2020

Audioboom Group plc

Annual Report & Financial Statements

Overview

Audioboom Group plc ("Audioboom") is a global leader in podcasting - our shows are downloaded more than 85 million times each month by 25 million unique listeners around the world. Audioboom is ranked as the 5th largest podcast publisher in the US by Triton Digital.

Audioboom's ad-tech and monetisation platform underpins a scalable content business that provides commercial services for a premium network of 250 top tier podcasts, with key partners including 'Casefile True Crime' (US), 'Morbid' (US), 'True Crime Obsessed' (US), 'The Morning Toast' (US), 'No Such Thing As A Fish' (UK) and 'The Cycling Podcast' (UK).

The Audioboom Originals Network is a slate of content developed and produced by Audioboom including 'Baby Mamas No Dramas', '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.

Contents

Audioboom

Directors, Advisers and Officers

Company registration number:	85292
Registered office:	PO Box 264 Forum 4 Grenville Street St Helier Jersey JE4 8TQ
Directors:	Michael Tobin OBE (Non-executive Chairman) Stuart Last (Chief Executive Officer) Brad Clarke (Chief Financial Officer) Roger Maddock (Non-executive Director) Steven Smith (Non-executive Director)
Company secretary:	AST Secretaries Limited
Nominated adviser and broker:	Allenby Capital Limited 5 St Helen's Place London EC3A 6AB
Solicitors:	Fladgate LLP 16 Great Queen Street London WC2B 5DG
Registrar:	Link Registrars (Jersey) Limited 12 Castle Street St Helier Jersey JE2 3RT
Auditor:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

Highlights
For the year ended 31 December 2020

Financial and operating highlights

- 2020 revenue of US$26.8 million, **up 20%** on 2019 (US$22.3 million). Year-on-year growth outpaced the predicted wider industry average growth by 93%[(1)]
- Adjusted EBITDA[(2)] loss of US$1.7 million represents an improvement of **42%** on 2019 (US$3.0 million loss)
- Brand advertiser count of 311 as at 31 December 2020, **up 11%** on December 2019 (280)
- Global revenue per 1,000 downloads (eCPM) for December 2020 increased to US$38.99, **up 32%** (December 2019: US$29.60)
- Continued strong improvement in performance related to our ad technology, with revenue from our automated ad network in 2020 of US$2.5 million, **up 258%** on 2019 (US$0.7 million)
- Access to capital of US$6.6 million as at 31 December 2020, representing Group cash of US$3.3 million and US$3.3 million of the SPV loan facility remaining undrawn. US$0.7 million of the previously drawn non-revolving SPV loan was repaid to SPV Investments Limited in November 2020

1) eMarketer's August 2020 Podcast Advertising Revenue Report states that US podcast advertising revenue was expected to grow by 10.4% in 2020 relative to 2019

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

Key commercial developments

- Continued expansion of the Audioboom Originals Network with the launch of *Raising A Pro*, *Crime Weekly* (a co-production with Main Event Media) and *RELAX! with Colleen Ballinger and Erik Stocklin*
- Enhanced our premium sales network through new commercial partnerships with leading podcasts including *The Fantasy Footballers*, *Strange & Unexplained*, *Hoot and a Half*, *That Gaby Roslin Podcast*, *Meditation Minis*, and *Team Never Quit*
- Entered or renewed several strategic partnerships focused on enhancing distribution, data and monetisation. With the impact of Covid-19, these partnerships became even more important in bolstering Audioboom's operations and maximising resilience to the global pandemic

Post year end highlights

- Extended co-production and commercial partnership with Formula 1 until 2023. Audioboom will produce the *F1: Beyond The Grid* and *F1 Nation* podcasts, and provide exclusive advertising sales services
- Climbed to 5th largest US podcast publisher, and retained position as largest international podcast publisher in Australia, in January 2021's Triton Digital Podcast Report
- Strong start to 2021 having already signed advertising bookings representing over 80% of the current market forecast for 2021 Group revenue – further details will be provided in Q1 trading update which is expected to be released on 14 April 2021

Chairman's Statement

I am pleased to present this Chairman's Statement which reflects upon a particularly strong performance in 2020 and a very promising start to 2021, and looks forward to a bright future for your Company.

Against the inescapable backdrop of Covid-19, the Company proved the strength of its business model with a robust response to the global pandemic resulting in impressive growth in all KPIs, a material increase in revenue, a substantially reduced EBITDA loss, and market expectations exceeded for the second year in succession.

It is testament to the efforts of the management team and all staff that growth in the year once again outpaced – almost doubling - that of the wider podcasting industry (which itself continues to expand materially), leading to increased market share and further cementing the Company's position as one of the world's largest independent podcast companies in an industry that is rapidly maturing into mainstream media.

In his CEO Review, Stuart Last provides further detail around the Company's strategy and focus, component parts of the business, operational and financial performance, the strong start to 2021 and the outlook for the future.

I was pleased, personally, to be able to further support the Company, along with Candy Ventures sarl (our largest shareholder) and via SPV Investments Limited, through the provision of a US$4 million loan facility early last year. In the circumstances, only US$0.7 million was required to be drawn down and has since been repaid, and the balance remains available should it be required until the expiry of the facility in February 2022. In addition, following the conclusion of the formal sales process in October, the Company secured a further £3.15 million in equity growth funding at a significant premium to the then prevailing share price following an approach by a new investor. The funding and available facilities have enabled, and will continue to allow, the Company to acquire and retain high revenue producing, established podcasts and talent, and to develop the Group's higher margin Audioboom Originals Network, all of which will further drive performance. Not only does this access to capital provide the headroom to fund Audioboom through to sustainable positive cash flow generation, the Board is increasingly confident, in light of the strong start to the year, that it will reach that position during 2021 with expectations for positive EBITDA for the year as a whole. At this point the Company will have successfully taken control of its own destiny.

I would like to take this opportunity to thank the entire Audioboom team for their continuing professionalism and commitment, and also to thank our shareholders and partners for their loyalty and vision in supporting Audioboom as it continues to grow.

Michael Tobin OBE
Chairman
17 March 2021

Chief Executive Officer's Review

Introduction

I am pleased to provide this report with the business in such a strong position as our growth in 2020 once again outpaced that of the wider podcast industry. In the year under review, we enhanced our position as one of the biggest independent podcast companies in the world, delivered record revenue and EBITDA performance and profitability is now in sight.

The business has delivered this growth despite the challenges we faced in 2020. Covid-19 disrupted global media, impacting audience habits, advertising budgets and production operations throughout the year, but our resilience and continued growth in the face of the pandemic is testament to the strength of our business model, operations and the wider industry.

We have expanded our global operations through strategic regional partnerships, seen impressive growth in revenue from our advertising tech, and launched creatively impactful Audioboom Original programming. Most importantly, our combination of content, monetisation and technology is unique amongst our peers and is the driving force behind our growth.

The momentum we regained in the second half of last year has continued into 2021, and the traditional seasonal drop-off in Q1 advertising demand has not materialised. We are sharply focused on taking the Company to a position of positive EBITDA this year and have made a very strong start towards achieving that objective. I am pleased to offer an update on 2021 performance later in this report, as a transformative year for Audioboom begins to take shape.

Strategy

Between 2014 and 2018 Audioboom created a scalable technology and monetisation platform for podcasting. The platform includes: a hosting and distribution content management system; dynamic ad insertion advertising tech; bespoke Salesforce-based revenue and inventory management systems; an analytics toolset; and a premium advertising sales unit.

The Audioboom platform is fully scalable. In 2020 it controlled more than 9,000 podcast channels, delivering more than 85 million downloads each month to more than 25 million unique users. The scalability of the platform will drive the expansion of these numbers without any material investment into technology being required in the near term.

Audioboom's growth strategy is clear - scale monetisable content on top of this platform. Over the past 18 months our team has embraced this strategy and have executed it successfully, leading to continued upward revenue and KPI trends. All near term investment will be used to expand our content footprint.

Scaling content on to our platform is achieved in three ways; acquiring content, creating content and accessing content.

1. **Content Acquisition**. Audioboom develops commercial partnerships with existing independent podcast talent and content networks, where we provide a full slate of professional services, including exclusive advertising representation in our core US and UK markets. Opportunity for accelerated content acquisition comes via the Company's strong working relationships with the major Hollywood talent agencies, including UTA, WME and CAA. Content acquisition of high-quality Tier One podcasts (which may involve payment of advances or minimum guarantees) delivers fast revenue growth for the Company, through the sale of high-value, high-engagement, embedded host endorsement advertising and increasingly a second window of monetisation through ad tech and dynamic ad insertion.

2. **Content Creation**. Audioboom's production and creative arm develops original content through the Audioboom Originals Network, and provides production services for major media and entertainment brands like Formula 1. Audience and sales-trend data from our wider business informs our show development strategy, with insights into key growth genres and strong sales verticals. Content creation requires up-front investment through content production costs, facilities and audience acquisition spend, but creates strong revenue growth at a higher gross margin, as well as further revenue potential through IP opportunities, including television adaptation, touring and merchandise sales.

3. **Content Access**. The Sonic Influencer Marketing platform enables brands to connect with audiences across the entire professional-level podcasting landscape. Sonic utilises top-tier talent both within the Audioboom network and at all major podcast networks globally, to deliver premium host endorsement advertising campaigns to engaged audiences on

behalf of their clients. Sonic Influencer Marketing provides fast revenue growth to the Group, albeit with a lower gross margin than Content Acquisition and Content Creation.

Accelerated Revenue Growth

While we are focused on achieving a positive EBITDA position in 2021 through revenue growth and cost control, we have also identified three key areas for investment once we reach self-sustainability. This investment will build on our content growth plans and provide accelerated revenue generation to the Company:

Ad Tech Monetisation

Audioboom is a market leader in the sale of premium, high value podcast advertising in which ad spots take the form of host endorsements and are embedded into each episode during the recording or editing process. CPMs for these premium units range from US$20 to US$50, but this model does not utilise our ad-tech for delivery.

Our Dynamic Ad Insertion (DAI) capabilities, whereby ad spots are served to the listener at the point of download or playback, have thus far been focused on monetising the long-tail of podcast channels, relying on low-value programmatic advertising at CPMs between US$5 and US$12.

We have identified an opportunity to develop a new second window sales model, which sits between the premium and the programmatic. In this model, embedded advertising is removed from an episode after 90 days and is replaced by new ads through DAI. More than 40% of Audioboom's downloads are from back catalogue content older than 90 days, with the potential to create more than 100 million new available advertising impressions per month. Direct sales utilising this approach yield CPMs ranging from US$10 to US$25.

We began exploring this model in 2020 with monetisation from our ad tech growing 258% across the year. We will focus on new international sales partnerships, ad technology development, audience data access and growth of sales relationships to develop this offering further and deliver increased value to our podcast partners.

UK Production Arm

Since launching in 2018, Audioboom's production arm has been focused on producing content for US-based audiences through its studio complex in New York City. The nascent nature of the UK podcast advertising market has, until recently, carried too much risk for investing in content creation and audience acquisition. However, we believe the market and sales model is now of a size and strength to support investment in original content.

Furthermore, Audioboom has a unique capability to utilise audience and sales data from its wider business to develop podcasts with strong audience engagement. The UK podcast market is uncrowded in comparison to the US, making discovery less challenging and audience acquisition through paid marketing more efficient.

There is a gap in the UK market for a leading end-to-end commercial podcast publisher - Audioboom will take advantage of this opportunity through the creation of a new production unit.

Subscription Platform Growth

Audioboom's subscription platform, in which hobbyist and enthusiast-level podcasters pay US$10 or US$20 per month to utilise our professional hosting platform and toolset, provides significant upside revenue opportunity.

Currently, more than 100,000 new podcasts are launched every month globally, and each podcast needs a hosting platform in order to publish content to listening apps. To date, Audioboom's subscriber growth has been fully organic with no paid marketing or investment in user acquisition.

Gross margins for our subscription platform are greater than 90%, and the lifetime value of a user is above US$250. We believe there is strong potential to grow our subscription revenue through targeted paid marketing.

Overview of the Market

The launch of Triton Digital's Podcast Reports in 2020, alongside Podtrac's Podcast Ranker, highlighted the strong market position Audioboom has established:

- In May 2020 Audioboom entered Triton's report as the 6th largest podcast publisher in the US, a position we

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maintained across the year before rising to 5th position in the January 2021 report

- Audioboom consistently ranked as the largest international podcast publisher in Triton's Australian Podcast Ranker report throughout the year
- Audioboom would rank as the 4th largest podcast publisher on a Global Downloads basis if the Company took part in Podtrac's industry ranker

Audioboom has also continued to outpace the wider podcast industry's rate of expansion. The Interactive Advertising Bureau initially projected US market growth in 2020 of 29.6%, however this was downgraded in an eMarketer's study as a result of Covid-19 to 10.4%. Audioboom expanded at almost twice the rate of the industry, growing in 2020 by 20.2%.

Audioboom has outperformed the wider industry's growth in each of the past three years. Since 2017 Audioboom has grown 80% faster than the wider market. Our compound annual growth rate during this time is 63.9% versus 35.7% for the industry.

Continued outperformance of the industry would see Audioboom's market position and standings in the Triton Digital and Podtrac rankers improve further, cementing our place as a global leader in podcasting.

The podcast industry is expected to rebound quickly from Covid-19. eMarketer's revenue study projects market growth in 2021 of 45%. This growth will be chiefly driven by the increase in consumption of podcast content in the US as highlighted in the most recent Edison Research Infinite Dial study, with key audience data points including:

- A 17% yearly increase in the number of US adults who listen to podcasts each week
- A 14% increase in the average number of episodes consumed by podcast listeners each week

Audioboom is well placed to take maximum advantage of industry tailwinds.

2020 saw further consolidation across the industry, with notable M&A activity including:

- Spotify's acquisition of The Ringer and Megaphone
- Sirius XM's acquisition of Stitcher
- iHeartMedia's acquisitions of Voxnest and Triton Digital in 2021
- Amazon's acquisition of Wondery

Acquisition strategy has been centred on the combination of technology, content production and monetisation. These are elements which we have already built into the Audioboom business and which we are currently using to scale growth.

Operational Review

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

KPIs

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

1. *Brand advertiser count of 311 as at 31 December 2020, up 11% on 31 December 2019 (280)*

Brand advertiser count measures Audioboom's active customers. Key drivers of this KPI growth include: addition of new content genres to widen brand appeal; overall market growth and expansion of brands advertising in podcasts; optimal campaign performance with agency campaigns resulting in new agency clients being added.

2. *Revenue per 1,000 downloads (eCPM) for December 2020 increased 32% to US$38.99 (December 2019: US$29.60)*

e-CPM is a measure of the value we extract from every 1,000 downloads on the platform, and how we optimise the supply of available advertising inventory. Growth drivers for this KPI include: increasing fill rates; increasing ad rates; developing a second-window revenue model to monetise back-catalogue content.

3. *Total available premium advertising impressions for the 12 months to 31 December 2020 up 2% to 1,674 million (1,644 million to 31 December 2019)*

Total available premium advertising impressions measures the growth in supply of live read or host endorsement inventory. In January 2020 Audioboom adopted version 2 of the IAB's Podcast Measurement Standard, which placed stronger filtering and restrictions on download counting. The new measurement methodology reduced our count of premium advertising impressions by approximately 30%, therefore minimising perceived growth in this KPI between 2019 and 2020.

For 2021, we will replace the Premium Advertising Impressions KPI with a Global Downloads metric. This new data point is an industry standard metric, enables more accurate comparisons to be drawn with other podcast networks, is measured using the Interactive Advertising Bureau's Podcast Measurement Standard V2, and is verified by Triton Digital - a leader in audio measurement.

Content Acquisition

Audioboom's publisher network saw strong growth in 2020, as we delivered significant value to our independent podcast partners through our premium sales model, and - materially for the first time - through our advertising technology.

We brought new leading independent publishers to the Audioboom network, with opportunities to create commercial partnerships with Tier One podcasters increasing over previous years as a result of our continued work to develop relationships with talent agencies, management groups and creator networks.

Key new podcast partnerships formed in 2020 and post-period end included *The Fantasy Footballers*, *Tiny Meat Gang*, *Mile Higher*, *Rotten Mango* and *Coffee Convos*.

Audioboom's premium-first sales strategy, in which we focus on high-engagement, high-CPM, host endorsed ads that are embedded into the content for 90 days followed by a second monetisation window utilising ad-tech, has enabled us to optimise revenue generation for our partners. Combined with best-in-class client services via our US and UK content teams, we have a strong record of partnership renewals that was seen again in 2020.

Key podcast partnership renewals in 2020 and post-period end included *Casefile True Crime*, *Morbid: A True Crime Podcast*, *The Morning Toast*, *No Such Thing As A Fish* and *The Duncan Trussell Family Hour*. As Audioboom deepens its relationships with partners, we extend the length of renewals, currently averaging between 24 and 36 months on top performing shows.

Monetisation of our premium publisher network accounted for 66% of the Group's 2020 revenue and on an absolute basis is expected to continue to grow significantly in 2021.

Our premium network includes around 200 shows, but in the wider publisher network more than 8,500 shows utilise the Audioboom platform for technology or non-premium monetisation. 4,000 podcasts use Audioboom's technology toolset through our subscription platform, paying us US$10 or US$20 per month for access. Revenue from this content group accounted for 2% of Group revenue in 2020, but has been identified as an area of future growth through targeted paid marketing.

Sales against the long-tail and archive content on our network was a key driver of our strong ad-tech revenue growth, which delivered US$2.5 million in 2020, up 258% on 2019 (US$0.7 million). We expect continued significant future growth of this area as we build new sales channels and partnerships through our ad technology.

Content Creation

During 2020 we expanded our production arm with the launch of eight new Audioboom Originals, developed and produced by our in-house creative team. We also extended our production services offering, in which we are engaged to produce content on behalf of talent or brands.

Production plans were disrupted by Covid-19 during the second quarter of the year, with a number of launches delayed until the advertising environment had rebounded enough to ensure effective monetisation. Additionally, shows in development experienced delays as our production unit adapted to the challenges of remote recording caused by the pandemic.

Despite these challenges our production business delivered a strong year, growing revenue by 57% to US$1.1 million (2019 US$0.7 million). Shows produced by Audioboom were downloaded 34 million times during the year.

New Audioboom Originals launched in 2020 included: *Raising A Pro*, *Huddled Masses*, *Baby Mamas No Dramas*, *Crime Weekly*, *Truth Vs Hollywood*, *For All Moms*, *Here's The Sitch* and *Because Mom Said So*.

Mafia, *What Makes A Killer*, *Never Thought I'd Say This* and *An Hour Or So With Sue Perkins* all returned for successful new seasons, while *It's Happening*, *Blank Check* and *The 45th* continued to deliver weekly episodes.

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As well as the Audioboom Originals Network, our production arm produces a number of podcasts for brands and publishers. Our flagship production project with Formula 1 was extended earlier this year until 2023, with Audioboom's role expanding to the production of *F1 Nation* in addition to the globally successful *F1: Beyond The Grid*.

Investment into Audioboom's production arm is a key part of our accelerated growth strategy, with a goal of delivering 15% of Group revenue by 2024.

Content Access

In its second full year of operation, Sonic Influencer Marketing, our platform that enables brands to purchase advertising inventory across the entire podcast landscape, reinforced its strategic role within the Group and once again contributed materially to our growth.

More than 30 brands utilised the service, with key clients including *Article*, *Outerknown* and *Instacart* all increasing their marketing budgets due to the success of campaigns executed through Sonic.

To support the growth of Sonic we focused on the development of a bespoke Salesforce inventory management platform that will enable the business to scale and provide new levels of intelligence around audiences, pricing and campaign performance. The platform launched in early 2021 and is now powering Sonic's booking and campaign execution process.

Sonic has experienced a strong start to 2021, with four new clients joining the platform during Q1 including *Keeps* - a major podcast advertiser over recent years - highlighting the industry's recognition of Sonic Influencer Marketing as an emerging leader in the space.

Key commercial and strategic partnerships

Audioboom's strategic partnerships are focused on enhancing distribution, data and monetisation. During 2020, with the impact of Covid-19, these partnerships became even more important in bolstering our operations, ensuring we were fit for business and maximising our resilience to the global pandemic.

Australian Radio Network (ARN)

Audioboom engaged ARN as our exclusive advertising sales partner in Australia in 2020 as we stepped up efforts to monetise our content outside our core US and UK markets. Australia is our third largest market for downloads and Audioboom is the largest international publisher in the country. Until 2020 revenue derived from Australian consumption was minimal, but our partnership with ARN presents significant upside opportunity with no additional investment needed. We expect significant growth in Australian revenue in 2021 as a result of the partnership.

Rogers Media

Canada is Audioboom's fourth largest market for downloads, and our partnership with Rogers Media is focused on building revenue from that consumption. Similar to our work in Australia, this expansion requires no additional investment from Audioboom as Rogers Media will provide exclusive advertising sales representation in the region.

Triton Digital

Our partnership with Triton Digital provides the Company with verifiable consumption data, a ranking service that highlights our industry leadership position to advertising agencies and brands, and access to a programmatic marketplace that bolsters our monetisation efforts. Post-period, Audioboom and Triton Digital have renewed the partnership for a further two years.

Podsights

Audioboom utilises the Podsights attribution toolset to identify the true reach and performance of our advertising campaigns, allowing us to deliver enhanced value to our brand advertisers. Podsights enables our brand partners to directly link product sales across a family of IP addresses to an individual advertising campaign, thus proving the value of podcasting as a medium, and the strength of Audioboom's ability to deliver campaigns impactfully to an audience.

Nielsen

Audioboom renewed a data partnership with Nielsen during 2020, further utilising their Podcast Listener Buying Power Service to add qualitative audience information to our dataset. This rich audience profiling tool enables the Company to explore new sales opportunities, and creates stronger engagements between our brand advertisers and listeners.

Amazon Music and Pandora

Early in 2020 Audioboom signed new distribution partnerships with two major audio platforms - Amazon Music and Pandora. Through these partnerships the entire roster of Audioboom podcasts were made available to the 146 million monthly active users across Amazon Music and Pandora. The Company continues to explore opportunities to ensure our podcasts can be heard by the maximum number of consumers.

Voxnest

Our partnership with ad-tech and data platform Voxnest began in September 2019 and expanded across 2020 to deliver increased levels of analytics, audience insight, ad campaign management tools and programmatic monetisation. This partnership is at the core of our second window content monetisation strategy and programmatic revenue expansion.

Financial Review

In 2020, the Company recorded revenue growth that almost doubled the expected wider podcast industry growth, it proved its resilience to a global pandemic and in Q4 recorded its highest revenue quarter to date. The Company continued to build on its strong operation and financial foundations and did so with an average headcount of 37 staff, making it an extremely efficient and focused organisation.

Revenue increased by 20% to US$26.8 million for 2020 from US$22.3 million in 2019. In 2020, 94% of Group revenue was generated in the United States, which is the largest and most developed market for podcasting, up from 90% in 2019 due to the continued growth in that territory as well as the second full year of trading at Sonic Influencer Marketing.

Gross margin increased slightly to 23% in 2020 (2019: 22%) and Audioboom continues to have 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 22% gross margin in 2020. The Audioboom Originals Network contributed a 40% gross margin in 2020 and, due to the higher associated gross margin, is a key area of focus going forward for the Company. Sonic Influencer Marketing typically contributes a gross margin of between 12% and 15% and therefore, despite the growth of this business, it does impact the overall Group gross margin.

The Company continued to control overheads and we have aligned staff globally to ensure that every employee contributes to the growth of the business. We continue to monitor the cost base closely and align it to the Company's operational demands and this will continue into 2021 as we increase focus on areas that we believe can drive further revenue growth, in the Audioboom Originals Network, subscription revenue and further ad network monetisation.

The Company's overall trading for the period, as measured by adjusted EBITDA (earnings before interest, tax, depreciation, amortisation, share based payments, non-cash foreign exchange movements and before exceptional items) recorded an improvement of 42% to a loss of US$1.7 million from a US$3.0 million in 2019.

The total comprehensive loss for the year demonstrated a 57% improvement to a US$3.1 million loss from a US$7.1 million loss in 2019. The cash outflow from operating activities fell to US$3.3 million from US$5.2 million in 2019, a 37% reduction.

The improvements in the working capital cycle that the Company has recognised over the last two years have been achieved via continued good debtor collection while also reducing average payable days. The implementation of the bespoke podcast advertising booking system in 2018, continued improved cash collection and sustained revenue growth has led to 2020 debtor days of 87 being in line with the 86 reported in 2019. It should be noted that a record revenue quarter in Q4 of US$8.5 million contributed to the year-end debtor day total being above the 58 days that was recorded at the half year. Average payable days reduced from 72 days in 2019 to 65 days in 2020.

During the period, the Company raised a total of £3.15 million (before expenses) from the issue of ordinary shares to a new investor, One Nine Two Pte Limited. The Company will use these funds to continue to invest in generating organic growth.

On 17 June 2019, the Company agreed a content funding facility with SPV Investments Limited ("SPV"), a special purpose vehicle established by Michael Tobin, the Company's Chairman, and Candy Ventures sarl, the Company's largest shareholder, pursuant to which SPV provides minimum

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revenue guarantees to certain leading content partners of the Company. To date, three leading podcasts have been retained via the SPV guarantee facility, in June 2019, January 2020 and December 2020. As at 31 December 2020, US$1.1 million of the SPV content funding facility was available (increasing to US$1.7 million as at the date of this report).

On 7 February 2020, the Company announced that it had entered into a two year US$4 million secured loan facility arrangement (the "Facility") with SPV. To date, US$0.7 million of the Facility has been drawn down, and subsequently repaid in November 2020. As at 31 December 2020, and as at the date of this report, US$3.3 million of the Facility remains undrawn and the Company has no debt. Net cash at the period end was US$3.3 million (31 December 2019: US$2.0 million).

The financial results shown above illustrate that the drive to increase revenues whilst maintaining strong cost management is working and should deliver significant shareholder value as the Company continues its journey towards sustainable positive EBITDA.

Trading Update and Outlook

2021 is set to be a breakthrough year for Audioboom as we move the business towards the milestone of a positive EBITDA position. Proving we have created a self-sustainable business model should provide confidence to shareholders in our ability to deliver long-term value.

I am pleased to provide an update on our recent progress, highlighting an impressive start to the year, with the Company already signing advertising bookings representing more than 80% of the current market expectations as to revenue for the full year.

Additionally, in the first quarter of 2021, we have added significant scale through our content-focused growth strategy, recognised in Triton Digital's January 2021 Podcast Report where Audioboom moved up to 5th position on their ranker of the largest podcast publishers in the US. This additional scale will support the continuation of our positive revenue growth across the year.

RELAX! With Colleen Ballinger and Erik Stocklin - our first Audioboom Original launch this year - has already made a strong impact, hitting number one on the Apple podcast chart in January 2021. Due for release on 1 April is our boldest Audioboom Original to date - *Dark Air*, a 14 episode serial written by and starring Rainn Wilson from The Office (US).

Sonic Influencer Marketing has already accessed inventory in more than 150 top tier podcasts outside the Audioboom network for its brand clients this year, including at *Pod Save America*, *The Sarah Silverman Podcast*, *Crime Junkie*, and *Conan O'Brien Needs A Friend*.

We have also strengthened our premium sales network through the renewal of key shows (*Astonishing Legends*, *Two Girls One Ghost*), and new commercial partnerships *(The Fantasy Footballers*, *Strange & Unexplained*, *That Gaby Roslin Podcast*, *Meditation Minis* and *Team Never Quit)*.

I am delighted with the start we have made towards our 2021 goals, and I am looking forward to updating you on further progress in our Q1 trading update in April.

Stuart Last
Chief Executive Officer
17 March 2021

Principal Risks and Uncertainties

The Board and management regularly review and monitor the key risks involved in running and operating the business. The future success of the Group is dependent on the Board's ability to implement its strategy. The model for the future development of the Group is reliant on its ability to achieve and maintain a critical mass of quality content providers and its ability to derive advertising revenue from agencies and users of advertising who want to access the audience for Audioboom's services. The table below sets out a number of the material risks together with relevant mitigating factors:

Risk	Description	Mitigation
Liquidity risk	Whilst the Group's underlying financial performance continues to improve, until the Group reaches a sustained positive cash generative position, the funding of its operations and overheads, together with future growth and expansion, all place demand on the Group's overall cash resources.	Management monitors the Group's financial performance closely with a strong focus on cash control. During the period, the Company secured US$4 million of loan funding from the Company's Chairman and its largest shareholder, together with an equity subscription of £3.15 million. Forecasts have been prepared on a base case basis and these funds are expected to fund the Group through to forecast sustainable positive cash generation on a monthly basis. Cash flow modelling, sensitivity testing and business contingency planning have all been completed to make this assessment, and will be kept under review.
Retention/ attraction of key staff	The Group is highly dependent on key members of the management team. Their services cannot be guaranteed and the loss of their services may have a material adverse effect on the Group's performance. There can be no assurance that the Group will be able to attract and retain all personnel necessary for the future development and operation of the business.	The Board will continue to ensure that the management team are appropriately incentivised and that there is scope to appropriately incentivise new key personnel where required. Audioboom operates a share option scheme which enables employees to become defacto owners of the business and to benefit from continued growth in the Company.
Continued growth in content partners	Success of the Group's strategy relies heavily on the on-going process of securing global third party quality content partners to the platform. Professionalisation of the industry means that an increasing amount of podcast content is now being created by major broadcasters, radio groups and media companies – thus reducing the number of successful new independent entrants in the space. There are also an increasing number of competitor networks offering advertising sales services – all vying to create exclusive partnerships with the top independent shows. There can be no assurance that the Group will maintain its success in this area.	As the industry professionalises, an increasing amount of new business with top tier podcasts comes via talent agencies and management companies. Audioboom invests time and resource to develop and maintain strong working relationships with these groups to ensure we remain part of inbound opportunity. Top tier podcasts may require minimum guarantees against annual revenue potential and recoupable advance signing on fees, in addition to promotional and development budgets. These incentives are appropriately modelled to ensure that only profitable partners are offered such terms. Audioboom is increasingly investing in its "owned and operated" content division, where podcasts are developed and produced by its in-house production team. This allows the Company to control production schedules and negates the risk of losing independent podcasts to other networks.

Principal Risks and Uncertainties
(continued)

Risk	Description	Mitigation
Ability to monetise the advertising opportunity	Success of the Group's strategy relies heavily on its ability to monetise advertising opportunities. The ability to generate advertising revenue from social and digital media sites is now well established as major companies operating in this space have built up revenues from advertisers who value access to the user groups that are regular visitors to these sites. There can be no assurance that the Group will be successful in continuing to build these revenues if it is exposed to greater competition or suffers lower growth in listens on the platform as well as other factors.	On-going growth in quality content providers, which in turn attracts greater numbers of listens, which in turn attracts brands wanting to advertise on podcasts. The Group has proven that the monetisation of podcasts is a viable advertising opportunity and it works with a growing number of advertising agencies and direct with brands in the UK and the US to continue to build revenues, as well as advertising partnership agreements in Australia and Canada
Technology	Technologies used by the Group may have a shorter commercial life than anticipated due to the invention or development of more successful technology or applications by competitors who may have greater financial, marketing, operational and technological resources than the Group.	The Group strives to continually innovate in terms of its technology, products and services and also recognises opportunities to utilise third party technology solutions when it does not have the financial or staffing resource to innovate itself.
IT infrastructure	Audioboom's platform is hosted externally by Voxnest and Amazon. The Group cannot guarantee that there will not be any disruption in the availability or performance of the platform, or the terms on which it is made available, which could have a material adverse effect on the Group and its business and prospects.	The Voxnest and Amazon cloud infrastructure and distributed content system ensures that many multiple copies of the entire Group's web architecture and growing content library are distributed across multiple nodes of the content distribution network. This ensures that if one node were to fail, then the Group's architecture and content could still be accessed by users via other nodes in the network.
Content	Audioboom provides a platform for third party content. Some of the content may be unsuitable, illegal or defamatory and as such there is a risk that claims may be made against the Group. Audioboom is a provider rather than a publisher and as such should not be liable for content. If, however, Audioboom is held to have published the offending content, that could have a material adverse effect on the Group. Audioboom is aware that music licensing costs may be incurred in the future in respect of music played in podcasts on the platform.	'Safeharbour' regulations should mitigate the risk in the case of Audioboom acting as provider and not publisher. In cases where Audioboom may have greater involvement in the publishing of content, Audioboom will take reasonable steps around editorial control of content. Audioboom's terms and conditions also give it unlimited rights to remove content, remove content channels and block users to ensure that it is able to maintain a controlled environment for consumers to access appropriate content. An assumption in respect of potential music licensing costs has been made within the Company's financial modelling/forecasts and the position will be monitored.

Risk	Description	Mitigation
Competitive conflict	Sonic Influencer Marketing operates on the buy-side of the advertising divide. As such there are some conflicts with Audioboom which operates on the sell-side. Podcast networks that are competitors with Audioboom may take issue with sharing data or creating partnerships with Sonic Influencer Marketing for fear of data being shared internally or helping a rival grow. This may impact Sonic Influencer Marketing's ability to grow.	The Group has developed a separate Customer Relationship Management system for Sonic Influencer Marketing so that no key data is shared across the two businesses. Only a small, controlled number of staff are able to access both sets of data.

The Strategic Report was approved by the Board of Directors on 17 March 2021 and was signed on its behalf by:

Stuart Last - Chief Executive Officer

Board of Directors

	Michael Tobin OBE Non-executive Chairman	Stuart Last Chief Executive Officer	Brad Clarke Chief Financial Officer
Background and experience	Michael is a serial technology entrepreneur and philanthropist. As the former 'maverick' Chief Executive Officer of Telecity Group PLC (now Equinix Inc.), the FTSE 250 data centre operator, he grew the company from a market capitalisation of £6 million to £1.6 billion at the time of his departure. After stepping down from his role at Telecity Group PLC in 2014, Michael turned his attention to supporting entrepreneurs, businesses and leaders in the digital and technology space. He received The Order of the British Empire from Her Majesty the Queen for Services to the Digital Economy in 2014.	Before joining Audioboom, Stuart ran podcast operations at Voxnest in New York City. He previously held executive positions at the BBC in London, controlling digital strategy for BBC Radio 2, the UK's biggest radio station and overseeing the development of key brands at BBC Radio 1, including the world-renowned Live Lounge. Stuart joined Audioboom in 2014 and, as Chief Operating Officer, he launched the business in the U.S, leading all strategy, business development, sales and marketing operations.	Brad is a Chartered Accountant, having qualified with Grant Thornton in 2009 and he has extensive experience of working in finance in the media industry having previously worked at fellow AIM listed company Brave Bison Group plc, where he was Group Finance Director. Brad previously worked for News UK for over five years progressing through roles in Internal Audit, Group Reporting and latterly being the Financial Controller of the Handpicked Collection.
Date of appointment	Michael joined the Board and became Chairman in September 2018.	Stuart was appointed CEO in September 2019 and joined the Board in December of that year.	Brad joined Audioboom in March 2018 and was appointed to the Board in September 2018.
External appointments	Michael serves on multiple technology company boards across four continents, including Chairman of AIM listed BigBlu Broadband plc.	None	None
Committee memberships	Michael serves on the Audit Committee and chairs the Remuneration Committee.	None	None
Independence	Due to the Company having granted warrants to Michael at the time of his appointment, he is not automatically considered to be an independent Director. Therefore, the Board has reviewed his status and considered whether this award of warrants might be considered to impact upon his independence. Following this review, and having considered all relevant circumstances, including his interest in SPV Investments Limited, the Board consider that Michael continues to exercise independence as a Director.	Executive – non-independent	Executive – non-independent

	Roger Maddock Non-executive Director	Steven Smith Non-executive Director
Background and experience	Roger has worked in the finance industry in Jersey since 1981, specialising in fund administration. He was a partner in a local chartered accountancy practice and a director of Worthy Trust Company Limited until it was sold to Allied Irish Banks (CI) Limited in 1999 where he was a director of that bank's trust and fund administration companies until 2001. He was the Managing Director of Equitilink International Management Limited and a director of several of the underlying funds of the group.	Steven qualified as a chartered accountant at BDO and subsequently as a chartered tax adviser whilst at KPMG. He has held a number of senior financial positions at large public and private businesses. Steven has been a close adviser to the Candy Brothers for 20 years and currently runs Candy Ventures sarl, Nick Candy's private investment fund based in Luxembourg.
Date of appointment	Roger joined the Board on the Company's incorporation (originally as The Off-Plan Fund Limited) in April 2003.	Steven joined the Board in August 2016.
External appointments	Roger holds a number of directorships of private investment companies.	Steven holds a number of directorships, including Candy Ventures sarl, a significant shareholder in the Company.
Committee memberships	Roger chairs the Audit Committee and serves on the Remuneration Committee.	Steven serves on the Audit Committee and the Remuneration Committee.
Independence	Due to his length of tenure, Roger is not automatically considered to be an independent Director. Therefore, the Board has reviewed his status and considered the fact that the strategy and shareholders of Audioboom are materially different following its 2014 reverse acquisition and that Roger is sufficiently removed from the day-to-day operations of the Company to retain a critical and independent view. Following this review, the Board consider Roger to continue to exercise independence as a Director.	Due to his directorship of, and shareholding in, Candy Ventures sarl, Steven is not considered to be an independent Director.

Directors' Report

The Directors present their report together with the audited financial statements for the period ended 31 December 2020.

Strategic Report

Details of the Group's strategy and business model during the period and the information that fulfils the requirements of the strategic report can be found in the Strategic Report on pages 3 to 13. An indication of likely future developments in the business of the Group, and details of research and development activities are included in the Strategic Report, which are deemed to form part of this report by reference.

Corporate Governance Report

The Corporate Governance Report set out on pages 20 to 24 forms part of this report.

Results and dividends

The consolidated statement of comprehensive income for the period is set out on page 36. No dividend has been declared or is proposed for the period (2019: nil).

Directors and their interests

The Directors who served during the period are set out below, together with their beneficial interests in the ordinary shares of the Company. Biographical details are included on pages 14 and 15.

	31 December 2020		31 December 2019	
	Ordinary shares of no par value	**Share options**	Ordinary shares of no par value	Share options
Brad Clarke	**–**	**185,000**	–	185,000
Stuart Last	**4,172**	**250,000**	4,172	250,000
Roger Maddock	**343,461**[1]	**–**	338,461[1]	–
Steven Smith[2]	**4,764**	**–**	4,764	–
Michael Tobin	**290,820**	**–**[3]	185,476	–[3]

1 includes an indirect interest in 40,000 shares held by The Preston Trust, a trust established for the benefit of the family of Roger Maddock

2 Steven Smith is a director and 10% shareholder of Candy Ventures sarl, which held 3,697,602 ordinary shares in the Company as at 31 December 2020. In addition, Nick Candy, a director and 90% shareholder of Candy Ventures sarl, is the holder of 70,000 ordinary shares and 120,000 warrants to subscribe for ordinary shares. In addition, at the period end, Candy Ventures sarl held 34,375 warrants to subscribe for ordinary shares in connection with the provision of guarantees by SPV Investments Limited (see note 17 to the financial statements)

3 Michael Tobin holds 300,000 warrants to subscribe for ordinary shares which were granted on his appointment to the Board. In addition, at the period end, Michael Tobin was interested in 34,375 warrants to subscribe for ordinary shares in connection with the provision of guarantees by SPV Investments Limited (see note 17 to the financial statements)

Further details in respect of the share options and warrants held by Directors are set out in the Remuneration Committee Report on pages 25 to 28.

Substantial shareholdings

At the date of this report, the Company was aware of the following interests in 3% or more of its issued voting share capital:

Shareholder	**% holding**
Nick Candy[1]	14.47%
AAQUA BV	10.69%
One Nine Two Pte Ltd	8.93%
Herald Investment Management Limited	5.88%
Slovar Limited (controlled by Kingsley Duffy)	3.09%

1 including holdings via Candy Ventures sarl of which Nick Candy is a 90% shareholder

Employee involvement

Our employees are one of our most important stakeholder groups. The Group's policy is to encourage involvement at all levels, as it believes this is essential for the success of the business. Through an annual survey, employees are encouraged to present their views and suggestions in respect of the Group's performance and policies. The Board also seeks to deepen employee engagement through the extensive reach of its share option scheme to all levels of staff.

Financial risk management objectives and policies

The Group's financial instruments comprise cash, liquid resources and various items, such as trade receivables and trade payables that arise directly from its operations. The main risks arising from the Group's financial instruments are currency risk, interest rate risk, credit risk and liquidity risk. The Directors review the policies for managing each of these risks on an on-going basis and they are summarised in note 20 to the financial statements. These policies have remained unchanged from previous periods.

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. The Group ended the year with access to US$6.6 million of capital, being US$3.3 million of cash and US$3.3 million of the loan facility arrangement with SPV Investments Limited announced in February 2020. The Board's forecasts for the Group, including due consideration of the business forecasting positive EBITDA in 2021, 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 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.

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 finance from SPV Investments Limited. In addition, management continue to assess any ongoing impact of Covid-19 on Group performance, albeit that the Group proved resilient to the challenges posed by the pandemic in 2020. 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 the financial statements appropriate.

Change of control

Whilst the Company's typical terms of business do not include change of control provisions, a small number of material contracts enable the counterparties to alter or terminate those arrangements in the event of a change of control of the Company.

The Group does not have any agreement with a Director or officer that would provide compensation for loss of office or employment resulting from a takeover, except that provisions of the Group's share plans and warrant instruments may cause options and awards granted under such plans or instruments to vest on a takeover or other change of control.

Directors' indemnity and insurance

Pursuant to the Company's articles of association, the Company has granted an indemnity to its Directors and officers under which the Company will indemnify them, subject to the relevant article, against all costs, charges, losses and liabilities incurred by them in the performance of their duties. The Company has also arranged directors' and officers' liability insurance.

Directors' Report
(continued)

Directors' responsibility statement

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group financial statements for each financial period.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the Group financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with applicable IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

Haysmacintyre LLP offer themselves for reappointment as auditors in accordance with Article 113 of the Companies (Jersey) Law 1991.

Forward looking statements

These reports and financial statements contain certain forward looking statements which are subject to assumptions, risks and uncertainties; actual future results may differ materially from those expressed in or implied in such statements. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Group's ability to control or estimate precisely. The forward looking statements reflect the knowledge and information available at the date of preparation of this report, and will not be updated during the year. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout these reports and financial statements and include statements regarding the current intentions, beliefs or expectations of the Directors or the Group concerning, among other things, the results of operations, financial condition, prospects, growth and strategy of the Group, and the sector in which it operates. In particular, the statements regarding the Group's strategy and other future events or prospects are forward-looking statements. Nothing in this Annual Report should be construed as a profit forecast.

Annual General Meeting

All registered holders of ordinary shares are entitled to attend the annual general meeting of the Company (AGM), subject to any restrictions relating to Covid-19. They are also entitled to speak at general meetings of the Company, to appoint one or more proxies or, if they are corporations, corporate representatives, and to exercise voting rights. The notice of meeting specifies deadlines for exercising voting rights and appointing a proxy or proxies to vote in relation to resolutions to be put to the AGM.

ON BEHALF OF THE BOARD

Stuart Last
Chief Executive Officer
17 March 2021
Company registration no: 85292 (Jersey)

Corporate Governance Report

Responsibility for good governance lies with the Board. This Corporate Governance Report details the corporate governance arrangements which the Company currently has in place and the steps being taken to develop good governance within the Company and the Group.

Compliance statement

The Directors recognise the importance of good corporate governance and the Company adopted the Quoted Companies Alliance Corporate Governance Code (the 'QCA Code') in line with the London Stock Exchange's changes to the AIM Rules requiring all AIM-quoted companies to adopt and comply with a recognised corporate governance code. The underlying principle of the QCA Code is that 'the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all shareholders over the longer term'.

The Company's full statement of compliance with the QCA Code is available on the Company's website, www.audioboomplc.com, including a table describing in broad terms how the Company addresses the key governance principles defined in the QCA Code.

The Board intends to review annually how its corporate governance arrangements comply with the provisions of the QCA Code and in which respects it might further develop its existing arrangements and processes to the extent it believes that these will support its medium to long term success.

Key governance related matters during the period

During 2020 and since the period end, the following key governance matters were addressed (as described in more detail elsewhere in the Annual Report):

- Review and update of the delegation of Board authority
- Board self-evaluation process
- Executive management remuneration review – setting and monitoring performance targets
- Methods of, and processes for, shareholder engagement
- Management of the formal sales process

Role of the Board and management

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall management and corporate governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals. Further details on the Company's business model and strategy are contained within the Strategic Report on pages 3 to 13.

From time to time, the Board may delegate or entrust to any Director holding executive office (including the CEO) such of its powers, authorities and discretions for such time and on such terms as it thinks fit. The Board has adopted a 'delegation of Board authority' which establishes those matters which it is considered appropriate remain within the overall control of the Board (or its committees) and those which are delegated to the CEO (or onwards as appropriate). In addition to overall Group strategy, the Board approves the annual budget and retains control over corporate activity (mergers, acquisitions, joint ventures, material disposals and investments) and material contract and financing decisions (over and above set value/credit-risk limits). During the period, the delegation of Board authority was reviewed and updated.

Management's role is to implement the strategic plan established by the Board and to work within the corporate governance and internal control parameters established by the Board.

Role of Chairman and Chief Executive Officer

There is a clear division of responsibilities between the running of the Board and the executive responsible for the Group's business.

The Chairman is responsible for leadership of the Board, ensuring its effectiveness and setting the agenda for Board meetings. Once strategic objectives have been agreed by the Board, it is the Chief Executive Officer's responsibility to ensure they are delivered upon and consistently to be accountable to the Board. The day to day operations of the Group are managed by the Chief Executive Officer and his management team.

Board processes

The full Board meets monthly and at any other time as may be necessary to address any specific significant matters that may arise.

The agenda for Board meetings is prepared in conjunction with the Chairman. Submissions are circulated in advance and for regular Board meetings will include operational and financial updates together with papers relating to specific agenda items.

Management prepare finance reports ahead of each regular Board meeting which allow the Board to assess the Company's activities and review its performance. In addition to the Executive Directors, other members of management may be involved in Board discussions as appropriate.

To assist in the execution of its responsibilities, the Board has established an Audit Committee and a Remuneration Committee (which can also sit as a Nominations Committee where required) and a framework for the management of the consolidated entity including a system of internal control.

Risk management and internal control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. This includes financial, operational and compliance controls and risk-management systems. There is an on-going process carried out by executive management, the Board and the Audit Committee for identifying, evaluating and managing the principal risks faced by the Company. The Board has reviewed the effectiveness of the system of internal control during the period. The systems have been in place for the period under review and up to the date of approval of the annual report and accounts.

The Company has established financial controls and procedures which have enabled the business to build suitable frameworks allowing it to grow at scale despite maintaining a relatively low headcount. The key financial processes of completing formal monthly financial close, delivering monthly key financial data to the Board, formalised payment run reviews, structured debtor collection and detailed budgeting and forecasting process have all benefitted from the continuing and evolving automation within the business, specifically focused around the development of the Group's advertising booking system.

A summary of the current principal risks and uncertainties is set out in the section of that name in the Strategic Report on pages 11 to 13. Risks facing the Group will continue to be evaluated at each Board and Audit Committee meeting. Internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

Corporate Governance Report
(continued)

Composition of the Board

The Board currently comprises five Directors. Further detail on the Directors and independence of the Board are included on pages 14 and 15 of this Annual Report. The number and/or composition may be changed where it is felt that additional expertise is required in specific areas, or when an outstanding candidate is identified.

The composition of the Board is determined using the following principles:

- a majority of the Board should be non-executive Directors,
- the role of Chairman is to be filled by a non-executive Director,
- the Board should have enough Directors to serve on various committees of the Board without overburdening the Directors or making it difficult for them to fully discharge their responsibilities,
- Directors appointed by the Board are subject to election by shareholders at the following annual general meeting and thereafter Directors are subject to retirement by rotation and re-election every three years.

The Company Secretary is a Jersey based professional services company in order to conform with Jersey requirements. The Board has therefore appointed a corporate and governance consultant to assist and advise it in respect of its responsibilities and best practice. The consultant attends all Board and committee meetings (which are held in the UK) in which he effectively carries out a number of the duties and responsibilities of a company secretary.

Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the Director concerned is either not present or does not take part in discussions and voting at the meeting whilst the item is considered.

Independent professional advice and access to Company information

Each Director has the right of access to all relevant Company information and to the Company's management and, subject to prior consultation with the Chairman, may seek independent professional advice at the Company's expense. A copy of any advice received by the Director is to be made available to all other members of the Board. No such advice was sought during the period.

Committees

Audit Committee

The report of the Audit Committee is set out on pages 29 to 30.

Remuneration Committee

The report of the Remuneration Committee is set out on pages 25 to 28.

Nominations Committee

Where required, the Remuneration Committee may also sit as the Nominations Committee (see table below). However, the role of the Nominations Committee may also be fulfilled by the full Board. The objectives of such Committee are:

- to ensure that the Company has a formal and transparent procedure for the appointment of new executive and non-executive Directors to the Board;
- to ensure that the Company reviews the balance and effectiveness of the Board and the senior executive management team, identifying the skills and experience needed for the next stage in the Company's development and those individuals who might best provide them, including appropriate succession plans and considering possible internal candidates for future Board roles.

Directors' attendance record

The following table provides details of attendance by Directors at Board and Committee meetings held during the period. Due to the global pandemic, a number of these meetings were held via videoconference.

	Board		Audit Committee		Remuneration Committee	
	Number of meetings	Number attended	Number of meetings	Number attended	Number of meetings	Number attended
Brad Clarke	16	16				
Stuart Last	16	16				
Roger Maddock	16	16	3	3	1	1
Steven Smith	16	16	3	3	1	1
Michael Tobin	16	16	3	3	1	1

Time commitment

The Executive Directors are full time employees of the Group. The non-executive Directors are committed to at least 20 working days per annum on Company business but in practice this is often exceeded.

Board effectiveness and evaluation

Post period end, the Board carried out a self-evaluation of Board effectiveness, pursuant to which each Director anonymously completed a questionnaire covering various matters of governance, setting out their own key objectives for the Board, scoring the Board and committees' effectiveness and providing feedback and recommendations on areas that might benefit from further review or improvement.

Key themes, and focus items, arising from this process were:

- ensuring the Group can capitalise on opportunities to grow the business as they arise
- consideration of additional non-executive Director, with focus on US podcast industry experience and greater diversity
- succession planning and breadth of management

Each of the above remain under consideration.

Corporate Governance Report
(continued)

Corporate culture

The Board aims to lead by example and do what is in the best interests of the Company. A large part of the Group's activities is centred upon what needs to be an open and respectful dialogue with the key stakeholders, and so in order to grow our business it is vital that all our employees act in a way that reflects the values of the business.

The Group has developed a set of Company values. All employees are invited to contribute ideas to the Company values and the Board is able to consider whether the Company's values are being recognised through feedback received from employees.

The Company also seeks to be an equal opportunities employer, addressing its corporate social responsibility by promoting equality and diversity in its workforce.

The Group also has a system of performance incentives and a share option scheme to reward staff for performance.

The role of shareholders

The Board of Directors aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to shareholders as follows:

- the release of announcements, trading updates and interim and annual financial statements through the Regulatory News Service and on the Company's website,
- the full annual financial report is sent to all registered shareholders,
- proposed major changes in the Company which may impact on share ownership rights are submitted to a vote of shareholders, and
- notices of all meetings of shareholders are sent to all registered shareholders.

The Board encourages full participation of shareholders at the Annual General Meeting (Covid-19 permitting) to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to the shareholders as separate resolutions. Management have also commenced regular investor presentations for existing and potential individual shareholders to complement presentations provided to institutional shareholders.

The Company's auditors are also invited to attend the Annual General Meeting and are available for discussion in relation to the Company's financial statements.

Remuneration Committee Report

Overview

The role of the Remuneration Committee is documented in its terms of reference which were reviewed post period end and updated terms were adopted by the Board of Directors on 17 March 2021.

The key objectives of the Remuneration Committee are to:

- ensure that the Company's Directors and senior executives are fairly rewarded for their individual contributions to the Company's overall performance by determining their pay and other remuneration; and
- demonstrate to all shareholders that the general policy relating to, and actual remuneration of, individual senior executives of the Company is set by a committee of the Board who have no personal interest in the outcome of the decisions and who will give due regard to the interests of shareholders and to the financial and commercial health of the Company.

Composition

The Remuneration Committee is solely comprised of non-executive Directors. During the period the committee comprised Michael Tobin (Chairman), Roger Maddock and Steven Smith. The Chief Executive Officer may be invited to attend meetings of the Remuneration Committee at the discretion of the Remuneration Committee.

Remuneration Committee meetings

The Remuneration Committee met once during the period and addressed a number of matters via email. The attendance of its members at the meeting is set out in the table on page 23. The agenda for Remuneration Committee meetings is prepared in conjunction with the committee chairman. Submissions are circulated in advance and may include remuneration benchmark surveys and guidance on best practice together with papers relating to specific agenda items.

Remuneration policy

The Remuneration Committee intends that its policy and practice should align with, and support the implementation of, the Group's strategy, be in line with the Group's approach to risk management and promote the long-term success of the Group. The policy is intended to motivate the right behaviours and to ensure that any risk created by the remuneration structure is acceptable to the Remuneration Committee and within the strategy and risk appetite of the Company.

The remuneration package for the Executive Directors comprise a combination of annual salary, annual performance bonus and share options with performance criteria. Remuneration for non-executive Directors consists of an annual fee (currently £30,000 per annum for non-executive Directors and £35,000 per annum for the non-executive Chairman per annum). There is no additional fee for serving on Board committees and non-executive Directors are not entitled to bonuses or participation in the share option scheme. However, as noted further below, on his appointment to the Board on 1 September 2018, Michael Tobin was granted warrants over ordinary shares.

Implementation of the policy

Salary

The Remuneration Committee reviews the salaries of the Executive Directors against appropriate benchmarks for executive directors of AIM and FTSE SmallCap companies of a similar scale and nature, and also gives consideration to those of executives in competitors in the sector. The level of salaries, when taken in conjunction with the overall remuneration packages, are considered by the Remuneration Committee to be appropriate to help attract, retain and motivate high calibre Executive Directors and reflect the experience of the individuals concerned.

For the period in review, the CEO's salary was established following a benchmark survey and consideration of sector comparables, and the other Executive Director's salary was increased following a benchmark survey. There was no increase in non-executive Director fees in the period.

Remuneration Committee Report
(continued)

Annual bonus

During the period, the Executive Directors were eligible for an annual bonus pursuant to which they could earn up to 100 per cent of their base annual salary, with 50 per cent linked to meeting internal and market expectations in respect of revenue and adjusted EBITDA and a potential further 50 per cent linked to outperformance.

Share options

The Company established an EMI option scheme and an 'unapproved' share option scheme on 19 May 2014 pursuant to which the CEO, CFO and other members of staff have been or may be granted share options. Options granted under this scheme may have a vesting schedule and/or performance conditions attached.

No options were granted to Directors during the year and no options granted to Directors were exercised or lapsed/forfeited whilst in office during the period under review.

The number, exercise price, grant date and latest dates of exercise of options over ordinary shares in the Company held by Directors at the end of the year were as follows:

	Share options	Exercise price	Grant date	Latest exercise date
Brad Clarke	65,000	£2.40	1 September 2018	1 September 2028
	120,000	£1.30	20 March 2019	20 March 2029
Stuart Last	10,660	£4.125	24 September 2015[1]	24 September 2025
	7,000	£3.125	9 March 2016[1]	9 March 2026
	52,340	£2.185	8 May 2017[1]	8 May 2027
	90,000	£1.30	20 March 2019[1]	20 March 2029
	90,000	£2.075	20 December 2019	20 December 2029

1 options granted prior to being appointed as a Director

These options typically vest and become exercisable over a three-year period from their grant, subject (in respect of certain options) to the satisfaction of performance conditions relating to how the Company performs by reference to its internal budgets and external market expectations in each of the relevant financial periods. They may also vest in certain other prescribed circumstances as provided for in the terms of the Scheme.

Warrants

On his appointment to the Board on 1 September 2018, Michael Tobin was granted 300,000 warrants ('Warrants') over ordinary shares. Following a subsequent amendment to their terms, a first tranche of 100,000 Warrants will be exercisable at a price of £1.30 per share after six months from the date of grant and for five years thereafter. A second tranche of 100,000 Warrants will vest if the Company's share price exceeds £3.30 for 60 days within any rolling six-month period. The second tranche Warrants will be exercisable at a price of £3.30 per share from six months after vesting and for five years from that date. A third tranche of 100,000 Warrants will vest if the Company's share price exceeds £5.30 for 60 days within any rolling six-month period. The third tranche Warrants will be exercisable at a price of £5.30 per share from six months after vesting and for five years from that date. The Warrants can only vest if Michael Tobin is Chairman at the relevant time, however once vested they remain exercisable throughout the relevant exercise window irrespective of whether he is Chairman at the time of exercise.

In addition, Michael Tobin and Steven Smith are taken to be interested in further warrants over ordinary shares in relation to the Company's agreement with SPV Investments Limited ("SPV") pursuant to which SPV provides guarantees to certain of the Company's podcast partners, as described further in note 17 to the financial statements. However, these warrants were not awarded in relation to their position as directors of Audioboom.

Directors' remuneration (audited)

The following table shows emoluments paid (or payable) to Directors during the period, applying the average exchange rates (GBP to US$) used in the financial statements and reflecting that certain Directors were appointed or resigned during the relevant period:

	2020			2019
	Salary/fees US$'000	Bonus US$'000	Total emoluments US$'000	Total emoluments US$'000
Current Directors:				
Brad Clarke	**165**	**83**	**248**	236
Stuart Last (appointed 20 December 2019)[1]	**216**	**112**	**328**	n/a
Roger Maddock (non-executive)	**39**	**–**	**39**	38
Steven Smith (non-executive)	**39**	**–**	**39**	38
Michael Tobin (non-executive Chairman)	**45**	**–**	**45**	45
Past Directors:				
Rob Proctor (resigned 30 September 2019)	**–**	**–**	**–**	360[2]
	504	**195**	**699**	718

1 Given the date of appointment, 2019 figures are considered immaterial

2 Figures include termination payment

Service contracts

The Chief Executive Officer and Chief Financial Officer have entered into service contracts with the Group that are terminable by either party on not less than six months' prior notice. The non-executive Directors have entered into letters of appointment with the Group that are terminable by either party on not less than three months' prior notice.

Pensions and private healthcare

There were pension arrangements in place for Stuart Last with pension contributions of US$6,300 during the period (2019: US$ n/a), and for Brad Clarke with contributions of US$4,816 (2019: US$4,302). There are no private healthcare arrangements in place.

Directors' share interests

The Directors' shareholdings in the Company are set out in the Directors' Report on page 16.

Remuneration Committee Report
(continued)

Committee performance evaluation

Post period-end, the operation and performance of the Remuneration Committee were considered by the Board as a component of its self-evaluation process. No material areas of concern were raised and there were no specific actions or recommendations resulting from the exercise. There will be an annual review going forward from which actions and recommendations may arise which will be reported in next year's Annual Report.

Michael Tobin
Chairman of the Remuneration Committee
17 March 2021

Audit Committee Report

Overview

The purpose of the Audit Committee is to assist the Board in the effective discharge of its responsibilities for financial reporting, corporate control and risk management. Its objectives are:

- to increase shareholder confidence and to ensure the credibility and objectivity of published financial information;
- to assist the Board in meeting its financial reporting responsibilities;
- to assist the Board in ensuring the effectiveness of the Company's internal accounting and financial controls;
- to strengthen the independent position of the Company's external auditors by providing channels of communication between them and the non-executive Directors; and
- to review the performance of the Company's external auditing functions.

The role of the Audit Committee is documented in its terms of reference which were reviewed post period end and new terms were adopted by the Board on 17 March 2021. Its role of is one of oversight. The Audit Committee has no executive powers with regard to its recommendations and does not relieve the Executive Directors of their responsibilities for these matters.

Composition

During the period, the Audit Committee was solely comprised of non-executive Directors: Roger Maddock (Chairman), Michael Tobin and Steven Smith.

Audit Committee meetings

The Audit Committee met three times during the period. The attendance of its members at those meetings is set out in the table on page 23. Representatives from the external auditors, Haysmacintyre LLP, and the Executive Directors were invited to attend meetings as required, although the Audit Committee reserves time for discussion without invitees present.

The agenda for Audit Committee meetings is prepared in conjunction with the committee chairman. Submissions are circulated in advance and may include drafts of interim and annual financial statements, related papers from management, audit planning and key issues memoranda prepared by the external auditors and other papers relating to specific agenda items.

Activities of the Audit Committee

Key financial reporting activities

During the period and post period end, the Audit Committee considered specifically those matters with the potential likelihood to have the greatest significant impact on the financial statements. As in previous periods, these included the projections forming the basis of the Directors' assessment of going concern, including the facilities and funding available to the Group for the projection period, and the support for and/or treatment of the value of certain intangible assets and share based payments.

Attention is drawn to note 1 of the financial statements (page 41) in respect of going concern considerations.

Other activities

In addition, during the period and post period end, the Audit Committee also undertook the following key activities:

- monitoring the Group's working capital and cash position and adequacy of available facilities and funding;
- monitoring and updating the identified principal risks and uncertainties facing the business and the measures to mitigate these (see pages 11 to 13);
- review and approval of the 2019 audited financial statements;
- review and approval of the 2020 unaudited interim financial statements;
- review and approval of the 2020 audit plan;
- review and approval of the 2020 audited financial statements;

Audit Committee Report
(continued)

- considering the impact of new accounting standards on the Group (including IFRS16); and
- considering the impact that the Covid-19 pandemic may have on the Group's cash flows and ability to continue as a going concern, and corresponding reporting of this.

Committee performance evaluation

Post period end the operation and performance of the Audit Committee were considered by the Board as a component of its self-evaluation process. No areas of concern were raised and there were no specific actions or recommendations resulting from the exercise. There will be an annual review going forward, from which actions and recommendations may arise which will be reported in next year's Annual Report.

External auditor

Haysmacintyre LLP were first appointed as the Group's external auditor following the Company's re-admission to AIM in 2014. They were last re-appointed at the AGM on 21 July 2020. The Haysmacintyre LLP Senior Statutory Auditor is Christopher Cork and he has fulfilled that role since the 2019 audit, following a rotation due to the previous incumbent's length of tenure.

The Audit Committee reviews the performance of the external auditor on an annual basis and plans to meet with them during the year as required to discuss audit planning, any potential changes in accounting policies or related accounting issues, any issues arising from the half year review or full year audit and any other special matters or investigations deemed necessary by the Board.

Auditor independence and provision of non-audit services

The Audit Committee reviews with management the engagement of the external auditor for non-audit services and the level of associated non-audit fees. For the period to 31 December 2020, the auditor earned £nil in respect of non-audit fees. The Audit Committee is satisfied as to the independence of the auditor.

Risk management and internal control

The Group's approach to risk management, identified principal risks and the steps taken to manage those risks are outlined on pages 11 to 13.

Roger Maddock
Chair of the Audit Committee
17 March 2021

Independent Auditor's Report to the Shareholders of Audioboom Group plc

For the year ended 31 December 2020

Opinion

We have audited the financial statements of Audioboom Group plc ('the Company') and its subsidiaries (together 'the Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included consideration of the inherent risks to the Group's business model and analysed how those risks might affect the Group's financial resources or ability to continue operations over the period from the date of signing the financial statements to 31 March 2022. The risks that we considered most likely to affect the Group's financial resources or ability to continue operations over this period were adverse circumstances impacting timely conversion of trade receivables to cash, growth in revenues, reduction in expenses and operating cash outflows, and access to financial resources in the form of debt facilities if so required. We considered this through a review of the application of reasonably foreseeable downside scenarios that could arise with reference to the level of available financial resources indicated by the Group's financial forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report to the Shareholders of Audioboom Group plc (continued)

Key Audit Matter	How our scope addressed this matter
Going concern The Group has reported a total comprehensive loss for the year of US$3.2m (2019: US$7.1m) and cash outflows from operating activities of US$3.3m (2019: US$5.1m). These factors indicate a risk that use of going concern basis of preparation for the financial statements may not be appropriate.	In response to this risk we performed the following procedures: • Reviewed management's assessment of the appropriateness of the going concern basis of preparation to consider its reasonableness. • Reviewed and assessed management forecasts, used in support of their going concern assessment, including an assessment of key assumptions together with an assessment of sensitivity testing performed by management. • Confirmed the integrity and arithmetical accuracy of management forecasts. • Assessed the historical accuracy of previous forecasts prepared by management. • Obtained and reviewed financing agreements referred to in management's going concern assessment that are in place as documented. • Reviewed the appropriateness of the disclosures made in the financial statements in respect of going concern.
Revenue recognition The Group recognises revenue in respect of the provision of advertising and sponsorship services on its distributed content. There is a risk that reported revenue has been materially misstated either as a result of fraud or error.	In response to this risk we performed the following procedures: • Assessed the Group's accounting policy for each material revenue stream and performed walkthrough procedures to assess the design and implementation of controls. • Tested management review controls in respect of revenue recognition. • Performed substantive procedures on a sample of revenue generating transactions and analytical procedures on the balance in total. • Performed substantive cut-off procedures to assess the accuracy of revenue recognised around the reporting date.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements. For the purposes of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed or influenced. We determined overall materiality for the Group financial statements as a whole to be US$335,000 being 1.25% of revenue for the year. We considered it appropriate to determine our materiality based on revenue as we consider this to be the key metric in assessing the financial performance and position of the Company. We apply a different level of materiality, performance materiality, to determine the extent of our testing and this was set at 75% of the overall financial statements' materiality.

We agreed with the Audit Committee that we would report to it all audit differences in excess of US$16,750 as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

Our audit scope included all components and was performed to component materiality. Our audit work therefore covered 100% of Group revenue, Group loss and total Group assets and liabilities. It was performed to the materiality levels set out above.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Act 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Group financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor's Report to the Shareholders of Audioboom Group plc (continued)

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 18, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are the AIM Rules, Companies (Jersey) Law 1991, corporation tax, payroll tax and sales tax;
- We obtained an understanding of how the Group complies with these frameworks through discussions with the Directors;
- We inspected relevant tax filings and considered these and other relevant correspondence for indications of non-compliance;
- We assessed the susceptibility of the Group's financial statements to material misstatement including how fraud might occur by considering the key risks impacting the financial statements;
- We carried out a review of manual entries recorded in management's accounting records and assessed the appropriateness of such entries;
- We challenged assumptions and judgements made by management and their critical accounting estimates; and
- We assessed whether the Group's control environment is adequate for the size and operating model of such a Group.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Cork (Senior Statutory Auditor)
10 Queen Street Place
For and on behalf of Haysmacintyre LLP, Statutory Auditors
London
17 March 2021

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2020

	Notes	2020 US$'000	2019 US$'000
Continuing operations			
Revenue	2	**26,782**	22,310
Cost of sales		**(20,581)**	(17,414)
Gross profit		**6,201**	4,896
Administrative expenses		**(9,288)**	(12,339)
Adjusted operating loss		**(1,720)**	(2,970)
– Amortisation and impairment of intangible assets		**–**	(2,420)
– Share based payments	18	**(715)**	(1,429)
– Depreciation		**(60)**	(60)
– Corporate transaction costs	8	**(167)**	–
– Depreciation – leases	15	**(319)**	(331)
– Operating foreign exchange (loss) / gain		**(106)**	110
– Restructuring costs		**–**	(343)
Operating loss	3	**(3,087)**	(7,443)
Finance costs	6	**(210)**	(97)
Loss before tax		**(3,297)**	(7,540)
Income tax credit	7	**–**	221
Loss for the financial period attributable to equity holders of the parent		**(3,297)**	(7,319)
Other comprehensive loss			
Foreign currency translation difference		**61**	193
Total comprehensive loss for the period		**(3,236)**	(7,126)
Loss per share from continuing operations Basic and diluted	9	**(23) cents**	(55) cents

All results for both periods are derived from continuing operations.

Consolidated Statement of Financial Position

As at 31 December 2020

	Notes	As at 31 December 2020 US$'000	As at 31 December 2020 US$'000	As at 31 December 2019 US$'000	As at 31 December 2019 US$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	**90**		140	
Right of use asset	15	**822**		1,300	
			912		1,440
Current assets					
Trade and other receivables	12	**8,028**		7,120	
Cash and cash equivalents		**3,257**		1,992	
			11,285		9,112
TOTAL ASSETS			**12,197**		10,552
Current liabilities					
Trade and other payables	13		**(5,667)**		(5,861)
NET CURRENT ASSETS			**5,618**		3,251
Non-current liabilities					
Lease liability	13		**(636)**		(1,029)
NET ASSETS			**5,894**		3,662
EQUITY					
Share capital	14		**–**		–
Share premium	14		**60,822**		56,210
Issue cost reserve			**(2,048)**		(2,048)
Foreign exchange translation reserve			**(276)**		(337)
Reverse acquisition reserve			**(3,380)**		(3,380)
Retained earnings			**(49,224)**		(46,783)
TOTAL EQUITY			**5,894**		3,662

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

These financial statements for Audioboom Group plc (Jersey company registration number 85292), which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flow, the Consolidated Statement of Changes in Equity and related notes 1 to 21 were approved and authorised for issue by the Board of Directors on 17 March 2021 and were signed on its behalf by:

Brad Clarke
Chief Financial Officer

Consolidated Cash Flow Statement

For the year ended 31 December 2020

	Notes	2020 US$'000	2019 US$'000
Loss from continuing operations		**(3,297)**	(7,319)
Loss for the period		**(3,297)**	(7,319)
Adjustments for:			
Taxation credit		–	(221)
Interest payable		**210**	–
Amortisation and impairment of intangible assets		**–**	2,420
Depreciation of fixed assets		**60**	60
Effect of retranslation of fixed assets		**–**	(11)
Share based payments		**715**	1,429
Increase in trade and other receivables		**(906)**	(2,952)
Increase in trade and other payables		**301**	1,846
Decrease in lease liability		**(411)**	(433)
Foreign exchange gain/(loss)		**76**	(17)
Cash flows from operating activities		**(3,252)**	(5,198)
Taxation received		**28**	106
Net cash used in operating activities		**(3,224)**	(5,092)
Investing activities			
Purchase of property, plant and equipment		**(10)**	(36)
Net cash used in investing activities		**(10)**	(36)
Financing activities			
SPV loan interest and fees	6	**(113)**	–
Proceeds from SPV loan	6	**700**	–
Repayment of SPV loan	6	**(700)**	–
Proceeds from issue of ordinary share capital (net of issue costs)		**4,612**	5,539
Net cash generated from financing activities		**4,499**	5,539
Net increase in cash and cash equivalents		**1,265**	411
Cash and cash equivalents at beginning of period		**1,992**	1,581
Cash and cash equivalents at end of period		**3,257**	1,992

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

Consolidated Statement of Changes in Equity

For the year ended 31 December 2020

	Share capital US$'000	Share premium US$'000	Issue cost reserve US$'000	Reverse acquisition reserve US$'000	Foreign exchange translation reserve US$'000	Retained earnings US$'000	**Total equity US$'000**
At 31 December 2018	–	50,883	(2,048)	(3,380)	(530)	(40,893)	**4,032**
Loss for the period	–	–	–	–	–	(7,319)	**(7,319)**
Issue of shares	–	5,327	–	–	–	–	**5,327**
Equity-settled share-based payments	–	–	–	–	–	1,429	**1,429**
Foreign exchange gain on translation of overseas subsidiaries	–	–	–	–	193	–	**193**
At 31 December 2019	–	56,210	(2,048)	(3,380)	(337)	(46,783)	**3,662**
Loss for the period	–	–	–	–	–	(3,297)	**(3,297)**
Issue of shares	–	4,612	–	–	–	–	**4,612**
Equity-settled share-based payments	–	–	–	–	–	856	**856**
Foreign exchange gain on translation of overseas subsidiaries	–	–	–	–	61	–	**61**
At 31 December 2020	–	60,822	(2,048)	(3,380)	(276)	(49,224)	**5,894**

Share premium

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

Issue cost reserve

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

Reverse acquisition reserve

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

Foreign exchange translation reserve

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

Notes

1. Accounting policies

General information and basis of preparation

Audioboom Group plc is incorporated in Jersey under the Companies (Jersey) Law 1991. The Company's shares are traded on AIM, the market of that name, operated by the London Stock Exchange. The address of the registered office is given on page 1. The Company is required under rule 19 of the AIM Rules for Companies to provide shareholders with audited consolidated financial statements.

The Group prepares its consolidated financial statements in accordance with International Accounting Standards ('IAS') and International Financial Reporting Standards ('IFRS') as adopted by the EU. The financial statements have been prepared on the historical cost basis. The consolidated financial statements have been prepared in accordance with and in compliance with the Companies (Jersey) Law 1991, an amendment to which (Amendment No. 4 s. 105(11) – 2009) means separate parent company financial statements are not required.

The preparation of financial statements in accordance with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

New standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2020:

- IAS 1 Presentation of Financial Statements
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Disclosure Initiative - Definition of Material); and Revisions to Conceptual Framework for Financial Reporting

Standards, amendments and interpretations of published standards not yet effective

Certain standards, amendments to, and interpretations of, published standards have been published that are mandatory for the Group's accounting years beginning on or after 1 January 2021 or later years and which the Group has decided not to adopt early:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) (effective for periods commencing on or after 1 January 2022);
- IFRS 17: Insurance Contracts (effective for periods commencing on or after 1 January 2023);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (effective for periods commencing on or after 1 January 2022);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41) (effective for periods commencing on or after 1 January 2022); and
- References to Conceptual Framework (Amendments to IFRS 3) (effective for periods commencing on or after 1 January 2022).

None of the above listed changes are anticipated to have a material impact on the Group's financial statements.

Key accounting policies

Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Group will have sufficient funds to continue in operational existence for the foreseeable future. The Group ended the year with access to US$6.6 million of capital, being US$3.3 million of cash and US$3.3 million of the loan facility arrangement with SPV Investments Limited announced in February 2020. The Board's forecasts for the Group, including due consideration of the business forecasting positive EBITDA in 2021, 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 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.

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 finance from SPV Investments Limited. In addition, management continue to assess any ongoing impact of Covid-19 on Group performance, albeit that the Group proved resilient to the challenges posed by the pandemic in 2020. Accordingly, the Directors are satisfied that the Group will continue to be able to meet its ongoing liabilities as and when they fall due in reasonably foreseeable circumstances.

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

Revenue

Revenue represents amounts receivable for services provided in the normal course of business, and excludes intra-group sales, Value Added Tax and trade discounts.

Revenue is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Group's different activities has been met. Revenue comprises:

- Sale of advertising: the value of goods and services is recognised on broadcast of the podcast
- Sponsorship income: the value of goods and services is recognised over the time to which it relates
- Sale of subscriptions: the value of goods and services is recognised across the period of subscription

The Directors have considered the requirements of IFRS 15 in respect of multiple performance obligations within one contract and have not identified any such instances. There are no contracts which incorporate variable or contingent consideration.

Content partner minimum revenue guarantees

In order to attract and retain leading podcast partners, the Group offers certain partners minimum revenue guarantees ("MG") over the life of the agreement between the parties. The MG offers guaranteed revenue over the life of the agreement in the form of monthly payments and/or an upfront advance payment, which is then recouped over the life of the agreement, thus reducing future expected payments proportionally. The MG's provided secure the right of access to future content and therefore the expenditure in relation to these guarantees is recognised over the term of the contract, as this is the period over which the content providers' obligations are discharged to the Group and accordingly the basis on which the Group consumes the benefit of these obligations. In accordance with IFRS 9, no liability is recognised at the date of the contract as the MG relates to future performance obligations of the content provider.

Notes
(continued)

Foreign currency

For the purpose of the consolidated financial statements, the results and financial position of each Group company are expressed in US Dollars, which is the presentational currency of the consolidated financial statements. The majority of trade in the Company is in the USA and therefore the Company's functional currency is US Dollars.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in profit or loss for the period.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average monthly rate of exchange ruling at the date of the transaction, unless exchange rates fluctuate significantly during that month, in which case the exchange rates at the date of the transactions are used

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

Depreciation is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are between three and five years.

The depreciation method, useful lives and residual values are reviewed, and adjusted if appropriate, at the end of each reporting period to ensure that the amounts, method and years of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of the property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred, and it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred. Costs also comprise the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Group are obligated to incur when the asset is acquired, if applicable.

Leases

Leases of property for periods longer than one year are capitalised at the fair value of the leased property (disclosed as a right of use asset on the face of the statement of financial position) with the corresponding rental obligations, net of finance charges, included in current and non-current liabilities. The fair value of the lease asset and corresponding liability is calculated as the present value of the minimum value of lease payments for which the Group will become liable, discounted at a rate considered appropriate.

Lease rental payments are split between a reduction in the lease liability and finance cost, with depreciation charges of the right of use asset over its useful economic life recognised as an expense in the Group's income statement.

Payments made under operating leases, where the risks and rewards are not transferred to the Group, are recognised as an expense in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term, highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Business combinations

The Group comprises a holding company and a number of individual subsidiaries and all of these have been included in the consolidated financial statements in accordance with the principles of acquisition accounting as laid out by IFRS 3: Business Combinations.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive income on a straight-line basis over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of options expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Warrants

Warrants issued to Directors, employees and third-party suppliers are measured at the fair value of the service provided with reference to comparable cash settled transactions or, where the value of the services provided is uncertain, with reference to an appropriate valuation methodology. Warrants are ascribed a value at the date of grant, with this value recognised as an expense in the statement of comprehensive income over the relevant vesting period.

Current and deferred taxation

Current tax is the expected tax payable on taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous periods.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profits ('temporary differences') and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Where there are deductible temporary differences arising in subsidiaries, deferred tax assets are recognised only where it is probable that they will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the statement of income.

Notes
(continued)

Financial Instruments

Financial assets

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivable financial assets, using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Financial liabilities

All financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method, other than those categorised as fair value through profit or loss. Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Equity instruments

Instruments classified as equity are measured at cost and are not remeasured subsequently.

Critical accounting judgements and key areas of estimation uncertainty

Share based compensation

The Group issues equity settled share based payments to certain Directors and employees, which have included grants of options in the current period. Equity settled share based payments are measured at fair value at the date of grant, with the charge being recognised within the statement of comprehensive income over the period of service to which the grant relates.

The fair value of share options is measured using a Black-Scholes framework. The Directors have used judgement in the calculation of the fair values of the share based compensation which has been granted during the period, and different assumptions in the model would change the financial result of the business.

Warrants

The Group issues warrants to certain Directors and third parties, which have included grants of warrants in the current period. Warrants are measured at the fair value of the service provided with reference to comparable cash settled transactions or appropriate valuation methodologies at the date of grant, with the charge being recognised within the statement of comprehensive income over the period of service to which the grant relates.

IFRS 16: Leases

The Group recognises lease liabilities at the present value of future cash flows. The determination of present value involves judgements and estimates, in particular in relation to the discount factor to be applied to those cash flows. In determining an appropriate discount factor the Directors considered a range of factors including the Group's cost of capital together with the interest rate charged on the Group's external debt facilities. Having considered these factors the Directors have assessed that 8% is an appropriate discount factor to determine the value of the Group's lease liabilities.

2. Revenue

	2020 US$'000	2019 US$'000
Subscription	**463**	327
Advertising	**26,319**	21,983
	26,782	22,310

The Directors consider the Group to operate within one operating segment, content related revenue, and consequently expenditure and balance sheet analysis is not presented between subscription and advertising services.

Geographical information

The Group's operations are principally located in the UK and the USA. The main assets of the Group, cash and cash equivalents, are held in Jersey.

The Group's revenue from external customers by geographical location is detailed below:

	2020 US$'000	2019 US$'000
United Kingdom	**1,638**	2,137
Rest of the World	**36**	57
USA	**25,108**	20,116
	26,782	22,310

The Group invoiced 39% of its income to three customers who represented more than 10% of the reported revenues.

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

3. Operating loss

	2020 US$'000	2019 US$'000
Operating loss for the period has been arrived at after charging the following:		
Depreciation of property, plant & equipment	**60**	60
Amortisation and impairment of intangible assets	**–**	2,420
Staff costs (refer to note 5 for detail)	**5,781**	6,142

Notes
(continued)

4. Auditor's remuneration

	2020 US$'000	2019 US$'000
Audit services		
Fees for the audit of the consolidated annual financial statements and the audit of the Company's subsidiaries pursuant to legislation	**74**	73
Non-audit services		
Tax compliance and advisory services	**–**	9
	74	82

5. Staff costs

	2020 Number	2019 Number
Average number of production, editorial and sales staff	**31**	32
Average number of management and administrative staff	**6**	8
	37	40

	US$'000	US$'000
Wages and salaries	**4,613**	4,597
Social security costs	**362**	348
Pension costs (defined contribution scheme)	**206**	21
Share based payments	**600**	976
	5,781	6,142

Details of Directors' remuneration are set out in the Remuneration Committee Report on pages 25 to 28.

6. Finance costs

	2020 US$'000	2019 US$'000
Depreciation – lease interest (see note 15)	**97**	97
SPV loan interest and arrangement fee	**113**	–
	210	97

On 7 February 2020, the Company announced that it had entered into a two-year US$4 million secured loan facility arrangement (the "Facility") with SPV Investments Limited. To date, US$0.7 million of the Facility has been drawn down, and subsequently repaid in November 2020. As at 31 December 2020, US$3.3 million of the non-revolving loan facility remains undrawn and the Company has no debt. The Facility attracted an arrangement fee of US$80,000 and the Company incurred 8% interest annualised on amounts drawn (US$33,000).

7. Taxation

Current tax

No liability to UK corporation tax arose on ordinary activities for the 12 months ended 31 December 2020 nor for the 12 months ended 31 December 2019. The tax credit for 2019 arose in respect of research and development.

Tax reconciliation

The taxation credit on the loss for the period differs from the amount computed by applying the corporation tax rate to the loss before tax for the following reasons:

	2020 US$'000	2019 US$'000
Loss on ordinary activities before tax	**(3,297)**	(7,540)
Tax at UK corporation tax rate of 19.00% (2019: 19.00%)	**(626)**	(1,433)
Expenses not deductible for tax purposes	**35**	534
Additional deductions for R&D expenditure	**–**	(28)
Surrender of tax losses for R&D tax credit refund	**–**	9
Deferred tax not recognised	**453**	425
Effect of share based payments	**138**	272
Tax credit and effective tax rate for the period	**–**	(221)

	2020 US$'000	2019 US$'000
Current tax		
UK corporation tax on losses in the current year	**–**	(18)
Deferred tax credit	**–**	(203)
Tax credit recognised in the consolidated statement of income	**–**	(221)

Notes
(continued)

The Group has carried forward losses amounting to US$35.6 million as of 31 December 2020 (2019: US$34.8 million). During the prior year, the Company impaired its intangible assets in full, and therefore the deferred tax liability was derecognised in full.

There was a deferred tax liability of US$nil (2019: US$nil).

8. Corporate transaction costs

On 19 February 2020, the Company announced that it had commenced a formal sale process ("FSP") under the Takeover Code as part of the Board's strategic review. On 14 October 2020, the Company announced that the FSP had ended and that it would focus on further organic growth. The Group recognised US$167,000 of costs in relation to corporate fees incurred during the FSP.

9. Loss per share

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

IAS 33 requires presentation of diluted EPS when a company could be called upon to issue shares that would decrease earnings per share, or increase the loss per share. For a loss-making company with outstanding share options, the net loss per share would be decreased by the exercise of options. Therefore, as per IAS33:36, the anti-dilutive potential ordinary shares are disregarded in the calculation of diluted EPS.

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

	Loss	**Weighted average number of shares**	**Per share amount**
		2020	
	US$'000	**Thousand**	**Cents**
Basic and diluted EPS			
Loss attributable to shareholders:			
– Continuing and discontinued operations	**(3,297)**	**14,276**	**(23)**
		2019	
	US$'000	Thousand	Cents
Basic and diluted EPS			
Loss attributable to shareholders:			
– Continuing and discontinued operations	(7,319)	13,385	(55)

10. Property, plant and equipment

	Furniture & equipment US$'000	Computers US$'000	Technical US$'000	Studio US$'000	Total US$'000
Cost					
At 31 December 2019	53	224	3	124	404
Additions	2	4	–	–	6
Disposals	(29)	–	–	–	(29)
Foreign exchange effect	–	(5)	–	–	(5)
At 31 December 2020	26	223	3	124	376
Depreciation					
At 31 December 2019	42	128	3	91	264
Charge for the period	5	37	–	18	60
Disposals	(29)	–	–	–	(29)
Foreign exchange effect	(4)	(5)	–	–	(9)
At 31 December 2020	14	160	3	109	286
Net book value					
At 31 December 2019	11	96	–	33	140
At 31 December 2020	12	63	–	15	90

11. Subsidiaries

As at 31 December 2020, Audioboom Group plc held more than 20% of the share capital of the following companies:

	Registered office	Class of shares	% held by parent
Audioboom Limited	57 Southwark Street, City Bridge House, Southwark, SE1 1RU	Ordinary	100%
Audioboom Inc.	251 Little Falls Drive, Wilmington, Delaware 1980, USA	Ordinary	100%
Audioboom India PVT Limited	Office # 5, Silver Fern Commercial, 3rd Floor, Near Karve Statue, Karve Road, Kothrud, Pune 411038, Maharashtra, India	Ordinary	100%
Austin Advertising Inc.	1013 Centre Road, Suite 403S, Wilmington, Delaware 19805, USA	Ordinary	100%

Audioboom Inc and Audioboom India PVT Limited are held through Audioboom Limited. Austin Advertising Inc is held through Audioboom Inc. During the period, SONR News Limited, a dormant UK subsidiary, was dissolved and struck off the Companies House register.

Notes
(continued)

12. Trade and other receivables

	2020 US$'000	2019 US$'000
Amounts receivable for the sale of goods and services	**6,358**	5,263
Allowance for doubtful debts	**–**	(28)
Net receivables	**6,358**	5,235
Other receivables	**240**	288
Prepayments and accrued income	**1,383**	1,536
Taxes recoverable	**47**	62
	8,028	7,120

The average credit period taken on sales of goods and services is 87 days (2019: 86 days). No interest is charged on receivables. Trade receivables are provided for based on estimated irrecoverable amounts from the sale of goods and services, determined by reference to past default experience and likelihood of recovery as assessed by the Directors.

Included in the Group's trade receivable balance are debtors with a carrying amount of US$257,000 (2019: US$584,000) which are past due at the reporting date.

Having considered the Group's exposure to bad debts and the probability of default by customers, no expected credit losses have been recognised in accordance with IFRS 9.

Accrued income carried forward into 2021 is US$0.5 million (2019: US$0.8 million).

13. Trade and other payables

	2020 US$'000	2019 US$'000
Current liabilities		
Trade payables	**4,158**	3,918
Other taxes and social security	**30**	55
Accruals	**1,216**	1,492
Other payables	**11**	56
Lease liability	**252**	340
Trade and other creditors due within less than one year	**5,667**	5,861
Non-current liabilities		
Lease liability due within more than one year	**636**	1,029
Total trade and other payables	**6,303**	6,890

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 65 days (2019: 72 days). The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

The Group records negligible deferred income and therefore no analysis of contract liabilities has been provided.

14. Stated capital account

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

	No. of shares	Share capital US$'000	Share premium US$'000
At 31 December 2018	**11,732,910**	**–**	**50,883**
Shares issued in the period			
Shares issued at 130p each	1,152,847	–	1,931
Shares issued at 250p each	1,120,000	–	3,396
At 31 December 2019	**14,006,757**	–	**56,210**
Shares issued in the period			
Share options exercised	267,737	–	539
Shares issued at 225p each	1,400,000	–	4,072
At 31 December 2020	**15,674,494**	–	**60,821**

There is no authorised share capital and all shares rank *pari passu*. All issued share capital is fully paid up. All ordinary shares have no par value.

15. Right of use asset leases

	2020 US$'000	2019 US$'000
Amounts recognised on the balance sheet		
Right of use assets		
Buildings	**822**	1,300
Lease liabilities		
Current	**252**	340
Non-current	**636**	1,029
	888	1,369

Amounts recognised on the consolidated statement of comprehensive income

	2020 US$'000	2019 US$'000
Depreciation charge of right of use assets		
Buildings	**(257)**	(331)
Interest expense	**(86)**	(97)
Total cash outflow for leases	**(343)**	(428)

Notes
(continued)

The breakdown of changes in lease liabilities for the year ended 31 December 2020 is as follows:

	2020 US$'000	2019 US$'000
Balance at 1 January	1,369	–
On application of IFRS 16	–	1,723
Payment of lease liabilities	(411)	(433)
Imputed lease interest costs	86	97
Disposals	(150)	–
Foreign exchange	(6)	(18)
Balance at 31 December	888	1,369

16. Operating lease arrangements

	2020 $'000	2019 $'000
The Group as lessee		
Lease payments under operating leases recognised as an expense in the year	70	–
At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non–cancellable operating leases, which fall due as follows:		
Under one year	49	–
	49	–

The operating lease is not recognised as an asset or liability in the Statement of Financial Position under IFRS 16 due to its total length being less than one year.

17. Related party transactions

Content funding facility

On 17 June 2019, the Company agreed a content funding facility with SPV Investments Ltd ('SPV), a special purpose vehicle. SPV was established and is owned equally by Michael Tobin, the Company's Chairman, and Candy Ventures sarl, the Company's largest shareholder. The SPV was established to provide minimum revenue guarantees of up to US$4 million to certain leading new and existing content partners of the Company. Audioboom pays 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 were to 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 all warrants associated with the SPV content funding facility is £3.30 per ordinary share each, with such warrants being exercisable for five years from grant. The initial use of the content funding facility was to provide a guarantee of US$1 million in June 2019. 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. The third guarantee provided by the SPV in December 2020 of US$2.2 million led to a grant of 31,250 warrants split equally between Michael Tobin and Candy Ventures sarl. In the prior year, a guarantee by the SPV in June 2019 led to a grant of an aggregate of 25,000 warrants split equally between Michael Tobin and Candy Ventures sarl. A total of 100,000 warrants have now been issued pursuant to the facility, which is the maximum number of warrants being capable of issue in this regard. Following the third use of the content funding facility, as at 31 December 2020 the amount remaining available under the facility was approximately US$1.1 million.

US$4 million loan facility

In February 2020, the Company announced a US$4 million secured loan facility arrangement (the "Facility") with SPV. The Facility attracts 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 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. To date, US$0.7 million has been drawn down under the Facility and this was repaid in full in November 2020 (including interest and loan arrangement fees amounting to US$113,000). As at 31 December 2020, US$3.3 million of the non-revolving Facility remained undrawn.

Remuneration of key management personnel

The remuneration of key management personnel of the Group, excluding Directors, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2020 US$'000	2019 US$'000
Short-term employment benefits	**–**	77
Post-employment benefits	**–**	–
	–	77

Details of Directors' remuneration are set out in the Remuneration Committee Report on pages 25 to 28.

18. Share-based payments

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

The Company has share option schemes for employees of the Group. Options are exercisable at the price agreed at the time of the issue of the share option. The vesting period and/or any performance conditions vary between employees. If the options remain unexercised after a period of 10 years from date of grant the options expire. Options are typically forfeited if the employee leaves the Group before the options vest. Details of the share options granted during the period are as follows:

	2020		2019	
	Number of share options	**Weighted average exercise price (£)**	Number of share options	Weighted average exercise price (£)
Outstanding at beginning of period	**1,212,643**	**1.759**	563,644	1.937
Granted during the period	**271,500**	**1.840**	809,600	1.613
Forfeited/lapsed during the period	**(177,669)**	**1.533**	(160,601)	1.610
Exercised during the period	**(267,737)**	**1.464**	–	–
Outstanding at end of period	**1,038,737**	**1.822**	1,212,643	1.759
Exercisable at end of period	**547,379**	**1.845**	631,960	1.837

Notes
(continued)

The options outstanding at 31 December 2020 had a weighted average exercise price of £1.82, and an average remaining contractual life of 8 years. The inputs into the Black-Scholes model are as follows:

	2020	2019
Weighted average share price	**1.863**	2.906
Weighted average exercise price	**1.863**	1.717
Expected volatility	**85%**	85%
Expected life	**10 years**	10 years
Risk-free rate	**0.5%**	0.5%
Expected dividend yield	**0%**	0%

Expected volatility was determined by assessing the share price volatility from the prior year. The Group recognised total expenses of US$600,000 related to equity-settled share-based payment transactions for the 12-month period ended 31 December 2020 (12 months to 31 December 2019: US$976,000).

	2020 US$'000	2019 US$'000
Share option charge	**600**	976
Warrant charge	**115**	453
	715	1,429

At the period end, the Company had in issue outstanding share warrants for a total of 520,000 shares (2019: 445,000 shares) with a weighted average exercise price of £3.12 (2019: £3.08). 320,000 (2019: 245,000) of the warrants were exercisable at the period end, and the balance may become exercisable subject to performance conditions.

19. Content partner minimum guarantees

In order to attract and retain leading podcast partners, the Group offers certain partners minimum revenue guarantees ("MG") over the life of the agreement between the parties. The MG offers guaranteed revenue over the life of the agreement in the form of monthly payments and/or an upfront advance payment, which is then recouped over the life of the agreement, thus reducing future expected payments proportionally. The MGs provided secure the right of access to future content and therefore the expenditure in relation to these guarantees is recognised over the term of the contract. The content providers' obligations are discharged to the Group over the term of the contract in line with when the Group consumes the benefit of these obligations. In accordance with IFRS 9, no liability is recognised at the date of the contract as the MG relates to future performance obligations of the content provider.

	2020 US$'000	2019 US$'000
MG expenditure committed in 12 months or less	**6,585**	3,946
MG expenditure committed in more than 12 months	**1,226**	73
Total MG amount committed to expenditure	**7,811**	4,019

	2020 US$'000	2019 US$'000
MG amount that is backed by the SPV content funding facility	**2,881**	500
MG amount available in SPV content funding facility	**1,119**	3,500
Total SPV content funding facility	**4,000**	4,000

20. Financial instruments

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to meet their financial obligations as they arise while maximising the return to stakeholders. The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity. As at the period end, the Group did not have any external borrowings and was not subject to externally imposed capital requirements. In February 2020, the Company secured a US$4 million debt facility with two related parties (see note 17).

Categories of financial instruments

	2020 US$'000	2019 US$'000
Loans & receivables		
Trade and other receivables	**6,599**	5,523
Cash and cash equivalents	**3,257**	1,992
Financial liabilities at amortised cost		
Trade and other payables	**4,168**	3,975

The carrying amounts of financial assets and financial liabilities recorded at amortised cost approximates to their fair values.

Financial and market risk management objectives

It is, and has been throughout the period under review, the Group's policy not to use or trade in derivative financial instruments. The Group's financial instruments comprise its cash and cash equivalents and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of the financial assets and liabilities is to provide finance for the Group's operations in the period.

Currency risk management

The Group has limited exposure to foreign currency risk as a result of matching local currency costs to local currency receipts; thus the main risks arising from the Group's financial instruments are interest rate risk and liquidity risk. The Board reviews and agrees policies for managing these risks and they are summarised below. These policies have remained unchanged throughout the period under review.

Notes
(continued)

Interest rate risk management

The Group holds the majority of its cash and cash equivalents in corporate current accounts. These accounts offer a competitive interest rate with the advantage of quick access to the funds.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities after assessing credit quality using independent rating agencies and, if not available, the Group uses other publicly available financial information and its own trading records to rate its major customers. The Group's exposure is continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits.

Ongoing credit evaluation is performed on the financial condition of accounts receivable. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk. Please refer to note 12 for more detail on the trade receivables collection period.

The ageing of trade receivables (US$'000s) as at 31 December 2020 was:

Current	Over 30 days	Over 60 days	90 days +	Total
US$3,079	US$1,944	US$1,078	US$257	US$6,358
48%	31%	17%	4%	

Liquidity risk management

The Group's policy throughout the period has been to ensure continuity of funds. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Please refer to note 13 for more detail on the trade payables payment period.

Fair value of financial instruments

The fair value of other non-derivative financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

21. Post balance sheet events

On 17 February 2021, 7,665 new Ordinary Shares were issued to satisfy the exercise of existing share options under the Company's Share Option Scheme 2014 by an employee. Therefore, the total number of Ordinary Shares and voting rights in the Company is 15,682,159 at the date of this report.

On 17 February 2021, Audioboom Inc received a US$373,615 Paycheck Protection Program loan from HSBC Bank USA operating under the US Small Business Administration where financial support is given to US domiciled companies during the Covid-19 pandemic. The loan will be forgiven should Audioboom Inc not reduce headcount during the loan period.

AUDIOBOOM GROUP PLC

(Incorporated and registered in Jersey with registered number 85292)

NOTICE OF ANNUAL GENERAL MEETING 2021

Tuesday, 20 April 2021 at 1.00 p.m.

To be held at

The Old Rectory, 72 St. Marychurch Street, London SE16 4HZ

Due to Covid-19 and the restrictions and recommendations applicable in the United Kingdom to prevent its spread, the Company has again had to make changes to the way the Annual General Meeting is to be held. Shareholders should not attempt to attend the AGM in person as no admission will be permitted. Instead, please complete and return a Form of Proxy following the instructions in this document to cast your vote.

The only people who will be permitted entry to the AGM are Michael Tobin, the Chairman of the Company, as the chairman of the meeting and a person representing a shareholder by proxy to ensure the meeting is quorate. The person attending has already been selected and any members who seek to attend the AGM will not be allowed entry. This is to enable the Company to comply with both its legal obligations under The Companies (Jersey) Law 1991 and the measures relating to Covid-19.

Shareholders are therefore requested to return and complete a Form of Proxy, either in hard copy or through CREST, appointing the chairman of the meeting as their proxy and providing instructions to vote in favour or against the resolutions. Discretionary votes are permissible, but will be cast on resolutions at the Chairman's absolute discretion. While shareholders are entitled to appoint persons other than the chairman of the meeting as their proxy, given present circumstances, such persons will not be permitted entry into the meeting and therefore will not be able to vote on your behalf.

Investor Presentation

Due to the AGM attendance restrictions, Stuart Last (Chief Executive Officer) and Brad Clarke (Chief Financial Officer) will provide a live presentation (which will focus on the Q1 2021 Trading Update) via the Investor Meet Company platform on 20 April 2021 at 4.00 p.m. The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 9.00 a.m. the day before the meeting or at any time during the live presentation. Management may not be in a position to answer every question it receives but will address those it can while remaining within the confines of information already disclosed to the market.

Investors can sign up to Investor Meet Company for free and can register to meet Audioboom via: https://www.investormeetcompany.com/audioboom-group-plc/register-investor. Investors who already follow Audioboom on the Investor Meet Company platform will automatically be invited.

Notice of Annual General Meeting

Audioboom Group plc

(incorporated in Jersey under the Companies (Jersey) Law 1991 with registered number 85292)

Notice is given that the annual general meeting of the members of the Company will be held at The Old Rectory, 72 St. Marychurch Street, London SE16 4HZ on Tuesday 20 April 2021 at 1.00 p.m. to consider and, if thought fit, pass the following resolutions. Resolutions 1 to 4 will be proposed as ordinary resolutions and Resolutions 5 and 6 will be proposed as special resolutions.

ORDINARY BUSINESS

1. To receive and adopt the Report of the Directors and the audited accounts of the Company for the year ended 31 December 2020 together with the report of the auditors thereon.

2. To re-elect Michael Tobin who retires at the meeting and who, being eligible, offers himself for re-election as a director of the Company (each a **Director** and together the **Directors**).

3. To re-appoint haysmacintyre as auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid before the Company and to authorise the Directors to fix their remuneration.

SPECIAL BUSINESS

4. That the Directors be and they are hereby generally and unconditionally authorised in accordance with Article 6.2 of the Articles of Association of the Company (**Articles**) to exercise all the powers of the Company to allot ordinary shares of no par value in the capital of the Company (**Ordinary Shares**) and to grant rights to subscribe for, or to convert any security into, Ordinary Shares up to a maximum of 5,225,000 Ordinary Shares, being approximately one third of the current issued share capital of the Company. The authority conferred on the Directors under this Resolution 4 shall expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the passing of this Resolution save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted or rights to subscribe for, or to convert any security into, Ordinary Shares to be granted after such expiry and the Directors may allot Ordinary Shares or grant rights to subscribe for, or to convert any security into, Ordinary Shares (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

5. That, subject to the passing of Resolution 4, the Directors be and they are hereby empowered pursuant to Article 6.7 of the Articles to allot equity securities (within the meaning of Article 6.6) for cash or otherwise pursuant to the authority conferred by Resolution 4, as if Article 6.3 did not apply to any such allotment, provided that this power, shall be limited to the allotment of equity securities consisting of, or the right to subscribe for, or convert any security into shares in the Company, up to a maximum of 1,567,500 Ordinary Shares, being approximately 10% of the current issued share capital of the Company, and this authority shall expire at the earlier of the conclusion of the next annual general meeting of the Company and the date falling 18 months after the passing of this Resolution, except that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the power conferred hereby had not expired.

6. That the Company be and is hereby generally and unconditionally authorised to make one or more market purchases of Ordinary Shares pursuant to Article 57 of the Companies (Jersey) Law 1991 as amended (the **Law**) provided that:

   6.1 the maximum aggregate number of Ordinary Shares hereby authorised to be purchased is 2,349,600 (being approximately 14.99 % of the share capital of the Company in issue as at the date of this document);

   6.2 the minimum price (exclusive of expenses) which may be paid for each Ordinary Share is 1 penny;

6.3 the maximum price (exclusive of expenses) which may be paid for each Ordinary Share is an amount equal to 105% of the average of the middle market quotations for an Ordinary Share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which any Ordinary Share is contracted to be purchased by the Company;

6.4 the Directors can, prior to each such purchase, make the solvency statement required by the Law and fulfil all other requirements of the Law in relation to purchases of a company's own shares;

6.5 this authority will expire at the conclusion of the next annual general meeting of the Company held after the date on which this resolution is passed or, if earlier, 18 months after that date;

6.6 this authority shall only be capable of variation, revocation or renewal by special resolution of the Company; and

6.7 the Company may make a contract or contracts to purchase Ordinary Shares under this authority before this authority expires which will or may be executed and completed wholly or partly after its or their expiration and may make a purchase of Ordinary Shares in pursuance of any such contract or contracts after its or their expiration.

By order of the board

AST Secretaries Limited
Company Secretary

Registered office:
PO Box 264
Forum 4
Grenville Street
St Helier
Jersey JE4 8TQ

Date: 23 March 2021

Notice of Annual General Meeting
(continued)

Notes

Due to Covid-19 and the restrictions and recommendations applicable in the United Kingdom to prevent its spread, the Company has again had to make changes to the way the Annual General Meeting is to be held. Shareholders should not attempt to attend the AGM in person as no admission will be permitted. Instead, please complete and return a Form of Proxy following the instructions in this document to cast your vote.

The only people who will be permitted entry to the AGM are Michael Tobin, the Chairman of the Company, as the chairman of the meeting and a person representing a shareholder by proxy to ensure the meeting is quorate. The person attending has already been selected and any members who seek to attend the AGM will not be allowed entry. This is to enable the Company to comply with both its legal obligations under The Companies (Jersey) Law 1991 and the measures relating to Covid-19.

Shareholders are therefore requested to return and complete a Form of Proxy, either in hard copy or through CREST, appointing the chairman of the meeting as their proxy and providing instructions to vote in favour or against the resolutions. Discretionary votes are permissible, but will be cast on resolutions at the Chairman's absolute discretion. While shareholders are entitled to appoint persons other than the chairman of the meeting as their proxy, given present circumstances, such persons will not be permitted entry into the meeting and therefore will not be able to vote on your behalf.

1. As a member of the Company, you are entitled to appoint a proxy to exercise all or any of your rights to attend and (on a poll) vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

2. Under Jersey law a special resolution requires a two-thirds rather than three quarters majority of those voting at the meeting in person or by proxy to vote in favour of the resolution.

3. Pursuant to Article 40(1) of the Companies (Uncertificated Securities) (Jersey) Order 1999, the Company has specified that only those members registered on the register of members of the Company at close of business on 16 April 2021 shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the register of members after this time will be disregarded in determining the rights of any person to attend and vote at the meeting.

4. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form.

5. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, you must complete a separate proxy form for each proxy and specify against the proxy's name the number of shares over which the proxy has rights. If you are in any doubt as to the procedure to be followed for the purpose of appointing more than one proxy you must contact Link Group, the Company's registrar. If you fail to specify the number of shares to which each proxy relates, or specify a number of shares greater than that held by you on the record date, proxy appointments will be invalid.

6. If you do not indicate to your proxy how to vote on any resolution, your proxy will vote or abstain from voting at his discretion. Your proxy will vote (or abstain from voting) as he thinks fit in relation to any other matter which is put before the meeting.

7. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against a resolution.

8. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold his vote.

9. To appoint a proxy using the proxy form, it must be:

    9.1 completed and signed;

    9.2 sent or delivered to PXS 1, Link Group, Central Square, 29 Wellington Street, Leeds LS1 4DL; and

    9.3 received no later than 1.00 p.m. on 18 April 2021.

10. In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

11. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

12. In the case of joint holders of shares, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder (being the first named holder in respect of the shares in the Company's register of members) will be accepted.

Changing proxy instructions

13. To change your proxy instructions simply submit a new proxy appointment using the method set out above. Note that the cut off time for receipt of proxy appointments specified in those paragraphs also applies in relation to amended instructions. Any amended proxy appointment received after the specified cut off time will be disregarded.

14. Where you have appointed a proxy using the hard copy proxy form and would like to change the instructions using another hard copy proxy form, please contact the Company.

15. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

16. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to the Company. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

17. The revocation notice must be received by the Company no later than 1.00 p.m. on 18 April 2021.

18. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to paragraph 19 below, your proxy appointment will remain valid.

19. Appointment of a proxy does not preclude you from attending the meeting and voting in person but you should note that you are strongly discouraged from attending in person this year. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

CREST

20. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting to be held at 1.00 p.m. on 20 April 2021 and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those

Notice of Annual General Meeting
(continued)

CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.

21. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Link Registrars Limited (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

22. CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

23. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Total voting rights

24. As at 23 March 2021, the Company's issued share capital comprises 15,686,005 ordinary shares of no par value. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 23 March 2021 is 15,686,005.

Communication

25. Except as provided above, members who have general queries about the meeting should contact Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds LS1 4DL.

Explanatory Information for the Resolutions

The following explanatory information is provided by way of background to the special business of the meeting:

Authority of Directors to allot shares (Resolution 4 – ordinary resolution)

The authority given to the Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting pursuant to the Company's articles of association. The authority granted at the Company's last Annual General Meeting is due to expire at this year's Annual General Meeting.

Accordingly, Resolution 4 will be proposed as an ordinary resolution to grant new authorities to allot shares and grant rights to subscribe for, or convert any security into, shares up to a maximum of 5,225,000 ordinary shares. This represents approximately one third of the current total issued ordinary share capital of the Company, in accordance with current guidelines. This authority will expire immediately following the Annual General Meeting in 2022 or, if earlier, 18 months following the Resolution being passed.

Disapplication of pre-emption rights (Resolution 5 – special resolution)

If the Directors wish to exercise the authority under Resolution 4 and offer shares for cash, the Company's articles of association require that, unless shareholders have given specific authority for the waiver of the contractual pre-emption rights, the new shares be offered first to existing shareholders in proportion to their existing shareholdings. In certain circumstances, it may be in the best interests of the Company to allot new shares (or to grant rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings. The authority granted at the Company's last Annual General Meeting is due to expire at this year's Annual General Meeting. Accordingly, Resolution 5 would authorise the Directors to disapply the contractual pre-emption provisions.

This would provide the Directors with a degree of flexibility to act in the best interests of the Company by allotting shares for cash to persons other than pro rata to existing shareholders up to a maximum of 1,567,500 ordinary shares. This represents approximately 10% of the current total issued ordinary share capital of the Company, in accordance with market practice. This authority will expire immediately following the Annual General Meeting in 2022 or, if earlier, 18 months following the Resolution being passed.

Authority for the Company to purchase its own shares (Resolution 6 – special resolution)

The Company's articles of association and the Companies (Jersey) Law 1991 permit the purchase by the Company of its own shares subject to shareholders' prior approval being obtained.

This Resolution is to authorise the Company to buy back up to 2,349,600 ordinary shares. The authority would expire at the conclusion of the 2022 Annual General Meeting or, if earlier, 18 months following the Resolution being passed.

The Resolution specifies the maximum number of Ordinary Shares which may be purchased (representing 14.99 per cent of the Company's issued share capital) and the maximum and minimum prices at which they may be bought, reflecting the requirements of the Companies (Jersey) Law 1991.

The Board has no present intention of exercising this power and the granting of this authority should not be taken to imply that any ordinary shares will be purchased. No purchase of ordinary shares will be made unless the Board considers it to be in the best interests of all shareholders.

Action to be taken

You will find enclosed a Form of Proxy for use at the Annual General Meeting. Please complete, sign and return the enclosed form as soon as possible in accordance with the instructions printed thereon. Forms of Proxy should be returned so as to be received by Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds LS1 4DL as soon as possible and in any event no later than 48 hours before the time appointed for holding the Annual General Meeting.

Recommendation

Your Directors consider that all the Resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all the Resolutions, as they intend to do in respect of their own beneficial holdings.

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