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

Half-Year Report

Audioboom (AIM: BOOM), the leading global podcast company, is pleased to announce its unaudited half-year results for the six months ended 30 June 2022.

Financial Highlights and KPIs

- Record H1 revenue of US\$40.9 million, **up 79%** on H1 2021 (US\$22.8 million)
- Record Q2 revenue of US\$21.2 million, **up 59%** on Q2 2021 (US\$13.3million)
- Adjusted EBITDA* profit of US\$2.0 million (H1 2021: US\$0.2 million)
- Average Q2 global monthly downloads increased to 124.0 million, **up 35%** on Q2 2021 (92.1 million). Global downloads in May 2022 reached 133.0 million
- Average Q2 brand advertiser count of 376, **up 15%** on Q2 2021 (326)
- Average global revenue per 1,000 downloads (eCPM) increased to US\$56.66 in Q2 2022, **up 12%** (Q2 2021: US\$50.73)
- Group cash of US\$5.8 million with further available funds from the undrawn US\$1.8 million HSBC overdraft

Commercial Highlights

- Continued growth of Showcase, our global advertising marketplace - revenue from advertising technology in H1 2022 more than 150% greater than in H1 2021, and now contributing more than 12% to Group revenue
- New demand-side/monetisation partners added to Showcase, including NZME, Soundstack, and Instreamatic
- Further success for Audioboom Studios with new titles *Devils in the Dark* and *The Criminal Makeup* reaching the top 15 of the UK Apple Podcast chart
- New exclusive partnerships launched in Audioboom's Creator Network with major podcasts including: *The Roman Atwood Podcast*; *Fair Game with Leah Remini*; and *Speak The Truth*
- Long-term renewal of key content partnerships in our Premium Network, including *Dark History*, *Murder Mystery Makeup*, *No Such Thing As A Fish*, *Casefile True Crime*, *Mile Higher*, *Strange & Unexplained*, *Lights Out* and *The Sesh*
- Climbed to third position (previously fourth) in Triton Digital's ranker of the largest US podcast publishers based on weekly audience reach for May 2022

* Earnings before interest, tax, depreciation, amortisation, share based payments, non-cash foreign exchange movements and material one-off items

Stuart Last, CEO of Audioboom, commented:

"I am delighted to report on another period of strong performance for Audioboom as we delivered record quarterly revenue in Q2, and increased our H1 revenue by 79% over the same period in 2021. Our adjusted EBITDA for the period was US\$1.8 million higher than H1 2021, while our cash position of US\$5.8 million is the strongest the Company has ever reported.

Those numbers are impressive and are the result of our focus on building a platform that efficiently powers podcasting for creators and brands. Showcase – our scalable automated ad marketplace - goes from strength to strength, now delivering more than 12% of group revenue, while Audioboom Studios in the UK is consistently creating hit shows for British listeners.

2022 has presented global challenges and the advertising market is not immune to those, however, podcast revenue is expected to grow at a quicker pace than most other forms of audio and we are confident that our proven monetisation

model will continue to deliver great value for brands. And with more than US\$68m of advertising bookings secured for 2022 – already 13% more than last year’s total revenue – we are well placed to continue our growth and achieve our 2022 goals.”

Enquiries

Audioboom Group plc

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About Audioboom

Audioboom is a global leader in podcasting - our shows are downloaded 133 million times each month by 35 million unique listeners around the world. Audioboom is ranked as the third largest podcast publisher by average weekly users in the US by Triton Digital.

Audioboom's ad-tech and monetisation platform underpins a scalable content business that provides commercial services for more than 8,000 podcasts, with key partners including 'Casefile True Crime' (US), 'True Crime Obsessed' (US), 'The Morning Toast' (US), 'No Such Thing As A Fish' (UK), and 'The Cycling Podcast' (UK).

Audioboom Studios is home to a slate of content produced by Audioboom including 'Devils in the Dark', 'F1: Beyond The Grid', 'RELAX!', 'Covert', 'It's Happening with Snooki & Joey', 'Mafia', 'Huddled Masses' and 'What Makes A Killer'.

Audioboom operates internationally, with operations and global partnerships across North America, Europe, Asia and Australia. 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

Strategy and Business Model

Audioboom powers podcasting for creators and brands. This is the simple messaging behind our recently updated branding and relaunched [website](#), and highlights the crucial role that Audioboom plays in the podcast space. Over the past few years, we have generated more than US\$150 million in revenue for our podcast creators and helped thousands of brands deliver their campaign goals.

The Audioboom platform sits at the heart of a three-sided marketplace, connecting creators and their content with advertisers and engaged audiences. Podcasting as a medium can only maximise its value when all three elements of this marketplace are connected – Audioboom does this at scale, and with great efficiency.

Creators are the heartbeat of the platform. Our technology enables more than 8,000 podcasters to manage their content publishing process, grow their audience, distribute with one click to all major listening apps, and see insights into the consumption of their content with our data and analytics dashboard.

Audioboom's primary growth strategy continues to be focused on the development of partnerships with the best creators in podcasting – both established top-tier podcasters with strong, built-in audiences, and up-and-coming talent with whom we can partner to help develop their product and support their growth in listenership. Successful execution of this content growth strategy can be seen in our Global Monthly Downloads KPI – a measure of consumption – which has seen growth of 35% over the past year, reaching a new high of 133 million in the month of May.

Growth in downloads is a proxy for the levels of advertising inventory we are able to produce within the platform. To monetise this fast-growing inventory we have established an advertising model with two clearly defined products for brands to buy.

Our Premium advertising offering is a high-value ad unit in which the host of the podcast delivers campaign messages for the brand and endorses the product directly to their engaged audience. The ads are native to the content - minimising ad-skipping – and the performance of the campaigns can be tracked very accurately through attribution technology, allowing brands to measure return on investment at an individual podcast level. As a result, our Premium ad product delivers strong pricing between US\$25 and US\$50 per 1,000 ad impressions.

Our second advertising offering, Showcase, is an automated advertising marketplace in which our technology connects our available advertising inventory to an ecosystem of ad buyers globally. Ads are pre-produced and injected into content using Dynamic Ad Insertion (DAI), enabling advertising campaigns to run across multiple podcasts or genres, or be targeted to audience groups, locations or key-words. Combined with our proprietary inventory creation tool, AdRip, Showcase enables the continued remonetisation of back-catalogue content, even if episodes were first published more than ten years earlier. Showcase delivered record revenue in May 2022, reaching US\$1.2 million. Across 2022 we are on track to make more than four billion impressions available to advertisers within Showcase.

H1 2022

The success of Showcase has been one clear driver of Audioboom's continued strong momentum in the first half of 2022. Our year-to-date revenue growth of 79% is significantly higher than the projected US full-year industry growth of 15% (PwC June 2022 Global Entertainment and Media Outlook report), enabling us to grow market share for the fifth straight year. Our strong performance in H1 2022 was also highlighted in May's Triton Digital Podcast Report, in which Audioboom became the third biggest podcast publisher in the US in terms of audience reach.

Another key factor in a successful H1 was the renewal of major creator partnerships including *Casefile True Crime*, *No Such Thing As A Fish*, *Dark History*, *Murder Mystery Make-up*, *Mile Higher*, *Lights Out*, *The Sesh* and *Strange & Unexplained*. These podcasts each deliver large audiences and high volumes of advertising inventory. Key partnerships like these are now being renewed on longer, three-year terms and will give Audioboom exclusive sales and distribution rights.

Audioboom Studios, our creative and production arm, continued its expansion during the period, including the first slate of shows for UK audiences. *Devils in the Dark*, developed and produced by Audioboom Studios, debuted in February 2022 and quickly hit number one on the UK True Crime chart and made the top 15 of the overall Apple Podcasts chart. *The Criminal Makeup* launched in May 2022 and reached number 12 on the UK Apple Podcasts chart.

Financial Review

Group revenue in the first half of 2022 increased by 79% year on year to US\$40.9 million (H1 2021: US\$22.8 million). Adjusted EBITDA profit (earnings before interest, tax, depreciation, amortisation, share based payments, non-foreign exchange movements and material one off items) significantly improved to US\$2.0 million (H1 2021: US\$0.2 million) with the Company recording positive adjusted EBITDA in every month of H1 2022, as it did throughout 2021. The total profit before tax for the period improved to US\$0.6 million (H1 2021: US\$0.5 million loss).

Gross margin reduced slightly to 20% (year to 31 December 2021: 22%). Audioboom has a mix of revenue streams, contributing different gross margins. Premium advertising revenue, where the host of the podcast delivers campaign messages for the brand and endorses the product directly to their engaged audience, yielded a 21% gross margin in H1 2022. This reflects the concentration of revenue in the top tier of podcasts where the revenue share is split 80/20 in the podcasters' favour. Audioboom Studios contributed a 31% gross margin in H1 2022, and the higher associated gross margin means this will continue to be a key area of focus going forward for the Company, as well as that revenue generated via Showcase, which contributed a 29% gross margin in H1 2022. Sonic Influencer Marketing contributed a 10% gross margin in H1 2022 and the continued growth of this part of the business has also contributed to overall Group gross margin reducing slightly.

Cost control continues to be of upmost importance, ensuring that the resources of our lean and efficient company are aligned to our operational demands. Headcount has increased to 47 (30 June 2021: 37) as we have recruited staff to support the significant growth over the last 18 months, albeit that, at 47 heads, we remain extremely lean versus our competitors.

Cash collection has continued to increase once again due to overall revenue growth and, thanks to our efficient internal processes and good relationships with our customers, we report a debtor day figure of 68, 26 days lower than 31 December 2021 (94). Operating cash inflow before working capital movements of US\$1.9 million was significantly ahead of H1 2021 (H1 2021: US\$0.2 million cash inflow). Net cash generated from operating activities of US\$1.5 million was significantly better than H1 2021 (H1 2021: US\$1.8 million outflow). Cash held at 30 June 2022 of US\$5.8 million increased by US\$2.8 million from 31 December 2021 (US\$3.0 million). This represents the largest cash balance reported by the Company and is a testament to the internal processes that have been built over the last four years.

On 14 April 2022, the Company secured a £1.5 million multicurrency overdraft with HSBC, which was undrawn as at 30 June 2022, giving the Company access to capital of US\$7.6 million, represented by Group cash of US\$5.8 million and the US\$1.8 million HSBC overdraft. During the period, both the US\$4 million content funding facility and US\$4 million loan facility supplied by SPV Investments Limited, the entity jointly owned by Michael Tobin, the Company's Chairman, and Candy Ventures Sarl, the Company's second largest shareholder, expired.

Outlook

Audioboom's positive outlook continues. We currently have advertising bookings of more than US\$68m for 2022 signed – more than 13% greater than the entirety of last year's revenue.

Our new business pipeline is strong with significant opportunities to create new partnerships with top podcasts in the US and UK to expand our creator network, and in the second half of the year we will be focused on renewing more of our valuable creator partnerships in order to deliver new premium advertising inventory.

Audioboom Studios will premiere three new productions in H2 2022 as we continue our investment into original content creation. We also expect to add new monetisation partnerships in Showcase as we continue to optimise our automated ad product.

We do expect the advertising market to be further tested by the economic downturn and we are seeing a softening in advertiser demand for Q3 2022 as lower consumer spending impacts the confidence of brands in the space. It is too early to report if this will continue into Q4, however, podcasting as a medium showed strong resilience to the downturn caused by the Covid-19 pandemic in 2020 when compared to other ad-supported areas of the media. Podcasting provides strong and measurable advertising performance, and I expect this softening in demand to be set against a backdrop of continued overall revenue growth for the industry. The podcast industry and our business model are robust, we are well positioned to continue our growth story, and we are confident in achieving our goals for 2022.

I would like to thank the Audioboom team for their dedication as we build the world's leading independent podcast business, and our shareholders and investors for their continued support.

Stuart Last
Chief Executive Officer

Audioboom Group PLC
Consolidated Statement of Comprehensive Income

		Unaudited six months to 30 June 2022	Unaudited six months to 30 June 2021	Audited 12 months to 31 Dec 2021
	Notes	US\$'000	US\$'000	US\$'000
Continuing operations				
Revenue	2	40,910	22,783	60,317
Cost of sales		(32,650)	(17,916)	(47,066)
Gross profit		8,260	4,867	13,251
Administrative expenses		(7,631)	(5,309)	(11,452)
Adjusted operating profit		2,047	225	3,133
- Share based payments	9	(2,290)	(487)	(1,174)
- Depreciation		(24)	(30)	(55)
- Depreciation – leases		(125)	(114)	(252)
- Operating foreign exchange gain / (loss)		1,021	(22)	163
- Restructuring costs		-	(14)	(16)
Operating profit		629	(442)	1,799
Finance costs	3	(63)	(16)	(87)
Profit / (loss) before tax		566	(458)	1,712
Taxation on continuing operations		-	-	5,275
Profit / (loss) for the financial period		566	(458)	6,987
Other comprehensive income				
Foreign currency reserves translation difference		(1,541)	10	6
Total comprehensive (loss) / profit for the period		(975)	(448)	6,993
Profit / (loss) per share from continuing operations				
Diluted EPS	4	3 cents	(3) cents	40 cents
Basic EPS	4	4 cents	(3) cents	45 cents

Audioboom Group PLC
Consolidated Statement of Financial Position

		Unaudited as at 30 June 2022 US\$'000	Unaudited as at 30 June 2021 US\$'000	Audited as at 31 Dec 2021 US\$'000
	Notes			
ASSETS				
Non-current assets				
Property, plant and equipment		65	64	77
Right of use asset		452	715	576
Deferred tax asset		4,650	-	4,650
		<u>5,167</u>	<u>779</u>	<u>5,303</u>
Current assets				
Trade and other receivables	6	18,960	12,381	18,147
Cash and cash equivalents		5,774	1,461	2,969
Deferred tax asset		625	-	625
		<u>25,359</u>	<u>13,842</u>	<u>21,741</u>
TOTAL ASSETS		<u>30,526</u>	<u>14,621</u>	<u>27,044</u>
Current liabilities				
Trade and other payables	7	(12,598)	(8,030)	(12,167)
Lease liability	7	(274)	-	(269)
NET CURRENT ASSETS		<u>12,487</u>	<u>5,812</u>	<u>9,305</u>
Non-current liabilities				
Lease liability	7	(220)	(466)	(358)
NET ASSETS		<u>17,434</u>	<u>6,125</u>	<u>14,250</u>
Equity				
Share capital		-	-	-
Share premium	5	62,880	60,873	61,011
Issue cost reserve		(2,048)	(2,048)	(2,048)
Foreign exchange translation reserve		(1,811)	(266)	(270)
Reverse acquisition reserve		(3,380)	(3,380)	(3,380)
Retained earnings		(38,207)	(49,054)	(41,063)
TOTAL EQUITY		<u>17,434</u>	<u>6,125</u>	<u>14,250</u>

Audioboom Group PLC
Consolidated Cash Flow Statement

	Unaudited six months to 30 June 2022 US\$'000	Unaudited six months to 30 June 2021 US\$'000	Audited 12 months to 31 Dec 2021 US\$'000
Profit / (loss) from operations	566	(458)	6,987
Profit / (loss) for the period	566	(458)	6,987
Adjustments for:			
Deferred tax credit	-	-	(5,275)
Interest payable	63	16	87
Depreciation of fixed assets	24	30	55
Share based payments	2,290	487	1,174
Operating foreign exchange (gain) / loss	(1,021)	133	(80)
Cash generated from operating activities before working capital movements	1,922	208	2,948
Increase in trade and other receivables	(813)	(4,353)	(10,120)
Increase in trade and other payables (excluding leases)	611	2,474	6,712
Decrease in lease liability	(177)	(173)	(348)
Net cash generated from / (used in) operating activities	1,543	(1,844)	(808)
Investing activities			
Purchase of property, plant and equipment	-	(3)	(43)
Net cash used in investing activities	-	(3)	(43)
Financing activities			
Proceeds from HSBC US payment protection loan	-	-	374
HSBC overdraft fees	(19)	-	-
Proceeds from issue of ordinary share capital	1,869	51	189
Net cash generated from financing activities	1,850	51	563
Net increase/(decrease) in cash and cash equivalents	3,393	(1,796)	(288)
Cash and cash equivalents at beginning of period	2,969	3,257	3,257
Effect of exchange rate changes on cash and cash equivalents	(588)	-	-
Cash and cash equivalents at end of period	5,774	1,461	2,969

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 2020	60,822	(5,704)	(49,224)	5,894
Loss for the period	-	-	(458)	(458)
Issue of shares	51	-	-	51
Equity-settled share-based payments	-	-	628	628
Foreign exchange gain on translation of overseas subsidiaries	-	10	-	10
At 30 June 2021	60,873	(5,694)	(49,054)	6,125
Profit for the period	-	-	7,445	7,445
Issue of shares	138	-	-	138
Equity-settled share-based payments	-	-	546	546
Foreign exchange loss on translation of overseas subsidiaries	-	(4)	-	(4)
At 31 December 2021	61,011	(5,698)	(41,063)	14,250
Profit for the period	-	-	566	566
Issue of shares	1,869	-	-	1,869
Equity-settled share-based payments	-	-	2,290	2,290
Foreign exchange loss on translation of overseas subsidiaries	-	(1,541)	-	(1,541)
At 30 June 2022	62,880	(7,239)	(38,207)	17,434

***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 2021 Annual Report.*

Audioboom Group plc
Notes to the financial statements

1. General information and basis of preparation

Audioboom Group plc is incorporated in Jersey under the Companies (Jersey) Law 1991. The Company's 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 15 July 2022. 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 2022, which are not expected to be significantly different to those set out in note 1 to the Company's audited financial statements for the year ending 31 December 2021.

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 UK.

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 year ending 31 December 2021.

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 at least 12 months from the date of approval of these interim financial statements. The Group ended the period with access to US\$5.8 million of cash, and a £1.5 million overdraft which was undrawn as at 30 June 2022. The Board's forecasts for the Group, including due consideration of the business forecasting continuing positive EBITDA in 2022, projected increase in revenues and decreasing cash-burn of the Group and taking account of reasonable possible changes in trading performance including 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 these interim financial statements and beyond. 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.

Management has carried out sensitivity analyses of the Group's cash flow models to assess 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 the HSBC overdraft. 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 interim financial statements 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 2022 US\$'000	Unaudited six months to 30 June 2021 US\$'000	Audited 12 months to 31 Dec 2021 US\$'000
United Kingdom and Rest of the World	1,750	1,052	2,536
USA	39,160	21,731	57,781
Total	40,910	22,783	60,317

3. Finance costs

	Unaudited six months to 30 June 2022 US\$'000	Unaudited six months to 30 June 2021 US\$'000	Audited 12 months to 31 Dec 2021 US\$'000
Lease interest	44	16	87
Overdraft arrangement fee	19	-	-
Total	63	16	87

4. Profit per share

Basic earnings per share (EPS) 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, for the six months ended 30 June 2021, as per IAS 33:36, the anti-dilutive potential ordinary shares are disregarded on the calculation of diluted EPS.

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

	Profit	30-June-22 Weighted average number of shares Thousand	Per share amount Cents
	US\$'000		
Basic EPS			
Profit attributable to equity shareholders	567	15,928	4
Diluted EPS			
Profit attributable to equity shareholders	567	17,433	3
	Loss	30-June-21 Weighted average number of shares Thousand	Per share amount Cents
	US\$'000		
Basic and Diluted EPS			
Loss attributable to shareholders:	(458)	15,679	(3)
	Profit	31-December-21 Weighted average number of shares Thousand	Per share amount Cents
	US\$'000		
Basic EPS			
Profit attributable to equity shareholders	6,987	15,695	45
Diluted EPS			
Profit attributable to equity shareholders	6,987	17,353	40

5. Share capital

Issued and fully paid – ordinary shares of no par value

At 31 December 2021	15,768,017
At 30 June 2022	16,286,752

During the period 168,735 new ordinary shares were issued to satisfy the exercise of existing share options under the Company's Share Option Scheme 2014 by current employees. During the period, 350,000 new ordinary shares were issued to satisfy the exercise of existing warrants.

The total number of instruments over equity (including both share options and warrants) outstanding at the period end was 1,587,308.

6. Trade and other receivables

The trade and other receivables at the end of the period included trade receivables (US\$15.2 million) and accrued sales income (US\$1.6 million), and US\$2.2 million relating to deposits (US\$0.2 million), prepaid expenses (US\$0.4 million) and advance talent payments (US\$1.6 million).

7. Trade and other payables

The trade and other payables at the end of the period included US\$11.4 million relating to trade payables and accrued content partner costs, other current liabilities (US\$0.9 million) and an HSBC US payroll protection loan (US\$0.4 million) which is expected to be forgiven and not repaid. The Company currently accrues all costs based on contract terms. Payables relating to leases total US\$0.5 million - US\$0.3 million due in under one year and US\$0.2 million due in more than one year.

8. Related party transactions

During the period, there were no related party transactions. The US\$4 million loan facility and the US\$4 million content funding facility provided by SPV Investments Limited, the entity jointly owned by Michael Tobin, the Company's Chairman, and Candy Ventures Sarl, the Company's second largest shareholder, expired on 7 February 2022 and 19 June 2022 respectively.

9. Share based payments

During the period, 442,831 share options were issued to qualifying current employees with an exercise price of £15.55.

ENDS