most severely during this time from a revenue standpoint. The majority of AON shows have Tier 2 level audiences and new launches have seen softer than expected advertiser support.

The impact of low advertiser demand can be seen in our eCPM KPI, which is a measure of how we optimise our available advertising inventory. In June 2019, our eCPM was US$26.38. For Q1 2020 we reported an eCPM of US$38.40. However, in June 2020 this number was US$25.32, a reduction on our strong Q1 performance and a 4% year on year decrease.

The IAB's Podcast Revenue Report – published in July 2020 – also highlighted the impact of Covid on the industry. Pre-Covid the IAB was projecting industry revenue growth of 30% from 2019, however, that growth forecast has been reduced to 14.7% due to the pandemic. With H1 20 revenue growth of 20%, Audioboom has outperformed the IAB's expectation for the US podcast industry over the 2020 full year in terms of revenue growth by 36%.

Advertiser demand is increasing again as we move into Q3; new bookings are picking up pace, while Covid-related advertising cancellations are decreasing. Combined with strong inventory levels, this demand is expected to lead to further expansion of the business across the second half of the year.

**Market Overview**

Overall, the podcast market in the United States, which continues to be Audioboom's main revenue generating region, remains in a growth period and has shown stronger resilience to the Covid-19 pandemic than many other sectors. The IAB's most recent Podcast Revenue Study – released in July 2020 – projects 2020 US market revenue growth at 14.7%, downgraded from 29.6% pre-Covid.

Podcasting continues to be an active market for M&A activity with several notable transactions being announced in 2020 including:

- Spotify's acquisition of The Ringer network
- Sirius XM's proposed acquisition of Stitcher
- LiveXLive's acquisition of PodcastOne
- Sirius XM's acquisition of Simplecast

**Strategic Partnerships**

During the period under review, the Company established new strategic partnerships that support its sales, marketing and technology operations. As a result of these partnerships, Audioboom will be positioned to emerge from the Covid-19 pandemic in a position of strength.

Our partnership with Podsights will provide advertisers with attribution metrics, allowing them to measure the success of campaigns they run on Audioboom podcasts, and book advertising with increased confidence. In Australia, we signed a sales partnership with Australian Radio Network (ARN), who will sell advertising and sponsorships against consumption of our podcasts in Australia, our 3rd largest region.

Two distribution partnerships – with Pandora and Amazon Music – will put our shows in front of 145 million potential new listeners.

In the UK, Audioboom is now an official partner of The Podcast Show. This will be a major podcast focused event launching in Spring 2021 which will increase our exposure to UK-based podcasters, advertisers and listeners.

A partnership with Triton Digital, and the extension of our work with Voxnest, will provide Audioboom with audience data and insights that will power our sales operation, deepen our relationship with advertisers and agencies, and give our podcast partners a clearer understanding of how their audience listens.

**Triton Digital Partnership and Metrics**

Audioboom's strategic partnership with Triton Digital provides a detailed consumption measurement platform that is certified by the Interactive Advertising Bureau in the United States. As well as providing transparent and verified metrics to our advertising and brand partners, the measurement service enables a more detailed level of insight into listening trends across our podcasts. Key insights that highlight Audioboom's position as a global leader in podcasting include;

- Audioboom podcasts are downloaded more than 74 million times each month globally
- 21 million unique listeners consume an Audioboom podcast each month
- Audioboom shows are downloaded 40 million times in the US and 12 million times in the UK per month

Triton Digital's measurement service also provides data for their monthly Podcast Reports – a set of regional rankers for podcasts and networks. Audioboom placed as the 6th largest podcast publisher in the United States and the largest international podcast publisher in Australia in June's reporting period, while many Audioboom podcasts appeared in the Top 200 show ranker.

**Independent Podcast Partnerships**

Audioboom acquired exclusive sales rights with several major podcast publishers during the period, and renewed partnerships with many of its leading independent podcasters. New signings include Tiny Meat Gang (ranked as the 60th biggest podcast in the US in Triton Digital's Podcast Report), ID10T with Chris Hardwick (a successful, long-running show formerly known as Nerdist), and Coffee Convos with Kail Lowry & Lindsie Chrisley.

Notable major partnership renewals included; Morbid (the 30th biggest show in the United States in Triton Digital's Podcast Report), No Such Thing As A Fish, and Casefile (the second largest show in Australia and the 42nd ranked show in the US as per the Triton Report). All renewals for top tier podcast partners are for 24 months.

**Audioboom Originals Network**

The Company continues to focus on the growth of its in-house production unit, which develops content for the Audioboom Originals Network at a higher gross margin than our independent podcast partnership business. Additionally, the unit develops branded content treatments, provides production services to a number of other podcasts and produces the acclaimed F1: Beyond The Grid Podcast.

New shows launched into the Audioboom Originals Network in the first half of 2020 include Life's Little Mysteries, Here's The Sitch, Noise Cancelling, For All Moms and Truth Vs Hollywood. What Makes A Killer, Never Thought I'd Say This and An Hour Or So With Sue Perkins returned for new seasons, while established weekly shows like The 45th, It's Happening and Blank Check continued successfully.

Our production unit adapted quickly and nimbly to the logistical challenges that Covid presented. Production studios in our New York City offices were closed in mid-March, and on-location recording has not been possible during this time. It is commendable that the unit has delivered high quality production across new and returning shows whilst working remotely and without access to production facilities.

However, the medium-term growth of AON has been impacted by the pandemic. Several planned show launches for 2020 were postponed until later in the year or early 2021, reducing planned inventory levels and therefore revenue potential. Expansion plans for 2020 included the launch of production facilities in Los Angeles as well as investment in a number of senior production roles – these plans will now be delayed until Q1 2021 at the earliest, creating a knock-on effect of delays to new show launches over the next 18 months.

We are very excited for upcoming show launches planned for H2 2020 including Huddled Masses (from the production team behind the Audioboom Original Dead Man Talking), Dance Moms and Crime Weekly (a co-production with Main Event Media).

**Sonic Influencer Marketing**

Audioboom's in-house agency specialising in podcast advertising continued its positive momentum as it entered its second full year of operations. Sonic is part of the Audioboom Group but operates as a distinct and separate brand. Sonic once again materially contributed to the Group's revenue in H1 20. Sonic is focused on the third pillar of Audioboom's strategic growth strategy – accessing content at external podcast networks and monetising this through advertising.

During the first half of 2020, nineteen brands utilised the Sonic Influencer Marketing platform and accessed inventory across 184 podcasts outside of the Audioboom network.

**Financial Review**

Group revenue in the first half of 2020 increased by 20% year on year to US$11.8 million (H1 2019: US$9.8 million). Adjusted EBITDA loss (earnings before interest, tax, depreciation, amortisation, share based payments and material one-off items) improved by 15% to US$1.2 million (H1 2019 loss: US$1.4 million). Total loss for the period significantly improved to US$2.0 million (H1 2019 loss: US$2.8 million). Despite the challenges posed by Covid, the Company delivered year-on-year revenue growth ahead of the wider podcast market.

Gross margin remained fairly consistent with 2019 at 21% (year to 31 December 2019: 22%). 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 a 21% gross margin in H1 2020. The Audioboom Originals Network contributed a 47% gross margin in H1 2020, and the higher associated gross margin means this is a key area of focus going forward for the Company. Sonic Influencer Marketing contributed a 14% gross margin.

Cost control continues to be of upmost importance, ensuring that the resources of our lean and efficient Company are aligned to our operational demands and allow our excellent 38 members of staff to continue to deliver growth. Cash collection has continued to improve once again, despite increasing revenue volume, thanks to our efficient internal processes and good relationships with our customers, yielding a new record low debtor days of 58 at 30 June 2020 (30 June 2019: 78). Creditor payments continue to be in line with our contractual payment obligations, with trade payables and accrued costs of US$4.2 million.

On 7 February 2020, the Company announced that it had entered into a US$4 million secured loan facility arrangement (the "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. 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, US$0.5 million of the loan has been drawn down and we will continue to prioritise limiting further draw-downs to when absolutely necessary as we continue to approach break even.

The separate US$4 million content funding facility with SPV, announced on 17 June 2019, has continued to decrease pressure on capital required to secure high revenue producing podcasts. This provides minimum revenue guarantees to certain leading content partners of the Company with Audioboom paying 8% of the net advertising revenue (after paying the content partner its share) received by Audioboom, in relation to those podcasts to SPV. The second guarantee of US$1.75 million was provided in January 2020 and as at 30 June 2020, the amount currently remaining available under the guarantee facility was approximately US$2.6 million.

Operating cash outflow before working capital movements is marginally ahead of H1 2019 at US$1.7 million (H1 2019: US$1.8 million). Net cash used in operating activities was US$1.7 million (H1 2019: US$3.8 million) as the Company continued to fulfil a number of material recoupable advance payments to retain existing and attract new podcast partners. This has been offset by continued over-performance on debtor collections, leading to a US$1.7 million decrease in trade debtors since 31 December 2019. Further improved working capital management can be identified when comparing the cash burn rate. Excluding recoupable content partner advances paid (H1 2020: US$0.8 million, H1 2019: US$1 million), 2019 fundraising (US$5.5 million) and 2020 SPV loan drawn down (US$0.5 million), H1 2019 saw a net cash burn of US$2.7 million, which decreased to US$1.4 million in H2 2019 and again further to US$0.9 million in H1 2020.

**Formal Sale Process Update**

In 2020, Audioboom retained Raine as financial adviser in relation to examining strategic options for the Company, and subsequently established a formal sale process pursuant to the Takeover Code. The process is ongoing and the Board, management and Raine remain engaged with a number of interested parties.

**Outlook**

The strong growth recognised in H2 2019 has continued into 2020 with impressive performance, despite the impact of Covid-19 on the whole advertising industry. Continued cost control and working capital management, new partnerships, and the continued growth of our creative content operation will enable us to continue our progress as the pandemic subsides.

I would like to take this opportunity to thank the management team and staff for their continued hard work and commitment during a challenging period and look forward to the second half of the year with renewed optimism.

**Stuart Last**
**Chief Executive Officer**

**Audioboom Group PLC**
**Consolidated Statement of Comprehensive Income**

| | Notes | **Unaudited 6 months to 30 June 2020** | Unaudited 6 months to 30 June 2019 | Audited 12 months to 31 Dec 2019 |
|---|---|---|---|---|
| | | **US$'000** | US$'000 | US$'000 |
| **Continuing operations** | | | | |
| Revenue | 2 | **11,829** | 9,844 | 22,310 |
| Cost of sales | | **(9,343)** | (7,553) | (17,414) |
| **Gross profit** | | **2,486** | 2,291 | 4,896 |
| Administrative expenses | | **(4,347)** | (5,043) | (12,339) |
| Adjusted operating loss | | **(1,207)** | (1,418) | (2,860) |
| - Amortisation of intangible assets | | **-** | (205) | (2,420) |
| - Share based payments | | **(335)** | (882) | (1,429) |
| - Depreciation | | **(30)** | (30) | (60) |
| - Depreciation – leases | | **(160)** | (166) | (331) |
| - Corporate transaction costs | | **(129)** | - | - |
| - Restructuring costs | | **-** | (51) | (343) |
| **Operating loss** | | **(1,861)** | (2,752) | (7,443) |
| Finance costs | 3 | **(141)** | (18) | (97) |
| **Loss before tax** | | **(2,002)** | (2,770) | (7,540) |
| Income tax credit | | **-** | 1 | 221 |
| **Loss for the financial period** | | **(2,002)** | (2,769) | (7,319) |
| **Other comprehensive income** | | | | |
| Foreign currency translation difference | | **(320)** | (134) | (193) |
| **Total comprehensive loss for the period** | | **(2,322)** | (2,903) | (7,126) |
| Loss per share from continuing operations Basic and diluted | 4 | **(14) cents** | **(23) cents** | **(55) cents** |

**Audioboom Group PLC**
**Consolidated Statement of Financial Position**

| | Notes | **Unaudited as at 30 June 2020 US$'000** | Unaudited as at 30 June 2019 US$'000 | Audited as at 31 Dec 2019 US$'000 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Intangible assets | | **-** | 2,237 | - |
| Property, plant and equipment | | **112** | 110 | 140 |
| Right of use asset | | **1,129** | 1,631 | 1,300 |
| | | **1,241** | 3,978 | 1,440 |
| **Current assets** | | | | |
| Trade and other receivables | 6 | **5,348** | 6,171 | 7,120 |
| Cash and cash equivalents | | **818** | 3,351 | 1,992 |
| | | **6,166** | 9,522 | 9,112 |
| **TOTAL ASSETS** | | **7,407** | 13,500 | 10,552 |
| **Current liabilities** | | | | |
| Trade and other payables | 7 | **(4,240)** | (5,752) | (5,861) |
| Deferred taxation | | **-** | (197) | - |
| | | **(4,240)** | (5,949) | (5,861) |
| Net current assets | | **1,926** | 3,573 | 3,251 |
| **Non-current liabilities** | | | | |
| Loan liability | 3 | **(500)** | - | - |
| Lease liability | 3 | **(892)** | - | (1,029) |
| **NET ASSETS** | | **1,775** | 7,551 | 3,662 |
| **Equity** | | | | |
| Share capital | | **-** | - | - |
| Share premium | 5 | **56,310** | 56,423 | 56,210 |
| Issue cost reserve | | **(2,048)** | (2,048) | (2,048) |
| Foreign exchange translation reserve | | **(657)** | (664) | (337) |
| Reverse acquisition reserve | | **(3,380)** | (3,380) | (3,380) |
| Retained earnings | | **(48,450)** | (42,780) | (46,782) |
| **TOTAL EQUITY** | | **1,775** | 7,551 | 3,662 |

**Audioboom Group PLC**
**Consolidated Cash Flow Statement**

| | **Unaudited six months to 30 June 2020 US$'000** | Unaudited six months to 30 June 2019 US$'000 | Audited 12 months to 31 Dec 2019 US$'000 |
|---|---|---|---|
| Loss from continuing operations | (2,002) | (2,769) | (7,319) |
| **Loss for the period** | **(2,002)** | (2,769) | (7,319) |
| Adjustments for: | | | |
| Taxation | - | (1) | (221) |
| Interest payable | 141 | 18 | 97 |
| Depreciation of fixed assets | 30 | 30 | 60 |
| Effect of retranslation of fixed assets | - | 13 | (11) |
| Amortisation of intangible assets | - | 205 | 2,420 |
| Effect of retranslation of intangible assets | - | (22) | - |
| Share based payments | 335 | 882 | 1,429 |
| Taxation received | 27 | - | 106 |
| Foreign exchange loss | (223) | (153) | (17) |
| **Cash flows from operating activities before working capital movements** | **(1,692)** | (1,797) | (3,456) |
| Decrease/(Increase) in trade and other receivables | 1,773 | (2,003) | (2,952) |
| (Decrease)/Increase in trade and other payables (excluding leases) | (1,766) | 34 | 1,316 |
| **Net cash used in operating activities** | **(1,685)** | (3,766) | (5,092) |
| **Investing activities** | | | |
| Purchase of property, plant and equipment | (2) | - | (36) |
| **Net cash used in investing activities** | **(2)** | - | (36) |
| **Financing activities** | | | |
| Proceeds from loan | 500 | - | - |
| Loan interest and fees | (87) | - | - |
| Proceeds from issue of ordinary share capital | 100 | 5,540 | 5,539 |
| **Net cash generated from financing activities** | **513** | 5,540 | 5,539 |
| **Net (decrease)/increase in cash and cash equivalents** | **(1,174)** | 1,774 | 411 |
| Cash and cash equivalents at beginning of period | **1,992** | 1,581 | 1,581 |
| Effect of foreign exchange rate changes | **-** | (4) | - |
| **Cash and cash equivalents at end of period** | **818** | 3,351 | 1,992 |

**Audioboom Group PLC**
**Consolidated Statement of Changes in Equity**

| | Share premium | Other reserves* | Retained earnings | **Total equity** |
|---|---|---|---|---|
| | US$'000 | US$'000 | US$'000 | **US$'000** |
| **At 31 December 2018** | 50,883 | (5,958) | (40,893) | **4,032** |
| Loss for the period | - | - | (2,769) | **(2,769)** |
| Issue of shares | 5,327 | - | - | **5,327** |
| Equity-settled share-based payments | - | - | 882 | **882** |
| Other comprehensive loss | - | (134) | - | **(134)** |
| **At 30 June 2019** | 56,210 | (6,092) | (42,780) | **7,338** |
| Loss for the period | - | - | (4,550) | **(4,550)** |
| Equity-settled share-based payments | - | - | 547 | **547** |
| Other comprehensive income | - | 327 | - | **327** |
| **At 31 December 2019** | 56,210 | (5,765) | (46,783) | **3,662** |
| Loss for the period | - | - | (2,002) | **(2,002)** |
| Issue of shares | 100 | - | - | **100** |
| Equity-settled share-based payments | - | - | 335 | **335** |
| Other comprehensive loss | - | (320) | - | **(320)** |
| **At 30 June 2020** | 56,310 | (6,085) | (48,450) | **1,775** |

**Other reserves relate to the following reserves: Issue Cost Reserve, Foreign Exchange Translation Reserve and the Reverse Acquisition Reserve. Full details are disclosed in the 2019 Annual Report.*

## 1. General information and basis of preparation

Audioboom Group plc is incorporated in Jersey under the Companies (Jersey) Law 1991. The Company's ordinary shares of no par value are traded on AIM, a market operated by the London Stock Exchange.

These consolidated interim financial statements, which are unaudited, have been approved by the Board of Directors on 20 July 2020. They have been drawn up using the accounting policies and the basis of presentation expected to be adopted in the Group's full financial statements for the year ending 31 December 2020, which are not expected to be significantly different to those set out in note 1 to the Company's audited financial statements for the 12 month period ending 31 December 2019.

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

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Those estimates and assumptions are consistent with those as reported in the Company's audited financial statements for the 12 month period ending 31 December 2019.

### Going concern

These interim 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 US$4 million loan facility arrangement with SPV Investments Limited announced in February 2020, 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 ongoing 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, and a potential second wave of Covid-19, 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 appropriate.

## 2. Revenue

The Group's operations are principally located in the UK and the USA. The Group's revenue from external customers by geographical location is detailed below:

| | **Unaudited six months to 30 June 2020 US$'000** | Unaudited six months to 30 June 2019 US$'000 | Audited 12 months to 31 Dec 2019 US$'000 |
|---|---|---|---|
| United Kingdom | 729 | 1,095 | 2,137 |
| Rest of World | 18 | 13 | 57 |
| USA | 11,082 | 8,736 | 20,116 |
| **Total** | **11,829** | 9,844 | 22,310 |

## 3. Finance costs

The Company has incurred interest on the US$0.5 million loan drawn in the first half of 2020 from SPV Investments Limited. The Facility attracts an interest rate of 8 per cent. per annum on drawn down funds, together with a US$80,000 arrangement fee which was paid 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 with the latest date for repayment being 24 months from the commencement date of the Facility, being 7 February 2022. The loan may be repaid earlier at the Company's election.

| | **Unaudited six months to 30 June 2020 US$'000** | Unaudited six months to 30 June 2019 US$'000 | Audited 12 months to 31 Dec 2019 US$'000 |
|---|---|---|---|
| SPV loan interest and arrangement fee | 87 | - | - |
| Depreciation – lease interest | 54 | 18 | 97 |
| **Total** | **141** | 18 | 97 |

## 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, net loss per share would be decreased by the exercise of share options. Therefore, as per IAS 33:36, the antidilutive potential ordinary shares are disregarded on the calculation of diluted EPS.

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.

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

| | | 30-June-20 | |
|---|---|---|---|
| | Loss | Weighted average number of shares | Per share amount |
| Basic and Diluted EPS | US$'000 | Thousand | Cents |
| Loss attributable to shareholders: | | | |
| - Continuing and discontinued operations | (2,002) | 14,017 | (14) |

| | | 30-June-19 | |
|---|---|---|---|
| | Loss | Weighted average number of shares | Per share amount |
| Basic and Diluted EPS | US$'000 | Thousand | Cents |
| Loss attributable to shareholders: | | | |
| - Continuing and discontinued operations | (2,769) | 12,238 | (23) |

| | | 31-Dec-19 | |
|---|---|---|---|
| | Loss | Weighted average number of shares | Per share amount |
| Basic and Diluted EPS | US$'000 | Thousand | Cents |
| Loss attributable to shareholders: | | | |
| - Continuing and discontinued operations | (7,319) | 13,385 | (55) |

**5. Share capital**

Issued and fully paid – ordinary shares of no par value

| | |
|---|---|
| At 31 December 2019 (adjusted for share consolidation) | 14,006,757 |
| At 30 June 2020 | 14,056,504 |

During the period 49,747 new ordinary shares were issued to satisfy the exercise of existing share options under the Company's Share Option Scheme 2014 by ex-employees whose options were due to lapse.

The total number of instruments over equity (including both share options and warrants) outstanding at the period end was 1,740,276.

**6. Trade and other receivables**

The trade and other receivables at the end of the period comprised US$4.1 million relating to trade debtors and accrued sales income, and US$1.2 million relating to deposits, prepaid expenses and advance talent payments.

## 7. Trade and other payables

The trade and other payables at the end of the period comprised US$3.9 million relating to trade payables and accrued content partner costs. The Company currently accrues all costs based on contract terms. Due to a minimum payable value, some partners have not attained the threshold level to receive a payment. Payables relating to leases total US$1.2 million, US$0.3 million due in under one year and US$0.9 million due in more than one year.

## 8. Related party transactions

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 and existing 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 25,000 warrants to subscribe for ordinary shares in the Company for every US$1 million of guarantee provided, subject to a maximum of 100,000 warrants. The exercise price of these warrants will be £3.30 per ordinary share each, with such warrants being exercisable for five years from grant. The second guarantee provided by the SPV in January 2020 of US$1.75 million led to a grant of an aggregate of 43,750 warrants split equally between Michael Tobin and Candy Ventures sarl. Following the second use of the content funding facility, as at 30 June 2020 the amount currently remaining available under the guarantee facility was approximately US$2.6 million.

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 is secured against the assets of Audioboom Limited and contains 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, US$0.5 million has been drawn down under the facility.

**ENDS**