This announcement contains inside information as defined in EU Regulation No. 596/2014 and is made in accordance with the Brave Bison Group plc obligations under Article 17 of that Regulation.

31 July 2019

Brave Bison Group plc
("Brave Bison", "the Group" or "the Company")

Interim results for the six months ended 30 June 2019

Brave Bison Group plc (AIM: BBSN), the social video company, today announces its unaudited interim results for the six months ended 30 June 2019.

Financial Highlights

- 9% increase in revenue to £10.1 million for the period (H1 2018: £9.3 million), driven by growth in fee based services primarily from APAC branded content
- Advertising revenue impacted by de-monetisation of Facebook pages and adaptation to Facebook's new policies
- Gross profit has increased in absolute terms by 15% to £3.4 million (H1 2018: £2.9 million) as a result of the increase in revenue and margin mix
- Adjusted EBITDA* of £247,000 for the period (H1 2018: £79,000)
- Restructuring costs of £0.4 million (H1 2018: £nil) as a result of changes made to the senior management team
- Cash balance at 30 June 2019 of £3.7 million (31 December 2018: £5.4 million). Cash outflow in H1 2019 primarily as a result of the timing of payments from two large branded content deals which were received in July

Operational Highlights

- Kate Burns appointed as CEO in April 2019 and a new senior management team introduced
- Decision taken to move both London based teams into one new location in the second half of 2019
- Re-branding of four biggest Facebook pages to give them their own identities and to comply with Facebook's new publisher guidelines
- Strategy to focus investment in these four brands and to publish more content on alternative platforms to Facebook such as Instagram, Snapchat and YouTube
- New processes implemented around licensing, creating content and commissioning content for Brave Bison's brands
- Growth in revenues from YouTube, Snapchat and the APAC Region

Operational Targets for 2019

- For original and exclusive content to be the majority across the Group's key channels: over 80% of the content is now licensed exclusively
- To diversify revenue streams to ensure the Company is not too dependent on one platform: in H1 2019 35% of advertising revenues were from platforms other than Facebook (H1 2018: 24%). The amount of revenues from these alternative platforms is up 32%

- To increase the territorial reach of the APAC team: South Korea launch event held in April 2019 and so far in 2019 a new campaign was delivered in Thailand and one in Vietnam will be delivered in H2

**Adjusted EBITDA is earnings before interest, tax, depreciation, amortisation, restructuring costs and the share-based payment expense.*

Kate Burns, Chief Executive Officer, commented:

"Brave Bison has demonstrated itself to be a very agile company during the period in refining areas of its business. This is an important trait for a business operating in the social video industry, which is fast-paced and rapidly evolving. We have multiple revenue streams and have made progress towards establishing the right balance between these, which has been a key focus of mine since my appointment in April.

It has been pleasing to see our APAC business flourish. The growth delivered during the period demonstrates that this is clearly a region of remarkable opportunity and we have responded by investing in this market. Diversification of revenue in relation to social channels has also been a key theme for the period, particularly given that like many large publishers in the industry we have experienced the impact of having a substantial reliance on Facebook in recent months and their recent change in publisher policies. As a result, although we still expect adjusted EBITDA to be positive for the second half of 2019, the outturn for the full year to 31 December 2019 will show a material reduction in revenue and adjusted EBITDA versus current market expectations. We continue to monitor our Facebook business closely, while also investing in our data proposition which will inform our creative process and improve the quality of content going forward. I believe this will position us to deliver long term growth."

For further information please contact:

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This announcement is available on the Group's website, www.bravebison.io.

Operating Review

Brave Bison has been ranked one of Facebook's largest publishers, owning some of the most visited pages in their network. Despite this ranking, this has posed a risk to the business, as we have previously been over dependant on this platform for more than 50% of our revenue.

In April 2019, our four largest Facebook pages – VTRND, Bluntly, SuperCrafty and Daily Viral Stories – were de-monetised as Facebook stopped serving adverts on these pages. This was a result of the implementation of Facebook's new content policy. Hundreds of large publishers are affected by this change and like them Brave Bison was subject to an overall global review. In our case, our largest properties were contravening a number of Facebook's new policies such as the amount of non-exclusive content on the channel and the level of editorialisation. This challenge required quick action, and we examined our content strategy and swiftly changed how we licence, create and commission content for our brands. Our rapid response to address this is testament to the excellent experience and flexibility of our team and the collaborative partnership we are developing with Facebook.

We now have a more robust content ingestion and creation strategy that is aligned to Facebook's new policies, but also one that is diversified across all platforms and is more independent of Facebook.

We have re-branded our biggest pages, creating thorough brand guidelines for our teams to work to, resulting in consistently higher quality content for our audiences.

We have repositioned small, but dedicated teams around our Facebook pages - turning them into valuable, cross platform and owned and operated destinations. These cross-functional teams or pods create original content and edit licensed content to meet our new brand guidelines. Each pod consists of audience development, editorial, branding and licensing, and we are improving the workflow every day with daily feedback loops.

We are making progress on the data dashboard project, with our first data scientist starting at the end of July 2019. In parallel, we've redesigned the database to provide faster results for more useful queries. This project also feeds into Scorecard, a collaborative cross-functional project which scores our channels based on a number of hard and soft metrics (e.g. brand fit, reach suitability, views and more). This progress is in line with our strategic objective to create a solid and valuable data proposition that helps inform our creative process and improve the quality of content.

I am pleased to say that as a result of our hard work to comply with Facebook's content policies, two of our largest brands – SuperCrafty and Daily Viral Stories – are no longer de-monetised and are generating advertising revenue again. However, they will take time to grow back to the popularity and revenue levels they once were, and we are working tirelessly to get the other two brands approved. This has taken longer than expected and whilst we have strived to minimise downtime and the impact, this is now expected to effect Group revenue and adjusted EBITDA for the full year, as discussed further below.

As part of our restructure, and the focus on creating and commissioning more original content at scale, we have decided to make necessary changes to our owned and operated strategy. Unfortunately, Perk (career advice for millennials) has not hit expectations in terms of audience numbers/engagement and will therefore be closed shortly. Mutha (climate change sustainability content aimed at generation Z) will still be a part of the Brave Bison network, but will be scaled back and will be one of many brands in our portfolio that our creative team will work on.

We will be moving the entire London team to one location. This will be more cost effective, and a huge cultural leap for our teams, which so far have been separated between two locations. This will help drive efficiency, better communication and cohesiveness between our business teams.

With respect to team changes, our Chief Creative Officer and Chief Revenue Officer will be shortly leaving the Company and their positions will not be replaced. I am thrilled to announce that we have hired two exceptional individuals that will lead our newly formed Publishing Division and Operational

Initiatives. These new members of our senior management staff will have critical input to Brave Bison's content strategy and I'm excited to be working alongside such well known and reputable individuals.

Financial Review

Revenue in the period increased by 9% to £10.1 million (2018: £9.3 million). This increase is due to the rise in fee based revenues, offsetting a decline in advertising revenues. Revenues from advertising decreased by £0.8 million to £6.5 million due to a fall in Facebook revenues as a result of monetisation issues in our four biggest channels. The decline in Facebook advertising revenues were partly offset by growth in YouTube revenues driven by a combination of our largest existing clients such as PGA Tour, Tennis Australia and Lev Group Media and new clients such as European Tour and World Chase Tag. Snapchat advertising revenues continue to increase as we experiment with different content. Despite this, advertising remains by far the most significant revenue stream, accounting for 65% of revenue (2018: 78%). The majority of the advertising revenues are from our portfolio of 18 owned and operated social media communities across Facebook, Instagram, Snapchat and YouTube.

Fee based services revenues increased in the first half to £3.6 million (H1 2018: £2.0 million). This is primarily due to the growth in APAC branded content revenues. Campaigns that delivered in the first of half of 2019 included SK-II, All Nippon Airlines, Lego, Jaguar Land Rover and British American Tobacco. We also used our Facebook network for the first time in the first half of 2019 to distribute third-party advertising campaigns.

Administrative expenses have increased by £0.2 million in the first half of 2019 as a result of a £0.6 million intangible asset impairment charge relating to multi-platform channels Mutha and Perk. Following a new strategy presented to the Board in July, a decision was made to close Perk and scale back investment in Mutha.

Restructuring costs in H1 2019 of £0.4 million relate to changes made to the senior management team (H1 2018: £nil).

Headcount at 30 June 2019 has increased to 70 (30 June 2018: 63) driven by additional heads to support the growth in the APAC region and our owned and operated channels.

The Group had £3.7 million of cash and cash equivalents at 30 June 2019 (31 December 2018: £5.4 million) and no overdraft or other borrowings. Cash outflows from operations increased to £1.5 million (H1 2018: £0.7 million outflow) primarily as a result of the timing of payments from two large branded content deals. £1.5 million was received in July 2019 from these clients.

Outlook

While the Group has had an encouraging start to 2019 in some areas of the business, there is uncertainty over Facebook revenues from our biggest owned and operated channels. The monetisation challenges that have impacted us from Q2 2019 may take several more months to resolve. This will result in a material reduction in revenue and adjusted EBITDA versus current market expectations for the year to 31 December 2019. Adjusted EBITDA is still forecast to be positive for the second half of 2019. In the meantime, the Group is continuing to build its channels beyond Facebook and increase the territorial reach of the APAC team.

We continue to strengthen our staff and adapt to an exciting as well as challenging environment and look forward to the years ahead with confidence. I'd like to take this opportunity, on behalf of the Board, to thank all our staff for their contribution and dedication to the Group's continued progress.

On behalf of the Board
Kate Burns
Chief Executive Officer
31 July 2019

BRAVE BISON GROUP PLC

CONDENSED CONSOLIDATED INCOME STATEMENT AND CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

	Note	(unaudited) 6 months to 30 June 2019 £000's	(unaudited) 6 months to 30 June 2018 £000's	(audited) Year to 31 December 2018 £000's
Revenue		**10,147**	**9,349**	**21,171**
Cost of sales		(6,753)	(6,401)	(14,709)
Gross profit		3,394	2,948	6,462
Administration expenses		(3,582)	(3,365)	(6,574)
Restructuring costs		(407)	-	-
Impairment charge	6	(575)	-	-
Operating loss		(1,170)	(417)	(112)
Share of loss from equity accounted investment		(18)	-	(19)
Finance income		29	2	28
Loss before tax		(1,159)	(415)	(103)
Analysed as				
Operating profit before tax adjusted for restructuring costs and share based payments		247	79	802
Restructuring costs	4	(407)	-	-
Equity settled share based payments		(91)	(118)	(204)
EBITDA		**(251)**	**(39)**	**598**
Finance income		29	2	28
Impairment charge	6	(575)	-	-
Depreciation		(38)	(53)	(80)
Amortisation		(324)	(325)	(649)
Loss before tax		(1,159)	(415)	(103)
Income tax credit		19	16	33
Loss attributable to equity holders of the parent		(1,140)	(399)	(70)
Statement of Comprehensive Income				
Loss for the period/year		(1,140)	(399)	(70)
Items that may be reclassified subsequently to profit or loss				
Exchange gain/(loss) on translation of foreign subsidiaries		3	(10)	(1)
Total comprehensive loss for the period/year attributable to owners of the parent		(1,137)	(409)	(71)
Loss per share (basic and diluted)				
Basic and diluted loss per ordinary share (pence)	5	(0.19p)	(0.07p)	(0.01p)

BRAVE BISON GROUP PLC
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	(unaudited) At 30 June 2019 £000's	(unaudited) At 30 June 2018 £000's	(audited) At 31 December 2018 £000's
Non-current assets				
Intangible assets	6	1,295	1,943	1,928
Property, plant and equipment		25	35	60
Investment in associates		38	75	56
		1,358	2,053	2,044
Current assets				
Trade and other receivables		5,622	3,666	5,766
Cash and cash equivalents		3,671	4,170	5,362
		9,293	7,836	11,128
Current liabilities				
Trade and other payables		(6,197)	(4,822)	(7,684)
Non-current liabilities				
Deferred tax		(162)	(206)	(183)
Net assets		4,292	4,861	5,305
Equity				
Share capital	7	609	574	576
Share premium		78,762	78,762	78,762
Capital redemption reserve		6,660	6,660	6,660
Merger reserve		(24,060)	(24,060)	(24,060)
Merger relief reserve		62,624	62,624	62,624
Retained deficit		(119,556)	(118,940)	(118,507)
Translation reserve		(747)	(759)	(750)
Total equity		4,292	4,861	5,305

BRAVE BISON GROUP PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2019

	(unaudited) 6 months to 30 June 2019 £000's	(unaudited) 6 months to 30 June 2018 £000's	(audited) Year to 31 December 2018 £000's
Operating activities			
Loss before tax	(1,159)	(415)	(103)
Adjustments:			
Depreciation, amortisation and impairment	937	378	729
Finance income	(29)	(2)	(28)
Share based payment charges	91	100	204
Movement in foreign exchange	-	(8)	-
Decrease/(increase) in trade and other receivables	144	679	(1,373)
(Decrease)/increase in trade and other payables	(1,469)	(1,381)	1,439
Tax paid	(2)	(4)	(10)
Cash outflow from operating activities	(1,487)	(653)	858
Investing activities			
Purchase of property, plant and equipment	(2)	-	(52)
Purchase of intangible assets	(266)	-	(309)
Interest received	29	2	28
Cash outflow from investing activities	(239)	2	(333)
Cash flows from financing activities			
Issue of share capital	33	-	2
Net cash inflow from financing	33	-	2
Net change in cash and cash equivalents	(1,693)	(651)	527
Movement in net cash			
Cash and cash equivalents, beginning of period	5,362	4,821	4,821
(Decrease)/increase in cash and cash equivalents	(1,693)	(651)	527
Movement in foreign exchange	3	-	14
Cash and cash equivalents, end of period	3,672	4,170	5,362