

## Corporate

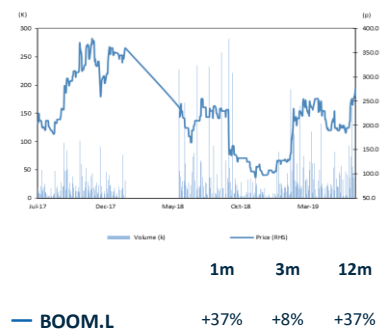
 Current price **277.5p**

 Sector **TMT**

 Code **BOOM.L**

 AIM **AIM**

### Share Performance



Source: Thomson Reuters, Allenby Capital

### Share Data

 Market Cap (£m) **38.9**

 Shares in issue (m) **14.0**

52 weeks High Low

**275p 92.5p**

 Financial year end **30 December**

Source: Company Data, Allenby Capital

### Key Shareholders

N Candy/Candy Ventures 25.0%

Herald IM 7.9%

R Sargent 3.5%

Ganesh Holdings 2.6%

R Maddock 2.4%

Source: Company Data, Allenby Capital

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## Audioboom (BOOM.L)

### H1 in line; strong performance against KPIs

Positive performance against its operational and financial KPIs in H1 results from Audioboom, a leading global podcast company, as it continues to take market share in a rapidly expanding market. H1 revenue increased 171% to \$9.8m and adj. EBITDA loss roughly halved to \$1.4m. With a growing number of brand advertisers and eCPM and sell through rates, Audioboom is investing for growth with increased spend on acquiring established podcasts, ensuring the retention of its current roster of talent and developing owned and operated co-produced content. This is being funded by H1's placing and subscriptions as well as the new content \$4m funding facility for minimum revenue guarantees. Audioboom is a trusted partner for podcasters looking to expand their audience and drive monetisation, advertisers to reach an attractive demographic and consumers to access entertaining content. Forecasts remain unchanged and we introduce a fair value of 475p/share.

- H1 performance** – Revenue increased 171% to \$9.8m with the US +182% to \$8.7m and the UK +116% to \$1.1m. eCPM (revenue per 1,000 listens) across the US and UK increased 51% to \$26.38; brand advertiser count +63% to 212; total H1 available premium advertising impressions (available host endorsed advertising slots) +36% to 691m. Further growth at Sonic IM, its platform that enables brands to secure advertising across any globally available podcast, with 22 brands using the service since its August 2018 launch. This revenue stream offers a lower margin and overall gross margin decreased to 23.3% (24.2%). Increased revenue and good cost control resulted in adj. EBITDA loss almost halving to \$1.4m. H1 net cash of \$3.4m - net cash used in operating activities of \$3.8m more than offset by the placing and subscriptions (\$5.5m). The expansion in working capital reflected strong trading at period end plus the first meaningful advance payments.

- Outlook** – The key metrics associated with the global podcasting industry remain strong: numbers of listeners, monthly podcast consumption and available podcasts. This is attracting more brands to the medium and driving advertising spend. In June's 2018 *Podcast Ad Revenue Study*, the IAB estimated the US podcast advertising industry was worth \$479m in 2018 (+53%) and forecast growth of 42% in FY19 and will breach \$1bn in 2021. Audioboom's growth rate suggests it is taking considerable market share. The company has a slate of new AON podcasts scheduled for H2 and record forward sales.

- Valuation** – Podcasting's growth is attracting considerable inward investment and M&A activity. For example, Wondery Inc raised \$10m in June with a pre-money valuation of \$90m. It is expected to generate revenue of \$25m in 2019. Applying a similar multiple to Audioboom would suggest a fair value equivalent to 475p/share.

### Year End:30 December

(\$'000)	2017A	2018A†	2019E	2020E
REVENUE	6.1	11.7	21.5	30.0
GROSS MARGIN (%)	31%	27%	23%	24%
ADJ. EBITDA*	(5.6)	(5.1)	(3.8)	(1.8)
ADJ. PBT*	(5.6)	(5.3)	(3.8)	(1.8)
ADJ. EPS* (cents)	(0.65)	(0.43)	(0.27)	(0.13)
NET CASH (£m)	1.0	1.6	2.2	0.3
EV/REVENUE (X)	6.2	4.0	2.1	1.6

Source: Allenby Capital. † 13-month period.

\* Adjusted EBITDA, PBT and EPS exclude one-off charges and share based payment charges

Please refer to the last page of this communication for all required disclosures and risk warnings.

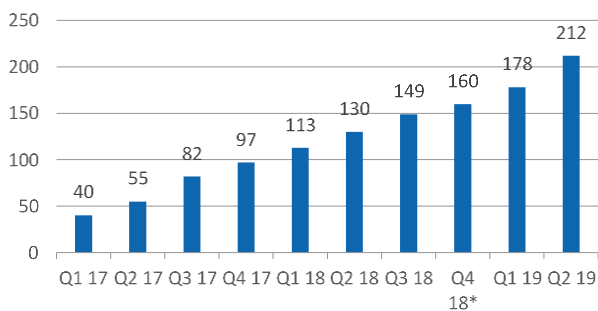
## Investment summary

Audioboom is a leading global podcasting platform and digital online marketplace that matches advertisers and brands with target audiences that listen to digital spoken word content across different podcast genres. Audioboom enables podcasters to create, store, distribute and monetise content and has created a network of creators, consumers and advertisers. It hosts more than 13,000 content channels and has a growing portfolio of ‘owned and operated’ and co-production channels. It has more than 100m listens per month, direct integration with the main podcasting platforms and a growing base (212 at H1) of brand advertisers that are looking to access the attractive podcast demographic audience. Audioboom derives the bulk of its revenue from selling host endorsed advertising slots – typically three or four per episode – and it had total available premium advertising impressions of 691m in H1. This is complemented by the Sonic Influencer Marketing (Sonic IM) whereby brands can access advertising inventory on any podcast. Audioboom represents the only way for investors to gain UK-listed exposure to the rapidly expanding global podcast market.

### Continued strong performance against financial and operating KPIs

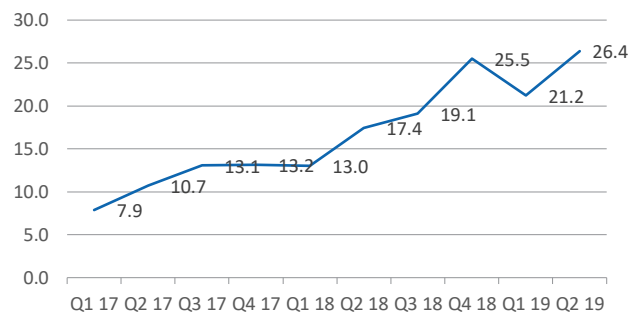
H1 performance demonstrated continued strong performance against Audioboom’s financial and operating KPIs with further growth in the number of brand advertisers and available premium advertising impressions (host endorsed advertising slots). At the same time, the popularity of podcasting is driving advertising rates as the sustainable number of adverts per episode is more limited than other forms of media (TV, radio etc). This is creating a premium advertising situation, reflected in Audioboom’s increasing global eCPM. The eCPM associated with host-endorsed is much higher than with pre-recorded spot advertising and other forms of advertising but there is scope for this to grow further.

**Exhibit 1: Number of brands**



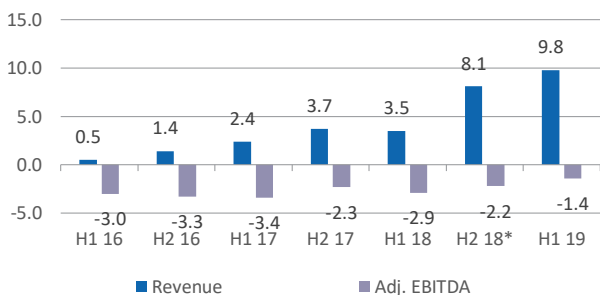
Source: Company. \* 4 month period

**Exhibit 2: Global eCPM (\$ revenue per 1,000 downloads)**



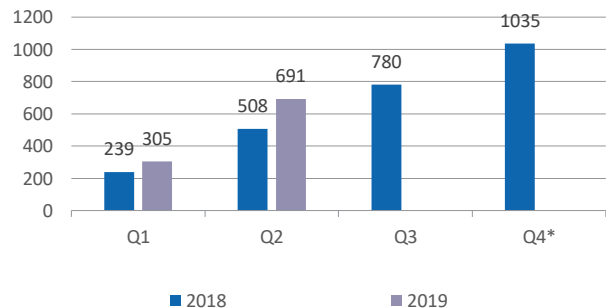
Source: Company

**Exhibit 3: Revenue & Adj. EBITDA**



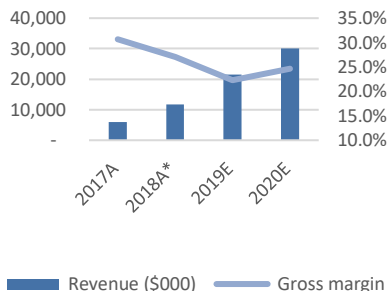
Source: Source: Company. \* 4 month period

**Exhibit 4: Total cumulative available premium advertising impressions**



Source: Company. \* 4 month period

**Exhibit 5: Revenue & GM progression**



Source: Company; Allenby Capital. \* 13-month

## Interim results

### Revenue and gross margin

The combination of these KPI growth factors resulted in 171% revenue growth in H1 to \$9.8m. This is significantly ahead of the market growth although it should be noted that the comparator period was impacted by the disruption caused by the ultimately aborted Triton Digital acquisition. Management has estimated that it lost c. \$5m in revenue over the first nine months of FY18 as it was unable to renew and acquire additional content because of the transactional costs incurred (c. \$1.7m) that constrained the balance sheet.

Geographically, H1 revenue in the US increased 182% to \$8.7m while the UK increased 116% to \$1.1m. Host endorsed advertising represented the bulk of revenue and advertising sell through rates for Audioboom’s top 10 podcasts averaged more than 84% in H1. This success in podcast monetisation has enabled it to lengthen the contracts with content partners to 18 or 24 months. There was a small amount of revenue from pre-recorded spot advertising and subscription services and a small but growing contribution from headline sponsorship advertising deals for a complete content series.

As a result of improved internal reporting, Audioboom now reports a combined US and UK eCPM number. This can be used as a rate card to compare different types of content, territories and business strands. It also enables Audioboom to compare itself against competitors. eCPM across the US and UK increased 51% to \$26.38 in Q2. The eCPM in the US is considerably higher than the UK but both rates are trending higher. There was a seasonal dip in Q1 as there was less inventory as podcasters took breaks over the festive period.

### Sonic IM

H1 saw a first full six months of contribution from Sonic IM, its platform that enables brands to secure advertising across any globally available podcast. There was also further growth in its podcast subscription service for podcasters that are either too small to attract advertising or who have opted not to take advertising. Audioboom has introduced a \$19.99 per month ‘Plus Plan’ for podcasters achieving >10,000 downloads and provides access to Audioboom’s hosting, distribution and analytics platform. This revenue stream offers good margins as hosting and distribution costs are relatively low for the majority of subscribers.

### Complementary revenue streams

This series of complementary revenue streams yield different gross margins. Adverts placed by Audioboom on third party content typically generate gross margins of c. 25%, whereas adverts on AON content generate margin of >40% and hence remain a key strategic focus. By contrast, 15% is standard for Sonic IM’s industry. As a result, as revenue at Sonic IM grows, this will impact group gross margin although this will be offset by the growth in AON revenue and gross margins should stabilise around 25%. H1 gross margin declined 90bps to 23.3%.

### Good cost control

Audioboom has maintained good cost control since the 2018 headcount reductions and redeployment of resource into the sales and content departments plus into Sonic IM. Operating costs excluding one off charges, share based payments, depreciation and amortisation decreased 2.5% to \$4.1m. The combination of the increased revenue and cost control resulted in adj. EBITDA loss roughly halving to \$1.4m.

### Advance payments and minimum revenue guarantees

There is increasing competition for the leading podcasters and these creators can now seek upfront advance payments (that are fully recoupable over the life of the contract) and minimum revenue guarantees. Typically, these will only apply to established Tier 1 podcasts whereas new podcasts typically require only a low (or no) minimum revenue guarantee.

H1 FY19 was the first time that there were significant advance talent payments. There was a \$2m increase in trade and other receivables to \$6.2m during H1. This comprised \$4.4m relating to trade debtors and accrued sales income (FY18: \$4.2m) and \$1.8m relating to deposits, prepaid expenses and advance talent payments.

Management has also implemented a tailored version of Salesforce for host endorsed advertising booking. This links directly to Audioboom's Xero accounting software and has accelerated invoice distribution in order to improve debtor collection and creditor payment as the business grows. Creditor payments continue to be in line with contractual payment obligations (typically 60 to 90 days) and trade payables and accrued costs reduced \$0.2m to \$3.7m during H1.

## Methodology

Audioboom has established a methodology for forecasting gross annual revenues for major, established podcasts. This combines podcast frequency and listener data, conservative assumptions regarding the eCPM rates that a particular show will command based on genre, anticipated sell through rates and the number of advertising slots per episode. Audioboom will use this to determine the appropriate level of advance to win or renew established, revenue generating podcasts. This methodology should mitigate risks and ensure an efficient use of working capital.

## Additional funding

During H1, £4.3m (\$5.6m) before expenses was raised that will be used partly to secure additional podcasting content through fully recoupable advance payments and minimum revenue guarantees, further develop co-production content partnerships and grow the portfolio of owned and operated Audioboom Originals productions. In addition, the company entered into a content funding facility with chairman Michael Tobin and Audioboom's largest shareholder, Candy Ventures.

The special purpose vehicle (SPV) will provide the content partners with guarantees of up to c. \$4m in aggregate. In return, Audioboom will pay equivalent to 8% of the net advertising revenue received by Audioboom (after paying the content partners its share) on the specific content. The providers of the guarantees were granted 2.5m warrants with an exercise price of 3.3p/share (pre-consolidation) for each \$1m of guarantees provided. The first guarantee was provided for \$1m in June.

The combination of reduced operating cash outflow before working capital movements, the increase in working capital around advance payments and proceeds from the share placing resulted in cash increasing \$1.8m during the period to \$3.4m (H1 FY18: \$0.4m; FY18: \$1.6m).

## Content

### Renewals

During H1, Audioboom renewed advertising sales and distribution agreements with a number of its main content partners including *'True Crime Obsessed'*, the official F1 podcast *'Beyond The Grid'*, *'Astonishing Legends'*, *'Undisclosed'*, *'The Totally Football Show'*, *'The Morning Toast'* and *'Dish Nation'*, as well as SBI Audio that has fifty established shows.

### New exclusive commercial partnerships

New exclusive commercial partnerships included *'A Cast of Kings'*, *'What Happened When'*, *'Chatty Broads'* and *'Small Town Dicks'*. The partnership with Studio 71 was extended to *'OHoney'* and *'Waveform'*. An agreement was also signed with Main Event Media for Audioboom for sales representation and technology platforming for Main Event Media's new podcast division.

### Audioboom Originals Network

Audioboom continues to develop its Audioboom Originals Network: owned and operated podcasts and co-productions, where Audioboom provides production, marketing and distribution support. It entered FY19 with 11 shows and has a number of launches scheduled for H2: *'A Life Lived'* (October), *'Truth Vs Hollywood'* (September), *'Notorious Killers'* (September), *'Truly'* (October), and the *'The Keto Guido Show'* (August). There are also second and later series scheduled for some of AON's most popular shows (*'Mafia'*, *'Covert'* and *'Dead Man Talking'*).

### Co-production

In terms of co-production, Audioboom extended its partnership with Formula One Digital Media Limited for official weekly podcast, *'Beyond the Grid'* in February through to February 2021. The podcast has been downloaded more than 2.5 million times since the start of the 2019 Formula

One season. The podcast is sponsored by Bose, while other advertisers can pay for episodic host endorsements.

Since period end, Audioboom has opened two new recording studios, comprising more than 1,000 sq. ft of recording and production space within its existing office in New York City. The expansion is in response to increasing demand for roundtable and personality driven podcasts. Management estimates that the new facilities will provide capacity for more than forty shows per annum.

### Well represented

#### British Podcast Awards

Audioboom and its podcast partners won seven awards at the recent British Podcast Awards. Audioboom's Original Network production '*Dead Man Talking*' won Silver in the "Best True Crime" category; '*The Totally Football Show*' and '*The Cycling Podcast*' were awarded Gold and Bronze respectively in the "Best Sport" category; '*Qmmunity*' collected Silver in the "Best Sex & Relationships" category; '*Feminists Don't Wear Pink*' took Bronze in the "Best Branded Content" category; and '*About Race with Reni Eddo-Lodge*' won Silver in the "Best New Podcast" category and Bronze in the "Smartest Podcast" category. '*Beyond the Grid*' was also nominated for the "Best Sport" category.

Audioboom's '*And That's Why We Drink*' was also named Best Comedy Podcast at April's 2019 Webby Awards, the leading international Internet awards.

### Raise the profile

Building a portfolio of popular podcasts is central to Audioboom's growth strategy in order to attract listeners and advertisers to its network and drive advertising revenue. Given content discovery continues to be something of a challenge for podcast consumers, such awards help to raise the profile of Audioboom's podcasts and direct listeners.

### 475p/share fair value

#### Valuation

The growth in the podcasting industry – numbers of listeners, podcast consumption, advertising spend etc – is attracting considerable inward investment and M&A activity. For example, Wondery Inc raised \$10m in June with a pre-money valuation of \$90m. It is expected to generate revenue of \$25m in 2019. Applying a similar multiple to Audioboom would suggest a fair value equivalent to 475p/share.

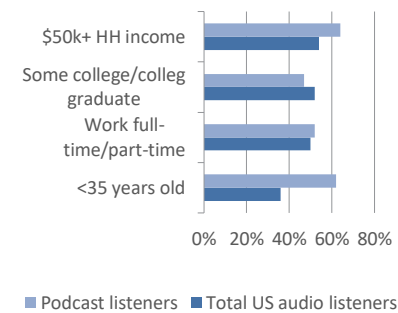
This can be cross referenced with Spotify's three acquisitions (Gimlet Media, Parcast and Anchor) of 2019. Gimlet was the most developed of these but the \$230m purchase price suggests an FY18 revenue multiple of c. 8-10x. Our 475p fair value is equates to 6.4x Audioboom's FY18 revenue (pro-rated to a 12 month period).

Further steady growth across all metrics

### Market size

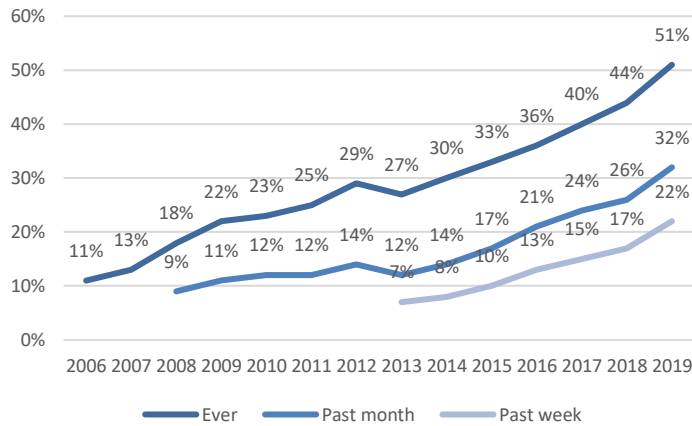
The latest *Infinite Dial* from Edison Research, the annual survey on the size and shape of the podcast audience, demonstrates further steady growth across all metrics: the number of people familiar with podcasting; those who have ever listened and those who listen monthly. For the first time, more than half of Americans (51%) report having ever listened to a podcast (2018: 44%) equivalent to c. 144m people and an estimated 90m listen on a monthly basis.

Exhibit 7: Profile of listeners



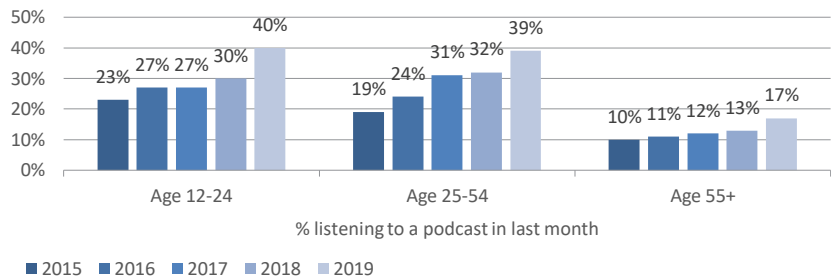
Source: Edison Research

Exhibit 6: US consumption patterns



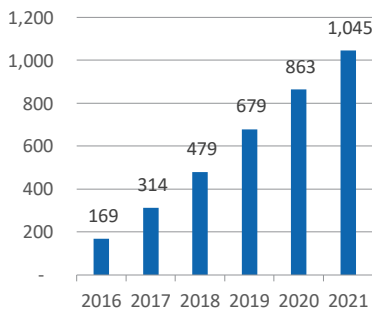
Source: Edison Research and Triton Digital

Exhibit 8: US listener demographics



Source: Edison Research and Triton Digital

Exhibit 9: US advertising market growth (\$m)



Source: IAB

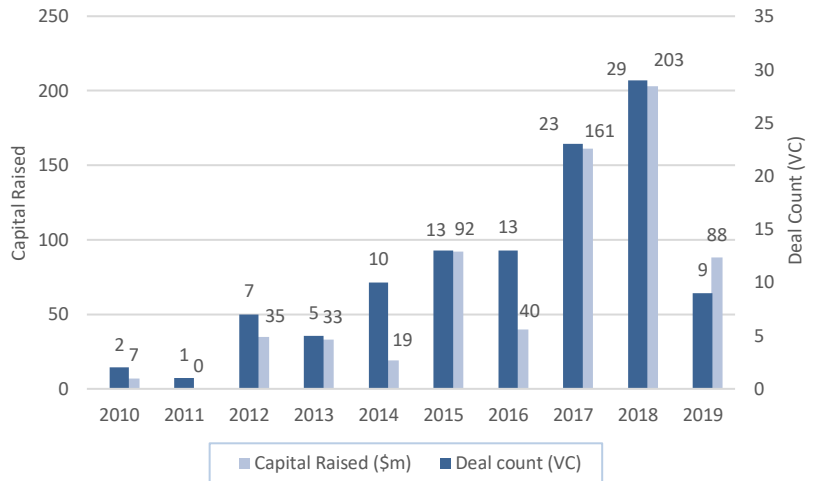
Particular growth appears to be coming in the younger demographic (12-24) with 40% reporting that they listened to a podcast in the last month, compared with 30% in last year's study. The profile of listeners remains attractive for advertisers (Exhibit 7). Advertisers are being drawn to the medium as it enables brands to reach a highly-engaged, young and affluent audience. Podcast listeners are also more willing to listen to messages from sponsors and the majority of podcast ads are currently integrated into the content as host-read advertising, creating a more seamless experience than traditional radio.

The growth of the audience and access that the format provides to an attractive demographic is driving advertiser interest. According to June's *2018 Podcast Ad Revenue Study* released by the Interactive Advertising Bureau (IAB), the US podcast advertising industry was worth \$479m in 2018, up 53%, and is scheduled further strong growth.

## Market activity

The growing popularity of the podcasting medium has resulted in considerable inward investment and M&A activity.

**Exhibit 10: Podcasting investment**



Source: Pitchbook

**Exhibit 11: Sample M&A activity**

Acquirer	Acquisition
Midroll	Stitcher
E.W. Scripps	Midroll, Triton Digital
FAB Universal Corp	Libsyn, SwitchPod, Blast Podcast
Panoply	Audiometric.io
Rogers Media	Pacific Content
Spotify	AnchorFM, Gimlet Media, Parcast

Source: Source: Allenby Capital

### Spotify

Spotify has been the most active player in the podcasting market over the past eighteen months with heavy investment into the medium as a producer of podcasts (Spotify Studios) and distribution platform. It is currently the second largest podcasting platform behind Apple having doubled its market share in the last year to c. 9%.

Spotify has identified podcasting as strategically important for driving increased user engagement, lower churn, faster revenue growth and higher margins than its core music business. The company has found that its podcast users spend almost twice as much time on the service and spend even more time listening to music than music-only users. Spotify expects that over time, more than 20% of listening will be non-music content.

Spotify has acquired three companies so far in 2019 for a total of €358m (Gimlet Media, Parcast and Anchor) and announced plans to spend \$500m on podcasting this year. Spotify has also invested in its player in order to improve usability and content discovery and stepped up its advertising activity.

### Gimlet

Of these, Gimlet is the most developed business. It is an award-winning media company that was founded in 2014 and includes series such as ‘*StartUp*’, ‘*Reply All*’, ‘*Homecoming*’ and ‘*Crime Town*’. Gimlet Creative, its in-house advertising agency, produces official podcasts for brands including eBay, Tinder, Gatorade and Mastercard, and Gimlet Pictures focuses on bringing Gimlet series to film and TV. The purchase price of \$230m suggests an FY18 revenue multiple of c. 8-10x, according to industry estimates.

<b>Exhibit 12: Profit &amp; Loss</b>				
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Year End December</b>	<b>FY 2017A*</b>	<b>FY 2018A†</b>	<b>FY 2019E</b>	<b>FY 2020E</b>
<b>Revenue</b>	<b>6,056</b>	<b>11,656</b>	<b>21,460</b>	<b>30,036</b>
YoY Growth	361.6%	92.5%	84.1%	40.0%
Cost of sales	(4,198)	(8,505)	(16,550)	(22,681)
Gross profit	1,858	3,151	4,909	7,356
Gross margin	30.7%	27.0%	22.9%	24.5%
Administrative expenses	(8,266)	(11,381)	(11,400)	(10,060)
YoY growth	60.8%	37.7%	0.2%	-11.8%
<b>Adj. EBITDA</b>	<b>(5,629)</b>	<b>(4,678)</b>	<b>(3,790)</b>	<b>(1,754)</b>
Adj. EBITDA margin	-92.9%	-40.1%	-17.7%	-5.8%
Depreciation of PPE	(54)	(77)	(60)	(50)
Amortisation of intangibles	(419)	(578)	(410)	(400)
Share based payments	(155)	(385)	(1,800)	-
One-off charges	(151)	(2,590)	(491)	(450)
Reported EBIT	(6,408)	(8,230)	(6,491)	(2,704)
Reported EBIT margin	-105.8%	-70.6%	-30.2%	-9.0%
Net interest	1	(130)	(0)	(0)
<b>Adj. profit before tax</b>	<b>(5,682)</b>	<b>(4,808)</b>	<b>(3,790)</b>	<b>(1,755)</b>
Adj. PBT margin	-93.8%	-41.2%	-17.7%	-5.8%
Reported PBT	(6,407)	(8,360)	(6,491)	(2,705)
Tax	266	272	-	-
Adj. PAT	(5,416)	(4,536)	(3,790)	(1,755)
Adj. PAT margin	-11.9%	-38.9%	-17.7%	-5.8%
Shares in issue (basic)	8,375	10,474	14,006	14,006
Shares in issue (diluted)	8,375	10,474	14,006	14,006
Earnings per share (basic) (p)	(73.33)	(77.22)	(46.35)	(19.31)
Earnings per share (adj. and diluted) (p)	(64.67)	(43.31)	(27.06)	(12.53)

Source: Company; Allenby Capital. \* November year end. † 13-month period.



<b>Exhibit 13: Balance Sheet</b>				
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Year End December</b>	<b>FY 2017A*</b>	<b>FY 2018A†</b>	<b>FY 2019E</b>	<b>FY 2020E</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Goodwill	3,181	2,420	2,010	1,610
Other intangible assets	0	0	0	0
Property, plant and equipment	122	152	142	142
Deferred tax assets	0	0	0	0
Other receivables	0	0	0	0
<b>Non-current assets</b>	<b>3,303</b>	<b>2,572</b>	<b>2,152</b>	<b>1,752</b>
<b>Current assets</b>				
Trade and other receivables	3,312	4,169	6,856	8,680
Cash at bank	968	1,581	2,208	294
<b>Current assets</b>	<b>4,280</b>	<b>5,750</b>	<b>9,064</b>	<b>8,974</b>
<b>TOTAL ASSETS</b>	<b>7,583</b>	<b>8,322</b>	<b>11,216</b>	<b>10,726</b>
<b>LIABILITIES</b>				
<b>Creditors beyond one year</b>				
Bank loans	-	-	-	-
Other non-current liabilities	-	-	-	-
Provisions	-	-	-	-
<b>Creditors beyond one year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Creditors within one year</b>				
Bank and other borrowings	-	-	-	-
Trade and other payables	(2,675)	(4,087)	(6,241)	(8,356)
Deferred taxation	(383)	(203)	-	-
<b>Creditors within one year</b>	<b>(3,058)</b>	<b>(4,290)</b>	<b>(6,241)</b>	<b>(8,356)</b>
<b>TOTAL LIABILITIES</b>	<b>(3,058)</b>	<b>(4,290)</b>	<b>(6,241)</b>	<b>(8,356)</b>
<b>NET ASSETS</b>	<b>4,526</b>	<b>4,032</b>	<b>4,975</b>	<b>2,370</b>
<b>EQUITY</b>				
Called up share capital	-	-	-	-
Share premium account	43,224	50,883	56,423	56,423
Other reserves	(2,048)	(2,048)	(2,048)	(2,048)
Retained earnings / (losses)	(33,191)	(40,893)	(47,384)	(50,089)
<b>TOTAL EQUITY</b>	<b>7,985</b>	<b>7,942</b>	<b>6,991</b>	<b>4,286</b>
<b>Net cash/(debt)</b>	<b>968</b>	<b>1,581</b>	<b>2,208</b>	<b>294</b>

Source: Company; Allenby Capital. \* November year end. † 13-month period.

<b>Exhibit 14: Cashflow</b>				
	\$ '000	\$ '000	\$ '000	\$ '000
<b>Year End December</b>	<b>FY 2017A*</b>	<b>FY 2018A†</b>	<b>FY 2019E</b>	<b>FY 2020E</b>
Profit before tax	(6,141)	(8,088)	(6,491)	(2,705)
Adjustments for:				
Taxation credit	(266)	(272)	(40)	-
Amortisation of intangible assets	442	578	410	400
Effect of translation of intangible assets	-	183	(30)	-
Depreciation	54	77	60	50
Effect of translation of tangible assets	14	25	15	-
Share based payment charges	155	385	1,800	100
<b>Operating profit pre-movements in working capital</b>	<b>(5,742)</b>	<b>(7,112)</b>	<b>(4,276)</b>	<b>(2,155)</b>
Adjustments for:				
Decrease / (increase) in trade and other receivables	(1,399)	(856)	(2,687)	(1,824)
Increase / (decrease) in trade and other payables	1,497	1,413	2,233	2,115
Foreign exchange loss/(gain)	(2,416)	(715)	(135)	-
<b>Cash generated from operating activities</b>	<b>(8,060)</b>	<b>(7,270)</b>	<b>(4,865)</b>	<b>(1,864)</b>
Taxation received	-	214	-	-
<b>Net cash used in operating activities</b>	<b>(8,060)</b>	<b>(7,056)</b>	<b>(4,865)</b>	<b>(1,864)</b>
<b>Investing activities</b>				
(Purchase) of intangible assets	(575)	-	-	-
(Purchase) of PPE	(123)	(82)	(50)	(50)
Cash on acquisition of subsidiary	18	-	-	-
Interest receivable	1	-	-	-
<b>Net cash flow from investing activities</b>	<b>(679)</b>	<b>(82)</b>	<b>(50)</b>	<b>(50)</b>
<b>Financing activities</b>				
Convertible loan interest and fees	-	(130)	-	-
Proceed from convertible loan notes	-	1,995	-	-
Proceeds from issue of ordinary share capital (net)	8,456	5,794	5,540	-
<b>Net cash flow from financing activities</b>	<b>8,456</b>	<b>7,659</b>	<b>5,540</b>	<b>-</b>
<b>Net increase / (decrease) in cash/cash equivalents</b>	<b>(283)</b>	<b>307</b>	<b>625</b>	<b>(1,914)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>858</b>	<b>968</b>	<b>1,581</b>	<b>2,208</b>
Effect of exchange rate changes	395	92	2	-
<b>Cash and cash equivalents at end of period</b>	<b>968</b>	<b>1,581</b>	<b>2,208</b>	<b>294</b>
<b>Net cash</b>	<b>968</b>	<b>1,581</b>	<b>2,208</b>	<b>294</b>

Source: Company; Allenby Capital. \* November year end. † 13-month period.

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